



SERIOUS FRAUD OFFICE
TE TARI HARA TĀWARE

Annual Report

2025-2026

Contents

Highlights 2025/2026	2
Foreword.....	4
Statement of responsibility	9
Our purpose.....	10
Our strategic priorities	12
How we measure and report our performance	13
Case impact	14
Prevention	30
Connection	40
Future-proof capability	54
Assessment of Operations	64
Organisational health and capability	66
Financial and capital performance	70
Financial statements	71
Independent Auditor’s report.....	98
Independent Limited Assurance Report to Serious Fraud Office	103

Highlights 2025/2026



17
matters before the courts



36
defendants before the courts

\$203m
combined alleged fraud
value across all prosecutions
before the courts

140% increase
in proactive complaints (opened
by the SFO based on intelligence
or other leads)



21
Part 1 enquiries
commenced



12
Part 2 investigations
commenced



22 weeks of trial resources saved with early guilty
pleas from four of five trials scheduled



Anti-Corruption
Taskforce pilot assessed
fraud and corruption risk
across public sector



A record
1495
complaints received
(up 9.6% YoY, and
23.5% since 2023/24)



Published Long-Term Insights
Briefing exploring trends in fraud
and corruption detection



SFO Amendment Bill
introduced to Parliament



Record demand and
engagement for Counter
Fraud Centre



Staff engagement levels
continue to climb

Foreword

Fraud continues to present a real and significant threat to the wellbeing of a huge number of New Zealanders. Many of the environmental factors that lead to more fraud being committed or uncovered – cost-of-living pressures and financial hardship, business failures and technological advances – are being experienced in New Zealand today. Overseas events continue to play havoc with the economy, artificial intelligence looms as both a threat and opportunity, and in 2025 New Zealand saw its highest total insolvencies since the Global Financial Crisis.

At the SFO the number of matters being evaluated by our team has also reached a new high. This year almost 1500 allegations of suspected fraud and corruption were reported to us, and we've also increased the number of matters we've proactively identified as being potentially of interest. We've taken on a higher number of new investigations this year than in recent years, with our teams looking into matters including corporate, investment and mortgage fraud, abuse of positions of trust, and domestic bribery and corruption.

Against this dynamic backdrop, our team has continued to deliver excellent results for New Zealand. This year we had 17 cases before the courts, involving a total of \$203 million of alleged fraud. They include former Sacred Hill Vineyards executive and director Richard Foddy, who faces 18 charges of false accounting; former charitable trust CEO Matekino Marshall who is alleged to have misappropriated just over \$2.1 million from two trusts and a third entity he was involved with; and TV producer Alexander Breingan, who is facing charges for allegedly obtaining over \$10 million in fraudulent lending and \$4.3 million in government-funded rebates for television productions.

Reflecting the excellent work of our teams, of the five trials we had planned this financial year, four were resolved through guilty pleas by the six offenders. This saved 22 weeks of trial resources, reducing pressure on the Justice system and demonstrating the depth and strength of the investigations and evidence obtained.

They include former Senior Auckland District Health Board manager Garry Gorham, who admitted receiving more than \$250,000 in kickbacks from medical equipment and software suppliers. In a similar vein, former Open Country Dairy manager Simon Stewart pleaded guilty to receiving more than \$250,000 from customers in Indonesia in exchange for assistance and commercially sensitive price information.

Two people, Christopher Peters and Gurraj Bhachu, pleaded guilty in an on-going, complex mortgage and investment fraud case involving millions of dollars. In the trial that went ahead, Yuko Hanyu, the former finance manager of East Wind Company, was found guilty of overseeing a large-scale multi-million-dollar Ponzi scheme which targeted the Japanese community.

Technology – threat and opportunity

As we continue to see exponential growth of our digital operating environment, we've focused on how we can mitigate cost pressures where possible while continuing to deliver high-impact work. The SFO has been exempt from the Government's baseline reduction initiative, with our budget remaining at \$17.375 million for 2026/27. However, alongside the rest of the country, we remain subject to growing inflation and high costs.

A key part of this work involves leveraging technology – a double-edged sword. On one hand, perpetrators can use technology for their own purposes, and digital-enabled fraud is exploding. On the flip side, law enforcement can take advantage of technology to assist in detection and investigation of offences. This is essential for an agency of the SFO's size and has been for some years, as we have faced ever-increasing volumes of digital evidence.

Keeping ahead of the tools being used and enhancing our capability in the digital evidence space is an on-going focus. Each new device or operating system released to the market can have implications for our work, and we have invested heavily in ensuring we have some of the best technical people in the field who are not just keeping up with developments but leading the way with solutions. Our Electronic Forensics team is highly respected and recognised as a centre of excellence in this area, and we work closely with other agencies to share knowledge and pool resources.

Ensuring our legislation keeps pace with the changing world is another critical aspect of our environment and we have made great strides in this area. Our current legislation has not been substantively updated since it was introduced in 1990, and this can present challenges in a modern and increasingly digital environment. Following significant work from our Operations, Legal and Policy teams, and in conjunction with the Ministry of Justice, the SFO Amendment Bill was introduced to Parliament in April 2026. The bill passed its third reading and came into effect in September 2026.

We're also leaning into artificial intelligence (AI), while ensuring we are using it in a way that is safe and in keeping with our strict information requirements. The SFO was one of the earliest agencies to roll out an AI policy and we have been trialling a number of different AI tools to enhance our efficiency and ensure our team is able to focus on the most important and high value tasks. As a highly specialised agency with a lean support function, efficiency gains through technology can have a significant impact on our capability and resourcing.

This year we launched a new Statement of Intent (SOI), outlining our strategic priorities for the next four years. Pleasingly, our existing SOI has proved enduring and our priorities have remained largely unchanged – we will continue to target cases with the greatest potential impact, lift counter fraud culture and capability in the New Zealand public sector, and enhance stakeholder engagement. Recognising the increasing impact of technology, we have added a technology-focused priority outlining the intentional approach we intend to take in ensuring we are utilising it effectively as well as staying ahead of emerging threats.

High impact

We've also focused on rolling out a number of high impact initiatives this financial year, beyond the investigation and prosecution of financial crime.

In July 2025 we launched the Anti-Corruption Taskforce pilot, together with NZ Police and the Public Service Commission. The taskforce worked with six agencies of varying sizes and functions to build a clearer, system-wide picture of corruption and fraud risks across the public sector, and test a tool to measure agency fraud and corruption control maturity. The taskforce findings were released in February 2026. They outlined that the level of preparedness to prevent and detect fraud and corruption varies widely across agencies, and that internal fraud and corruption is almost certainly being under-reported. The taskforce also identified possible gaps in the system. The report provided a good foundation for further work in this area, including the development of a new Corruption Risk Assessment Tool.

We also delivered a highly successful Fraud Awareness Week campaign, which was recognised as helping to lower the proportion of adults experiencing fraud in New Zealand. Run entirely in-house by our Counter Fraud Centre (CFC) team, the annual campaign focuses on raising awareness and strengthening the public sector's resilience to fraud. This year's campaign saw both expanded reach and deeper engagement, with record participation in webinars.

Protecting public funds from fraud and corruption remains a key focus through our CFC, particularly in today's environment where every dollar counts. Implementing prevention controls is a more cost-effective approach than trying to investigate or recover losses later. The CFC has matured significantly since it began and the last year has seen continued strong growth in demand for its services as it moves towards becoming a more practical, system-focused support for agencies.

Connections bearing fruit

The connection and trust we form with other agencies, both domestic and international, is critical to our success. We have made concerted efforts in this area and those relationships have never been stronger. Strengthening connections with stakeholders helps us better understand our operating environment, encourage referrals, and effectively communicate case outcomes. It also ensures we are taking a joined-up approach with our agency colleagues, ensuring the best and most efficient outcome for New Zealand.

A focus for the SFO in recent years has been to ensure we are actively seeking the most important and impactful cases. In 2024/25 we integrated our Evaluations and Prevention functions, and created a new Intelligence/ Detection Lead role. We have seen this come to fruition this year, with a significant increase in proactive enquiries which fall within our remit. Increased connectivity with other law enforcement agencies and improved information sharing has allowed us to recognise and detect offending at an early stage. By promoting our mandate and areas of focus, we have seen a boost in intelligence and referrals, and in turn have proactively shared intelligence with other agencies specific to their remits. We're engaged with the Police Financial Intelligence Unit and we've implemented a number of secondments to ensure we are sharing information more seamlessly.

At the heart of every case

The cases we take are complex and difficult to detect, investigate and prosecute. We rely on the knowledge, expertise and judgment of our people, which is second to none. I continue to be impressed by their resilience and determination, and am particularly proud of their strong levels of engagement. Our staff engagement score has continued to climb despite our demanding and often challenging operating environment – a significant achievement. The results of our annual staff survey made it clear our people are deeply motivated by the impact of their work on society, as well as our strong values and collaborative culture. They expressed pride in their work and were confident in their belief that we are effective in delivering value for New Zealand.

The real-life impact of fraud was brought into stark relief this year at the sentencing of Alex Tuira and Aroha Tuira, who ran a \$4 million Ponzi scheme involving more than 55 investors - including their friends and family. The pair primarily targeted members of the Māori community and developed close personal relationships with the investors, many of whom had limited prior experience with investing. At an emotionally charged sentencing hearing their victims spoke of the devastation at having life savings stolen from them and the on-going generational trauma such offending caused.

At the heart of every case we take, and what continues to motivate us, is the economic and financial wellbeing of all New Zealanders. We will continue to do everything in our power to ensure New Zealand remains a safe and attractive destination for businesses to operate in, that we protect the integrity of our public sector, and harden our country as a target against those who look to do us harm.



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 2026 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 2027 and its operations for the year ending on that date.



Karen Chang
Chief Executive and Director
29 September 2026

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.

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. 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.

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 keeps 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.

Our Counter Fraud Centre Tauārai Hara Tāware 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. 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.

Note: In June 2026, the SFO's Statement of Intent for 2026-30 was published. This Annual Report will report against the 2023-27 version.

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 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 new SOI for 2026-2030 was published on 11 June 2026. The 2026 Annual Report will report against the 2023-27 SOI.

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 detect cases with the greatest potential impact, one of the SFO's key focuses in the 2024/25 year was enhancing our strategic and operational intelligence capability. This was achieved by integrating the existing Evaluations and Prevention functions, and by creating a new role for an Intelligence/Detection Lead.

In 2025/26, our Intelligence/Detection Lead proactively strengthened connections with a range of public and private sector stakeholders. This has promoted a clearer understanding of the types of matters that fall within the SFO's mandate and Strategic Areas of Focus leading to greater collaboration and information sharing.

Having a dedicated intelligence function has assisted us to strengthen connectivity with intelligence teams embedded across our domestic and international law enforcement partners, encouraging the proactive sharing of information related to suspected serious or complex fraud and corruption.

One of the most successful engagements has been with the New Zealand Financial Intelligence Unit (FIU), part of New Zealand Police's Financial Crime Group. In September 2025 the SFO entered into a Secondment Agreement with the FIU, under the umbrella of the Memorandum of Understanding with Police.

This arrangement has significantly increased the sharing of financial intelligence between the FIU and SFO under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act). It provides dedicated resource within the FIU to identity

intelligence for the SFO to investigate and raises awareness about indicators and areas of focus relevant to our mandate, informing the FIU's risk assessment and dissemination processes. This year the SFO made a more than 200% increase in Requests for Information from the FIU compared to 2024/2025, and received over 400% more proactive disseminations from the FIU, compared to 2024/2025. We also received 40% more disseminations in support of active SFO investigations.

The SFO has opened more proactive enquiries this year because of this arrangement, including matters related to allegations of foreign bribery and misappropriation of targeted government funding.

The SFO also received intelligence from 16 other domestic partner agencies, demonstrating a growing awareness of the SFO's detection priorities and the benefits of our increased connectivity. The intelligence outlined indicators of foreign bribery in the Asia Pacific region with a nexus to New Zealand, serious or complex fraud by professional enablers and public sector corruption. The SFO has in turn proactively shared intelligence with other agencies, relevant to their specific remits, reinforcing our commitment to strengthen our collaboration with partners as part of our wider system contribution.

Strategic Areas of Focus

To help achieve the Case Impact priority, in 2023 the SFO published its first Strategic Areas of Focus to guide 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.

The focus areas were reviewed again in line with the development of the SFO’s Statement of Intent 2026-30, published in June 2026. It was decided the focus areas still accurately reflect the current environment and no further refinements were required.

For performance reporting measures related to the Strategic Areas of Focus, see page 27.

Maximising outcomes

SFO cases are carefully selected for their potential impact, including our ability to leverage each case to disrupt and deter serious fraud and corruption. Our prosecutions this

year have raised awareness of the dangers and impact of corporate fraud, affinity fraud, corruption in procurement, fraud by trusted professionals and the theft of government funding. These cases routinely attract widespread media attention and have been further shared on social media. This helps both amplify their impact and aids in the detection of other offending.

Once a case is complete, we continue to seek opportunities to extend their impact. This includes using them as case studies in presentations to public and private sector organisations, and through the Counter Fraud Centre. Combining our detection, evaluation and prevention teams into one unit 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.

Specific cases are explored in further detail on the proceeding pages.

Impact measures (outcomes)

Case studies of the impact from our work, including raising awareness

- SFO cases can have impact in a variety of ways, beyond prosecution of offenders. Cases are selected for potential impact, for example deterrence, awareness and system improvement. Once a case has been prosecuted, the SFO’s Counter Fraud Centre (CFC) looks for further avenues to continue sharing lessons learned in the case, including through presentations and case studies



Case study: Power To Me

One of the SFO’s most wide-reaching cases in 2025/26 was the Power To Me case. Alex and Aroha Tuirā pleaded guilty to their roles in a Ponzi scheme involving almost \$4 million and more than 55 investors. The Christchurch-based offenders primarily targeted Māori communities, developing close personal relationships with investors, many of whom had limited prior experience with investing. Their offending relied on building and then exploiting these trusted relationships.

This case received extensive coverage across New Zealand media, with consistent reporting throughout key milestones, including guilty pleas and sentencing. These reports were detailed and ongoing.

The case helped raise awareness in New Zealand of several important issues, particularly affinity fraud or the targeting of vulnerable communities by trusted individuals. The Tuiras built trusted relationships, especially within Māori communities, and used these connections to persuade people, many with limited investment experience, to hand over money under false pretences. This highlighted how fraud can exploit cultural, familial, and community ties, causing not just financial losses but also deep social and emotional harm that can have generational impact. The case also reinforced the risks associated with unregulated investment schemes and financial advice offered outside formal systems, as the defendants positioned themselves as experienced investors and financial educators when they were not.

