

Annual report
and statement
of accounts
2019/20

Independent Office for Police Conduct

Annual report and statement of accounts 2019/20

Annual Report presented to Parliament pursuant to Section 11(5) of the Police Reform Act 2002

Accounts presented to Parliament pursuant to Paragraph 17 of Schedule 2 of the Police Reform Act 2002

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Section 1: Performance report

Overview

About us – who we are and what we do

As the Independent Office for Police Conduct (IOPC), we oversee the police complaints system and investigate the most serious incidents and complaints involving the police. We use learning from our work to influence changes in policing. All our work is done independently of the police, government and interest groups.

Police forces deal with the majority of complaints against police officers and police staff. Police forces must refer the most serious cases to us – whether or not someone has made a complaint.

Specialist police forces, such as the Ministry of Defence Police, Civil Nuclear Constabulary and the British Transport Police, also come under our jurisdiction. We also oversee the complaints system for certain other organisations, such as Her Majesty's Revenue and Customs (HMRC), the National Crime Agency (NCA), and the Gangmasters and Labour Abuse Authority (GLAA). We investigate certain serious complaints and conduct matters relating to staff from these organisations.

We also investigate criminal allegations against police and crime commissioners (PCCs) and their deputies and contractors working for the police.

Our mission and values

Our mission is to improve public confidence in policing by ensuring police officers are accountable for their actions and lessons are learnt. Our work in investigating complaints and death and serious injury matters can have a broader impact in identifying systemic issues. This can help inform and influence changes not only to policing, but across the criminal justice system and other sectors.

Our values, developed in consultation with our staff and external stakeholders, are:

- seeking truth
- being inclusive
- empowering people
- being tenacious
- making a difference

Our structure and leadership

Find out about how our organisation is structured and read about our senior leaders on our [website](#).

Director General's foreword

This report marks the end of our second year in which we have continued to work hard to further improve confidence in the police complaints system and policing more widely.

During the year, the final phase of legislative reforms to the police complaints system were launched. We worked with the Home Office, the National Police Chiefs' Council (NPCC), Association of Police and Crime Commissioners (APCC) and many others to ensure the smooth implementation of the reforms set out in the *Policing and Crime Act 2017*. These reforms should ensure the police complaints system is more effective and better fit for purpose.

As well as the above, we reviewed over 4,000 cases referred to us by police forces and determined how these should be investigated. We also completed more than 700 investigations during the year, with further improvements in timeliness. Only 18 of the 538 investigations carried over from the Independent Police Complaints Commission (IPCC) remained open at the end of the financial year.

However, our work is only one part of the wider system, and we continued to **work with others to improve the police complaints system** to ensure that it is as effective as it can be for all those who come into contact with it.

Our focus on **improving policing by identifying and sharing learning** saw us make 105 learning recommendations to police forces and other bodies. This has resulted in changes to policing practice in a range of areas, from police pursuits to search warrants. Our second Impact Report will be published shortly and this will further highlight some of the improvements we have made across policing. Learning continues to be an important area of focus for us as we move forward.

Critical to our work is **improving confidence in police accountability**. During the year, public awareness of the IOPC increased significantly, and our policing stakeholders told us we were making good progress. Our Youth Panel, now in its second year, helped us better understand how we can improve young people's confidence in the police complaints system, and they shared their feedback with a range of stakeholders. Research showed that there has been an 18% increase in young people who are confident that complaints are dealt with fairly by the police.

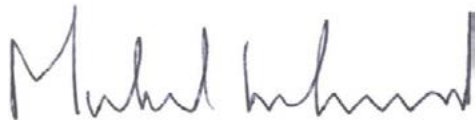
Importantly, there was a 16% increase in the number of people from a Black, Asian and minority ethnic (BAME) background who said they are aware of the IOPC. However, we recognise we still have more work to do to both further increase awareness but also to continue to raise confidence.

We remain firmly focused on being an **efficient and effective organisation**, driven by strong governance and financial management. Attracting and developing people with the right expertise and experience to meet our evolving needs are integral to achieving our purpose and our strategic aims.

During the year our staff engagement score increased from 59% to 65%. 21 of the 30 categories within the staff survey showed statistically significant improvements with many areas now in the high performing category. While we are far from complacent, it is encouraging to see such strong staff engagement in a relatively new organisation.

It has been a successful year for the IOPC. I would like to thank our non-executive directors for their support and constructive challenge, and my management team and staff for their hard work, commitment and dedication.

We look forward to continuing to work with our stakeholders and the wider community to ensure that public confidence in policing is further strengthened.

A handwritten signature in black ink, appearing to read 'Michael Lockwood', written in a cursive style.

Michael Lockwood
Director General

Key issues and risks

Our work is organised into four priorities:

- to work with others to improve the police complaints system
- to improve policing by identifying and sharing learning
- to improve confidence in police accountability
- to be an efficient and effective organisation

We identify significant strategic risks that could prevent us achieving these priorities, assess these and manage them through mitigation and risk-reduction activities. We present regular updates on the strategic risks to both our Audit and Risk Assurance Committee (ARAC) and our Unitary Board.

Lower-level risks are managed within directorates, programmes and projects as appropriate. An escalation and de-escalation process is in place to ensure that risks are managed at the correct level.

Our governance statement (see page 61) details the major risks we faced in 2019/20 and explains the mitigation measures we put in place. These risks included:

- the introduction of legislative change
- compliance with the General Data Protection Regulation (GDPR)
- the risk of ineffective information assurance processes
- the risk that we will not be able to deliver our strategy if our funding is significantly reduced following a Comprehensive Spending Review
- the planned benefits not being realised after moving from a single supplier outsourced ICT arrangement to one that uses multiple suppliers and IOPC employees

Summary of our performance during 2019/20

We published our first three-year IOPC Strategic Plan in November 2018. Each year we produce a Business Plan which sets out what we intend to deliver and the impact we hope to have annually in implementing our strategic plan. This performance report reflects our delivery of that annual business plan. This section gives an overview of our performance against our priorities during the year under review.

| What we aimed to do | 2018/19 actual | 2019/20 target | 2019/20 actual |
|--|----------------|----------------|----------------|
| To work with others to improve the police complaints system | | | |
| Decide the mode of investigation on cases referred within 3 working days | 83% | 80% | 82% |
| Complete investigations within 12 months | 79% | 80% | 79% |
| Review death or serious injury investigation reports within 30 working days of receipt | N/A | 75% | 45% |
| Decide appeals against a police force investigation or local resolution of a complaint within 35 working days | 63% | 65% | 63% |
| Decide non-recording and other appeal types within 25 working days | 77% | 80% | 58% |
| To improve policing by identifying and sharing learning from our work* | | | |
| Stakeholders who agreed that our <i>Learning the Lessons</i> magazine is a helpful tool to drive change in police policy | 80% | 95% | 91% |
| To improve confidence in police accountability | | | |
| Young people who are confident that the police deal with complaints | 41% | N/A | 52% |
| Members of public from a BAME background who are aware of the IOPC | 32% | N/A | 48% |
| To be an effective and efficient organisation | | | |
| Overall staff engagement score from our annual survey | 59% | 63% | 65% |
| Investigators achieving accreditation within 24 months | 48% | 70% | 82% |
| Staff turnover | 9.35% | 8-10% | 5.77% |
| Staff sickness absence rate | 3.02% | <3.0% | 2.8% |

*We also committed to publish an annual impact report providing evidence of the difference we have made in improving policing and the police complaints system. We published our first [Impact Report](#) in August 2019 and are working to publish our 2019/20 report in August 2020.

Performance analysis

We published our Strategic Plan 2018-22 in November 2018 and each year publish an annual business plan. The following section describes our progress against each of the priorities set out in our 2019/20 Business Plan.

Priority: to work with others to improve the police complaints system

WHAT WE WILL DO

We will work to improve all parts of the complaints system – both our own work and that carried out by others.

WHAT WE HOPE TO ACHIEVE

The police complaints system delivers impartial, fair and evidence-based outcomes in a timely way.

HOW WE WILL MEASURE OUR PROGRESS

We will aim to:

- complete 80% of investigations within 12 months
- decide on 80% of cases referred to us within three working days
- review 75% of locally investigated death or serious injury cases within 30 working days
- decide 65% of appeals against a police force investigation or local resolution of a complaint within 35 working days
- decide 80% of appeals against a police force decision not to record a complaint within 25 working days

We will monitor and respond to:

- the proportion of appeals we uphold when members of the public are unhappy with how police forces have handled their complaint
- the proportion of policing stakeholders who believe the IOPC has an impact on improving the way the police deal with complaints

To have confidence in the police service, the public must have trust in the police complaints system. When complaints are made, people should be assured that they will be dealt with robustly and fairly. It must also be understood that serious incidents and complaints about the conduct of police officers will be investigated impartially, that officers will be held to account for poor conduct, and that the police service will learn and improve.

As the complaints system balances individual accountability for conduct with identification and addressing systemic issues, our work focuses on the issues that are of concern to the public and the police. We work with stakeholders to agree thematic areas of focus where our investigations can add most value.

As we oversee and set standards for the police complaints system it is important to review and continuously improve not just our own work, but also how the police service handles the complaints it receives from the public. Those who wish to access the complaints system must be able to do so without fearing adverse consequences.

The system must deliver impartial, fair and evidence-based outcomes for both complainants and those subject to complaints. This is equally important across all parts of the complaints system whether it is an independent investigation into a death in custody or a complaint about the police service handled by the local force. We know that all those involved in complaints and investigations want impartial, fair and evidenced-based decisions. They also rightly expect matters to be dealt with in a timely way.

While we work as hard as we can to influence this, timeliness of criminal and misconduct proceedings, inquests and the time taken to organise hearings are outside our control. This impacts on the end-to-end timeliness of cases, as processes that follow our investigations can add considerable time to their conclusion. We need to increase momentum for change not just within the IOPC, but across the entire system.

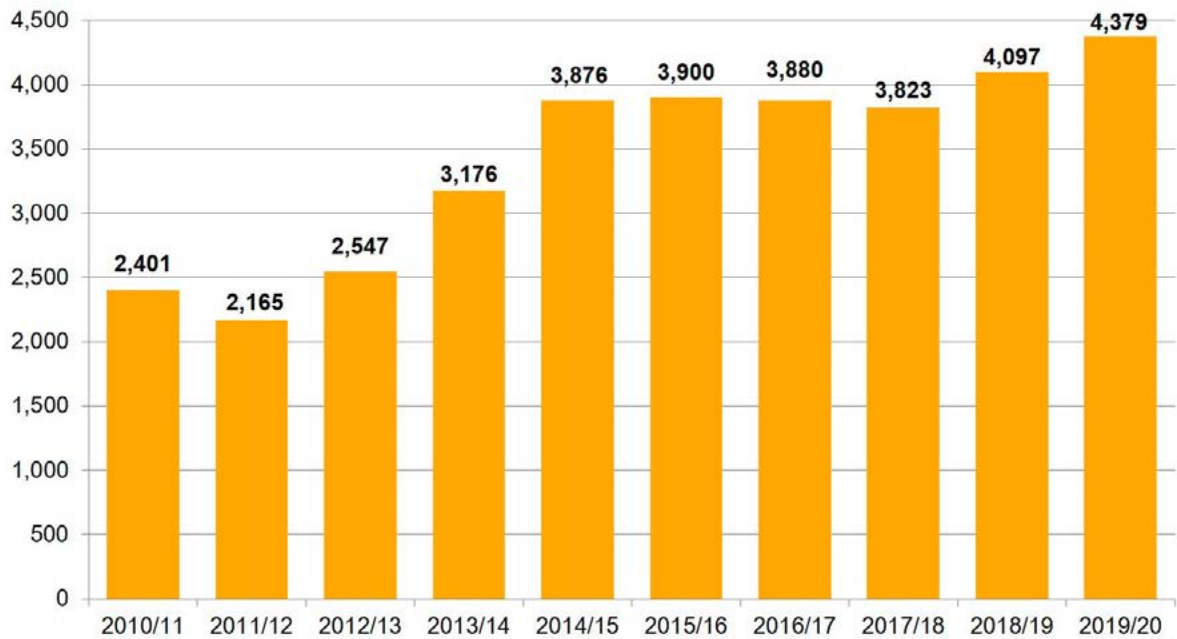
Our work in 2019/20

Operational work

We continued work to independently investigate the most serious incidents involving the police, including those where Article 2 of the European Convention on Human Rights may be engaged.

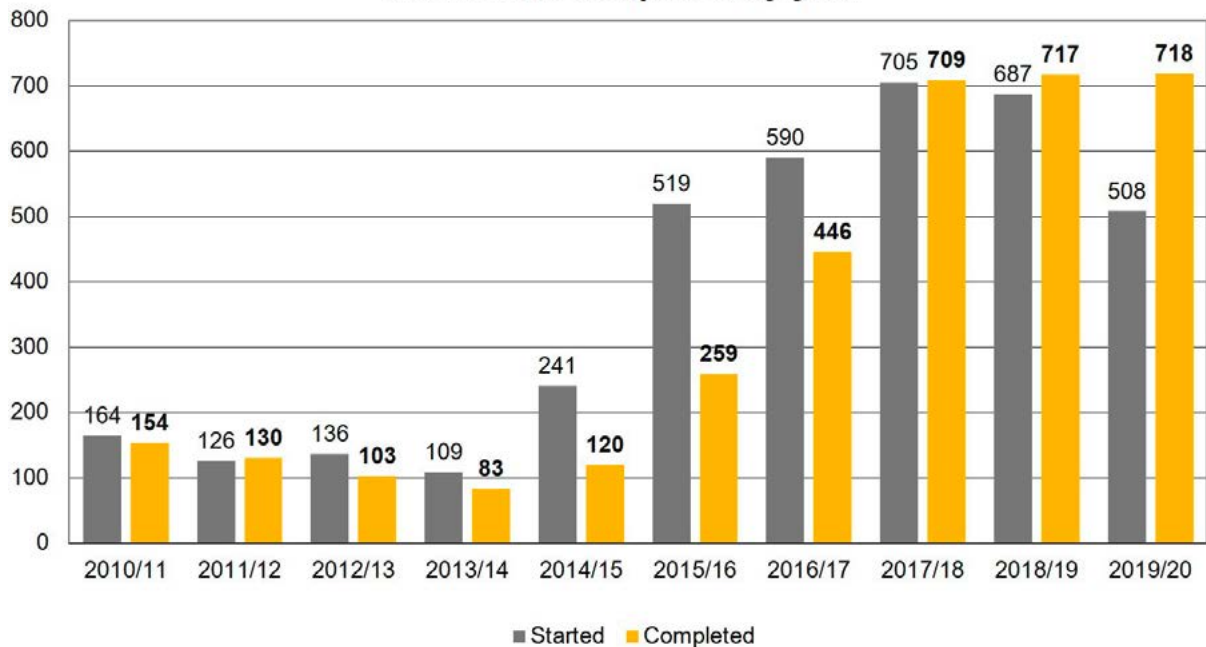
We reviewed over 4,000 cases referred to us by police forces and determined how these should be investigated.

Referrals received from police forces by year



During the year we completed more than 700 independent investigations.

Number of independent investigations started and completed by year

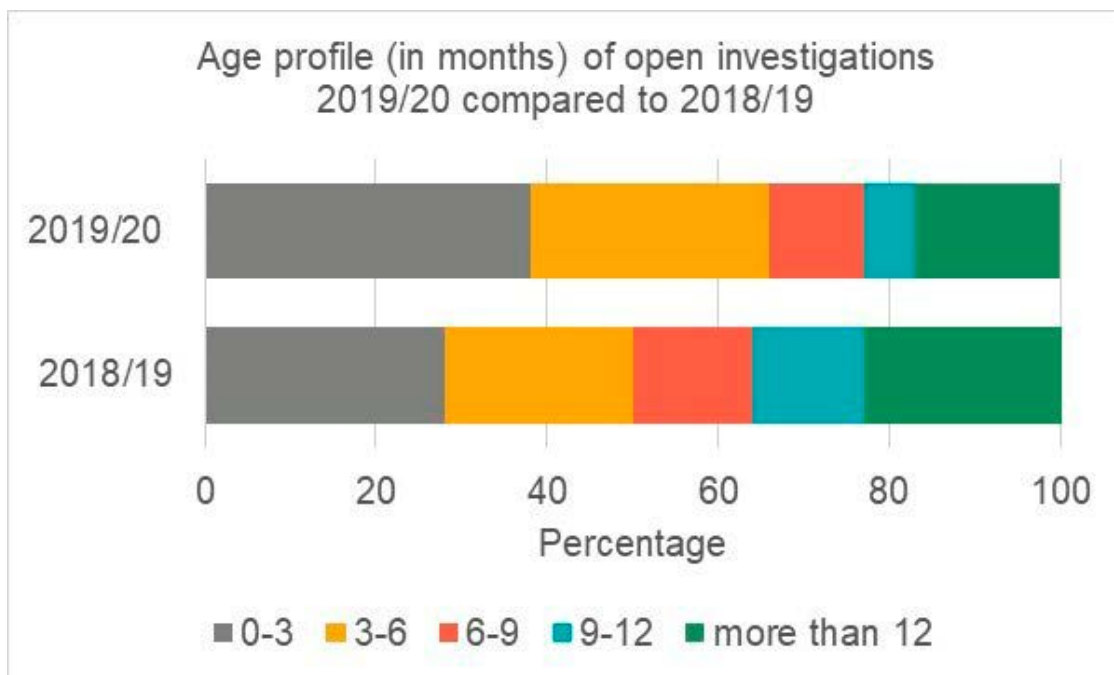


We focused on closing older, longstanding cases and reducing the age of our open caseload. We started the year with an open caseload of 548 investigations and the average age of these cases was more than ten months. Ninety-three had been started before we became the IOPC in January 2018.

By the end of year, we reduced the open caseload to 327 investigations and the average age to less than nine months. Only 18 of the investigations carried over from the IPCC remained open at the end of 2019/20.

Age of open caseload

The age profile of our open caseload had also changed, and we carry a younger caseload into 2020/21. By the end of 2019/20, two thirds of the open caseload were less than six months old; an increase from the 50% last year. In contrast, the proportion of cases open for longer than 12 months decreased from 24% at the end of 2018/19 to 17%.



In 2019/20 we started 508 investigations compared to 687 in 2018/19. The decrease was as anticipated as we moved away from a target driven investigation start rate to a phased implementation of thematic case selection.

We continue to investigate serious and sensitive cases that fall outside of these thematic areas, however through the thematic cases we take on we are able to focus on areas of concern to both police and the public.

In selecting these cases we consider if there are opportunities for learning, any force-specific concerns, or if there is potential for good practice to be identified. We now have four thematic areas on which to focus our investigations and learning; mental health, road traffic incidents, domestic abuse, and abuse of position for sexual purpose. Two more thematic areas, discrimination and near misses in custody, are due to be launched next year.

In 2019/20, one in four investigations we started fell within one of these thematic areas. As we carry out more independent investigations around thematic areas we will be able to look at wider patterns and identify any additional learning.

Investigations were provided with expert support including intelligence and survivor liaison expertise, as well as support from our subject matter networks.

Work continued to deliver investigations of national significance, including our investigation into police actions in the aftermath of the Hillsborough disaster and Operation Linden, looking at police actions following non-recent allegations of child sexual abuse in Rotherham.

The Hillsborough investigation

Our Hillsborough investigation began in October 2012 and has two elements. The first is oversight of a Home Office-led police investigation into the causes of the disaster and the police response in the immediate aftermath of the incident, which resulted in the deaths of 96 people. The second aspect is an independent IOPC investigation into police actions following the disaster and whether there was an attempt to deflect blame from South Yorkshire Police (SYP).

On Wednesday 3 April 2019, following a criminal trial at Preston Crown Court, a jury was unable to reach a unanimous or majority verdict for the charge of manslaughter by gross negligence against the match commander on the day, former Chief Superintendent David Duckenfield.

