

Statement of Intent 2010 – 2013

Serious Fraud Office

Te Tari Hara Tāwhare

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Abbreviations used in this Statement of Intent:

CMDT – Capital Markets Development Taskforce

MED – Ministry of Economic Development

OECD – Organisation for Economic Co-operation and Development

OFCANZ – Organised and Financial Crime Agency of New Zealand

SFO – Serious Fraud Office

UK – United Kingdom

UN – United Nations

Ministerial Foreword

This Statement of Intent outlines significant changes for the Serious Fraud Office which will ensure the Office is able to respond to the challenges ahead and make a meaningful contribution to both the Government's justice and economic development outcome priorities.

The Office faces a period of change as it reorganises itself to better respond to new trends in white collar crime, restore and increase confidence in capital markets and protect the interests of consumers and investors.

Recent events in the financial services sector reinforce how important it is for New Zealand to have robust mechanisms in place to detect and discourage white collar crime. Preserving New Zealand's enviable reputation as a safe place to invest and do business will be a key part of its economic recovery, and its future prosperity.

The public must have confidence that laws will be enforced in a manner which is swift, fair and visible. Investors, in particular, must believe that New Zealand capital markets are well regulated, which includes confidence that criminal sanctions will be imposed on those who seek to use the system for the illegal gain of themselves or others.

This will require the Office to continue developing its well-recognised capabilities in forensic investigations in large-scale and complex financial crime. It will also demand that the Office develops more extensive and collaborative relationships with a network of regulatory and law enforcement agencies, as well as networks within the private sector.

Detecting serious fraud is becoming increasingly challenging. It requires talented and committed staff, sophisticated technology, extensive fraud intelligence throughout the law enforcement and business communities and a constant willingness to do things differently in pursuit of faster, more effective and more just outcomes.

A handwritten signature in black ink, appearing to read 'Judith Collins', with a stylized flourish at the end.

Hon Judith Collins
Minister Responsible for the Serious Fraud Office

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Ministerial Statement of Responsibility

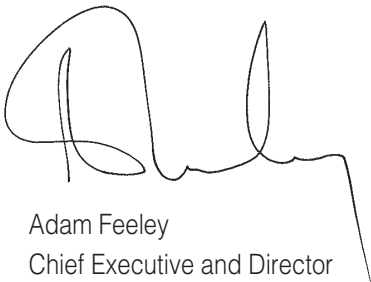
I am satisfied that the information on future operating intentions provided by the Serious Fraud Office in this Statement of Intent is in accordance with section 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



Hon Judith Collins
Minister responsible for the Serious Fraud Office

Chief Executive Statement of Responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Serious Fraud Office. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2010/2011 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Adam Feeley
Chief Executive and Director
May 2010



Diane Imus
Acting Chief Financial Officer
May 2010

Introduction by the Chief Executive

As the twentieth year since its establishment passes, the role and relevance of the Serious Fraud Office remains as clear cut as it was in 1990. Just as it was at the time of its establishment, the New Zealand investing public are again asking questions of regulators and law enforcement agencies regarding the causes and culpability of corporate failures.

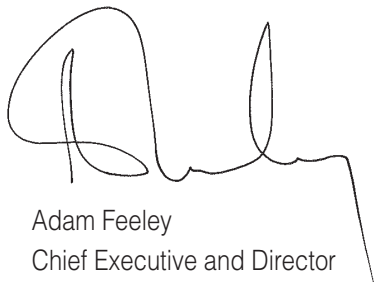
The answers to these questions are neither easy, nor simple. Investment involves risk, and there are many corporate failures that do not have criminal culpability. Even where culpability exists, in the realm of large scale commercial fraud, there are numerous evidential, technological and other challenges to bringing a justified and successful prosecution.

Nonetheless, the Office must be able to respond to the questions being put to it by the public and the Government. We must be able to satisfy them that the Office is alert to serious fraud; capable of a quick response, alone or in collaboration with others; and can produce timely results (whether or not they result in prosecutions or convictions) that maintain confidence in the law.

