

# *Performance Information for Appropriations*

## *Vote Serious Fraud*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Police (M51)

ADMINISTERING DEPARTMENT: Serious Fraud Office

MINISTER RESPONSIBLE FOR SERIOUS FRAUD OFFICE: Minister of Police

## Part 1 - Summary of the Vote

### Part 1.1 - Overview of the Vote

The Minister of Police is responsible for appropriations in Vote Serious Fraud for the 2009/10 financial year covering the following:

- a total of over \$5 million for the detection, investigation and prosecution of cases of suspected serious or complex fraud offending brought to the attention of, or detected by, the Serious Fraud Office
- a total of nearly \$2 million to implement and operate the non-conviction based forfeiture provisions of the Criminal Proceeds (Recovery) Act 2009
- a total of \$520,000 on the purchase or development of assets by and for the use of the Serious Fraud Office.

Details of these appropriations are set out in Parts 2-6 below.

### Part 1.2 - High-Level Objectives of the Vote

#### Contribution of Appropriations to Government Priorities and Outcomes

Appropriations	Government Priorities	Government Outcomes
Investigation and Prosecution of Complex or Serious Fraud	Reduce the occurrence, impact, and harm of serious financial crime	Fewer fraudsters Less serious financial crime Reduced impact of serious financial crime on victims Increased public confidence in the delivery of justice and the rule of law Increased trust in New Zealand as an honest capital market and a safe place to do business
Civil Forfeiture of Criminal Assets	Reduce the occurrence, impact, and harm of serious financial crime	Fewer fraudsters Less serious financial crime Reduced impact of serious financial crime on victims Increased public confidence in the delivery of justice and the rule of law Increased trust in New Zealand as an honest capital market and a safe place to do business

The appropriations in Vote Serious Fraud will contribute to the Government priorities to reduce the occurrence, impact, and harm of serious financial crime by:

- improving the possibility of serious financial crime being detected, investigated, and prosecuted
- continuing to deliver a world class conviction rate
- continuing to improve SFO responsiveness to victims
- continuing to develop close working relationships with the Police, Organised and Financial Crime Agency (OFCANZ), and other public service departments to identify and achieve shared goals, and proactively to share good practice
- pursuing a prevention programme based on education and deterrence
- proactively address staff recruitment and retention issues, and ensure staff have the right equipment.

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2004/05	2005/06	2006/07	2007/08	2008/09		2009/10			2010/11	2011/12	2012/13
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	4,607	4,795	4,880	5,057	5,770	5,770	7,369	-	7,369	7,369	7,369	7,369
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	398	36	177	42	705	689	520	-	520	80	63	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>5,005</b>	<b>4,831</b>	<b>5,057</b>	<b>5,099</b>	<b>6,475</b>	<b>6,459</b>	<b>7,889</b>	<b>-</b>	<b>7,889</b>	<b>7,449</b>	<b>7,432</b>	<b>7,369</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Analysis of Significant Trends

The departmental output expense baseline was increased from 2007/08 to fund the new output expense Civil Forfeiture of Criminal Assets and provide additional funding (\$300,000 in 2007/08 increasing to \$600,000 in outyears) to maintain capability under the Investigation and Prosecution of Complex or Serious Fraud output expense.

Expenditure against the Civil Forfeiture of Criminal Assets output expense has been minimal due to the delay in enactment of enabling legislation - the Criminal Proceeds (Recovery) Bill. Baseline operational funding of \$1.890 million has been provided for the Civil Forfeiture of Criminal Assets output expense from 2009/10. Work is being undertaken with the Police and the Organised and Financial Crime Agency (OFCANZ) to develop a combined approach to the implementation of the Criminal Proceeds (Recovery) Act 2009.

A capital injection of \$690,000 was provided in 2008/09 to enable the Serious Fraud Office to reconfigure office accommodation to better utilise space and provide capacity to accommodate additional resources, whether they be required for civil forfeiture, organised crime work, corruption or for other temporary or permanent reasons; and for an upgrade of Information Technology Systems.