Another key awareness outcome was the impact of Ponzi schemes on trust and financial wellbeing. Victims lost significant sums, including life and retirement savings, as well as experiencing enduring emotional harm. The SFO emphasised that such schemes can undermine trust within entire communities. By pursuing and publicising the case, the SFO underscored its strategic focus on affinity fraud, helping to educate the public on warning signs and encouraging reporting of suspicious schemes.

The prosecution resulted in guilty pleas from both defendants and custodial sentences (an appeal process is currently underway). The guilty pleas meant victims were spared a lengthy and complex trial. More broadly, the case demonstrated the SFO’s ability to investigate complex, long-running fraud and hold offenders accountable, reinforcing deterrence and public confidence in enforcement. It also contributed to a wider policy and enforcement message: that fraud targeting communities, particularly through trust-based relationships, is a priority area for prosecution in New Zealand. Learnings from the case have been shared in multiple external presentations, including to help investigative training of other agencies.



Case study: Hun Min Im

In November 2025, Auckland businessman Hun Min Im was sentenced to more than four years' imprisonment for his attempts to claim approximately \$2.3 million through schemes such as the Covid 19 Wage Subsidy, Small Business Cashflow Scheme, and other support payments.

Major outlets reported on the case, emphasising its scale and the exploitation of Covid 19 relief schemes. A central feature was the misappropriation of government funding during a national emergency. Mr Im's actions, which included creating a network of fake companies, forging documents, and submitting false applications, constituted deliberate theft of public money intended for struggling businesses and families. This framing was widely picked up in media reporting, helping to highlight how individuals can exploit rapidly deployed government funding programmes during crises.

The publicity around this and other cases reinforced the need for stronger safeguards in the administration of government support. It also underscored that fraud against the Crown is not victimless, as it diverts resources away from people and businesses in genuine need.

The case has been used to strengthen fraud prevention efforts beyond the Covid 19 response. Lessons were shared across government and informed advice provided to agencies administering recovery and relief funding following Cyclone Gabrielle. By highlighting the tactics used by offenders, including the creation of false entities, the submission of forged documents, and the exploitation of rapidly deployed funding programmes, the case helped agencies identify potential vulnerabilities and implement safeguards during disaster recovery efforts. The case study was presented by the SFO during Fraud Awareness Week, reaching an audience of more than 700 attendees. The presentation increased awareness of how emergency funding can be targeted by fraudsters, reinforced the importance of strong controls and verification processes, and highlighted the value of information sharing and collaboration across agencies to protect public funds.

The collaboration between multiple government agencies became a prominent theme in official statements and reporting. The case was initially referred to the SFO by the Ministry of Social Development, and the investigation expanded to include Inland Revenue, Police (including the Asset Recovery Unit), and the Companies Office. This cross agency cooperation enabled investigators to piece together complex evidence, restrain assets, and identify fraudulent activity across several funding streams. Authorities highlighted the case as an example of effective coordination to protect public funds and maintain the integrity of government programmes.

Case briefs

Cases which have continued to have an impact this year, beyond the conclusion of their prosecution, include:

- **Mark Lester and Sean Bryan (concluded May 2025):** Mark Lester and Sean Bryan were sentenced to prison in May 2025 for their part in New Zealand's largest private sector corruption case. The offending involved more than \$4.1 million in kickbacks paid by Bryan (via his company Victory IT) to Lester, who used his role at a large telecommunications company to steer contracts worth approximately \$20.7 million toward Bryan's business without disclosing their relationship. In FY2025/26 this case was referred to in numerous presentations including to auditors and fraud examiners. It also attracted international attention, appearing in Bribery Prevention Network communications. The case is used to highlight corruption risks in private sector procurement and contractor ecosystems, reinforcing that corruption is not confined to the public sector.

- **Neha and Amandeep Sharma (concluded 2025):** Former Oranga Tamariki employee Neha Sharma and her husband Amandeep Sharma admitted to working together to fraudulently obtain \$2 million from Oranga Tamariki. This case is often referenced, including in SFO presentations, as a practical example of the importance of counter fraud measures including around conflicts of interest and procurement. In March 2026 the CFC published a case study with key lessons around strengthening procurement controls, conflict of interest management, and assurance processes.
- **Vivek Goel (concluded 2023):** Former Westland District Council manager, Vivek Goel, was sentenced to prison in 2023 after being found guilty on multiple corruption and deception charges. This case has been referenced as an illustrative example of insider-enabled corruption and procurement manipulation, particularly by the CFC, which released a case study in February 2026. It has continued to inform conversations on fraud prevention and contribute to guidance for the public sector, including for local government.



Case study: Iesha Warren

Iesha Warren, a former employee of Te Rōopu Āwhina Ki Porirua Trust, was sentenced in July 2025 to 3.5 years' imprisonment after misappropriating more than \$1 million in funds intended for community social services. The case is a significant example of insider threat-driven fraud in the not-for-profit sector.

Key themes and learnings centre on insider threat and failures of financial oversight, particularly in high-trust environments. The case underscores how segregation of duties, verification controls, and active governance oversight are critical, even in mission-driven organisations.

In March 2026 the CFC published a case study which received 550 page views. It focused on key lessons including the importance of strong financial controls, effective oversight, and segregation of duties to prevent insider fraud. It reinforced the need for governance arrangements that verify financial activity rather than relying solely on trust.

A positive change in a trend or pattern of offending**Gambling with public money**

➤ Theft of money to fund a gambling habit or addiction is a common theme across many fraud cases, both locally and internationally. The damage from such theft is compounded when public funds are involved – including by employees of private entities that are granted public funds. Often that funding is intended to support vulnerable members of society, or to provide important social services in communities, including in response to emergency situations.

Through increased connectivity with the Police Financial Intelligence Unit, the SFO's Intelligence/Detection Lead has identified numerous instances where reporting entities such as banks and casinos have submitted Suspicious Activity Reports or Suspicious Transaction Reports about individuals who appear to be using public money for gambling. This reporting is invaluable for detection.

The SFO has live investigations relating to complex examples of the misappropriation of Government funding, in which public funds are suspected to have been stolen and used for gambling. Other less complex cases have been referred to New Zealand Police. These cases show how significant sums of public money can be diverted from communities. This year the CFC published a case study on a recent SFO prosecution involving an employee who stole more than \$1 million from her employer. This money had been granted by the Government to provide care services for at-risk children and was instead used for online gambling.

To encourage greater detection of these offences we have increased our efforts to share the red flags and indicators of this kind of offending with key stakeholders. Our Intelligence/Detection Lead, together with members of the SFO's Evaluation Team, has shared case insights and indicators with a broad range of public sector agencies via the AML/CFT cross agency forum. The insights and indicators have also been shared with the Financial Crime Prevention Network, a public private partnership between New Zealand's major financial institutions and several public sector entities, which is coordinated by the New Zealand Police Financial Crime Group. We have also increased engagement with SkyCity Auckland Casino, offering training with a particular focus on detecting source of wealth concerns related to public monies.

By raising awareness among those who have oversight over financial transactions, we expect to see more reporting about the misappropriation of targeted government funding, which remains a strategic area of focus.

Overview of evaluation, investigation and prosecution activities for 2025/26**Detection and Evaluation**

The SFO continues to see growth in allegations of fraud and corruption received through various channels including its webform and call centre. This year, 1495 complaints were received, a 9.6% increase on 2024/25 and a 23.5% increase on 2023/24. The vast majority were not matters that fall within the SFO's mandate, although indicative of the operating environment. Examples of matters that do not fall within the SFO's mandate, but which are regularly reported, include scams, inheritance disputes, migrant exploitation and tax evasion.

The volume of complaints itself is not a performance target, but it is a significant factor in the management of the SFO's evaluation pipeline. The year-on-year increase in complaints, particularly given most fall outside our mandate, places an increasing burden on the allocation of the team's time. To properly meet the expectations of victims and the public, the Evaluation team carefully assesses and responds to every complaint received, meaning the higher volumes of matters we are unable to investigate diverts resources that could otherwise be directed toward matters within our remit. Accordingly, a significant effort has been made this year to develop technology-based tools and refine processes to reduce the time spent on matters outside our mandate. The SFO is continuously looking for ways to alleviate administrative pressures to ensure the Evaluation team can dedicate more time to complaints that fall within our remit and have the greatest impact, while still providing a high-quality service for complainants.

In June 2026, a new self-service digital triaging tool was launched on the SFO website. Designed with users in mind, the tool more clearly outlines what the SFO can lawfully investigate and empowers individuals to navigate their concerns. By guiding users toward the most appropriate agency for their complaint, the enhanced technology tool is intended to streamline the process for complainants and provide a better user experience. It is also expected to reduce the number of complaints that are not for the SFO to investigate, freeing up more time for the evaluation of allegations that fall within the SFO's mandate. The tool is built around the most common types of reports received by the SFO, making it both practical and responsive to complainants' needs.

The SFO also launched a revised online complaint form, designed to better guide complainants in providing relevant information and to help streamline the assessment process once complaints are submitted.

This year we have noticed an increase in complainants who are unwilling to accept the SFO's decision not to investigate their matters and a surge in other persistent and unreasonable correspondence, which is unrelated to any genuine complaint. Work has been undertaken to improve our response and approach to these matters, to ensure we give greater clarity about the reasons for our decisions and about our processes.

A key driver for freeing up more Evaluation Team time is the rise in proactive matters, driven by the new Intelligence/Detection function and stronger collaboration with partners like the FIU. These matters are based on leads we have identified ourselves through intelligence gathering, or which have been passed on to us by other agencies who have an improved understanding of our remit. They more closely align with our Strategic Areas of Focus and, given the nature of SFO cases, are often complex to analyse.

As a result of these leads, the SFO opened 24 proactive complaint cases in 2025/26, compared to 10 the year before – a 140% increase. 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.

This year the SFO opened five proactive enquiries under Part 1 of the SFO Act, compared to four in 2024/25. The notable difference this year is that of the five proactive enquiries that were opened, three went on to become full investigations, compared to only one proactive matter the previous year. Our increased intelligence and detection capacity means that we have increased our capability to acquire sufficient evidence to proactively open investigations that fall within our mandate, and particularly our Strategic Areas of Focus. We also received 17 referrals from other public sector organisations.

Since the Protected Disclosures (Protection of Whistleblowers) Act 2022 came into force, the SFO has seen an annual increase in the number of protected disclosures it has received. This

year is no exception with the SFO receiving 61% more protected disclosures than the previous year. Half of the protected disclosures related to corruption, while other matters included various types of fraud, employment issues, health and safety and foreign interference.

This year, the Director commenced 21 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 detect serious or complex fraud, including corruption, and make recommendations to the Director as to which matters should be committed to a full investigation. Approximately 55% of enquiries commenced this year related to allegations of corruption, including two cases concerning allegations of foreign bribery. The remaining enquiries include allegations of business and investment frauds, mortgage fraud, and abuse of positions of trust, including cases involving misappropriation of targeted government funding.

Investigations

At 30 June 2026, the SFO has 16 active investigations on its book. Twelve new Part 2 investigations were commenced during the financial year, a 71% increase on the year before. Four investigations moved to prosecution, and four closed with no prosecution action taken by the SFO.

The increase in new investigations in part reflects both the SFO emerging from a cyclical phase common in investigative work during which teams have concentrated on progressing existing investigations and prosecutions, and alignment with expectations arising from previous court decisions having also largely

been worked through. The latter has also informed necessary legislative reform to ensure the SFO has available to it powers that are fitting and responsive to the modern data and information environment in which we operate and aligned to other law enforcement agencies that we work alongside (see page 56).

The new investigations include allegations of investment fraud, mortgage fraud, abuse of positions of trust and fraud committed in the context of business activities. They also include allegations of domestic bribery and corruption, a crime type that appears to be subject to steadily increasing levels of public awareness and alertness.

The SFO continues to collaborate with our partner agencies in law enforcement. We are working closely with our colleagues in the Police Asset Recovery Unit on two significant corruption investigations, one of which moved to prosecution in August 2026. An important outcome in law enforcement action is to ensure that those committing financial crimes are not just held to account through the judicial process, but also do not continue to benefit from the proceeds of their offending. In these cases, the alleged crimes involve the corruption of public office resulting in the alleged offenders obtaining substantial property benefits. The objective of the recovery action is to return those illicit proceeds to the public purse.

Another collaborative feature in the past year's investigation work has involved a case that is of interest to Police, Customs and IRD, and is also subject to SFO investigation. The SFO has led coordination and deconfliction steps with our fellow agencies to help ensure that action taken is both efficient from an all-of-government perspective, particularly in regard to the

expenditure of government resources, but also effective in ensuring the best outcome for all agencies.

The SFO also gave support to the Police as part of investigations into allegations of corrupt misuse of census and other private data by people associated with Manurewa Marae. At the request of Police, the SFO conducted an independent assessment of the investigation file with particular consideration given to matters that may have fallen under the SFO remit. The review resulted in the SFO confirming the Police assessment that there was insufficient evidence to support allegations of serious fraud or corruption.

Prosecutions

The SFO had 17 matters before the courts during the 2025/26 financial year, involving a total of \$203 million of alleged fraud. Of these, two were new matters that moved to prosecution from investigation over the year, with the remainder a continuation of prosecutions from the previous year. A further two matters moved to prosecution during the year but had not yet gone before the courts at 30 June.

The four new prosecutions included charges filed against a Hamilton accountant, David Waine, who is alleged to have stolen more than \$1.3 million in client funds; three people who face charges for allegedly deceiving two councils into awarding contracts worth more than \$12 million to an engineering firm they controlled; and two people who face charges for allegedly using fake identity documents to obtain almost \$5 million in lending against properties not owned by them. The remaining prosecution has not yet been made public.



2025-26 Case highlights

21 July 2025: Former charitable trust worker Iesha Warren **sentenced** to 3.5 years' imprisonment after pleading guilty to stealing more than \$1 million intended for social services in Porirua.

21 August 2025: SFO announces it has **filed charges** against former Open Country Dairy Limited (OCD) group market manager Simon Stewart for allegedly receiving more than \$250,000 in financial kickbacks.

7 August 2025: Thomas Alexander Kokouri Tuira (also known as Alex Tuira) **pleads guilty** to charges related to his role in a Ponzi scheme involving almost \$4 million and more than 55 investors.

11 August 2025: Aroha Awhinanui Tuira **pleads guilty** to her role in a Ponzi scheme involving almost \$4 million and more than 55 investors.

