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# Annual Report on Decision Making and Financial Accuracy

1 January to 31 December 2020



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Any enquiries regarding this document should be sent to us at:

Benefit Security Business Support,  
Design Centre,  
39 Corporation Street  
Belfast  
BT1 3BA

Phone: **028 9570 6637**

Email: [Bernie.mcvey@dfcni.gov.uk](mailto:Bernie.mcvey@dfcni.gov.uk) or [James.Hood@dfcni.gov.uk](mailto:James.Hood@dfcni.gov.uk)

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**Annual Report on Decision Making and  
Financial Accuracy**

1 January to 31 December 2020

The Report is laid before the Northern Ireland Assembly  
under Article 76 of the Social Security (Northern Ireland)  
Order 1998 by the Department for Communities.

22 December 2021

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# Foreword by the Standards Committee Chairperson

The Northern Ireland Joint Standards Committee was established in 1999 on foot of the Social Security (Northern Ireland) Order of 1998. The Order transferred responsibility for monitoring and reporting on the standard of decision making, where there is a right of appeal, from the Chief Adjudication Officer to, in effect, the Chief Executives of the Social Security Agency and the Child Support Agency, which subsequently became the Child Maintenance Service. In May 2016 the work of both bodies was incorporated into the new Department for Communities and responsibility for monitoring the standards of decision making now rests with the Deputy Secretary, Supporting People Group. The shift in responsibility in 1998 replicated changes made in Great Britain (GB) in the 1998 Social Security Act. During the debates on this legislation concerns were expressed with regard to the credibility and appropriateness of the new arrangements. To allay these, the Westminster government provided assurances that provision would be made to inject an independent element into the scrutiny of the quality of decision making with regard to social security and child support. In Northern Ireland the response to these concerns was the creation of the Joint Standards Committee with an independent chair and two other independent members. The full membership of the Committee is set out in Part 1 of the Report and our terms of reference can be found in Appendix 1.

The Committee has three main tasks. Our core responsibility is to provide assurance that robust procedures are in place to monitor the quality of decision making with regard to specified benefits and child support. Secondly, we are charged with reporting on the standard of decision making, identifying any weaknesses and making recommendations to secure improvement. Thirdly, we are required to provide assurance that the results of monitoring are fed back to decision makers to promote continuous improvement.

With regard to benefits, the day to day work of checking the quality of decisions is undertaken by the Standards Assurance Unit (SAU) of the Department. The 2020 measurement programme was subject to significant disruption due to the COVID-19 pandemic. In late March 2020, all measurement activity was suspended as some staff had to be redeployed to support critical benefit delivery functions, and benefit review visits, which are largely face to face, were suspended in line with Public Health guidelines. An amended programme recommenced in late August 2020 focusing on the areas of highest risk and highest spends and consisted of the following:

- Universal Credit Benefit Review
- Universal Credit Financial Accuracy Monitoring
- State Pension Financial Accuracy Monitoring

On the basis of all of the work completed this year, I am satisfied that the procedures in place are robust and effective. It should be noted that monitoring of Universal Credit was only implemented during 2019 and targets have not yet been set for benchmarking purposes. We are working toward setting a target for Universal Credit and anticipate this taking effect in 2022. I can provide assurance that procedures to secure on-going improvement of the service are in place and I would like to commend all the staff who contributed to this performance in what has been a very trying year.

### **The work of the Committee in 2020**

Although our terms of reference require we have four full Committee meetings per year, this has been disrupted in light of the COVID-19 pandemic. One meeting had to be cancelled and one meeting was delayed while we adapted to the new remote and home working arrangements. I want to commend staff and my fellow committee members on their adaptability and resilience in making this all possible.

As well as reviewing the statistical material presented by the Standard Assurance Unit, the Committee has considered a wide range of issues which are relevant to effective service delivery. There has been continued discussion of the substantial programme of work required to implement the Welfare Reform (Northern Ireland) Order 2015, the continuing implications of the Welfare Reform Mitigation measures and the 2nd Independent Review of Personal Independence Payment which was carried out this year with the

Report and Recommendations being presented to the Department and Assembly in December 2020.

I also cannot complete this year's report without mentioning the potential long-term impact of the COVID-19 pandemic on the demand on services moving into 2021 and 2022. The effect of lockdown and the implications for sufferers of long COVID are likely to impact on Personal Independence Payment and the withdrawal of the UK Furlough Scheme and potential downturn in the economy will undoubtedly impact on Universal Credit. The impact of BREXIT and the EU Settlement Scheme have been, and are likely to continue to be, topics of discussion at many of our meetings.

Other matters raised at Committee have, for example, related to staff recruitment and retention, staff training and the implications for staff given the current COVID-19 situation.