While the role of the Office may not be significantly different to what it was twenty years ago, the manner in which those goals need to be achieved has changed enormously. We cannot be perceived as an isolated agency which uses powers without reference to other enforcement agencies, or with a lack of accountability for the time or manner in which we conduct an investigation. The public must see the effectiveness of our work.

We recognise that we are a very talented, but small team which needs the skills, information and networks of others to be successful. We are mindful of costs, and open to new and more effective ways of conducting investigations. We are willing to accept increasingly demanding performance standards for the work we do, while delivering a value-for-money approach to detecting and prosecuting financial crimes.

The new strategy and goals of the Office contained in this Statement of Intent mark the end of a period of transition for the Office and the beginning of a new era. As with all new beginnings, there are levels of uncertainty as to the prospects of success. However, with a common purpose shared by the staff of the Office, and the goodwill and cooperation from numerous regulators and law enforcement partners, I am confident that the Office will meet the expectations that have been set for us.



Adam Feeley
Chief Executive and Director
May 2010

Nature and Scope of Functions

Our Purpose

Our purpose is to provide investors and the public in New Zealand with an assurance that high level fraud will not be tolerated and that there are mechanisms for active monitoring and investigation of, and prosecution within, the corporate environment to ensure that fraud does not go undetected or unpunished.

We were established in 1990, under the Serious Fraud Act 1990, as one of a number of responses to the collapse of capital markets occurring in New Zealand at the time. In December 2009, it was agreed by Cabinet that the Office should not be disestablished, but rather its functions expanded, providing increased funding for serious financial crime prevention, investigation and prosecution.

Our aims are to:

- address corporate fraud in New Zealand
- protect investors and consumers
- contribute to a regulatory environment that attracts capital from domestic and overseas investors.

Our Role and the Scope of Our Work

We are funded only in relation to '*complex or serious fraud*' investigations and prosecutions, as distinct from any dishonesty offence which may be committed and will ordinarily be a Police matter to investigate. With limited resources, we focus on cases which are small in number, but large in terms of the scale of the alleged fraud and/or the impact they have on public confidence in the administration of the law or the integrity of the business sector.

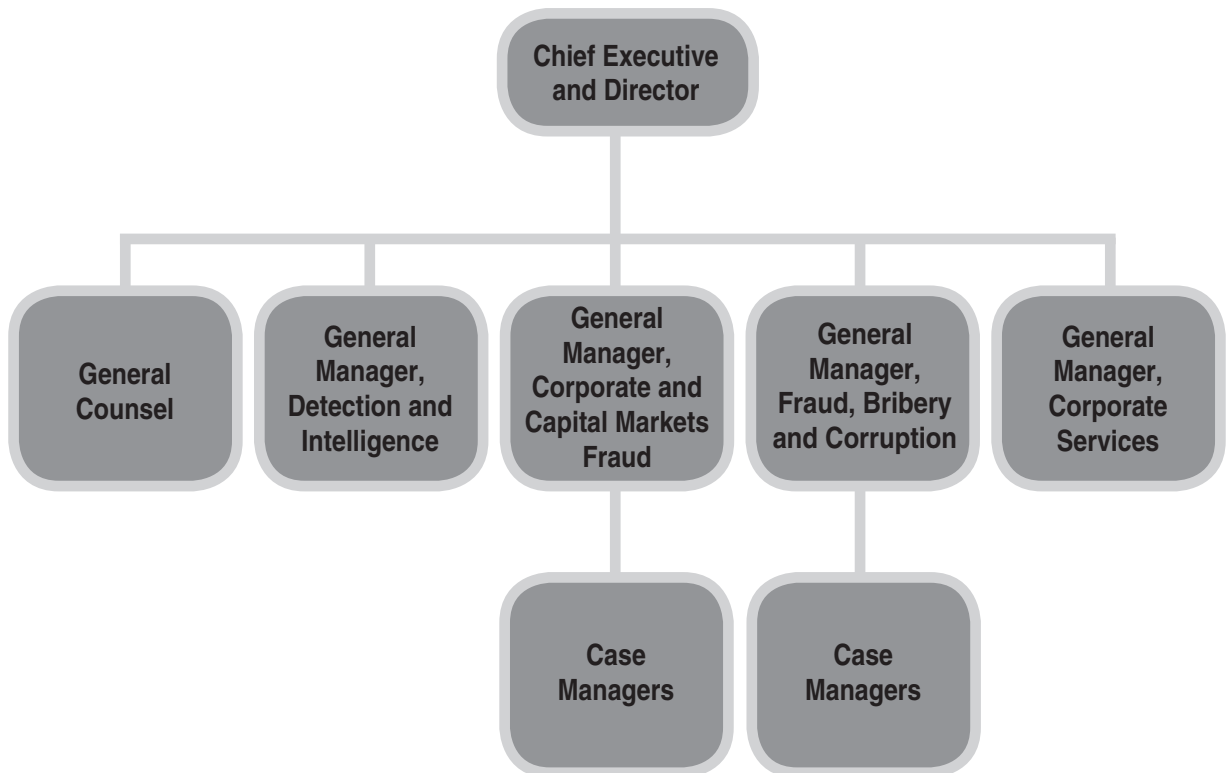
Accordingly, for future work, we will prioritise cases using the following criteria:

