



# COVID - 19 Integrity Audit and Debt refund

# Contents

<b>Wage Subsidy and Leave Payments .....</b>	<b>3</b>
Wage Subsidy .....	3
Leave Payments .....	4
Essential Workers Leave Support from 6 April 2020 .....	4
Wage Subsidy Scheme Declaration .....	5
Employer Obligations .....	5
<b>MSD Business Process .....</b>	<b>7</b>
Pre-Payment Audit and Processing .....	7
Allocation of Applications - .....	7
Large Employer .....	7
80+ Employees .....	7
Post-Payment Random and Target Audits .....	7
Allocation of Applications .....	8
Process Steps for pre-payment and post-payment audits .....	8
Receiving Allegations about Wage Subsidy .....	16
Exception of Auto Approval .....	20
By submitting this form, you are declaring that: .....	20
You must meet the eligibility criteria .....	20
Your obligations to use the subsidy to retain and pay your employees .....	20
Providing information about you, your business and your employees to the Ministry .....	21
Consent to the Ministry sharing information about your application with other agencies .....	21
Consent to other agencies providing information about you to the Ministry .....	21
Discuss your application with your employees and gain their consent to information sharing .....	22
Advise your employees they can request access to information you have provided in your application under the Privacy Act .....	22
Publication of information about you .....	22
Notify changes in eligibility .....	23
Repaying the subsidy .....	23
Provision of true and correct information .....	23
Consequences of non-compliance with the obligations in this declaration .....	23
Authority to make this declaration .....	23
The Ministry may amend this declaration .....	23

Declaration forms part of your application.....	23
In submitting your application you also acknowledge and/or agree: .....	24
Further Exceptions.....	25
Audit or Process .....	25
Timing .....	26
80+ Employers and Exceptions .....	26
Employee on a Benefit	Appendix A ..... 27

## Wage Subsidy and Leave Payments

1. The Government's Wage Subsidy Scheme and Leave Payments has been established to support employees to support New Zealanders and their jobs from the global impact of Covid-19, this commenced 17 March 2020. Wage Subsidy was capped at \$150,000 per employer. From 4pm 27 March 2020, the wage subsidy (cap) was lifted and leave payments stopped being available. These payments are administered by MSD.

### Wage Subsidy

2. The wage subsidy is available to all businesses and their staff to maintain an employment connection and ensure an income for affected employees, even if the employee is unable to actually work any hours.
3. The Wage Subsidy Scheme:
  - o supports **employers** adversely affected by COVID-19, so that they can continue to pay their employees, and
  - o supports **workers** to ensure they continue to receive an income, and stay connected to their employer, even if they are unable to work.
4. The Wage Subsidy Scheme is available to all businesses (including the self-employed, contractors and sole traders), registered charities, incorporated societies and post settlement governance entities, that are adversely affected by COVID-19. It is also available to employers who recently let employees go because of COVID-19, provided they re-hire those employees.
5. The scheme excludes state sector organisations.  
To qualify:
  - o their business is registered and operating in New Zealand
  - o their employees are legally working in New Zealand
  - o the business has experienced a minimum 30% decline in actual or predicted revenue over the period of a month, when compared with the same month last year, and that decline is related to COVID-19
  - o their business has taken active steps to mitigate the impact of COVID-19
  - o they must retain the employees named in the application for the period of the subsidy.
6. For more information on the Wage Subsidy, please click on this [link](#).

## Leave Payments

7. Self-isolation is an important way to slow the spread of COVID-19. From 17 March 2020 the COVID-19 Leave Payment will be available to support people financially if they:
  - need to self-isolate (as determined by the [Ministry of Health guidelines](#)),
  - cannot work because they are sick with COVID-19, or
  - cannot work because they are caring for dependents who are required to self-isolate or are sick with COVID-19
8. Employers must pass on the payment to their employees in full.

**From 4pm on 27 March 2020, the COVID-19 Leave Payment is no longer available for employers. Applications already submitted will continue to be processed and paid. For more information on the Leave Payment, please click on this [link](#).**

## Essential Workers Leave Support from 6 April 2020

9. From 6 April 2020, the Government introduced the Essential Workers Leave Support (EWLS) payment.
10. The EWLS is available for essential businesses to pay their employees who can't work.
11. This means their essential workers:
  - can't come into work because Ministry of Health guidelines, recommend they stay at home, and
  - can't work from home.
12. To qualify, they must be an essential business who's not a state sector organisation and have essential service workers who either:
  - are at higher risk if they get COVID-19, and [Ministry of Health guidelines](#) recommend they stay at home while we're in lockdown (and potentially longer)
  - come into contact with someone who has COVID-19 and must self-isolate for 14 days (as required by [Ministry of Health guidelines](#))
  - have tested positive for COVID-19 and are required to remain off work until they've been cleared by a health professional to be released from self-isolation, or
  - have household members who are at [higher risk if they get COVID-19](#) and Ministry of Health recommend the worker also remains at home to reduce the risk to them.
13. The essential business must also have either:
  - experienced a minimum 30 per cent decline in actual or predicted revenue over the period of a month when compared to the same month last year, or a reasonably equivalent month for a business operating less than a year, and that revenue loss is attributable to the COVID-19 outbreak; **or**
  - had your ability to financially support your employee due to the COVID-19 public health restrictions negatively impacted. For example, the cost of paying for your employees' leave and paying for replacement staff is significant.