September 2025: Gurraj Singh Bhachu **pleads guilty** to 12 charges related to an alleged mortgage fraud. The SFO has charged six people in this complex mortgage and investment fraud case which alleges they engaged in a scheme to fraudulently obtain credit and properties.

9 October 2025: Former lawyer Paulette Main **sentenced** after pleading guilty to fraudulently claiming almost \$375,000 from legal aid scheme.

29 October 2025: Medical equipment company director William MacKenzie **sentenced** to four months' community detention after pleading guilty to making payments to a former senior Auckland District Health Board (ADHB) manager in order to secure contracts to supply medical equipment.

4 November 2025: Hun Min Im **sentenced** to 4 years and 4.5 months' imprisonment for attempting to fraudulently claim more than \$2 million through various Covid-19 support schemes.

11 December 2025: Alex Tuira was **sentenced** to six years, four months' imprisonment, and co-offender, Aroha Awhinanui Tuira was **sentenced** to five years, two months' imprisonment, for their part in a Ponzi scheme involving almost \$4 million and more than 55 investors.

16 December 2025: Frederick Pou, of Coastal Roding Contractors, **sentenced** to 12 months' home detention for giving gifts totalling approximately \$582,000 to secure contracts. Mr Pou is one of three subcontractors who admitted paying bribes in exchange for being awarded road maintenance work by former Broadspectrum roding contract manager Jason Koroheke.

20 January 2026: Gurraj Singh Bhachu **sentenced** to nine months' home detention for his part in a complex mortgage and investment fraud case. Mr Bhachu made false representations to banks and conveyancing solicitors to obtain bank loans totalling \$2,862,650 for three residential properties. He also made false representations to obtain control of residential properties, either for himself or others.

4 February 2026: SFO announces it has **filed charges** against television producer Alexander Breingan, alleging he made false representations and used forged documents to obtain more than \$4.3 million in government-funded rebates and \$10.2 million in lending.

5 March 2026: SFO announces it has **filed charges** against former trust CEO Matekino Marshall alleging he misappropriated just over \$2.1 million from two trusts and a third entity which he was involved in.

18 March 2026: Former Auckland District Health Board (ADHB) senior manager Garry Gorham **pleads guilty** to corruption charges related to receiving \$258,541 in payments from medical equipment and software supply companies. In exchange for the payments, Mr Gorham assisted the companies with ADHB business and disclosed official information to one of the companies.

14 April 2026: Former East Wind finance manager Yuko Hanyu **found guilty** by a jury of 10 charges related to overseeing a multi-million-dollar Ponzi scheme targeting the Japanese community.

17 May 2026: Christopher Peters **pleads guilty** to his part in a complex mortgage fraud scheme and an investment fraud scheme. Mr Peters pleaded guilty to charges related to a \$4.47 million mortgage fraud scheme and a \$1.8 million investment fraud.

2 June 2026: SFO announces it has **filed charges** against former Sacred Hill Vineyards group executive and director Richard Foddy, alleging that he overstated the value of the company's inventory in order to secure funding.

5 June 2026: Former Open Country Dairy group market manager Simon Stewart **pleads guilty** to receiving more than \$250,000 in kickbacks from an overseas customer.



Strategic Areas of Focus

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.

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 12 investigations. Nine 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.

Five of our new investigations fell within the focus area of 'Corruption of public officials that carries risk for health and safety' and three within the focus area of 'Misappropriation of targeted government funding (including recovery or rebuild)'.

While 75% of 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.

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 2024/25	Budget standard 2025/26	Actual 2025/26
Quantity: Number of Part 1 enquiries and Part 2 investigations commenced.	29	28-45	33
Quality: Percentage of Part 2 investigations commenced that are of high complexity (in Category A) ¹ .	100%	40%	42%
Quality: Percentage of Part 2 investigations commenced that are within published focus areas.	100%	40%	75%

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 2024/25	Budget standard 2025/26	Actual 2025/26
Quantity: Number of prosecutions before the courts.	23	10-20	17
Quality: Percentage of prosecutions that are high complexity (in Category A) ¹ .	100%	40%	50%
Quality: Percentage of prosecutions that are within published focus areas.	75%	40%	75%

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.

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.

Part 1 enquiries and Part 2 investigations

For an explanation of this output please refer to page 21.

Post-investigation and post-prosecution reviews

Formal quality assurance reviews are conducted for each investigation and prosecution. Recommendations from the quality assurance reviews will be formally assessed by the senior leadership team.

Performance measure	Actual 2024/25	Budget standard 2025/26	Actual 2025/26
Timeliness: Percentage of complaints evaluated within 30 working days.	93%	90%	93.6%
Timeliness: Percentage of Part 1 enquiries completed within four months.	Category A: 83% within 18 months ² Category B: 33% within 12 months ³	Category A: 60% within 24 months Category B: 70% within 18 months	Cat A: 100% Cat B: 40% 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%	86% ⁵

2 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.

3 Category B comprises all other cases.

4 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.

5 Six out of seven post-prosecution reviews met target criteria. Due to the SFO’s case volumes, one review can unduly influence outcomes. For the number of prosecutions concluded in the relevant reporting period, one case review equates to a 14% difference.

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, publishing practical guides and tools and promoting cross-sector collaboration.

Over the past year, the CFC has seen strong growth in both demand and reach, alongside a shift towards more practical, system-focused support for agencies. This has included increased engagement with operational teams, the development of new tools and frameworks, and record levels of participation in capability-building initiatives.

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



Increasing public sector resilience

Given the high public interest in safeguarding public funds, the CFC is focused on strengthening counter fraud capability and culture across New Zealand's public sector. International experience shows that complacency in fraud controls can allow misconduct to occur and go undetected.

The CFC is working to build a more resilient system by helping agencies move from awareness to practical, proactive prevention. Over the past year the CFC has increasingly integrated its work programme – combining research, digitally enabled counter fraud tools and capacity-building initiatives to support agencies to better understand their risks and apply practical solutions in their own environments.

Corruption Risk Assessment Tool

Findings from the 2026 Anti-Corruption Taskforce pilot (see page 44) highlighted that some agencies are underprepared to prevent or detect internal fraud or corruption. Feedback consistently pointed to the need for a practical, structured tool that helps agencies identify and manage insider threat risks.

In response, the CFC is leading the development of a Corruption Risk Assessment Tool, designed to help agencies proactively identify and assess their exposure to corruption risks and apply targeted mitigations. The tool will enable agencies to:

- Identify risks linked to their specific functions and operating environments
- Strengthen detection and response capability
- Tailor training and interventions to higher-risk roles and scenarios

This project is one of four commitments under the Open Government Partnership's Fifth National Action Plan, and will be published in June 2027.

As at 30 June 2026 the project has completed:

- Analysis of existing international tools, confirming no single resource meets this need.
- Extensive consultation with public sector agencies, civil society and stakeholders.
- Development of a prototype, informed by real-world operational challenges and risk scenarios.

A prototype is expected to be released for testing in October/November 2026.



Communities of Practice continue expansion

A core part of the CFC's approach is ensuring that knowledge is not only generated, but actively shared and applied across the public sector system. Through its growing network of practitioners, the CFC is enabling agencies to learn from each other, adopt proven approaches, and respond to emerging risks.

This year saw continued growth in cross-sector collaboration:

- The Central Government Community of Practice grew to 123 members from 46 agencies, with ten meetings held. Sessions focused on emerging risks such as AI-enabled fraud, procurement integrity and detection approaches, supported by both domestic and international experts.
- The Local Government Community of Practice grew to 52 members across 32 entities, with sessions focusing on practical approaches to strengthening fraud and integrity capability. Topics included intelligence methods, sharing of practices across member agencies, and managing fraud risks in high-pressure contexts such as emergency response environments.
- Regional workshops in Invercargill and Hawkes Bay provided hands-on learning and strengthened local professional networks, bridging the gap between theory and day-to-day practice.

These forums are increasingly acting as mechanisms for translating insights into stronger counter fraud practices, improved controls and more effective risk management across the system.

Expanding reach through workshops, webinars and awareness

The CFC significantly expanded its reach and impact in the 2025/26 year through workshops, webinars and awareness activities. The centre has noted strong evidence that participants are gaining confidence in applying what they learn.

Key insights include:

- **Targeted workshops** on Fraud Risk Assessment and Monitoring attracted more than 50 participants, with 96% reporting increased confidence in applying the concepts in their organisations.
- **Webinars reached record engagement**, with over 1100 attendees across nine sessions. A single Fraud 101 session drew 205 participants – the highest attendance to date – with 98% of attendees reporting increased knowledge and 91% rating the training as “excellent” or “very good”.
- **Fraud Awareness Week marked a major milestone**, delivered for the first time as a Trans-Tasman collaboration with Australia's Commonwealth Fraud Prevention Centre. This campaign represented a significant step-change in scale and reach compared to previous years:
 - a. Over 2200 attendees across three webinars (a 38% increase on 2025)
 - b. Sessions reaching capacity (1000 participants) with waitlists
 - c. 418 participants completing the interactive quiz (up 39%)
 - d. Strong online engagement, with 6100 page views and more than 500 resource downloads.

The campaign demonstrated growing demand and highlighted the value of coordinated cross-jurisdictional collaboration.

“ Great to see these resources being made available from the SFO - really helpful for me to promote fraud awareness in council. ”

Webinar attendee

“ Thank you so much for providing all this wonderful material. It makes putting FAW (Fraud Awareness Week) together an absolute dream! ”

Integrity specialist

Supporting capability through practical tools and real-world insight

Complementing its engagement and training efforts, the CFC continues to develop and publish practical guidance to help agencies translate awareness into action. This includes:

- **Fraud and corruption risks in supplier management:** Drawing directly on SFO casework, this guidance highlights how trusted insiders exploit weaknesses across procurement and supplier management processes. It outlines common fraud scenarios, identifies control failures and provides practical measures agencies can implement.
- **Pre-employment screening guidance:** This resource highlights the importance of robust pre-employment checks as a frontline defence. It provides practical advice on assessing role-related risk, conducting identity and reference checks, and responding to warning signs before they become issues.

“ The insights you provided are truly enlightening and will undoubtedly aid in bolstering our defences against such threats... The detailed examples and recommendations you've provided will be instrumental in helping us identify vulnerabilities and enhance our oversight processes. ”

Local Government Assurance and Audit Manager.

- **Fraud control catalogue:** A structured suite of guidance covering capability, prevention, detection and response controls, supporting agencies to take a system-wide approach to managing fraud and corruption risks.
- **Corruption prevention guidance:** A comprehensive corruption prevention guide, providing a practical framework to help agencies understand corruption risks, recognise how they manifest in different operational areas, and implement proportionate controls.
- **SFO case studies illustrating real-world fraud:** SFO case studies highlight fraud and corruption risks across the public sector, help agencies recognise how similar risks may arise in their own environments and apply practical controls to mitigate them.



- **Foundational learning modules:** In collaboration with the Public Service Commission's Leadership Development Centre, the CFC developed and published online learning modules to build baseline capability across the public sector. They provide a foundational understanding of fraud and corruption, helping participants recognise what it looks like in practice, why prevention matters, and how to identify warning signs. Uptake has been steady with over 2100 participants accessing the training in the first year, reflecting growing engagement and commitment to strengthening integrity across the public service.

Tailored support

The CFC continues to provide tailored support to public sector agencies, with demand for this work increasing over the past year. In 2025/26, the CFC delivered 14 targeted engagements, up from 10 in the previous year.

This work spanned a range of practical activities, including reviews of fraud policies, fraud risk assessments, and fraud plans, as well as broader reviews of risk and assurance frameworks and fraud control frameworks. There has been a notable increase in agencies seeking support to strengthen their overall fraud control frameworks and approaches, reflecting a growing focus on building more cohesive and effective systems.

These engagements complement the CFC's broader programme of tools, training and guidance, supporting agencies to apply these resources in a way that reflects their specific risks and operating environments.

Aligning with the Operations team

Strengthening the connection between prevention and operations remains a key focus for the CFC. Over the past year, the CFC has deepened its engagement with the SFO's operational functions to ensure that insights from investigations, intelligence, and evaluations are increasingly reflected in its guidance, tools, and capability-building activities. Having operational insight actively informing prevention efforts strengthens the relevance and practical application of CFC guidance and supports agencies to better anticipate, respond to, and disrupt fraud and corruption risks.

This has included:

- **Bringing operational insights directly to the sector:** Operational staff contributed to Fraud Awareness Week.
- **Closer collaboration with evaluation and intelligence functions:** Strengthening information flows and improving the Centre's understanding of emerging risks and threat patterns.
- **Showcasing operational capability to the sector:** SFO intelligence function presented to Communities of Practice, building awareness.
- **Translating investigations into practical learning and prevention activity:** Including the development of case studies that reflect real offending patterns, control weaknesses and emerging risks.
- **Embedding operational insight into new tools:** The CFC has worked closely with operational teams in the development of the Corruption Risk Assessment Tool.

Building international connections

New Zealand is one of a number of countries which has established a counter fraud function and the CFC works hard to build and maintain connections with its global counterparts. These relationships facilitate the sharing of intelligence, tools and emerging practice, helping to ensure that the CFC's work remains aligned with, and contributes to, international best practice.

As the CFC has matured, it has increasingly positioned itself as an active international contributor to fraud prevention. This represents a shift from primarily drawing on the expertise and intelligence of larger offshore agencies to now actively producing content, insights and initiatives that others are embedding into their guidance, tools and frameworks. A key example of this is the delivery of Fraud Awareness Week as a Trans-Tasman collaboration with Australia's Commonwealth Fraud Prevention Centre, marking a significant first and demonstrating the CFC's growing role as a regional leader.

Another example is the UK Public Sector Fraud Authority (PSFA) use of the CFC's Procurement Fraud and Corruption Risk Guidance. The PSFA utilised concepts and tools from the guidance to inform a series of 'strategic fraud

risk workshops' focused on supporting counter fraud leaders and fraud risk experts across public bodies in the UK, including a specific workshop on procurement fraud risks informed by the guidance. The guide also informed the creation of a new piece of cross-cutting guidance led by the International Public Sector Fraud Forum (IPSFF) - The Global Profile of Public Sector Fraud Risks, due to be published following the IPSFF summit in September 2026.

These relationships also deliver direct benefits to the New Zealand public sector. Through its international partnerships, the CFC has been able to bring global expertise into its Communities of Practice, with representatives from organisations such as the PSFA, the Australian National Anti-Corruption Commission, and the Commonwealth Fraud Prevention Centre presenting to members and sharing practical insights on emerging risks and effective approaches.

