



Annual Report

2024-2025



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Highlights 2024/2025



23
active prosecutions
throughout the year



54
defendants before
the courts



Foreign Bribery
campaign launched



1364
complaints received
(up 13%)

\$174.5m
combined alleged fraud
value across all prosecutions
before the courts

10
defendants convicted across
8 different cases involving a
total of 140 charges



72%
SFO workforce engagement
score (compared to public
sector benchmark of 63%)



77% increase
in new users to CFC website



22
Part 1 enquiries
commenced



7
Part 2 investigations
commenced



Strategic Areas of Focus refreshed, with
100% of new investigations
falling within these areas

Foreword

Today's world is one of evolving complexity and turmoil. Our lives are being influenced by rapid technological advancements, a volatile geopolitical landscape, increasing natural disasters and economic uncertainty. All these factors can amplify the risk of fraud and corruption, making the Serious Fraud Office's mission more important than ever. As I reflect on the last 12 months and look ahead to the future, I am heartened by the strength of our team and the excellent results they have delivered. We are an organisation which is positioning itself well to meet the challenges ahead, and dedicated to disrupting and deterring serious fraud and corruption.

I have been consistently impressed by our team's agility and tenacity this year. They have needed to move swiftly on multiple occasions, whether to prevent suspects from fleeing the country or to halt potentially harmful behaviour. Each time they are called to action, they come together with the same professionalism and determination.

They work diligently to stay ahead of emerging threats and readily share their knowledge with other agencies to help strengthen our domestic response. Our people truly are the backbone of the SFO, and it is no wonder their skills are widely recognised.

This expertise is demonstrated in the notable results we saw in a number of our cases this year. In 2024/25 we had 23 separate prosecution matters before the courts, involving 54 defendants and a combined fraud value of approximately \$174.5 million. Of the six trials we had scheduled for this year, five were resolved through guilty pleas, reducing pressure on the Justice system and demonstrating the depth and strength of the investigations and evidence obtained by our people. These included New Zealand's largest private sector corruption case, where an IT contractor paid \$4.1 million in kickbacks to another in exchange for being awarded \$20.7 million in contract work. Such behaviour risks undermining the integrity of our business environment, reducing competition and lowering investor confidence, which is a key focus for the SFO.

We also saw early guilty pleas from a husband and wife in Christchurch who fraudulently obtained \$2 million from Oranga Tamariki, and a former charitable trust employee who stole more than \$1 million of funds intended for social support services in Porirua.

A former lawyer in the Bay of Plenty admitted to fraudulently claiming almost \$375,000 from a legal aid support scheme, highlighting that while the dollar value may sometimes seem modest, the impact of the offending is still significant. These acts are serious breaches of trust that divert vital funding from families and individuals facing difficult circumstances.

In another prosecution the offender, Hun Min Im, entered guilty pleas to 54 charges and was found guilty on an additional 34 charges. Mr Im attempted to claim \$1.88 million from the COVID-19 Wage Subsidy Scheme, as well as from the Small Business Cashflow Scheme, COVID-19 Support Payments and Resurgence Support Payments. In total, he attempted to claim \$2.3 million and received almost \$624,000. Mr Im exploited public funds that were intended to support people and businesses during a time of significant stress and uncertainty. The misappropriation of targeted government funding is a key focus area for the SFO, particularly in times of emergency recovery. During such times, the priority is on getting help to those who need it most, as quickly as possible. This urgency can create opportunities for those looking to exploit relief programmes.

These early pleas are a testament to the strength of our cases. A significant amount of work goes into preparing for trial, and the resources which had been earmarked for those trials were quickly redirected to other operational demands.

The SFO is, and has always been, a lean and efficient organisation, with most of our team in frontline roles. As with other government agencies, in early 2024, the SFO was asked to find ways to achieve a reduction in its baseline appropriation. Our initial target was 6.5%, which was later reduced to 3.5% to minimise impact on frontline service delivery and allow us to carry out an organisational Efficiency and Effectiveness Review. This review was launched in June 2024, with the purpose of strengthening frontline service delivery and delivering a sustainable and future-focused law enforcement agency within the current environment.

Our workforce is one of our most significant areas of expenditure. While we sought to minimise the impact on our people, the review resulted in the disestablishment of twelve roles and the creation of six new roles. Frontline operational roles were not included in the disestablishments. We acknowledge that a change process is challenging for staff, particularly those that are affected. Our priority was to ensure our people were supported throughout the review and consultation period.

As a result of the review, we made changes to our team structure to further enhance our detection and intelligence capabilities. As fraud grows in both volume and complexity, we continue to field a large number of complaints and referrals from the public and other agencies. We also understand the importance of not waiting for cases to come to us and proactively allocating our resources to the cases that will have the most significant potential impact.

Our existing Evaluations and Prevention functions have now been integrated. Our Evaluations function has been working terrifically hard on assessing complaints, and we have several substantial and interesting cases underway. While ultimately not all of these cases may be prosecuted by the SFO, the impact of pursuing a case can create broader impacts beyond securing convictions at trial. We strive to ensure that our cases have a ripple effect that disrupts and deters offenders – not only through judicial outcomes but also by raising awareness and enhancing counter-fraud prevention capabilities.

The Evaluations team has been further strengthened with the addition of a new Intelligence/Detection Lead role. This role focuses on lifting the SFO’s detection capabilities and enhances our connectivity to intelligence functions embedded within other financial and law enforcement stakeholders, both domestic and international. A key aspect of this new role is to promote a greater understanding of the SFO’s mandate and Strategic Areas of Focus across public and private sector partners.

Our Strategic Areas of Focus have proven to be a valuable and impactful framework. Feedback from the bi-annual Stakeholder Perceptions survey reveals that there is a clear understanding of the need to direct the SFO’s limited resources towards cases that can create the most significant impact. In January 2025 we updated the focus areas, making refinements for greater clarity, and to address recent developments and emerging risks. This update includes accounting for new technologies and the effects of commercial fraud on New Zealand’s significant trade industries,

which can influence economic growth and productivity. We are, however, pleased that our initial focus areas still largely reflect issues critical to New Zealand’s economic and financial wellbeing.

Strategy and prevention

By understanding how fraud is committed, we can identify ways to prevent it. Our Counter Fraud Centre (CFC) leverages insights from our operations team to provide advice and guidance to central and local government agencies. The CFC is developing a significant following with increasing demand for its services reflecting its effectiveness. This year alone the CFC experienced a 77% increase in total users visiting their website, and a 93% increase in new users. They have published excellent guidance, including how to safeguard public resources during emergency situations, and a guide to help tackle one of the biggest areas of risk in the public sector – the procurement process. The CFC’s Community of Practice was surveyed in June 2025, with 89% agreeing that advice provided by the CFC has helped them improve their counter fraud capability. Similarly, 88% said the Community of Practice has enhanced fraud prevention collaboration and information sharing across the public sector.

Lifting the counter fraud culture and capability of the New Zealand public sector is one of our strategic priorities. Part of the 2024/25 year has been spent developing an initiative aimed at targeting and accelerating the CFC’s efforts to uplift public sector resilience, particularly to insider threats. Our Anti-Corruption Taskforce, officially launched in July 2025, is a new pilot programme which aims to build a clearer,

system-wide picture of the corruption and fraud risks across the public service. The Taskforce will be led by the SFO and supported by New Zealand Police and the Public Service Commission. By bringing enforcement and central agency partners together, this helps build a clearer intelligence picture that can be used to lift system resilience and ensure we stay ahead of emerging threats.

Our Strategy and Prevention team have been kept busy in other areas too, including with the launch of a national campaign countering foreign bribery and the introduction of an encrypted anonymous reporting tool that is accessible in multiple languages. This tool provides a secure platform for informants and whistleblowers to make anonymous reports and help us advance our work in this area, in which offending is notoriously difficult to detect. To raise awareness, the launch was accompanied by an eye-catching online advertising campaign on key media platforms, with supporting material on our website in multiple languages.

Future focus

In June 2025 the SFO marked its 35th anniversary, providing an opportunity to reflect on how far we have come since our establishment. The fraud landscape has changed markedly, and it would have been hard to conceive in 1990 of how much data each of us would generate and carry in our daily lives.

This year, a Court of Appeal ruling regarding digital evidence in one of our cases highlighted this shift. The ruling required us to review our approach to aspects of our investigation practices involving the use of our statutory search and production powers. With the rapid advancement of technology and associated

impact on the nature of evidence over the intervening years, the SFO has made significant changes to how we collect, review and disclose digital evidence.

These changes ensure we can appropriately use the powers granted under our 1990 legislation in the modern digital environment, and to manage the impact of the Court’s judgment on our operational activities and active investigations. The SFO continues to operate effectively under our current legislation, as highlighted by the convictions of ten defendants across eight different cases involving a total of 140 charges during this reporting period. We are actively engaging with the Ministry of Justice, which is responsible for administering the SFO Act 1990, to ensure our legislative framework remains effective in today’s complex digital and online environment.

Looking ahead and staying informed about emerging trends is particularly crucial in our line of work. Over the past year, our team has been developing a Long-term Insights Briefing titled “*Staying ahead of the curve: Responding to emerging trends in detecting fraud and corruption in New Zealand.*” This briefing, which at the time of publication had recently concluded public consultation, explores the evolving landscape of fraud and corruption detection, with key insights and best practices from international jurisdictions as well as the SFO’s own experience. It examines trends impacting fraud detection, outlines three possible futures faced by New Zealand, and highlights strategic opportunities being explored by our international partners to enhance detection capabilities.

While the technology available to fraudsters has become exponentially more sophisticated in recent years, we are committed to evolving our capabilities to keep pace. These advancements not only change the way fraud is committed but also open up new avenues for more efficient investigations and innovative detection methods. We collaborate closely with our partner agencies, sharing knowledge, resources and tools to ensure New Zealand remains vigilant against emerging threats. Establishing connections with both domestic and international partners is a priority for us, and in today's environment it is more important than ever.

Our new stakeholder engagement strategy, launched early in the 2024/25 financial year, is helping to guide us in ensuring that we commit our limited resources to foster enhanced and meaningful connections. Our efforts in this area were recognised in our biennial Stakeholder Perceptions Survey, held in June 2025. The survey found the SFO, historically perceived as insular, is now seen as a highly engaged and respected partner, with notable improvements in outreach and education from senior leadership.

Our people

One of the results I am most proud of from this year was the feedback we received in the Te Taunaki Public Service Census. The Census ran from 3–21 March, with responses from over 44,000 public servants across 40 agencies.

As always, the SFO's response rate was high (83.8%, compared to 68.4% for the wider public service). It was rewarding to see our positive and inclusive culture reflected in the results, with 0% rates of bullying and harassment (compared to 12.1% for wider public service), and 0% for discrimination (compared to 14% for wider public service). These are exceptional results that reflect our organisation as safe, principled, and united in purpose.

All of those who took part said they feel the SFO is working for the long-term good of New Zealand, and that this is important to them. While we undoubtedly face challenges ahead, I hope what you take from this report is that New Zealand is in good hands. As a team, we are energised, dedicated to our mission and focused on the future. We are strategic in our approach to using our specialist resources, and every decision we make is guided by what is best for New Zealand's economic and financial wellbeing.



Karen Chang
Chief Executive and Director

Statement of responsibility

As Chief Executive and Director of the Serious Fraud Office, I am responsible for:

- the preparation of the SFO's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the SFO is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report
- the accuracy of any end-of-year performance information prepared by the SFO, whether or not that information is included in the annual report.

In my opinion:

- the Annual Report reflects the operations, progress, and the organisational health and capability of the SFO
- the financial statements fairly reflect the financial position of the SFO as at 30 June 2025 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Serious Fraud Office as at 30 June 2026 and its operations for the year ending on that date.



Karen Chang
Chief Executive and Director
29 September 2025

Our purpose

Our purpose is to protect New Zealand's economic and financial wellbeing. We achieve this through our mission of disrupting and deterring serious fraud and corruption.

As a lead agency in New Zealand for corruption cases, the SFO safeguards the country's reputation for transparency and integrity. This, in turn, supports investor confidence and helps keep business costs down. Established in response to the 1987 share market collapse, the SFO has spent over three decades tackling significant and complex fraud cases.

The core work of the SFO involves investigating and prosecuting serious or complex fraud, including corruption. The Serious Fraud Office Act 1990 provides the SFO with specialist investigative powers enabling us to effectively carry out this role. Our investigation teams are structured differently from other law enforcement agencies. Our cases are investigated by multidisciplinary teams made up of highly skilled investigators, forensic accountants, investigating lawyers, electronic forensic investigators, supported by critical roles such as document management specialists, legal advisors and e-discovery experts. Based on the United Kingdom's Roskill Model, this structure is considered best practice for investigating complex financial crime. The SFO has developed strong technical competence related to forensic accounting, electronic forensics, and overall investigation and prosecution of complex financial crime.

We generally have about 30-40 investigations and prosecutions open at any one time. We focus our specialist resources on cases that have the greatest potential to disrupt and deter serious fraud, including corruption. All complaints are assessed against our statutory criteria, including the scale of the alleged crime, its impact on victims, its complexity and the degree of public interest.

Our Counter Fraud Centre - Tauārai Hara Tāware (CFC) focuses on prevention and building resilience in the public sector. We apply lessons learned from the SFO's investigations and prosecution to understand how fraud against the public sector is perpetrated. Additionally, we are advancing initiatives to enhance fraud reporting, which will strengthen the overall resilience of New Zealand's public sector against fraud and corruption. The SFO also plays a crucial role in meeting New Zealand's international anti-corruption obligations.

Our strategic priorities

The SFO's Statement of Intent 2023-2027 reflects our goal to utilise our specialised resources for maximum impact. The strategic priorities set out below aim to ensure that every action we take amplifies our contribution to New Zealand.

Purpose

Protect New Zealand's economic and financial wellbeing

Mission

Disrupt and deter serious fraud and corruption through prevention, investigation and prosecution



01 | Case impact

Target cases with the greatest potential impact, maximising the SFO's specialist expertise



02 | Prevention

Lift counter fraud culture and capability in the New Zealand public sector



03 | Connection

Enhance stakeholder engagement and system contribution - domestic and international



04 | Future-proof capability

Invest in our people and infrastructure to meet and anticipate our operating environment

How we measure and report our performance

The SFO can only take a limited number of cases and focuses its specialist expertise on those which will have the greatest potential impact in disrupting and deterring serious fraud.

When assessing our progress towards our mission, we recognise that performance measures based solely on quantitative results may not meaningfully capture the broader impact of our work. This is also applicable for our prevention work, where measuring behavioural changes and the impact of our outreach doesn't lend itself to a purely quantitative approach.

The SFO's Statement of Intent 2023-2027 (SOI) sets out the strategic direction and priority areas for the SFO. Where the SOI outlines how we will measure progress towards our

strategic intentions, the Estimates set our operational performance in delivering our activities. In essence, the SOI measures strategic performance and the Estimates measures operational performance. Our SOI will be reviewed in 2025/26.

Our Annual Report includes Output Performance Measures and Outcome Indicators to provide a comprehensive overview of the SFO's performance.

Our reporting framework



Case impact

Targeting cases that have the greatest potential impact, maximising the SFO's specialist expertise

The SFO's potential reach is broad, with the authority to investigate matters in both the private and public sectors and across all industries. Serious or complex fraud is not confined to any specific sector or industry, making this broad reach essential for our effectiveness.

As a result, there is a wide range of matters that could potentially be investigated by the SFO. However we are not designed for volume. Instead, our focus is on creating a ripple effect from our cases that disrupts and deters offenders. Our Case Impact priority reflects our intention that we use our specialised resources to achieve the greatest impact and maximise SFO's specialist expertise.