14. Please note that an employer can't receive both Covid-19 payments (Wage Subsidy and EWLS) for the same employee at the same time.

15. For more information on the EWLS, please click on this [link](#).

## Wage Subsidy Scheme Declaration

16. When applying for Wage Subsidy, applicants declared that they met the eligibility criteria and acknowledged their obligations to use the subsidy to retain and pay their employees.

17. On 27 March 2020, the declaration acknowledged by employers changed from [before 4pm on 27 March 2020](#) to the current declaration [on or after 4pm on 27 March 2020](#).

## Employer Obligations

On 27 March 2020 the employer obligations were specified in more detail. Their obligations include: Link to webpage [here](#)

### Obligations

- meet the eligibility criteria for the subsidy:
- your business is registered and operating in New Zealand; and
- the employees named in your application are legally employed in New Zealand; and
- your business has experienced a minimum 30% decline in actual or predicted revenue:
  - over the period of any month from January 2020 through to the end of this scheme when compared to the same month last year, or a reasonably equivalent month for any business operating less than a year; and
  - that loss is attributable to the COVID-19 outbreak; and
  - your business has taken active steps to mitigate the impact of COVID-19 on their business activities (such as engaged with your bank, Chamber of Commerce, industry association or the Regional Business Partner programme);

### Your business agrees

- you will, using best endeavours, retain the employees named in your application in employment on at least 80 percent of their regular income for the period of the subsidy

- you will notify the Ministry of Social Development if anything changes that may affect your eligibility
- have discussed this application with the employees named in your application and that they have consented (in writing, if practicable) to the information about them in the application being:

You understand that your information is:

- provided to the Ministry of Social Development; and
- used by the Ministry of Social Development to make decisions about your application and to audit and review any subsidy that is granted; and
- shared by the Ministry of Social Development with other agencies to the extent required by MSD, its staff and auditors to make decisions about your application and to audit and review any subsidy that is granted
- will provide the Ministry of Social Development with information about you, your business or (with their consent) your employees to the extent required by the Ministry of Social Development, its staff or auditors to make decisions about your application and to audit and review any subsidy that is granted
- given consent to the Ministry of Social Development to share information provided in this application about you or your business with other agencies to the extent necessary to make decisions about your application and to audit and review any subsidy that is granted
- given consent to us publishing basic identifying information about your business and the level and duration of any subsidy provided to you (excluding any personal information about your employees) on a publicly accessible register

You also :

- acknowledge and agree all of the information you have provided to us is true and correct

Agree to repay any subsidy made to you if you:

- were not or stop being entitled to the subsidy
- provided false or misleading information in your application;
- received business interruption insurance

- acknowledge if you have provided false or misleading information, or receive any subsidy or payment that you were not entitled to receive, you may be subject to an investigation including for offences under the Crimes Act 1961
- acknowledge that this declaration forms part of your application
- acknowledge that the Ministry of Social Development may amend this agreement at any time and at their discretion.

## MSD Business Process

18. MSD established business processes in relation to the processing actions and payment of the Wage Subsidy Scheme. Please click on this [link](#) for guidance on processing actions and this [link](#) for answering questions about the wage subsidy.
19. The [Emergency Employment Support \(EES\) portal](#) allows staff to search for and view applications made as part of the Wage Subsidy Scheme.

## Pre-Payment Audit and Processing

20. On 30 March 2020 a pre-payment audit process for applications from an employer with more than 80 employees commenced.

### Allocation of Applications -

#### Large Employer

21. These applications are allocated to Fraud Intervention Services staff directly by the Programme Manager Fraud Services.

#### 80+ Employees

22. All applications received record more than 80 employees, are identified and placed into a separate queue within the S2P system for allocation. These applications are allocated to Fraud Intervention Services staff for processing.

