



SERIOUS FRAUD OFFICE

Te Tari Hara Tāware

STATEMENT

OF STRATEGIC

INTENTIONS

2020 - 2024

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MINISTER'S FOREWORD



Hon. Stuart Nash

*Minister responsible for
the Serious Fraud Office*

The Serious Fraud Office (SFO) has demonstrated over the years an outstanding ability to investigate and prosecute the country's most sophisticated fraud and corruption cases. The agency's work safeguards us, as a nation, against those whose actions undermine trust in our financial system and institutions. Its performance helps guard our international reputation as a society where public institutions are held in high trust, and are widely respected for transparency and integrity.

Now is a critical time for the SFO as it enters a new and challenging period, in which maintaining the trust and confidence in public institutions, the financial system and the business environment is more important than ever. The impact of the COVID-19 pandemic on the economy is unlikely to be short lived. More financial crime is expected to be revealed because of the economic downturn, and fraudsters will look for new opportunities in the changing environment.

The SFO is well placed to address the challenges that lie ahead, as this document outlines. The agency will employ more investigators to adequately respond to increasing levels and complexity of serious financial crime. It will open a Wellington office so it can better connect with other government agencies and a new Strategy

*Now is a critical
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and Prevention team will be established to focus on deterrence initiatives.

These changes will make the SFO stronger and address recommendations in a recent Performance Improvement Framework (PIF) review of the agency that was commissioned by the State Services Commission. The Government fully supports the SFO and the work it does. The agency's total funding has increased by more than 30 percent, from \$10.2 million in 2019/20 to \$13.4 million in 2020/21, which means these changes to its operational structure can be carried out.

I look forward, as Minister responsible for the SFO, to continuing a productive relationship with the agency as it embarks on a growth phase to meet, if not exceed, the expectations of the Government and all New Zealanders. I am satisfied that the information on strategic intentions prepared by the SFO is consistent with the policies and performance requirements of the Government.

DIRECTOR'S INTRODUCTION



Julie Read
Director

The SFO has been at the forefront of investigating and prosecuting financial crime and corruption since it was established 30 years ago. With the benefit of additional funding, the agency can now significantly increase its prevention activities. The reality is that prosecution or prevention of financial crime cannot alone substantially reduce such offending, but we believe doing both well will have a much greater impact. Our work in preventing financial crime will be a key priority for us.

A recent PIF review of the SFO highlighted that “New Zealand’s reputation as a high trust, corruption-free society is at risk”. Complacency and ambivalence toward the risk of corruption and fraud needed to be addressed as it was a significant threat to the country’s international reputation and economy, as well as a financial risk to individual businesses, it stated. Maintaining New Zealand’s valuable reputation is easier than rebuilding it, as many of the country’s international partners have found at their cost.

The PIF identified the need to combat serious financial crime through both law enforcement work and proactive prevention activities. It also stressed that government agencies needed to work in a coordinated way to reduce systemic

vulnerabilities and maintain high levels of trust and confidence in institutions and the financial system. The SFO is responding to these challenges. We are actively working with our partners on a National Financial Crime and Corruption Strategy and have established a team to work on prevention and anti-corruption measures.


Our purpose is to protect New Zealanders’ financial and economic wellbeing by achieving the following outcomes (through our strategic priorities):

- Financial crime and corruption is addressed through prevention, investigation and prosecution
- New Zealand’s international reputation in the fight against financial crime and corruption is maintained
- A high level of trust in New Zealand’s public institutions and financial system is maintained.

The SFO looks forward to working with its partners and stakeholders on delivering this vision over the coming years. While we will continue to deliver high-quality investigations and prosecutions, the move to preventing financial crime and corruption is an exciting development for us and one we recognise can have a big impact on improving the economic and financial wellbeing of New Zealanders.

Ministerial Statement of Responsibility

I am satisfied the information on strategic intentions prepared by the Serious Fraud Office is consistent with the policies and performance expectations of the Government.



Hon. Stuart Nash

Minister responsible for the Serious Fraud Office

September 2020

Director Statement of Responsibility

In signing this information, I acknowledge that I am responsible for the information on strategic intentions for the Serious Fraud Office. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.