Building our strategic and operational intelligence

To improve our detection of cases with the greatest potential impact, one of the SFO's key focuses over the 2024/25 year has been to invest in enhancing our strategic and operational intelligence capability, as well as developing stronger and broader connections.

As part of the SFO's Operational Efficiency and Effectiveness Review (see page 44), an opportunity was identified to enhance our intelligence and detection capabilities – by integrating our existing Evaluations and Prevention functions, and by creating a new Intelligence/Detection Lead role. These functions are now consolidated under the new position of Manager Detection and Prevention, which is part of the SFO's wider Strategy and Prevention Team.

In April 2025, we announced the appointment of our new Intelligence/ Detection Lead. This role is primarily focused on lifting the SFO's detection capabilities. Our new Lead brings extensive experience in collecting and analysing complex data to produce actionable intelligence. The appointment also strengthens our connectivity with intelligence functions embedded within other financial and law enforcement stakeholders, both domestically and internationally. A key component of this new role is to promote a greater understanding of the SFO's mandate and Strategic Areas of Focus across public and private sector partners, to enhance collaboration and information sharing.

Strategic Areas of Focus refreshed

To help us achieve the Case Impact priority, in 2023 we published our first Strategic Areas of Focus to guide our decision-making and to signal to stakeholders where we are looking to focus our attention and resources. In January 2025, these areas were refreshed to enhance clarity and focus, with minor changes to address recent developments and emerging risks. This includes considerations for new technologies and the impact of commercial fraud in New Zealand's key trade-related industries on economic growth and productivity. The next review will align with the development of the SFO's next Statement of Intent.

- **Corporate or commercial fraud that risks harm to New Zealand's significant trade related industries**, highlighting the SFO's intent to support New Zealand's economic growth and productivity. This is a refinement of 'Corporate and commercial fraud that threatens New Zealand's reputation as a safe place to do business'.
- **Fraud enabled by emerging technology**, addressing risks like AI, cryptocurrency, and deepfakes. This replaces 'Disruption of emerging trends'.
- **Fraud that leverages an affinity to a particular community**, emphasising trust exploitation. This replaces 'Fraud that targets or disproportionately harms a particularly vulnerable community or group'.
- **Corruption of public officials that carries risk for health and safety**, highlighting risks from subpar procurement practices. This replaces 'Corruption of public officials where health and safety is compromised'.

- **Foreign bribery or foreign interference allegations**. This replaces 'Foreign bribery or foreign influence allegations'.
- **Misappropriation of targeted government funding**, including emergency recovery or rebuild (no change).
- **Frauds perpetrated or facilitated by trusted professionals or professional enablers** (no change).

Overview of evaluation, investigation and prosecution activities for 2024/25

Detection and Evaluation

The number of complaints received by the SFO increased once again in 2024/25, rising by 13% year-on-year to a total of 1364. This represents a 40% growth since 2022/23. The majority of these complaints came from members of the public. As in previous years, most complaints did not fall within the SFO's remit to investigate. While the number of complaints is not a performance target, the continued growth does impact resources since each complaint is evaluated and responded to.

Based on the SFO's 2024 Efficiency and Effectiveness Review, the Evaluation team structure was refreshed to include more specialist team members, including a Senior Investigator and Forensic Accounting Analyst. The revised structure supports the SFO's priority to enhance our detection capability and work effectively with our new Intelligence/Detection Lead role.



The SFO initiated 10 proactive complaints in 2024/25. These are complaints that the SFO opens of its own initiative, based on intelligence or other leads, without a formal complaint from an external source. The SFO is not restricted to acting on complaints from third parties and can act on its own initiative to undertake investigations. Additionally, we received 10 referrals from other public sector organisations.

A small number of the complaints received by the SFO were protected disclosures. The Director of the SFO is an appropriate authority for the making of protected disclosures under the Protected Disclosures (Protection of Whistleblowers) Act 2022. In 2024/25 the SFO received 30 protected disclosures, compared to 23 in 2023/24.

This year, the Director commenced 22 Part 1 Enquiries. Under Part 1 of the Serious Fraud Office Act 1990, the SFO has limited powers to carry out an enquiry into the affairs of any person. These enquiries enable the SFO to better assess whether allegations of fraud should progress to a full investigation and help to determine the conduct under investigation. The addition of more specialist expertise in the Evaluation Team, along with the work of the Intelligence/Detection Lead, enhances the SFO's ability to conduct more extensive enquiries while matters are at Part 1. This provides a more comprehensive understanding of potential offending before the Director commits the limited resources of our Operations Team to a full investigation.

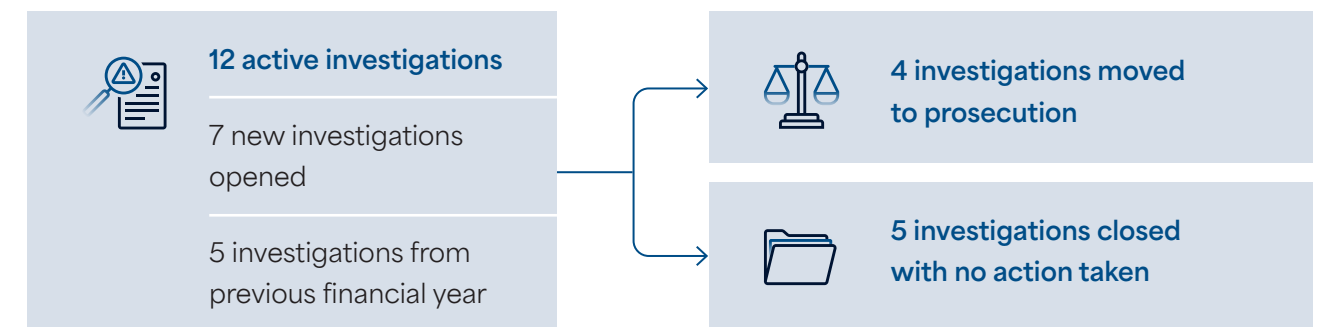
Approximately one-third of enquiries commenced this year related to allegations of corruption, including one case concerning

allegations of foreign bribery. The remaining enquiries include allegations of business and investment frauds, as well as abuse of positions of trust. This year, four Part 1 enquiries were proactively commenced by the SFO based on complaints initiated by the Evaluation Team.

Supporting international anti-corruption efforts

Over the past year the SFO's Evaluation Team received 12 intelligence requests from the International Anti-Corruption Co-ordination Centre (IACCC). These requests relate to allegations of grand corruption (corruption involving high ranking public officials) across the globe, including cases in Africa, Asia Pacific, and Europe. Our efforts in responding to these requests, along with New Zealand Police, assist the IACCC to support local law enforcement agencies in these jurisdictions to investigate and prosecute these serious corruption allegations.

The SFO's 0.5 FTE seconded position at IACCC was disestablished in 2024/25 following the SFO's Efficiency and Effectiveness Review. It was considered that the role was no longer financially sustainable, and funding could instead be redirected to domestic positions that aligned more closely to the SFO's priorities. The SFO remains a committed Associate Member supporting the work and mandate of the IACCC. The SFO and Police share a joint commitment to identify, investigate, prosecute and disrupt grand corruption both domestically and internationally, with a particular focus on the Pacific.



Investigations

The SFO concludes the 2024/25 financial year with 12 active part 2 investigations underway. Over the year we initiated seven new Part 2 investigations, four investigations advanced to prosecution, and five investigations were concluded without prosecution.

An investigation may not lead to a prosecution for a variety of reasons. A key objective of any criminal investigation is to determine whether there is sufficient evidence of criminal offending. We recognise that investigating complaints can have effects beyond securing convictions. Our cases can have impact in a variety of ways, including through non-prosecution outcomes such as raising public awareness of a harmful trend, informing our prevention work, sparking legislative change, or assisting other agencies in taking appropriate action within their remit.

The SFO has, for the most part, met its operational targets regarding timeliness and commencing investigations within the strategic areas of focus. The exception relates to the timeliness targets for cases categorised as non-complex, which have a target timeframe for completion of 18 months. Out of the three concluded investigations in this category, two exceeded 18 months, resulting in an outcome of 33% against a target of 70%.

The timeliness was impacted by the staged approach taken to starting a number of investigations which were categorised together, and resources needing to be diverted to higher priority case commitments.

Investigating in the modern digital environment

In August 2024, the Court of Appeal delivered a ruling that required the SFO to review its approach to aspects of its investigation practices involving the application of SFO statutory search and production powers under the Serious Fraud Office Act 1990.

In late 2020, the SFO filed charges against Roger Pikia in relation to his role as chairman of Te Arawa River Iwi Trust (TARIT) and its investment company, THL Limited. As part of the prosecution process, applications were filed before the trial to determine the admissibility of evidence obtained under the SFO's search and production powers. The High Court ruled that some evidence was inadmissible; however, there remained sufficient admissible evidence to continue with the prosecution against Mr Pikia.

Mr Pikia appealed the High Court's decision to the Court of Appeal. In August 2024, the Court of Appeal found that evidence was unlawfully obtained and remitted the case back to the High Court for an admissibility hearing.



The SFO sought the Solicitor-General's consent to seek leave to appeal the decision to the Supreme Court, which was declined. The effect of the Court of Appeal's findings coupled with the SFO's unique statutory admissibility regime under s 22 of the SFO Act meant the Crown decided not to proceed further with the prosecution and the charges were dismissed.

The SFO continues to operate effectively under its current legislation, as highlighted by the convictions of ten defendants across eight different cases, involving a total of 140 charges and approximately \$11.1 million during this reporting period alone. The SFO takes its

responsibilities as a law enforcement agency seriously and accordingly reviews and adjusts its investigative procedures in response to developments in its operating environment, including relevant court decisions, to ensure it continues to meet the requirements of its legislative operating provisions.

In respect of the Court of Appeal judgment, we have made appropriate modifications to address the Court's findings, ensuring the SFO can appropriately utilise its powers in the modern digital environment. In particular, modifications to the decision-making process relating to the exercise of search and production

powers under the Serious Fraud Office Act 1990 and other process improvements such as updating the form of search warrants. The judgment has also given rise to pre-trial matters on some active prosecutions, the impact of which is outlined at page 20. We are also engaging with the Ministry of Justice, which is responsible for administering the SFO Act 1990, to ensure SFO legislative operating provisions are fit for purpose. A key focus of this engagement is ensuring the SFO has the legislative framework necessary to keep pace with the evolving digital landscape.

Prosecutions

Prosecutions represent a significant proportion of our caseload. This year, we have revised our performance measure related to prosecutions to include all active prosecutions before the courts, rather than just the new prosecutions commenced. We consider this broader measure will better reflect the SFO's performance and resourcing capabilities, as prosecutions that are before the courts place considerable demands on our resources.



Case study: New Zealand's largest ever private sector corruption case

Two IT contractors were sentenced to three years' imprisonment in May 2025 for New Zealand's largest private sector corruption case. IT contractors Sean Bryan and Mark Lester, both Australian citizens, pleaded guilty to charges brought by the SFO in late 2024.

Mr Lester was contracted in 2013 to advise on, manage, and oversee testing associated with a major upgrade to the customer services IT platform of Spark, New Zealand's largest telecommunications and digital services provider. Over time, Mr Lester was given more responsibility and promoted into a senior technology role.

Mr Lester recommended that Spark use Mr Bryan's company, Victory IT Ltd, to assist with testing upgrades to the IT platform. Although Mr Lester and Mr Bryan knew each other outside of their work, this relationship was never disclosed. Based on Mr Lester's ongoing recommendations, Victory IT Ltd continued to receive contracts and was paid approximately \$20.7 million between March 2014 and June 2017.

From June 2014 to May 2017 Mr Bryan made 32 payments totalling approximately \$4.1 million from his company to Mr Lester. The individual payments ranged from \$10,500 to \$379,500. There was no legitimate commercial basis for these payments. Instead, the payments were made in exchange for Mr Lester promoting Mr Bryan's interests.

The case serves as a clear warning about the real risks corruption poses, including undermining the integrity of our business environment, reducing competition, and lowering investor confidence.



Case study: Attempts to claim millions in Government support

Auckland man Hun Min Im was found guilty in May 2025 of attempting to fraudulently claim millions of dollars through the COVID-19 Wage Subsidy Scheme (WSS) and other government support schemes, following a trial on charges brought by the SFO.

Mr Im faced 91 charges related to his attempts to claim \$1.88 million from the WSS, as well as from the Small Business Cashflow Scheme, COVID-19 Support Payments and Resurgence Support Payments. In total, he attempted to claim \$2.3 million and received almost \$624,000.

Mr Im submitted 42 fraudulent applications to the WSS on behalf of eight companies and four sole traders, none of which were trading in New Zealand or had any staff. He forged signatures and used forged documents when incorporating companies, filed GST returns to claim refunds his companies were not entitled to, and sought a further \$172,800 in COVID-19 subsidies from Inland Revenue that he was not entitled to.

He created a complex web of fake companies and forged documents, and stole the personal information of his tenants and applicants who responded to fake job ads he placed online, to use as shareholders, directors and employees in his companies. Any money he received was used to fund his personal lifestyle, including an apartment and luxury vehicle.

This case was referred to the SFO by the Ministry of Social Development (MSD) following its own initial investigations. Further work alerted the SFO to possible fraudulent activity against other Government organisations. Cooperation and support was provided by Inland Revenue, the Companies Office and Police, including the Police Asset Recovery Unit, which restrained a property and vehicle following a referral from the SFO.

During the last financial year, there were 23 separate SFO prosecutions before the courts, involving 54 defendants and a total combined fraud value of approximately \$174.5 million. This includes cases from the initial filing of charges through to the conclusion of appeal process and the various prosecution phases in between.

Four investigations moved to the prosecution stage during the last financial year. Details of these cases are not yet public.

Five prosecutions that were scheduled for trial this year were resolved with all defendants pleading guilty before the trials took place. These early guilty pleas included former IT contractors Mark Lester and Sean Bryan, who were involved in New Zealand's largest private sector bribery and corruption case, which involved more than \$4 million in kickbacks. Other cases included former Bay of Plenty lawyer Paulette Main, who fraudulently claimed almost \$375,000 from a legal aid support scheme funded by the Ministry of Justice; former Oranga Tamariki Property and Facilities Manager Neha Sharma and her husband Amandeep, who worked together to fraudulently obtain more than \$2 million from Oranga Tamariki; former trust employee Iesha Warren, who stole more than \$1 million of funds intended for social support services in Porirua; and former Contract Manager Jason Koroheke, who was the primary offender in several schemes where he accepted gifts in exchange for awarding work and submitted false invoices to obtain significant benefits for himself.

In addition, three prosecutions were partially resolved during the year, with one defendant in each case pleading guilty while the remaining accused continued to defend the charges. This include former Auckland Council building inspector Nicholas Bright, who admitted to receiving bribes in connection with his work; Francis John Peters, who pleaded guilty to obtaining credit by deception and obtaining property by deception in relation to an alleged mortgage and investment fraud scheme; and one person who pleaded guilty to corruptly giving a gift to a former district health board manager.

In the trial that proceeded, the defendant entered guilty pleas to 54 charges part way through a judge-alone trial, before being found guilty on a further 34 charges following trial. Hun Min Im faced 91 charges related to his attempts to claim \$1.88 million from the COVID-19 Wage Subsidy Scheme, as well as from the Small Business Cashflow Scheme, COVID-19 Support Payments and Resurgence Support Payments. In total, he attempted to claim \$2.3 million and received almost \$624,000. Further details are contained in the case study on page 19.

Charges were dismissed in two prosecutions following challenges to the admissibility of evidence. In those cases, insufficient evidence remained following the admissibility rulings to enable the prosecutions to continue. The first is the Pikia case outlined above on page 17. In the second case, a number of charges against two individuals involved in alleged immigration fraud were withdrawn, and the remaining charges against one defendant were dismissed.



