



17 April 2024

Tēnā koe

Official Information Act request

Thank you for your email of 22 February 2024, requesting information about Super City Youth Academy Incorporated, Auckland City FC Incorporated and Central United FC incorporated.

I understand you are requesting documents related to the audit of the above identified entities by the Ministry of Social Development (the Ministry).

Please note the Ministry does not conduct audits but rather an integrity check to ensure applicants who received wage subsidy payments are entitled. You can read more about the Ministry's Wage Subsidy Integrity and Fraud Programme on the Ministry's website here: www.msd.govt.nz/about-msd-and-our-work/work-programmes/wage-subsidy-integrity/index.html.

I have considered your request under the Official Information Act 1982 (the Act) and have interpreted your request to be for the report relating to the post payment integrity checks on the abovementioned entities. Please find my decision on your request set out below.

I refer you to the attached appendices outlined below which we have found in scope of your request.

- Appendix 1: Post-payment integrity check for Super City Youth Academy Incorporated
- Appendix 2: Post-payment integrity check for Auckland City FC
- Appendix 3: Post-payment integrity check for Central United FC (Inc)

Information not related to the integrity check has not been included. Please context the Ministry if this was not the intent of your request and you would like this information.

Some information is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information is withheld under section 9(2)(b)(ii) of the Act as, if released, it would be likely to prejudice the commercial position of the person who supplied or who is the subject of the information. The greater public interest is in ensuring that the commercial position can be maintained.

The Post Payment Integrity Check Assessment Sheet also falls in scope of your request, however parts of this is withheld in full under section 9(2)(ba)(i) of the Act as it is subject to an obligation of confidence, and if released, could prejudice the supply of similar information in the future. The greater public interest is in ensuring that such information can continue to be supplied.

As such, I am providing you with as much information as possible. Where I have decided to grant your request, I have done so by providing you with a summary of the relevant document regarding the Ministry decision. This has been done to ensure Super City Youth Academy Incorporated, Auckland City FC Incorporated and Central United FC incorporated remain protected, whilst also ensuring sufficient information is provided to address any transparency and accountability reasons favouring release of the information.

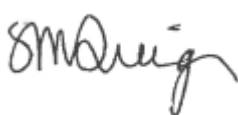
You may also be interested in the *COVID-19 wage subsidies - Employer Search* tool, which is available on the Ministry's website. This search will allow you to search for companies that have received payments for the COVID-19 Wage Subsidy, Wage Subsidy Extension, Resurgence Wage Subsidy, Wage Subsidy March 2021 or COVID-19 Wage Subsidy August 2021, and find details of amounts those companies received. You can find this search tool at the following link: <https://services.workandincome.govt.nz/eps>.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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 my decision on your request, 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.

Ngā mihi nui

pp. 

Magnus O'Neill
General Manager
Ministerial and Executive Services

TITLE	WS Decision
TYPE	Decisions - WS Investigation Summary, Decision & Sanction
CREATED	03 April 2023, 1:32pm by Sharon Craig
UPDATED	03 April 2023, 3:04pm by Sharon Craig
STATUS	Disclosable
ABOUT	Super City Youth Academy Incorporated (Subject)
LINE OF INQUIRY	

Summary

The initial allegation related to the company being removed from the Companies Register whereby they were not eligible to have received some of the wage subsidy payments that were paid. This information was also escalated due to a media article that was written by STUFF looking at the Company which had been removed as an incorporated society on 23 June 2021.

The company made 10 applications between 27 March 2020 and 1 December 2021 of which nine were approved totalling \$136,762.40. One application was declined due to it being submitted earlier than the previous period has lapsed.

Of the ten applications, seven were after the company was removed from the Register.

Discussions began with the Company around its status. In the initial stages it was clear that the Company had dropped the ball with filing documentation that would have kept it as current on the Company's Register. Because of the media scrutiny surrounding the payments they received, the Company decided to undertake a full independent review of their accounts for the previous five years to enable them to be reinstated to Incorporated society status. They would be looking at being reinstated under the following:

- *Section 28(6) At the time the declaration of revocation is recorded in the register the society is revived, as if no dissolution had taken place with effect from the time that the society was dissolved*

The main focus of the investigation was to work with Super City to see what the likelihood that they would be reinstated and await the audit process to be completed.

During the periods in question, the Company provided the following documentation for analysis:

- Financial Statements 2018
- Financial Statements 2019
- Financial Statements 2020
- Financial Statements 2021
- Financial Statements 2022
- Bank statements 21 January 2019 – 30/12/2021 account: s9(2)(b)(ii)

The company also provided documentation which explained what periods (of revenue) they used and how they determined eligibility for each WS application they made.