The Crown Prosecution Service (CPS) sought, and was granted, a retrial for David Duckenfield, which started on the 7 October 2019 and concluded on the 28 November 2019. The jury found Chief Superintendent Duckenfield not guilty of the offences charged.

The trial relating to our investigation into the actions of SYP following the disaster was due to commence on 20 April 2020. Former SYP solicitor Peter Metcalf, former Chief Superintendent Donald Denton, and former Detective Chief Inspector Alan Foster are all charged with perverting the course of justice. This trial has now been adjourned until 13 January 2021.

When all the criminal trials have concluded we will publish a report on all Hillsborough-related criminal and misconduct investigations. It will include all criminal elements and about 150 individual investigations, helping to answer many remaining questions about the actions police took before, during and after the disaster.

The report will only be published once all criminal justice proceedings have concluded and all of our complaint procedures are completed.

Operation Linden – Rotherham child sexual abuse

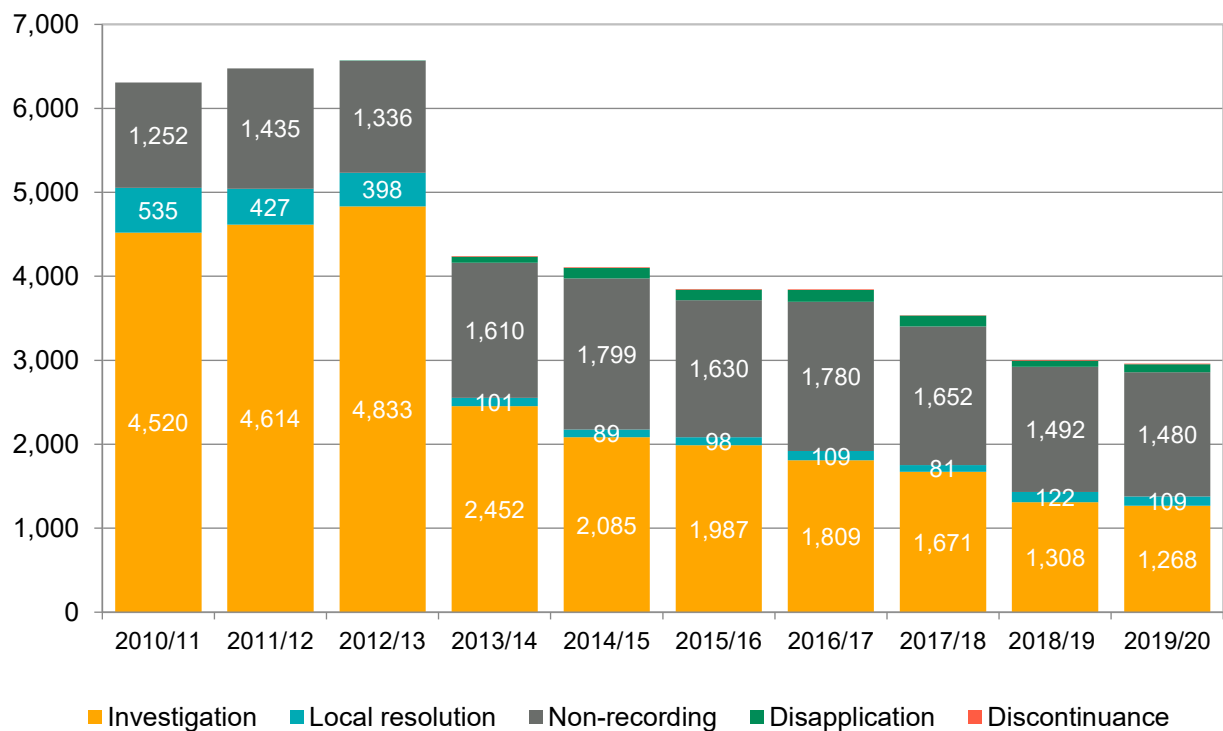
Operation Linden is investigating South Yorkshire Police’s response to historical reports of child sexual abuse in Rotherham. By the end of March 2020 over 90% of the investigations that make up Operation Linden were completed.

The evidence being compiled and reviewed dates back as far as the early 1990s. So far we have reviewed 21,661 items of material, logged 1,401 exhibits and processed 938 statements.

We have maintained a ‘survivor first’ approach throughout our work and continue to update those directly affected by our investigations. Next year we will produce and publish an overarching public report which will bring together all the findings, outcomes and learning from our investigation. The report will be available on our website.

During the year, we considered just under 3,000 appeals from members of the public unhappy with the way the police have handled their complaint.

Appeals made to the IOPC by year and appeal type



Operational improvement

During the year we focused on redesigning our processes for delivering investigations and appeals, focusing on reducing delays and ensuring the quality and consistency of decision-making.

Improving timeliness

We fell slightly short of our investigations target of 80% (79% actual) over 12 months. Actions we have taken to improve timeliness of investigations include:

- introducing a new streamlined investigation process for lower-risk cases. This has helped to reduce the average time it takes to complete our investigations
- working more collaboratively with police Professional Standards Departments (PSD) to reduce delays and increase efficiency. Through this work, we have identified several opportunities to standardise and improve our processes and communication channels
- engaging extensively with the Police Federation and other staff associations, to develop a respectful relationship and greater co-operation. We now engage regularly with Federation leaders and local conduct leads. We have held regular discussion sessions and committed to specific actions in response to the concerns raised. As a result, we are seeing the benefits of improved relationships, including more examples of co-operation with our investigations and facilitation of earlier statements and interviews

We have already worked with others to identify improvements across the system. To date we have:

- proposed to the Ministerial Board on Deaths in Custody ways to improve timeliness across the end-to-end processes when someone dies during or following police contact. Our proposals served as a starting point, with the Home Office arranging workshops involving attendees from the NPCC, CPS, Chief Coroner and others, to progress our ideas
- raised with NPCC leads for Professional Standards the need for improvements in scheduling misconduct processes
- developed more effective ways of working with the CPS, focusing on early advice and effective handover of cases to support more timely decision-making
- developed an MOU (memorandum of understanding) with the Chief Coroner to ensure a better understanding of our respective responsibilities and proposals for a more efficient way of working
- made changes to our communications to better reflect the various processes that impact on overall timeliness so that stakeholders better understand the causes of delay

Improvements from this work are happening, but we need to increase the momentum, not just within the IOPC, but across the entire system.

We have begun an ambitious programme to redesign the operational processes we inherited, to improve both the timeliness and quality of what we deliver. This will result in a new way of working, one which is more dynamic in investigative approach – being more proportionate to the circumstances and making better use of evidential opportunities, such as the increasing availability of body-worn video.

The new design will be staff-led and informed by best practice from similar organisations. It will also have input from our stakeholders, including those directly affected by our work, so they are confident in those changes.

To improve the quality and consistency of our work, we created Subject Matter Networks (SMNs) in key thematic areas¹. These are networks of experts from across our organisation with technical expertise. Members have protected time to provide advice and guidance to investigators and positively influence our operational work.

Our SMNs work with external specialists to build links with experts and ensure our work is informed by the latest thinking, practice and guidance in these areas. These networks are now well established and have helped build expertise internally and credibility externally.

Work progressed to define quality standards for all our work, informed by the feedback we have gathered from the experiences of our service users. Minimum standards of investigations and a quality assurance framework for investigations are planned for rollout in summer 2020.

Other work to improve the quality of our work included establishing a multi-disciplinary Critical Case Panel, chaired by the Director General, which oversees particularly complex or high-risk cases. This panel ensures cross-organisational support and assurance that work is properly resourced and that risks are identified and mitigated. The model is replicated in all our regional offices.

We are developing proposals for a new Quality Committee in 2020/21, which we intend will have an independent Chair. We have redefined our quality standards for investigations. These will be launched in 2020/21 and have been informed by the requirements of the statutory scheme and guidance, our service user standards and learning from previous quality reviews. They will set minimum standards for all our

¹ SMNs were created in the following areas: discrimination, mental health, domestic abuse, abuse of position for a sexual purpose, deaths in custody, use of force and roads policing. In addition, we have added practitioner groups on disclosure, digital investigations and interviewing.

investigations and help identify when an investigation is at risk of not meeting those standards so swift action can be taken.

Throughout the year we also continued to further improve our Operations Manual so that it reflects our quality standards and provides guidance to operational staff on best practice.

Oversight of the police complaints system

Our oversight work saw us continue to work closely with police forces to drive up standards in complaints handling in accordance with the *Police Reform Act 2002*, working closely with forces' PSDs and monitoring their performance in dealing with complaints and referrals.

We worked with organisations such as the College of Policing (CoP) and Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) to share learning and co-operate on key areas and themes emerging from our work. We meet quarterly to discuss significant projects and business planning for areas of mutual interest.

During the year we worked extensively with police officer and staff associations, Federation leaders and local conduct leads. This has resulted in greater co-operation, and facilitation of earlier statements and interviews. We also worked collaboratively with police PSDs to reduce delays and increase efficiency.

In 2020/21 work will continue to develop our mutual oversight roles so we can promote consistency, effective practices and share learning across the police complaints system.

We continued to engage with our network of non-statutory advocacy organisations that represent and support people with the least confidence in the police complaints system. We improved the way we collected and responded to feedback from our service users, using this to help shape and influence the services we deliver.

A significant focus of our work this year was supporting the implementation of major Government reforms to the police complaints system in England and Wales. We worked closely with the Home Office, the NPCC, the APCC, staff associations and others to deliver a more efficient system for dealing with police misconduct and making the investigation process simpler and quicker.

These reforms came into effect on 1 February 2020 and aim to make the discipline system more proportionate, with a greater emphasis on learning from mistakes. They also include a requirement to provide an explanation where investigations take longer than 12 months.

The legislative reforms include:

- reasonable and proportionate handling of complaints with greater flexibility in the way they are dealt with, and a stronger focus on service to complainants. Complaint handlers have more options open to them to resolve a complaint and must consider what is reasonable and proportionate in each individual case
- new powers for the IOPC to investigate without referral, all misconduct allegations against chief officers, and to present our own cases at police misconduct hearings
- focusing the formal discipline system on breaches of professional standards that would result in formal disciplinary action, enabling police line managers to concentrate on improving individual learning and behaviours in response to lower-level conduct matters – based on a new reflective practice review process

We produced practical guidance, such as our publication *Focus*, and shared best practice through our regular oversight bulletin to support police forces in applying our Statutory Guidance and improving standards. We also took actions to promote access and simplify the police complaints and disciplinary system and provide guidance to practitioners.

This work included:

- hosting a series of successful launch events for PCC and police staff to bring them up to speed with the legislative changes
- with members of our leading External Stakeholder Reference Group (ESRG), leading workshops on complaints categories and data requirements for staff from force PSDs, Local Policing Bodies (LPBs), the APCC, the CoP and HMICFRS
- supporting NPCC-led complaints and misconduct working groups before changes were introduced to consider practical and cultural changes needed to successfully run the new system successfully
- liaising with PSDs and LPBs to understand key areas where support was needed
- helping LPBs prepare for enhanced responsibilities in complaints handling and reviews, which will see LPBs carry out oversight of their force's complaints handling, while we maintain a national oversight role
- publishing updated Statutory Guidance on the police complaints system on our website
- publishing a series of our magazine, *Focus*, covering different aspects of the reforms for PSDs, giving practical guidance and examples of how to deal with complaints, conduct matters, and death or serious injury cases
- producing information for the public on changes to the police complaints and disciplinary systems including videos, posters, and leaflets

We are currently considering opportunities to work effectively with stakeholders during 2020/21 to learn about and share effective practices and identify areas where external complaints and reviews handlers need further support.

In October 2019, we published our [annual police complaints statistics report for England and Wales](#). We include a number of indicators throughout the report. These are a useful tool to judge objectively how well complaints are being handled and forces can use them to consider how to improve the way they handle complaints. Together the data provides a picture of how the police complaints system is performing. We also published quarterly performance data for all police forces in England and Wales on our website.

Information management

During the year we developed and launched a new information management strategy, which describes how we hope to improve the complaints system by making better use of our data, information and knowledge.

We are working to improve our systems and processes for disclosure of information to support disciplinary, coronial and criminal proceedings. Our aim is to introduce an effective, standardised process across the IOPC on handling disclosure.

Work also began to develop a replacement case management system and to overhaul our data collection, storage and reporting capabilities so that we can make better use of the information we hold to drive improvements in our own work as well as improvements to policing as a result of the learning from our work.

Assessing our performance against this priority

In 2019/20 we aimed to:

> complete 80% of investigations within 12 months

By the end of 2019/20 we completed 79% of our investigations within 12 months against our target of 80% and equalling the 79% we achieved in 2018/19. Excluding our most complex cases managed by our Directorate of Major Investigations (DMI), we completed 83% of independent investigations within 12 months.

We completed 718 investigations in 2019/20, 153 of which took longer than 12 months. These investigations included 38 of our most complex cases, managed by our DMI, and 35 investigations started before we became the IOPC.

Overall, the average time taken to complete the 153 investigations was just over two years (27 months). However, this average is skewed by our major investigations as the majority of those cases took more than two years to complete. Excluding our major investigations, the average time was less than two years at 20 months with the length of the investigations ranging from 13 months to almost five years.

> decide on 80% of cases referred to us within 3 working days

We received 4,379 referrals from appropriate authorities in 2019/20 – a 7% increase on 2018/19. Despite this increase, we achieved our three working day target for 82% of referrals, a decrease from last year's performance of 83%.

> review 75% of locally investigated death or serious injury cases within 30 working days

In 2019/20 we reviewed 1,133 police force investigation reports following their investigation into a death or serious injury.

Having all relevant supporting investigative documentation is essential for us to be able to effectively scrutinise the death or serious injury investigation and ensure that the investigation report is supported by, and is a reflection of, the available evidence. This in turn means that we are making determinations when fully cognisant of all the supporting material.

Delays in receiving this information can impact on the time we take to complete the review. We work closely with PSDs to receive timely and fulsome background papers for cases and have an escalation process when there are delays. Where we experience numerous delays with specific police forces, this information is provided to our oversight team, which is responsible for progressing thematic issues with individual police forces.

We started the year with several aged cases, which impacted on our performance during the first half of 2019/20 – only 22% of the reviews completed between April and September were completed within 30 working days. We put in place performance improvement plans, including forecasting and evaluating resourcing requirements, and saw performance improve throughout the remainder of the year.

By the end of 2019/20, 45% of reviews had been completed within 30 working days.

Since we are only able to start a review when all supporting material has been received from the relevant police force, the way we measure our performance in 2020/21 will change.

> decide 65% of appeals against a police force investigation or local resolution of a complaint within 35 working days

The number of appeals against a police force investigation or local resolution of a complaint continued to decrease. We received 1,377 appeals – a 4% decrease from 2018/19.

We completed 1,421² appeals against a police force investigation or local resolution of a complaint. We achieved completion of 63% within 35 working days against a target of 65%. 81% of the 1,421 appeals we completed were decided within 50 working days (ten weeks) and 93% within 70 working days (14 weeks).

The average time taken to complete investigation and local resolution appeals was 38 working days – one working day more than our average time in 2018/19.

By the end of 2019/20, our open appeals caseload had reduced from 196 at the start of the year to 152.

> decide 80% of appeals against a police force decision not to record a complaint within 25 working days

In 2019/20, we received 1,584 appeals against a police force decision not to record a complaint compared to 1,571 appeals received in 2018/19. During the first six months of the year the number of appeals we received increased by 23% on the same period last year, which impacted on our overall performance. We put in place performance improvement plans and by the end of 2019/20 we had processed 58% of the 1,699 appeals completed within 25 working days.

We completed more appeals than we received in 2019/20, reducing our open appeals caseload by almost half to 116 appeals.

We said we would monitor and respond to:

> the proportion of upheld appeals that we uphold when members of the public are unhappy with how police forces have handled their complaint

A reduction in upheld appeals can be an indication that complaints handling is improving. Thirty-four per cent of the investigation appeals we decided were upheld in 2019/20 compared to 37% the year before.

Forty per cent of appeals against a police force decision not to record a complaint were upheld in 2019/20, an increase on last year's upholding rate of 36%.

² Not all appeals are completed in the same year they were received. Appeals completed in 2019/20 includes appeals received before 1 April 2019.

Of 551³ appeals against a police force decision not to record a complaint:

- 48% (263) were upheld because the appropriate authority had failed to make a recording decision
- 3% (17) were upheld because the police force that received the complaint failed to pass it on to the correct appropriate authority
- 56% (309) were upheld because the recording decision was incorrect

The *Policing and Crime Act 2017* introduced a number of reforms to the police complaints system. These reforms were implemented from 1 February 2020 and included the introduction of a single right to review that looks at whether the outcome of the complaint was reasonable and proportionate. This right to review replaced various appeal rights.

> the proportion of policing stakeholders who believe the IOPC has an impact on improving the way the police deal with complaints

Figures from our 2019 stakeholder survey showed that 37% of policing stakeholders; 62% of police accountability framework stakeholders; and 42% of non-police stakeholders believe the IOPC has an impact on improving the way the police deal with complaints.

³ The IOPC considers appeals about the handling of complaints on various grounds and can uphold an appeal on one or more of these grounds. This means that the sum of appeals upheld on each ground will not equal the number of appeals upheld by the IOPC in 2019/20.

Priority: to improve policing by identifying and sharing learning from our work

WHAT WE WILL DO

We will focus our work on areas of concern to both the public and police and work with partners to share our learning to improve policing and protect the public from harm.

WHAT WE HOPE TO ACHIEVE

Our recommendations lead to improvements in policing and prevent harm to the public.

HOW WE WILL MEASURE OUR PROGRESS

We will aim to:

- publish an annual impact report providing evidence of the difference we have made in improving policing and the police complaints system
- increase to 95% the proportion of stakeholders who agree that our Learning the Lessons magazine is a helpful tool to drive change in police policy

We will monitor and respond to:

- the proportion of learning recommendations that are accepted by police forces
- the proportion of stakeholders that think the IOPC is effective in raising standards in police forces
- the proportion of stakeholders that think the IOPC is effective at ensuring police forces learn from complaints

Complaints from the public and the serious incidents we investigate offer opportunities to understand how policing can be improved to prevent these issues happening again.

We are committed to continuous improvement and aim to ensure we improve policing by identifying and sharing learning from our work with police forces and other working in criminal justice system. We focus our work on thematic areas that concern the public and the police service, and work with others to share our learning to improve policing and protect the public from harm.

Changes made as a result of this learning ultimately improve the police service for everyone and protect the public from harm. We must lead the way in ensuring the system has a greater focus on learning by developing our approach to investigations to better identify learning opportunities, making our learning recommendations more robust and ensuring our work leads to real improvements in policing. Making system-

wide improvements will only be possible through working with all those that play a role in it. We work closely with others such as HMICFRS, the CoP and PCCs, to develop shared priorities, share learning across our work and develop collaborative work programmes to promote improvements.

Our work in 2019/20

Gathering learning

We [published our 2018-22 Learning strategy](#) outlining how we aim to improve policing by identifying and sharing learning from our work by focusing on gathering, prioritising, sharing and implementing learning.

Work started on defining the scope of research into near misses in police custody⁴. This work will focus on identifying and sharing good practice.

We also [published statistics on deaths](#) during or following police contact in England and Wales, providing an opportunity to consider trends and learning from these incidents. The 2018/19 report provides official statistics of deaths following police contact, their circumstances and underlying factors, highlighting the number of fatalities across the different categories since 2008/09. The report highlighted mental health and links to drugs or alcohol were again common factors among many of those who died.

Prioritising learning

Making recommendations during the course of our investigations and casework is one way we help to improve policing practice and improve public confidence in policing both locally and nationally.

In total we made 105 learning recommendations. This includes 77 recommendations made under paragraph 28A of Schedule 3 of the *Police Reform Act 2002* and another 28 recommendations made to forces. Our 2019/20 Impact Report includes more information about the recommendations and the difference they made.