## Post-Payment Random and Target Audits

23. On 25 March 2020 a post payment audit programme commenced. Both random and targeted audits were established to inform the potential risk of fraud associated with wage subsidies.
24. A small sample of audits were commenced because it was noted that:  
s9(2)(k) OIA  
Calls from employees where received, stating their employer was not passing on the subsidy

- Employers voluntarily contacted the Ministry to advise they had applied and no longer required it, or they thought they did qualify when they applied but now don't think they do
25. From 25 March 2020, integrity audits commenced and a random sample of sole-trader/self-employed applications were selected.
26. Separate target audits commenced on 26 March 2020 s9(2)(k) OIA
27. It is expected that the audit selection criteria will be fluid and in some instance be subjected to rapid change.

## Allocation of Applications

28. The Intelligence Unit will provide a spreadsheet containing audit data (random samples or target groups) to designated Fraud Intervention Services managers. Staff will then be allocated work and directly advised of the allocation.

## Process Steps for pre-payment and post-payment audits

### Step 1 - Search for all other Applications (All)

29. Search through the EES portal to locate any other applications that have been applied for by the applicant. As you find these, make a note in the comments field. This comment should read "INTEGRITY AUDIT" "YOUR NAME". Complete this on every application before you start.
30. If you find that an existing integrity audit note has been entered into EES, (*prepayment audit only*) please contact the staff member who added that note before you start as they may be already working on the application.
31. Decide who will continue to action this, as only one person should conduct the pre-payment audit and this should include dealing with every application that the employer has made.
32. If you are doing an allegation audit your comment will read 'ALLEGATION AUDIT' 'YOUR NAME'.

### Step 2 - Desk Based Review (All)

33. A desk-based review will help determine if they are a real business, if they are operating in New Zealand, if they were operating prior to the event.
34. These reviews concentrate on searching publicly available information (e.g. Google, Social Media, Companies Office etc).
35. There are number of other publicly available open source searches that you can do which are detailed within your audit form.

38. If this is a well-known employer/business in New Zealand the desk-based review does not need to be extensive.

39. Please remember to record what publicly available and MSD system checks you completed in your audit form.

### **Step 3 – Contact Informant (Allegation Audit)**

40. If you are conducting an allegation audit, check IMS to see if there are contact details listed for the informant. If so, contact the informant to check on the current situation (it may have been resolved).

41. Search IMS to confirm any previous fraud activity that the applicant may have with the Ministry.

### **Step 4 - Contact Employer (All)**

42. Please note that prior to 7 April 2020, no contact was made with the applicant if the desk-based review had a positive outcome.

43. From 7 April 2020, all audits will have a component of having to contact the applicant as detailed below.

44. You will contact the applicant to discuss their application. If you are reviewing an employer application, you may need to talk to a manager or senior leader in the company to understand if they are meeting their obligations and qualified for the Wage Subsidy payment.

45. If you are conducting a target audit, you are contacting the applicant based on a discrepancy that has been identified. Your discussion with the applicant will cover what is detailed below but will also focus on the specific discrepancy.

46. This part of the audit allows you to check everything with the applicant, including:

- Their eligibility
- That they are a real business
- That the business was / is operating
- A reconciliation of their employee numbers (if they are an employer)
- That the subsidy has been passed onto the employee (if they are an employer)
- That they are meeting their obligations

More detailed questions will include but not limited to:

- Tell me about your business
- Describe your business
- Have you experienced a 30% decline in revenue
- Is the loss attributed to COVID-19
- What actions have they taken to mitigate any decline in revenue

- How do you operate
  - How do you advertise for business
  - How do your clients contact you
  - Who is your client base
  - How do you go about building your business
47. If your applicant is a beneficiary and there is a discrepancy surrounding them receiving wage subsidy and benefit payments, also discuss the following:
- What welfare assistance payments are they currently receiving
  - What are their obligations to advise the Ministry of changes in their circumstances
  - Have they advised the Ministry of their employment/self-employment
  - What income from employment/self-employment are they declaring to the Ministry
  - What changes do we now need to make to their welfare payments (benefit or public housing)
48. For more guidance on what a 30% revenue decline means, please click on this [link](#) and refer to the 'Don't know if your business has had a 30% revenue decline' section.
49. If talking to a business with employees, discuss the following and **check** if the information they are providing matches what they advised in their application:
- What number of employees were claimed for
  - What is the nature of the employment for the employees (e.g. full time, part time, casual, contract)
  - Has the subsidy been passed on to all employees included in the application and how have they done this
  - Confirm if they make / have made staff redundant they will have to pay back
  - Are all of your employees legally employed in New Zealand
  - How many/have you spoken to every employee you are applying for
  - Have they all agreed that you could apply for the subsidy for them
  - What are you doing to retain your employees named in your application
  - How are you paying your employees
  - If they make staff redundant that the subsidy applies to, they will be required to refund the subsidy relating to those employees
  - Advise them that as part of the audit we will be contacting a sample of their employees that subsidies were applied for to:
    - Check on them
    - Confirm they are aware that the subsidy has been applied for
    - Confirm that they are receiving wages or wage subsidy
50. You could also cover all other obligations/information such as:
- Are you aware that we will share information you have provided with other agencies about your business
  - Do acknowledge that the information you have provided is true and correct
  - Acknowledge that you will have to repay any subsidy that you were not, or stop being entitled to.
51. If you are having trouble making contact with the applicant, try contacting them using various methods (phone, text message and email) over a period of three days. If you still cannot make contact, please write thorough notes in your audit form and select the 'Requires Follow Up' outcome.