Case study: Husband and wife admit fraudulently obtaining \$2 million from Oranga Tamariki

A former public sector employee and her husband admitted to working together to fraudulently obtain \$2 million from Oranga Tamariki, following an SFO investigation.

Former Oranga Tamariki Property and Facilities Manager, Neha Sharma (nee Chandrasekaran), was sentenced in May 2025 to three years' imprisonment for her offending. Mrs Sharma's husband, Amandeep Sharma, was sentenced in June to 12 months' home detention.

Mrs Sharma provided false references to secure her role at Oranga Tamariki, where she managed aspects of properties in the Canterbury region, including maintenance, upkeep, and modifications.

Once in the role, Mrs Sharma set up her husband's company, Divine Connection, as a contractor without declaring a conflict of interest. She then ensured work was assigned to his company over other approved suppliers. In total, Oranga Tamariki paid Divine Connection just over \$2 million.

Following her resignation from Oranga Tamariki, Mrs Sharma applied for a job at Waka Kotahi. Mrs Sharma again provided a false reference to secure her new role.

The pair also pleaded guilty to money laundering for transferring just under \$800,000 to India once the offending was discovered, then immediately leaving New Zealand. The Police Asset Recovery Unit, in close cooperation with Indian authorities, located and restrained the funds.

The case highlighted the serious consequences of abusing a position of trust for personal gain, especially when public funds are involved, and the importance of rigorous vetting of public servants, especially as they move between agencies.

2024-25 Case highlights

- 1 July 2024 – Former Contract Manager Jason Koroheke **pleaded guilty** to three charges of obtaining by deception and 14 charges of acceptance of gifts by agent relating to the awarding of road maintenance contracts. Mr Koroheke was the primary offender in several schemes where he accepted gifts in exchange for awarding work and submitted false invoices to obtain significant benefits for himself.
- 2 July 2024 – High Court **dismissed appeal** by former Pacific Island Safety and Prevention Project head Betty Sio, who was found guilty in 2023 of stealing funds from the charity where she served as Chief Executive.
- 9 August 2024 – Former Auckland building inspector Nicholas Bright **pleaded guilty** to bribery and corruption charges. Mr Bright received bribes in the form of cash and renovations on his home address in connection with his work as a building inspector.
- 15 August 2024 – Francis John Peters sentenced to nine months and two weeks' home detention after **pleading guilty** to his part in mortgage fraud case.
- 10 September 2024 – Former IT contractor Sean Bryan **pleaded guilty** to paying over \$4 million in kickbacks in exchange for receiving work.
- 31 October 2024 – Former IT contractor Mark Lester **pleaded guilty** to receiving more than \$4 million in kickbacks.
- 4 December 2024 – Former Contract Manager Jason Koroheke **sentenced** to four years and five months' imprisonment.

- 24 February 2025 – Former Auckland Council building inspector Nicholas Bright **sentenced** to 11 months' home detention after pleading guilty to 21 charges of corruptly accepting bribes as a public official.
- 14 March 2025 – Former Te Roopu Awhina Ki Porirua Trust employee Iesha Warren **pleaded guilty** to stealing more than \$1 million of funds intended for social support services in Porirua.
- 1 April 2025 – Former Bay of Plenty lawyer Paulette Main **pleaded guilty** to fraudulently claiming almost \$375,000 from a legal aid support scheme funded by the Ministry of Justice.
- 16 May 2025 – Former Oranga Tamariki Property and Facilities Manager Neha Sharma (nee Chandrasekaran) sentenced to three years' imprisonment for working with her husband to fraudulently obtain more than \$2 million from Oranga Tamariki after **pleading guilty** to charges of obtaining by deception, money laundering and using a forged document.
- 16 May 2025 – Following a three-week judge-alone trial at the Auckland District Court, Hun Min Im **found guilty** of trying to fraudulently claim millions of dollars through the Covid-19 wage subsidy scheme (WSS) and other government support schemes. Mr Im also **pleaded guilty** to a number of charges just prior to the end of his trial.
- 20 May 2025 – Former IT contractors Mark Lester and Sean Bryan **sentenced** to three years in prison for their roles in New Zealand's largest private sector bribery and corruption case involving more than \$4 million in kickbacks.
- 19 June 2025 – Amandeep Sharma, who worked with his public servant wife Neha Sharma to fraudulently obtain more than \$2 million from Oranga Tamariki, sentenced to 12 months' home detention after **pleading guilty** to charges of obtaining by deception and money laundering.

Impact measures (outcomes)

Case impact performance measures:

- We have two performance measures linked to our Strategic Areas of Focus aimed at ensuring the SFO focuses its efforts effectively:
 - at least 40% of our investigations fall within the areas of focus; and
 - 40% of prosecutions fall within at least one area of focus.
- The focus areas were refined in January 2025 and are outlined on page 15. For the purposes of reporting, each case is assessed against the focus areas as they stand when the investigation or prosecution is opened.
- This year we commenced seven investigations. All of the new investigations fell within at least one of our published areas of focus. Of the four prosecutions we commenced during the year, three of them fell within at least one of our Strategic Areas of Focus.
- Four of our new investigations fell within the focus area of ‘Frauds perpetrated or facilitated by trusted professionals or professional enablers’. The sources of the complaints giving rise to these investigations included a professional organisation, a local government, banks and potential victims.
- While all new investigations during this period fell within the areas of focus, we continue to encourage and receive complaints and referrals involving an array of suspected serious or complex fraud. Our case selection continues to be assessed against our wider statutory criteria, which includes the scale of the alleged crime, its impact on victims, its complexity, and the degree of public interest.

Stakeholder feedback on the SFO’s work:

- The SFO conducted its biennial Stakeholder Perception Survey in June 2025. The survey involved 25 in-depth interview sessions with stakeholders from across 30 government, regulatory and justice sector agencies, professional services, business associations and law firms.
- Overall the survey found that the SFO is well-respected with a strong reputation for delivering results. The agency was described as providing a ‘gold-plated’ service, with stakeholders commenting on the team’s highly regarded expertise in forensic accounting and attention to detail throughout the investigation process.
- “The skillset and professionalism they have at the Serious Fraud Office is second to none. The team of forensic accountants are world class, and they are passionate about what they do.”*
- “ Their role (SFO) is extremely important. They’re spearheading international links and perceptions of New Zealand with regards financial crime and corruption, and maintaining the low levels of corruption that we have in New Zealand. ”*
- “ They have a critical and integral part. They have a role that no other entity within officialdom can replace. They’re complementary to all the other departments like the police. ”*
- The SFO is seen as an essential element in New Zealand’s fight against complex financial crime and corruption. While its effectiveness score (65%) has remained stable, stakeholders noted that its effectiveness may be impacted by perceptions of limited resources and the relatively small number of cases handled. The need to update the agency’s legislation to operate effectively in the modern environment was also raised.
- However, they also noted that the SFO is becoming more integrated with other agencies and more visible in terms of information sharing (this is covered in further detail in the Connection section on page 42). The work of the SFO’s Counter Fraud Centre was also highly regarded (this is covered in further detail on page 34).

Maximising outcomes

SFO cases are carefully selected for their potential impact and, in particular, our ability to leverage each case to disrupt and deter serious fraud and corruption. Our prosecutions this year have drawn attention to and raised awareness of large-scale corruption in the private sector, insider threats in both the public and private sectors, and the fraudulent loss of targeted government funding. Our cases attract media attention and are routinely reported, helping to amplify their impact and aid in the detection of other offending. In the last 18 months we have also significantly increased our social media focus, particularly on LinkedIn.

To maximise the impact of our cases and advance our mission, we took the innovative approach of combining our detection, evaluation and prevention teams into one unit, under the Strategy and Prevention group. This initiative, arising from our Efficiency and Effectiveness Review, has added to the ways in which we are seeking to foster greater connectivity between our operations team and the Counter Fraud Centre, further enhancing the virtuous circle between these functions and creating more impact from our cases.

Some examples of how we are maximising outcomes through connectivity include:

- Closer proximity between our investigation case teams and Counter Fraud Advisors with real time connectivity to live cases, increasing awareness of how fraud and corruption is being perpetrated, and providing fresh insights to enhance counter fraud guidance.

- Early engagement of the Counter Fraud Centre to offer support to agencies whose staff (or former staff) are involved in SFO enquiries and investigations, and who want to improve their prevention capability and resilience.
- Close collaboration between our policy, operations and counter fraud functions to develop the Anti-Corruption Taskforce assessment process, as detailed on page 38.
- Consultation of operational staff by the Counter Fraud Centre on their range of products, including guidance and case studies, to ensure they reflect and leverage the knowledge we have gained from decades of investigating fraud and corruption cases and reflect current trends and vulnerabilities.
- Co-presenting webinars and other awareness-raising initiatives, bringing together the Counter Fraud Centre’s public sector audience with operational staff to promote a greater understanding of our Strategic Areas of Focus and of the work of the SFO. An example is the hosting of meetings for the Communities of Practice on foreign bribery, which has raised awareness of this type of offending pursuant to our reporting campaign launched in May 2025, and provided practical case examples to demonstrate red flags.

Output performance measures

Part 1 enquiries and Part 2 investigations

Part 1 enquiries align with Part 1 of the Serious Fraud Office Act 1990, which provides the agency with limited powers to carry out an enquiry into the affairs of any person where the Director suspects that the investigation may disclose serious or complex fraud. Part 1 enquiries enable the SFO to better determine whether allegations of fraud should progress to a full investigation and the scope of that investigation.

Part 2 of the SFO Act provides the SFO with more extensive and coercive powers to investigate matters where there are reasonable grounds to believe that an offence involving serious or complex fraud may have been committed. Should a Part 1 enquiry meet this criteria, the Director may commence a formal investigation, which is undertaken by an investigation team.

Performance measure	Actual 2023/24	Budget standard 2024/25	Actual 2024/25
Quantity: Number of Part 1 enquiries and Part 2 investigations commenced.	29	28-45	29
Quality: Percentage of Part 2 investigations commenced that are of high complexity (in Category A) ¹ .	71%	40%	100%
Quality: Percentage of Part 2 investigations commenced that are within published focus areas.	57%	40%	100%

¹ Category A cases are those that involve high complexity. They may contain one or all of the following: a significant number of victims, large-scale loss or a long period of alleged offending; multiple alleged suspects; inter-agency cooperation; international assistance; legal complexity.

Prosecutions

A decision on whether or not to commence a prosecution is made by the Director, applying the Prosecution Guidelines issued by the Solicitor-General. The decision is also supported by the advice of the Serious Fraud Prosecutors

Panel and the SFO team assigned to the investigation. The Panel member provides the Director with their advice on the proposed prosecution and reviews proposed charges.

Performance measure	Actual 2023/24	Budget standard 2024/25	Actual 2024/25
Quantity: Number of prosecutions before the courts.	N/A - new measure ²	10-20	23
Quality: Percentage of prosecutions that are high complexity (in Category A).	100%	40%	100%
Quality: Percentage of prosecutions that are within published focus areas.	100%	40%	75%

2 The previous performance measure for new prosecutions commenced has been expanded to include all active prosecutions currently before the courts. We consider this broader measure will better reflect the SFO’s performance and resourcing capabilities as prosecutions that are before the courts involve considerable resourcing demands. Prosecutions before the courts are those prosecutions where a charging document has been filed and the prosecution has not been disposed of, including appeal periods.

Complaints

Every complaint received by the SFO is evaluated to determine whether the matters alleged may fall within the SFO’s specialist mandate. If the matter potentially falls within the SFO’s mandate the Director may initiate a Part 1 enquiry. If not, we notify each complainant of our decision not to take any steps in relation to their complaint and every effort is made to identify an appropriate agency or other party who may be able to assist them with their concerns, following which we close the complaint.

Performance measure	Actual 2023/24	Budget standard 2024/25	Actual 2024/25
Timeliness: Percentage of complaints evaluated within 30 working days.	92%	90%	93%
Timeliness: Percentage of Part 1 enquiries completed within four months. ³	32%	60%	43%
Timeliness: Percentage of Part 2 investigations completed within targeted time.	Category A: 50% within 24 months	Category A: 60% within 24 months	83%
	Category B: 100% within 18 months	Category B: 70% within 18 months	33% ⁴
Quality: Percentage of formal post-investigation reviews that meet SFO quality criteria.	100%	90%	100%
Quality: Percentage of formal post-prosecution reviews that meet SFO quality criteria.	100%	90%	100%

3 This measure will be removed from 2025/26. The budgeted timeframe of four months is not reflective of increasing case assessment complexity in the current environment including the additional time typically required by some domestic and international third parties to provide information in response to notices. We also have an existing metric for ensuring that cases are triaged within 30 working days and we continue to measure the timeliness of Part 2 investigations (E14).

4 The timeliness of the cases that did not meet this target were either impacted by the staged approach taken to starting a number of investigations which were categorised together, or resources needed to be diverted to higher priority case commitments.



Prevention

Lifting counter fraud and corruption capability in the New Zealand public sector

The SFO's Counter Fraud Centre - Tauārai Hara Tāware (CFC) works to strengthen the public sector's resilience against fraud and corruption. The CFC leads efforts to build counter fraud and corruption capability across the public sector by raising awareness and fostering a culture of vigilance and integrity. Its key work includes conducting workshops and webinars, providing tailored support to agencies, offering strategic guidance, releasing practical guides and tools, and promoting greater cross-sector collaboration.

This section outlines our key prevention activities over the past year.

Aligning with our Operations team

As part of the SFO's Efficiency and Effectiveness Review (see page 44), an opportunity was identified to better integrate the Prevention team (CFC) into the wider organisation. Bringing the CFC under the same manager as the Evaluations, Intelligence and Detection functions enhanced opportunities for the CFC to maximise learnings from the SFO's operational experience. It also helped to improve the efficiency with which the CFC produces impactful prevention publications that draw upon the SFO's institutional experience in investigating and prosecuting public sector fraud.

Leading efforts to enhance counter fraud culture and capability

Given the high public interest in reducing fraud on public funds, the CFC primarily aims to enhance counter fraud culture and capability in New Zealand's public sector. International experience indicates that complacency in public sector fraud controls can allow fraud to occur and go undetected. The CFC works to build resilience and support the public sector to design and implement effective prevention systems.

Driving collaboration and connection

A key focus of the CFC is fostering connectivity and cross-sector collaboration. By bringing together agencies and stakeholders to share intelligence, the CFC has created a strong network of counter-fraud professionals. These include:

- The Central Government Community of Practice has grown to include 114 individual members from 46 Government agencies – an increase from 100 members and 38 agencies in the previous year. Throughout 2024/2025, 12 meetings were held, with an average attendance of 26 individuals per meeting.
- The Local Government Community of Practice was established during the 2023/2024 year and is in its formative stages. It currently comprises 37 individual members representing 28 local government bodies. Over the course of the year, 8 meetings were held, with an average of 15 participants per session.

- The CFC hosted two regional workshops in Palmerston North and Christchurch, attracting a total of 52 individuals. These sessions focused on both foundational and practical aspects of counter-fraud work, covering topics such as Fraud 101, risk assessments, fraud monitoring and reporting, and procurement fraud. In addition to building technical knowledge, the workshops provided opportunities for participants to connect with peers in their regions, helping to foster local networks.

“ For those of us not domiciled in big cities, and where there is a cost to the ratepayer for our travel and accommodation, sometimes a conscious decision is made to not attend a ‘big city’ workshop or conference, so to have one in Palmerston North was ideal.