[Anonymised investigation summaries](#), published on our website, also provide details about investigations, the evidence gathered, outcomes for the officers and staff

⁴ An incident where an event or an omission does not develop further to cause actual harm – but did have the realistic potential to do so. This could include attempted suicide or self-harm by the detained person. It could relate to the consumption of drugs or alcohol, or involve a situation where a detained person had a pre-existing medical condition, known or unknown, to custody staff.

involved, and details of any learning identified. These help to increase public confidence by showing we are transparent about what we investigate and about the outcomes of our investigations.

During the year we also:

- set up an external working group of representatives from police forces and bodies working nationally to support work to improve learning recommendations
- began benchmarking how other policing and oversight bodies deal with learning recommendations from their work
- set up internal recommendations champions and an Operational Practitioner Group (OPG) to improve the way we make recommendations
- delivered new guidance and training to staff to help them identify, develop and make better recommendations
- developed internal systems to make it easier for staff to record learning and spot patterns and took other action to help improve data quality

We reviewed and redesigned our approach to making learning recommendations, to make sure they are effective, targeted and timely. This included work to improve the capture the outcomes of our cases. Our current systems mean this has to be done manually. We launched new guidance, training and a re-designed Organisational Learning Recommendation Tracker (OLRT) to make it easier to record and search for learning recommendations.

We built expertise through our SMNs to ensure we better understand the context in which the police work and maintain the credibility and authority of our learning recommendations. More detail on this will be included in our 2019/20 Impact Report.

Sharing learning

In 2019, we published our first annual impact report to demonstrate the difference our work has made by improving policing and the police complaints system. We will publish this again in summer 2020.

We also worked with partners to promote *Learning the Lessons* magazines and worked with partners to promote the publication as a valuable resource for frontline police officers and police staff.

Around 1,000 people receive the magazine and there are over 5,000 downloads of the magazine from our website during the year.

The custody issue published July 2019 featured learning on communication, detainee welfare, equipment, and checks and rousing. There were 2,009 unique downloads of this issue from our website.

The December 2019 issue on missing people included learning on recording someone as missing, responding to concern for welfare calls, delays in the police response, searching, and people's lived experience and progressing investigations. Contributors included the NPCC and the charity Missing People. The magazine was promoted to around 400 delegates attending the National Missing Persons Conference. There were 1,335 unique downloads of this issue from our website.

Our January 2020 issue focused on young people and was guest-edited by members of our [Youth Panel](#). They shared their experiences of contact with the police, including hints and tips for officers on interactions with young people. Contributors included the NPCC, the Prisons Advice and Care Trust (PACT) and the National Appropriate Adult Network. The magazine was launched at the NPCC's Child Centred Policing Conference in London in January 2020. This issue was downloaded from our website 1,410 times.

The magazine was also promoted at events including the Police Superintendents Association Annual Conference (September 2019) and the Open University Centre for Policing Research and Learning Conference (October 2019).

Thirty-two new people joined our *Learning the Lessons* development panel in 2019/20. The panel helps shape and guide content. We now have a total 82 active panel members who provide advice and guidance on content.

Reader feedback on different issues during the year found:

- 75% of respondents said they would think differently about how they treat people brought into custody
- 86% of respondents said they would think differently about how they communicate with people brought into custody
- 75% of respondents said they would think differently about how they handle missing persons investigations
- 77% of respondents said they would think differently about how they communicate with people whose friends, family or loved ones who are missing
- 88% of respondents said they would think differently about how they interact with young people they encounter in the course of their work

Learning from the magazine was also used by readers to make custody first aid training more relevant, to keep a Missing Persons Unit better informed, and to share

learning and identify any improvements to local policy, guidance, systems and training.

Discussions are ongoing with representatives from the CoP and HCMIFRS to develop a single platform enabling practitioners to easily access relevant learning and good practice.

Examples of how learning improves policing practice

Our investigations help to identify key learning to improve policing practice, both locally and nationally. As an example, our learning recommendations this year changed national policing practice on tactical pursuits, stalking and search warrants.

Following five investigations which involved the police using tactical contact against two-wheeled vehicles, we identified risks to the police, riders and the public because of a gap in national policing guidance around the use of this tactic. Following our recommendations, national guidance was updated by the NPCC and the CoP to help police officers use tactical contact more safely by better supporting officers to assess the situation and risks posed.

A national recommendation to police officers not to hand out fixed penalty notices in stalking and harassment cases was issued to chief constables of all forces in England and Wales by the NPCC. This followed a woman's killing by her ex-boyfriend after he spent months stalking and harassing her. Our investigation also made 16 recommendations to the force involved, advising it to properly train staff, improve risk assessments, improve the recording of information and improve identification of stalking victims and perpetrators on forces systems. Since implementing these changes, the force has seen a significant increase in the number of stalking crimes identified and recorded, leading to an increase in arrests for such offences.

Operation Kentia investigated police conduct around applications for search warrants made by the Metropolitan Police Service (MPS) as part of Operation Midland, which focused on the investigation of several high-profile citizens over allegations of historic child sexual abuse and homicide. Our investigation made 16 recommendations to improve policing practice, which will result in national changes to the application and checking of search warrants, as well as significant changes to policy and practices within the MPS. This has resulted in better training for police officers to encourage a greater understanding of the use of search powers and warrants, with improvements in training both nationally and by the MPS.

Assessing our performance against this priority

In 2019/20 we aimed to:

> publish an annual impact report providing evidence of the difference we have made in improving policing and the police complaints system

We published our first [Impact Report](#) in August 2019, outlining how our work makes a difference and improves public confidence in policing. The report includes many examples of how we use the learning from our work to influence changes in policing, ensure accountability and support best practice.

> increase to 95% the proportion of stakeholders who agree that our *Learning the Lessons* magazine is a helpful tool to drive change in police policy

In 2019/20 we published three editions of our *Learning the Lessons* magazine focusing on custody, missing people and young people. After each edition we invite readers to complete a feedback survey. This feedback showed that, on average, 91% of respondents agree that the magazine is a helpful tool to drive change in police policy. This is marginally below the 95% we aimed to achieve, but an increase on the 80% achieved in 2018/19.⁵

We said we would monitor and respond to:

> the proportion of learning recommendations that are accepted by police forces

We made 77 learning recommendations to police forces under paragraph 28A of Schedule 3 of the *Police Reform Act 2002*. Fifteen of these targeted national organisations like the NPCC and the CoP. A further 28 recommendations were made to forces outside of 28A provisions.

Where recommendations were issued under paragraph 28A of Schedule 3 of the *Police Reform Act 2002* we publish details of the action the recipient is taking in response to the recommendations on our website.

Our 2019/20 Impact Report includes more information about the recommendations and the difference they made.

⁵ These figures represent an average over the year. The figure of 91% is the percentage of respondents responding to this particular survey question (107 out of 118 people).

> the proportion of stakeholders that think the IOPC is effective in raising standards in police forces

Stakeholders who participated in our 2019 stakeholder research who thought that the IOPC was effective in raising standards in police forces:

- 39% of police stakeholders⁶
- 62% of police accountability stakeholders
- 39% of non-police stakeholders

Stakeholders have been encouraged by the increased and continued emphasis we are putting on learning outcomes to raise standards in police forces and there is a sense that, as this becomes more embedded, standards will be raised further.

According to our stakeholders our efforts are most likely to be felt in the longer term and this is just the beginning.

“It’s shifting away from an organisation that is primarily there to act as a police force investigating the police to more of a supportive body to help the police learn from the mistakes that they make.” - Policing stakeholder

We said we would monitor and respond to:

> the proportion of stakeholders that think the IOPC is effective at ensuring police forces learn from complaints

Stakeholders who participated in the 2019 stakeholder research who thought the IOPC is effective at ensuring police forces learn from complaints:

- 51% of police stakeholders
- 58% of police accountability stakeholders
- 42% of non-police stakeholders

This shift to ensuring police forces learn from complaints has been felt positively overall. For these percentages to increase further, stakeholders are keen to see tangible evidence of a positive change in policing outcomes.

⁶ The base sizes for all the 2019 stakeholder survey data comprised: *police stakeholders* – 97 quantitative interviews and 8 in-depth qualitative interviews, *police accountability stakeholders* – 26 quantitative interviews and 10 in-depth qualitative interviews and *non-police stakeholders* – 33 quantitative interviews and 7 in-depth interviews.

Priority: to improve confidence in police accountability

WHAT WE WILL DO

We will engage with a range of stakeholders and communities, focusing on those with the least confidence in policing, so they understand their right to complain and expect fair and just treatment in response to complaints and serious incidents.

WHAT WE HOPE TO ACHIEVE

Those with low confidence in policing access and value the police complaints system.

HOW WE WILL MEASURE OUR PROGRESS

We will aim to:

- improve performance on the following key measures in our public perceptions' tracker:
 - the proportion of young people who are confident that the police deal with complaints fairly
 - the proportion of the public from a BAME background who are aware of us

We will monitor and respond to:

- the proportion of stakeholders who think we are improving public confidence in the police complaints system
- the proportion of complaints received from members of the public from a BAME background⁷
- the proportion of complaints received from young people⁸

Independent oversight of the police complaints system is vital to maintaining public confidence in policing. Our operational decision-making is independent from the police and government. We recognise that there is more to do to improve trust in the police complaints system and ensure the public are confident that it holds the police service to account when necessary.

It is important we demonstrate our independence by making impartial, fair and evidence-based decisions. This means we will listen and consider the views of all those involved carefully, but our decisions are based solely on facts and available evidence. We explain the evidence and rationale for our decisions clearly to those

⁷ ⁸ The 2019/20 annual police complaints statistics for England and Wales will be published in autumn 2020 and are therefore not available for inclusion in this report.

subject to our investigations, complainants and the public and maintain a separate identity from the police, government and others.

We engage with a range of stakeholders and communities to understand their concerns and communicate the impact of our work. We focus on increasing the confidence of those who we know have the least trust in the police complaints system – for example, young people and those from a BAME background – so they understand their right to complain, can access the complaints system and expect to receive fair and just treatment. We will continue to ensure greater transparency about both the system and the outcomes achieved through its use.

We recognise that a power imbalance exists between the police and complainants/families and offer support and guidance to help people understand their rights and navigate the system, signposting to other organisations as required.

We also know that some people have difficulty understanding how they should be treated by the police and that they have the right to complain if they feel they have been treated in an unsatisfactory way. Low levels of awareness and understanding can contribute not only to reduced confidence in the system, but also concern about the time and effort required to make a complaint, and a fear of potential repercussions. This causes additional barriers to people being confident in knowing and exercising their rights.

Increasing levels of trust and confidence among the public, particularly amongst those groups with the lowest confidence in the system, is a key focus of our work.

Our work in 2019/20

Improving access and confidence

Building awareness of the IOPC

Annually, we issue an average of 300 proactive media releases about our investigations, thematic work and reports. We manage more than 3,000 media inquiries. Media is an important conduit for building public confidence and helps raise awareness of our work, and the outcomes that follow our investigations. Unless there are exceptional reasons, we publish each investigation report or an investigation summary on our website.

Our website is an important source for information about our work, and also a key channel for making a complaint. Our website includes information about both our own performance and outcomes from the police complaints system. During the year

we had 353,522 unique visits to our website. We began work to improve the accessibility of our website, with plans for further improvements in 2020/21.

Social media also provides a key channel for engaging with audiences. Through Twitter, we currently connect with more than 30,000 followers and we have 1,000 followers on LinkedIn.

Our [Monthly Roundup newsletter](#), our media releases and investigation summaries commonly include examples of the learning we have identified and the outcomes of our work. These channels promote transparency and show how our work is making a difference.

In March 2019, research told us that 40% of respondents said they had heard of the IOPC. While there is still more to do to ensure the public understand our role and work, recent research indicates an increase, with 51% of respondents saying they had heard of the IOPC⁹.

We know that we still need to do more to raise awareness of the IOPC's role and impact and in 2019 developed a new three-year communication strategy to drive this.

The strategy sets out ambitious plans to further improve our communications and over the next 12 months we plan to:

- launch a regular corporate e-newsletter to inform and engage with broader audiences
- review and improve our website, informed by research with users, allowing us to better target our communications and provide a better user experience
- deliver a range of communication plans focused on young people and communities with low confidence, to build awareness and trust in the police complaints system
- launch two new information/awareness campaigns on police road traffic incidents and abuse of power for sexual purpose
- expand resource materials, including videos, fact sheets and website information, for dissemination to police forces and other stakeholders

Engaging youth

We continued to work in partnership with our Youth Panel to implement its recommendations after engaging with over 800 young people. This will help us to

⁹ IOPC Public Perceptions Tracker: Annual 2019/20 report summary.

address areas of concern expressed by young people and improve their confidence in the police complaints system.

The Panel, which is in its second year of operation, includes 28 young people aged 16-25 (68% of Panel members are from BAME communities, 14% identify as LGBTQ+ and 32% have lived experience of criminal justice and/or policing).

This year the Panel's achievements include:

- guest editing our *Learning the Lessons* magazine and producing a short film on stop and search for use in police training
- supported recruitment to our new stakeholder engagement officer roles and the Deputy Director General for Operations
- co-hosted and presented at the NPCC's Child-Centred Policing Conference
- presented their work to our ESG
- supported a staff development session with our Customer Contact Centre to improve understanding of how to engage with young people
- helped our work on campaigns and social media

The Panel also helped to shape our thinking as an organisation – specifically, influencing organisational strategy, ways of working and our general ethos. We will recruit new Panel members in 2020/21.

Our Director General, senior staff and stakeholder engagement team met with a wide range of organisations at a national and local level, to raise awareness of our work and seek their views about how we can improve confidence in the police complaints system. This included engaging with independent advisory groups, youth community groups and other organisations that represent those with low confidence in the system. We also engaged with groups and individuals with a specific interest in our priority areas for thematic learning, for example, in the areas of domestic abuse and discrimination.

Working closely with our Youth Panel, we have developed a young people's guide to the police complaints system. We also provided a range advocates with information about the system and our role in it, particularly to raise awareness about legislative changes to the police complaints and disciplinary systems, and our new powers.

We completed work to assess what support currently exists for those who may find it difficult to access and navigate the police complaint system, and we reviewed support and advisory service models used in other complaints systems. Work has now begun on developing proposals for a police complaint system support and advisory service.

Working locally and nationally

Stakeholder engagement

Our [Stakeholder engagement strategy 2019-22](#) sets out how we listen to and build relationships with voluntary, community sector and advocacy groups representing the public, complainants and families, as well as engaging with our statutory and policing stakeholders.

During the year we expanded our stakeholder engagement team and now have a stakeholder engagement officer in each of our offices in England and Wales. The roles are dedicated to developing relationships at local and community levels. This will help us better understand local opportunities to work together and respond proactively to community concerns and emerging issues.

We have developed bespoke community engagement plans for each of our regions and for Wales. These plans focus on regular and tailored engagement with our diverse local communities to raise awareness of our work and provide opportunities for them to influence what we do.

Our expanded regional engagement teams organised five regional engagement events in March focused on BAME young people, local community stakeholders and autism and policing. Unfortunately, only one of these events took place due to Covid-19 restrictions on gatherings.

An important part of our role is to provide community reassurance when a critical incident happens that might affect public confidence in policing or cause community tensions. In these situations, we provide a range of support – from talking to local community leaders to issuing media releases and engaging with the local police force or PCCs. We also provide reassurance and confidence that allegations will be investigated independently.

During the year this work included regular monitoring of community tension levels and issues affecting confidence in the police, identifying key community leaders and influencers, monitoring social media, providing community reassurance via media releases, social media or interviews, and talking with local and national stakeholders.

Work to provide our people with the opportunity to spend time volunteering in their local area is ongoing. This will help us better understand local concerns and build confidence in our work.

External Stakeholder Reference Group

Our ESG includes external statutory and non-statutory stakeholders, such as representatives from charity and campaigning organisations, policing organisations and the Home Office.

The group provides challenge and constructive feedback on our performance and key projects, and acts as an informal sounding board to discuss specific pieces of work and themes to help improve policing practice. Themes discussed by the ESG over the past year include:

- improving the handling of police complaints through our oversight work
- understanding and meeting the needs of our service users
- refocusing IOPC investigations to improve timeliness, quality and learning

Focus on service users

During the year we worked with service users and stakeholders to collect their feedback to help us better understand the factors that affect their confidence in us.

Understanding confidence

We conducted deliberative research events in December 2019 to understand in more detail the drivers behind our public perceptions data. Two full-day events were held in London and Leeds, each attended by 50 members of the general public who were broadly demographically representative of the local area.

An additional half-day event focused on exploring the confidence of black members of the public. This event was held in London and was attended by 20 people. The results are now informing future work to increase confidence in the IOPC among black communities.

Stakeholder feedback

We published the results of our [2019 Stakeholder research](#) – the first carried since we became the IOPC. The research findings tell a story of positive change as our stakeholders reported better dealings with the IOPC than at any time in the past.

This positive change is attributed to three areas – our focus on learning, better stakeholder outreach and engagement, and leadership that is listening to stakeholders' concerns and showing an intention to address them.

The stakeholder research results are organised into three groups, 'police stakeholders', 'others in the police accountability framework' and 'non-police

stakeholders'. This categorisation helps us to understand how the experiences of our different stakeholder groups compare.

“The words I would associate with the IOPC? One would be ‘dynamic’, although I think they would probably be quite shocked at that. But as an organisation we have seen them change quite a lot in a year and actually, from a civil servant’s perspective we know how difficult it is for large organisations to change. I’m impressed with the speed of change.”

- Police accountability stakeholder

Setting standards and improving service

We published [Standards of Service](#) setting out what service users can expect from us and how we will measure our performance against these standards. Our Standards set out the level of service we are committed to providing to all those involved in our work.

Every day, we have interactions with many different people who come into contact with our organisation. We are committed to providing the highest possible standard of customer service but are aware that service users have previously highlighted the need for us to provide more meaningful communication with them.

To improve the service we provide, we worked towards and gained Customer Service Excellence® accreditation in March 2020. Not only did we successfully prove our compliance in each of the 57 assessment criteria, but we also achieved a rating of ‘compliance plus’ in three areas, meaning we exceeded requirements – something that is very unusual on a first assessment. This work has shown our commitment to meeting the needs of our service users.

Work commenced in 2019/20 to redesign our family liaison service and support for vulnerable service users to ensure we meet their needs. We expect this work to be completed next year.

Use of our report line

We operate a report line for police officers and staff to report concerns of wrongdoing in their workplace. It is for situations where wrongdoing reveals or suggests that a criminal offence has been committed, or where there is evidence of conduct that would justify disciplinary proceedings. The CoP also produces guidance on reporting concerns.

In 2019/20 our report line was contacted 60 times. The majority of the concerns raised were about either corruption, discrimination or a police PSD failing to investigate a complaint.

We have various options for dealing with calls to our report line. The action we take depends on the seriousness of the concerns raised, but we must obtain the caller's consent before passing any information to a police force.

After being assessed, most of the reports we received in 2019/20 were suitable for the relevant force to handle.

Assessing our performance against this priority

In 2019/20 we aimed to:

> improve performance on the following key measures in our public perceptions tracker

- the proportion of young people who are confident that the police deal with complaints fairly
- the proportion of the public from a BAME background who are aware of us

We regularly survey members of the public to assess their perceptions and awareness of the police, the police complaints system, and the IOPC. Our public perceptions tracker collects this data allowing us to track our performance throughout the year.

In 2019/20 we ran three surveys across England and Wales. The results showed:

- 52% of young people surveyed were confident that the police deal with complaints fairly, compared to 41% the year before
- 48% of people from a BAME background surveyed said they are aware of the IOPC compared to 32% the year before

We said we would monitor and respond to:

> the proportion of stakeholders who think we are improving public confidence in the police complaints system¹⁰

- 28% of police stakeholders
- 38% of police accountability stakeholders
- 30% of non-police stakeholders

¹⁰ [2019 Stakeholder survey](#)

Increased public confidence and engagement is a key area stakeholders raised as an important issue. Stakeholders told us they want to see the IOPC do more to make the public aware of the service it provides and the work it does. For many, this involves making the complaints process simpler. Non-police stakeholders also wanted more engagement with specific communities who are more likely to come into contact with the police.