### Step 5 - Contacting IR, MBIE and DIA

52. As part of the audit and investigation process, it may be necessary to contact IR. A dedicated group in IR will manage MSD enquiries for Pre and post-payment audits. All other IR information requests will be actioned through a central point s9(2)(a) OIA for random and target audits (where designated IR contacts are not in place), and s9(2)(a) OIA for allegation audits. We are not to make individual requests to IR.
53. Information sought must pertain solely to an application for a wage subsidy. We cannot share information that does not relate to a wage subsidy nor can we share information regarding a client's benefit entitlement. **Refer appendix B.**
54. As part of the investigation process, it may be necessary to contact MBIE. A request for information can be made via email to s9(2)(a) OIA
55. As part of the investigation process, it may be necessary to contact DIA. Could the requests be directed to s9(2)(g)(ii) OIA. The requests must state that they are related to the wage subsidy scheme and include at least the full name and date of birth and describe the authority in which you're making the request.

### Step 6 - Check Information (Pre-payment only)

56. This part of the audit allows you to make sure you have all the information you need to decide on the outcome of this application.

Consider the following:

- Have you completed the relevant desk-based review checks
  - Do you have a thorough understanding of the applicant's business
  - Do you understand how the business has experienced a 30% decline in business
  - Did the applicant meet the qualifications to receive the Wage Subsidy
  - Is the applicant aware of and meeting their obligations
  - Are you satisfied with what the applicant has told you
57. If you have conducted a pre-payment audit, check whether the number of employees reconcile with the original application. If you need to reconcile the names of employees not included in the original claim, ensure you use the excel spreadsheet template sent to you – using this spreadsheet ensures the code that has been written can be used to quickly return this data to you.

Email this information to s9(2)(a) OIA; This process will change when developed by iMSD.

In the email to s9(2)(a) OIA you need to include:

- Business name and IR number: (critical)
- Claim numbers:
- Attach spreadsheet: You need to manually add the staff list to this spreadsheet

The email subject line must read: Extra staff check required, IR number (Business IR number).

### Step 7 - Contacting Employees (Post payment and allegation)

58. As part of the audit process, it may be necessary to contact a sample selection of employees that have been listed in the employer application. This process is to ensure that the employee is aware of the Wage Subsidy application and that the employer is meeting their obligations.
59. If you are conducting a target audit, there may be situations where you will need to contact specific employees to clarify a set of circumstances.
60. s9(2)(k) OIA  
IR may have some contact details you could ask our liaison person to request this.

### Step 8 - Decision on Application (All)

61. You will now be in a position to make a determination on the outcome of this application.
62. For a pre-payment audit, a number of decisions could be made:
- Approve – approve the payment in full
  - Partially approved – approve part of the payment requested
  - Decline – decline the full payment
  - Undecided – Summarise your audit form and discuss this with your manager. Your manager may need to seek clarification if they are also undecided
63. For a post-payment audit (**excluding allegation audit**), apply the following outcomes:
- Met – you are satisfied with the outcome of the application and the applicant has met all the requirements and qualifications for the Wage Subsidy payment.
  - Not Met - you are not satisfied with the outcome of the application and the applicant has not met some or all of the requirements and qualifications for the Wage Subsidy payment.
  - Requires Follow Up – there are specific concerns/circumstances that cannot allow you to decide on the application outcome.
64. It is important to record full notes in your audit form as to how you have arrived at your decision.
65. If you are auditing an applicant who is a beneficiary and you have identified a discrepancy in their welfare payments, you are expected to follow this through and have their payments adjusted and FACE assessed. If there is entitlement to Non-Beneficiary assistance, you must ensure you obtain written confirmation to do this from the client which outlines what their new income details are and confirming their costs are unchanged – an email or Personal Details form is sufficient. Refer to Appendix A for information as to whether an overpayment should be created.
66. Send an email to s9(2)(g)(ii) OIA. The email title should be 'COVID-19 (Integrity Audit Benefit Review Required'.
- Email body in this format – do not send your audit sheet:
- Client Name:
  - Client SWN:
  - EES Application Number:

- Benefit Adjustment Required:
- Reason for Benefit Adjustment:

## Step 9 – Repayment Required

67. A post-payment audit may result in an applicant having to refund all or part of the subsidy received.
68. If this is the case, gather and record all of your discussion and decision that relates to the refund and advise them that they need to refund the amount and why. Confirm that they will receive correspondence by email describing how they can make this repayment.
69. To commence the repayment process, please go to S2P, click on Add Processing and scroll down to COVID Repayments. You will see the link for the Audit of Wage Subsidy Repayment Request, as shown below. (The other link is for voluntary repayment requests.)

