

Inland Revenue

Privacy Impact Assessment Addendum

High Wealth Individuals Research Project

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About this Document

The purpose of this document is to update the Privacy Impact Assessment dated 7 December 2021 to describe where actual processes differed from what was anticipated and the associated privacy considerations.

Document version

Version	Date	Section	Description	By
1	17 October 2022	All	Privacy Assessment Addendum	David Carrigan

Document contributors

The following Inland Revenue business groups have been consulted on the project.

Name	Role	Business Area
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Document Sign off

Business unit	Name	Sign off date
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Privacy Impact Assessment - Addendum 1

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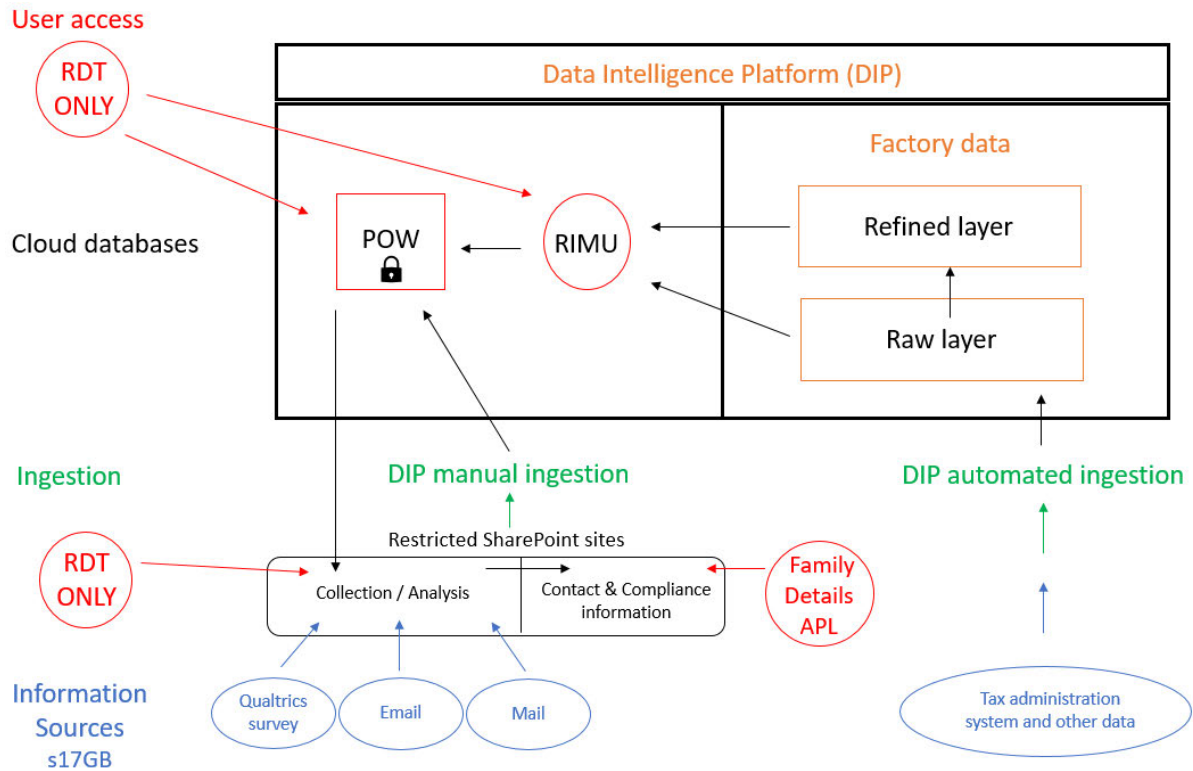
Financial Collection – conducted in two parts