- > there should generally be multiple victims (usually investors) of the suspected fraud
- > the sum of money lost, should generally be in excess of \$2M. (This is a significant increase from previous guidelines, but more in line with international benchmarks for what constitutes 'serious' fraud)
- > the nature of the alleged criminal transactions should be such that they have significant legal, investigative and/or accounting complexity beyond the usual resources of most other law enforcement agencies
- > in the case of bribery or corruption matters, the emphasis will be on crimes which involve public officials and could thus undermine public confidence in the administration of laws.

We work for the Minister of Police in the portfolio area of Vote Serious Fraud with a single departmental output expense: Investigation and Prosecution of Complex or Serious Fraud.

In carrying out our role, we have strong links to the Police, Ministry of Justice and Crown Law Office, as well as the Ministry of Economic Development, the Securities Commission and Commerce Commission.

Organisational Structure



How we will work with other agencies

It is essential for public confidence that regulators and law enforcement agencies are seen to have very visible and effective procedures for collaboration so that there is neither replication of investigative functions, nor matters 'falling between the gaps' of regulatory responsibilities. The table below summarises these key relationships.

Key relationship	Focus of relationship
Ministry of Justice	Developing suitable policy responses to serious fraud.
Securities Commission Registrar of Companies	In respect of matters they investigate under the Securities Act 1978, Companies Act 1993, Corporations (Investigation and Management) Act 1989 and related corporate and securities legislation.
Internal Affairs	In respect of their responsibilities for gaming and lotteries grants.
Commerce Commission	In respect of any fraud arising under the Commerce Act 1986 and Fair Trading Act 1999.
Police	In respect of (a) matters investigated by OFCANZ, (b) matters relating to the recovery of proceeds of crime (and civil forfeiture) and (c) matters of bribery and corruption arising from New Zealand obligations from the UN Convention Against Corruption and the OECD Working Party on Bribery.
Ministry of Foreign Affairs and Trade	Developing more effective administrative procedures for mutual international assistance in order to improve the chances of a successful investigation involving cross-border fraud.

Strategic Direction and Outcome Framework

This section identifies the key Government priorities for which our work will contribute a positive impact. The table on the opposite page summaries our Outcome Framework, which links our work to the impact we are trying to make within New Zealand society and capital markets.

