

**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

30 June 2022

Dear

On 26 May 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Last year I made some notes from an article about the wage subsidy and on 14 March I asked the IRD to confirm some details about checking GST Returns and requested some other information. They forwarded the request to the MSD and your reply on 5 May did not mention anything about the results of IRD staff checking GST. I, therefore, assumed that the author of the article must have made a mistake but I have now come across the following quote from The Auditor-General's report on management of the wage subsidy dated May 2021:*

'4.80 Inland Revenue's work has also involved looking at whether some applicants' GST on taxable supplies (the supplies that a business uses and claims back the GST on when it purchased those supplies) had reduced for a relevant period. Analysis of this information might help to understand whether certain applicants' revenue declined sufficiently to make them eligible for the subsidy payment.'

Could you please provide full details of what IRD staff working for MSD found and reported after having checked a sample of GST Returns.

As noted in our response dated 5 May 2022, nine Inland Revenue Department (IRD) Compliance Specialists were originally seconded to the Ministry to support assurance work undertaken from July 2021 in response to a specific recommendation made by the Office of the Auditor-General to 'test the reliability of a sample of the post-payment assurance work it carried out against documentary evidence held by applicants'. Five of these staff remained seconded to the Ministry until November 2021.

Included in your previous response were details of the range of verification that was requested to support the recipient's entitlement. This included information evidencing the required revenue reduction, such as financial information or bank statements.

It is important to note that the IRD Compliance Specialists seconded to the Ministry to support this work did not access IRD systems or processes while seconded and were considered Ministry staff for the period of their secondment.

It is also important to note that information that may be requested from IRD by the Ministry, for the purposes of Wage Subsidy integrity, is limited to the information detailed in the Memoranda of Understanding agreed between the agencies. This can include information related to GST and income tax filings.

As also noted, in our response dated 5 May 2022, the proportion of cases where entitlement was confirmed following the receipt of documentary evidence was provided, and no separate report or findings have been prepared in relation to any results from the assurance work described in that response. You were also advised that findings from the assurance work will feed into broader work as recommended by Audit NZ.

In order to provide you with 'full details of what IRD staff working for MSD found and reported after having checked a sample of GST Returns', Ministry staff would have to manually review a significant number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

The principles and purposes of the Act under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government
- to increase the ability of the public to participate in the making and administration of our laws and policies
- to lead to greater accountability in the conduct of public affairs.

The Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter on its website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding what IRD staff working for MSD found and reported after having checked a sample of GST Returns, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal tail.

George van Ooyen
Group General Manager
Client Service Support