The more opportunities there are to develop the confidence of staff and management to prevent/detect fraud by having workshops such as this, alongside the offerings on your website resource is great. I am looking forward to seeing the future development of the website resources as a means of using these as staff training, awareness and engagement opportunities and also utilising the case studies. ”

Attendee
Palmerston North Regional Workshop



Workshops and webinars

To further build capability and raise awareness, the CFC delivered a range of educational initiatives throughout the year:

- **Targeted workshops:** In addition to the regional workshops the CFC delivered five targeted sessions focused on Fraud Risk Assessment and Fraud Risk Monitoring and Reporting, with more than 90 participants in attendance. Feedback was highly positive, with 97% of attendees reporting increased confidence in their understanding of the training topics.
- **Webinars:** The CFC hosted 11 webinars throughout the year, drawing over 1100 attendances. Sessions covered topics including Fraud 101, procurement fraud and corruption, and fraudster personas. The webinars play a key role in raising awareness and building understanding. By making them accessible online, the CFC was able to reach a broader audience. Feedback was overwhelmingly positive, with 100% indicating they would recommend the session to a colleague.
- **Fraud Awareness Week:** Fraud Awareness Week 2024 was officially launched by Hon Mark Mitchell. The theme encouraged people to think like a fraudster to identify and mitigate fraud risks, with the tagline ‘Fraudsters are lurking, are you looking?’ as a reminder of the importance of vigilance. Webinars, toolkits and an interactive quiz were available to agencies throughout the week. More than 1600 people attended the webinars, marking a 33% increase from the 2023 campaign. More than 300 people completed the interactive quiz. The LinkedIn campaign also saw strong engagement, reaching over 3700 people.

Presenters included a specialist from the Police’s Asset Recovery Unit, members of the Commonwealth Fraud Prevention Centre and SFO investigators.

- **Engaging the wider professional community:** The CFC actively contributed to the broader counter-fraud conversation throughout the year by presenting at a range of professional body events, subject matter groups, and sector conferences. These presentations reached over 1900 individuals and provided valuable opportunities to share insights, promote best practice and strengthen connections across industries.

Supporting capability through practical resources

The CFC regularly publishes guides and resources which help agencies understand key concepts, implement effective controls and build internal capability. The resources are publicly available on the SFO website. Resources published in the 2024/2025 year included:

- **Counter Fraud Messaging Guide:** Provides guidance on how to craft and deliver effective fraud and corruption prevention messages that raise awareness, encourage reporting, and deter fraudulent behaviour.
- **Fraud Risk Assessment Guide (updated):** Builds on the original publication with enhanced content and practical insights. This version incorporates additional guidance on the roles and responsibilities of individuals in the fraud risk assessment process – clarifying how different functions across an organisation contribute to identifying, evaluating, and managing fraud risks.

- **Managing fraud during emergency relief and recovery (updated):** In December 2024, the CFC released an updated guide aimed at helping safeguard public resources during times of crises. The guide provides a practical framework built around five key principles of fraud control, offering countermeasures that can be applied before, during, and after emergency events such as floods and earthquakes.
- **Case studies:** The CFC published two case studies based on SFO prosecutions, highlighting red flags and control weaknesses. The case studies focused on fraud involving gambling licenses and grants; and financial fraud used to cover up theft of \$250,000.
- **Procurement guide:** Raises awareness of procurement-related fraud and corruption risks in the public sector. The guide includes examples of red flags, control measures and governance practices that help safeguard public funds.

Tailored support

The CFC continues to provide tailored support to public sector agencies. Over the past year, the CFC delivered 10 targeted engagements, ranging from conducting fraud perception

surveys and reviewing fraud policies, to supporting the development of counter-fraud strategies and offering prevention-focused advice for case management systems.

Building international connections

New Zealand is one of a number of countries which have introduced prevention measures and the CFC works hard to build and maintain connections with its global counterparts, facilitating information sharing and helping to ensure best practice in their work. Key organisations which the CFC has engaged with this year include the International Public Sector Fraud Forum (IPSFF), Australia’s Commonwealth Fraud Prevention Centre and the Scotland Counter Fraud Team.

In addition to formal partnerships, the CFC shared its experiences with international counterparts, including a delegation from the Republic of Indonesia and representatives from the Office of the Independent Commissioner Against Corruption (Northern Territory, Australia).

In May, members of our team attended the 14th National Public Sector Fraud and Corruption Congress in Sydney, Australia.

“ This guide is a “must-read” for everyone who touches the procurement process, or has risk management and audit accountabilities. It provides a systemic look at where fraud and corruption can arise in the process, the tactics used, and red flags to look out for. It finishes with guidance on how to strengthen the system, with policies, procedures, training and appropriate checks and balances. If the recommendations included in this guide are implemented across the public sector, and officials involved in procurement and contract management are trained on the red flags, then this should go a long way to reducing the opportunities for fraud and corruption, and increase the likelihood of those involved being caught and prosecuted. ”

Jo Toon

Transparency Times – July 2025. New guide to support identification and prevention of procurement fraud and corruption.

Impact measures (outcomes)

Prevention product engagement ➤ The CFC’s digital presence continues to grow, with a 77% increase in total users and 93% increase in new users accessing the website over the past year. This growth reflects a rising demand for practical counter fraud tools and guidance. It also highlights the effectiveness of the CFC’s outreach efforts in connecting with a broader audience and promoting a culture of integrity.

Among the most downloaded resources were:

Fraudster Persona cards	Fraud Risk Assessment template	Fraud Risk Assessment guide	Fraud triangle	Guiding Principles of Public Sector Fraud	Procurement Fraud and Corruption Risk guide	Procurement Fraud and Corruption Risk Summary
162	314	261	117	115	95	53
downloads	downloads up from 56 the previous year	downloads up from 145 the previous year	downloads	downloads	downloads (published 19 June 2025)	downloads (published 19 June 2025)

Stakeholder feedback on support and guidance ➤ The 2025 biennial Stakeholder Perceptions Survey found that engagement with the Counter Fraud Centre has increased in the last two years, with three-quarters of those surveyed having actively engaged with the Counter Fraud Centre about their organisation’s counter fraud practices. This is up from 56% in 2023.

For those that have engaged, there has been an increase in the perceived helpfulness of the advice provided by the CFC, with 89% agreeing or strongly agreeing that the advice has helped improve their counter fraud capabilities.

There has been continued progress since 2021 on the perceived effectiveness of financial crime and corruption prevention products published by the SFO. While no longer a formal performance measure, the rating is now at 72%, above the original baseline target of 70% for the first time.

The survey also noted that the Community of Practice continues to be widely recognised for enhancing fraud prevention collaboration and information sharing across the public sector.

Output performance measures

Prevention products ➤ Prevention publications or guidelines are published on the SFO website or circulated primarily to government agencies through the Community of Practice, but also more widely.

Performance Measure	Actual 2023/24	Budget standard 2024/25	Actual 2024/25
Quantity: Number of prevention publications or guidelines published.	7	6-8	9
Quantity: Number of fraud capability or risk assessments completed.	8	8-10	10



Connection

Enhancing stakeholder engagement and system contribution – domestic and international

Effective connections are crucial for achieving our three other strategic priorities: targeting our operations in the right areas, helping partners build resilience against fraud and corruption, and future-proofing our capabilities by identifying potential threats and opportunities.

By strengthening connections with stakeholders, it helps us better understand our operating environment, raise awareness of our role, encourage referrals, and effectively communicate case outcomes. In this section we outline how we are delivering our strategic priority of enhancing stakeholder engagement and system contribution, domestically and internationally.

The SFO launched a new engagement strategy in the second half of 2024, to further guide us in this area and reflecting our increased focus on enhanced and meaningful connection with stakeholders. We have seen continuing positive results in this area, as highlighted in our latest stakeholder survey, which noted the SFO is seen as a 'highly engaged and respected partner'. Of those surveyed, 88% said their engagement with the SFO was good or excellent (see the outcomes section for further detail on the survey results).

Building domestic capabilities and connections

The SFO is proud to play a valuable role in promoting a system-wide approach in its areas of expertise. Experts from the SFO have spoken at a range of events in New Zealand this financial year, both online and in person. These events are an important way for us to share knowledge, maximise the impact of our cases and build greater connections domestically.

Engagements this financial year included outreach to the business community, with attendance at events such as the BusinessNZ Major Companies Group CEO Forum; and to professional bodies like the Institute of Internal Auditors. Business leaders were also invited to attend the SFO's Foreign Bribery campaign launch (see page 39). The SFO also gave numerous presentations to university students throughout the year, on topics such as law, auditing, accounting, corruption, and digital forensics.

The SFO has been actively engaging with the Transnational, Serious and Organised Crime (TSOC) Ministry Advisory Group (MAG). The MAG is an independent group established to provide advice and recommendations to the New Zealand government combatting transnational, serious and organised crime. The group focuses on identifying vulnerabilities, gaps, and blockages in the current response to organised crime, with the goal of improving New Zealand's ability to detect, deter, and dismantle these criminal groups. The SFO's remit to investigate, prosecute and disrupt serious crime, including those involving complex financial crimes and corruption places us in a strong position to assist the MAG in identifying potential opportunities to strengthen and potentially lead areas within New Zealand's overall approach to this area.

In August 2024 the SFO was invited to formally join the Transnational Organised Crime (TNOC) Leadership Group, in recognition of its importance in tackling the growing issue of organised crime. The group is chaired at the executive level by Police and Customs. It provides governance and oversight to the TNOC strategy, as well as addressing specific TNOC issues as they arise.

Developing system-wide technical capabilities

We use our expertise in electronic forensics to support the development of both national and international technical capabilities. Through our club funded electronic forensics initiative we delivered over 1900 hours of specialist electronic forensic services to our partner agencies, namely the Commerce Commission, the Financial Markets Authority and Immigration New Zealand.

Members of our electronic forensics team volunteered their time to contribute to the International Association of Computer Investigative Specialists (IACIS). This included the delivery of advanced electronic forensic training and the development of certification material.

Our electronic forensics team organised expert witness training at Manukau District Court, attended by Police and Customs as well as SFO staff. The simulated court room experience featured judges, lawyers and a jury. After each session staff were debriefed and feedback given on how they presented evidence.

We delivered both technical training and investigative training to a number of other New Zealand agencies. Following demand from stakeholders, senior members of our operational team delivered basic investigator training to agencies outside of the SFO to help them build internal capability. The training is designed for new members of the SFO who do not have criminal investigation backgrounds, such as Forensic Accountants, and it has proved popular in developing investigation techniques with other government departments. First offered externally to investigators from the Ministry of Social Development in December 2024, other agencies have reached out to request similar training. In June 2025 the three-day course was delivered to investigators from the Ministry of Social Development, Financial Markets Authority and the Health and Disabilities Commission, in addition to our own recent recruits.



This year we were a founding member, together with the FMA, DIA, Customs, Police and IRD, of the Virtual Assets Investigations Resource Group (VAIRG). The mission statement of this group is to share intelligence, knowledge, expertise, and capabilities to mitigate the threat of virtual assets being leveraged to impact the New Zealand financial system. This group meets bimonthly to share knowledge in relation to the growing impact of variable assets, which is then disseminated back to each agency.

Supporting public sector response to fraud and corruption

In addition to the SFO's work with specific agencies, we also use our expertise to strengthen the New Zealand public sector's resilience to fraud and corruption.

Up to \$12.97 billion (or 5%) of Government funds are estimated to be lost to fraud and error annually, according to a study conducted for the SFO by the UK Government Counter Fraud Function, based on comparable jurisdictions in 2020. Fraud against the government takes money from core services that New Zealanders rely on and diverts money away from public services.

Previous and current cases of public sector fraud, bribery and corruption, along with international modelling, indicate that fraud and corruption is likely occurring in New Zealand's public sector undetected.

In 2024/25, the SFO provided advice to the Minister regarding the launch of an Anti-Corruption Taskforce Pilot, designed to respond to the issue of fraud and corruption within and against the New Zealand public sector. With the support of Minister Hon Mark Mitchell and Public Service Minister Hon Judith Collins, this initiative was launched in July 2025.

The Taskforce is being led by the SFO, supported by the New Zealand Police and the Public Service Commission. It will draw on specialist counter fraud and enforcement expertise to build a clearer, system-wide picture of the corruption and fraud risks across the public service.

The Taskforce is working with a representative group of six public service agencies (Inland Revenue, Accident Compensation Corporation, the Department of Corrections, Ministry of Social Development, Land Information New Zealand, and Sport New Zealand) to complete an in-depth self-assessment of their fraud and corruption control maturity. The six agencies will also report on the volume of corruption and fraud detected and prevented.

The SFO has also been contributing to work on the New Zealand Police and Customs-led Transnational Organised Crime (TNOC) Strategy refresh. TNOC sets out a coordination and prioritisation framework to guide government agencies in their response to transnational and serious organised crime.

Responding to the threat of foreign bribery

In May 2025 the SFO launched its first national campaign targeting foreign bribery, with the aim of raising awareness and encouraging reporting. The campaign involved the introduction of a new online platform to support safe, anonymous reporting of suspected foreign bribery.

Foreign bribery is notoriously difficult to detect. While one of the most effective detection methods is whistleblowing, fear of retaliation, reputational damage, or career consequences often stops people from speaking up.

The SFO's new, fully encrypted platform mirrors tools already in use by other regulators and is configured to meet the highest possible settings for privacy and data security. It also aligns with recommendations from international bodies like the OECD, which has urged stronger whistleblower protections, including the ability for whistleblowers and others to make anonymous reports with confidence. The service is available in multiple languages.

All reports are received by specifically trained SFO staff and all interactions between reporters and case handlers remain encrypted, with data being stored and safe-guarded in EU-based data centres.

As part of its campaign, the SFO is engaging across the public and private sectors to raise awareness of foreign bribery and the risks it presents to New Zealand.

Meeting international obligations and growing connections

Financial crime is a worldwide problem and building global capability is hugely important. The SFO works hard to build and maintain connections with its global counterparts, facilitating information sharing and helping to ensure best practice.

New Zealand has signed up to several international commitments focused on tackling fraud and corruption. The SFO meets these obligations by participating in international meetings, sharing information and capacity building initiatives. The SFO also acts as Lead Examiner for countries that are being monitored against their own international convention commitments.

By regularly interacting with our international counterparts and by participating in global networks, we stay up to date with international trends and promote international cooperation, which is vital given financial crime and corruption increasingly feature cross-border activity. Key events are attended by members of our operational and leadership teams, including CE Karen Chang, who gave the keynote speech for the 14th National Investigations Symposium in Sydney in 2025. Ms Chang also represented New Zealand at the the Commissioners and CEOs of Integrity Agencies meeting in Sydney.

During the past year the SFO represented New Zealand at several international fora and supported other international groups and agencies as they develop their respective capabilities. These networks also help operationally, allowing us to further our cases by sharing information across borders and undertaking enquiries in our respective jurisdictions.

OECD Working Group on Bribery

In May 2024 the OECD Working Group on Bribery carried out its Anti-Bribery Convention Phase 4 review of New Zealand. The SFO played a large role in this review, which was covered in the 2023/24 Annual Report. In December 2024, two of the SFO's senior leadership team attended plenary sessions in Europe to assist colleagues from the Ministry of Justice in responding to questions and challenges raised by OECD member countries during two readings of the draft report. The OECD adopted the report at the conclusion of the reading. The outcome of the report is covered in more detail in the outcomes section on page 43.

A member of the SFO's senior leadership team also continues to be involved in the on-going review of Hungary, participating as one of the team of examiners along with colleagues from the Ministry of Justice and counterparts from the Slovak Republic. Hungary is working to implement the OECD Working Group on Bribery's Phase 4 recommendations.

United Nations Convention Against Corruption (UNCAC) review of New Zealand

In May 2025 New Zealand hosted an evaluation team who reviewed New Zealand's implementation of the commitments it signed up to under the United Nations Convention against Corruption (UNCAC). The team included representatives from Iceland and the Solomon Islands.

UNCAC is the main global accountability mechanism focused specifically on corruption – 191 state parties have signed up to it. New Zealand signed in 2003 and actively committed through ratification in 2015. It was first assessed in 2017, and this visit was its second assessment, focused on Corruption Prevention and Asset Recovery.