This growing international engagement not only strengthens New Zealand's credibility on the global stage but also ensures that New Zealand's perspectives and experiences are informing the development of international best practice in counter-fraud and anti-corruption.

“ The Procurement Fraud and Corruption Risk Guidance represents a step forward in the way in which public sector organisations can practically reduce the risks of public sector procurement fraud and corruption. ”

UKPSFA

Impact measures (outcomes)

Prevention product engagement

➤ Engagement with CFC products and campaigns demonstrates significant reach and uptake of practical resources to support fraud awareness, capability building, and risk management across the public sector:

The Fraud Awareness Week webpage attracted over **6000** views – over four times the number received by any other CFC webpage during the financial year—demonstrating how the campaign extended the reach of fraud prevention messaging at scale.

Guidance material, procurement fraud resources, and Fraud 101 content received over **3200** views, suggesting agencies are actively using CFC guidance to manage fraud risk.

Case studies attracted over **1400** views, showing that organisations are engaging with real examples to better understand how fraud occurs and how it can be detected and prevented in practice.

Workshops, webinars, and learning modules recorded over **2100** views, reflecting strong interest in building fraud prevention capability and strengthening skills across agencies.

Case studies showing prevention outcomes

Prevention campaigns help lower proportion of adults experiencing fraud

This year’s Fraud Awareness Week campaign, run annually by the Counter Fraud Centre, was recognised as a public awareness campaign which has helped to reduce the proportion of adults experiencing fraud in New Zealand.

Fraud Awareness Week is an annual campaign focused on raising awareness and strengthening the public sector’s resilience to fraud. The theme for the 2025 campaign (17–21 November 2025) was ‘Fraud prevention is a team effort – don’t sit on the sidelines’. It highlighted the importance of working together

and shared responsibility, recognising that everyone plays a role in preventing fraud. This year’s campaign saw both expanded reach and deeper engagement compared to prior years, with strong engagement across its digital and virtual channels.

The campaign was highlighted in the New Zealand Crime and Victims Survey 2025 Key Stories, which noted a drop in the proportion of adults experiencing fraud and deception coinciding with anti-fraud campaigns and prevention measures.

“ *For example, the Serious Fraud Office uses ‘Fraud Awareness Week’ to help people recognise and report different types of fraud and scams...* ”

Further strengthening MSD’s fraud approach

The Ministry of Social Development (MSD) manages a large and complex service delivery system, including the administration of New Zealand’s benefit system. Given the scale and value of these services, MSD faces a significant and evolving fraud risk environment. The agency has an established fraud risk management framework and is proactive in recognising and responding to these risks. However, MSD identified an opportunity to further strengthen and mature its approach, particularly towards a more preventative model.

MSD engaged the CFC to support enhancements to its fraud risk assessment process. The CFC worked closely with MSD to plan, execute, and report on a comprehensive fraud risk assessment, providing structured guidance, tools, and expert advice throughout. This collaboration resulted in increased awareness and understanding of fraud risks across the organisation, alongside strong engagement with frontline operations. The organisation has a focus on empowering staff to more actively identify and manage fraud risks within their areas of responsibility.

Building on this work, MSD has progressed the development of formal fraud control testing processes, based on CFC recommendations, and is currently reviewing its external integrity operating model to support their implementation. MSD’s shift towards a more preventative fraud risk management model means greater focus on early identification and intervention. The CFC continues to support MSD through this transition by providing ongoing guidance, resources, and subject matter expertise. These initiatives are expected to significantly strengthen MSD’s fraud risk

management framework, embedding a more proactive and preventative approach across its operations.

Overall, MSD’s commitment to continuous improvement, combined with the support of the CFC, has enhanced internal capability, strengthened governance, and positioned the organisation to more effectively identify, manage, and mitigate fraud risks on an ongoing basis.

Embedding fraud awareness for government finance professionals

The Finance Development Programme (FDP) sits within the Head of the Government Finance Profession Team at Treasury, commonly referred to as the Government Finance Profession. The team leverages the expertise and scale of finance professionals across the system to inform, influence and lift the performance of finance functions within and across agencies in pursuit of delivering better outcomes for New Zealanders.

The CFC team strengthens capability across the government finance profession by delivering fraud and corruption awareness sessions as part of the ‘Introduction to Being a Finance Professional in Government’ training. These sessions are designed to equip finance professionals new to the public sector with the knowledge and confidence to identify, prevent, and respond to fraud risks in their roles.

Feedback from January 2026 demonstrates the value of this contribution. Of 27 respondents, five identified the Counter Fraud session as the part of the training that “interested or impressed them the most.” Participants also highlighted the importance of the subject matter, with one noting the “relevance and wide-reaching impact of fraud.”

This feedback reinforces the importance of embedding fraud awareness to those new to the public sector or early in the careers of finance professionals. It also highlights the strong engagement with, and relevance of, counter fraud messaging within the profession. By continuing to contribute to these training sessions the Counter Fraud Centre is adding value by building fraud awareness capability, strengthening vigilance and supporting a proactive approach to managing fraud and corruption risks across the public sector.

Helping DIA protect community grants

Community Operations - Hāpai Hapori (Hāpai Hapori) at the Department of Internal Affairs approached the Counter Fraud Centre (CFC) for support to strengthen its fraud risk management, including undertaking a fraud risk assessment and tailoring fraudster personas to its operating environment. Hāpai Hapori’s community advisors work directly with local groups to support community-led development, and the function administers over \$400 million annually through Lottery, Crown and Trust funding. This creates potential exposure to fraud, misuse of funds, and conflicts of interest within grant allocation and delivery processes.

The CFC supported the agency to undertake a comprehensive fraud risk assessment of its grant systems and associated processes.

Findings confirmed that, while many controls are effective, there are opportunities to strengthen countermeasures. The resulting recommendations were endorsed by senior leadership, improving the agency’s understanding of fraud risks and control gaps.

Alongside this, the CFC supported the development of a tailored fraudster persona guide to help staff better understand how fraud may manifest in a grants environment. The team also delivered targeted presentations to build staff awareness and practical understanding of fraud risks and scenarios. In addition, the CFC provided expert advice to support the development of a structured and proportionate risk and assurance framework.

This has resulted in strengthened organisational capability to identify and manage fraud risks, improved control design, increased staff awareness and confidence to escalate concerns, and greater assurance over the integrity and stewardship of public funding.

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 2024/25	Budget standard 2025/26	Actual 2025/26
Quantity: Number of prevention publications or guidelines published.	9	6-8	7
Quantity: Number of tailored agency support activities completed. ⁶	10	8-10	15
Quantity: Number of Webinars and workshops completed. ⁷	N/A - new measure	10-15	13

⁶ This has been amended from ‘Number of fraud capability or risk assessments completed’. The change reflects that agencies have increasingly sought bespoke advice which requires dedicated team resource, but that falls outside the specific definition of a fraud capability assessment or a fraud risk assessment. Those assessments are still captured by the broader description.

⁷ New measure to quantify the delivery of mid-tier engagement and support attended by multiple public sector agencies.

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.



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 to share knowledge, maximise the impact of cases and build greater connections domestically.

SFO speakers, including CEO and Director Karen Chang, appeared at events including a Transparency International New Zealand (TINZ) pre-AGM panel discussion, Fraud Prevention Summit and Leaders Integrity Forum hosted by TINZ and the Office of the Auditor-General.

In July 2025 members of the Operations team were invited to attend the Police Monthly Social Cohesion meeting, speaking to Ethnic community leaders and service providers about the role and work of the SFO. Engagements this financial year also included Minter Ellison Corporate Crime & Investigations practice group, and outreach to professional bodies like Chartered Accountants Australia and New Zealand, the Institute of Internal Auditors, Law Association, NZ Law Society and Association of Certified Fraud Examiners. The SFO also gave numerous presentations to university students throughout the year, on topics such as auditing and digital forensics.

Since 2024, the SFO has been represented in the Transnational, Serious and Organised Crime (TSOC) governance arrangements led by NZ Police and Customs. This involvement reflects our commitment to ensuring alignment where risks converge, while preserving the specialist focus required to address complex economic crime.

While the majority of SFO cases are domestic, some are initiated from overseas, including from organised groups. Combating wider forms of serious fraud, including corruption, and maintaining the integrity of New Zealand's trusted institutions is a necessary pillar of any effective response to the threat of TSOC. Public sector corruption is, for example, one of the enablers of TSOC activity.

One of the SFO's Strategic Areas of Focus is 'Foreign bribery or foreign interference allegations', meaning cases that have foreign bribery elements are prioritised. An encrypted foreign bribery whistleblowing platform also encourages anonymous reporting of foreign bribery to the SFO.



New MoU with Commerce Commission

In March 2026 the SFO signed a new Memorandum of Understanding (MoU) with the Commerce Commission, formalising an enhanced framework for cooperation. The two agencies have overlapping areas of responsibility and already have a strong, well-established relationship. This MoU ensures alignment with legislative obligations while supporting effective joint action on issues of mutual interest.

The MoU outlines areas where both agencies may have jurisdiction and sets out approaches for determining lead responsibility. It also sets conditions around sharing and retaining information. This agreement supports a coordinated systems approach to complex or overlapping matters and helps safeguard the integrity of New Zealand's markets and financial systems.

Improving experience of victims when engaging with the justice system

The justice sector is delivering the Victims Work Programme which includes initiatives designed to improve the experience of victims when they engage with the justice system, close service gaps, and identify opportunities to reduce the complexity victims face. The SFO has been contributing to several of the initiatives including addressing victims' complaints and making continuous improvements, delivering better services for victims, and refreshing the VictimsInfo website.

Cross-system contribution

Our Electronic Forensic Investigators (EFI) are recognised as leaders in their field. We use our expertise to support the development of both national and international technical capabilities and cross-system best practice across key stakeholders, including five-eye partners.

This includes through our club-funded EFI model. Rapid advances in technology have reinforced the need for law enforcement agencies to maintain highly skilled and trusted digital forensic capability. Digital evidence is often sensitive, technically complex, and subject to increasing expectations around privacy, security, proportionality, and data sovereignty. These factors require experienced specialists who can collect, process, analyse, and manage digital evidence to a high standard. A central club-funded EFI capability supports collaboration, standardisation, and cross system contribution and access to scarce expertise across government agencies.

The SFO's club funded model is a shared service funding and delivery model for digital forensic capabilities across multiple agencies (Commerce Commission, the Financial Markets Authority and Immigration New Zealand). Instead of each agency building its own digital forensics unit, the agencies collectively fund a central electronic forensics capability, delivered primarily through the SFO, but with integral support from the New Zealand Custom Service (NZCS). The model provides support with the acquisition and preservation of electronic evidence, analysis of data and presentation of findings for court.

The SFO, with NZCS support, has recently reached agreement with current club partners to expand the forensic capability through the addition of another EFI. In addition to this the SFO is looking towards the potential reshaping of the agreement towards a more professional shared services centre of excellence in Electronic Forensic services.

We also strengthened cross-agency cooperation through a 12-month secondment arrangement with New Zealand Police, with an EFI specialist working alongside the Forensic Services team. This arrangement brought additional specialist expertise into the team, supported the exchange of knowledge and operational experience, and helped build shared understanding of how electronic forensic capability can be applied across agencies.

SFO experts also provide assistance to other agencies in other areas. This includes offering technical and investigative training to agencies including the Financial Markets Authority, Commerce Commission, Crown Law, WorkSafe and Ministry of Social Development in areas such as evidence, use of artificial intelligence, and SFO investigation management and systems. The SFO is also recognised as a system expert in using Intella, a tool for searching electronic data, and is increasingly called upon to deliver training in this area across multiple government agencies.

The SFO continues to be an active member and contributor to the Virtual Assets Investigations Resource Group (VAIRG), working alongside partner agencies to share intelligence, knowledge, expertise, and capability in response to the risks posed by virtual assets. In May 2026, the group delivered foundational virtual assets training to staff across member agencies. This training strengthened baseline understanding of virtual assets, supported greater consistency across agencies, and reflected the value of VAIRG as a collaborative forum for building capability across New Zealand's public sector.

The SFO continues to play a leadership role in building digital forensic capability across government agencies through SFO-led bimonthly training sessions. These sessions bring together participants from Police, Customs, MPI, Defence, IRD, and DIA, and provide a regular forum to share expertise, strengthen consistency, and discuss emerging technical issues. Recent topics have included analysis techniques relating to artificial intelligence, reflecting the need for agencies to understand and respond to new technology in a coordinated way. The SFO also contributes to regular Digital Forensic Leaders meetings, where agency team leads share current initiatives, discuss developments, and work toward greater alignment. Recent focus areas have included developing a more unified approach to digital evidence seizures and establishing best-practice guidance across agencies.

During the year, the Forensic Services team strengthened international partnerships by sharing digital forensic and eDiscovery insights with the Australian National Anti-Corruption Commission. This supported the NACC's review of its document review capability and enabled both agencies to exchange lessons learned.

Members of our electronic forensics team continued to contribute their expertise to the International Association of Computer Investigative Specialists (IACIS). This included volunteering their time to support the delivery of advanced electronic forensic training, contribute to the development of certification material, and delivering training at the IACIS annual training event in Florida earlier this year.

Supporting public sector response to fraud and corruption

Fraud and corruption is recognised by the Justice Sector Leadership Board as a growing priority and has been a focus for our Minister. As New Zealand's lead enforcement agency for fraud and corruption, the SFO has taken the lead from a system perspective.

In July 2025 the SFO, supported by the New Zealand Police and the Public Service Commission, announced a joint Anti-Corruption Taskforce and pilot programme to build a clearer, system-wide picture of the corruption and fraud risks across the public service.

While individual agencies have their own controls and policies, there is no strategic, system-wide approach to finding and preventing fraud and corruption in New Zealand. Public organisations are not currently required to report on fraud and corruption that may be occurring, or what controls are in place. This lack of insight makes it difficult to meaningfully intervene at a system level, understand where to focus detection and prevention activities or assess their effectiveness. It also leaves New Zealand on the back foot when it comes to leveraging the power of technology, including data analytics to identify areas of risk or weaknesses across the public sector.

The Taskforce worked with a representative group of six 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 agencies also reported on the volume of corruption and fraud detected and prevented.

In February, the Taskforce published a report outlining its findings: Assessing fraud and corruption risks in the New Zealand public sector.