“I can see tangible changes in the way in which they’re operating, both in practical terms of timeliness which has been an issue previously. Also, in a more mature and thoughtful communications strategy, in the way which they engage in public dialogue but also dialogue with the service.”

- Police stakeholder

> the proportion of complaints received from members of the public from a BAME background

The 2019/20 annual police complaints statistics for England and Wales will be published in autumn 2020 and are therefore not available for inclusion in this report.

> the proportion of complaints received from young people

The 2019/20 annual police complaints statistics for England and Wales will be published in autumn 2020 and are therefore not available for inclusion in this report.

Priority: to be an efficient and effective organisation

WHAT WE WILL DO

We will attract and retain a highly skilled, diverse workforce and provide them with a good working environment while continually improving to provide value for money.

WHAT WE HOPE TO ACHIEVE

Our highly skilled, diverse workforce delivers an excellent service, which is value for money.

HOW WE WILL MEASURE OUR PROGRESS

We will aim to:

- increase our staff engagement score to 63% (as measured by our annual staff survey)
- ensure that 70% of our investigators achieve accreditation within 24 months
- maintain staff turnover of between 8 - 10%
- not exceed 3% staff sickness absence

We will monitor and respond to:

- the proportion of our people, including managers and leaders, from a BAME background
- the proportion of applicants from a BAME background who are shortlisted for interview

As a publicly funded organisation we must use our resources effectively to deliver the greatest impact and provide value for money to both our service users and taxpayers. We continue to improve the way we work, seeking efficiencies and ways of delivering our services using modern technology to support improvements.

Our ambition is also for the IOPC to be a great place to work. We are a people organisation with a clear focus on how our staff are supported and engaged so they can achieve their full potential working with us.

Attracting and retaining a highly skilled, diverse workforce and ensuring our staff receive the right training and development is an important focus of our work.

We want our staff to work in an inclusive environment that allows them to flourish and reach their potential, and we know that for the public to have confidence in our work our staff must reflect the diverse population we serve.

Our work in 2019/20

Attracting and retaining talent

So that our people better reflect the communities we serve, we began work to revise our recruitment policy, ensuring there is a focus on attracting and recruiting colleagues from diverse communities. During the year, we procured a specialist in BAME matters to support recruitment and other BAME initiatives.

Our work to create and implement a new talent management strategy to help support all our people to develop and progress is ongoing.

Developing and supporting our people

Employee engagement is shaped by people's experience at work. Higher employee engagement is linked to higher organisational performance, lower rates of sickness, and higher levels of happiness.

Our annual staff survey uses the Civil Service framework and allows us to compare results with the broader Civil Service. Of 30 categories measured in 2019, 21 showed statistically significant improvements and, in some cases, an improvement of over 25%. Notable improvements included understanding of organisational objectives and purpose and measurements around people's work.

Our performance in a number of categories is now in line with high-performing Civil Service teams. We also received an 80% response rate to our survey this year, against a Civil Service average of 67%.

We consulted on a new performance management process and revised our recruitment process based on Civil Service success profiles.

We placed a major emphasis on wellbeing, introducing a new strategy, new occupational health provision, health-checks for staff and increased support for our Stress and Trauma Reliance Employee Assistance Model (STREAM).

We re-organised our People team to improve regional presence and introduced business partners to work more closely with frontline managers. We also recruited an Equality Delivery Manager to work on our Equality, Diversity and Inclusion Plan, which is a major emphasis for 2020/21.

We reviewed how we provide learning and development to enable our people to take control of their personal and professional development and make sure that they have the up-to-date skills and knowledge they need to do the job. This also informed the

development of a new learning management system, which will be launched in 2020/21.

Learning into Action days are one-day programmes which enable staff to learn new skills to support their learning and development. This year the days focused on workshops around the new learning management system, productive development conversations, and how developing a growth mindset can help you make the most of your learning. Bite-sized learning topics included success profiles, staff networks, talking with influence and our knowledge management. Learning into Action days were successfully delivered in our Wakefield, Canary Wharf, Birmingham and Croydon offices.

Work to refresh our appraisal system to provide effective feedback to our people about their performance saw our new DRIVE programme prepare for a pilot launch in spring 2020. The new system focuses on regular conversations that help staff feel engaged, valued and motivated, as well as empowered to take ownership for their own development. This also supports increased productivity and assists with succession planning. Following the pilot, the programme will be rolled out across the whole organisation.

We had a strong focus on engagement to embed our values in our work and during the year launched a Leadership Charter, which outlines our senior leadership's commitment to living our values in action. This complemented the previous year's work on developing our values.

Our 2019 staff survey results showed 96% of respondents were familiar with the IOPC values/ purpose/ mission – 9% higher than the Civil Service benchmark and up 9% from the previous year. 85% of respondents felt their manager was open to their ideas.

Being innovative

During the year we launched a new innovation programme to support colleagues across the business in making changes and improvements to our processes. This is facilitating more agile approaches to ideas and encouraging local ownership.

We also developed a new internal communication strategy, focusing on making sure that our people are given the information they need in a way and in a format that suits them.

More efficient and effective

During the year, we developed a strategic efficiency plan to ensure we can continue to deliver value for money and live within our means.

Our ICT programme of works for 2019/20 laid the foundations for a smooth transition to new ways of working as we move through the final stages of our contract with our current, primary ICT provider. Our new operating model will make a significant contribution to our financial efficiency target. It will also allow our ICT service to be more agile and responsive to the needs of the business by using a blend of shorter contracts and in-house staff.

We started to plan how the transformed ICT function will operate as a result of this transition by reviewing the capabilities required for delivery and aligning these with the needs of our stakeholders. Work to bring some services in-house and procure others has continued. At the same time, we have completed our move away from legacy telephony services allowing our staff greater opportunities for remote and homeworking. This successful programme enabled effective working during early stages of the Covid-19 pandemic.

Work is ongoing to plan and implement changes to our estates strategy, including refreshing our office space to promote flexible, smarter working.

Complaints about us

Our staff operate in difficult circumstances and many of those in touch with us are dealing with stressful events. Despite our best efforts, sometimes things can go wrong and we have a [complaints procedure](#), which sets out how we will manage this.

During 2019/20 we received 351 complaints compared with 393 complaints last year. We upheld 56 complaints and were still investigating 25 at year end. We dealt with 263 complaints within 20 working days and our average response time was 21 working days.

There are no upheld complaints against the Director General, Senior Independent Director or our non-executive directors at present.

Learning from complaints is shared, where appropriate within our organisation, as part of a wider project to identify, record and share learning effectively, and help shape and improve future services.

Our Complaints and Feedback team receives and handles complaints about the IOPC in keeping with our [Complaints and Feedback Policy](#). Complaints about our

service are assessed under the complaints and feedback policy and, where appropriate, forwarded to the line manager(s) responsible for the member of staff being complained about. The manager(s) is asked to review the complaint and respond within a target 20 working days.

Where we assess a complaint as being sufficiently serious, we investigate in line with the IOPC's Disciplinary and Dismissal Policy. The outcome is then reviewed by the appropriate senior manager to decide on the most relevant course of action. Where the complaint relates to our Service Standards and we can do better, a record is made and appropriate action(s) taken.

Complaints against the Director General, Senior Independent Director and non-executive directors are dealt with under the [Making complaints about the IOPC Director General, Senior Independent Director and Non-Executive Directors Policy](#). These complaints are managed by the Head of the Private Office. They will allocate the complaint to the appropriate person within the IOPC to deal with initially in line with the policy.

During 2019/20 we received four complaints, three related to the Director General and one non-executive director-related complaint. This compares with two complaints (Director General) for the previous year. None of these complaints were upheld. Three complaints were dealt with within 20 working days and our average response time was 32 days.

Assessing our performance against this priority

In 2019/20 we aimed to:

> increase our staff engagement score to 63% (as measured by our annual staff survey)

Employee engagement is shaped by people's experience at work. Higher employee engagement is linked to higher organisational performance, lower rates of sickness, and higher levels of happiness. This year our overall staff engagement score was 65%, up from 59% in 2018 and exceeding our target of 63%.

> ensure that 70% of our investigators achieve accreditation within 24 months

Seventy-seven of our investigators successfully achieved accreditation this year; 82% (63) within 24 months. This exceeded our target of 70% and was an

improvement on the 48% (25 out of 52) achieved in 2018/19. Fourteen investigators took longer than 24 months to complete their accreditation, compared to 27 last year.

> maintain staff turnover of between 8-10%

In 2019/20 we aimed to maintain our staff turnover at between 8-10%. For most of the year, turnover was under the lower end of the target. For the year overall, it was 5.77% lower than the 9.35% turnover we saw last year.

> not exceed 3% staff sickness absence

Staff sickness absence in 2019/20 stood at 2.8%, achieving our aim to keep absence below 3%. It was also below the 2018/19 absence rate of 3.02%.

We said we would monitor and respond to:

> the proportion of our people, including managers and leaders, from a BAME background

In 2019/20 16% of our people were from a BAME background. This was a small increase on the 15% in 2018/19. In actual numbers this is an increase of nine people on last year from 159 to 168.

> the proportion of applicants from a BAME background who are shortlisted for interview

We are currently implementing a new applicant tracking system that allows us to track diversity at all stages of the recruitment process. This will enable us to develop measures around BAME recruitment and report on these.

Our work in Wales

The IOPC works across Wales with the same responsibilities for Welsh and English police forces.

Through regular engagement with both police forces and the wider policing sector, including HMICFRS, the CPS and the Probation Service, we focused on identifying and sharing learning from our work to improve policing in Wales.

Our Director for Wales, Catrin Evans, is a Welsh speaker and represented the IOPC at the National Eisteddfod in North Wales in August 2019, as well as at the annual

conference of the Faculty of Forensic and Legal medicine (May 2019). She also gave a presentation on domestic violence at the University of Aberystwyth.

The IOPC remains committed to meeting its responsibilities under the *Welsh Language Act 1993* and the Welsh Language Measure 2011. We are subject to Welsh Language standards and maintain regular contact with the Welsh Language Commissioner to ensure that our Welsh language provision is appropriate. We have also commissioned Welsh language lessons for staff based in our Cardiff office, an opportunity that many have taken advantage of.

In October 2019, our Director for Wales hosted the second annual IOPC Wales conference on Operational Roads Policing and Post-incident Procedures. Opened by Pam Kelly, Chief Constable of Gwent Police, we welcomed collision investigators and frontline staff who shared their personal testimonies.

Our responsibilities for non-police organisations

We are responsible for the way that certain complaints about non-police organisations are handled. This includes:

- serious complaints against the National Crime Agency (NCA), including complaints relating to proceeds of crime activity
- certain types of serious complaints against Home Office staff carrying out some border and immigration functions (including those against staff contracted by the Home Office to carry out certain functions on its behalf)
- serious complaints against Her Majesty's Revenue and Customs (HMRC) staff
- people acting as labour abuse prevention officers (LAPOs) at the Gangmasters Labour Abuse Authority (GLAA)

After receiving a referral or complaint we assess whether to investigate the matter. We may decide that it does not need to be dealt with under the regulations, in which case the organisation can deal with it through internal processes or take no further action.

We aim for these organisations to learn from our work and improve their practice as a result.

NCA investigations and appeals

Between 1 April 2019 and 31 March 2020 we received 11 referrals from the NCA- nine were sent back to the NCA for local investigation and two were referred back to the NCA to deal with.

We finalised five NCA investigation appeals during 2019/20. Two were upheld, two were not upheld and one was invalid. Of the 13 NCA non-recording appeals that we finalised, four were upheld, seven were not upheld and two were invalid.

Home Office border and immigration staff investigations and appeals

Between 1 April 2019 and 31 March 2020 we received ten referrals from the Home Office:

- six were sent back to the Home Office for local investigation
- four were referred back to the Home Office to deal with

One Home Office non-recording appeal was invalid.

HMRC investigations and appeals

Between 1 April 2019 and 31 March 2020 we received 16 referrals from HMRC:

- one was subject to a supervised investigation
- eight were sent back to HMRC for local investigation
- seven were referred back to HMRC to deal with

Of the two HMRC investigation appeals that we finalised, one was not upheld and one was invalid.

Work with the GLAA

We did not receive any referrals from the GLAA during 2019/20 and no appeals were finalised.

Sustainability report

This section explains the IOPC's current impact on the environment taking into account greenhouse gas emissions, waste minimisation and management, water consumption and sustainable procurement.

This meets the requirements of *HM Treasury Guidance 2019-20, Sustainability Reporting in the Public Sector*. There is no biodiversity action plan as this does not apply to our functions.

Our sustainability performance

The key performance indicators are set out in the table below, compared with results for the previous two financial years where these figures are available.

Information about our water consumption and costs are not available for our Birmingham and Croydon offices. We continue to look at ways we can gather more information.

The figures below were calculated using the recommended conversion factors provided by the Department for Environment, Food and Rural Affairs. These are set out in its Environmental Reporting Guidelines. Where improved information is now available for previous reporting periods we have amended the data to reflect this.

| Greenhouse gas emissions* | | 2017/18 | 2018/19 | 2019/20 |
|--|---|----------------|----------------|----------------|
| Non-financial indicators (tCo2) | Gross emissions scope 1 | 265 | 291 | 313 |
| | Gross emissions scope 2 | 737 | 1,020 | 662 |
| | Gross emissions scope 3 | 427 | 385 | 285 |
| | Total emissions | 1429 | 1696 | 1260 |
| Gas (kwh) | | 766,214 | 827,145 | 1,089,547 |
| Non-financial indicators (kg) | Total waste | 74,450 | 64,245 | 43,778 |
| | Sent to landfill | 6,616 | 6,518 | 6,567 |
| | Recycling | 52,167 | 54,219 | 36,771 |
| | Incineration | 15,667 | 3,508 | 440 |
| | Incineration energy recovery | - | - | - |
| Non-financial indicators (m3) | Water consumption | 29,746 | 11,553 | 6,462 |
| Financial indicators (£) | Expenditure on energy purchased, including travel | £1,261,964 | £1,223,816 | £1,081,445.37 |
| | Expenditure on waste disposal, including: | | | |
| | Sent to landfill | n/a | n/a | n/a |
| | Recycling | £34,716 | £23,957 | £16,685 |
| | Incineration | - | - | - |
| | Expenditure on water consumption | £44,913 | £17,444 | £9,758 |
| Paper purchased | A4 (boxes) | 1,668 | 1,408 | 660 |
| | A3 (boxes) | 28 | 26 | 14 |

*Scope 1 emissions are from sources owned or controlled by the IOPC such as vehicles and boilers. Scope 2 emissions are from energy consumed by the IOPC, but purchased from external suppliers, such as electricity. Scope 3 emissions relate to official business travel but exclude international rail and air travel, which is negligible.

Sustainable procurement

Our Sustainable Procurement Policy aims to ensure that we achieve value for money on a whole-of-life basis in purchasing goods, services, works and utilities. This means generating benefits not only for the IOPC, but also for society and the economy, while minimising damage to the environment. We use Crown Commercial Services (CCS) framework contracts for the majority of our procurement. When we issue tenders for our own requirements, sustainability issues are considered at the outset of the procurement project and, where appropriate, included in documentation and evaluation.

Action taken to improve our sustainability performance

Actions during the year to improve our sustainability performance include:

- reducing consumption of power by installing timers on high-wattage electrical items, replacing lamps with low-power LED devices, where economically viable, and encouraging staff to switch off appliances not being used
- aligning the temperature in our offices to fall within best practice. Where building management systems allow, our space is heated at 19°C and cooled at 24°C. Our Canary Wharf office uses free cooling whenever possible and is set up to perform night purges of hot air when temperatures are particularly warm
- implementing a system where our heating/cooling runs from 8am-6pm each work day where this is possible
- continuing to encourage staff to recycle as much as possible, including increasing the number and range of recycling bins
- reducing paper consumption by continuing to roll out new ways of working with our IT systems, encouraging less paper printing by providing laptops
- using Skype for business to reduce travel
- supporting elimination of disposable cups and paper hand towels in our Canary Wharf office
- contributing 676 trees using the Allstar EcoPoint scheme for our fleet fuel cards

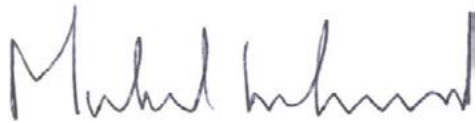
Our fleet vehicles contribute to greenhouse gas emissions. To minimise the impact of this we consider the environment from the outset of our procurement process. The nature of our investigative work means that there is rarely an alternative to using a vehicle. However, travel for administrative activities is undertaken using rail and other public transport wherever possible.

Our future sustainability strategy

We are committed to reducing our impact on the environment in line with the Greening Government Commitments (GGC) and will continue our efforts to limit our greenhouse gas emissions. We will consider this in all areas of our work.

We will continue to improve the accuracy of our data – in particular, our water and waste figures – and will work with relevant stakeholders to ensure data is as accurate as possible. Our main key performance indicator for sustainability is to keep in line with the GGC and report on the levels set by HM Treasury guidance. We aim to keep our level of Co2 generated per employee at its current level or reduce it.

While we continue our main focus on sustainability strategy deliverables there is a need to consider how we operate, in some areas of the business, where there may be benefits derived from a larger part of the workforce being more reliant on digital communications such as Skype for business, and who are working from home, which are changes brought about by the Covid-19 pandemic.



Michael Lockwood
Director General
13 July 2020

Section 2: Accountability report

Corporate governance report

The Directors' report

The role of the Unitary Board, Committees and the Management Board are explained in the Governance statement elsewhere in this report.

The Unitary Board

The members of the Unitary Board during 2019/20 are shown in the table below.

| Name | Title | Notes |
|------------------|--|-----------------|
| Michael Lockwood | Director General | |
| Geoffrey Podger | Senior Independent Director | |
| Andrew Harvey | Non-Executive Director | |
| Bill Matthews | Non-Executive Director | |
| Manjeet Gill | Non-Executive Director | |
| Catherine Jervis | Non-Executive Director | |
| Mary Lines | Non-Executive Director | |
| Jonathan Green | Interim Deputy Director General, Operations | Left 20/12/2019 |
| Tom Whiting | Deputy Director General, Strategy and Corporate Services | |
| Kevin Woodrow | Director, Resources | Left 14/04/2019 |
| Kathie Cashell | Director, Strategy and Impact | |

The Management Board

The members of the Management Board during 2019/20 are shown in the following table.

| Name | Title | Notes |
|------------------|--|-----------------|
| Michael Lockwood | Director General | |
| Jonathan Green | Interim Deputy Director General, Operations | Left 20/12/2019 |
| Tom Whiting | Deputy Director General, Strategy and Corporate Services | |
| Kevin Woodrow | Director, Resources | Left 14/04/2019 |
| Liz Booth | Director, People | |
| Kathie Cashell | Director, Strategy and Impact | |
| David Emery | General Counsel | |

Register of interests

A register with details of company directorships or other significant interests held by members of the Unitary Board and all IOPC Directors is available on our website. It may be obtained in writing from the IOPC Governance Secretary at 10 South Colonnade, London, E14 4PU.

Freedom of information and data protection

The IOPC complies with *the Freedom of Information (FOI) Act 2000*, the *General Data Protection Regulation* and the *Data Protection Act 2018*.

We have a well-established information rights team as the central point of contact for processing all requests for information. The team ensures that all requests are processed in accordance with current statutory obligations, internal policies and procedures. The team also provides advice, guidance and assistance to staff and managers about all aspects of FOI and data protection work.

The tables below show the trends in IOPC performance against the statutory deadlines.