The SFO was heavily involved in the review process, including assisting the Ministry of Justice in preparing agencies for the on-site visit and attending most of the panel discussions to share our experiences investigating corruption in New Zealand and our initiatives in the corruption prevention space through the work of our Counter Fraud Centre.

International Foreign Bribery Taskforce

The International Foreign Bribery Taskforce is a 'Five Eyes' initiative, which supports the exchange of information and technical expertise to collectively tackle the challenge of international foreign bribery. A senior investigator attended the IGBT annual meeting held in London in 2024, which included case discussions, presentations from investigative journalists and civil society organisations, and an immersive simulation-based training exercise based on a foreign bribery case study.

The SFO's new Intelligence/Detection Lead travelled to Canberra in May 2025 for a week-long IGBT intelligence workshop at the Australian Federal Police Headquarters, accompanied by an Intelligence Analyst from the New Zealand Police. The objective of the workshop was to progress the AFP-led IGBT intelligence-sharing initiative, which aims to identify foreign bribery offenders by developing a 'joined up' intelligence picture across agencies and jurisdictions. Early results from the workshop indicate that actionable foreign bribery leads involving New Zealand persons and entities are expected to eventuate from this project.

Advanced Foreign Bribery Training with Australian Federal Police

In the foreign bribery space, the SFO enjoys a close working relationship with the Australian Federal Police Foreign Bribery Crime Command. It is a relationship that has developed through mutual membership of the IGBT.

Each year the Australian Federal Police (AFP) runs a week-long Advanced Foreign Bribery training course for its detectives and positions are offered to fellow agencies of the IGBT, including the SFO. This is a key annual training opportunity for the SFO as such training is not available in New Zealand. The course is delivered by a panel of experts, providing knowledge and skills developed from their experiences working in foreign bribery, economic crime, fraud, and the proceeds of crime. The course has been designed to provide experienced investigators with an opportunity to extend their skills and understanding of foreign bribery investigations. Two SFO operational staff attended the course in August 2024.

New framework to support engagement in the Pacific

New Zealand is a Pacific Island country, and our wellbeing and prosperity are deeply connected to the resilience of our close neighbours.

In June 2025, the SFO launched a Pacific Engagement Framework, reinforcing its commitment to supporting Pacific Island countries in their efforts to combat fraud and corruption.

The framework focuses on prevention, investigation, and prosecution, and aligns with New Zealand's international and regional obligations – including the United Nations Convention against Corruption and the Teieniwā Vision. It offers a clear, strategic approach to supporting our partners while maintaining focus on our responsibilities in New Zealand.

The framework identifies five key considerations to guide the SFO's regional engagement and ensure efforts are effective and sustainable:

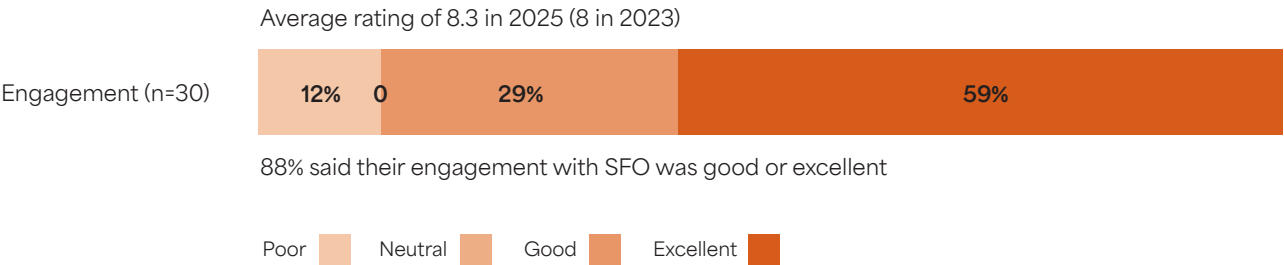
- Aligning initiatives with the SFO's core mandate to prevent, investigate, and prosecute serious fraud and corruption.
- Prioritising strategic efforts that strengthen regional partnerships and future-proof capability.
- Supporting collaboration that meets New Zealand's international obligations.
- Applying cost-benefit analysis to maximise impact and reduce risk.
- Ensuring coordination with Pacific nations, New Zealand agencies, and international development partners.

Impact measures (outcomes)

Stakeholder feedback on connectivity with the SFO

- Results from the biennial Stakeholder Perception survey revealed that the SFO is seen as a highly engaged and respected partner, scoring 8.3/10 in stakeholder engagement, with notable improvements in outreach and education from the Senior Leadership. Of those surveyed, 88% said their engagement with the SFO was good or excellent.
- Survey participants talked positively about the active participation of the SFO in interagency groups, and it was felt that there is a mutual respect across the agencies involved in financial crime and corruption. It was also noted that the Serious Fraud Office’s focus on education and outreach had improved significantly over the last 18-24 months.
- Overall stakeholders rated levels of engagement with the SFO strongly, and this is demonstrated in the slightly higher scores this year compared with 2023. Stakeholders found the people they work with at the SFO to be “passionate, accessible, willing to discuss issues, and open to suggestions and ideas”.
- The report noted some areas where stakeholders remain unsatisfied, particularly around communication related to specific investigations and referrals. These communications are often impacted by secrecy provisions.

“How would you describe your level of engagement with the SFO?” on a 1 to 10 scale (1 = poor, 10 = excellent)



Recognition of achievements in monitoring reports, such as regarding UNCAC and OECD obligations

- The OECD released its Anti-Bribery Convention Phase 4 Report on New Zealand in December 2024.
- The report highlights the SFO investigative and prosecutorial model as being a notable example of good practice, praising the diversity of skill and expertise within our multi-disciplined investigation teams and the use of an independent prosecution panel. Other examples cited as good practice in New Zealand were the extension of whistleblower protections to a range of third parties, and accessible court judgment databases.
- While the report noted a lack in prosecutions of foreign bribery in New Zealand, it found that there are good investigation and prosecution systems in place to deal with cases of foreign bribery as they arise.
- The report also recognises the SFO’s role in improving international cooperation. The SFO and NZ Police have been actively engaging with global networks such as the IACCC (International Anti-Corruption Coordination Centre) and the IFBT (International Foreign Bribery Taskforce), alongside strengthened domestic partnerships, including expanded information-sharing agreements with the IRD.
- The report identified some areas requiring strengthening in New Zealand and made a number of recommendations. The SFO will be at the forefront of implementing many of the recommendations made, particularly in the detection and investigation of foreign bribery. An important area for improvement by New Zealand is to establish better systems to detect foreign bribery, and the SFO has already taken measures to address these recommendations (see page 39).

Output performance measures

Performance measure	Actual 2023/24	Budget standard 2024/25	Actual 2024/25
Quantity: Number of proactive Part 1 enquiries commenced	5	3-6	4
Quantity: Number of referrals from other government agencies	15	10-12	10
Quantity: Number of presentations to external audiences ⁵	39	15-20	26

⁵ This includes external presentations undertaken by the SFO but does not include those undertaken by the CFC as part of its work programme.

Future-proof capability

Investing in our people and infrastructure to meet and anticipate our operating environment

A key priority for the SFO is investing in our people and infrastructure to meet and anticipate our operating environment. The rapid growth of technology worldwide has transformed how fraud is perpetrated, investigated, and prosecuted, and this trend shows no signs of slowing down. Consequently, fraud and corruption have become more complex, making investigations more resource-intensive and subject to increasing legal challenges.

To ensure the quality and impact of our operations in the future, we must adopt a forward-looking and sustainable approach to investing in our capabilities today. This section outlines the work we have delivered to future-proof our capabilities.

Efficiency and Effectiveness Review

As with other Government agencies, in early 2024 the SFO was asked to find ways to achieve a reduction in its baseline appropriation. Our target was 6.5%, which was later reduced to 3.5% in order to minimise impact on frontline service delivery and to allow us to carry out an organisational Efficiency and Effectiveness Review (EER). This review was launched in June 2024, with the purpose of strengthening frontline service delivery and delivering a sustainable and future-focused law enforcement agency within the current environment.

Our workforce is one of the most significant areas of expenditure. While we sought to minimise impact to our people, phase three of the review concluded in October 2024 and resulted in 12 roles being disestablished (five of which were vacant) and six new roles created. Frontline operational roles were not included in the disestablishments. Phase four of the review involved the launch of Project Elevate.



Project Elevate

The EER, combined with feedback via our annual AYT engagement survey, identified process and system improvements that could further enhance our work at the SFO. Project Elevate was launched to lead meaningful change within the organisation to address the feedback and help lift our overall environment and processes.

The primary focus of Project Elevate is to improve our efficiency and effectiveness by developing actionable solutions to the issues that were raised. These have ranged from quick wins through to longer-term solutions. The project identified key themes around consistency, training, induction, knowledge management, emerging technology and professional development. Initiatives that have already been launched included an overhaul of our formal statement writing process, and the launch of a new artificial intelligence policy (see page 49).

Through Project Elevate we identified opportunities to improve our induction, onboarding, and knowledge management processes. As a direct result, the SFO has employed a Learning and Development Advisor on a 12-month fixed term contract. This role is developing and leading a full programme of work which will significantly improve our operational induction and onboarding processes. The scope of the project also includes the design and development of operational training material and implementing a training framework to support operational people development.

Enhancing our culture

Our people are proud of the work we deliver. They are high performers, whose skill and commitment are crucial to our success. We operate in a competitive candidate market for the specialist expertise and experience needed to deter, investigate, and prosecute serious financial crime – skills which are highly sought after in both the public and private sectors. We have made considerable investment in strategies to mitigate attrition and position the SFO as an employer of choice.

Our engagement scores evidence a highly engaged workforce. Highlights from our annual staff engagement survey include:





In March, the Public Service Commission ran its annual Te Taunaki | Public Service Census. The SFO's participation rate was 83.8% (compared to 68.4% for the wider public service). Highlights included:

- **100%** said they feel the SFO is working for the long-term good of New Zealand, and that it's important to them that our work contributes to the common good.
- All staff indicated a clear understanding of what it means to be a politically neutral public servant.
- We recorded **0%** rates of bullying and harassment (12.1% for wider public service), and **0%** for discrimination (14% for wider public service).

Values refresh

Work has commenced on reviewing and refreshing the SFO's values, which were launched over 10 years ago. A values workshop was held in June at the annual all staff training event. This has been a highly collaborative process and as at 30 June this information was being used to develop and implement new values that resonate with our people and how we work together.

Diversity, equity and inclusion planning

In 2023, the SFO combined our Diversity, Equity and Inclusion work. This was previously reported through Papa Pounamu and pay gap action planning through Kia Toipoto. Our action plan details our ongoing commitments to investing in our people and infrastructure, supporting our people's success and maintaining low gender and ethnic pay gaps, and understanding the drivers behind all these indicators. Our DEI plan is reviewed and updated annually and continues to build on all that we have achieved since reporting began in 2019.

Enhancing our cultural competencies

We remain committed to strengthening our cultural capability as an essential part of fostering a respectful, inclusive, and responsive workplace. Our focus continues to be on identifying meaningful opportunities to build knowledge, awareness and practices that support cultural competency across the organisation. This includes seeking out engagements, training and partnerships that align with our values and contribute to a culturally safe and informed environment.

Where specific needs or gaps in cultural capability intersect with our core operational work, we prioritise addressing them in a targeted and practical way. By aligning cultural capability development with operational relevance, we ensure that our efforts are not only impactful but also sustainable and embedded in how we deliver our services. This approach allows us to build capability in a way that is purposeful and responsive to the context in which we work.

As part of our ongoing efforts, we marked Te Wiki o Te Reo Māori | Māori Language Week with a series of activities designed to raise the profile of te reo Māori across the organisation. These initiatives were intentionally light touch in terms of time commitment, allowing broad participation while still providing opportunities for learning and cultural connection. The week offered a valuable platform to celebrate the language as a taonga and to support its normalisation in our everyday work environment.

We also celebrated Matariki with our annual shared lunch, which continues to be a meaningful and well-supported event on our calendar.

Nurturing future talent

The SFO offers an annual Legal Intern role based in Auckland that runs part time from March to late October. Candidates are typically law students who have completed at least two years of their degree, and are specifically interested in enforcement agencies, criminal law, evidence, criminal procedure, and ethics.

The Intern joins our Legal Services team, gaining exposure to corporate and criminal legal matters. Tasks include undertaking research and analysis, assisting with regulatory compliance, producing legal documents, and managing legal resource databases and libraries. They also observe and contribute to the work of our Investigations and Prosecutions team and learn about the various legal jobs within the SFO.

To support the development of highly specialised skills required to investigate serious and complex fraud, the SFO has introduced technician-level roles in electronic forensics and forensic accounting. Since their recruitment in 2021/22, our two Electronic Forensic Technicians have progressed to investigator roles and are now on the pathway towards Senior Investigator. An additional technician joined the team in 2024/25. In early 2024, we welcomed our first Forensic Accounting Technician, who is currently working towards their Chartered Accountancy qualification while gaining hands-on experience from our expert Forensic Accountants.

Building resilience in our organisation

While investing in our people is crucial, we must also ensure we have the right tools to support our work. As a relatively small agency facing challenges similar to those of larger organisations, the SFO must uphold a reputation for securely managing confidential information. Any failure in this area could damage the trust and confidence others place in us and compromise our effectiveness.

As our operating environment grows more complex, we continue to invest in the tools, systems and capabilities needed to safeguard our people, information and infrastructure. Cyber and physical security remain central to these efforts, ensuring we can operate securely and effectively in the face of evolving threats.

This year, we advanced several strategic initiatives to strengthen our resilience, including:

- Undertaking a comprehensive cyber security assessment of our ICT environment, which now underpins a broader uplift programme. A consultancy was engaged to conduct a security risk and maturity assessment of the SFO's information technology environment using the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) v2.0. The SFO's NIST CSF scores were assessed as higher than the average ratings for New Zealand organisations, reflective of the agency's risk profile, security culture, and continuous improvement mindset. It was also noted that four of the key areas for improvement were being actively addressed and other items were planned or underway.



- Establishing an incident response capability to improve preparedness and response to security incidents. As part of ongoing commitment to strengthening our cybersecurity posture, we organised a Ransomware Tabletop Exercise (TTX) in late November. A TTX is a simulated scenario where key decision-makers and stakeholders walk through a hypothetical cyber incident – in this case, a ransomware attack. The exercise was designed to help us evaluate our response capabilities, identify gaps, and ensure that we can protect our systems and data in the event of a real-world attack.
- Expanding our cyber defence posture through layered protection measures, including managed detection and response (MDR), security operations centre (SOC) services, and centralised threat intelligence.
- Installing CCTV systems at critical infrastructure sites in accordance with international security standards.
- Rolling out internal training and awareness campaigns using a Learning Management System, to help staff identify and manage cyber risks.
- Establishing an Information Security Classification Policy which defines how government information held by the SFO will be protectively marked and protected to maintain its confidentiality, integrity, and availability.
- Ongoing enhancements were implemented across various systems, including networking, email infrastructure, password management and overall security posture. These improvements have significantly contributed to optimising the tools available to staff, thereby enhancing their productivity and work experience.

Looking ahead, we will continue to strengthen our threat protection and data governance frameworks, streamline information management by consolidating data repositories, and optimise our use of cloud storage to be more cost-effective.

Scanning for the future

Integral to future-proofing the SFO is creating the capacity to scan the horizon, both in New Zealand and globally, so we can anticipate how we can prepare for emerging threats and trends.

During this financial year the SFO drafted its first Long-term Insights Briefing, a three-yearly requirement under the Public Service Act 2020 to produce a report which explores medium- and long-term trends, risks, and opportunities that impact New Zealanders.

The topic of the briefing is *Staying ahead of the curve: Responding to emerging trends in detecting fraud and corruption in New Zealand*.