Julie Read

The Director of the Serious Fraud Office

September 2020

WHAT WE DO

Our purpose is to ensure the financial and economic wellbeing of New Zealanders is protected

We are the lead law enforcement agency for investigating and prosecuting serious financial crime, including bribery and corruption. The presence of an independent agency dedicated to combatting serious financial crime is integral to New Zealand's reputation for transparency, integrity and low levels of corruption.

We administer the Vote: Serious Fraud, reporting to the Minister of Police, who is responsible for the Serious Fraud Office, with the core purpose of detecting, investigating and prosecuting cases of serious financial crime. This includes activities directed at making the commission of financial crime more difficult, and its detection and prosecution more effective.

Our work also includes the investigation and prosecution of instances of corruption and bribery, which makes up an increasing volume of our investigations and prosecutions. The SFO investigation teams are made up of investigating lawyers, forensic accountants, investigators,

electronic forensic investigators and document management specialists. The team structure is based on the 'Roskill Model', which is also used by the UK Serious Fraud Office and is considered international best practice for the type of complex investigations we undertake. The SFO has developed strong technical competence related to forensic accounting, electronic forensics and financial investigations and prosecutions.

We focus on a relatively small number of cases that have a disproportionately high impact on the economy and the financial wellbeing of New Zealanders. We generally have about 30-40 investigations and prosecutions open at any one time. In the case of bribery or corruption, we investigate crimes that could undermine confidence in the public sector or are of significant public interest. Cases are prioritised using criteria that address the scale of the crime and its impact on victims, the complexity and degree of public interest.



We work to ensure that the financial and economic wellbeing of New Zealanders is protected

How we achieve our purpose

Investigation and prosecution

We employ a highly experienced team of financial crime investigation specialists who investigate possible instances of financial crime and where appropriate, prosecute to hold the offenders to account. We have statutory independence. Operational decisions are made without ministerial direction and we have statutory powers to assist our investigations.

Prevention of financial crime

We play a role in preventing financial crime, including corruption, and making the commission of financial crime more difficult:

- We are the operational lead of a Cabinet approved Anti-Corruption Work Programme aimed at addressing the threat of corruption.
- We will lead work on the prevention of financial crime arising from COVID-19 and have developed guidelines for public sector agencies to help prevent fraud involving COVID-19 response programmes.
- This work is a key priority through to 30 June 2023.

Our investigations and prosecutions also present an opportunity to make our prevention strategies more effective by sharing our expertise on the causes and consequences of complex financial crime. Our international

connections enable us to leverage international experience for prevention activities.

Contribution to justice sector policy

We use our expertise to contribute to financial crime and corruption policy as required. We also contribute to non-financial crime policy initiatives across the justice sector and wider government.

Meeting New Zealand's international obligations

We actively participate in international fora and networks to maintain New Zealand's international reputation as a country with low levels of corruption and to keep up to date with global trends in financial crime. As part of this work, we will chair the Asia Pacific Economic Cooperation (APEC) Anti-Corruption and Transparency Working Group in 2021 when New Zealand hosts APEC.

We work collaboratively

In carrying out our roles we work with our justice sector partners, including:



We also work with other agencies, including:



We maintain strong partnerships with private sector stakeholders, such as accounting firms and banks, and with our international counterparts in Australia, the United States and the United Kingdom. We have an SFO investigator based at the International Anti-

Corruption Coordination Centre in London. In addition, we work closely with members of the International Public Sector Fraud Forum, including the UK Cabinet Office and the Australian Attorney-General's Office, to prevent financial crime.

We maintain strong partnerships with our international counterparts in Australia, the United States and the United Kingdom

We work with our justice sector partners

The work of the justice sector affects each of the sector partners and we recognise the need to be well connected with each other. Our Director/Chief Executive sits on the Justice Sector Leadership Board and other senior leaders and employees contribute to various sector strategy and operational groups.

Our values

Our values were first adopted in 2014 and currently are:

EXCELLENCE

We strive to be a world-class financial crime and corruption agency.

PRIDE

In the work we do and our contribution to New Zealand.

CONNECT

Recognising our own strengths and opportunities, and those arising from close collaboration with and connections across agencies and sectors.