1. To minimise compliance costs on individuals, Collection 3, the Financial Collection, was split into two parts – Financial Collection (Collection 3A) and Supplemental Financial Collection (Collection 3B). In Collection 3A a section 17GB notice was issued to all individuals (HWIs and disclosed partners) and in Collection 3B a section 17GB notice was only issued to those individuals for whom Inland Revenue held insufficient or inadequate financial statement information for entities they had previously disclosed.
2. The section 17GB notice for Collection 3A was issued in June 2022 with responses due in August 2022 (unless an extension was granted). Collection 3A asked for a range of financial information about things such as expenditure, inheritances, real property, investments and trusts, to enable estimation of the income measures, the attribution of some sources of income to individuals and the calculation of the effective tax rates. If individuals were not able to provide the information requested about trusts, they were asked to provide contact details for someone who could.
3. The actual process used for Collection 3A (as well as Collection 2 – Family Details) involved sending a blank excel spreadsheet along with a guide on how to complete the spreadsheet. These documents were emailed to the individuals and their nominated representative from the Qualtrics platform. If the Project team did not have an email address the documents were couriered. Once completed, the spreadsheet was uploaded via Qualtrics, emailed to the Project's email address (entity.collection@ird.govt.nz) or posted back.
4. Less than 10% of the Project's population were involved in Collection 3B. These section 17GB notices were issued in early August 2022 and responses are due in mid-September (unless an extension has been granted). The financial information requested in this notice matches certain fields in the IR10 form. Significant effort went in to cleaning up the data that had previously been submitted to enable internal data to be used wherever reasonably practicable. Further, to minimise the amount of additional information required from individuals, thresholds were applied and the periods for which information was required was limited to the minimum acceptable for the Project's needs. Where multiple individuals had disclosed an entity in their response to Collection 2 (Entity Collection), the information was only sought from one person.
5. The data collection method for Collection 3B differed from Collections 1, 2, and 3A as spreadsheets were pre-populated with the specific entities and particular financial years that were required. Previously, blank spreadsheets or forms were used.
6. To ensure the correct individuals, entities and financial years were selected for Collection 3B, in-depth review of the data was undertaken and matched to the Collection 3B criteria. This included manual inspection of a large proportion of the data output against the criteria, disclosure statements, START, related DIP tables and the Companies Office website.

7. A thorough manual quality check of the prepopulated spreadsheets and emails was undertaken as part of the email sending process. This included checking the entities and years against the data used to generate output, as well as checking back to the disclosure statements provided by the individual. This work was only undertaken by individuals on the Rawa Data Team.
8. The prepopulated spreadsheets and guide were sent by encrypted email from the Project's email address (etrproject@ird.govt.nz), rather than from the Qualtrics platform (only staff on the Rawa Data Team APL have access to this inbox). Where no email address was held for either the individual or an authorised representative, a prepopulated hardcopy spreadsheet and guide were couriered. Completed spreadsheets can be uploaded via the Qualtrics platform, emailed or posted.
9. As with prior collections and subject to what is described below, information will be transferred to the secure spaces) and deleted from the email inbox, and hard copies destroyed. The secure spaces are the secure SharePoint site and POW.

Use of secure SharePoint sites

10. As Excel spreadsheets have been used for the Entity and Financial Collections, the most efficient way to clean and process the disclosed data has been via Microsoft Power Query and other Microsoft 365 tools. A full security risk assessment was done for the Microsoft 365 environment before it was rolled out at Inland Revenue, so risks were identified and managed.
11. In addition to cleaning and checking collected data within Microsoft Power Query, it is more efficient and transparent to use the secure SharePoint site, Excel and native tools (e.g., tables) for some analysis, due to the complex nature of matching and analysing the collected information in conjunction with the information already held by Inland Revenue. Furthermore, more of the Rawa Data Team (who are on the authorised persons list and therefore may view all information relating to this project) will be able to provide quality assurance for the analysis.
12. To manage security risks, team members will only use their approved Inland Revenue device and will not utilise the web portal, email data to each other, or attempt to remove by other means (e.g., external USB drives).
13. The use of a restricted-access SharePoint library for the cleaning and processing of information collected under section 17GB, and some analysis, is different to the anticipated process that was described in the Privacy Impact Assessment dated 7 December 2021. However, the SharePoint library is subject to access controls (only the Rawa Data Team have access to this library) which can be audited, and this approach has proven to be the most efficient way to manage the large amounts of data used by the Project. An updated diagram showing the flow of information is set out below.
14. The restricted-access SharePoint library containing family details information collected under section 17GB and recording compliance with section 17GB notices (referred to in the Privacy Impact Assessment at pages 8 and 14) is separate and distinct from the SharePoint library described above.