Our LTIB explores the evolving landscape of fraud and corruption detection, with key insights and best practices from international jurisdictions as well as the SFO's own experience. It examines trends impacting fraud detection, three possible futures faced by New Zealand, and the strategic opportunities being explored by our international partners which can enhance detection capabilities.

As at 30 June the LTIB draft was being finalised in preparation for stakeholder and public consultation.

Keeping abreast of new technology, including artificial intelligence

The SFO remains engaged with emerging trends in artificial intelligence and its implications – both for how fraud is perpetrated, and how it can enable us to work more effectively and efficiently.

This financial year the Project Elevate team, in conjunction with a newly formed AI Reference group, launched a new policy to allow us to safely and responsibly use AI in the workplace. The new AI Policy ensures staff are able to explore opportunities to improve efficiency using AI while at the same time ensuring risks are managed and sensitive information is protected.

This policy addresses the need to streamline the process to implement AI to support low-risk and routine tasks. At the same time the policy provides a framework to responsibly trial and implement AI for specific use cases which require a higher degree of oversight.

Tools that feature various forms of AI, such as machine learning, are already part of the SFO's investigative work, particularly in the electronic forensics space. During this financial year our Forensic Services Team have undertaken research to identify opportunities for AI to enhance and assist in our work.

Throughout the year, we engaged with both public and private sector partners to deepen our understanding of how AI is being implemented across diverse industries. These engagements have been especially valuable in highlighting how others are applying AI in practice and the key lessons they have learned along the way.

Relativity is a key platform used by our investigation teams to review and manage evidence collected during the life cycle of our cases. During this year, two of our Forensic Services team travelled to Sydney to attend a Relativity conference. The focus of this event was the implementation of generative AI across the Relativity platform and understanding how we can further use AI to enhance the investigation process. The learnings gathered at this conference have since been presented back to our operational team and will be used to shape our strategic thinking in this area.

To maintain and enhance our technical leadership in electronic forensics, we made significant investments in the learning and development of our team throughout the year. Every member of our Electronic Forensics team completed advanced training in mobile phone examination, ensuring we remain at the forefront of modern investigative techniques.

In addition to group training, individual team members achieved professional certification in key areas, including mobile device forensics and Windows operating system forensics, further strengthening our in-house capabilities.

Demonstrating our commitment to global best practices, one team member travelled to Singapore to participate in a week-long intensive training event focused on enterprise cloud forensics – equipping our team with critical skills to address emerging challenges in cloud-based investigations.

Impact measures (outcomes)

Percentage of employees being engaged ➤ The SFO achieved an 83.3% participation rate in the 2024/25 engagement survey, against a 63.6% public sector benchmark. Our overall score of 72% indicates that our people remain engaged and resilient.

Performance measure	Actual 2023/24	Budget standard 2024/25	Actual 2024/25
Quality: Percentage of SFO employees being engaged	74%	> 75%	72%

Capability is enhanced ➤ As part of our annual employee engagement survey, we asked our people to rate, on a spectrum from highly agree to highly disagree, their view on statements about working at the SFO and leadership performance.

SFO culture benchmarked favourably against public sector



SFO leaders benchmarked favourably against public sector



Employee turnover ➤ The SFO’s annualised turnover rate is 20.5%. This can be partly attributed to our Effectiveness and Efficiency Review. As a small agency, any staff movement can translate to a high percentage staff turnover.



Diversity and inclusion

Gender pay gap: **3.3%**
(median) or 6.1% (mean or average)

Ethnic pay gap: **0%**
We do not recruit any of our roles based on ethnicity.

Average age: **44**

Ethnic diversity: **70.83%** NZ European/NZer
13.89% Asian
2.78% Pacific Peoples
11.11% Other ethnicities

Gender ratio: **41** female and **34** male

Assessment of Operations

Implementing the Government's priorities

The SFO does not have any direct responsibilities under the nine Government Targets. However, the SFO works with other justice sector agencies, including the Ministry of Justice and NZ Police, and supports those agencies in managing justice sector priorities within SFO's remit.

Baseline Savings

In contribution to the government's Budget 2024 Baseline Reduction exercise, the SFO's 2024/25 operating appropriation was reduced by 3.5% or \$600,000 per annum. In response, the SFO's Effectiveness and Efficiency Review (October 2024) provided the blueprint for best operational capability through to 2027/28.

The SFO has a cost-conscious culture with most of the budget required to accommodate experienced personnel, fit-for-purpose office space, and essential technology costs. In an environment where purchasing power is ever decreasing due to the impact of inflation, and with an appropriation that does not incorporate such cost pressures, the organisational structure has and will continue to require ongoing refinement. We have also achieved ongoing savings this year by adjusting case data utilisation processes and adopting a more cost-efficient hybrid model to stem the increasing cost of utilising and storing data. The agency has no associated programmes or initiatives that may be halted or deferred.

Expenditure on contractors and consultants

External support is required from time to time to provide expert guidance and to cover essential in-house vacancies; this requirement can sometimes be heightened due to the relatively small size of the SFO and therefore our ability or need to retain expertise in-house. The SFO spends a relatively modest amount on contractors and consultants: \$434,000 in 2023/24 and \$454,000 in 2024/25. A reduced amount of expenditure, representing around 3-4% of personnel costs, is expected in the future.

Assessment of Operations

The SFO's operations for 2024/25 are covered in the 'Progress against Strategic Intentions' section of this report.

Organisational health and capability

Information on the SFO’s organisational health and capability is covered in the Future-proofing our capability section of this report (page 44), which is one of our strategic priorities.

Targeting Carbon Neutral

The SFO is working towards carbon neutrality as part of the government’s Carbon Neutral Government Programme (CNGP).

Measuring greenhouse gas (GHG) emissions remains an evolving field, with standards for measurement, reporting, and assurance continuing to develop. We have engaged KPMG to provide an independent limited assurance report over our emissions data for the 2024-25 reporting period. We are a small agency committed to playing our part in addressing climate change.

Our carbon footprint

Since establishing our first carbon inventory in 2021/22, the SFO has tracked emissions across four categories, comprised of all mandatory emissions sources per the CNGP and measured in tonnes of carbon dioxide equivalent (tCO₂e):

- Category 1 - Petrol usage from our hybrid PHEV motor vehicle.
- Category 2 - Electricity use at our two leased offices, including shared areas.
- Category 3 - Business travel (domestic and international air travel, accommodation, freight, postal services, and rental cars).
- Category 4 - Wastewater, landfill utilised for rubbish, natural gas for office heating, ventilation, and air conditioning. From 2024-25, this also includes offsite data storage.

SFO carbon inventory by emission source, measurements in tCO₂e

Emission Source	Base Year 2021/22	Actual 2022/23	Actual 2023/24	Actual 2024/25	Change compared to last year
Category 1: Direct emissions	5.48	5.88	10.89	8.29	↓
Category 2: Indirect emissions from imported energy	22.55	17.65	12.51	17.94	↑
Category 3: Indirect emissions from transportation	69.28	148.05	114.04	128.68	↑
Category 4: Indirect emissions from products used by organisation	7.44	6.32	2.55	39.01*	↑
Total gross emissions	104.75	177.90	140.00	193.92	↑
Total gross emissions per FTE	1.31	2.31	1.92	2.45	↑
Total gross emissions per million dollars of expenditure	6.91	9.93	8.91	11.82	↑

* includes 36.38 tCO₂e emissions associated with offsite data storage, not previously considered

6 Attached as the last pages of this Annual Report.

Reducing emissions

Most of our emissions are indirect, with **business travel** consistently the largest contributor. While COVID-19 restrictions temporarily reduced emissions in 2021-22, this level has since increased. Overall progress toward the decrease in emissions required to meet the SFO’s 1.5°C target under the Carbon Neutral Government Programme has so far been limited.

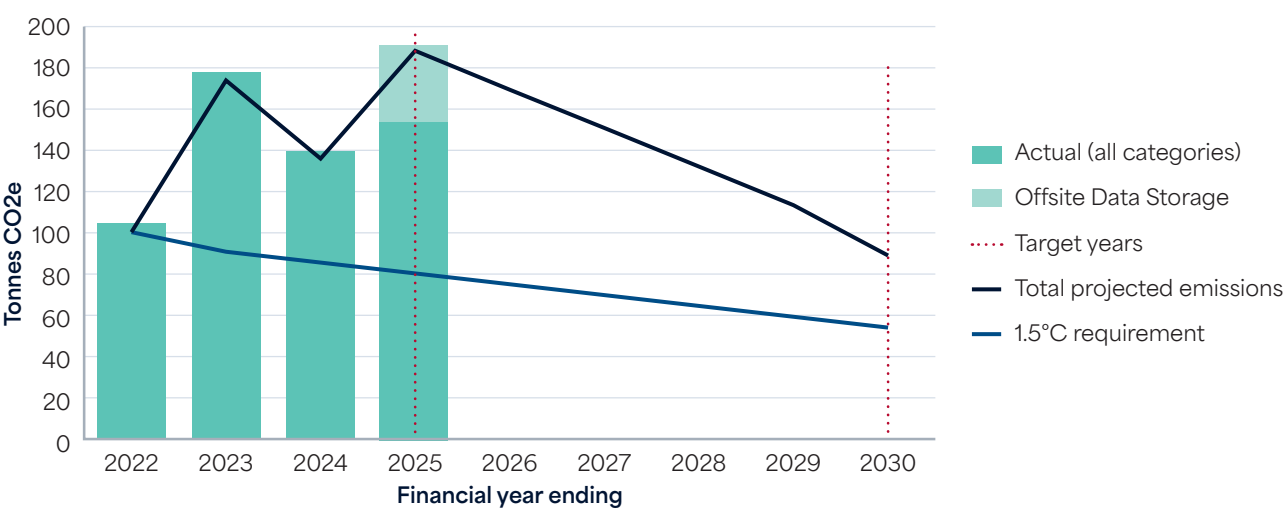
The SFO's greatest challenge lies in managing indirect emissions from transportation. We have two offices based in Auckland and Wellington and as a government agency with a nationwide remit, some degree of domestic travel is unavoidable. The amount of travel year-on-year is variable depending on the location of case investigations, interviews, search warrants and court appearances. Overseas travel is undertaken from time to time to ensure New Zealand meets international engagement obligations.

To move closer toward our reduction targets, we are implementing initiatives across key areas:

- **Air travel** - limiting flights and using virtual alternatives where possible.
- **Electricity** - reducing office consumption through energy-saving awareness. Efficient equipment and improved lighting are also considerations.

We are also embedding carbon awareness across the organisation and adopting sustainable practices in daily operations. The following graph highlights the scale of reductions required to achieve our 2030 target.

SFO Carbon Inventory, Projections and Targets



Financial and capital performance

Financial performance

	Actual 2024 \$000	Main estimates 2025 \$000	Supp estimates 2025 \$000	Actual 2025 \$000	Main estimates 2026 \$000
REVENUE					
Crown	16,879	16,868	16,868	16,868	16,868
Other	491	85	352	362	264
TOTAL REVENUE	17,370	16,953	17,220	17,230	17,132
Expenditure	15,969	16,953	17,220	16,407	17,132
Net surplus/ (deficit)	1,401	-	-	823	-

There have been no material changes between New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Public Sector Accounting Standards (IPSAS).

Capital performance

	Actual 2024	Budget standard 2025	Actual 2025
PERFORMANCE MEASURE			
The capital plan is developed and managed throughout the year	Completed 1 July 2023	Capital plan for implementation by 1 July 2024	Completed 1 July 2024

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2025

	Notes	Actual 2024 \$000	Actual 2025 \$000	Unaudited budget 2025 \$000	Unaudited forecast 2026 \$000
REVENUE					
Revenue Crown		16,879	16,868	16,868	16,868
Other revenue	2	491	362	85	264
TOTAL REVENUE		17,370	17,230	16,953	17,132
EXPENSES					
Personnel costs	3	11,026	10,889	11,493	11,926
Other expenses	5	4,496	5,121	5,071	4,827
Depreciation and amortisation expense	7, 8	361	332	318	321
Capital charge	4	86	65	71	58
TOTAL EXPENSES		15,969	16,407	16,953	17,132
SURPLUS/(DEFICIT)		1,401	823	-	-
Other comprehensive revenue and expenses		-	-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		1,401	823	-	-

Explanations of major variances against the original 2024/25 budget are provided in note 16. The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2025

	Notes	Actual 2024 \$000	Actual 2025 \$000	Unaudited budget 2025 \$000	Unaudited forecast 2026 \$000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		2,983	2,167	1,882	2,042
Receivables	6	-	198	58	58
Prepayments		384	468	400	400
TOTAL CURRENT ASSETS		3,367	2,833	2,340	2,500
NON-CURRENT ASSETS					
Property and equipment	7	786	608	857	704
Intangible assets	8	18	8	18	11
TOTAL NON-CURRENT ASSETS		804	616	875	715
TOTAL ASSETS		4,171	3,449	3,215	3,215
LIABILITIES					
CURRENT LIABILITIES					
Payables and deferred revenue	9	671	561	1,205	1,205
Return of operating surplus	10	1,401	823	-	-
Employee entitlements	11	909	935	900	900
TOTAL CURRENT LIABILITIES		2,981	2,319	2,105	2,105
NON-CURRENT LIABILITIES					
Employee entitlements	11	150	90	70	70
TOTAL NON-CURRENT LIABILITIES		150	90	70	70
TOTAL LIABILITIES		3,131	2,409	2,175	2,175
NET ASSETS		1,040	1,040	1,040	1,040
EQUITY					
Taxpayers' funds	12	1,040	1,040	1,040	1,040
TOTAL EQUITY		1,040	1,040	1,040	1,040

Explanations of major variances against the original 2024/25 budget are provided in note 16.
The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2025

	Notes	Actual 2024 \$000	Actual 2025 \$000	Unaudited budget 2025 \$000	Unaudited forecast 2026 \$000
BALANCE AT 1 JULY					
Total comprehensive revenue and expense		1,401	823	-	-
OWNER TRANSACTIONS					
Capital injection		-	-	-	-
Return of operating surplus to the Crown	10	(1,401)	(823)	-	-
BALANCE AT 30 JULY					
	13	1,040	1,040	1,040	1,040

Explanations of major variances against the original 2024/25 budget are provided in note 16.
The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2025

	Actual 2024 \$000	Actual 2025 \$000	Unaudited budget 2025 \$000	Unaudited forecast 2026 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Revenue Crown	16,879	16,868	16,868	16,868
Receipts from other revenue	482	183	85	264
Payments to suppliers	(5,318)	(6,260)	(5,331)	(5,451)
Payments to employees	(10,496)	(9,968)	(11,443)	(11,443)
Payments for capital charge	(86)	(65)	(71)	(58)
Goods and services tax (net)	11	(36)	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	1,472	722	108	180
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of property and equipment	2	7	-	-
Purchase of property and equipment	(248)	(144)	(140)	(140)
Purchase of intangible assets	-	-	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	(246)	(137)	(140)	(140)
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital Injection	-	-	-	-
Return of operating surplus	(202)	(1,401)	(500)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(202)	(1,401)	(500)	-
NET (DECREASE)/INCREASE IN CASH	1,024	(816)	(532)	40
CASH AT THE BEGINNING OF THE YEAR	1,959	2,983	2,414	2,002
CASH AT THE END OF THE YEAR	2,983	2,167	1,882	2,042

Explanations of major variances against the original 2024/25 budget are provided in note 16.
The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2025
(continued)

	Notes	Actual 2024 \$000	Actual 2025 \$000
RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES			
NET SURPLUS/(DEFICIT)		1,401	823
ADD/(LESS) NON-CASH ITEMS			
Depreciation and amortisation expense	7, 8	361	332
TOTAL NON-CASH ITEMS		361	332
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES			
(Gains)/losses on disposal of property and equipment	2	(2)	(7)
TOTAL ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES		(2)	(7)
ADD/(LESS) MOVEMENTS IN STATEMENT OF FINANCIAL POSITION ITEMS			
(Inc)/dec in receivables	6	17	(198)
(Inc)/dec in prepayments		(193)	(84)
Inc/(dec) in payables and deferred revenue	9	(176)	(110)
Inc/(dec) in employee entitlements	11	64	(34)
NET MOVEMENT IN WORKING CAPITAL ITEMS		71	(101)
NET CASH FLOW FROM OPERATING ACTIVITIES		1,472	722

The accompanying notes form part of these financial statements.