Data has been revised for prior years¹¹

| FOI requests | 2017/18 | 2018/19 | 2019/20 |
|------------------------|----------------|----------------|----------------|
| Number completed | 281 | 229 | 240 |
| Statutory deadline met | 88% | 94% | 95% |

Data losses and information assurance

The IOPC Information Asset Owners are responsible for managing and operating assets in compliance with our policies and ensuring controls are in place to manage risks appropriately. Data-related incidents involving the loss, theft or inappropriate disclosure of our information are investigated by business areas. The incident reports are reviewed by the data protection team, which decides whether they meet the threshold for reporting to the Information Commissioner (ICO). The Senior Information Risk Owner is briefed regularly on these issues and on the risks to be addressed through additional controls.

The tables below show the trends in IOPC performance.

Data has been revised for prior years¹²

| Subject access requests | 2017/18 | 2018/19 | 2019/20 |
|--------------------------------|----------------|----------------|----------------|
| Number completed | 148 | 160 | 239 |
| Statutory deadline met | 67% | 92% | 90% |

| Data-related incidents | 2017/18 | 2018/19 | 2019/20 |
|-------------------------------------|----------------|----------------|----------------|
| Number of incidents reported to ICO | 1 | 2 | 1 |
| Regulatory action required | - | - | - |

¹¹ Data has been revised for prior years because further analysis showed that there had been some double counting of cases opened as well as cases completed.

¹² Data has been revised for prior years because further analysis showed that there had been some double counting of cases opened as well as cases completed.

Health and safety

The Health and Safety Executive Committee provides oversight for the health and safety activities of the organisation and provides a route for ratification of new policies, processes and documents. We take a very proactive approach to health and safety and remain committed to ensuring incidents are as low as possible. We implement strategies to ensure that lessons learnt are drawn from incidents and actions are taken to prevent recurrence.

Health and Safety has been working to mitigate the effects of Covid-19 on our staff and stakeholders since early February 2020. Health, safety and wellbeing has been at the forefront of management arrangements during this unprecedented time. Many members of staff have been impacted directly and indirectly by Covid-19. We have worked alongside all our staff groups to ensure that all members of staff are supported and enabled to follow the advice provided by Public Health England, the NHS, the Chief Medical Officer and the UK Government.

| Health and safety | 2017/18 | 2018/19 | 2019/20 |
|--------------------------|----------------|----------------|----------------|
| Accident | 21 | 12 | 11 |
| Incident | 13 | 8 | 2 |
| Near miss | 15 | 10 | 3 |
| Total occurrences | 49 | 30 | 16 |

Research and evaluation

Our research and evaluation programmes work to improve the police complaints system, by supporting revision of statutory guidance and learning reports for police forces, research into public and stakeholder confidence, by collecting user feedback, and conducting thematic studies on areas of concern. During the year we produced national statistics on deaths during or following police contact, monitored public awareness and confidence in the police complaints system, and collected feedback from a range of stakeholders and service users to support and inform improvements to service delivery.

Charitable donations

Our staff organised fundraising events in support of a range of charities. Staff also made personal donations to charities as a result of gifts received during 2019/20. These are published in the Gift and Hospitality register [available on our website](#).

Procurement

Procurement delegation from the Home Office is given on the basis that best practice is followed, best value is achieved and that we comply with Home Office procurement policies and applicable legal and regulatory requirements. For most categories of expenditure, we use CCS frameworks and for legal services, we use Chamber frameworks.

The table below provides an analysis of the procurement routes by percent of contract value for 2019/20 and prior years. There was an increase in 'Chambers' contracts awarded compared to last year as a result of procuring specialist training on new legislation.

| Procurement route | 2017/18 | 2018/19 | 2019/20 |
|--------------------------|----------------|----------------|----------------|
| Chambers | 32% | 3% | 7% |
| CCS | 56% | 53% | 62% |
| Other | 12% | 44% | 31% |

Estates

Our estates strategy sets out a programme to make best use of our existing property or move to another public sector property or government hub.

After relocating to Canary Wharf in June 2018 we have been considering the rest of our estate on a case-by-case basis, factoring in lessons learned from the Canary Wharf move. Business cases to remain at our Birmingham, Cardiff and Wakefield offices have been approved by the Government Property Agency and we have enhanced the Birmingham and Wakefield office environments using principles from the Hubs programme to encourage smart working.

Based on FTEs our office space is within the government benchmark of 8 per sqm but we have seen an increase in home and remote working, which will be considered in making future estates decisions.

| Running costs £ | 2017/18 | 2018/19 | 2019/20 |
|----------------------------|----------------|----------------|----------------|
| Per full-time staff member | 5,436 | 5,667 | 4,330 |

Payment of suppliers

The IOPC abides by the British Standard for Achieving Good Payment Performances in Commercial Transactions (BS 7890). We aim to pay all valid invoices in accordance with contract terms or 30 days after receipt of a valid invoice where no terms are agreed. The table below show the trends in IOPC supplier payments.

| Payment of suppliers | 2017/18 | 2018/19 | 2019/20 |
|-----------------------------|----------------|----------------|----------------|
| Paid within 10 days | 87% | 92% | 90% |
| Paid within 30 days | 96% | 99% | 99% |

Outturn

The IOPC is responsible to Parliament for its expenditure through the Home Office. The Home Office considers our expenditure plans and provides grant in aid, which we draw down in-year as required.

The table below shows how we used our resources during the year compared to the last two years. Our reported expenditure on estates fell during 2019/20 because we negotiated reductions to charges made in prior years.

| Comprehensive net expenditure £m | 2017/18 | 2018/19 | 2019/20 |
|---|----------------|----------------|----------------|
| Staff | 49.4 | 48.2 | 50.9 |
| IT | 8.6 | 9.6 | 8.5 |
| Estates | 5.6 | 5.6 | 4.3 |
| Other costs | 6.1 | 5.4 | 5.4 |
| Non-cash and actuarial loss/(gain) | 4.8 | 3.7 | 5.0 |
| Total | 74.5 | 72.5 | 74.1 |

Capital expenditure

During the year our main purchases were for developments to the ICT systems we use for our investigations and appeals work, and replacement of servers and similar equipment.

The table below shows our capital expenditure compared to the last two years.

| Capital expenditure £m | 2017/18 | 2018/19 | 2019/20 |
|-------------------------------|----------------|----------------|----------------|
| Property, plant and equipment | 4.3 | 1.7 | 1.9 |
| Intangibles | 1.5 | 1.4 | 0.2 |
| Total | 5.8 | 3.1 | 2.1 |

Expenditure trends

The table below show net expenditure trends for five years. In 2019/20, expenditure on Hillsborough declined because fewer staff were required for the disclosure phase of the investigation.

| Net expenditure £m | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Core business | 52.3 | 61.4 | 66.6 | 65.6 | 67.8 |
| Hillsborough | 12.3 | 11.1 | 7.9 | 6.9 | 6.1 |
| Total | 64.6 | 72.5 | 74.5 | 72.5 | 73.9 |

Statement of the accounting officer's responsibilities

Under paragraph 17(1) of Schedule 2 to the *Police Reform Act 2002*, the IOPC 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 IOPC and its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

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

- prepare the financial statements on a going concern basis; and
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

For the year under review, the Home Office designated me, as Director General, the Accounting Officer of the IOPC. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, are set out in *Managing Public Money* published by the HM Treasury. This includes keeping proper records and safeguarding the IOPC's assets.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that IOPC auditors are aware of that information. As far as I am aware, there is no relevant audit information of which the auditors are unaware.

Michael Lockwood
Accounting Officer

Governance statement

Governance framework

The governance framework comprises the systems and processes by which the organisation is directed and controlled. It enables the Unitary Board as the governing body to fulfil its statutory functions – to have in place appropriate arrangements for good governance and financial management (to encourage efficient and effective use of resources); to determine and promote the strategic aims and values of the IOPC; to provide support and advice to me as the Director General in the carrying out of my functions; and to monitor and review the carrying out of such functions. The framework assists me as the Director General and the Unitary Board in preparing a joint strategy for the carrying out of our respective functions, which are reviewed annually. It also includes a jointly prepared Code of Practice. This addresses the relationship between my role and the Unitary Board, which must reflect the principle that the Director General is to act independently when making decisions in connection with the carrying out of his functions.

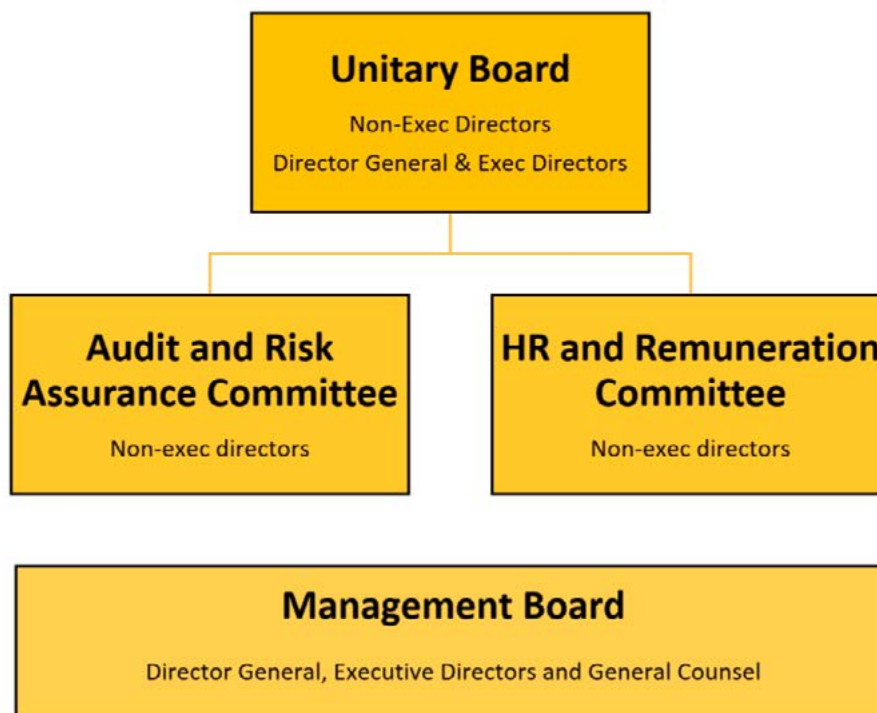
The system of governance, internal control and risk management is designed to manage rather than eliminate the risk of failure to achieve policies, aims and

objectives. It can, therefore, only provide high, rather than absolute, assurance of effectiveness.

I act in accordance with the IOPC Standing Orders and I am accountable to Ministers and to Parliament. I have had meetings with the Home Secretary and Minister of State for Policing and the Fire Service throughout the year to date. The effectiveness of the organisation has been kept under regular review during these meetings. Bilateral meetings were established with the Home Office's Sponsor Unit to discuss strategic, budgetary and operational matters. No matters are discussed that could present a risk to the organisation's independence of operational decision-making.

The organisation's internal control framework is based on the review of regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. It is designed to efficiently and economically manage risks to the achievement of objectives.

The Unitary Board was supported by two Committees, each chaired by a Non-Executive Director (NED). The Governance structure that operated in the period covered by this statement is shown in chart and described in the table below.



| Forum (Frequency) | Chair | Attendance | Role |
|---|------------------------|--|---|
| Unitary Board | Michael Lockwood (DG) | Members: DG, All 6 NEDs, Deputy DG (Ops), Deputy DG (Strategy & Corporate Services), Director of Resources, Director of Strategy & Impact | Unitary Board is responsible for agreeing strategies and plans and determining the allocation of resources. Meetings of the Unitary Board enable the regular review of strategic plans and reporting against their achievement. |
| | | In attendance: General Counsel, Head of Finance, Head of Private Office Group, Governance Secretary, Lead Regional Director | The Unitary Board also periodically reviews the internal and external challenges facing the organisation and how it might best meet those challenges |
| Audit and Risk Assurance Committee (ARAC) | Catherine Jervis (NED) | Members: 3 NED members. Catherine Jervis, Bill Matthews and Mary Lines | The ARAC supports the organisation and the Accounting Officer in their responsibilities for issues of risk, control and governance, and associated assurance. |
| | | In attendance: DG, Deputy DG (Ops), Deputy DG (Strategy & Corporate Services), Head of Finance, Government Internal Audit Agency (GIAA), National Audit Office (NAO), BDO external auditors and Home Office Sponsor (as observer). Other relevant directors and staff as necessary, including the Governance Secretary | The Committee also scrutinises the Annual Report and Accounts on behalf of the Unitary Board |

| | | | |
|-------------------------------|-----------------------|---|--|
| HR and Remuneration Committee | Andrew Harvey (NED) | Members: 3 NED members (Andrew Harvey, Manjeet Gill and Geoffrey Podger) | The HR&R Committee agrees, on behalf of the Board, the pay and reward strategy and the annual staff pay remit and agrees the pay remit submission to the Secretary of State for approval. The Committee also considers and advises on the DG's proposals regarding pay progression awards for each Director and makes recommendations on an annual equal pay audit |
| | | In attendance: DG, Deputy DG (Strategy & Corporate Services), Director of People, Governance Secretary | |
| Management Board | Michael Lockwood (DG) | Members: DG, Director S&I, Deputy Director General Operations, Deputy Director General Strategy & Corporate Services, Director People, General Counsel, | Management Board is responsible for the operational delivery of the organisation's business. It meets formally each month with frequent informal meetings on a weekly basis. It receives regular reports on finance, performance, business planning and risk, to inform its decision-making |
| | | In attendance each month: Head of Finance, Head of Communications, Head of Private Office Group, Lead Regional Director. Attendance at weekly meetings varies depending on the issue under discussion | |

Board performance

The Unitary Board came into existence on 8 January 2018. The Unitary Board has begun the process of evaluating its effectiveness over its second year. In accordance with the Standing Orders, meeting agendas and papers were made available in a variety of formats five working days before meetings. Papers provided sufficient information and evidence for sound decision-making, including reference to risk, financial, legal, external stakeholder, and any identified diversity implications.

Highlights of Board's committee activities

The committees of the Unitary Board fulfil their responsibilities by receiving and considering reports. The key areas considered by the committees in the year to date are set out below.

Audit and Risk Assurance Committee

- Strategic risk management
- Financial scheme of delegation and standing financial instructions
- IOPC risk appetite
- IOPC disclosure practice
- One Plan¹³ risk management
- Assurance reporting obligations from the data protection officer
- Complaints about the IOPC
- ICT programme update
- Reports of the internal and the external auditors
- IOPC review of counter-fraud requirements to meet Cabinet Office assurance
- Quality assurance

HR & Remuneration Committee

- New assessment framework – introduction of success profiles
- Fixed-term contracts
- Civil Service Staff Survey
- Pay remit
- Leadership Pledge
- Aspiring managers' programme
- Wellbeing strategy
- Values into Action days
- Cost of professional qualification
- Briefing on non-standard departures

¹³ The IOPC launched One Plan in April 2019. It describes all key programmes of work aligned to our four overall objectives.

Each committee evaluates its work and produces an annual effectiveness report.

The table below shows the attendance of executive and Non-Executive Directors at Unitary Board and Committee meetings¹⁴.

| Unitary Board and Committee Members' Attendance | | Unitary Board | ARAC | HR and Remuneration Committee |
|---|--|---------------|-------|-------------------------------|
| Michael Lockwood | Director General | 11 / 11 | | |
| Geoffrey Podger | Senior Independent Director | 11 / 11 | | 5 / 5 |
| Bill Matthews | Non-Executive Director | 11 / 11 | 4 / 4 | |
| Mary Lines | Non-Executive Director | 11 / 11 | 4 / 4 | |
| Manjeet Gill | Non-Executive Director | 9 / 11 | | 4 / 5 |
| Andrew Harvey | Non-Executive Director | 11 / 11 | | 5 / 5 |
| Catherine Jervis | Non-Executive Director | 11 / 11 | 4 / 4 | |
| Kathie Cashell | Director, Strategy and Impact | 9 / 11 | | |
| Tom Whiting | Deputy Director General (Strategy & Corporate Services) | 10 / 11 | | |
| Jonathan Green | Deputy Director General (Operations), Interim (to December 2019) | 5 / 8 | | |

¹⁴ To note that Figure 3 details attendance of members. The greyed-out areas indicate that the named individual is not a member of the listed committee. They may, however, attend in their capacity as Director. I attended every meeting of ARAC and all but one HR and Remuneration Committee in my capacity as Director General.

Conflicts of interest

The IOPC Conflict of Interest Policy requires all staff to declare any potential conflicts as they arise (note that our Non-Executive Directors are subject to the Cabinet Office Code of Conduct). In addition, investigations staff are precluded from working on investigations where they have prior interests. Our Conflict of Interest Policy is deemed proportionate to the perceived risk to our impartiality.

A standing agenda item for Board and Committee meetings makes provision for attendees to declare any such interests. One interest was declared at a meeting of the Unitary Board before a presentation on the progress of our Hillsborough investigation. Our Senior Independent Director is a former CEO of the Health and Safety Executive and had some involvement with the investigation in that capacity. An interest was also declared by our General Counsel before a paper on “restricted persons” as they formerly worked for the police before joining the IOPC.

The register of interests for the members of the Unitary Board, General Counsel, and Director for Wales and Regional Directors is [published online](#).

Corporate governance

I have reviewed the Corporate Governance Code in central government departments. While being directed at ministerial departments rather than non-departmental public bodies, the Code provides best practice on corporate governance arrangements. Where they are considered to apply, the organisation has complied with the principles of the Code.

Issues

In March 2020 as a result of the Covid-19 outbreak the IOPC invoked its Business Continuity Plan and an emergency command structure was put in place. Strategic decisions were taken on how the organisation’s statutory responsibilities would continue to be met and new working practices were introduced quickly to support those decisions. All staff were required to work at home, and this was enabled by our information technology provision, which ensured that staff were able to access all IOPC systems remotely, including our case management systems. This allowed operational work to continue within the boundaries of government restrictions.

The IOPC launched its new One Plan in April 2019 to pull together all key programmes of work aligned to our four overall objectives, the success of which will depend on effective management, resourcing and communications. This work is

being overseen monthly by Portfolio and Programme Boards and quarterly at Management Board and Unitary Board.

It has been necessary to reprioritise work set out in the One Plan during the year to respond to the go-live of legislative changes to the Police (Conduct) Regulations 2020, which came into force in February. The changes are designed to help make the police complaints and disciplinary system more efficient and easier to navigate. Time needed to introduce new processes for the changes, including liaising with police forces and a significant amount of training for operational staff, affected the delivery of our programmes of work which had to be change managed during 2019. For more detailed information about these major reforms to the police complaints system in England and Wales see pages 20-22.

We are re-planning our day-to-day work to take into account the Covid-19 pandemic, but decided to publish our Business Plan without significant changes, including our performance targets. We have noted the risk that Covid-19 presents to delivering both performance and major projects, with ICT Disaggregation and Future Design - a programme for the review of operational processes - potentially the most impacted.

Improving the quality and timeliness of our work continues to build our reputation internally and externally. Our handling of a number of high-profile cases is continually under public scrutiny. There have been significant improvements in performance during the year to our timeliness. Our arrangements for quality management are being further developed and a new Critical Cases Panel has been introduced.

It will be challenging to maintain confidence in the police complaints system in these unprecedented times. We know some communities are already concerned about police use of new emergency powers. In these circumstances, the complaints system is more important than ever to understand and respond to public concerns and maintain confidence in policing. We will continue to oversee the complaints system, working with forces to ensure all complaints receive a reasonable and proportionate response and reassuring community stakeholders. There may, however, be an impact upon our reputational position, which we broadly derive from the level of confidence in policing.

The re-contracting of our ICT service will continue following the start of the Termination Assistance Period on our ICT Contract in December 2019. Our Programme Assurance Intervention was undertaken in September 2019 and delivered an 'amber' rating.

Assurance framework and risk assessment

The IOPC's assurance framework comprises the following elements:

- structured risk identification linked to business objectives
- assessment and management of significant risks
- monitoring and effectiveness of the assurance framework
- external review and monitoring

The assurance process is designed to ensure that the IOPC can satisfy itself that appropriate arrangements are in place for managing risk and securing a robust system of internal control – i.e. one that is functioning and effective. The IOPC's assurance framework includes an annual business cycle that establishes clear objectives for the organisation and identifies the risks to their achievement.