CONTRIBUTION TO THE GOVERNMENT'S GOALS

We contribute to the Government's priorities of:

- Reforming the justice sector through supporting and contributing to policy and operational initiatives across the justice sector.
- Tackling organised crime primarily through the development and implementation of the Anti-Corruption Work Programme and a National Financial Crime and Corruption Strategy. Both initiatives will impact on the ability of organised crime to encourage corrupt behaviour or commit financial crimes. We contribute to cross-government organised crime leadership groups and policy initiatives.

As part of the wider justice sector, we have strengthened our relationships over the last four years. Our strategy has built on our shared priorities and over the next four years our contribution will include the following sector priorities:

Transformation of the criminal justice system

We do this through supporting and contributing to policy and operational initiatives across the justice sector. This includes being members of sector strategy and operational groups, such as innovation and victim groups, and the Auckland Justice Sector Leadership group.

Strengthening the Māori-Crown relationship

We are embracing opportunities to contribute to sector initiatives and will be looking to develop better relationships with Māori in relation to the impacts of financial crime as part of the National Financial Crime and Corruption Strategy.

System improvements

A key part of the implementation of the Anti-Corruption Work Programme and the National Finance Crime and Corruption Strategy is to reduce the incidence of financial crime, together with a reduction in victimisation. This will have the benefit of reducing the entry of offenders and victims into the justice system.

OUR CONTEXT

Challenges and opportunities

Internationally, serious financial crime is increasing in complexity and scale. Serious financial crime is being facilitated on a global scale by the same technologies that enable us to communicate in real time to virtually anyone in the world. Complexity in financial crime is driven by:

- Exponential growth in the volume and density of data involved in every case
- Increased legal process risk due to the volume and scope of evidence/information involved
- Larger international trans-border transactions and asset flows
- More sophisticated offending and legal defence of offending.

The impact of COVID-19

We expect to see more financial crime and corruption because of the COVID-19 pandemic.

Addressing the increased levels of offending will require an innovative system-wide approach that includes both public and private sector stakeholders, together with an awareness of international trends and experiences. The SFO has developed guidelines for public sector agencies to help prevent fraud involving COVID-19 response programmes, together with setting up a cross-government group focusing on COVID-19 fraud prevention.

During the Global Financial Crisis, many finance companies in New Zealand collapsed, resulting in the investigation of 16 companies and the prosecution of 29 individuals.

Disaster recovery, which is accompanied with unusually high levels of investment and

Addressing the increased levels of offending will require an innovative system-wide approach that includes both public and private sector stakeholders

often with lower levels of controls, creates opportunities for large-scale fraud. Following the Canterbury earthquakes, we investigated eight additional cases (related to the earthquakes) worth a total of \$257 million. In addition, we investigated and prosecuted two large-scale Ponzi schemes based in Christchurch following the earthquakes, with the fraud valued at \$31 million. These schemes targeted investors who were looking for non-property investments, following the loss of value in the city's real estate market.

Our experience shows that investors seek higher returns for their investments in difficult financial times, while not properly appreciating the accompanying risk – which may include the risk of criminal behaviour exploiting their trust and goodwill.

The increase in serious financial crime following a significant economic downturn is predominantly due to:

- Targeting of government financial stimulus packages by fraudsters and organised crime networks
- Relaxation of controls on the payment of government monies to facilitate rapid response to financial hardship
- Collapse of Ponzi schemes and other fraudulent investment schemes, which rely on new investments to pay out old ones, as investors seek to extract their investments to respond to their financial circumstances
- Reduction in tolerance for unacceptable behaviour.

New Zealand context

New Zealand is viewed as a country with a well-functioning democratic system including strong public institutions and low levels of fraud and public sector corruption. New Zealanders value this reputation and appreciate Transparency International's consistent ranking of our public sector as, globally, one of the very best for low levels of corruption. There are tangible benefits that come from this good reputation. Importantly it delivers the economy a competitive advantage as it supports investor confidence in the integrity of the country's financial system and helps keep business costs down.