Key findings were:

- cases of internal fraud and corruption are almost certainly being under-reported due to inadequate prevention and detection controls in some agencies, and gaps in reporting;
- some agencies had strong controls in place, while others were not appropriately prepared to prevent or detect wrongdoing; and
- gaps in the system may be leaving the sector vulnerable, with agencies feeling they lack sufficient guidance on thresholds for passing fraud and corruption cases to law enforcement.

Outcomes from the Taskforce are explored further on page 50.

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 whistleblower platform to support safe, anonymous reporting of suspected foreign bribery. It was supported by a multi-channel advertising campaign.

There are many challenges to detecting foreign bribery, including that it is not widely understood as a crime type, and that anonymous reporting can be difficult in New Zealand's close-knit communities.

The foreign bribery campaign aimed to raise awareness of what forms foreign bribery can take and encourage people with concerns to come forward. The fully encrypted whistleblower 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 and was configured for use in 15 different languages, including languages spoken most frequently in New Zealand and across the Asia Pacific region.



An initial advertising campaign ran May-July 2025 in mainstream media outlets. It was followed (November-December 2025) by targeted outreach to Chinese, Indian, and Pasifika communities, identified as having higher exposure to foreign bribery risks due to their involvement in international business and trade. Phase one delivered 419,451 impressions (the number of times an advert is shown to someone) and 375 click-throughs to the website, and Phase two received 1.3 million impressions with 3700 click-throughs. On average, users spent around three minutes on the website.

As of 30 June 2026, the campaign has resulted in two reports about suspected foreign bribery and a further referral from another agency. Given the difficulty of detecting foreign bribery, low levels of awareness about this crime type and the reluctance of whistleblowers to come forward, the fact the campaign resulted in relevant referrals in its initial year is considered an indicator of success and is aligned with our expectations (and the experience of other agencies in the first year of deploying a new reporting tool).

More broadly, the campaign's impact has reached beyond the detection of potential cases. The campaign has served as an effective talking point and useful tool for engaging with stakeholders, which has in turn generated a greater overall understanding of the SFO's mandate and its Strategic Areas of Focus, resulting in the sharing of relevant intelligence.

Meeting international obligations and growing connections

Financial crime is a worldwide problem. The SFO works 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 Examiners 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.

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

In August 2025 Director Karen Chang travelled to the UK to meet with officials from the UK Serious Fraud Office, UK Home Office, City of London Police, International Anti-Corruption Centre, Five Eyes Law enforcement partners and New Zealand agencies at the NZ High Commission. Hosted by Police Assistant Commissioner UK, Europe, Middle East, Africa Bruce O'Brien, the visit was a key opportunity to raise awareness of SFO developments as well as learn of parallel challenges shared by Five Eyes nations in combating fraud and corruption.

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 resulting report, published in December 2024, made 60 recommendations. The SFO has been at the forefront of implementing many of the recommendations made, particularly in the detection and investigation of foreign bribery. Of the 60 recommendations, 27 relate to the work of the SFO in varying degrees. Since publication of the OECD report in December 2024, the SFO has been working to address those recommendations and at 30 June 2026 had completed 12 of them, made substantial progress against another 10 and has plans in place to address the remaining five.

An important area for improvement by New Zealand is to establish better systems to detect foreign bribery, and the work the SFO has undertaken to address these recommendations includes the launch of the foreign bribery awareness campaign and reporting tool (see page 46). The broad themes of other recommendations the SFO is responding to include enhanced coordination between government agencies; raising awareness among government agencies of the role the SFO plays in detecting and investigating foreign bribery, and how to report such activity, including confidentially; and continuing to strengthen engagement with the SFO's international partners, particularly our five-eyes partners through the International Foreign Bribery Taskforce, and also via the International Anti-Corruption Coordination Centre.

The SFO has also been assisting other agencies with their response and leveraging its expertise in the area to support Ministry of Justice officials as they co-ordinate New Zealand's response. The next review of New Zealand is scheduled for June 2027.

The SFO is also a lead examiner in the Anti-bribery Convention Phase 4 review of Canada. This has involved an SFO Manager taking a lead role in reviewing Canada's response to their Phase 4 recommendations, engaging with Canadian representatives and presenting the views of the OECD secretariate to the Working Group of Bribery's plenary session in Paris during March 2026.



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

The United Nations Convention against Corruption (UNCAC) is the main global accountability mechanism focused specifically on corruption. New Zealand signed the convention in 2003 and actively committed through ratification in 2015. New Zealand's implementation of the commitments it signed up to was first assessed in 2017, and in May 2025 the second assessment took place, focused on Corruption Prevention and Asset Recovery. The SFO was heavily involved in this process.

The resulting report was published in April 2026. It recognised that New Zealand has a strong and well-established legal and institutional framework, with multiple independent bodies supporting integrity, transparency, and accountability. However, it also noted that the system is fragmented, with no overarching corruption strategy or central co-ordinating body, and made a number of recommendations. The report is further detailed on page 52.

International Foreign Bribery Taskforce

In keeping with the SFO's Strategic Area of Focus of foreign bribery and in furtherance of our Report Foreign Bribery Campaign, the SFO continues to play a key role in the International Foreign Bribery Taskforce (IFBT). The IFBT is a Five Eyes initiative, which supports the exchange of information and technical expertise to collectively tackle the challenge of international foreign bribery. It comprises the SFO, NZ Police, Australian Federal Police, the Federal Bureau of Investigation, United Kingdom National Crime Agency, UK Serious Fraud Office and the Royal Canadian Mounted Police.

This year the IFBT produced and published a Foreign Bribery Indicators guide, which sets out red flags of potential foreign bribery offending. The guide is intended to raise awareness of the risks of foreign bribery and encourage more reporting. Team members from the SFO were involved in the creation of the guide and in March 2026 the SFO's Manager Detection and Prevention presented at the Australian Bribery Prevention Network's webinar to promote the guide. The webinar outlined practical applications of the indicators for both private and public sector organisations.

In September 2025, a senior investigating lawyer attended the IFBT Advanced Foreign Bribery training course in London. 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.

A senior investigator and manager attended the IFBT operational meeting in Sydney in October 2025. The SFO's Intelligence/Detection Lead travelled to London in May 2026 for a five-day IFBT intelligence workshop hosted by the UK National Crime Agency. The purpose of the workshop was to share information regarding suspected foreign bribery offenders, identify opportunities for joint targeting, and formalise processes to enable systematic and ongoing information sharing regarding high threat actors.

Through our membership of the IFBT, the SFO has identified suspected foreign bribery networks connected to New Zealand, which it is actively assessing, and we have received intelligence relevant to persons and entities of interest in existing matters under enquiry by the SFO.

International Anti-Corruption Coordination Centre (IACCC)

The IACCC aims to provide support for international law enforcement agencies by collating real-time intelligence to map money flows, hidden assets, and accounts linked to grand corruption. IACCC also offer operational assistance. The SFO, in partnership with New Zealand Police, continue to be closely connected to the IACCC in facilitating information requests and detection of potential corruption-based matters that may have a New Zealand nexus.

These requests related to suspected grand corruption involving high-ranking overseas public officials from jurisdictions across Asia, Africa, and Eastern Europe. In responding to these requests, the SFO assists the IACCC, who in turn support local law enforcement agencies in these jurisdictions to investigate and prosecute serious corruption. IACCC intelligence referrals are also an important source for detecting offshore financial crime networks that pose a risk to New Zealand.

As part of the continuing relationship between the SFO, New Zealand Police and the IACCC, the IACCC have agreed to support a dedicated focus on corruption in the Pacific region, including relationship building, and the assisting of Pasifika nations to detect and investigate cases of grand corruption cases, including those that may have a nexus to New Zealand.

This is an important and valuable development given the ongoing relationships that both agencies have with the region coupled with the level of organised crime and links to New Zealand that are readily apparent in other crime genres. It also supports SFO's Pacific Engagement Framework, reinforcing its commitment to supporting Pacific Island countries in their efforts to combat fraud and corruption.



Impact measures (outcomes)

Anti-Corruption Taskforce a 'bracing and welcome tonic'

➤ The launch of the Anti Corruption Taskforce pilot and resulting report (see page 44) was broadly welcomed by commentators as a constructive and necessary step, particularly against the backdrop of New Zealand's declining standing in global corruption rankings.

The taskforce was seen as a proactive effort to strengthen prevention, protect public funds, and maintain trust in government institutions.

Among those welcoming the taskforce was Transparency International New Zealand (TINZ), which described the report as "significant" and acknowledged its role in exposing internal issues and validating previous calls for better monitoring and system wide analysis. It welcomed the joined-up approach and "encouraging level of cooperation" by the SFO, Police and Public Service Commission.

Since the Taskforce pilot conclusion and in consultation with the Public Service Commission and Open Government Partnership (OGP), the SFO has agreed to lead a commitment under the OGP Fifth National Action Plan to design and implement a corruption risk assessment tool for public sector agencies to identify corruption and insider threat risks within their organisation. The tool will assist agencies to take steps to mitigate these risks, supporting agencies, and potentially other entities, to accurately identify and assess insider threat risks presented by the nature and function of their organisations, and provide guidance and education to support the mitigation of those risks. See page 31 for more.

The Counter Fraud Centre has also been approached by most of the agencies involved in the Pilot to assist in enhancing their maturity or provide bespoke training.

The SFO put forward a bid in Budget 26 to progress a public sector anti-corruption initiative, including expanding the Taskforce and extending it to all public service departments, but was not successful.

➤ Commentary following the launch of the pilot report included:

"The Serious Fraud Office has done some amazing work...we are just taking it for granted that everyone is playing fair and that's not the way the world is."

"...it's very good to see PSC, Police and SFO doing that six-month pilot showing everyone this is real and we need to do something about it."

TINZ Chair Hon Anne Tolley on RNZ

"...the Anti-Corruption Taskforce report is a bracing and welcome tonic that should justifiably alarm both the public and private sector and spur renewed and co-ordinated efforts to combat corruption."

NZ Herald: *Corruption klaxon blaring, but at least we can now hear it.*

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

➤

United Nations Convention against Corruption (UNCAC) formal review of New Zealand

The United Nations Convention against Corruption (UNCAC) released the executive summary of its review of New Zealand in April 2026. This review focuses on New Zealand’s preventative measures and asset recovery regime, the former being the area of interest for the SFO. The report assessed New Zealand’s anti-corruption system as strong but decentralised.

Among the positives, the summary noted a well-established legal and institutional framework, generally transparent procurement systems, laws around financial management, and that New Zealand actively participates in international anti-corruption cooperation. Whistleblower protections are legally robust, and judicial independence is safeguarded. Public bodies, including the SFO, maintain public-facing websites and reporting channels for misconduct and corruption, and some of those enable confidential or anonymous reporting (e.g. the SFO’s foreign bribery reporting tool).

The SFO’s Counter Fraud Centre was recognised as playing a lead role in preventive anti-corruption work, including through building resilience in the public sector, providing practical guidance, tools, and training resources, and facilitating communities of practice across government agencies.

The report highlighted, as successes and good practices:

- The proactive use of case studies, sector-specific guidance and fraud risk assessments to strengthen preventive measures across the public sector.
- Active participation in regional and international anti-corruption initiatives and networks, including the promotion of peer learning and technical assistance initiatives and contributions to the capacity-building of and sharing of good practices with other countries, including in the Pacific.

The summary report also noted that the New Zealand system is fragmented and made a number of recommendations, the main of which is to develop a comprehensive, co-ordinated approach to anti-corruption. This would be supported by stronger monitoring, greater transparency, and more consistent implementation across government and sectors.

Output performance measures

Performance measure	Actual 2024/25	Budget standard 2025/26	Actual 2025/26
Quantity: Number of proactive Part 1 enquiries commenced	4	3-6	5
Quantity: Number of referrals from other government agencies	10	10-12	17
Quantity: Number of presentations to external audiences ⁸	26	15-20	29

⁸ 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 is universally expected to exponentially increase. 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.



Project Elevate

Project Elevate is a medium-term, organisation-wide improvement programme that commenced in late 2024 in response to feedback from the Efficiency and Effectiveness Review and our annual Ask Your Team engagement survey. The project focuses on strengthening the way we work by improving consistency, efficiency, capability development, and access to information across the SFO. It brings together a range of practical initiatives, from quick improvements to longer-term changes, that support staff to do their work more efficiently and effectively and help create a more consistent experience for new and existing employees.

During the year, Project Elevate continued to deliver practical improvements to strengthen the SFO's systems, processes, and people capability. A new platform was introduced to support the development of fit-for-purpose e-learning material, and we developed new material to help people leaders provide a more consistent onboarding experience for new starters. We also made significant enhancements to our SharePoint site to make it easier for staff to find key information.

A significant milestone for Project Elevate was the official launch of our new online induction for new starters. This represents a major improvement in how we welcome and support people joining the SFO, providing a clear, consistent, and engaging introduction to the organisation during their first week. The induction brings together essential information

in one accessible place, helping new staff understand who we are, how we work, and where to find the support they need. It also reduces reliance on in-person delivery, freeing up time for staff who previously delivered induction training to concentrate on core task delivery, while giving managers a stronger foundation for supporting new team members from day one.

The project also reviewed and consolidated our Knowledge Management systems to improve access to guidance, training, and operational information. We created a roadmap for foundational onboarding, identifying key training and capability development steps across all specialist functions in order to increase consistency, efficiency and effectiveness and address risk across the roles.

The fixed term Learning and Development Advisor role was extended for a further six months to continue this work, with a focus on developing foundational onboarding material and supporting knowledge management resources. Together, these initiatives will provide a more consistent and effective experience for new and existing staff.



Harnessing technology including artificial intelligence

As an initiative arising from Project Elevate, the SFO recruited a 12-month fixed-term role with a focus on artificial intelligence and emerging technology. This was a deliberate investment in fresh capability, bringing in a recent graduate with current knowledge in a rapidly developing area. The role is focused on identifying practical opportunities to harness technology to improve efficiency, accuracy, and consistency across our work. The new Emerging Technology and AI Advisor started working with the SFO in January 2026.

Early examples include two key areas of work. The first is improving efficiency through automated processes for collating data and building custom applications to reduce manual or outsourced tasks.

The second area of focus is testing the viability of different AI platforms and configurations to understand how they could support more efficient complaint handling. This includes exploring whether AI can assist with tasks such as generating meeting summaries and automating information for transfer into other SFO platforms for human review. The purpose of this work is to identify where AI can safely and practically reduce manual effort and increase efficiencies and effectiveness, while ensuring decision-making remains human-centred. AI would be used to support routine administrative steps, not to replace staff expertise across critical areas such as judgement, assessment, and oversight.