COVID Repayments

[Audit of Wage Subsidy Repayment Request](#)

[Wage Subsidy Repayment Request](#)

70. Select Integrity Audit or Allegation Audit then fill in the following details:
- Business name used on application
  - Business IR number (no dashes)
  - NZBN if held
  - Contact first name
  - Contact surname
  - Contact email address (which will be used to email the letter to them)
  - Postal address
71. There are several reasons for the repayment, so select as many as appropriate but ensure that you also select one of the following:
- Fails to meet obligations about how to use the subsidy
  - Was not entitled to or stopped being eligible for the subsidy (or part of)
  - Provided false or misleading information
  - Received insurance for any cost covered by the subsidy.
72. Then enter the amount to be repaid.
73. There is also an 'Additional Notes' box if you want to add some additional notes for the repayments team.
74. Note the comments field in EES that you have requested a repayment and the reason you are requesting a repayment. Your comments should include the repayment amount, the reason and your name. On some occasions the employer/sole trader challenges your decision through the repayment team. In some instances, these queries will be referred back to you.
75. A letter will be generated within S2P and sent to the applicant (via email) providing information about how they can refund the subsidy. It is important that you

complete the applicant's name and address details accurately as these will be used in generating the letter.

76. If your repayment request relates to a pre-payment, random or target audit you must select "Integrity Audit"

<b>Audit Type</b>	<input checked="" type="radio"/> Integrity Audit
	<input type="radio"/> Allegation Audit
	<input type="radio"/> Investigation

77. If your repayment request relates to a post-payment, allegation audit you must select "Allegation Audit"

<b>Audit Type</b>	<input type="radio"/> Integrity Audit
	<input checked="" type="radio"/> Allegation Audit
	<input type="radio"/> Investigation

78. At this stage, do not select "Investigation". Once we start doing the investigations, you will need to enter the repayment information for reporting purposes only. The letter required will need to be created locally; e.g. a standard letter with set text will not be appropriate for Investigations so we will need to create them based on the type of investigation and the outcome of this. We will be able to do this through CMS/ECS

### Step 9 – Associated Applications

79. During an audit of any application you may notice that an associated application is linked to an employer. It would be pertinent to check the associated applications to satisfy yourself that the application:
- It is not linked to the same employer application
  - Doesn't result in a multiple subsidy being paid for the same employment
80. If you identify any associated applications that require follow up (including a full audit), please record application identification number in your audit form.

### Step 10 – Completion of the Audit Sheet

81. A typed audit sheet needs to be completed for each audit that you complete. You should complete one audit sheet per company (i.e. this may include the holding company and all their subsidiary numbers). This audit sheet should include all application ID numbers for the subsidiary businesses.
82. If in the example above, the audit reveals that some applications are met, and some are not, a separate audit sheet should be completed for each 'not met' application.
83. Save the audit forms in a folder marked 'Wage Subsidy'. A target audit could be for an employer, or an employee. For an employer save your audit form using the date/applicant- Employer/IRD number (e.g. 17042020 McDonalds 12345678). For

an employee save your audit form using the date/applicant- *Employee name* /employee IRD number (e.g. 17042020 Mary Smith 12345678).

- 84. If you are doing an allegation audit, save your audit sheet on the IMS record.
- 85. If you have removed employees, you must ensure you have recorded the exact details in your audit form.
- 86. If there has been a discrepancy with the number of employees claimed for, this must be clearly documented in the audit form.
- 87. Collate your completed audit forms and email them to s9(2)(g)(ii) OIA by 9:00am each morning.
- 88. After each (random and target) audit has been finalised, the results of the audit must be submitted via the portal. Please click on this [link](#) to access the portal. Although you only need to complete one audit sheet you must add an entry in the portal for each application and link them.

## Receiving Allegations about Wage Subsidy

89. The Ministry's allegation line is receiving contact from members of the public and staff members who allege, but not limited to:

- Staff not being paid when the employer has knowingly applied for the wage subsidy
- Employers unlawfully requiring or compelling staff named in their wage subsidy application to use their leave entitlements
- Staff being laid off or made redundant when the employer has knowingly applied for the subsidy
- Sole traders applying for the wage subsidy for businesses that were not operating prior to COVID-19
- Fraudulent wage subsidy applications (employers, sole traders and other applicants)

### Allegation Recording Process

90. COVID-19 related allegations are received through the Ministry's dedicated allegation line (0800 556 006) or via the specific email address [Fraud.Allegations@msd.govt.nz](mailto:Fraud.Allegations@msd.govt.nz)

91. An internal Ministry staff member, or another agency can make a COVID-19 related fraud suspicion to the above email address.