New Zealanders value this corruption-free reputation and our public sector being ranked as one of the very best in the world for low levels of corruption

The value of this reputation is great, but widespread complacency about the risks of corruption is reason for real concern. Influence from abroad is changing the way we do business at home which has created new risks, particularly in the area of corruption and bribery. As a nation, we are engaging more with countries which have different cultural norms concerning corruption and bribery. Our businesses trade more in these countries, and immigration has increased from the same parts of the world in recent years.

The economy has benefited from this interaction, but our businesses need to be alert to the accompanying risks. Our many small and medium-sized businesses are particularly vulnerable in this regard because of their relatively unsophisticated control mechanisms for fraud and corruption risks. Fraud and deception is the second most common type of offence in New Zealand. The estimated total number (incidence) of fraud and deception offences in 2018-19 was 310,000, which made up 18 percent of all incidents and 27 percent of personal incidents.¹ This equated to eight offences per 100 adults. Fraud and deception also had the highest rates of revictimisation.

¹ NZ Crime and Victims Survey (NZCVS) Cycle 2 2019.



New Zealand public sector context

Our highly trusted public sector faces various challenges as it grows and adapts to the changing needs of New Zealanders. Developing and implementing better controls across government to prevent public sector fraud and corruption is one of these. The risks are real. Public sector corruption investigations have increased by 40 percent since 2014.

Correspondingly, there is a growing consensus that the risk of corruption in New Zealand has increased. There is concern too that corruption may be more pervasive than is generally acknowledged. We expect corruption cases will form a large part of our caseload over the coming years. In correlation to this, there is a risk of complacency in New Zealand's stewardship of public spending with relatively low levels of independent scrutiny for integrity and corruption risks in grant-making, investment or procurement processes.

New Zealand does not have an anti-corruption function operating across the public sector (including local government) and no agency has a clear view of the quality of integrity systems or the robustness of processes for the prevention and detection of fraud and corruption in the sector. By contrast, the United Kingdom and more recently Australia have made considerable progress in this regard.

Work undertaken in the United Kingdom indicated that undetected fraud, corruption and error in the UK public sector (including distribution of public monies) accounted for up to 5 percent of total public spending. Based on the current level of public spending in New Zealand, this suggests up to \$5.04 billion of government expenditure is lost every year. The vulnerable in our communities suffer the most from the loss, which is often fraudulently removed from the public system for criminal benefit.

The current response to financial crime is characterised by the following:

Responses are largely framed by overlapping operational mandates and priorities, which are subject to the vagaries of organisational prioritisation. This produces an inconsistent response to financial crime and means that fraud may not be recognised when it occurs.

There is a limited evidence base about the size of the problem, with misaligned understandings across the system.

Current responses are fragmentary, though well intentioned, and leave gaps in the system.

The public sector response has been poorly resourced and relies largely on goodwill and peer-to-peer networks. In areas, it is very reactive, and can fixate on one type of problem leaving further gaps, aiding complacency.

A lack of coordination means opportunities to improve the system are missed.

The system is not focused on preventing harm to victims, including the varying impacts and approaches required for differing communities (including Māori and Pacific).

The PIF reviewers concluded that we faced three, interconnected, system challenges:

1

Retaining our reputation in the world

The challenge for New Zealand is to retain and strengthen its reputation as a safe, corruption-free country with strong public institutional settings that ensure our democratic processes and our public and private sectors operate free from financial crime, including bribery and corruption.

2

Unifying behind a National Financial Crime and Corruption Strategy

A multi-agency effort is required to develop the strategy in the first instance. The design of an end-to-end anti-corruption and financial crime education, prevention, detection and prosecution system needs to be a key part of the strategy.

3

Everyone understands the risk

New Zealand cannot rely on holding to account (prosecution) as the only deterrent and control in our system. New Zealand needs to be awake to, and acknowledge, the weaknesses in our own systems and the risk to our businesses of being complacent regarding corruption and financial crime.

These findings underpin our strategic intentions and direction for the next four years. The diagram on the following pages (pp. 14-15) outlines how our strategic priorities support three outcomes.