Ensuring our legislation is fit for purpose in the modern environment

In 2025, the SFO began working with the Ministry of Justice to progress targeted reforms to the Serious Fraud Office Act 1990. These changes are designed to ensure that the SFO has the tools necessary to operate effectively and efficiently in a modern and increasingly complex environment. The resulting Serious Fraud Office Amendment Bill was introduced in Parliament on 22 April 2026, and was subsequently passed into law on 3 September 2026 with unanimous support.

The targeted reforms include:

- Amendments to the SFO Act's search warrant provisions to more closely align with the Search and Surveillance Act and enable the SFO to obtain necessary digital evidence, more efficiently obtain search warrants, and better manage search sites.
- Amendments to the SFO Act's evidence admissibility provisions to enable the Courts to apply the more modern and widely applied test in the Evidence Act 2006 to determine the admissibility of unlawfully obtained evidence.

The SFO Act, administered by the Ministry of Justice, has not been substantively updated since its inception, and these targeted amendments will ensure the SFO has the appropriate tools to continue its work.

Enhancing our culture and continuing to attract and retain talent

Our people are proud of the work we deliver. We are committed to fostering an inclusive environment where people from all backgrounds feel welcome, respected and valued, and where diverse perspectives strengthen our ability to tackle complex issues. Our workforce comprises high-performing professionals whose skill, expertise 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. To attract and retain this talent, we have made considerable investment in strategies to support employee engagement, mitigate attrition and position the SFO as an employer of choice.

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



Values refresh

In March 2026 the SFO's new values and a staff charter were launched following a collaborative input from across the business. The values and charter are central to shaping how we work together and deliver on our mission.

The values were developed from feedback received by our people at All Staff Training Days in June 2025, a staff survey and through a consultation process. They are:

Values

Integrity first | Ngākau tapatahi

We do what's right with independence, fairness and courage

Sharp on purpose | Kōpere

We act with clarity and intent, focusing our energy on what matters most

Stronger together | He waka eke noa

We back each other, share ideas, and work as one team

The refreshed values and charter provide a foundation for our behaviour, collaboration, and professional conduct. They also set expectations for how we engage with each other and with the communities we serve.



Leadership development

Our Principal cohort participated in a series of structured leadership development workshops designed to strengthen connection, understanding and alignment with the wider Senior Leadership Team. The program focused on supporting Principals to transition from technical experts to organisational leaders, with an emphasis on shared leadership expectations, leadership mindset, accountability and working effectively across the organisation.

The workshops provided an opportunity for Principals and SLT to come together, build stronger relationships, develop a common leadership language and create greater clarity around the role Principals play in delivering leadership decisions and organisational priorities. A key objective was to build a shared understanding of what great leadership looks like at the SFO and to strengthen how Principals and SLT work together as 'One Leadership Team'.

A significant outcome of the programme was the development of the Principals Charter, which captures the commitments Principals make to the SFO, to each other, and to their people. Building on this work, a set of 'One Leadership Team Commitments' was developed to connect both the Principals Charter and the SLT Charter. Together, these provide a shared framework for how leaders work together and create a mechanism for collective accountability to our people, our Purpose and our Values.

Nurturing future talent

To support the development of highly specialised skills required to investigate serious and complex fraud, the SFO introduced new technician-level roles in electronic forensics and forensic accounting.

An Electronic Forensic Technician joined the SFO team in 2024/25 and has since been working towards becoming an Electronic Forensic Investigator. In 2025/26, he completed his study and was awarded the IACIS Certified Forensic Computer Examiner (CFCE) certificate. The CFCE program includes rigorous evaluations that combine complex practical examinations and written assessments, requiring candidates to demonstrate substantial technical expertise and practical skills across various digital forensics areas. In early July of 2026 he was promoted to Electronic Forensic Investigator.

In early 2024, we welcomed our first Forensic Accounting Technician, who has been working towards her Chartered Accountancy qualification while gaining hands on experience from our expert Forensic Accountants. The SFO is an Approved Training Organisation with Chartered Accountants Australia New Zealand (CAANZ) and her study included a structured mentor programme involving one of our Principal Forensic Accountants. In early 2026 she completed her study and was accepted as a full CA member of CAANZ. This is the first time the SFO has trained an accountant to CA standard.

Diversity, equity and inclusion planning

We are committed to advancing our Diversity, Equity and Inclusion (DEI) work and continue to review and update our DEI Action Plan annually. Building on the foundations established through our previous Papa Pounamu and Kia Toipoto commitments, the plan guides our ongoing efforts to invest in our people and organisational capability, support equitable outcomes, maintain low gender and ethnic pay gaps, and better understand the drivers of workforce trends. Through continuous improvement and regular review, we are strengthening an inclusive workplace where all our people can succeed and contribute to the SFO's purpose.

Enhancing our cultural competencies

Strengthening our cultural capability is 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.

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.



Building resilience in our organisation

Maintaining organisational resilience is critical to the SFO's ability to operate effectively in an increasingly complex, and high-risk environment. As a small agency responsible for handling highly sensitive information, we must ensure that our systems, infrastructure, and practices are robust, secure, and adaptable.

In 2025/26, our approach to resilience has continued to evolve. Our focus has been on growing organisational resilience across critical domains including cyber security, finance, risk, and privacy, while investing in the infrastructure, tools and capabilities needed to support our work. Alongside this, we have placed greater emphasis on becoming a more adaptive and learning-oriented organisation, recognising that resilience is not only about systems and control, but also about how quickly we learn, respond and improve.

Key areas of progress this year include:

- **Strengthening resilience across cyber, risk, finance and privacy.** We continued to mature our capability across key organisational risk areas, with a stronger focus on integration and proactive management. This was driven through the development of more structured risk management practices, refreshed privacy and information handling disciplines, strengthened financial forecasting and appropriation management, and continued uplift of cyber security controls. This work has helped ensure that key organisational risks are visible, actively managed and connected to operational decision-making.

- **Investing in operational infrastructure, systems and tools.** We made targeted investments in our ICT environment and supporting infrastructure to improve reliability, security and performance. This included ongoing work to mature ICT business continuity and disaster recovery arrangements, strengthen Microsoft 365 governance, improve information access through SharePoint, and ensure staff have access to fit-for-purpose tools and platforms. These enhancements support day-to-day productivity while reducing dependency on manual workarounds and key individuals.
- **Enhancing monitoring, detection and response capability.** We improved our ability to identify and respond to threats through stronger monitoring, clearer incident management processes and more deliberate learning from exercises and events. This was supported through improvements to cyber security monitoring, business continuity planning, site security planning and incident response arrangements, ensuring that lessons are captured and translated into practical improvements.
- **Strengthening information management and the data foundation.** We continued to improve how information is classified, managed and protected, supporting more consistent handling of sensitive data. This included work associated with information classification, permissions management and data security readiness activities, particularly as the SFO prepares for safe adoption of new digital tools and AI-enabled ways of working. These foundations are important for protecting investigative information and enabling better use of information to support insight and decision-making.

- **Investing in learning and organisational capability.** We invested in learning and development capability, with a focus on improving the learner experience and increasing engagement across the agency. Through Project Elevate there was the launch of a new online induction, improvements to foundational onboarding, enhancements to SharePoint and knowledge management, and the development of more accessible learning material. These initiatives are reducing key-person dependency, improving consistency for new starters and strengthening the organisation's ability to adopt new ways of working.
- **Embedding a culture of continuous improvement.** We are increasingly drawing on insights from assessments, operational experience, engagement survey feedback and internal reviews to inform change. This supports a more responsive organisation where lessons are translated into practice and improvements are sustained over time.

Looking ahead, we will continue to strengthen resilience across our core functions while further investing in our systems, tools, and organisational capability. Our focus will be on enabling a more adaptive, learning-focused, and high-impact organisation.

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.

In October 2025 the SFO published its first Long-term Insights Briefing, *Staying ahead of the curve: Responding to emerging trends in detecting fraud and corruption in New Zealand*. Long-term Insights Briefings are 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.

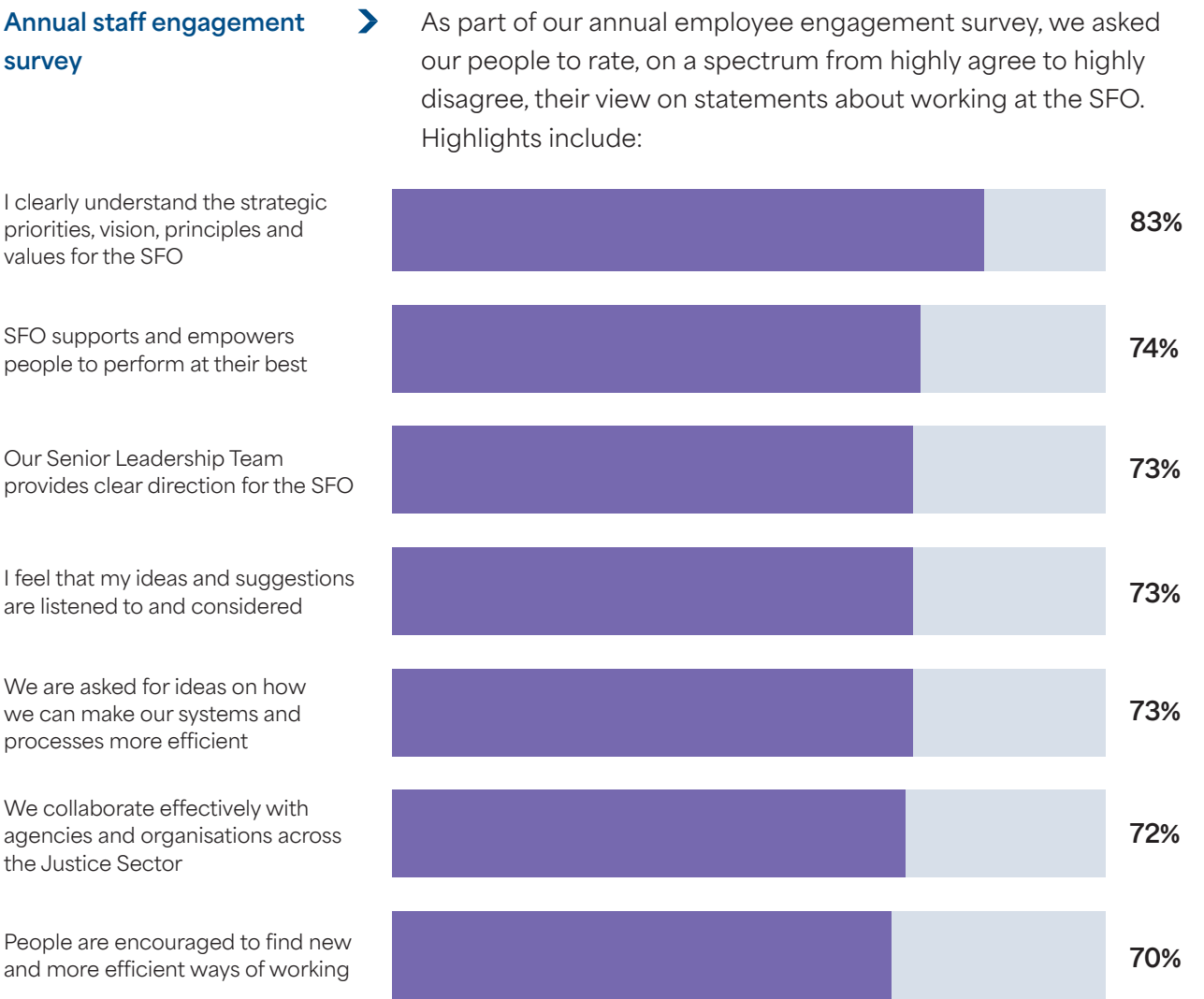
The SFO's LTIB explores the evolving landscape of fraud and corruption detection, with key insights and best practices from international jurisdictions as well as the SFO's own experience.

It examines trends impacting fraud detection, three possible futures faced by New Zealand, and the strategic opportunities being explored by international jurisdictions which can enhance detection capabilities.

Detection was chosen as the briefing focus because fraud and corruption are hidden, insidious offences where wrongdoing often occurs over long periods of time without identification. Detection in this context is both particularly challenging and important.

Following consultation with agencies, the public and other key stakeholders, the LTIB was finalised and presented in the House of Representatives. During the consultation period, feedback was received from government agencies and several key stakeholders including the New Zealand Institute of Directors and Chartered Accountants Australia and New Zealand, alongside academics. In December 2025 the SFO was invited to discuss the briefing at a select committee hearing.

Impact measures (outcomes)



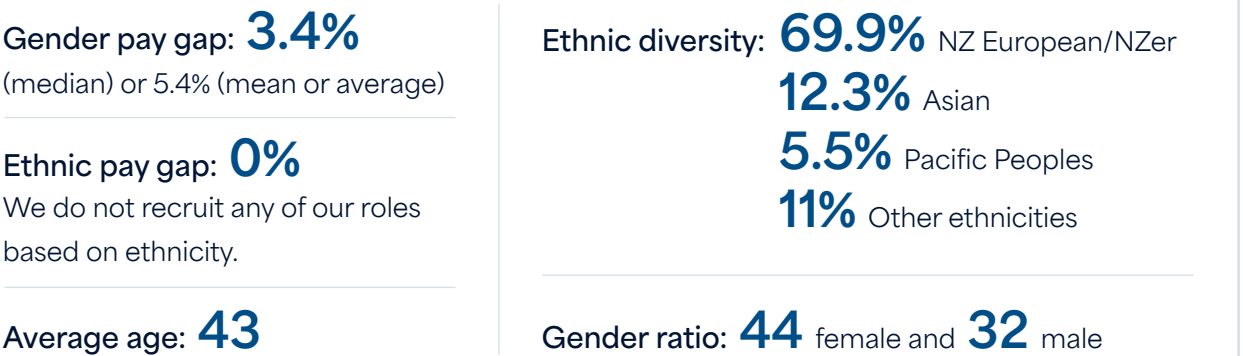
Employee turnover

➤

The SFO’s annualised turnover rate is 17.5%. As a small agency, any staff movement can translate to a high percentage staff turnover. Organisationally, we anticipate that attracting and retaining skilled staff will continue to be a significant long-term challenge. Staff retention and development in key operational roles is a critical risk for us given the specialist skills required to investigate and prosecute serious and complex fraud. If we are unable to recruit the requisite expertise, we must develop it, which requires a substantial investment of time and resources. The private sector continues to be a significant competitor for these roles.



Diversity and inclusion



Output performance measures

The SFO achieved an 81% participation rate in the 2025/26 engagement survey. Our overall score of 76% indicates that our people remain engaged and resilient.