How we will work within Government's priorities

The Government's long term priority is to grow the New Zealand economy in order to deliver greater prosperity, security and opportunities for all New Zealanders. In order for there to be economic growth, the country needs to be relatively free of economic crime. Two specific Government outcomes for which we directly contribute are:

Economic development focus

Greater public confidence in New Zealand capital markets domestically and internationally.

Justice focus

Reduced occurrence, impact and harm of serious fraud and increased numbers of perpetrators being held to account, whereby the interests of consumers and investors are protected.

Details of appropriations are set out in Budget 2010, Vote Serious Fraud, Parts 2–6, in the *Information Supporting the Estimates of Appropriation*.

Outcome Framework 2010–2013

Government priorities	Economic focus: To grow the New Zealand economy in order to deliver greater prosperity, security and opportunities for all New Zealanders.	Justice focus: To build safer communities where individuals feel secure and that they live in a society where civil and democratic rights and obligations are upheld.
Outcomes	Greater public confidence in New Zealand capital markets domestically and internationally.	Reduced occurrence, impact and harm of serious fraud and increase of perpetrators being held to account, whereby the interests of consumers and investors are protected.
Intended impacts	<input type="checkbox"/> Improved quality of the regulatory environment. <input type="checkbox"/> Increased levels of domestic and foreign investment.	<input type="checkbox"/> Increased instances of 'white collar' fraud crime offenders being held to account for their actions. <input type="checkbox"/> Increased collaboration of Justice sector agencies with regard to investigation of complex or serious fraud cases.
Indicators of success¹	<input type="checkbox"/> Maintaining or improving New Zealand's OECD rankings for market regulation. <input type="checkbox"/> Increased confidence in New Zealand's capital markets as reflected in MED business confidence surveys.	<input type="checkbox"/> Surveys of businesses show an increasing awareness of, and responsiveness to, fraud prevention. <input type="checkbox"/> New Zealand's ranking for accessibility to capital is improved as measured in the Milken Institute Access Index. ⁴
Strategic focus		
Aims	<input type="checkbox"/> Address corporate fraud in New Zealand. <input type="checkbox"/> Protect investors and consumers. <input type="checkbox"/> Contribute to a regulatory environment that attracts capital from domestic and overseas investors.	
Output	Investigation and prosecution of complex or serious fraud – early detection and resolution of cases	
Activities²	Investigation and prosecutions	Policy development contribution
Performance measurement focus		
Quality	Responsiveness and timeliness	Scale and impact
Organisational focus³		
Improved efficiency, cost-effectiveness	Greater collaboration	Better information and intelligence
		Greater capability

¹ Further detail on these indicators is given on page 12.

² Further detail on key activities to achieve these aims is given on page 13.

³ Further detail on key activities is given on pages 18–19.

⁴ Milken Institute is a non-partisan Independent Economic Think Tank based in the USA.

Operating Environment

We have identified a number of environmental factors that could have an impact on the way we work and the level and type of serious fraud we encounter. These provide opportunities and challenges as we develop our new structure and approach to identifying and assessing cases for investigation and prosecution.

Economic

While current Treasury forecasts anticipate a gradual economic recovery for the economy in 2010, the 'tail' of the recession and its impact on our work remains uncertain. Liquidity for many companies remains a problem and the manifestations of those problems, in a criminal context, can lead to false accounting, forgery and other types of fraudulent corporate activity. We will need to be vigilant to these issues and in particular will need to maintain close links with accountancy firms, trustees and other professional advisers who are likely to be the first to identify possible incidences of fraud.

Technology

All major frauds today have enormous volumes of financial statements, accounting records, corporate documents and other evidence. Analysis of all this documentation is complex and time-consuming. Today, almost all of this information is held in digital form. In order to effectively discover, record, analyse and manage this information, an extensive investment in technology is required. This includes cloning of computer hard drives, decryption of secured information, automated identification of irregular patterns of financial transaction, sophisticated search queries of large volumes of corporate documents and a highly effective system for case and document management. We have made some capital investment in these areas, but much greater development will be required in 2010/11, if we are to undertake major frauds with the speed, accuracy and ultimately success.