92. When a phone call is received by the allegation line, the dedicated Client Integrity Officers (CIO) are trained to take as much information as possible from the caller so we can establish clearly what is being alleged. The phone calls are not recorded, and the caller can choose to remain anonymous.

93. Where emailed allegations do not have enough information to progress (e.g. employer/sole trader is not identified), staff respond to the email and ask the alleged for further information that would allow us to act. Staff do not need to record the email address in the system if the allegation is made anonymously.

94. Allegations from the public, internal staff and other agencies are entered into the Investigation Management System (IMS).

### Client Integrity Officer Instructions

95. Below are the instructions Client Integrity Officers need to take to enter allegations into IMS:

#### Step 1: Create Allegation

- Select '*allegation>new*' in IMS.
- Enter as much detail as possible into the 'details' field.

#### Step 2: Select Line of Inquiry

- Select '*other supplementary assistance*', **do not** select any assistance types

#### Step 3: Select Origin and Nearest NFIU Site:

- Origin – *Allegation*

- Nearest NFIU Site – *National Office*

#### Step 4: Add Subject

- Enter in the subject name, this may be the name of an employer, **do not** search CMS or enter a SWN. An IT change on 8 April 2020 now allows us to create an investigation without a SWN number.

#### Step 5: Save the Allegation as DRAFT

- The allegation must be saved as *DRAFT SAVED*. **Do not finalise.**

#### Central Control Point Instructions

96. Once COVID-19 related allegations are entered into IMS, a Central Control Point (CCP) will take charge of the allegations as follows:

#### Step 6: Identify COVID-19 Allegation in IMS

97. The CCP will identify all 'draft allegations' completed the previous day that fall within the following parameters:
- LOI – *Other Supplementary Assistance* (no 'assistance types' selected)
  - Origin – *Allegation*
  - Nearest NFIU Site – *National Office*

#### Step 7: Finalise and Triage Allegation

98. Allegations will be assessed by the CCP to determine the appropriate course of action and will be *finalised* and *outcomed* as 'COVID-19'.

An Investigation in IMS will be set up for allegations relating specifically to benefit fraud and will be coded with *Programme Name* '**Source of Allegation COVID-19**'.

However, because of the low score the allegation received from the DST tool, the investigation is automatically closed by IMS. The investigation needs to manually be re-opened and the activity need to be selected from one of the following:

- COVID-19 Letter – used when allegations have been triaged for a letter response
- COVID-19 Audit – used at the commencement of the allegation audit creation
- COVID-19 Investigation – used at the conclusion of the allegation audit function when it is deemed the audit has not met requirement and an investigation **or** needed or when the failed random and targeted audits are loaded into IMS.

Once re-opened, transfer the audit to **s9(2)(a) OIA** in IMS using the reason COVID-19. This will then change the site to National Office.

Allegations pertaining to an employer/sole trader will be triaged through to the Audit Team for further action.

Ministry of Business, Innovation and Employment (MBIE) will be responding to the allegations of employers applying for wage subsidy and not paying wages to an employee. All such allegations received by the Ministry will be referred to MBIE by the CCP.

### **Allocation of FIS Response – Letter**

99. The CCP is tasked with allocating work to FIS Technical Officers and they will be directly advised of the allocation.

### **Allocation of Audits**

100. The CCP is tasked with allocating work to FIS staff and they will be directly advised of the allocation.

### **Audit Steps**

101. Please refer to the 'Process Steps for pre-payment and post-payment audits' section of this desk file.

### **Outcome and Next Steps**

102. You will now be in a position to make a determination on the outcome of this allegation audit.

103. Apply the following outcomes and next steps:

#### **Outcomes**

- In Order
- Not Met (employer or employee wage subsidy)
- Not Met (benefit entitlement)
- False Application
- Benefit Issues – Other/FACE
- Associated Application Require Follow Up
- Unable to Contact
- Other

#### **Next Steps**

- NFA
- Refund Required
- Investigation Required
- Refer to MBIE
- FACE
- Other

104. It is important to record full notes in your audit form as to how you have arrived at your decision.

105. If you are auditing an applicant who is a beneficiary and you have identified a discrepancy in their welfare payments, you are expected to follow this through and have their payments adjusted from first available date (if necessary) via the designated Fraud Technical Officers.

106. Send an email to s9(2)(g)(ii) OIA [REDACTED]. The email title should be 'COVID-19 (Integrity Audit Benefit Review Required'.