The company's main income stream was from funding received from s9(2)(a) OIA – grant funding which was from gaming machines in pubs. When the lockdown occurred, no funds were available or passed on as people were unable to go to pubs or taverns.

WS1 – (minimum of 30% decline in revenue required)

s9(2)(b)(ii)

- Total decline in revenue (forecasted) 100%

WSX - (minimum of 40% decline in revenue required)

s9(2)(b)(ii)

- Total decline in revenue 94%

Resurgence (minimum of 40% decline in revenue required between 12 August – 10 September 2020 or expected decline)

s9(2)(b)(ii)

- Total decline in revenue 57% (NB they knew this month in advance because they applied on 10/8 and only received 50% of funding for that month)

Wage Subsidy August 2021 (have at least 40% decrease or predicated decrease in revenue over 14 days when compared to a typical 14 day consecutive period in the six weeks immediately prior to the move to alert Level 4 on 17 August 2021)

WSAUG(1)

s9(2)(b)(ii)

- Total decline in revenue 99.82%

WSAUG(2)

s9(2)(b)(ii)

- Total decline less than 40% so did not apply

WSAUG(3)

s9(2)(b)(ii)

- Total decline in revenue 93.96%

WSAUG(4)

s9(2)(b)(ii)

- Total decline in revenue 100%

WSAUG(5)

s9(2)(b)(ii)

- Total decline in revenue 93.96%

WSAUG(6)

s9(2)(b)(ii)

- Total decline in revenue 100%

WSAUG(7)

s9(2)(b)(ii)

- Total decline in revenue 93.96% (didn't apply as missed cut-off)
-

WSAUG(8)

s9(2)(b)(ii)

- Total decline in revenue 73.11%

Employees

From the information provided from IR it is confirmed that the following employees were receiving income prior to the WS and during the WS period

s9(2)(a)

Decision

The company has provided an updated Certificate of Incorporation confirming their reinstatement as an Incorporated Society (as if no dissolution had taken place).

Super City Youth Academy have provided bank statements from January 2019 -December 2021 along with financial statements from 2018 to 2022 to verify their revenue along with details on how they worked out their decline in revenue for the periods of the Wage Subsidy that was applied for.

The company has also provided samples of s9(2)(a) which show that the grants are for wages and salaries.

Along with information received from Inland Revenue confirming payment of staff prior to and during the WS period, it is deemed that the company has met the required decline in revenue required to be eligible for the various Wage Subsidy applications they were paid for. This along with confirmation that they were paying their staff during the periods applied for, that the grants they received were for wages (and can be classified as revenue payments), I believe the Company has met all eligibility to the WS payments they received.

The Company will be notified that there is NFA required by letter and that the matter is now closed.

END REPORT

TITLE	Findings & Decision
TYPE	COVID-19 - WS COVID-19 Summary & Decision
CREATED	28 November 2023, 6:51am by Abhiram Dasgupta
UPDATED	01 December 2023, 6:49am by Abhiram Dasgupta
STATUS	Disclosable
ABOUT	Auckland City FC (Subject)
LINE OF INQUIRY	Other Supplementary Assistance

Allegation:

s9(2)(ba)(i)

Findings:

The organisation "AUCKLAND CITY FC INCORPORATED" is an Incorporated Society. It is a non-profit organisation (has tax exemption) and is involved in the growth and promotion of football (soccer) in the city.

They applied for the following wage subsidies:
COVID-19 Wage Subsidy/Leave Payment;
COVID-19 Wage Subsidy Extension;
COVID-19 Wage Subsidy August 2021 (1) to (8)
Total WS claimed: \$143,859.60

IR has confirmed that:

1. they have tax exemption i.e. non-profit organisation
2. have declared employees as shown in the EMS schedule and numbers are not constant
3. the employees received wages/salaries
4. the organisation is GST registered
5. no income was declared as the entity has income tax exemption.

Outcome:

Information from IR and the business records show that the client was employer and had paid-staff at the time that WS applications were made.

Client / the entity was entitled to retain the wage subsidies it applied for.

TITLE	Findings & Decision
TYPE	COVID-19 - WS COVID-19 Summary & Decision
CREATED	28 November 2023, 11:26am by Abhiram Dasgupta
UPDATED	14 December 2023, 11:58am by Abhiram Dasgupta
STATUS	Disclosable
ABOUT	Central United FC (Inc) (Subject)
LINE OF INQUIRY	Other Supplementary Assistance

Allegation:

s9(2)(ba)(i)

Findings:

The organisation "CENTRAL UNITED FC INCORPORATED" is an Incorporated Society. It is a non-profit organisation (has tax exemption) and is involved in the growth and promotion of football (soccer) in the city.