Following the creation of the IOPC, new strategic priorities were identified from a combination of public perception tracking, meetings with stakeholders and staff, and liaison with Ministers. This led to the development of a strategic proposition, which was widely consulted on, and was then used to prepare the initial One Plan, a comprehensive plan encompassing all activity across the organisation.

In addition, a three-year planning process has been introduced, to identify and plan the work required to support the new strategic priorities and values established by the IOPC. We have introduced improved project management practices and a set of portfolio boards have been put in place to support the governance structure required to implement and embed the activities identified and approved as part of that planning process.





The organisation's risk management framework seeks to ensure that risks relating to the achievement of its objectives are identified, monitored and managed. Risks are assessed based on their impact and likelihood using a scale agreed by the Unitary Board. A strategic risk register is maintained, and each portfolio of the One Plan is in the process of creating an operational risk register although further work is required in 2020/21. Risks and relevant mitigating activity are identified and reported to Management Board, ARAC and the Unitary Board, in line with the organisation's reporting cycles.



Following development by the Management Board, the Unitary Board has agreed statements of risk appetite for the organisation. A paper on ICT risk appetite was agreed by the Unitary Board in March 2020 as a result of Covid-19 challenges. Additional work will be carried out in the coming year to ensure that the risk appetite is reflected appropriately in risk management activity.

The following table sets out the risk areas included in the IOPC strategic risk register, both mature risks and those identified in the reporting year.

| Risk | Key mitigation | Net risk trend |
|---|--|---|
| Civil compensation claims: court judgment(s) against the IOPC, including finding articles 6 and 8 European Convention on Human Rights engaged and breached by an IOPC investigation or appeal assessment; and / or misfeasance in public office found against IPCC/IOPC staff / former staff/commissioner | Improved timeliness of IOPC investigations and appeals assessments – reducing possibility of articles 6/8 being breached through IOPC operational work |  |
| | Improved technical decision-making by operations staff. Improved technical legal advice by Legal Services team | |
| | Trusted Operations Manual and processes and procedures | |
| High-profile case(s) attract significant negative national media attention | Quality assurance processes in operations |  |
| | Communications Strategy | |
| There is a serious data breach. This may result from different scenarios e.g. hacking, accidental loss of papers, staff not following process, a deliberate breach for gain etc ¹⁵ | Annual training for Senior Information Risk Owner and Information Asset Owner roles. All staff required to undertake data protection, information security training & security briefings |  |
| | Security breach processes, including investigation and learning the lessons when required | |
| If the IOPC is not fully compliant with the new General Data Protection Regulation, it will be open to legal challenge from data subjects and investigation by the Information Commissioner | Data Protection Officer working closely with ICO single point of contact, keeping them updated on what we are working on and future plans |  |
| | New Information Strategy developed as part of One Plan | |
| | The medium-/ long-term plan for development of our information management system has been planned | |
| There is a risk that continuity of evidence may not | Regular stores inspections are carried out as set out in the exhibits handling policy |  |

¹⁵ Details of data losses and information assurance are included on page 56 of this report.

| Risk | Key mitigation | Net risk trend |
|---|---|---|
| be maintained during seizure, management and storage of exhibits | A national Exhibits Manager has been recruited | |
| An ineffective information assurance culture with inadequate systems, process, training and governance leads to a lack of corporate understanding and control of the information we process | Governance structure established, including delegation of authority through the Scheme of Delegation and establishing an Info Assurance Board and supporting working groups |  |
| | Identification of the risk and mitigating actions / resource requirement as part of business planning and incorporation into the One Plan owned by Management Board | |
| Disclosure failures result in an organisational failure to comply with our statutory obligations under the <i>Criminal Procedures and Investigations Act 1996</i> (CPIA) and/or a failure to provide disclosable material for Coronial and misconduct processes | A Disclosure Project has been established with the objective of transforming the IOPC's approach to managing disclosure. The project team are working with a range of operational stakeholders to create new process maps for the three disciplines of operational disclosure: Criminal, Misconduct and Coronial proceedings |  |
| We are unsure if we will be able to deliver our Strategy if our funding is significantly reduced following a Comprehensive Spending Review | We are refreshing our two-year efficiency plan and extending it for a further year, to March 2023, to identify short- to medium-term savings options. We are also carrying out longer-term strategic planning through to March 2025 to develop a response to the Comprehensive Spending Review. This work is being aligned with the development of our next Strategy to avoid similar risks in future years |  |
| The planned benefits of ICT disaggregation are not delivered | Senior Project Managers assigned to manage remaining stages of SopraSteria Ltd (SSL) exit and re-contracting for services currently delivered through the SSL contract. Exit Manager also appointed |  |
| | Development of single ICT programme overseen by Digital Programme Board | |
| | Regular review of disaggregation plans; contract and exit board established with SSL | |

| Risk | Key mitigation | Net risk trend |
|---|---|---|
| The implementation and transition to meet changes brought about by the <i>Policing and Crime Act 2017</i> may produce unexpected complications which have not been adequately covered by the guidance or training | Training & Guidance for all Operations staff |  |
| | Lawyers in every office to respond to legal queries | |
| | Oversight team are working with local forces to identify issues | |
| The IOPC may remain on lockdown or strict social distancing due to the Covid-19 pandemic for three-six months | New working processes put in place so that investigation work can continue |  |
| | Use of Skype for internal/external stakeholder meetings and for conducting recruitment interviews | |
| | An initial decision was taken to respond only to the most serious incidents. This was being kept under review and now all incidents are being responded to in accordance with normal procedures | |

A fraud risk assessment was commenced by the Government Internal Audit Agency (GIAA) in quarter 4, which will continue into 2020/21 and testing on any areas identified as high risk will be factored into the internal audit plan in the forthcoming year.

Internal controls are developed and maintained through the implementation of policies and procedures that are subject to oversight and approval by the relevant committee or Unitary Board. An external review of controls is also undertaken during the audit processes by both internal and external audit in their respective areas of expertise. In addition, consideration is being given internally to controls that are potentially impacted by changes in working practices as a result of the Covid-19 pandemic. Any significant issues will be highlighted to Unitary Board.

Internal audit

Internal audit services are provided by the GIAA under a three-year contract, which was renewed on 1 April 2018. A new Head of Internal Audit for the IOPC was appointed in December 2019.

Both internal and external audits assist us with the continuous improvement of procedures and controls. Actions are agreed in response to recommendations, and these are followed up to make sure they are implemented.

A monitoring report on the implementation of recommendations is provided to each meeting of the ARAC.

The table below summarises the key findings and IOPC management response from each of the internal audits conducted during the year.

| Audit | Key findings | Management response |
|--|---|--|
| Review of counter-fraud requirements to meet Cabinet Office Annual Assurance | Commissioned as a consultancy piece not a formal audit on the annual plan. A number of informal recommendations were made to assist the organisation in meeting the Cabinet Office requirements | We are working towards the production of a comprehensive counter-fraud strategy and plan. Our internal auditors have also been commissioned to conduct a Fraud Risk Assessment as referenced above |
| Strategic Performance Management | IOPC has adequate arrangements in place for management of strategic performance but there are a couple of areas where controls could be enhanced further | The GIAA rating was Moderate. Two recommendations were agreed. The final report was presented to ARAC in January 2020. Both recommendations were implemented |
| Payroll and Expenses | The framework of governance, risk management and control is adequate and effective. A substantial rating was awarded | Four low-priority recommendations have been agreed, the final report was presented to ARAC in April 2020 |
| Recruitment, Vetting & Induction | The IOPC has an established recruitment process in place which includes centralised recruitment, vetting and induction teams. There are also plans in place to develop further capability through a variety of initiatives in the current financial year, including a review of recruitment strategy and policy, and further work on diversity and workforce planning | The GIAA rating was Moderate. Three medium and one low-priority recommendations have been agreed, the final report was presented to ARAC in April 2020 |
| Social Media | The IOPC recognises that it is not as mature as similarly sized government organisations using Enterprise Social Media Channels in terms of governance, risk management and control | The GIAA rating was Limited. Four recommendations – two high and two medium – were made and accepted, and the final report was presented to ARAC in June 2020 |

Health and safety

Health and safety policies and procedures have been strengthened through the work of a Health and Safety Executive Committee, chaired by the Director, People. The Committee oversees the identification of policy and procedural changes, action planning and implementation.

Improvements have been made in response to the recommendations of the 2018/19 internal audit of health and safety and a qualified health and safety manager has been in post throughout the year to deliver the improvements. With the outbreak of the Covid-19 pandemic the number one priority has been, as far as possible, to ensure the health and safety of IOPC staff. As a result, a number of measures were taken, including the closure of offices, and decisions were made as to which police incidents our investigation staff responded to. By the end of the year all IOPC staff were working from home and continued to do so into the start of the new financial year, in accordance with Government guidance.

Effectiveness of the Raising Concerns Policy

Four concerns have been raised under the Raising Concerns policy in the year to date. Two have been investigated and resolved, two are ongoing.

Accounting Officer

As the Accounting Officer, I have personal responsibility for maintaining a sound system of governance, internal control and risk management to support the discharge of the organisation's functions under the *Police Reform Act 2002* and other relevant legislation, while safeguarding public funds and organisational assets.

My review is informed in part by the work of our internal auditors, who have provided an assurance level of moderate based on the work they have undertaken. Moderate assurance is defined by them as: Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

I support this opinion and believe that we will continue to make further improvements in controls going forward.

Michael Lockwood

Accounting Officer

Remuneration and staff report

Remuneration policy

The IOPC aims to provide competitive remuneration packages to recruit and retain staff of an appropriate calibre. We operate a 14-grade system backed by an analytical job evaluation scheme. Any changes to our pay policy or pay remit require formal approval from our Human Resources and Remuneration Committee.

We are subject to the Civil Service pay guidance produced by the Cabinet Office and HM Treasury and submit an annual pay remit to the Home Office, which is within that guidance. Remuneration for directors for current and future years adheres to the work and recommendations of the Senior Salaries Review Body.

Service contracts

On 8 January 2018 Michael Lockwood was appointed Director General by Her Majesty the Queen, as provided for in the *Police Reform Act 2002* on the recommendation of the Secretary of State for the Home Department.

The Director General appoints directors. Their contracts normally have no fixed period and are terminable with up to six months' notice by the IOPC. Early termination of directors, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

People with disabilities

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

Equality and diversity and inclusion

The People Directorate has accountability for the equality, diversity and inclusion (EDI) agenda. The HR and Remuneration Committee, led by a non-executive director, provides governance for EDI performance, and monitors and challenges workforce data.

We have six staff networks. Each is supported by a senior manager and meets regularly. The networks focus on each of the nine protected characteristics set out in the *Equality Act 2010*, as well as Welsh speakers. The networks are involved across all aspects of our business.

In April 2020, we published our gender pay gap information for the 2019 calendar year. This is available on our [website](#).

Sickness absence data

During 2019/20, our staff incurred an average of seven days sick leave. This compares to an average of eight days in 2018/19. We are committed to the health and wellbeing of our staff and a comprehensive sickness absence policy is in place. The IOPC provides an Occupational Health Service and an Employee Assistance Programme.

Staff composition

The IOPC is committed to ensuring that both men and women are able to reach their full potential in the organisation. We monitor the diversity of the organisation through both HR data and the experience of staff – for example, through responses to our staff survey.

The table below provides staff composition by gender at 31 March 2020. Other data on staff composition is available on our website.

| Headcount | Male | Female | Total |
|--------------|------------|------------|--------------|
| Directors* | 11 | 9 | 20 |
| Staff | 382 | 630 | 1,012 |
| Total | 393 | 639 | 1,032 |

**Directors includes all SCS grade and non-executives*

Compensation on early retirement or loss of office

This section has been audited.

None (2018/19: none).

Payments to past directors

This section has been audited.

None (2018/19: none).

Senior civil service staff numbers by band at 31 March

| Band | 2019/20 | 2018/19 |
|--------------|----------------|----------------|
| SCS 2 | 1 | 2 |
| SCS 1 | 9.6 | 9.6 |
| Total | 10.6 | 11.6 |

The Director General is a Crown appointment and is not included in the table above.

Fair pay disclosure

This section has been audited.

In the reporting year, the highest paid director of the IOPC is the Director General. His full-time equivalent banded remuneration in 2019/20: £185,000 – £190,000 (2018/19 was £180,000 – £185,000). This is 5.6 times (2018/19: 5.7 times) the median remuneration of the workforce, which was £33,187 (2018/19: £32,215).

In 2019/20, no employee received remuneration in excess of the highest paid director (2018/19: none).

Excluding the Director General, the ranges for staff including SCS grades are linked directly to job evaluation ranges. Full-time equivalent remuneration is in the range £15,000 to £137,000 (2018/19 £14,000 to £139,000)¹⁶. The salaries for the Director General and Non-Executive Directors are set by the Home Office and details can be found in the Remuneration Report.

A London weighting allowance of £4,351 applies to staff and apprentices based in our London and Croydon offices. Salary ranges do not have spinal points aligned to them. Salaries are set within a pay range with annual pay progression determined by percentage increases agreed each year. Most salary ranges are revalorised each year. The next date of revalorisation was 1 July 2020.

¹⁶ The range for 2018/19 has been revised to exclude the Director General.

Exit packages

This section has been audited.

Comparative data is shown (in brackets) for 2018/19.

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|---|--|--|---|
| <£10,000 | - (-) | 1 (1) | 1 (1) |
| £10,000 - £25,000 | - (-) | 1 (3) | 1 (3) |
| £25,000 - £50,000 | - (-) | 4 (2) | 4 (2) |
| £50,000 - £100,000 | - (-) | - (1) | - (1) |
| Total number of exit packages by type (total cost) | - (-) | 6 (7) | 6 (7) |
| Total resource cost (2019/20) in £000 | - | 161 | 161 |
| Total resource cost (2018/19) in £000 | - | 253 | 253 |

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

Staff numbers and costs

This section has been audited.

The following table shows the average number of full-time staff employed during the last two years. Permanent staff includes staff on fixed-term contracts, generally of 12 months' duration. Other staff includes people who have been seconded into the organisation and contingent labour (the majority of whom are retained for our investigation into the Hillsborough disaster).

| Average number of staff (FTE) | 2019/20 | 2018/19 |
|--------------------------------------|----------------|----------------|
| Permanent | 972 | 972 |
| Other | 21 | 22 |
| Total | 993 | 994 |

The following table shows the cost of staff employed during the year. Permanent staff includes staff on fixed-term contracts, generally of 12 months' duration. Other staff includes temporary workers and staff who have been seconded into the organisation. Costs are after recoveries in respect of outward secondments.

| Staff costs | 2019/20 | 2019/20 | 2019/20 | 2018/19 |
|--|------------------------|----------------|----------------|----------------|
| | Permanent staff | Other | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Salaries and emoluments | 37,030 | 1,268 | 38,298 | 37,872 |
| Social security cost | 3,825 | - | 3,825 | 3,672 |
| Pension contributions | 9,114 | - | 9,114 | 6,861 |
| Sub total | 49,969 | 1,268 | 51,237 | 48,405 |
| Less: recoveries in respect of outward secondments | (299) | - | (299) | (240) |
| Net costs of all other staff | 49,670 | 1,268 | 50,938 | 48,165 |

Expenditure on consultancy

There was no expenditure on consultancy during 2019/20 (2018/19: none).

Contingent labour

The IOPC engages contingent labour in accordance with a robust control process set by the Home Office. Expenditure is reported each month to the Management Board to provide scrutiny and review. The contingent labour engaged for our Hillsborough investigation has declined as we are at a different stage of the inquiry.

| Contingent labour costs | 2019/20 | 2018/19 |
|--------------------------------|----------------|----------------|
| | £'000 | £'000 |
| Hillsborough | 329 | 749 |
| Other directorates | 939 | 1,234 |
| Total | 1,268 | 1,983 |

Off-payroll engagements

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

This table shows the number of off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months.

Number of existing off-payroll engagements as of 31 March 2020

| Type of engagements | Number |
|--|---------------|
| Engagements that have existed for less than one year at the time of reporting | 1 |
| Engagements that have existed for between one and two years at the time of reporting | - |
| Engagements that have existed for between two and three years at the time of reporting | - |
| Engagements that have existed for between three and four years at the time of reporting | - |
| Engagements that have existed for four or more years at the time of reporting | 1 |
| Total off-payroll engagements | 2 |
| Engagements where assurance of income tax and national insurance obligations has been received | 2 |
| Engagements where assurance of income tax and national insurance obligations has not been received | - |

Trade union facility time information

Table 1: relevant union officials

The total number of employees who were union officials during 2019/20

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 17 | 16 |

Table 2: percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0 | 948 |
| 1 – 50 | 16 |
| 51 – 99 | - |
| 100 | - |

Table 3: percentage of pay bill spent on facility time

£000

| | |
|---|--------|
| The total cost of facility time | 147 |
| The total pay bill | 49,969 |
| The percentage of the total pay bill spent on facility time | 0.30% |

calculated as: (total cost of facility time ÷ total pay bill) x 100

Table 4: paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were union officials during 2019/20 on paid union activities

| | |
|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - |
|---|---|

Calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

Single total figure of remuneration for non-executive directors

This table has been audited.

| Non-executive directors | Salary ¹⁷ | Salary | Benefits in kind ¹⁸ | Benefits in kind | Total | Total |
|-------------------------|----------------------|------------------|--------------------------------|------------------|------------------|------------------|
| | 2019/20 | 2018/19 | 2019/20 | 2018/19 | 2019/20 | 2018/19 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Geoffrey Podger | 10-15 (10-15) | 5-10 (5-10) | 0.5 | - | 10-15 (10-15) | 5-10 (5-10) |
| Bill Matthews | 5-10 (5-10) | 5-10 (5-10) | 6.3 | - | 15-20 (15-20) | 5-10 (5-10) |
| Mary Lines | 10-15 (10-15) | 5-10 (5-10) | 0.5 | - | 10-15 (10-15) | 5-10 (5-10) |
| Manjeet Gill | 5-10 (5-10) | 5-10 (5-10) | 4.8 | - | 10-15 (10-15) | 5-10 (5-10) |
| Andrew Harvey | 10-15 (10-15) | 10-15 (10-15) | 5.6 | - | 15-20 (15-20) | 10-15 (10-15) |
| Catherine Jervis | 5-10 (5-10) | 10-15 (10-15) | - | - | 5-10 (5-10) | 10-15 (10-15) |

¹⁷ Figures in brackets are whole year equivalent

¹⁸ Non-executive directors are not eligible for bonus or pension benefits. Benefits in kind during 2019/20 are the reimbursement of travel expenditure to attend meetings where it was subject to taxation

Single total figure of remuneration for senior managers

This table has been audited.

| Senior managers | Salary ¹⁹ 2019/20 £'000 | Benefits in kind 2019/20 £'000 | Pension benefits 2019/20 £'000 | Total remuneration 2019/20 £'000 |
|--------------------------------|--|---|---|---|
| Michael Lockwood ²⁰ | 185-190 (185-190) | - | - | 185-190 (185-190) |
| Kathie Cashell | 105-110 (105-110) | - | 43 | 150-155 (150-155) |
| Kevin Woodrow | 10-15 (100-105) | 4.8 | - | 15-20 (105-110) |
| <i>Left 14/04/2019</i> | | | | |
| David Emery | 95-100 (95-100) | - | 51 | 145-150 (145-150) |
| Liz Booth | 95-100 (95-100) | - | 39 | 135-140 (135-140) |
| Tom Whiting | 130-135 (130-135) | - | 53 | 185-190 (185-190) |
| Jonathan Green | 130-135 (135-140) | - | - | 130-135 (135-140) |
| <i>Left 20/12/2019</i> | | | | |

¹⁹ Figures in brackets are whole year equivalent

²⁰ Michael Lockwood, is not eligible for pay award, untaken leave paid up in 2019/20 is the reason for the band movement

| Senior managers | Salary²¹ | Benefits in kind | Pension benefits | Total remuneration |
|---|----------------------------|-------------------------|-------------------------|---------------------------|
| | 2018/19 | 2018/19 | 2018/19 | 2018/19 |
| | £'000 | £'000 | £'000 | £'000 |
| Michael Lockwood ²² | 180-185 (180-185) | - | - | 180-185 (180-185) |
| Ian Todd <i>Left 22/02/19</i> | 130-135 (135-140) | - | 47 | 180-185 (185-190) |
| Kathie Cashell | 105-110 (105-110) | - | 42 | 150-155 (150-155) |
| Kevin Woodrow ²³ | 200-205 (200-205) | 11.3 | 12 | 220-225 (220-225) |
| David Emery | 90-95 (90-95) | - | 36 | 125-130 (125-130) |
| Liz Booth | 55-60 (100-105) | - | 22 | 75-80 (120-125) |
| Tom Whiting <i>Started on 4/2/2019</i> | 20-25 (135-140) | - | 8 | 25-30 (145-150) |
| Jonathan Green <i>Started on 25/2/2019</i> | 10-15 (135-140) | - | - | 10-15 (135-140) |

Salary

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

This report is based on accrued payments made by the IOPC and thus recorded in these accounts.