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Fewer fraudsters.</li> <li>• Less serious financial crime.</li> <li>• Reduced impact of serious financial crime on victims.</li> <li>• Increased public confidence in the delivery of justice and the rule of law.</li> <li>• Increased trust in New Zealand as an honest capital market and a safe place to do business.</li> </ul> <p>Impacts</p> <ul style="list-style-type: none"> <li>• High quality detection, investigation and prosecution practice.</li> <li>• Save court time and resources.</li> <li>• Bring justice to victims through early prosecution.</li> </ul>	Investigation and Prosecution of Complex or Serious Fraud
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Fewer fraudsters.</li> <li>• Less serious financial crime.</li> <li>• Reduced impact of serious financial crime on victims.</li> <li>• Increased public confidence in the delivery of justice and the rule of law.</li> </ul> <p>Impacts</p> <ul style="list-style-type: none"> <li>• Recovery of proceeds of crime.</li> <li>• High quality detection, investigation and prosecution practice.</li> <li>• Increased public confidence in the delivery of justice and the rule of law.</li> </ul>	Civil Forfeiture of Criminal Assets

#### Civil Forfeiture of Criminal Assets (M51)

##### *Scope of Appropriation*

Cost of investigating and where appropriate restraining and/or forfeiting assets derived from criminal activity under the civil forfeiture provisions of relevant legislation.

##### *Expenses and Revenue*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	100	100	1,890
Revenue from Crown	100	100	1,890
Revenue from Other	-	-	-

### *Reasons for Change in Appropriation*

The implementation of this output class, for which operational funding was provided from 2007/08, was subject to the passage of the Criminal Proceeds (Recovery) Bill which was enacted in 2009.

### *Output Performance Measures and Standards*

	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Number of cases where investigation is commenced	10-30	-	5-10
Percentage of cases investigated to enable the Director of Serious Fraud to decide on forfeiture orders completed within 12 months	80%	-	80%
Progress of all cases is reviewed at least monthly by the Director	100%	-	100%

## **Investigation and Prosecution of Complex or Serious Fraud (M51)**

### *Scope of Appropriation*

The detection, investigation and prosecution of cases of suspected serious fraud offending brought to the attention of, or detected by, the Serious Fraud Office.

### *Expenses and Revenue*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,670	5,670	5,479
Revenue from Crown	5,560	5,560	5,360
Revenue from Other	110	110	119

### *Reasons for Change in Appropriation*

Additional funding was provided in 2008/09, through a transfer from the Civil Forfeiture of Criminal Assets output expense appropriation, to maintain the capability of the Serious Fraud Office to deliver against this output expense.

### *Output Performance Measures and Standards*

	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Percentage of the time victims are treated with courtesy and compassion, and their dignity and privacy is respected	N/A	100%	100%
Percentage of complaints assessed within 14 days to determine whether they meet the criteria of the Serious Fraud Office Act	N/A	90%	90%

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of cases assessed within six months to determine whether to proceed to a full investigation	N/A	90%	90%
Number of full investigations completed to the point where the Director of Serious Fraud decides whether or not criminal charges should be laid	20-30	20	15-25
Number of prosecution cases concluded	15-20	15	15-20
Percentage of cases investigated to enable the Director of Serious Fraud to decide whether to prosecute the alleged offender(s) completed within 12 months	80%	80%	80%
Progress of all cases is reviewed at least monthly by the Director	100%	100%	100%
Percentage of cases going to committal	N/A	100%	100%
Maintain percentage of early guilty pleas	N/A	above 50%	above 50%
Maintain conviction rate	N/A	90%	90%

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.1 - Departmental Capital Expenditure

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective - supports the operations of the Serious Fraud Office	Serious Fraud Office - Capital Expenditure

#### Serious Fraud Office - Capital Expenditure PLA (M51)

##### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the Serious Fraud Office, as authorised by section 24(1) of the Public Finance Act 1989.

##### *Capital Expenditure*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	705	689	510
Intangibles	-	-	10
Other	-	-	-
<b>Total Appropriation</b>	<b>705</b>	<b>689</b>	<b>520</b>

##### *Reasons for Change in Appropriation*

A capital injection of \$690,000 was provided in 2008/09 to enable the Serious Fraud Office to upgrade office accommodation and Information Technology Assets.

##### *Expected Results*

	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
All capital expenditure for the Serious Fraud Office supports the operations of the activities of the office	Meet	Meet	Meet