OUR

STRATEGIC

PRIORITIES

ONE —

Conduct investigations and prosecutions of the highest quality and effectiveness

TWO —

Lead strategies to prevent financial crime and corruption

THREE —

Work with stakeholders and partners to develop a National Financial Crime and Corruption Strategy

FOUR —

Contribute to New Zealand's international obligations in relation to financial crime and corruption

OUTCOMES

Financial crime and corruption is addressed through prevention, investigation and prosecution

New Zealand's international reputation in the fight against financial crime and corruption is maintained

A high level of trust in New Zealand's public institutions and financial system is maintained

STRATEGIC PLAN

2020 - 2024

PURPOSE

Protecting
New Zealanders'
financial and
economic
wellbeing

ACHIEVING OUR STRATEGIC PRIORITIES

We are well-positioned to deliver on our strategic priorities through:

Improved relationships with public sector partners.

The increased baseline funding from 2020.

Specific funding to support prevention and anti-corruption work programmes.

A strong capability in our core business of investigations and prosecutions.

Investment in effective ICT systems including case and evidence management systems.

ONE - Conduct investigations and prosecutions of the highest quality and effectiveness

Increased investigation and prosecution resources

As a result of additional funding we will be better placed for the future, with improved resilience and an increased ability to address demands for service, including the anticipated growth in complaints and investigations during the COVID-19 related economic downturn.

WHAT WE WILL DO

Implement a new organisational structure for investigations and prosecutions. This includes:

- Thirteen new investigative positions
- New Wellington-based investigation team (see below)
- Increased capacity in our electronic forensics team
- New Technical Lead roles will be supported with relevant technical training and will play an important role in developing our people through the cases they lead
- Increase our investigative outputs once the new investigative employees become fully productive. This will be reflected in changes to our Estimates of Appropriation 2021/22 for Vote Serious Fraud.

Having the right tools and systems to support our operations

Like many of our international counterparts, we have seen a significant increase in electronic evidence in recent years, in parallel with the exponential increase in personal electronic devices. As a result, efficient systems for managing and analysing vast amounts of evidential data are essential to our investigation and prosecution work. Each year we process millions of items of electronic evidence.

WHAT WE WILL DO

- Continue to review and develop our case and evidence management capabilities
- Upgrade our evidence management platform Relativity to a cloud-based version known as RelOne
- Continue to invest in our electronic forensic capability to ensure we are up to date with international developments.

Building a Wellington investigation capacity

We will be establishing a Wellington-based investigation team as part of increasing our investigation team.

Having a team based in the capital will help us to better connect with other government agencies and will support our prevention activities.

WHAT WE WILL DO

- Establish closer links with the Wellington-based public sector
- Support the work of our Strategy and Prevention team
- Resource Wellington based cases from the local team.

Sharing lessons from our investigations

As the lead agency for serious financial crime and corruption we are well placed to take lessons from the facts of our investigations and prosecutions to inform prevention activities, including using case studies to assist public and private sector partners to improve their resilience to financial crime.

WHAT WE WILL DO

Produce case studies from our investigations and prosecutions to support our prevention activities.

TWO - Lead strategies to prevent financial crime and corruption

COVID-19 financial crime prevention

||| *We will lead prevention activities to reduce losses due to fraud and corruption in COVID-19 recovery activities*

We will lead prevention activities in the public sector to reduce losses due to fraud and corruption in COVID-19 recovery activities. These activities will also be aimed at improving the public sector's general resilience to financial crime beyond COVID-19.

We are establishing a Strategy and Prevention team to deliver the COVID-19 prevention work across the public sector, which will also incorporate the Anti-Corruption Work Programme. The team is expected to be fully operational by the end of September 2020. Having a dedicated team focused on prevention activities is a new capability for us.

WHAT WE WILL DO

- Develop and implement a COVID-19 financial crime prevention work programme to deliver over the next three years. This will include:
 - Financial crime risk assessments
 - Financial crime prevention publications
 - Using the information gathered from our investigations to inform prevention.
- Lead a COVID-19 counter-fraud advisory group focused on sharing COVID-19 counter-fraud information and intelligence and coordination of counter fraud efforts across the public sector.

There is a growing consensus that the risk of corruption in New Zealand is increasing and that it may be more pervasive than is generally acknowledged. New Zealand enjoys a reputation for being one of the least-corrupt countries in the world and this provides significant benefits internationally. The purpose of the Anti-Corruption Work Programme (ACWP) is to produce a cohesive framework for government agencies' anti-corruption efforts so to prevent conditions occurring that allow corruption to become embedded.