Policy development

Recidivism in white collar crime is believed in some jurisdictions to be as high as 60%. Its impact on an economy is enormous with estimates in the United Kingdom putting a figure of financial crime's cost at least NZ\$65B per annum. Others consider the real figure to be far higher. The Capital Markets Development Taskforce has made numerous policy recommendations to improve the quality of New Zealand capital markets. However, in the context of criminal enforcement, it is arguable that more work is required. In the UK, the initiatives of the National Fraud Authority, Serious Fraud Office and Serious Organised Crime Agency have identified a number of policy responses to growing concerns regarding economic crime. Principle amongst these are the financial reporting orders and serious crime prevention orders, both of which are aimed at *preventing future crime*, rather than punishing past crimes. If we are to more effectively contribute to the outcome of actually reducing the incidences of fraud (as opposed to having greater numbers of prosecution successes), alternative policy approaches will need to be developed and considered within the wider Justice sector.

Fraud intelligence

The nature of fraud is such that it is often more difficult to detect than, for example, violent offending where the consequences will always be readily apparent. Moreover, the means of hiding such fraud grows with increasing ingenuity. Timely detection (i.e. prior to a major corporate failure occurring and investors funds being irrevocably lost) depends on a variety of factors, but principle amongst them is having effective intelligence networks to detect offending. This relies not only on our ability to share information with other agencies and private sector organisations (eg liquidators and receivers), but also having quick access to critical information. Development of an inter-agency fraud database will be a particularly important part of such a strategy.

Globalisation

Money and property can now be quickly transferred across jurisdictions through online transactions. This, coupled with the time-consuming nature of cross-border enforcement, creates significant delays and at times a complete barrier to effectively detecting (due to lack of information) or prosecuting (due to either absence of witnesses or evidence) 'white collar' crime. In order to improve the chances of a successful investigation involving cross-border fraud, we will need to continue to develop direct and effective networks with equivalent agencies in relevant jurisdictions. We will also need to consider more effective administrative procedures with the lead agencies responsible for mutual international assistance, primarily the Crown Law Office and Ministry of Foreign Affairs and Trade.

Our Intended Impacts

We alone cannot effect change to the Government outcomes. Our assumption is that through identifying the areas we can have the greatest impact, we will see positive change. These steps, in addition to what other agencies are doing and environmental factors will thus have a positive impact on the wider outcomes. We have identified some indicators by which to measure progress of success towards the impacts desired. In future years we will identify specific target levels by which to benchmark movement. If progress is not being made towards a target, we will review the part we can play and change our focus as appropriate.

Impact	Indicator	Measurement tool
Economic development outcome		
Improved quality of the regulatory environment.	Improved international rankings for the effectiveness of our market regulation, which includes regulatory intervention and enforcement.	Maintaining or improving New Zealand's OECD rankings for market regulation.
Increased levels of domestic and foreign investment.	Increased confidence in New Zealand as a place to do business, which necessarily includes confidence in the effectiveness of law enforcement.	Increased confidence in New Zealand's capital markets as reflected in Ministry of Economic Development's business confidence surveys.
Justice Outcome		
Increased instances of 'white collar' fraud crime offenders being held to account for their actions.	Improved rankings for accessibility of capital, which depends on investors believing they will be protected from criminal behaviour.	New Zealand's ranking for accessibility to capital is improved as measured in the Milken Institute Access Index. ⁵
Increased collaboration of Justice sector agencies with regard to investigation of complex or serious fraud cases.	Increased awareness of, and responsiveness to, fraud prevention, which is a consequence of visible and timely enforcement.	Surveys of businesses show an increasing awareness of, and responsiveness to, fraud prevention.

⁵ Milken Institute is a non-partisan Independent Economic Think Tank based in the USA.