Statement of commitments as at 30 June 2025

Capital commitments

The SFO has no capital commitments as of 30 June 2025 (2024: \$nil).

Non-cancellable operating lease commitments

The SFO leases two properties as office space to cover the normal course of its operations:

The non-cancellable lease of 11 years at 188 Quay Street, Auckland commenced on 24 February 2022 (expiring 23 February 2033). It may be cancelled only with 12 months’ notice from the Government Property Group (GPG) within the Ministry of Business, Innovation and Employment between 1 July 2026 to

31 December 2026, a cost of \$250,000 plus the depreciated value of the hard-fitout paid by the landlord.

Effective 24 February 2022, the SFO entered into a 11-year co-location agreement, whereby office space at 88 Quay Street, Auckland was allocated to Crown Law Office for their sole use. The agreement is deemed to contain a lease expiring on 24 February 2033 but can be terminated in advance of this date with a notice period of one year required.

The non-cancellable lease of nine years at 22 The Terrace, Wellington commenced on 16 September 2023 (expiring 15 September 2032).

The SFO does not hold any current finance leases (2024: \$nil).

	Actual 2024 \$000	Actual 2025 \$000
OPERATING LEASE AS A LESSEE		
The future aggregate minimum lease payments to be paid under this non-cancellable operating lease are as follows:		
Not later than one year	1,160	1,214
Later than one year and not later than five years	4,755	5,191
Later than five years	4,386 ⁷	3,577
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS	10,301 ⁸	9,982

Sublease arrangement

OPERATING SUBLEASE AS A LESSOR		
The future aggregate forecasted lease payments to be received under this cancellable operating sub-lease are as follows:		
Not later than one year	169	184
Later than one year and not later than five years	715	777
Later than five years	710	554
TOTAL NON-CANCELLABLE OPERATING SUB-LEASE COMMITMENTS	1,594	1,515

7 Correction from the Annual Report 2023-2024 - should have been \$4,386,000, not \$3,308,000 as previously reported.

8 Correction from the Annual Report 2023-2024 - should have been \$10,301,000, not \$9,223,000 as previously reported.

Statement of contingent liabilities and contingent assets as at 30 June 2025

Contingent liabilities

The SFO has no quantifiable or unquantifiable contingent liabilities as at 30 June 2025 (2024: \$nil).

Contingent assets

The SFO has no contingent assets as at 30 June 2025 (2024: \$nil).

Clause 35(1) of the SFO Act 1990 states: “The Serious Fraud Office and every member of the Serious Fraud Office shall be indemnified by the Crown in respect of any liability relating to the exercise of, or purported exercise of, or the omission to exercise, any power conferred by this Act unless it is shown that the exercise or purported exercise of, or the omission to exercise, the power was in bad faith.”

The accompanying notes form part of these financial statements.

Notes to financial statements

1. Statement of accounting policies

Reporting entity

The SFO is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the SFO’s operations includes the Serious Fraud Office Act 1990, the Public Finance Act 1989 (PFA) and the Public Service Act 2020. The SFO’s ultimate parent is the New Zealand Crown.

The SFO’s primary objective is to provide services to the New Zealand public. The SFO does not operate to make a financial return.

The SFO is a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of the SFO are for the year ended 30 June 2025 and were approved for issue by the Chief Executive and Director of the SFO on 29 September 2025.

Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements of the SFO have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) and Treasury instructions.

These financial statements have been prepared in accordance with and comply with Public Benefit Entity (PBE) Tier 2 Standards Reduced Disclosure Regime (RDR) concessions applied on the basis that expenditure exceeds \$2 million but is less than \$30 million.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$,000).

Changes in accounting policies

There are no Standards to report that are issued and not yet effective and not early adopted.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents include cash on call with the bank.

The SFO is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of resources embodying economic benefits or service will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate based on market yields on government bonds at balance date with terms of maturity that match, as closely as possible, the estimated timing of the future cash outflows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in a separate finance cost note when applicable. The SFO has not incurred any finance costs in 2025 (2024: \$nil).

There are no provisions in 2025 (2024: \$nil).

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The SFO is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Statement of cost accounting policies

The SFO has a single operating appropriation for all its activities and therefore no cost allocation methodology is required.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

- Assessing the useful lives of Plant and Equipment – refer to Note 7
- Assessing the useful lives of software – refer to Note 8
- Measuring long service leave – refer to Note 11.

Critical judgements in applying accounting policies

Management did not require any critical judgement in applying accounting policies.

Budget and forecast figures

The basis of the budget and forecast figures are as follows.

The 2025 budget figures are for the year ended 30 June 2025 and were published in the Annual Report 2024. They are consistent with the SFO’s best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year 2023/24.

The 2026 forecast figures are for the year ending 30 June 2026 and are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year 2025/26.

The forecast financial statements have been prepared as required by the Public Finance Act (1989) to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2026 forecast figures have been prepared in accordance with and comply with PBE FRS 42 Prospective Financial Statements.

The forecast financial statements were approved for issue by the Chief Executive on 15 April 2025.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While the SFO regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2026 will not be published.

Significant assumptions used in preparing the forecast financial information

The forecast figures contained in these financial statements reflect the SFO’s purpose and activities and are based on several assumptions on what may occur during the 2025/26 year. The forecast figures have been compiled based on existing government policies and ministerial expectations at the time the Main Estimates were finalised. The main assumptions, adopted as at 15 April 2025, were as follows:

- The SFO’s core activities and output expectations will remain substantially the same as the previous year focusing on the government’s priorities.
- The 2025/26 appropriation does not include any new policy initiatives.
- Personnel costs are based on a monthly average 82.0 full-time equivalent employees, inclusive of vacant positions.

- Operating costs are based on historical experience and other factors that are believed to be reasonable in the circumstances and are the SFO’s best estimate of future costs that will be incurred.
 - Remuneration rates are based on current wages and salary costs, adjusted for any anticipated remuneration changes.
- Estimated year-end information for 2024/25 was used as the opening position for the 2025/26 forecasts.

The actual financial results achieved for 30 June 2026 are likely to vary from the forecast information presented, and the variations may be material.

2. Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below:

Revenue Crown

Revenue from the Crown is measured based on the SFO’s funding entitlement for the reporting period. The funding entitlement is established by parliament when it passes the appropriations act for the financial year. The amount of revenue recognised considers any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the SFO can incur expenses only within the scope and limits of its appropriation.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Recovery for employees shared with other agencies

Recovery from other non-government agencies for shared SFO employees, whose salary is paid by the SFO, is recorded as revenue in the month that the services are provided.

Recovery for overseas assistance on fraud issues

Recovery of SFO employee and equipment costs from the Ministry of Foreign Affairs for overseas assistance provided is recorded as revenue in the month that the services are provided.

Rental revenue from subleases

Rental revenue under an operating sublease is recognised as revenue on a straight-line basis over the lease period.

Recovery for electronic investigative work for other agencies

Recovery for electronic investigative work undertaken for the Ministry of Health.

Breakdown of other revenue and further information	Actual 2024 ⁹ \$000	Actual 2025 \$000
Recovery for employees shared with other Agencies	253	173
Recovery for overseas assistance on fraud issues	24	-
Rental revenue from subleases	166	179
Recovery for electronic investigative work for other agencies	46	3
Gain on disposal of SFO surplus furniture and equipment	2	7
TOTAL OTHER REVENUE	491	362

Asset disposals

During the year, the SFO sold surplus office equipment and furniture following a move to new premises. The net gain on disposals was \$6,869 (2024: \$2,297).

3. Personnel costs

Accounting policy

The specific accounting policies for significant expense items are explained below:

Salaries and wages

From time to time, the SFO secondes employees out to other government agencies, or has employees seconded in from other government agencies. Where the other government agency takes responsibility for the seconded employees, receives the benefits of their outputs, and carries the risk associated with their work, the SFO does not reflect the expenditure in the financial statements. In 2024/25 there were no such secondees (2024: nil).

Where the SFO takes responsibility for seconded employees, receives the benefits of their outputs, and carries the risk associated with their work, the SFO reflects the expenditure in the financial statements. In 2024/25 there were no such staff members (2024: one).

Superannuation schemes

Defined contribution schemes

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

The SFO does not contribute to any defined benefit schemes.

9 Correction from the SFO Annual Report 2023-24 – the line-item amounts were misallocated, though the total is the same.

Breakdown of personnel costs	Actual 2024 \$000	Actual 2025 \$000
Salaries and wages	10,394	10,361
Defined contribution plan employer contributions	289	280
Increase/(decrease) in employee entitlements	77	(66)
Employee training and development	143	129
Other	123	185
TOTAL PERSONNEL COSTS	11,026	10,889

4. Capital charge

Accounting policy

The capital charge is recognised as an expense in the financial year to which the charge relates.

Further information

The SFO pays a capital charge to the Crown on its equity (adjusted for memorandum accounts) at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2025 was 5% (2024: 5%).

5. Other expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

Other expenses

Other expenses are recognised as goods and services when they are received.

Breakdown of other expenses and further information	Actual 2024 \$000	Actual 2025 \$000	Unaudited budget 2025 \$000	Unaudited forecast 2026 \$000
Fees for audit of financial statements and greenhouse gas measurement assurance	91	162	95	167
Operating lease expenses	1,117	1,204	1,175	1,218
Other occupancy expenses	142	153	140	160
Legal fees on panel prosecutions	97	64	130	145
Consultancy and contractors – non case related	401	450	524	311
Travel	339	408	469	387
Technology	1,866	2,243	2,111	2,037
Specialist advice – case related	108	163	120	65
Other expenses	335	274	307	337
TOTAL OTHER EXPENSES	4,496	5,121	5,071	4,872

6. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The SFO applies the simplified expected credit-loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short term receivables have been assessed on a collective

basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Breakdown of receivables and further information	Actual 2024 \$000	Actual 2025 \$000
Gross receivables	-	198
Less: allowance for credit losses	-	-
NET RECEIVABLES	-	198
TOTAL RECEIVABLES CONSIST OF:		
Receivables from supplier refunds (exchange transactions)	-	-
Receivables for SFO employee secondment (non-exchange transactions)	-	198

All receivables are considered current and there are no expected credit losses.

7. Property and equipment

Accounting policy

Property and equipment are comprised the following asset classes: office furniture, fixtures and fittings, office equipment, computer equipment and motor vehicles. The SFO does not own any land or buildings.

Individual assets are capitalised if their cost is greater than \$2,000 (excluding GST). The value of an individual asset that is less than \$2,000 (excluding GST) and is part of a group of similar assets purchased collectively may be capitalised.

Additions

The cost of an item of property and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the SFO and the cost of the item can be measured reliably.

Work-in-progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent costs

Costs incurred after the initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the SFO and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property and equipment at rates that will write-off the cost of the assets to their estimated

residual values over their useful lives. The SFO useful lives and associated depreciation rates of major classes of property and equipment have been estimated as follows:

	Useful life	Depreciation rate
Office furniture and fittings	5 years	20%
Office plant and equipment – leasehold improvement fixtures	11 years	9%
Office plant and equipment - Other	5 years	20%
Computer equipment	3-5 years	20%-33%
Motor vehicle	5 years	20%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment

The SFO does not hold any cash-generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property and equipment held at cost have a finite useful life and are reviewed for impairment at each balance date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset’s fair value less costs to sell and its value in use.

Value in use is determined using a depreciated replacement cost approach.

If an asset’s carrying amount exceeds its recoverable service amount, the asset is considered to be impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Breakdown of property and equipment and further information

	Office furniture and fittings \$000	Office plant and equipment \$000	Computer equipment \$000	Motor vehicles \$000	Work-in- progress \$000	Total \$000
COST						
BALANCE AT 1 JULY 2023	468	409	798	48	63	1,761
Prior year assigned	11	36	16	-	(63)	-
Additions	146	2	99	-	-	247
Disposals	-	-	(5)	-	-	(5)
BALANCE AT 30 JUNE 2024	625	448	907	48	-	2,003
Balance at 1 July 2024	625	448	907	48	-	2,003
Additions	21	5	118	-	-	144
Disposals	-	-	(25)	-	-	-
BALANCE AT 30 JUNE 2025	646	453	1,000	48	-	2,147
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
BALANCE AT 1 JULY 2023	139	162	560	36	-	872
Depreciation expense	113	74	160	3	-	351
Eliminate on disposal	-	-	(5)	-	-	(5)
BALANCE AT 30 JUNE 2024	252	236	715	39	-	1,218
Balance at 1 July 2024	252	236	715	39	-	1,218
Depreciation expense	121	68	133	-	-	322
Eliminate on disposal	-	-	(25)	-	-	-
BALANCE AT 30 JUNE 2025	373	304	823	39	-	1,539
CARRYING AMOUNTS						
At 1 July 2023	328	247	237	13	63	888
At 30 June and 1 July 2024	373	212	191	10	-	786
AT 30 JUNE 2025	273	148	177	10	-	608

Restrictions: There are no restrictions over the title of the SFO’s property and equipment, nor are any property, plant and equipment pledged as securities for liabilities (2024: \$nil).

8. Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. Software is capitalised if it meets the criteria, and the cost is \$2,000 (excluding GST) or more.

Costs that are directly associated with the development of software for internal use by the SFO, excluding software-as-a-solution (SaaS) arrangements, are recognised as an intangible asset. Costs associated with cloud computing arrangements which SFO does not control are expensed as incurred. Costs to configure or customise software in a cloud computing arrangement are recognised as intangible assets only if the activities create an intangible asset that the SFO controls and the intangible asset meets the recognition criteria.

Direct costs include the cost of services, software development employee costs and an appropriate portion of relevant overheads.

Employee training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the SFO’s website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

	Useful life	Depreciation rate
Acquired computer software	5 years	20%

Critical accounting estimates and assumptions

Useful life of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licenses, the useful life represents management’s view of the expected period over which the SFO will receive benefits from the software. For *off-the-shelf* software that is purchased and then modified by the SFO, this is considered to be acquired computer software and the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life, such as changes in technology.

Breakdown of intangible assets and further information	Acquired software \$000
COST	
Balance at 1 July 2023	138
Additions	-
Disposals	-
BALANCE AS AT 30 JUNE 2024	138
Balance at 1 July 2024	138
Additions	-
Disposals	-
BALANCE AS AT 30 JUNE 2025	138
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance at 1 July 2023	110
Amortisation expense	10
Eliminate on disposal	-
BALANCE AS AT 30 JUNE 2024	120
Balance at 1 July 2024	120
Amortisation expense	10
Eliminate on disposal	-
BALANCE AT 30 JUNE 2025	130
CARRYING AMOUNTS	
At 1 July 2023	28
At 30 June and 1 July 2024	18
AT 30 JUNE 2025	8

Restrictions: There are no restrictions over the title of the SFO’s intangible assets, nor are any intangible assets pledged as securities for liabilities (2024: \$nil).

9. Payables and deferred revenue

Accounting policy

Short-term payables are recorded at the amount payable.