Ongoing checks to ensure no project-related information is on START

15. A small amount of Project-related correspondence has been located on START (Inland Revenue’s tax system). It appears that a number of participants or representatives have sent written correspondence or submitted disclosure statements through MyIR, and occasionally, Inland Revenue personnel outside of the Project have entered case notes on START which references the participant’s involvement with the Project. The reasons for these correspondences include that participants or representatives suspected that correspondence may be illegitimate or spam, or they were unaware that the Project is not using MyIR for any correspondence.

16. The Project team has developed processes to ensure any confidential information is moved from START into the secure location for information relating to the Project, and that any data is deleted from START. Ongoing checks will ensure that any further information entered into START will be removed, although it is expected that this will not be an ongoing problem as the Project moves from the information collection stage into analysis.

Access

17. The APLs have been updated to reflect changes in personnel and additional resourcing as required:

- I. Rawa Data Team – 15 people
- II. Family Details – Rawa Data Team and 9 additional people
- III. IT & Technology - 26 people

18. The IT & Technology APL was created so Inland Revenue’s technological support teams could triage IT issues and requests raised. These requests include invitations to the project’s ECHO site or technological/communications issues (e.g. encrypted emails). Access for a variety of technological purposes was foreshadowed at page 14 of the Privacy Impact Assessment, but a specific APL has been created to ensure

oversight of this activity. Although there are 26 people on the IT & Technology APL, access is only permitted as is required to address technology issues and information disclosed is the minimum necessary to address the particular issue.

19. There are two email addresses associated with the Project - the Project's general email address (etrproject@ird.govt.nz) which is used for general correspondence and the Entity Collection email address (entity.collection@ird.govt.nz) which is where completed disclosure statements are submitted by email or any substantive queries about the section 17GB notices are sent. To allow for processing of returned disclosure statements, and to promptly answer any questions, those with access to the Project's general inbox (etrproject@ird.govt.nz) have been added to the Rawa Data Team APL. This ensures that any section 17GB information that comes into the Project via email is only seen by the Rawa Data Team.

Unique Identifiers

20. In Collection 2 individuals were asked to create a unique identifier for each entity that was disclosed. The purpose was to create an extra layer of privacy protection if the Project needed to disclose an entity back to the individual or nominated representative. This step was not completed by all. As such, when entities are disclosed back to an individual in Collection 3B, the unique identifier will be included (where one was provided) along with the entity name as disclosed (which may or may not be the correct legal name or name held by Inland Revenue). The entity's IRD number will not be used.
21. A unique identifier has also been allocated to each family unit (HWI, domestic partner and any qualifying children), known as the Family ID or FAM ID. The family unit is not information that Inland Revenue currently holds but it is required for this analysis as the measures of income will be applied separately to HWIs and their family. It will allow data to be aggregated from an individual to a family level.
22. The unique identifier is a number (1 through to the number of families) and is only recorded in the Project's secure data storage spaces such as SharePoint and the POW. It is not available to anyone outside the APLs. It is a temporary identifier that will be destroyed at the completion of the Project.

Data and Information Management Plan

23. A Data and Information Management Plan (**DIM Plan**) has been created for the Project. The purpose of the DIM Plan is to ensure appropriate data, information, and knowledge management related due diligence is being conducted for the Project. The DIM Plan sits alongside the PIA. In the DIM Plan the high-level areas of the Project's activity have been broken down into their process, system, role, and data and information facets. Inland Revenue's data and information related enterprise risks have then been applied to these facets to identify specific risks. Controls and their owners have been identified to manage risks.