WHAT WE WILL DO

Implement the ACWP programme of activities over the next two years:

- Map potential weaknesses in the anti-corruption landscape
- Corruption prevention publications
- Develop tools to measure the financial value of anti-corruption activities.

THREE - Work with stakeholders and partners to develop a National Financial Crime and Corruption Strategy

A robust system-wide response to financial crime and corruption is important to the financial and economic wellbeing of New Zealanders. The current response is described in 'Our Context' (p. 9). A key component of a National Financial Crime and Corruption Strategy is likely to include the design of an end-to-end financial crime and corruption education, prevention, detection and prosecution system. A more coordinated approach would mirror the approaches taken to mitigate other strategic risks, such as foreign interference and trans-national organised crime, and would be expected to provide a joined-up approach with these other strategic risks.

This initiative will address the PIF reviewers' conclusion that we need to unify behind a National Financial Crime and Corruption Strategy.

WHAT WE WILL DO

We will work with partners, initially the Ministry of Justice and Police, in developing a National Financial Crime and Corruption Strategy over the next four years. This will likely include:

- developing a work programme that will identify opportunities to improve the current response.

FOUR - Contribute to New Zealand's international obligations in relation to financial crime and corruption

As part of maintaining New Zealand's international reputation as a country with low levels of corruption we take an active role in international fora and networks.

Asia Pacific Economic Cooperation 2021

New Zealand is the host of APEC 2021. We will be the chair of the Anti-Corruption and Transparency Working Group (ACTWG). Foreign bribery and corruption are a focus of APEC with the establishment of the ACTWG and the law enforcement specific sub-fora Anti Corruption and Transparency Network (ACT-NET).

As part of its hosting activities, we will be supporting the ACTWG work programme to address the inequalities faced by women regarding corruption across different economies, as all are impacted by corruption to differing degrees. This will be done, first, by creating gender-friendly environments within APEC anti-corruption agencies to empower women who are victims of corruption to speak up about corruption. Secondly, economies will be encouraged to create greater gender equality amongst employees in anti-corruption agencies - which should strengthen the advancement of women within those agencies, facilitate the making of complaints by women and reduce corruption in those organisations.

This project aligns with the APEC La Serena Roadmap for Women and Inclusive Growth (2019-2030), including empowering women through access to markets, strengthening women's labour force participation, advancing women's economic empowerment, and supporting women's education skills development and access to work.

WHAT WE WILL DO

- Chair the ACTWG during APEC 2021
- Deliver a Symposium to Develop Gender Sensitivity Training and a Guide – *To Enhance Gender Mainstreaming and Women's Empowerment in Fighting Corruption*, which will deliver:
 - research with gender mainstreaming experts around the world
 - a series of symposium webinars
 - a training package, together with a best practice guideline document that will become an APEC publication.
- Continue to be an active member of the ACTWG over the next four years, including supporting the incoming 2022 ACTWG Chair.

International Public Sector Fraud Forum

The SFO is a member of the International Public Sector Fraud Forum (IPSFF) led by the UK Cabinet Office which shares expertise to save public money by enhancing the prevention of fraud and economic crime. Working with the IPSFF provides New Zealand with the opportunity to maximise international best practice through the free exchange of tools and practice. The IPSFF has refocused its efforts on the risk of fraud in the context of government responses to the COVID-19 pandemic. This provides us with crucial support for our COVID-19 financial crime prevention activities.

WHAT WE WILL DO

- Participate in IPSFF events to understand international best practice
- Provide New Zealand developed resources to the IPSFF
- Use IPSFF resources to support our financial crime prevention activities.



The SFO is a member of the International Public Sector Fraud Forum led by the UK Cabinet Office which shares expertise to save public money by enhancing the prevention of fraud and economic crime

United Nations Convention Against Corruption

In 2015 New Zealand ratified the United Nations Convention Against Corruption (UNCAC). In 2020 New Zealand's compliance with UNCAC will be reviewed. The project will be led by the Ministry of Justice, however as the lead agency for bribery and corruption investigation we will play a key role in the review process.

WHAT WE WILL DO

- Participate in the UNCAC review
- Contribute to the implementation or adoption of any UNCAC recommendations.