Email body in this format – do not send your audit sheet:

- Client Name:
- Client SWN:
- EES Application Number:
- Benefit Adjustment Required:

- Reason for Benefit Adjustment:

## IMS Note Writing

107. The Investigators that are undertaking the audits complete the audits and use the following IMS Note Types and Sub Types:

- Type: COVID-19
- Sub Types:
  - COVID-19 Audit
  - COVID-19 Audit Result
  - COVID-19 Summary & Decision
  - COVID-19 Investigation
  - COVID-19 Refund
  - COVID-19 Overpayment
  - COVID-19 Sanction

108. Once the audit is complete and is ready to close the Investigators email the CCP and they will complete the following Sanction fields for them:

### **Sanction Type: (these are the same)**

- NFA
- Penalty
- Prosecution
- Warning

**Length of Time on Benefit:** Will remain at 0

### **Outcome Reason:**

- COVID-19 Audit met requirement
- COVID-19 Audit not met Requirement

### **Outcomes:**

- **COVID-19 Met Requirements**
  - Audit in Order
  - False Information Provided
  - Refer to other Agency
- **COVID-19 Resolved by Desk Based Review**
  - Refund Requested
  - Full & Correct Entitlement Follow Up
  - Refer to other Agency
- **COVID-19 Not Met Requirements**
  - False Application
  - Refund Requested
  - Unable to Contact
  - Prosecution Action Initiated
  - Refer to other Agency

# Wage Subsidy Extension

## Exception of Auto Approval

1. On 10 June 2020 the wage subsidy payment was extended. An applicant can apply for an eight weeks wage subsidy.
2. A new set of qualification rules, obligations and consents are aligned to the wage subsidy extension. These are set out below:

This declaration applies to you if you applied for the COVID-19 Wage Subsidy Extension.

### **By submitting this form, you are declaring that:**

#### **You must meet the eligibility criteria**

You meet the eligibility criteria for the Wage Subsidy (subsidy):

you operate a **business** (being a registered business, sole trader or self-employed person, a registered charity [1], an incorporated society [2], a non-government organisation, or post settlement governance entity) in New Zealand that employs and pays the employees named in your application; and  
the **employees** (including you if you are a sole trader or self-employed person) named in your application are legally employed by your business, are employed in New Zealand and have not been given notice of redundancy, at the date of your application; and  
your business has experienced a minimum 40% decline in revenue [3] over any consecutive 30 day period in the 40 days immediately before the date of your application (but no earlier than 10 May 2020) when compared to the same period last year, or a reasonably equivalent period for a business operating less than a year or a high growth business that has experienced a significant increase in revenue, and that revenue loss is attributable to the COVID-19 outbreak; and  
before making your application for the subsidy, you have taken active steps to mitigate the impact of COVID-19 on your business activities (including but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim); and  
you are not currently receiving the COVID-19 Wage Subsidy, COVID-19 Leave Subsidy, COVID-19 Essential Workers Leave Support or COVID-19 Leave Support Scheme in respect of any of the employees named in your application.

#### **Your obligations to use the subsidy to retain and pay your employees**

You acknowledge that the granting of your application and your receipt of the subsidy does not override your existing obligations under employment law, including (but not limited to) the Employment Relations Act 2000, Minimum Wage Act 1983, Holidays Act 2003 and Health and Safety at Work Act 2015;

You will not make any changes to your obligations under any employment agreement, including to rates of pay, hours of work and leave entitlement, without the written agreement of the relevant employee; [4]

You will retain the employees named in your application as your employees for the period you receive the subsidy in respect of those employees;

You will not unlawfully compel or require any of the employees named in your application to use their leave entitlements for the period you receive the subsidy in respect of those employees; [5].

You will only use the subsidy for the purposes of:  
paying the ordinary wages and salary of the employees named in your application (or you, if you are a sole trader or self-employed person); and  
meeting your obligations in relation to this subsidy

and you will repay any amount of the subsidy that is not required for these purposes that cannot be used to support paying and retaining other affected staff.

You remain responsible for paying your employees ordinary wages and salary for the employees named in your application.

You will for the period you receive the subsidy:  
use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary; and  
pay at least the full amount of the subsidy to the employee; but  
where the ordinary wages or salary of an employee named in your application (or your ordinary wages or salary if you are a sole trader or self-employed person) was lawfully below the amount of the subsidy before the impact of COVID-19, pay the employee (or yourself if you are a sole trader or self-employed person) that amount.