What we are seeking to achieve and how

Serious fraud has a major impact on an economy. It has direct impacts, in terms of the losses suffered by its victims, and indirect impacts in terms of the costs in seeking to prevent fraud or responding to it after the event. Significantly, it also negatively impacts on the confidence, and therefore the future decisions of companies, investors and consumers.

- Our aim is to help address corporate fraud in New Zealand by:
 - > improving the level of corporate responsibility of those in the capital markets through enforcement action which is swift and publicly visible
 - > increasing confidence in New Zealand as a place to invest in due to its relative lack of financial crime.

We will achieve this by:

- > conducting investigations and prosecutions of complex or serious crime which are responsive, efficient and effective.

- Our aim is to protect investors and consumers by:
 - > developing greater intelligence across all regulators and law enforcement agencies to help detect and prevent incidences of fraud.

We will achieve this by:

- > collaborating with insolvency practitioners on
 - protocols for case referrals
 - policies for the disclosure of information
 - delegation of powers to private sector agencies.
- > collaborating with law enforcement agencies on
 - fraud investigations
 - opportunities for information sharing
 - arrangements for developing fraud intelligence .

- Our aim through active contribution to policy development is to contribute to a regulatory environment that attracts capital from domestic and overseas investors by:
 - > increasing the awareness across New Zealand of the potential for fraud and developing an understanding of how to prevent it.

We will achieve this by:

- > contributing to policy development on
 - a national fraud strategy
 - responses to the Capital Market Development Taskforce report
 - providing alternative responses to white collar offending.

What we will do

Our work can be broken down into a number of discrete actions that lead to thorough investigations and successful prosecutions. Recognising that an investigation is a long process made up of several key phases we have established performance targets to ensure that each phase of an investigation is monitored for efficiency and effectiveness. Some targets are new measurements and some levels will be benchmarked against the UK Serious Fraud Office.

Quantitative Targets

Output	Estimated 2009/10	Target 2010/11	Comment
Number of self-initiated inquiries	new target 2010/11	5	To demonstrate increased and earlier responsiveness.
Number of complaints received	200	200	To capture the large number of complaints received and referred to appropriate agencies.
Number of complaints reviewed	80	100	To capture the large number of complaints initially reviewed under non-statutory powers.
Number of new cases where investigations commenced	25	20	To demonstrate increased focus on 'fewer, but better' cases investigated.
Number of cases brought to prosecution	12	15	To capture the successful outcome of investigations and ensure that perpetrators are being held to account.
Number of OFCANZ and proceeds of crime cases assisted	5	10	To reflect increased working links with Police on financial crime.
Ratio of category A and B cases investigated ⁶	1:5	1:3	To reflect the need for increasing focus on the most serious and complex cases.
Number of victims	new target 2010/11	1000+	To identify the scale of our work in assisting with redressing the impacts on victims of financial crime.
Total value of money defrauded	new target 2010/11	\$50M+	To identify the impact of our work in stopping major financial crimes.

⁶ Category A cases are those which either:

- investigation into a fraud alleging \$10M losses or greater; or
- investigation into a fraud alleging 100 or more investors/victims; or
- involve bribery or corruption of a public official.

Category B cases are all other investigations.

How we will measure success

It is important to provide an indication to Government and the public on the value of our work. As a small organisation, with a very specific law enforcement brief, we need to have very focused and well-defined set of performance measures against which our impact can be measured. Our quality and timeliness measures reinforce that early detection and resolution of complex or serious fraud will have a positive impact on the New Zealand economy.

More detailed information on our performance measures can be found in the *Information Supporting the Estimates of Appropriation* within Vote Serious Fraud which is part of the Budget 2010, Vol 7, Justice sector.

Performance measures

The key performance measures will focus on:

Quality: *through ongoing quality assurance reviews of files by both internal and external parties.*

We will maintain public confidence in the quality of work that we do and, consequently, confidence in the integrity of law enforcement, regardless of the outcome of any particular investigation.