International Anti-Corruption Coordination Centre

In 2016 New Zealand made a commitment to support the establishment and operation of the International Anti-Corruption Coordination Centre (IACCC) based in London. The aim of the IACCC, which is hosted by the UK National Crime Agency, is to help corruption investigators to work together across multiple jurisdictions on cases of high-level corruption to prevent duplication of effort and ensure that all relevant material is available to investigations. The work of the IACCC helps prevent corruptly obtained funds being hidden across countries. The SFO has an investigator based at the IACCC. We sit on the IACCC's governance board (with New Zealand Police). The investigator's role is to coordinate requests for information and cooperation from countries which have been the victim of grand corruption.

WHAT WE WILL DO

- Continue to support the activities of the IACCC over the next four years through:
 - Having an employee at the IACCC
 - Being a member of the IACCC governance board.
- Act as the coordination point for requests for assistance from the IACCC.

||| *The work of the IACCC helps prevent corruptly obtained funds being hidden across countries*



PEOPLE AND CAPABILITY

OUR PEOPLE

Our expert and committed employees are the cornerstone of our success. They are integral to our ability to deliver on our strategic objectives. We currently have 51 employees, which will increase to 76 under a new organisational structure, with 76 percent performing specialised operational roles. We intend to be a world class financial crime agency and a leading employer of forensic accountants and financial crime investigation and legal experts.

We have a highly engaged and motivated workforce, evidenced by results from engagement surveys.

Diversity and inclusion

In 2020, the SFO will be developing and implementing a diversity and inclusion strategy with a focus on:

- Gender balance and maintaining our female representation in leadership positions
- Recruitment practices that attract a diverse range of candidates to reflect our community
- Ensuring our services and workplace are accessible to all abilities
- Building capability in the understanding of unconscious bias and cultural intelligence
- Ensuring our workplace is a safe and inclusive environment from a health, safety and wellbeing perspective
- Flexible work practices that enable our people to work in ways which allows them balance in their work and home life.



The SFO will be developing and implementing a diversity and inclusion strategy

Gender and ethnicity pay gap

We are a small agency, so minor changes in our headcount can impact significantly on our gender pay gap. This will see our gender pay gap fluctuate with any employee movement, new recruit or resignation. To ensure we are able to take the right action to address pay gaps that occur, quarterly analysis is undertaken and reported. We share this information with our people.

Over the next year managers and people leaders responsible for recruitment will receive unconscious bias training and all employees will receive cultural intelligence training. All people-related policies will be reviewed by the end of 2020 to ensure all language and practice is inclusive and free of bias.

Expanded organisational structure

The introduction of a new organisational structure will see our employee headcount increase by about 50 percent. The new structure will provide improved organisational resilience and increase our ability to meet demands for service, both operationally and corporate support demands, and enable us to better deliver on strategic priorities.

The new structure will continue to be embedded and refined into 2021/22.



Our employee headcount will increase by about 50 percent under the new structure

New Technical Lead roles

As part of our new organisational structure, we are creating new senior technical expert roles to lead our four technical disciplines – forensic accountants, investigators, lawyers and electronic forensics. Three of the disciplines will have Principals to lead the discipline, with the new Deputy General Counsel role leading our lawyers.

The roles will be expected to establish agreed best practice for their areas of expertise and lead implementation of those practices. They will also be expected to develop and implement a competency framework and work programme to measurably maintain and raise standards across the office. Technical Leads will be supported with relevant technical training and will also play an important role in developing our people through the cases they lead.

Our working environment

In 2020/21 we are planning to move premises in Auckland to enable us to meet accommodation priorities which are:

- Accommodating the increased headcount
- Adopting and implementing a modern working environment
- Implementation of 'flexible by default' work practices
- Facilitating the continuation of the existing co-location with Crown Law Office.

We are nearing the end of our current lease and our existing premises do not allow us to adopt the Government Property Group (GPG) principles for office design that will enable our people to work in a more collaborative and project based manner, better reflecting the nature of our work.

The GPG principles are compulsory in accordance with the current property mandate, and it is expected that agencies will meet those principles at the earliest practicable opportunity.