Ordinary wages or salary; means:

in relation to an employee named in your application:  
the ordinary wages or salary as specified in the employee's employment agreement as at the date you applied for this subsidy; or  
if you ended your employment relationship with any employee named in your application as a result of your business being adversely affected by the COVID-19 outbreak and have re-employed that employee before the date you applied for this subsidy, the ordinary wages or salary as specified in the employee's employment agreement as at the date that employment relationship ended; or  
in relation to you if you are a sole trader or self-employed person, the weekly amount that you regularly paid yourself as at the date you applied for this subsidy.

## **Providing information about you, your business and your employees to the Ministry**

You will provide the Ministry of Social Development [6] with information about you, your business and (with their consent) the employees named in your application to the extent required by the Ministry of Social Development or its auditors to make decisions about your application, and to audit and review any subsidy that is granted (to you or another applicant) and how any subsidy granted is paid to employees.

## **Consent to the Ministry sharing information about your application with other agencies**

You consent to the Ministry of Social Development sharing information about you or your business provided with respect to your application (both at the time of application, and any information provided at a later time) with other agencies (including non-government agencies) to the extent necessary to make decisions about your application, and to audit and review any subsidy that is granted (to you or another applicant) and how any subsidy granted is paid to employees.

## **Consent to other agencies providing information about you to the Ministry**

You consent to other agencies (including non-government agencies) providing information about you or your business to the Ministry of Social Development or its auditors, to the extent necessary in order for the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (to you or another applicant) and how any subsidy granted is paid to employees.

### **Discuss your application with your employees and gain their consent to information sharing**

You have discussed this application with the employees named in it.

You will inform the employees named in your application of the outcome of your application and the conditions that apply to your receipt of the subsidy.

The employees named in your application have consented (in writing, if practicable) to the following matters:

The employees consent to:

the information about them in your application being provided to the Ministry of Social Development; and

you providing the Ministry of Social Development with any further information about them required in order for the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (to you or to another applicant) and how any subsidy granted is paid to employees; and

you advising the Ministry of Social Development if they end their employment relationship with your business at a time when you are receiving a subsidy with respect to them.

The employees consent to the information about them provided to the Ministry of Social Development with respect to this application (both at the time of application, and any information provided at a later time):

being used by the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (to you or to another applicant) and how any subsidy granted is paid to employees; and

being shared by the Ministry of Social Development with other agencies (including non-government agencies) to the extent necessary in order for the Ministry of Social Development and its auditors to make decisions about your application, and to audit and review any subsidy that is granted (to you or to another applicant) and how any subsidy granted is paid to employees; and

being used by the Ministry of Social Development to make decisions about other assistance and entitlements to the extent your application and any subsidy granted is relevant to them (for instance, where your application is relevant to an employee's application for other assistance).

The employees consent to other agencies (including non-government agencies) providing information about them to the Ministry of Social Development and its auditors, to the extent necessary in order for the Ministry of Social Development to make decisions about your application, and to audit and review any subsidy that is granted (to you or to another applicant) and how any subsidy granted is paid to employees.

### **Advise your employees they can request access to information you have provided in your application under the Privacy Act**

You will advise the employees named in your application that they have the right to request access to all information held about them under the Privacy Act, and can visit <https://www.msd.govt.nz/about-msd-and-our-work/newsroom/2020/covid-19/covid-19-wage-subsidy-employer-search.html> <sup>(Link 1)</sup> to make a request.

### **Publication of information about you**

You consent to the Ministry of Social Development publishing information about your business and the level and duration of any subsidy provided to you (excluding any personal information about the employees named in your application) on a publicly accessible register.

### **Notify changes in eligibility**

You will notify the Ministry of Social Development within 5 working days if anything changes that may affect your eligibility or entitlement to the subsidy, including if any of the employees named in your application end their employment relationship with you.

### **Repaying the subsidy**

You agree to repay the subsidy or any part of the subsidy paid to you if you: fail to meet any of the obligations about how you must use the subsidy; or were not or stop being eligible for the subsidy or any part of the subsidy; provide false or misleading information in your application; or receive insurance such as business interruption insurance for any costs covered by the subsidy.

### **Provision of true and correct information**

You acknowledge and agree that all of the information you have provided to the Ministry of Social Development is true and correct.

### **Consequences of non-compliance with the obligations in this declaration**

You acknowledge that you may be subject to civil proceedings for the recovery of any amount you receive that you are not entitled to and/or to prosecution for offences under the Crimes Act 1961 if you:

have provided false or misleading information; or  
fail to meet any of the obligations about how you must use the subsidy; or  
receive any subsidy or part of a subsidy that you were not entitled to receive.

### **Authority to make this declaration**

You are making this declaration of behalf of your business and you have the authority to do so.

### **The Ministry may amend this declaration**

You acknowledge that the Ministry of Social Development may amend this declaration at any time and at its discretion.

### **Declaration forms part of your application**

You acknowledge that this declaration forms part of your application.