Performance measure	Actual 2024/25	Budget standard 2025/26	Actual 2025/26
Quality: Percentage of employees being engaged	72%	> 75%	76%

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

The Serious Fraud Office's baseline was not reduced in 2025/26, and no specific savings were required to be met through the Budget 2025 process. The SFO operates within a disciplined financial management framework, with most expenditure directed towards experienced personnel, fit-for-purpose accommodation, and essential technology needed to deliver its statutory functions.

The agency continues to make changes to how it operates to remain sustainable within the existing operating appropriation, while prioritising delivery of its core statutory functions. As a small agency that has already implemented significant efficiency initiatives in recent years, there are limited opportunities to achieve further efficiencies outside of its core operations.

Looking ahead, ongoing inflation and rising operating costs will require the SFO to continue refining its operating model to remain financially sustainable while supporting delivery of its core mandate.

Expenditure on contractors and consultants

External contractors and consultants are engaged where specialist expertise is required or to provide temporary capability to meet operational requirements where needed. Given the agency's relatively small size, maintaining permanent capability across all specialist disciplines is not practical or cost effective.

Contractor and consultant expenditure totalled \$376,000 during 2025-26 (\$454,000 in 2024/25 and \$434,000 in 2023/24), representing approximately 3-4 percent of personnel costs. Similar levels of expenditure are expected where operational requirements remain broadly consistent.

Assessment of Operations

The SFO's operations for 2025/26 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 54), 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 report⁹ over our emissions data for the 2025-26 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 and direct emissions associated with natural gas for office heating, ventilation, and air conditioning.
- **Category 2** - Electricity use at our two leased offices, including shared areas.
- **Category 3** - Business travel (commuting, domestic and international air travel, accommodation, freight, postal services, and rental cars). From 2025/26, this also includes staff commute to work.
- **Category 4** - Wastewater & landfill utilised for rubbish, electricity and natural gas transmission and distribution losses. 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	Actual 2025/26	Change compared to last year
Category 1: Direct emissions	5.48	5.88	10.89	8.29	9.02	↑
Category 2: Indirect emissions from imported energy	22.55	17.65	12.51	17.94	14.37	↓
Category 3: Indirect emissions from transportation	69.28	148.05	114.04	128.68	137.05**	↑
Category 4: Indirect emissions from products used by organisation	7.44	6.32	2.55	39.01*	53.15*	↑
Total gross emissions	104.75	177.90	140.00	193.92	213.95	↑
Total gross emissions per FTE	1.31	2.31	1.92	2.45	2.67	↑
Total gross emissions per million dollars of expenditure	6.91	9.93	8.91	11.82	12.67	↑

* includes emissions associated with offsite data storage, not previously considered
** includes emissions associated with employee commute to work, not previously considered

9 Attached as the last pages of this Annual Report.

Total emissions for the year have increased due to the inclusion of employee commuting emissions that are not included within the comparative information. When this emissions source is excluded, SFO have demonstrated a 34 tCO₂e decrease in emissions from 2024/25. This reduction is primarily the result of less international travel taken in FY26.

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 1.5oC target under the Carbon Neutral Government Programme has so far been limited.

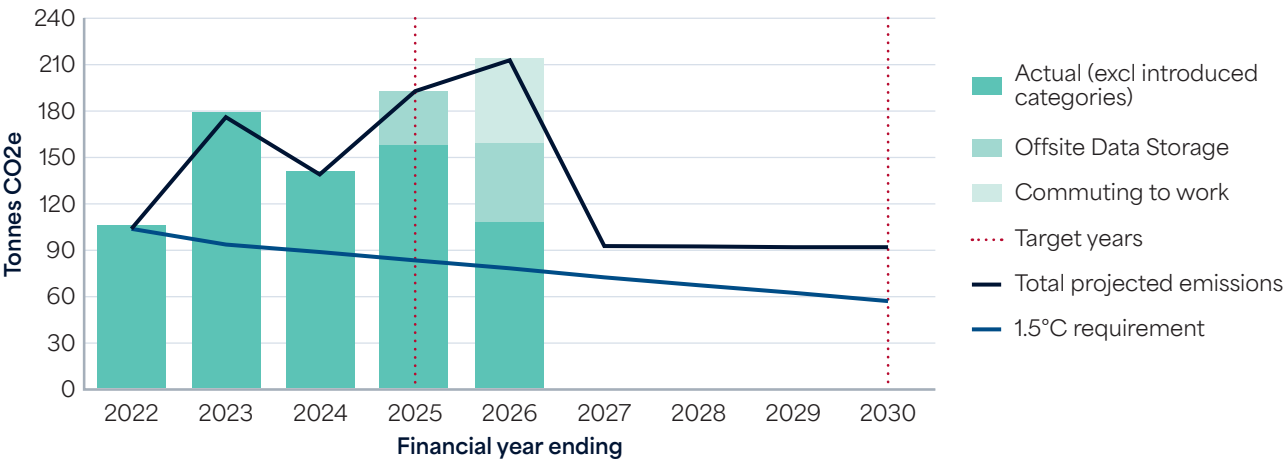
The SFOs greatest challenge lies in managing indirect emissions from transportation. We have two offices, Auckland and Wellington, and as a government agency with a nationwide remit some degree of domestic travel is unavoidable. The amount of travel year-on-year is variable depending on the location 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 continue to implement initiatives across key areas where we can:

- **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.
- **Flexible working** - remote and hybrid working to reduce commuting emissions.

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

SFO Carbon Inventory, Projections and Targets



The 1.5°C Requirement refers to the global goal per the Paris Agreement (2015) to limit the long-term increase in global average temp to 1.5 degrees celsius above pre-industrial levels. The SFO’s specific targets are 84.33 tCO₂e in 2024/25 and 58.05 tCO₂e in 2029/30.

Financial and capital performance

Financial performance

	Actual 2025 \$000	Main estimates 2026 \$000	Supp estimates 2026 \$000	Actual 2026 \$000	Main estimates 2027 \$000
REVENUE					
Crown	16,868	16,868	16,868	16,868	16,868
Other	362	264	359	373	367
TOTAL REVENUE	17,230	17,132	17,227	17,241	17,235
Expenditure	16,407	17,132	17,227	16,886	17,235
Net surplus/ (deficit)	823	-	-	355	-

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 2025	Budget standard 2026	Actual 2026
PERFORMANCE MEASURE			
The capital plan is developed and managed throughout the year	Completed 1 July 2024	Capital plan for implementation by 1 July 2025	Completed 1 July 2025

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2026

	Notes	Actual 2025 \$000	Actual 2026 \$000	Unaudited budget 2026 \$000	Unaudited forecast 2027 \$000
REVENUE					
Revenue Crown		16,868	16,868	16,868	16,868
Other revenue	2	362	373	264	367
TOTAL REVENUE		17,230	17,241	17,132	17,235
EXPENSES					
Personnel costs	3	10,760	11,921	11,836	12,004
Other expenses	5	5,250	4,616	4,917	4,905
Depreciation and amortisation expense	7, 8	332	299	321	268
Capital charge	4	65	50	58	58
TOTAL EXPENSES		16,407	16,886	17,132	17,235
SURPLUS/(DEFICIT)		823	355	-	-
Other comprehensive revenue and expenses		-	-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		823	355	-	-

Explanations of major variances against the original 2025/26 budget are provided in note 16. The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2026

	Notes	Actual 2025 \$000	Actual 2026 \$000	Unaudited budget 2026 \$000	Unaudited forecast 2027 \$000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		2,167	2,457	2,042	2,163
Receivables	6	198	1	58	58
Prepayments		468	318	400	400
TOTAL CURRENT ASSETS		2,833	2,776	2,500	2,621
NON-CURRENT ASSETS					
Property and equipment	7	608	439	704	589
Intangible assets	8	8	-	11	5
TOTAL NON-CURRENT ASSETS		616	439	715	594
TOTAL ASSETS		3,449	3,215	3,215	3,215
LIABILITIES					
CURRENT LIABILITIES					
Payables and deferred revenue	9	561	1,023	1,205	1,205
Return of operating surplus	10	823	355	-	-
Employee entitlements	11	935	691	900	900
TOTAL CURRENT LIABILITIES		2,319	2,069	2,105	2,105
NON-CURRENT LIABILITIES					
Employee entitlements	11	90	106	70	70
TOTAL NON-CURRENT LIABILITIES		90	106	70	70
TOTAL LIABILITIES		2,409	2,175	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 2025/26 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 2026

	Notes	Actual 2025 \$000	Actual 2026 \$000	Unaudited budget 2026 \$000	Unaudited forecast 2027 \$000
BALANCE AT 1 JULY					
Total comprehensive revenue and expense		823	355	-	-
OWNER TRANSACTIONS					
Capital injection		-	-	-	-
Return of operating surplus to the Crown	10	(823)	(355)	-	-
BALANCE AT 30 JUNE					
	12	1,040	1,040	1,040	1,040

Explanations of major variances against the original 2025/26 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 2026

	Actual 2025 \$000	Actual 2026 \$000	Unaudited budget 2026 \$000	Unaudited forecast 2027 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Revenue Crown	16,868	16,868	16,868	16,868
Receipts from other revenue	183	544	264	367
Payments to suppliers	(6,260)	(4,760)	(5,451)	(4,907)
Payments to employees	(9,968)	(11,415)	(11,443)	(11,800)
Payments for capital charge	(65)	(50)	(58)	(58)
Goods and services tax (net)	(36)	48	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	722	1,235	180	470
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of property and equipment	7	3	-	-
Purchase of property and equipment	(144)	(125)	(140)	(140)
Purchase of intangible assets	-	-	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	(137)	(122)	(140)	(140)
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital Injection	-	-	-	-
Return of operating surplus	(1,401)	(823)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(1,401)	(823)	-	-
NET (DECREASE)/INCREASE IN CASH	(816)	290	40	330
CASH AT THE BEGINNING OF THE YEAR	2,983	2,167	2,002	1,833
CASH AT THE END OF THE YEAR	2,167	2,457	2,042	2,163

Explanations of major variances against the original 2025/26 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 2026
(continued)

	Notes	Actual 2025 \$000	Actual 2026 \$000
RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES			
NET SURPLUS/(DEFICIT)		823	355
ADD/(LESS) NON-CASH ITEMS			
Depreciation and amortisation expense	7, 8	332	299
TOTAL NON-CASH ITEMS		332	299
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES			
(Gains)/losses on disposal of property and equipment	2	(7)	(3)
TOTAL ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES		(7)	(3)
ADD/(LESS) MOVEMENTS IN STATEMENT OF FINANCIAL POSITION ITEMS			
(Inc)/dec in receivables	6	(198)	198
(Inc)/dec in prepayments		(84)	150
Inc/(dec) in payables and deferred revenue	9	(110)	463
Inc/(dec) in employee entitlements	11	(34)	(227)
NET MOVEMENT IN WORKING CAPITAL ITEMS		(101)	880
NET CASH FLOW FROM OPERATING ACTIVITIES		722	1,235

The accompanying notes form part of these financial statements.

Statement of commitments as at 30 June 2026

Capital commitments

The SFO has no capital commitments as of 30 June 2026 (2025: \$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 2027 to 31 December 2027, a cost

of \$250,000 plus the depreciated value of the hard-fitout paid by the landlord.

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

On 24 February 2022, the SFO entered into an 11-year co-location agreement under which office space at 188 Quay Street, Auckland was allocated for Crown Law Office’s sole use.

The agreement is treated as containing a lease that expires on 24 February 2033 and may be terminated earlier by giving one year’s notice.

The SFO does not hold any current finance leases (2025: \$nil).

	Actual 2025 \$000	Actual 2026 \$000
OPERATING LEASES 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	1,214	1,327
Later than one year and not later than five years	5,191	5,692
Later than five years	3,577	2,367
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS	9,982	9,386

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	184	182
Later than one year and not later than five years	777	746
Later than five years	554	309
TOTAL NON-CANCELLABLE OPERATING SUB-LEASE COMMITMENTS	1,515	1,237

Statement of contingent liabilities and contingent assets as at 30 June 2026

Contingent liabilities

The SFO has no quantifiable or unquantifiable contingent liabilities as at 30 June 2026 (2025: \$nil).

Contingent assets

The SFO has no contingent assets as at 30 June 2026 (2025: \$nil).

Section 35(1) of the *Serious Fraud Office 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 2026 and were approved for issue by the Chief Executive and Director of the SFO on 29 September 2026.

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.

The entity has adopted the 2024 Omnibus Amendments to PBE Standards, which became effective for reporting periods beginning on or after 1 January 2026. The amendments clarify the requirements for classifying liabilities as current or non-current under PBE IPSAS 1 and introduce amendments to PBE IAS 12 relating to deferred taxes arising from the OECD Pillar Two Model Rules.

The adoption of these amendments has not had a material impact on the entity's accounting policies, financial position, financial performance, cash flows, or disclosures.

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 comprise of 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 2026 (2025: \$nil).

There are no provisions in 2026 (2025: \$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 are likely to 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 2026 budget figures are for the year ended 30 June 2026 and were published in the Annual Report 2025. 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 2024/25.

The 2027 forecast figures are for the year ending 30 June 2027 and are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU in April 2026. The spread of individual expense categories within total expenses are reflective of the detailed budget agreed by the Chief Executive.

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 2027 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 28 May 2026.

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 2027 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 2026/27 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 28 May 2026, 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 2026/27 appropriation does not include any new policy initiatives.
- Personnel costs are based on a monthly average 75.2 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 2025/26 was used as the opening position for the 2026/27 forecasts.

The actual financial results achieved for 30 June 2027 are likely to vary from the forecast information presented, and the variations may be material.

Recovery for training provided to other agencies

Recovery of SFO employee costs from the Financial Markets Authority and Immigration New Zealand for specialist digital forensics training provided. This is recorded as revenue in the month that the services were provided.

Breakdown of other revenue and further information	Actual 2025 \$000	Actual 2026 \$000
Recovery for employees shared with other Agencies	173	179
Rental revenue from subleases	179	189
Recovery for electronic investigative work for other agencies	3	-
Recovery for training provided to other Agencies	-	2
Gain on disposal of furniture and equipment	7	3
TOTAL OTHER REVENUE	362	373

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 \$626 (2025: \$6,869).

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 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.

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.

3. Personnel costs

Accounting policy

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

Salaries and wages

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 2025/26 there was one such staff member (2025: nil).

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.