²¹ Figures in brackets are whole year equivalent

²² Michael Lockwood, is not eligible for pay award

²³ Kevin Woodrow's salary for 2018/19 included a termination payment

Bonuses

Bonuses are not payable to the Director General and other senior managers of the IOPC.

Payments made to directors under the civil service compensation scheme

During 2019/20 there were no payments made to directors under the civil service compensation scheme. During 2018/19 an accrual of £95,000 was made for a payment to the Director of Resources, Mr Kevin Woodrow, who left the IOPC 14 April 2019.

Benefits in kind

Non-executive directors and senior managers regularly travel to various IOPC offices in order to perform their duties. Where, by nature of the tasks performed and the frequency of travel, these are deemed a permanent workplace, then the cost of travel is a taxable benefit. The reported figures include tax on the cost of travel.

Pension benefits

Certain former commissioners and staff who served as members with the Police Complaints Authority (PCA) participate in a 'broadly by analogy' (BBA) pension scheme as an alternative to membership of the Civil Service pension scheme. The IOPC is responsible for funding future pension benefits. These are further described in Note 3.1 of the Financial Statements.

During the period under review, the IOPC Director General, and all staff are eligible for membership of the Principal Civil Service pension scheme. However, the Director General was not a member during the period under review. The tables below provide details of the pension benefits for senior managers.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**. This provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Since 1 April 2015, all newly appointed civil servants and the majority of those already in service joined **alpha**. Before this, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with pensions increase legislation. Existing members of the PCSPS who were within ten years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between ten years and 13 years and five months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos**, members build up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32 per cent. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the *Finance Act 2004*.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or state pension age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha**, the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement, which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are taken.

Real increase in CETV

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

This table has been audited.

| Senior manager | Accrued pension at pension age as at 31/3/20 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31 March 2020 | CETV at 31 March 2019 | Real increase in CETV |
|---|--|---|------------------------------|------------------------------|------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Ian Todd <i>Left 22/02/2019</i> | - | - | - | 116 | - |
| Kathie Cashell | 20-25 Nil lump sum | 2.5-5 Nil lump sum | 239 | 204 | 18 |
| Kevin Woodrow <i>Left 14/04/2019</i> | 35-40 105-110 lump sum | 0-2.5 0-2.5 lump sum | 802 | 801 | - |
| David Emery | 30-35 Nil lump sum | 2.5-5 Nil lump sum | 387 | 341 | 25 |
| Liz Booth | 0-5 Nil lump sum | 0-2.5 Nil lump sum | 50 | 17 | 25 |
| Tom Whiting | 0-5 Nil lump sum | 2.5-5 Nil lump sum | 39 | 5 | 24 |

Parliamentary accountability report

Auditors

Arrangements for external audit are provided under paragraph 17 (2) of Schedule 2 to the *Police Reform Act 2002*. This requires the Comptroller and Auditor General (C&AG) to examine, certify and report on the statement of accounts, and to lay copies of it (together with his report) before each House of Parliament. The National Audit Office (NAO) conducts the audit on behalf of the C&AG. The fees for these services for 2019/20 are £52,000 (in 2018/19 the audit fee was £50,000). The NAO did not undertake any non-audit work.

Internal audit services are provided under contract by the Government Internal Audit Agency.

Events after the reporting period

None.

Regularity of expenditure

This section has been audited.

There are no regularity issues to report.

Losses and special payments

This section has been audited.

Total losses and special payments made were below the threshold that requires reporting. (2018/19: None.)

Gifts

This section has been audited.

No gifts were made. (2018/19: None.)

Fees and charges

This section has been audited.

Income generated is immaterial to the IOPC and therefore has not been assessed for the impact of IFRS 15 Revenue from Contracts with Customers.

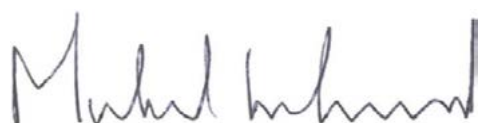
The IOPC received income from HMRC for investigations carried out under section 28 of the *Commissioners for Revenue and Customs Act 2005*. Income was received from Immigration Enforcement for investigations undertaken into appropriate referrals. The IOPC financial objective for income from other government bodies is full cost recovery in accordance with the Treasury Fees and Charges Guide. This financial objective was achieved. The analysis below is provided for fees and charges purposes and not for IFRS 8 purposes as directed by the FRoM.

| Fees and charges | 2019/20 | 2019/20 | 2019/20 | 2018/19 | 2018/19 | 2018/19 |
|-------------------------------|-----------------|----------------|--------------------|-----------------|----------------|--------------------|
| | Income £'000 | Costs £'000 | (Deficit) £'000 | Income £'000 | Costs £'000 | (Deficit) £'000 |
| HMRC income | 28 | (28) | - | 104 | (104) | - |
| Immigration Enforcement | 5 | (5) | - | 6 | (6) | - |
| Income from activities | 33 | (33) | - | 110 | (110) | - |
| Sundry income | 45 | (45) | - | 17 | (17) | - |
| Other income | 45 | (45) | - | 17 | (17) | - |
| Total | 78 | (78) | - | 127 | (127) | - |

Remote contingent liabilities

This section has been audited.

None (2018/19: None).



Michael Lockwood
Accounting Officer
13 July 2020

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

Opinion on financial statements

I certify that I have audited the financial statements of the Independent Office for Police Conduct for the year ended 31 March 2020 under the *Police Reform Act 2002*. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Independent Office for Police Conduct's affairs as at 31 March 2020 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the *Police Reform Act 2002* and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Independent Office for Police Conduct in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Independent Office for Police Conduct's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Independent Office for Police Conduct have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Independent Office for Police Conduct's ability to continue to adopt the going concern basis for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the *Police Reform Act 2002*.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Independent Office for Police Conduct's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Independent Office for Police Conduct's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Independent Office for Police Conduct's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Independent Office for Police Conduct to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial

statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the *Police Reform Act 2002*
- in the light of the knowledge and understanding of the Independent Office for Police Conduct and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
14 July 2020
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

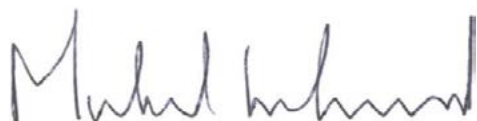
Section 3: Financial statements

| Statement of comprehensive net expenditure for the year ended 31 March 2020 | Note | 2019/20 | 2018/19 |
|--|-------------|-----------------|-----------------|
| | | £'000 | £'000 |
| Revenue from contracts with customers | | 78 | 127 |
| Total operating income | | 78 | 127 |
| Staff costs | 4 | (50,938) | (48,165) |
| Purchase of goods and services | 4 | (18,236) | (20,747) |
| Depreciation and amortisation charges | 4 | (3,896) | (3,649) |
| Loss on disposal of non-current assets | 4 | - | (856) |
| Provision expense/reversals and other non-cash | 4 | (904) | 790 |
| Total operating expenditure | | (73,974) | (72,627) |
| Net expenditure for the year | | (73,896) | (72,500) |
| Other comprehensive net expenditure | | | |
| Items which will not be reclassified to net operating expenditure | | | |
| Actuarial (loss)/gain on pension scheme liabilities | 3.1 | (180) | 42 |
| Total comprehensive net expenditure for the year | | (74,076) | (72,458) |

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

The notes on pages 101 to 123 form part of these accounts.

| Statement of financial position as at 31 March 2020 | Note | 31 March 2020 | 31 March 2019 |
|--|-------------|--------------------------|--------------------------|
| | | £'000 | £'000 |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 7,017 | 7,360 |
| Intangible assets | 6 | 3,895 | 5,425 |
| Total non-current assets | | 10,912 | 12,785 |
| Current assets | | | |
| Trade and other receivables | 9 | 1,280 | 812 |
| Cash and cash equivalents | 8 | 7,050 | 6,684 |
| Total current assets | | 8,330 | 7,496 |
| Total assets | | 19,242 | 20,281 |
| Current liabilities | | | |
| Provisions | 11 | (841) | - |
| Trade and other payables | 10 | (7,081) | (7,659) |
| Total current liabilities | | (7,922) | (7,659) |
| Total assets less current liabilities | | 11,320 | 12,622 |
| Non-current liabilities | | | |
| Provisions | 11 | (3,191) | (2,538) |
| Pension liabilities | 3.1 | (2,371) | (2,198) |
| Other liabilities | 10 | (539) | (91) |
| Total non-current liabilities | | (6,101) | (4,827) |
| Total assets less total liabilities | | 5,219 | 7,795 |
| Taxpayers' equity and other reserves | | | |
| General reserve | | 7,590 | 9,993 |
| Pension reserve | | (2,371) | (2,198) |
| Total equity | | 5,219 | 7,795 |



Michael Lockwood
Accounting Officer
13 July 2020

The notes on pages 101 to 123 form part of these accounts.

| Statement of cash flows for the year ended 31 March 2020 | Note | 2019/20 | 2018/19 |
|---|-------------|-----------------|-----------------|
| | | £'000 | £'000 |
| Cash flows from operating activities | | | |
| Net expenditure for the year | | (73,896) | (72,500) |
| Adjustment for non-cash transactions | 4 | 4,800 | 3,715 |
| Increase in trade and other receivables | 9 | (468) | (47) |
| Decrease in trade and other payables | 10 | (513) | (6,950) |
| Increase in other liabilities | 10 | 448 | - |
| Pension benefits paid | 3.1 | (70) | (68) |
| Net cash outflow from operating activities | | (69,699) | (75,850) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 5 | (1,218) | (1,705) |
| Purchase of intangible assets | 6 | (152) | (1,366) |
| Net cash outflow from investing activities | | (1,370) | (3,071) |
| Cash flows from financing activities | | | |
| Grants from the Home Office | 18 | 71,500 | 73,000 |
| Capital element of payments in respect of on SoFP service concession arrangements | 10 | (65) | (97) |
| Net financing | | 71,435 | 72,903 |
| Net increase (decrease) in cash and cash equivalents in the period | 8 | 366 | (6,018) |
| Cash and cash equivalents at the beginning of the period | 8 | 6,684 | 12,702 |
| Cash and cash equivalents at the end of the period | | 7,050 | 6,684 |

The notes on pages 101 to 123 form part of these accounts.

| Statement of changes in taxpayers' equity for the year ended 31 March 2020 | Note | General reserve | Pension reserve | Total reserves |
|--|------|-----------------|-----------------|----------------|
| | | £'000 | £'000 | £'000 |
| Balance at 31 March 2018 | | 9,504 | (2,251) | 7,253 |
| Changes in taxpayers' equity for 2018/19 | | | | |
| Grant from the Home Office received for revenue expenditure | 18 | 69,929 | - | 69,929 |
| Grant from the Home Office received for capital expenditure | 18 | 3,071 | - | 3,071 |
| Transfers between reserves | | (11) | 11 | - |
| Net expenditure for the year | | (72,500) | - | (72,500) |
| Actuarial gain in year | | - | 42 | 42 |
| Balance at 31 March 2019 | | 9,993 | (2,198) | 7,795 |
| Changes in taxpayers' equity for 2019/20 | | | | |
| Grant from Home Office received for revenue expenditure | 18 | 70,087 | - | 70,087 |
| Grant from Home Office received for capital expenditure | 18 | 1,413 | - | 1,413 |
| Transfers between reserves | | (7) | 7 | - |
| Net expenditure for the year | | (73,896) | - | (73,896) |
| Actuarial loss in year | | - | (180) | (180) |
| Balance at 31 March 2020 | | 7,590 | (2,371) | 5,219 |

The notes on pages 101 to 123 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2019/20 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the circumstances of the IOPC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the IOPC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

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

1.1 Accounting conventions

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

1.2 Going concern

The IOPC has had to adapt the way it works in order to meet the unprecedented challenges of the Covid-19 pandemic. Our priority is to maintain our key statutory functions during the pandemic so public confidence in policing can be maintained. In anticipation of a significant reduction in capacity, we pared down our activity to focus on our core work, investigating the most serious cases – those involving deaths, serious injury and/or allegations of serious misconduct – and other incidents that significantly and substantially impact public confidence in policing. As a result, the pandemic has not had an impact on our statutory role. The activities of the IOPC are primarily funded by the Home Office. Grant in aid for 2020/21, taking into account the amount required to meet the IOPC's liabilities falling due in the year, has already been included in the Home Office's supply estimates for that year. These have been approved by Parliament. There is no reason to believe that the Home Office's future sponsorship and future parliamentary approval

will not be forthcoming. It has, therefore, been considered appropriate to adopt a going concern basis for the preparation of these financial statement.

1.3 Grant in aid

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

1.4 Property, plant and equipment

Property plant and equipment (PPE) is recognised initially at cost and thereafter at current value in existing use less depreciation and impairment.

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

The IOPC does not own any property. All plant and equipment is reviewed annually for impairment and is carried at current value in existing use. The IOPC has elected to adopt depreciated historic cost as a proxy for current value in existing use for short-life or low-value PPE assets.

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

1.5 Intangible assets

Intangible assets are measured on initial recognition at cost and thereafter at current value in existing use less amortisation and impairment. Internally generated intangible assets, excluding capitalised development costs, are not

capitalised and expenditure is recognised in the Statement of Comprehensive Net Expenditure in the year in which the expenditure is incurred.

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

At each financial year end the intangible assets are assessed for impairment and the amortisation period and method are also reviewed. The IOPC has elected to adopt amortised historic cost as a proxy for current value in existing use for short-life or low-value intangible assets.

1.6 Depreciation and amortisation

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

| Asset type | Useful life |
|-------------------------------|---|
| Furniture and fittings | Duration of lease or anticipated useful life |
| Vehicles | 7 years |
| Information technology | 3 to 5 years |
| Intangible non-current assets | 3 to 15 years |
| Service concession assets | Duration of contract or anticipated useful life |

Our case management system is estimated to have a life of 15 years. Other intangible non-current assets have useful lives of ten years or fewer.

1.7 Service concession

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

1.8 Pensions

a) Principal Civil Service Pension Scheme

Pensions are ordinarily to be provided by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is described more fully in the remuneration and staff report. There is a separate scheme statement for the PCSPS as a whole. Employer pension contributions are accounted for on an accruals basis. Liabilities rest with the PCSPS and not the IOPC.

b) Broadly by analogy

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

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

1.9 Staff costs

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

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

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

Compensation is based on contractual holiday pay only and excludes accumulated flexi-leave.

1.10 Provisions

In accordance with IAS 37, provisions are disclosed in the Statement of Financial Position for legal or constructive obligations in existence at the end of the reporting period if the payment amount to settle the obligation is probable and can be reliably estimated. The amount recognised in provisions takes into account the resources required to cover future payment obligations.

Measurement is based on the settlement amount with the highest probability or if the probabilities are equivalent, then using the expected value of the settlement amounts. Expected cash flows are not discounted as the effect would not be material. To the extent that reinstatement claims exist within the meaning of IAS 37, they are recognised as a separate liability if their realisation is virtually certain.

1.11 Leases

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

The IOPC does not have any finance leases.

1.12 Value added tax

The IOPC is registered for VAT but can only recover VAT on purchases when the IOPC is undertaking non-statutory activities. Any input tax recoverable is credited to the Statement of Comprehensive Net Expenditure.

1.13 Corporation tax

The IOPC is registered for corporation tax as part of the Home Office corporation tax group.

1.14 New standards adopted

None.

1.15 Standards in issue, but not yet effective

IFRS 16: *Leases* as adapted and interpreted by the FReM, will be effective from 1 April 2021. The standard will change the way the IOPC recognises, measures, presents and discloses the leases that it holds. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is short term (fewer than 12 months) or the underlying asset has a low value. The impact on the 2021/22 financial statements has not been evaluated.

Other new standards in issue or amendments not yet effective will have no impact on the IOPC.

1.16 Management estimates

Management have made material accounting estimates that affect the reported financial statements for the IOPC. These include the requirements for provisions for reinstatement of office property, and the economic lives of our non-current assets, including our case management system and the associated software.

2 Statement of operating costs by operating segment

The operating segments are based on the management board reporting structure at 31 March 2020. This places financial responsibility with the senior executive best placed to take expenditure decisions and ensure that value for money is achieved.

During the year some functions were restructured, and therefore the prior year figures have been restated.

| Segment | 2019/20 Gross expenditure £'000 | 2019/20 Income £'000 | 2019/20 Net expenditure £'000 |
|----------------------|--|-------------------------------------|--|
| Corporate Services | 17,916 | (45) | 17,871 |
| Operations | 32,677 | (33) | 32,644 |
| Private Office Group | 1,207 | - | 1,207 |
| Legal Services | 2,892 | - | 2,892 |
| Strategy and Impact | 9,324 | - | 9,324 |
| People | 5,158 | - | 5,158 |
| Non-cash | 4,800 | - | 4,800 |
| Total | 73,974 | (78) | 73,896 |

| Segment | Restated 2018/19 Gross expenditure £'000 | Restated 2018/19 Income £'000 | Restated 2018/19 Net expenditure £'000 |
|----------------------|--|--|--|
| Corporate Services | 19,804 | (17) | 19,787 |
| Operations | 32,154 | (110) | 32,044 |
| Private Office Group | 712 | - | 712 |
| Legal Services | 2,964 | - | 2,964 |
| Strategy and Impact | 8,174 | - | 8,174 |
| People | 5,104 | - | 5,104 |
| Non-cash | 3,715 | - | 3,715 |
| Total | 72,627 | (127) | 72,500 |

3 Pensions

3.1 Broadly by analogy pension scheme

Some former IPCC commissioners and staff receive pension benefits broadly by analogy (BBA) with the PCSPS.

The BBA pensions are unfunded, with benefits being paid as they fall due and guaranteed by the IOPC. There is no fund and therefore no surplus or deficit.

The scheme liabilities for service have been calculated by the Government Actuary's Department using the following financial assumptions:

| Assumptions | 2019/20 | 2018/19 |
|--|---------|---------|
| Rate used to discount scheme liabilities | 1.80% | 2.90% |
| Rate of CPI inflation assumption | 2.35% | 2.60% |
| Rate of increase in pensions payment and deferred pensions | 2.35% | 2.40% |

The mortality assumptions use 2016 PCPS valuation assumptions with Office for National Statistics 2018 (2016 for prior year) based UK principal population projections, which give the following life expectancies at retirement.

| Current pensioners | 31 March 2020 | | 31 March 2019 | |
|---------------------------|----------------------|--------------|----------------------|--------------|
| | Men | Women | Men | Women |
| At age 60 | 26.8 | 28.4 | 27.6 | 29.3 |
| At age 65 | 21.9 | 23.5 | 22.7 | 24.3 |
| Future pensioners | | | | |
| At age 60 | 28.5 | 30.2 | 29.6 | 31.2 |
| At age 65 | 24.0 | 25.6 | 25.1 | 26.7 |

The actuary has considered the potential implications of the Covid-19 pandemic on the actuarial calculations.