Responsiveness and timeliness: *through reducing time taken to complete various parts within an investigation.*

We will demonstrate increased productivity and cost-effectiveness to matters under investigation. This will provide a basis to benchmark ourselves to like agencies internationally. These measures will demonstrate our responsiveness to investors and consumers, and victims of crime.

Scale and impact: *through successful prosecutions where custodial sentences are ordered.*

We will ensure that, despite being a small agency, by targeting the largest and most publicly visible cases, and securing convictions which attract the most severe sentences, we can help provide an effective deterrence to corporate crime.

Visibility: *through increased communication to victims, complainants and the public and through greater collaboration with Police and insolvency practitioners.*

We will reinforce the principle that justice depends not just on something being done, but it being seen to be done. We must keep complainants, witnesses and the general public informed as to what we are doing, and thereby ensuring transparency in the administration of justice. A more collaborative approach means we can obtain intelligence across the justice and business sectors, increasing the speed and efficiency of investigations, and providing a greater deterrence towards fraud.

International benchmarking

In assessing our performance, we will continually benchmark ourselves to like agencies. The UK Serious Fraud Office provides a particularly relevant standard, having been established at the same time as the New Zealand Serious Fraud Office and with a very similar range of functions and powers. We will establish appropriate performance comparisons relating to case completion, quality and effectiveness of the work undertaken by both agencies.

Performance indicator	SFO target	UK SFO	Comment
Timeliness: Completion of Part I and Part II investigations ⁷	Part I: 3 months Part II: 9–12 months	To be decided	This measure targets the most time important aspect of our work.
Quality: Quality assurance	Quarterly	To be decided	This measure ensures constant monitoring of the quality of an investigation.
Responsiveness: updates to complainants and victims	Monthly/ quarterly	To be decided	This measure ensures that we are visible to, and trusted by, the public.

Assessing our cost-effectiveness

Doing ‘more with less’ lies at the heart of the current challenge facing all public sector agencies. With a modest and constrained budget, we will:

- > collaborate more closely with other agencies to ensure that there is no replication of functions
- > identify opportunities to manage peaks in work through cost-effective use of external expertise
- > make more effective use of technology to monitor and progress investigations
- > seek opportunities to implement shared services for non-operational services such as information systems infrastructure, human resources support and financial processing.

⁷ ‘Part I investigation’ is a preliminary investigation conducted for the purpose of detecting complex or serious fraud. ‘Part II investigation’ is a full investigation into a suspected case of complex or serious fraud.

Managing in a Challenging Environment

Specific risks we face

With ongoing economic challenges and new Government priorities, there are a number of external risks that need to be managed, including:

- > failure to respond quickly to a major incidence of fraud
- > failure to align our investigative priorities with the wider enforcement priorities of the entire Justice sector and Government
- > failure to address cases that will have the biggest impacts.

We also face ongoing internal operational risks, which if not addressed could impact on the delivery of our key outputs. These include:

- > delays in implementing the new organisational structure
- > loss of key staff during this transitional period
- > failure of internal management systems
- > failure of information technology systems
- > staff breaching standards of probity.

How we will manage these risks

As we move through a period of significant change, we will need to create, modify and implement systems and processes to ensure that these and other risks are properly addressed and mitigated.

Fundamental to this will be a risk management framework that allows us to continually anticipate and manage risk. The new organisational structure will reflect the importance of risk management by ensuring that the senior management roles have collective responsibility for progressing the strategy. Other steps which will be taken include ensuring that:

- > work priorities are continually referenced to both the new strategic direction and performance measures
- > new quality assurance processes are embedded within our operational work
- > there is comprehensive ongoing reporting to our Minister on organisational and operational priorities
- > there are regular exchanges of information within the Justice sector through the Justice sector Chief Executive forum.

