



09 MAR 2021

On 21 December 2020, you emailed the Ministry of Social Development (the Ministry) requesting information, under the Official Information Act 1982 (the Act).

On 19 January 2021, the Ministry emailed you to advise that most of your questions had been transferred to the Ministry's Correspondence Group for response. We did this because, in our judgement, those questions asked for the rationale underpinning certain policy decisions related to the Wage Subsidy, and not for official information. You were also advised in the same email, however, that the Ministry would be providing a response to the following questions, under the Act:

- 1. Has the MSD randomly selected for no particular reason anyone receiving a Benefit or an employer receiving a Wage Subsidy? If so, how many of each have been audited since 1 April 2020?*
- 2. How many complaints have been received since 1 April 2020 about recipients of Benefits and recipients of the Wage Subsidy and how many of each of those recipients have been audited?*
- 3. What is the total of randomly selected and complaint driven audits for Benefit recipients and for Wage Subsidy recipients?*

Following this, on 10 February 2021, the Ministry extended the timeframe for which it would respond to your request. You were advised that you would receive a decision on your request from the Ministry no later than 3 March 2021.

For the sake of clarity, your questions will be addressed in turn.

- 1. Has the MSD randomly selected for no particular reason anyone receiving a Benefit or an employer receiving a wage subsidy? If so, how many of each have been audited since 1 April 2020?*

Unlike Wage Subsidy recipients, beneficiaries are not randomly selected by the Ministry for integrity checks. However, benefit recipients are obliged to advise the Ministry of any change in circumstances that might affect their entitlement to a benefit. Also, a case manager may review a benefit at any time to ensure the client still qualifies and is receiving the correct rate of payment.

When, for example, it is brought to the Ministry's attention that a client has received an overpayment of his or her benefit, usually a debt will be established, and we will discuss repayment with a client.

Given that the Ministry does not engage in the random auditing of benefit recipients, the Ministry is unable to provide you with the number of benefit recipients who have been randomly audited. As such, this part of your request is refused under section 18(e) of the Act, as the information does not exist.

As indicated above, however, the Ministry has conducted random integrity checks of Wage Subsidy recipients. The Ministry's Wage Subsidy integrity checks includes desk-based reviews of open source public information and contacting the applicants to discuss their applications. Such contact enables the Ministry to request additional information from an employer; to examine any discrepancies between application details and any other relevant information held by the Ministry; and to ensure that the employer is meeting their obligations under the Wage Subsidy scheme. Other agencies are also contacted to confirm the information provided is correct. Although full financial records are not usually reviewed as part of this process, these may be requested or reviewed if the case is referred for investigation.

As at 5 February 2021, the Ministry has completed 3,751 random Wage Subsidy 'audits' (i.e. since the Wage Subsidy schemes were established on 27 March 2020).

2. *How many complaints have been received since 1 April 2020 about recipients of Benefits and recipients of the wage subsidy and how many of each of those recipients have been audited?*

As at 5 February 2021, 4,717 complaints concerning recipients of the Wage Subsidy have been received by the Ministry (i.e. since the Wage Subsidy schemes were established on 27 March 2020). Of these, 3,273 were referred for further integrity checks.

As at 5 February 2021, 6010 public allegations of benefit or social housing fraud have been received by the Ministry since 1 April 2020.

3. *What is the total of randomly selected and complaint driven audits for Benefit recipients and for wage subsidy recipients?*

As explained above, the Ministry does not randomly audit benefit recipients. Furthermore, benefit recipients against whom a complaint has been made are not 'audited' in the same way as Wage Subsidy recipients. Nor is that term used when the Ministry undertakes integrity checks of beneficiaries. Rather, the Ministry responds to allegations of benefit and social housing fraud using a three-tier model: early intervention, facilitation, and, for the most serious cases, investigation. For these reasons, the aspect of your question relating to the auditing of benefit recipients is also refused under section 18(e) of the Act.

To answer the second part of your question, a combined total of 7,024 random- and complaint-related Wage Subsidy audits have been completed since the Wage Subsidy Schemes were established on 27 March 2020.

The principles and purposes of the Official Information Act 1982 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 and
- to lead to greater accountability in the conduct of public affairs.

This 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 the Ministry of Social Development's 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, 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 blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

George Van Ooyen
**Group General Manager, Client Service Support
Service Delivery**