Breakdown of payables and deferred revenue and further information	Actual 2024 \$000	Actual 2025 \$000
PAYABLE AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS		
Creditors	37	1
Income in advance for cost recovered services	50	41
Accrued expenses	257	348
TOTAL PAYABLES AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS	344	390
PAYABLES AND DEFERRED REVENUE UNDER NON-EXCHANGE TRANSACTIONS		
Taxes payable (for example, GST and PAYE)	327	171
TOTAL PAYABLES AND DEFERRED REVENUE	671	561

10. Return of operating surplus

	Actual 2024 \$000	Actual 2025 \$000
Net surplus	1,401	823
TOTAL RETURN OF OPERATING SURPLUS	1,401	823

The return of operating surplus to the Crown is required to be paid by 31 October of each year.

11. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at the current rates of pay. These include salaries and wages accrued up to balance date, annual and long service leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is contractual obligation or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, such as long service and retirement gratuities have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlements information, and
- The present value of the estimated future cash flows.

Continuous public-sector service prior to becoming an SFO employee is also considered.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested service leave and retirement gratuities that are expected to be settled within twelve months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Critical accounting estimates and assumptions

Long service leave

The measurement of long service leave depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. The rates and assumptions used are those advised by the Treasury.

Measurement of the long service obligation was based on assessment of 72 employees as at 30 June 2025 (2024: 75).

The SFO has no retirement gratuities obligations (2024: \$nil) and no sick leave liability (2024: \$nil).

Critical accounting estimates and assumptions

	Actual 2024 \$000	Actual 2025 \$000
CURRENT PORTION		
Accrued salaries and wages	283	316
Annual leave	600	581
Long service leave	26	38
TOTAL CURRENT PORTION	909	935
NON-CURRENT PORTION		
Long service leave	150	90
TOTAL EMPLOYEE ENTITLEMENTS	1,059	1,025

12. Equity

Accounting policy

Equity is the Crown’s investment in the SFO and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers’ funds.

Breakdown of equity and further information

	Actual 2024 \$000	Actual 2025 \$000
TAXPAYERS’ FUNDS		
Balance at 1 July	1,040	1,040
Surplus/(deficit)	1,401	823
Capital Injections	-	-
Return of operating surplus to the Crown	(1,401)	(823)
BALANCE AT 30 JUNE	1,040	1,040
TOTAL EQUITY	1,040	1,040

Capital management

The SFO’s capital is its equity, which comprises of taxpayers’ funds. Equity is represented by net assets.

The SFO manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The SFO’s equity is largely managed as a by-product of managing revenue, expenses,

assets, liabilities, and compliance with the government budget processes, Treasury instructions and the PFA.

The objective of managing the SFO’s equity is to ensure that the SFO effectively achieves its goals and objectives for which it has been established, while remaining a going concern

13. Related party transactions

Accounting policy

The SFO is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the SFO would have adopted if dealing with an entity at arms-length, in the same circumstances. Further, transactions with other government agencies (for example, government

departments and Crown Entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Related party transactions required to be disclosed

The SFO has no related party transactions to disclose in 2025 (2024: \$nil).

Key management personnel compensation

	Actual 2023-24 \$000	Actual 2024-25 \$000
SENIOR LEADERSHIP TEAM, INCLUDING THE CHIEF EXECUTIVE		
Remuneration	1,991 ¹⁰	2,131
Full time equivalent members	8.8 FTEs	8.9 FTEs

Key management personnel of the SFO comprised nine positions in 2024/25: the Director/Chief Executive, Deputy Chief Executive (3), Manager Investigations and Prosecutions (2), Forensic Services Manager, Manager Corporate Services and Finance and the Manager Detection and Prevention (2024: nine positions). Additionally, there were two short-term Acting roles outside of this group covering for leave.

There were no senior managers seconded to another government department in 2025 (2024: nil).

This key management personnel disclosure excludes the Minister responsible for the SFO. The Minister’s remuneration and other benefits are not received only for their role as a member of key management personnel of the SFO. The Minister’s remuneration and other benefits are set by the Remuneration Authority under the *Members of Parliament (Remuneration and Services) Act 2013* and paid under Permanent Legislative Authority and not paid by the SFO.

Related party transactions involving key management personnel (or their close family members)

- There were no close family members of key management personnel who were employed in 2025 by the SFO (2024: \$nil).
- There were no related party transactions involving key management personnel or their close family members in 2025 (2024: \$nil).

14. Events after the balance date

There have been no significant events after balance date.

15. Financial instruments

15A. Financial instrument categories

The carrying amounts of financial assets and financial liabilities in each of the PBE IFRS 9 financial instrument categories are as follows:

	Actual 2024 \$000	Actual 2025 \$000
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Cash and cash equivalents	2,983	2,167
Receivables (excluding taxes receivable)	-	198
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	2,983	2,365
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Payables (excluding income in advance and taxes payable)	294	349

15B. Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The SFO had no foreign exchange derivatives as at 30 June 2025 (2024: \$nil).

15C. Financial instrument risks

The SFO’s activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The SFO has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

¹⁰ Correction: not 1,695 as previously reported.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from future capital purchases and recognised liabilities, which are denominated in a foreign currency. The SFO purchases equipment software licences and data from time to time that is exposed to currency risk arising from various currency exposures, primarily with respect to the United States and Australian dollars and the UK pound sterling. As of 30 June 2025, there was \$nil receivables (2014: \$nil) and \$nil foreign payables (2024: GBP 5,173 (about \$10,967 NZD)).

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The SFO has no exposure to interest rate risk because it has no interest-bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the SFO, causing the SFO to incur a loss. In the normal course of its business, credit risk arises from receivables, deposits with banks, and derivative financial instrument assets.

These entities have high credit ratings. For its other financial instruments, the SFO does not have significant concentrations of credit risk.

The SFO’s maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, receivables, and derivative financial instrument assets. There is no collateral held as security against these financial instruments.

Although cash and cash equivalents as at 30 June 2025 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

The SFO is permitted to deposit funds only with Westpac (Standard & Poor’s credit rating of AA-), a registered bank, and enter foreign exchange forward contracts with the New Zealand Debt Management Office (Standard & Poor’s credit rating of AA+).

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the SFO will encounter difficulty raising liquid funds to meet commitments as they fall due. As part of meeting its liquidity requirements, the SFO closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The SFO maintains a target level of available cash to meet liquidity requirements.

Contractual maturity analysis of financial liabilities

The table below analyses the SFO’s financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. The SFO has no committed finance leases (2024: \$nil).

	Carrying amount \$000	Contractual cashflows \$000	Less than 6 months \$000	6 months – 1 year \$000	1–5 years \$000	More than 5 years \$000
Payables 2025	1	1	1	-	-	-
Payables 2024	37	37	37	-	-	-

16. Explanation of major variances against budget

The Budget is based on assumptions made at the time of preparation. Actual results may differ from the budgeted amounts, and such differences could be material as a result of changes in the timing of events, transactions, or related assumptions.

Explanations for major variances from the SFO’s original 2024/25 budget figures are as follows:

Statement of comprehensive revenue and expense

Revenue other

Revenue Other was \$277,000 higher than budget due to:

- + \$176,000 recovered for the provision of electronic forensic services to Immigration New Zealand, Financial Markets Authority, the Commerce Commission, and the Ministry of Health.
- + \$94,000 additional sublease income from the Crown Law Office for their shared utilisation of the SFO’s Auckland office.
- + \$7,000 proceeds from the sale of surplus office assets.

Expenses

Total expenses were \$546,000 lower than budget, reflecting practical delays in implementing fiscal sustainability measures and the uneven year-on-year spend profile inherent in the casework activities.

Key variances included:

- \$604,000 lower Personnel costs, reflecting factors such as an Efficiency and Effectiveness Review that resulted in changes to the workforce structure, and recruitment challenges in general.
- + \$50,000 higher Other Expenses includes additional Technology +\$132,000 and Audit and Assurance +\$67,000 costs that were partly offset by lower expenditure on non-case related Consultancy and Contractors -\$74,000 and travel -\$61,000.

Statement of financial position

Assets

Total assets were \$234,000 higher than budget, primarily due to:

- + \$493,000 higher current assets, reflecting less expenditure - as noted above.
- \$259,000 lower non-current assets, due to a budget over-estimation of the value of property, plant and equipment assets -\$249,000 and an unplanned adjustment to the present value of intangible assets -\$10,000.

Liabilities

Total liabilities were \$234,000 higher than budget due to:

- + \$823,000 representing the 2024/25 return of operating surplus payable to the Crown.
- \$644,000 lower payables as at 30 June 2025.
- + \$55,000 higher employee entitlements, mainly notably accrued salaries and wages.

Statement of cash flows

Cash at the end of the year was \$285,000 more than Budget, mainly due to:

Cash flows from operating activities

- + \$98,000 additional sublease income from the Crown Law Office for their shared utilisation of the SFO’s Auckland office.
- \$923,000 additional payments to suppliers, largely due to expenditure against additional revenue, and less payables at year-end.
- + \$1,475,000 less payments to employees, reflecting organisational restructuring and vacancy related savings.

Cash flows from financing activities

- \$901,000 more than budget, reflecting the additional return of 2022/23 operating surplus to the Crown.

Statement of budgeted and actual expenses and capital expenditure

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the SFO for the year ended 30 June 2025. They are prepared on a GST exclusive basis.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations for the year ended 30 June 2025

Annual and permanent appropriations for Vote Serious Fraud

Appropriation title	Expenditure after remeasurements 2024 \$000	Expenditure after remeasurements 2025 \$000	Approved appropriation 2025 ¹¹ \$000	Location of end-of- year performance information ¹²
DEPARTMENTAL OUTPUT EXPENSES				
Prevention, Investigation and Prosecution of Serious Financial Crime	15,969	16,407	17,220	Pages 27-29, 35, 43, 50
TOTAL DEPARTMENTAL OUTPUT EXPENSE	15,969	16,407	17,220	
DEPARTMENTAL CAPITAL EXPENDITURE				
Serious Fraud Office - Permanent Legislative Authority under section 24(1) of the PFA	248	144	140	Page 58

There were no remeasurements of expenditure during the year (2024: \$nil).

11 These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act 1989.

12 The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the SFO in this Annual Report on these specific pages.

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority for the year ended 30 June 2025

Expenses and capital expenditure approved under section 26B of the Public Finance Act 1989 in 2025: \$nil (2024: \$nil).

Expenses and capital expenditure incurred in excess of appropriation in 2025: \$nil (2024: \$nil).

Expenses and capital expenditure incurred without appropriation outside the scope or period of appropriation in 2025: \$nil (2024: \$nil).

Statement of departmental capital injections for the year ended 30 June 2025

	Actual capital injections 2024 \$000	Actual capital injections 2025 \$000	Approved appropriation 2025 \$000
VOTE SERIOUS FRAUD			
Serious Fraud Office - Capital Injection	-	-	-

Statement of departmental capital injections without, or in excess of, authority for the year ended 30 June 2025

Capital injections during the year without, or in excess of, authority in 2025: \$nil (2024: \$nil).

Independent Auditor's report

To the readers of Te Tari Hara Tāware – The Serious Fraud Office's Annual Report for the year ended 30 June 2025

The Auditor-General is the auditor of the Te Tari Hara Tāware – The Serious Fraud Office (the Department). The Auditor-General has appointed me, Ian Proudfoot, using the staff and resources of KPMG, to carry out, on his behalf, the audit of:

- The annual financial statements of the Department that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 59 to 83;
- The end-of year performance information for the appropriations of the Department for the year ended 30 June 2025 on pages 27 to 29, 34 and 35, 42 and 43 and 50 and 51; and
- The statements of expenses and capital expenditure of the Department for the year ended 30 June 2025 on pages 84 to 85.

Opinion

In our opinion:

- The financial statements of the Department:
 - o fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.
- The end-of year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects:
 - what has been achieved with the appropriation; and

- the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.
- The statements of expenses and capital expenditure have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.

Our audit was completed on 29 September 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office for the information to be audited

The Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office is responsible on behalf of the Department for preparing:

- Annual financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of Year performance information for appropriations that:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents what has been achieved with the appropriation;
 - fairly presents the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Department, that are prepared in accordance with section 45A of the Public Finance Act 1989.

The Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office is responsible on behalf of the Department for assessing the Department’s ability to continue as a going concern. The Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office’s responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions

of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, 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 our 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.

- We 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 Department’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office.
- We evaluate whether the end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents what has been achieved with the appropriation.
- We evaluate whether the statements of expenses and capital expenditure have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We communicate with the Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive of Te Tari Hara Tāware – The Serious Fraud Office is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor’s report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independence

We are independent of the Department in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit we have carried out engagement in the area of GHG Emissions limited assurance, which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, the Department.

Ian Proudfoot
KPMG
On behalf of the Auditor-General
Auckland, New Zealand



Independent Limited Assurance Report to Serious Fraud Office

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the gross Greenhouse Gas emissions and the explanatory notes on pages 55 to 57 of the SFO Annual Report 2024-2025 (GHG Statement), has not been prepared in accordance with the Climate Neutral Government Program Version 4.0 March 2025 (the criteria) for the period 1 July 2024 to 30 June 2025.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Serious Fraud Office's GHG Statement for the period 1 July 2024 to 30 June 2025.

Our conclusion on the GHG Statement does not extend to other information that accompanies or contains the GHG Statement and our report (**other information**). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting is the Climate Neutral Government Program Version 4.0 March 2024.

As permitted by 2.1 of the Climate Neutral Government Program Version 4.0 March 2024, the greenhouse gas emissions have been measured in accordance with the ISO 14064-1:2018 standard (International Organization for Standardization, 2018).

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the ‘Our responsibility’ section of our report.

Other Matter – Prior year comparatives not assured

The GHG Statement for the period 1 July 2021 to 30 June 2024 was not subject to our limited assurance engagement and, accordingly, we do not express a conclusion, or provide any assurance on such information.

Our conclusion is not modified in respect of this matter.

How to interpret limited assurance and material misstatement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG Statement are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG Statement.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for Serious Fraud Office. Our assurance work has been undertaken so that we might state to Serious Fraud Office those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than the Serious Fraud Office for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than Serious Fraud Office for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Serious Fraud Office’s responsibility for the GHG Statement

The Director of the Serious Fraud Office is responsible for the preparation of the GHG Statement in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as the Director determines is relevant to enable the preparation of the GHG Statement that is free from material misstatement whether due to fraud or error.

The Director of the Serious Fraud Office are also responsible for selecting or developing suitable criteria for preparing the GHG Statement and appropriately referring to or describing the criteria used.

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG Statement is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Serious Fraud Office.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of Serious Fraud Office’s use of the criteria as the basis for the preparation of the GHG Statement, assessing the risks of material misstatement of the GHG Statement whether due to fraud

or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Statement.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG Statement that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the GHG Statement that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the GHG Statement, the procedures we primarily performed were:

- Obtaining, through inquiries and inspection, an understanding of the entity’s control environment, processes and information systems relevant to the preparation of the GHG Statement. We did not evaluate the design of particular control activities or obtain evidence about their implementation.
- Assessing the appropriateness of the selected organisational boundary against the criteria, our understanding of the entity and where applicable external sources.
- Evaluating, through inquiries, the application of the selected boundary to the emissions inventory. This included evaluating the completeness of emissions sources selected for disclosure.



- Inspecting the activity data and agreeing a limited number of items to supporting records.
- Agreeing a limited number of emissions factors to external source material.
- Recalculating a limited number of emissions to confirm the mathematical accuracy of calculations.
- Considering the presentation and disclosure of the GHG Statement against the requirements of the criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to Serious Fraud Office in our appointment as their auditor, this includes the financial statement audit and service performance audit. These matters have not impaired our independence as assurance providers of Serious Fraud Office for this engagement. The firm has no other relationship with, or interest in, Serious Fraud Office.

KPMG
KPMG Auckland
30/09/2025

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SERIOUS FRAUD OFFICE
TE TARI HARA TĀWARE

Te Kāwanatanga o Aotearoa
New Zealand Government