Assessing Organisational Capability and Health

What we are seeking to achieve and how

- Our aim⁸ is to complete our activities more efficiently and cost-effectively through:
 - > ensuring systems and processes are in place that support our strategic and work priorities and are aligned to Government priorities
 - > increasing our medium to long term financial sustainability and meeting the Government's priority on 'value-for-money' services.

We will achieve this by:

- > implementing recommendations from the April 2010 organisational review
- > identifying cost-effective options for outsourcing or using shared service arrangements with other agencies of non-core operating functions.

- Our aim⁹ is to be viewed as a responsive and effective communicator with regard to serious fraud through:
 - > improved relationships with key partner agencies and private sector interests in fraud detection
 - > improved and regular communication with complainants and victims.

We will achieve this by:

- > developing a communications strategy which addresses:
 - the policies and protocols for information disclosure, delegation of powers, and other investigation and prosecution priorities
 - how best to respond to complaints and keep complainants and victims regularly informed on progress of investigations and prosecutions.

- Our aim¹⁰ is to increase the capability of our staff and management and being an employer of choice through:
 - > enhancing our role as a sector leader in forensic accounting and investigations
 - > creating an organisational culture in a manner that visibly demonstrates both staff and organisational willingness to adapt to a rapidly changing business and political environment.

⁸ This work contributes to the "Value-for-money" State Services Development Goal.

⁹ This work contributes to the "Accessible and Trusted State Agencies" State Services Development Goal.

¹⁰ This work contributes to the "Employer of Choice" State Services Development Goal.

We will achieve this by:

- > developing over the course of the year, a program that identifies opportunities to recruit from leading private and public sector agencies (while maintaining an appropriate ratio of experienced existing staff) and finding opportunities for specialised training in forensic skills
- > implementing a programme to develop management talent, thereby enhancing staff motivation and productivity, particularly in times of change.

□ Our aim¹¹ is to be better informed and have greater intelligence on complex or serious fraud issues through:

- > maintaining information technology hardware and software systems and processes which are well connected internally and externally with law enforcement agencies and insolvency practitioners.

We will achieve this by:

- > reviewing existing hardware and infrastructure technology requirements
- > implementing changes, including case management and other software systems to support investigation and prosecution work
- > identifying opportunities to develop information databases or share existing electronic information with other agencies in New Zealand and internationally.

How we will measure progress

We will know we are making progress if we:

- ✓ meet the timeframes established within project plans
- ✓ establish and progressively improve upon, a staff survey which demonstrates positive engagement
- ✓ establish and progressively improve upon, a survey with key law enforcement agencies and insolvency practitioners that demonstrates that we worked in a collaborative manner.

¹¹ This work contributes to the "Co-ordinated State Agencies" State Services Development Goal.

Capital Intentions

As a small organisation, our capital needs are modest, but critical to the business. Our requirements in 2010/11 have increased due to the need to upgrade the systems and processes to match the Government's expectations on delivery of complex or serious fraud investigations and prosecutions. The investment supports an organisational review completed in April 2010.

Forecast capital expenditure

	2009/10 Budget \$000	2009/10 Estimated Actual \$000	2010/11 Forecast \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Leasehold fit-outs	100	–	–	–	–
Information technology	79	45	90	72	20
Software	5	5	240	20	10
Other assets	49	–	200	50	50
Total capital	233	50	530	142	80

> *Information technology: Software*

We will make targeted investments in case management systems, and associated software, that can improve the quality and speed of investigations. Particular areas of focus will be forensic analysis tools, litigation support and case presentation.

> *Information technology: Hardware*

IT infrastructure will be out-sourced where it best manages our costs and risks. However, appropriate investment will be made in security and in organisation-wide PC and mobile devices that support the 'roaming' nature of our investigative functions.

> *Other assets*

We have not updated our working environment for 20 years. Appropriate investment will be made to create a working environment which is more conducive to the communication and other needs of a multi-disciplinary investigations team.