A modern working environment will allow:

- Open plan working environment, providing for communal activity areas and increased interaction, particularly between investigation team members, but also other teams
- Shared collaborative and quiet spaces, providing for spaces for investigation teams working on a particular case to locate together in a shared project space
- Maximising our mobile technology to enable new ways of operating and lifting productivity
- A choice of workplace settings so that employees are encouraged to use flexibility in determining the 'place of work' that best suits their work priorities and deliverables
- Spaceless growth, enabling us to maximise our workspace in a flexible manner rather than being limited by walls and desks.

It is expected that a new office premises and modern working environment will be operating by June 2021. The ongoing embedding and refining of the work environment will continue over the following years.

Improving our capability

We will use the following measures to check our progress in improving our capability:

CAPABILITY	INDICATOR	DESIRED TREND	RESULT
Having engaged employees	Ask Your Team Survey Employee Engagement score	➡ Maintain or increase over time	2019/20: 85% 2018/19: 70% 2017/18: 65%
Retaining the best people	Unplanned turnover	⬇ Reduce over time	2019/20: 11.5% 2018/19: 15.6% 2017/18: 22.6%
Diversity and inclusion	Gender Pay Gap	⬇ Reduce over time	2019/20: 6.2% 2018/19: 9.6% 2017/18: 8.2%

ACHIEVING OUR OUTCOMES

The following tables list the indicators and associated measures that will be used to check our progress towards achieving improved organisational performance.

As we implement the new structure and increase our workforce, retaining and strengthening our culture and maintaining our high levels of employee engagement is a key priority

Output measurement

We have quantitative and qualitative performance measures annually in the Estimates of for Vote Serious Fraud. These are subsequently reported against actual performance in our Annual Report.

We have established a series of measurements to benchmark progress against each of our outcomes. These will be reported on annually in our Annual Report.




A. Financial crime and corruption is addressed through prevention, investigation and prosecution

INDICATORS	MEASURES	DESIRED TREND	RESULT
Businesses say that law enforcement action is maintaining or improving the integrity of our financial and commercial markets	Biennial SFO Stakeholder Survey “How effective have SFO investigations and prosecutions been?”	→ Maintain or increase over time	2018/19: No survey conducted 2016/17: 7.7/10
Frequency of custodial sentences being ordered where a conviction against main defendant was obtained	Annual analysis of case sentencing, including trends compiled by the SFO	→ Maintain at over 90%	2019/20: 100% 2018/19: 100% 2017/18: 100%
Financial crime and corruption prevention products published are effective in reducing offending	Biennial SFO Stakeholder Survey and targeted surveys “Stakeholders find prevention products are effective in deterring offending or strengthening anti-fraud and corruption systems”	↑ Increase over time to 90%	New Measure (Baseline target 70%)
Financial crime and corruption is addressed	Percentage of investigations that result in prosecution	→ Maintain over time	New Measure (Baseline target 66%)

B. New Zealand's international reputation in the fight against financial crime and corruption is maintained

INDICATORS	MEASURES	DESIRED TREND	RESULT
New Zealand's ranking of corruption-free nations	Transparency International Corruption Perception Index Achieve ranking within the top four	 Maintain position in top four	2019: Global ranking 1/180 (score 87/100) 2018: Global ranking 2/180 (score 87/100) 2017: Global ranking 1/180 (score 89/100) 2016: Global ranking 1/176 (score 90/100)

C. High level of trust in New Zealand's public institutions and financial system is maintained

INDICATORS	MEASURES	DESIRED TREND	RESULT
Businesses say that law enforcement action is maintaining or improving the integrity of our financial and commercial markets	Biennial Public Survey Public feel that "New Zealand is a safe place to invest"	 Increase over time to 80%	2019/20: 63% 2017/18: 67%
The public maintain trust in public institutions	Biennial Public Survey Public feel that "law enforcement actions are maintaining or improving the integrity of our financial and commercial markets"	 Increase over time to 80%	2019/20: 100% 2018/19: 100% 2017/18: 100%
	Biennial Public Survey Public that feel they "trust New Zealand's public institutions"	 Increase over time to 80%	New Measure (Baseline Target 66%)

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E.40 Statement of Strategic Intentions (2020-2024)

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