Breakdown of personnel costs	Actual 2025 \$000	Actual 2026 \$000
Salaries and wages	10,361	11,358
Defined contribution plan employer contributions	280	324
Increase/(decrease) in employee entitlements	(66)	117
Other	185	122
TOTAL PERSONNEL COSTS	10,760	11,921

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 2026 was 5% (2025: 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 2025 \$000	Actual 2026 \$000	Unaudited budget 2026 \$000	Unaudited forecast 2027 \$000
Fees for audit of financial statements	140	97	144	127
Fees for Greenhouse gas measurement assurance	23	23	23	23
Operating lease expenses	1,204	1,268	1,218	1,324
Other occupancy expenses	153	161	160	165
Legal fees on panel prosecutions	64	95	145	147
Consultancy and contractors - non case related	450	300	311	340
Travel	408	368	387	352
Technology	2,243	1,910	2,037	1,983
Specialist advice - case related	163	94	65	87
Other expenses	403	300	427	357
TOTAL OTHER EXPENSES	5,250	4,616	4,917	4,905

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 2025 \$000	Actual 2026 \$000
Gross receivables	198	1
Less: allowance for credit losses	-	-
NET RECEIVABLES	198	1
TOTAL RECEIVABLES CONSIST OF:		
Receivables from supplier refunds (exchange transactions)	-	-
Receivables for SFO employee secondment (non-exchange transactions)	198	1

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	Total \$000
COST					
BALANCE AT 1 JULY 2024	625	448	907	48	2,028
Additions	21	5	118	-	144
Disposals	-	-	(25)	-	(25)
BALANCE AT 30 JUNE 2025	646	453	1,000	48	2,147
Balance at 1 July 2025	646	453	1,000	48	2,147
Additions	15	11	99	-	125
Disposals	(19)	(11)	(245)	-	(275)
BALANCE AT 30 JUNE 2026	642	453	854	48	1,997
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
BALANCE AT 1 JULY 2024	252	236	715	39	1,242
Depreciation expense	121	68	133	-	322
Eliminate on disposal	-	-	(25)	-	(25)
BALANCE AT 30 JUNE 2025	373	304	823	39	1,539
Balance at 1 July 2025	373	304	823	39	1,539
Depreciation expense	121	70	100	-	291
Eliminate on disposal	(19)	(10)	(243)	-	(272)
BALANCE AT 30 JUNE 2026	475	364	680	39	1,558
CARRYING AMOUNTS					
At 1 July 2024	373	212	191	10	786
At 30 June and 1 July 2025	273	148	177	10	608
AT 30 JUNE 2026	167	89	173	10	439

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 (2025: \$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 2024	138
Additions	-
Disposals	-
BALANCE AS AT 30 JUNE 2025	138
Balance at 1 July 2025	138
Additions	-
Disposals	(92)
BALANCE AS AT 30 JUNE 2026	42
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance at 1 July 2024	120
Amortisation expense	10
Eliminate on disposal	-
BALANCE AS AT 30 JUNE 2025	130
Balance at 1 July 2025	130
Amortisation expense	8
Eliminate on disposal	(96)
BALANCE AT 30 JUNE 2026	42
CARRYING AMOUNTS	
At 1 July 2024	18
At 30 June and 1 July 2025	8
AT 30 JUNE 2026	-

Restrictions: There are no restrictions over the title of the SFO’s intangible assets, nor are any intangible assets pledged as securities for liabilities (2025: \$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 2025 \$000	Actual 2026 \$000
PAYABLE AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS		
Creditors	1	221
Income in advance for cost recovered services	41	41
Accrued expenses	348	403
TOTAL PAYABLES AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS	390	665
PAYABLES AND DEFERRED REVENUE UNDER NON-EXCHANGE TRANSACTIONS		
Taxes payable	171	358
TOTAL PAYABLES AND DEFERRED REVENUE	561	1,023

10. Return of operating surplus

	Actual 2025 \$000	Actual 2026 \$000
Net surplus	823	355
TOTAL RETURN OF OPERATING SURPLUS	823	355

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 70 employees as at 30 June 2026 (2025: 72).

The SFO has no retirement gratuities obligations (2025: \$nil) and no sick leave liability (2025: \$nil).

Critical accounting estimates and assumptions

	Actual 2025 \$000	Actual 2026 \$000
CURRENT PORTION		
Accrued salaries and wages	316	(29)
Annual leave	581	670
Long service leave	38	50
TOTAL CURRENT PORTION	935	691
NON-CURRENT PORTION		
Long service leave	90	106
TOTAL EMPLOYEE ENTITLEMENTS	1,025	797

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 2025 \$000	Actual 2026 \$000
TAXPAYERS’ FUNDS		
Balance at 1 July	1,040	1,040
Surplus/(deficit)	823	355
Return of operating surplus to the Crown	(823)	(355)
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 2026 (2025: \$nil).

Key management personnel compensation	Actual 2025 \$000	Actual 2026 \$000
SENIOR LEADERSHIP TEAM, INCLUDING THE CHIEF EXECUTIVE		
Remuneration	2,131	2,133
Full time equivalent members	8.9 FTEs	8.9 FTEs

Key management personnel of the SFO comprised nine positions in 2025/26: 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 (2025: nine positions).

There were no senior managers seconded to another government department in 2026 (2025: 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* are 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 2025/26 by the SFO (2025: \$nil).
- There were no related party transactions involving key management personnel or their close family members in 2025/26 (2025: \$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 2025 \$000	Actual 2026 \$000
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Cash and cash equivalents	2,167	2,457
Receivables (excluding taxes receivable) (Note 6)	198	1
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	2,365	2,458
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Payables (excluding income in advance and taxes payable)	349	624

15B. 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.

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 2026, there was \$nil receivables (2025: \$nil) and \$32,027 foreign payables (16,130USD and 1,817GBP) (2025: \$nil).

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 2026 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 (2025: \$nil).

Note 9	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
2026						
Creditors	221	221	221	–	–	–
Accrued expenses	403	403	403	–	–	–
2025						
Creditors	1	1	1	–	–	–
Accrued Expenses	348	348	348	–	–	–

16. Explanation of major variances against budget

The budget is based on assumptions made at the time of preparation. Actual results may differ from budget due to changes in the timing of transactions, operational activity and other assumptions.

Explanations for major variances from the SFO’s original 2025/26 budget are as follows:

Statement of comprehensive revenue and expense

Revenue other

Revenue Other was \$109,000 higher than budget due to:

- + \$104,000 additional sublease income from the Crown Law Office for shared use of the SFO’s Auckland office.
- + \$3,000 proceeds from the sale of surplus office assets.
- + \$2,000 income from training provided to other government agencies.

Expenses

Total expenses were \$246,000 lower than budget, primarily reflecting the timing of casework activity and lower operating costs during the year.

Key variances included:

- \$261,000 less Other Expenses, primarily due to lower technology costs of \$127,000 reflecting efficiencies in data storage management and the deferred purchase of replacement office monitors; reduced use of external counsel for prosecutions of \$50,000; and audit and assurance costs being \$47,000 less than initially estimated.
- + \$45,000 additional Personnel costs, reflecting employee turnover and higher employee entitlement costs.
- \$22,000 less depreciation expense, primarily due to the timing of capital purchases during the year.
- \$8,000 lower capital charge.

Statement of financial position

Assets

Total assets were in-line with budget:

- + \$276,000 higher current assets, primarily reflecting the higher year-end cash balance resulting from lower expenditure during the year.
- \$276,000 lower non-current assets, primarily due to additional asset write-offs following a review of the underlying asset base during 2025/26.

Liabilities

Total liabilities were in-line with budget:

- + \$355,000 amount payable to the Crown relating to 2025/26 operating surplus.
- \$173,000 lower employee entitlements, reflecting the reduced salaries and wages accrual at year-end
- \$182,000 lower payables as at 30 June 2026.

Statement of cash flows

Net cash increase during the year was \$250k higher than budget.

Cash flows from operating activities

- + \$173,000 additional cash received relating to electronic forensic services provided in 2024/25 to Immigration New Zealand, the Financial Markets Authority, and the Commerce Commission.
- + \$104,000 additional cash from the Crown Law Office for their shared utilisation of the SFO’s Auckland office.
- + \$691,000 lower payments to suppliers, primarily reflecting lower operating expenditure overall, though most notably in the technology space.
- + \$28,000 lower payments to employees, reflecting organisational restructuring and vacancy-related savings.
- + \$48,000 increase in GST Payable at year-end.
- + \$11,000 net favourable variance comprising \$8,000 lower capital charge and \$3,000 additional cash received for training provided by the SFO to other government agencies.

Cash flows from investing activities

- + \$15,000 less capital expenditure on plant, property and equipment than planned.
- + \$3,000 additional income received from the sale of unrequired SFO fixed assets..

Cash flows from financing activities

- \$823,000 payment to the Crown, reflecting the return of the 2024/25 operating surplus.

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 2026. 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 2026

Annual and permanent appropriations for Vote Serious Fraud

Appropriation title	Expenditure after remeasurements 2025 \$000	Expenditure after remeasurements 2026 \$000	Approved appropriation 2026 ¹⁰ \$000	Location of end-of- year performance information ¹¹
DEPARTMENTAL OUTPUT EXPENSES				
Prevention, Investigation and Prosecution of Serious Financial Crime	16,407	16,886	17,227	Pages 28-29, 39, 53, 63
TOTAL DEPARTMENTAL OUTPUT EXPENSE	16,407	16,886	17,227	
DEPARTMENTAL CAPITAL EXPENDITURE				
Serious Fraud Office - Permanent Legislative Authority under section 24(1) of the PFA	144	125	140	Page 70

There were no remeasurements of expenditure during the year (2025: \$nil).

¹⁰ 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.

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

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority for the year ended 30 June 2026

Expenses and capital expenditure approved under section 26B of the Public Finance Act 1989 in 2026: \$nil (2025: \$nil).

Expenses and capital expenditure incurred in excess of appropriation in 2026: \$nil (2025: \$nil).

Expenses and capital expenditure incurred without appropriation outside the scope or period of appropriation in 2026: \$nil (2025: \$nil).

Statement of departmental capital injections for the year ended 30 June 2026

	Actual capital injections 2025 \$000	Actual capital injections 2026 \$000	Approved appropriation 2026 \$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 2026

Capital injections during the year without, or in excess of, authority in 2026: \$nil (2025: \$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 2026

The Auditor-General is the auditor of 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 the audit of the information required to be audited on his behalf.

Opinion

We have audited:

- The annual financial statements of the Department that comprise the statement of financial position, statement of commitments, and statement of contingent liabilities and contingent assets as at 30 June 2026, the statement of comprehensive revenue and expenses, 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 70 to 95.
- The end-of-year performance information for appropriations of the Department for the year ended 30 June 2026 on pages 28, 29, 39, 53 and 63.

- The statements of expenses and capital expenditure of the Department for the year ended 30 June 2026 on pages 96 to 97.

In our opinion:

- The annual financial statements of the Department present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance 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 each appropriation for the year ended 30 June 2026 is appropriate and meaningful and prepared in accordance with the Department's measurement bases or evaluation methods and generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime, and presents fairly, 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.
- 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.

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, 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 for the information to be audited* 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 financial statements and end-of-year performance information for appropriations that are fairly presented and comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime and legislative requirements.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of end of year performance information for an appropriation that is appropriate and meaningful; and
- the preparation of end-of-year performance information for an appropriation in accordance with the Department's measurement bases or evaluation methods and generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime and legislative requirements.

The Chief Executive of Te Tari Hara Tāware - The Serious Fraud Office is responsible on behalf of the Department for preparing Statements of expenses and capital expenditure 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 responsibilities for the Chief Executive of Te Tari Hara Tāware - The Serious Fraud Office 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 audit, our procedures are limited to checking that the information agrees to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2026. For performance information for appropriations, we agree any changes from the performance measures and standards in the Estimates to the Supplementary Estimates. For the forecast financial information for the year ending 30 June 2027, our procedures are limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2027.

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.
- In respect of the end-of-year performance information for appropriations, we:
 - obtain an understanding of the process applied by the Department to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods and evaluate whether these present an appropriate and meaningful assessment of the Department's service performance.
 - evaluate whether the end-of-year performance information for appropriations is prepared in accordance with the Department's measurement bases or evaluation methods, in accordance with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.
- 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- 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.

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 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.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department.



Ian Proudfoot

KPMG

On behalf of the Auditor-General
Auckland, New Zealand
30 September 2026

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 page 67 of the Annual Report 2025-2026 (GHG Statement), has not been prepared in accordance with the Carbon Neutral Government Programme Version 4.0 March 2025 (the Criteria) for the period 1 July 2025 to 30 June 2026.

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 2025 to 30 June 2026.

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 include the Carbon Neutral Government Programme Version 4.0 March 2025.

As permitted by 2.1 of the Climate Neutral Government Programme Version 4.0 March 2025, the greenhouse gas emissions have been measured in accordance with the ISO 14064-1:2018 standard (International Organisation 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 – Assurance of the prior year comparative information

We previously expressed a conclusion over the GHG Statement for the period 1 July 2024 to 30 June 2025, and our report dated 30 September 2025 included an unmodified conclusion.

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 Management of Serious Fraud Office are 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 Management determine is relevant to enable the preparation of the GHG Statement that is free from material misstatement whether due to fraud or error.

The Management of 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 an 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:

- Obtained, through inquiries, an understanding of the Serious Fraud Office'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.
- Assessed the appropriateness of the selected organisational boundary against the Criteria and our understanding of the entity.
- Evaluated, through inquiries, the application of the selected boundary to the emissions inventory, including evaluating the completeness of emissions sources selected for disclosure.



- Vouched a limited number of activity data samples to supporting records.
- Evaluated whether the Serious Fraud Office's methods for developing estimates are appropriate and had been accurately applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Serious Fraud Office's estimates.
- Agreed emissions factors used to external source documents.
- Reperformed emissions calculations to confirm the mathematical accuracy of the calculations.
- Reviewed 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 financial statement audit and service performance audit services to Serious Fraud Office. Subject to certain restrictions, partners and employees of our firm may also deal with Serious Fraud Office on normal terms within the ordinary course of trading activities of the business of Serious Fraud Office. 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 September 2026

Serious Fraud Office

PO Box 7124,
Victoria Street West,
Auckland 1141

Level 8, 188 Quay Street,
Auckland 1010

Phone 09 303 0121

Email sfo@sfo.govt.nz

www.sfo.govt.nz

Complaints

Phone 0800 109 800 (free)

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SERIOUS FRAUD OFFICE
TE TARI HARA TĀWARE

Te Kāwanatanga o Aotearoa
New Zealand Government