They applied for the following wage subsidies:
COVID-19 Wage Subsidy/Leave Payment;
COVID-19 Wage Subsidy Extension;
COVID-19 Resurgence Wage Subsidy;
COVID-19 Wage Subsidy August 2021 (1) to (8)
Total WS claimed: \$144,881.20

IR has confirmed that:

1. they have tax exemption i.e. non-profit organisation
2. have declared employees as shown in the EMS schedule and numbers are not constant
3. the employees received wages/salaries
4. the organisation is GST registered
5. no income was declared as the entity has income tax exemption.

05/12/2023 (13.11): s9(2)(a) Call was answered by s9(2)(a)

- Identified s9(2)(a) 3 questions re applications.
- I informed her that I had a query relating to s9(2)(a)
- s9(2)(a) requested me to send the query by email as she did not have any information at hand and would need to look up the files to provide any information.
- I thanked s9(2)(a) and rang off.

05/12/2023: Email sent to s9(2)(a)

"Please clarify the following:

- An application was received on 27/08/2021 with s9(2)(a) name included.
However, the Inland revenue records do not show any payments made to s9(2)(a) in August 2021.
As all applications can only include staff that were employed at the time, please confirm the date when s9(2)(a) contract commenced."

06/12/2023: Rang s9(2)(a)

- Identified client.
- Informed client that the query on 05/12/2023 relates to the resurgence application of 2020 and not 2021.

Ministry of Social Development - Investigation Management System
CASE: 108532 DISTRICT: COVID-19 Wage Subsidy
SUBJECTS: Central United FC (Inc)

Out of scope

- I apologised for the error and confusion.

11/12/2023: Email received from s9(2)(a)
- s9(2)(a) start date (contract) received.

*** See full details in the attached "Post Payment Integrity Check Assessment" sheet.**

Outcome:

Information from IR and the business records show that the client was employer and had paid-staff at the time that WS applications were made.

Client / the entity was entitled to retain the wage subsidies it applied for.

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END REPORT

Appendix 4 - Summary

Post Payment Integrity Check Assessment Sheet

ALLEGATION RESPONSE (if required)	
<p>§9(2)(a) OIA confirmed that all persons named in the wage subsidy (WS) applications were employed by the club and had regular / official contracts.</p>	

IRD VALIDATION CHECK	
<p>IRD VALIDATION CHECK</p> <p>Contact IR to validate:</p> <ul style="list-style-type: none"> • Registered business • Business type • IRD number • GST registered • Trading pre lockdown • Number of employees 	<p>Contact IR to validate:</p> <ul style="list-style-type: none"> • Registered business: Incorporated Society • Business type: Non-profit organisation • IRD number: §9(2)(b)(ii) • GST registered: Yes. • Trading pre lockdown: Yes • Number of employees: Varying.
<p>EMPLOYEE NUMBERS MATCH</p>	<p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p>

WAGE SUBSIDY OUTCOME	COMMENTS
<p>(For reporting purposes)</p>	
<p>WAGE SUBSIDY REQUIRMENTS MET</p>	<p style="color: red;">(click & drag circle)</p> <p style="text-align: center;">YES / NO</p>
<p>REFER FOR FURTHER CIVIL RECOVERY ACTION / INVESTIGATION</p>	<p style="color: red;">(click & drag circle)</p>

<ul style="list-style-type: none"> • Unable to contact • Repayment required • Criminal intent established or suspected 	<p>YES / NO</p> <p><i>Reason: - not applicable -</i></p>
<p>FOLLOW UP ACTION REQUIRED</p>	<p><i>(outline below)</i></p>
<p>NEXT STEPS</p>	<p>COMMENTS</p>
<p>NFA</p>	
<p>REPAYMENT REQUIRED -Criminal intent not established or suspected:</p> <ul style="list-style-type: none"> • Enter Repayment in S2P: <ul style="list-style-type: none"> ○ <i>integrity check type</i> ○ <i>PID, IR & IMS number where relevant)</i> • Send appropriate repayment required letter • Prepare for Civil Recovery 	<p><i>Reason: - not applicable -</i></p>

<p>MSD INVESTIGATION REQUIRED – criminal intent established or suspected:</p> <ul style="list-style-type: none"> • Outline reason • Enter Repayment in S2P: <ul style="list-style-type: none"> ○ <i>integrity check type</i> ○ <i>PID, IR & IMS number where relevant</i> • If required, send appropriate repayment required letter. • Discuss with Manager on case-by-case basis as outlined in desk file 	<p>Reason: - not applicable -</p>
<p>OTHER AGENCY INVESTIGATION REQUIRED:</p> <ul style="list-style-type: none"> • Outline reason 	<p>Name of Agency:</p> <p>Reason: - not applicable -</p>
<ul style="list-style-type: none"> • OTHER 	

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