The assumptions for the discount rate and pension increases are specified by HM Treasury in the PES (2019) 11 Revised, dated 6 December 2019, and remain unchanged for these accounts. The PES assumptions reflect market conditions as at 30 November 2019 and are typically not amended for any changes between November and the accounting date.

The current population mortality projections make no specific allowance for the impact of Covid-19 or any other pandemics. The starting rates of mortality improvement are based on projections of past trends in UK mortality and the effects of past pandemics will already be reflected in these trends. In general, the effects of pandemics on mortality rates are usually expected to be short-term, with rates going back to what they would have been before the pandemic, after a year or two, unless the pandemic remains over several years. It is considered too early in the pandemic to determine whether Covid-19 changes the long-term view of life expectancy in the UK, therefore the existing mortality assumptions have been retained.

| The liabilities associated with members are as follows | 31 March 2020 | 31 March 2019 |
|---|----------------------|----------------------|
| | £'000 | £'000 |
| Pension provision | | |
| Balance at 1 April | 2,198 | 2,251 |
| Increase/(decrease) in provision | 173 | (53) |
| Present value of liabilities | 2,371 | 2,198 |

| Other amounts to be disclosed in order to understand the change in provision | 31 March 2020 | 31 March 2019 |
|---|----------------------|----------------------|
| | £'000 | £'000 |
| Scheme liability at the beginning of the year | 2,198 | 2,251 |
| Movement in the year | | |
| Interest cost | 63 | 57 |
| Actuarial loss/(gain) | 180 | (42) |
| Benefits paid | (70) | (68) |
| Increase/(decrease) in scheme liability | 173 | (53) |
| Scheme liability at the end of the year | 2,371 | 2,198 |

| Expense to be recognised in the Statement of Comprehensive Net Expenditure | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Interest costs | 63 | 57 |
| Total expense | 63 | 57 |

| Actuarial loss/(gains) to be recognised in Changes in Taxpayers' Equity | 2019/20 | 2018/19 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Experience (gain)/loss arising on the scheme liabilities | (11) | 7 |
| Change in assumptions underlying the present value of the scheme liabilities | 191 | (49) |
| Net total actuarial loss/(gain) on taxpayers' equity | 180 | (42) |

There are no employee and employer costs payable in 2019/20.

| Present value of scheme liabilities | 31 March 2020 | 31 March 2019 | 31 March 2018 | 31 March 2017 | 31 March 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Liability in respect of: | | | | | |
| Deferred pensioners | 583 | 512 | 515 | 513 | 398 |
| Current pensions | 1,788 | 1,686 | 1,736 | 1,823 | 1,556 |
| Total present value of scheme liabilities | 2,371 | 2,198 | 2,251 | 2,336 | 1,954 |
| History of experience (gains)/loss | (11) | 7 | (7) | (17) | (40) |
| Percentage of scheme liabilities at the end of the year | -0.5% | 0.3% | -0.3% | -0.7% | -2.0% |

Sensitivity of the defined benefit obligation (DBO) to changes in significant actuarial assumptions

| Change in assumption | Impact on DBO | |
|---|----------------------|--------------|
| | % | £'000 |
| Rate of discounting scheme liabilities | + 0.5% a year | -7% (169) |
| Rate of increase in CPI | + 0.5% a year | 8% 183 |
| Life expectancy: each member assumed one year younger than actual age | | 3% 64 |

3.2 Civil Service pensions

The PCSPS is an unfunded multi-employer defined benefit scheme, but the IOPC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2019/20, employers' contributions of £8,830k were payable to the PCSPS (2018/19 £6,601k) at one of four rates in the range 26.6% to 30.3% (2018/9 20% to 24.5%) of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions, usually every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2019/20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £274k (2018/19 £251k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay.

Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £10k (2018/19 £9k), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

4 Expenditure

| | Note | 2019/20 £'000 | 2018/19 £'000 |
|---|------|------------------|------------------|
| Staff costs | | | |
| Salaries and emoluments | | 38,298 | 37,872 |
| Social security cost | | 3,825 | 3,672 |
| Pension contributions | | 9,114 | 6,861 |
| Less: recoveries from outward secondments | | (299) | (240) |
| Total net costs of staff | | 50,938 | 48,165 |
| Purchase of goods and services | | | |
| IT | | 4,781 | 4,195 |
| Service concession service charges | | 3,703 | 5,376 |
| Accommodation rental | | 2,366 | 2,591 |
| Accommodation non-rental | | 1,934 | 3,042 |
| Travel and subsistence | | 1,564 | 1,664 |
| Training | | 649 | 946 |
| Forensics | | 447 | 456 |
| Recruitment | | 315 | 300 |
| Stationery | | 94 | 143 |
| Postage | | 59 | 61 |
| Research | | 131 | 71 |
| Legal services | | 995 | 901 |

4 Expenditure

| | | 2019/20 | 2018/19 |
|--|------|---------------|---------------|
| | Note | £'000 | £'000 |
| Guidance for police and public | | 190 | 99 |
| Professional fees | | 524 | 281 |
| Audit fee – external | | 52 | 50 |
| Service concession interest charges | | 1 | 3 |
| Other costs | | 431 | 568 |
| Total purchases of goods and services | | 18,236 | 20,747 |
| Non-cash items | | | |
| Depreciation | 5 | 2,034 | 2,649 |
| Amortisation | 6 | 1,862 | 1,000 |
| Provisions net expense /(reversals) | 11 | 841 | (848) |
| Loss on disposal of non-current assets | | - | 856 |
| BBA pension expense interest | 3.1 | 63 | 57 |
| Other non-cash | | - | 1 |
| Total non-cash items | | 4,800 | 3,715 |
| Total Operating Expenditure | | 73,974 | 72,627 |

The fee for the external audit of the Statement of Accounts was £52,000 (2018/19 £50,000). The external auditors did not undertake any non-audit work.

5 Property, plant and equipment

| | Payments on account and assets under construction | Information technology | Vehicles | Furniture and fittings | Total |
|--|---|---------------------------|------------|------------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | | |
| At 1 April 2019 | 1,633 | 6,058 | 853 | 10,946 | 19,490 |
| Reclassifications | (1,442) | 651 | - | 265 | (526) |
| Additions | 1,187 | 31 | - | 653 ²⁴ | 1,871 |
| Disposals | - | (1,235) | - | (531) | (1,766) |
| At 31 March 2020 | 1,378 | 5,505 | 853 | 11,333 | 19,069 |
| Depreciation | | | | | |
| At 1 April 2019 | - | 3,213 | 411 | 8,506 | 12,130 |
| Reclassifications | - | (346) | - | - | (346) |
| Charge for the year | - | 1,306 | 111 | 617 | 2,034 |
| Disposals | - | (1,235) | - | (531) | (1,766) |
| At 31 March 2020 | - | 2,938 | 522 | 8,592 | 12,052 |
| Net book value at 31 March 2020 | 1,378 | 2,567 | 331 | 2,741 | 7,017 |

| | Payments on account and assets under construction | Information technology | Vehicles | Furniture and fittings | Total |
|--------------------------|---|---------------------------|------------|------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | | |
| At 1 April 2018 | 2,494 | 6,253 | 853 | 14,024 | 23,624 |
| Reclassifications | (1,647) | 1,647 | - | - | - |
| Additions | 1,634 | 71 | - | - | 1,705 |
| Disposals | (848) | (1,913) | - | (3,078) | (5,839) |

²⁴ Non-cash addition as relates to dilapidations reinstatement asset.

| | Payments on account and assets under construction | Information technology | Vehicles | Furniture and fittings | Total |
|--|--|-----------------------------------|-----------------|---------------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 31 March 2019 | 1,633 | 6,058 | 853 | 10,946 | 19,490 |
| Depreciation | | | | | |
| At 1 April 2018 | - | 3,910 | 299 | 10,262 | 14,471 |
| Charge for the year | - | 1,215 | 112 | 1,322 | 2,649 |
| Disposals | - | (1,912) | - | (3,078) | (4,990) |
| At 31 March 2019 | - | 3,213 | 411 | 8,506 | 12,130 |
| Net book value at 31 March 2019 | 1,633 | 2,845 | 442 | 2,440 | 7,360 |
| Asset financing | | | | | |
| On SoFP service concession arrangement | - | 372 | - | - | 372 |

6 Intangible assets

| | Payments on account and assets under construction | Information technology | Total |
|--|--|---------------------------|---------------|
| | £'000 | £'000 | £'000 |
| Cost or valuation | | | |
| At 1 April 2019 | 342 | 11,654 | 11,996 |
| Reclassifications | (324) | 850 | 526 |
| Additions | 56 | 96 | 152 |
| Disposals | - | (11) | (11) |
| At 31 March 2020 | 74 | 12,589 | 12,663 |
| Amortisation | | | |
| At 1 April 2019 | - | 6,571 | 6,571 |
| Reclassifications | - | 346 | 346 |
| Charge for the year | - | 1,862 | 1,862 |
| Disposals | - | (11) | (11) |
| At 31 March 2020 | - | 8,768 | 8,768 |
| Net book value at 31 March 2020 | 74 | 3,821 | 3,895 |

| | Payments on account and assets under construction | Information technology | Total |
|--------------------------|--|---------------------------|---------------|
| | £'000 | £'000 | £'000 |
| Cost or valuation | | | |
| At 1 April 2018 | 236 | 10,631 | 10,867 |
| Reclassifications | (236) | 236 | - |
| Additions | 342 | 1,024 | 1,366 |
| Disposals | - | (237) | (237) |
| At 31 March 2019 | 342 | 11,654 | 11,996 |
| Amortisation | | | |
| At 1 April 2018 | - | 5,801 | 5,801 |
| Charge for the year | - | 1,000 | 1,000 |

| | | | |
|-------------------------|----------|--------------|--------------|
| Disposals | - | (230) | (230) |
| At 31 March 2019 | - | 6,571 | 6,571 |

| | | | |
|--|------------|--------------|--------------|
| Net book value at 31 March 2019 | 342 | 5,083 | 5,425 |
|--|------------|--------------|--------------|

Asset financing

| | | | |
|--|---|-------|-------|
| On SoFP service concession arrangement | - | 1,453 | 1,453 |
|--|---|-------|-------|

7 Financial instruments

The IOPC does not hold any complex financial instruments. The only financial instruments included in the accounts are cash and cash equivalents, receivables and payables which are measured at amortised cost.

The IOPC's resources are mainly met through grant in aid from the Home Office through the supply process and from income for work carried out on a repayment basis. The IOPC has no powers to borrow money or to invest surplus funds other than the financial assets and liabilities generated by day-to-day operational activities. As a result, the IOPC is exposed to little or no credit, liquidity, foreign currency or inflation risk.

8 Cash and cash equivalents

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Opening balance | 6,684 | 12,702 |
| Net change in cash balances during the year | 366 | (6,018) |
| Closing cash balance | 7,050 | 6,684 |

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

8.1 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are accruals for the service concession arrangement for assets coming into use before payment. These are shown in Note 10. At 31 March 2020 these were nil and were £65,000 at March 2019.

9 Trade and other receivables

| | 31 March 2020 | 31 March 2019 |
|--|--------------------------|--------------------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Contract assets | 13 | 23 |
| Trade receivables | 37 | 29 |
| Taxation and social security | - | 92 |
| Staff advances | 142 | 50 |
| Prepayments | 1,088 | 618 |
| Total falling due within one year | 1,280 | 812 |

10 Trade and other payables

| | 31 March 2020 | 31 March 2019 |
|--|--------------------------|--------------------------|
| | £'000 | £'000 |
| Amount falling due within one year | | |
| VAT | 15 | 11 |
| Other taxation and social security | 2,089 | 1,834 |
| Trade payables | 88 | - |
| Staff benefits | 1,331 | 985 |
| Other payables | 1 | 2 |
| Accruals and deferred income | 3,557 | 4,762 |
| Current part of service concession arrangement accruals for assets coming into use before payment | - | 62 |
| Current part of imputed finance lease element of service concession arrangement | - | 3 |
| Total falling due within one year | 7,081 | 7,659 |
| Amounts falling due after more than one year | | |
| Other payables, accruals and deferred income | 539 | 91 |
| Total falling due after one year | 539 | 91 |
| Total trade and other payables | 7,620 | 7,750 |

11 Provisions for liabilities and charges

The IOPC recognises a reinstatement provision for all leased properties where it has an obligation to bring the property into a good state of repair at the end of the lease. The provision is based on the estimated costs of reinstatement of modifications the IOPC has made and the repair obligations required during the lease. The estimated cost of reinstating modifications made to the buildings is £3,777,000 (£2,538,000 for 2018/19). The value of reinstatement provisions is based on expert assessment obtained during 2017/18.

In line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the costs of reinstatement have been recognised as part of the fit-out assets and will be depreciated over the lease terms.

The other provision is for a pay claim.

| | Property | Other | Total |
|--|--------------|------------|--------------|
| | £'000 | £'000 | £'000 |
| Balance at 1 April 2019 | 2,538 | - | 2,538 |
| Provision expense in the year | 586 | 255 | 841 |
| Provision for reinstatements | 653 | - | 653 |
| Increase in provisions | 1,239 | 255 | 1,494 |
| Balance at 31 March 2020 | 3,777 | 255 | 4,032 |
| Represented by: | | | |
| Non-current element of provision | 3,191 | - | 3,191 |
| Current element of provision | 586 | 255 | 841 |
| Analysis of expected timing of discounted flows | | | |
| Not later than one year | 586 | 255 | 841 |
| Later than one year and not later than five years | 1,677 | - | 1,677 |
| Later than five years | 1,514 | - | 1,514 |
| Balance at 31 March 2020 | 3,777 | 255 | 4,032 |

| | Property | Other | Total |
|--------------------------------|--------------|-------|--------------|
| | £'000 | £'000 | £'000 |
| Balance at 1 April 2018 | 3,386 | - | 3,386 |
| Provided in the year | - | - | - |

| | | | |
|--------------------------------------|--------------|----------|--------------|
| Provisions not required written back | (848) | - | (848) |
| Provisions utilised in the year | - | - | - |
| Change in discount rate | - | - | - |
| Decrease in provisions | (848) | - | (848) |
| Balance at 31 March 2019 | 2,538 | - | 2,538 |
| Represented by | | | |
| Non-current element of provision | 2,538 | - | 2,538 |

12 Commitments under leases

Operating leases

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

| | 31 March 2020 | 31 March 2019 |
|--|--------------------------|--------------------------|
| | £'000 | £'000 |
| Obligations under operating leases comprise | | |
| Buildings: | | |
| Not later than one year | 2,489 | 1,942 |
| Later than one year and not later than five years | 6,080 | 5,152 |
| Later than five years | 7,694 | 6,361 |
| Total operating lease obligations | 16,263 | 13,455 |

13 Commitments under service concession arrangements

The contract ended in December 2019 following which the IOPC entered a two-year termination assistance period during which we will undertake a phased disaggregation of ICT services to other commercial providers, adjust the technical architecture and security controls and transfer ICT assets and services to new providers. This will also enable us to align to the government digital strategy using increased cloud, open-source and agile development.

Under the contract SopraSteria Limited had an obligation to build and to maintain both tangible and intangible assets with a cost at the end of the contract of £7m (£7m at 31 March 2019) for use by the IOPC as well as provide operating services over the life of the contract at a cost of £41m (£41m at 31 March 2019). Finance charges over the life of the contract were £0.6m (£0.6m at 31 March 2019).

There was also an obligation for SopraSteria Limited to refresh assets during the life of the contract, predominately in years four and five. The assets have minimal residual value at the end of the contract term.

The annual payments to be made by the IOPC were agreed at the start of the contract and were subject to contract change notices. There was minimal uncertainty over cash flows. The contract provided for re-pricing if the RPI-X exceeded 6%.

The assets acquired under the contract were under the control of the IOPC and under IFRIC 12 the contract was a service concession arrangement with the IOPC as grantor and SopraSteria Limited as the operator.

Because the contract ended in December 2019 there are no service concession assets, liabilities or commitments at the year-end.

13.1 On statement of financial position (SoFP)

| Total obligations under on SoFP service concession arrangements for the following periods comprise | 31 March 2020 | 31 March 2019 |
|---|--------------------------|--------------------------|
| | £'000 | £'000 |
| Not later than one year | - | 66 |
| Less interest element | - | (1) |
| Total service concession SoFP obligations represented by | | 65 |
| Current (included in trade and other payables) | - | 65 |
| Total service concession SoFP obligations | | 65 |

13.2 Charged to statement of comprehensive net expenditure

The total amount charged in the statement of comprehensive net expenditure for the service element of the on SoFP service concession arrangement was £3.7m (2018/19 £5.4m).

| The payments to which the IOPC is committed at 31 March analysed by the period during which the commitment expires is as follows | 31 March 2020 | 31 March 2019 |
|---|--------------------------|--------------------------|
| | £'000 | £'000 |
| Not later than one year | - | 3,923 |
| Total charged to SOCNE | - | 3,923 |

14 Contingent liabilities disclosed under IAS 37

The IOPC has contingent liabilities in respect of a number of legal claims or potential claims against the IOPC, the outcome and timing of which cannot be estimated with certainty. These include claims for judicial reviews and employment tribunal. Full provision is made in the financial statements for all liabilities that are expected to materialise.

The property provisions in note 11 are based on the estimated costs of reinstatement and do not include possible consequential losses. Estates exit costs are settled by negotiation, the outcome and timing of which cannot be estimated with certainty and the IOPC may be liable for further costs.

15 Related-party transactions

The Home Office is a related party of the IOPC. During the year ended 31 March 2020 the Home Office provided grant in aid, as disclosed in note 18.

Government bodies are related parties. The income from these bodies is shown in the Accountability Report. The amounts owed by these bodies to the IOPC are classified as trade and other receivables and amount to £6k (£7k at March 2019).

The PCSPS and the Cabinet Office are also related parties. Further information on the transactions with these bodies can be found in Note 3.2.

During the year ended 31 March 2020 none of the non-executive directors, executive directors or key managerial staff undertook any material transactions with the IOPC.

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

16 Third-party assets

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

Thirdparty assets are not included in the financial statements because the IOPC does not have a beneficial interest in them. As at 31 March 2020 no monetary assets were held (2018/219 £Nil).

17 Events after the reporting period

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

18 Grant in aid

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

| | 2019/20 | 2018/19 |
|----------------------------------|----------------|----------------|
| | £'000 | £'000 |
| Received for revenue expenditure | 70,087 | 69,929 |
| Received for capital expenditure | 1,413 | 3,071 |
| Total grant in aid | 71,500 | 73,000 |

19 Hillsborough

The Home Office has agreed to provide additional grant in aid when the IOPC incurs additional expenditure as result of the investigation into the aftermath of the Hillsborough disaster.

This note shows the expenditure incurred during 2019/20 and 2018/19.

| | 2019/20 | 2018/19 |
|----------------------------------|----------------|----------------|
| | £'000 | £'000 |
| Staff costs | | |
| Salaries and emoluments | 2,702 | 2,706 |
| Social security cost | 279 | 276 |
| Pension contributions | 635 | 502 |
| Temporary staff | 329 | 749 |
| Total staff costs | 3,945 | 4,233 |
| Other expenditure | | |
| Accommodation rental | 500 | 579 |
| Accommodation non-rental | 508 | 560 |
| IT | 671 | 815 |
| Legal services | 48 | 45 |
| Other costs | 100 | 105 |
| Recruitment | 24 | 71 |
| Stationery | 9 | 13 |
| Training | 31 | 11 |
| Travel and subsistence | 107 | 87 |
| Total other expenditure | 1,998 | 2,286 |
| Non-cash | | |
| Depreciation | 199 | 326 |
| Loss on disposal of assets | - | 7 |
| Total non-cash | 199 | 333 |
| Total revenue expenditure | 6,142 | 6,852 |

> This document is also available in Welsh.

Mae'r ddogfen hon ar gael yn y Gymraeg hefyd.

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