We are aware that the Department for Communities started to monitor Universal Credit in 2019 and the decision making and financial accuracy results can be found on pages 16 and 19 of this report. As previously mentioned, since the benefit is still at an early stage of implementation, targets have not yet been set. This year did see a significant increase in applications as a result of the global pandemic COVID-19 and to this end the Department and the Independent Standards Committee have been monitoring the situation albeit without the implementation of targets for 2020 or 2021.

Unfortunately, throughout 2020, the Committee were unable to meet with staff responsible for delivering the Jobseeker's Allowance, Employment and Support Allowance and Personal Independence Payment. This was due to COVID-19 pandemic but I am glad to say that with the help of technology and the co-operation of the various staff teams we have been able to reschedule virtual meetings with Lurgan and Coleraine Jobs and Benefits Offices and reviewed the implementation process for Universal Credit. We were also able to meet virtually with the Pension Centre in Derry and with the staff of the Decision Making Service.

As usual, we have been impressed with the commitment and expertise of all of those who provide such important support to the people of Northern Ireland. We were also able to meet virtually with the voluntary sector and the Northern Ireland Audit Office.

The Committee's meeting with the voluntary sector, provided the opportunity to review the work of the Independent Standards Committee with representatives from the sector and we were pleased to receive some positive feedback on the service provided. The discussion proved positive enabling specific issues to be raised and fed into the system to be addressed. With regard to meeting the Northern Ireland Audit Office, I would like to say that it provides a useful opportunity to address issues that arise throughout the year and it can be once again noted that the work they undertake is supportive of the departmental assurances I have given above.

## Monitoring performance

As Part 2 of the report indicates and I previously indicated, the 2020 measurement programme was subject to significant disruption due to the COVID-19 pandemic. In late March 2020, all measurement activity was suspended as some staff had to be redeployed to support critical benefit delivery functions, and benefit review visits, which are largely face to face, were suspended in line with Public Health guidelines. An amended programme recommenced in late August 2020 focusing on the areas of highest risk and highest spends and consisted of the following:

- Universal Credit Benefit Review
- Universal Credit Financial Accuracy Monitoring
- State Pension Financial Accuracy Monitoring

In the case of State Pension and Universal Credit the standard of decision making is assessed using samples of cases drawn from across the live load. These cases are checked for financial accuracy i.e. the correctness of the payments being made. Within this process, all cases where a decision has been made in the preceding 12 months are identified and checked for decision making accuracy using four criteria:

- sufficiency of evidence,
- determination of questions,
- findings of fact and
- correct application of legislation.

## **The standard of decision making and financial accuracy in 2020**

In Part 3 of the report decision making accuracy is dealt with. The table on page 16 of the report details the performance of staff with regard to decision making for the two benefits monitored this year: State Pension and Universal Credit. From this it can be seen that staff exceeded the accuracy benchmarks set for State Pension and in the case of Universal Credit the Decision Making accuracy rate stands at 95%.

In Part 4 of the report financial accuracy is dealt with. The table on page 19 shows that the Department has been successful in ensuring that the expenditure on these benefits is correctly disbursed. Of the two benefits monitored in 2020, State Pension exceeded the accuracy benchmark and Universal Credit achieved a financial accuracy rate of almost 98%. The Committee is keen to see how this progresses when targets are introduced in the coming years.

### **Supplementary issues**

Part 5 of the report provides information on the standard of decision making for overpayments and appeals. Due to the COVID-19 pandemic the 2020 measurement programme was suspended for a number of months.

As a result, a reduced measurement programme was put in place from late August 2020, focusing on the areas of highest risk and highest spend i.e. Universal Credit and State Pension. As a result, overpayments and appeals were not monitored during 2020.

Further information provided in Part 6 of the Report details the estimated monetary value of error and is indicative of the level of activity undertaken by the Department. It is also a healthy corrective to much of the discussion which surrounds social security. The Report indicates that around £6.3billion was paid out in benefits in 2020 (£5.2billion of which is incorporated in the six benefits which normally fall within the monitoring programme). The data is derived from the numbers of cases handled by staff throughout 2020 including 200,894 new claims and 674,148\* changes of circumstances notified by customers (\*this figure does not include Universal Credit change of circumstances as there is no single measure to count change of circumstances transactions).

Within this, as is evidenced in Appendix 4, the loss to the public purse as a result of overpayments in the six monitored benefits is just under £30.5million and this represents 0.58% of total expenditure. Moreover, the loss to the public purse via overpayments is overshadowed by underpayments which total almost £31.5million.

### **Conclusion**

This has been an unprecedented year given the outbreak of the COVID-19 pandemic and the issues that the Department has had to face in light of this.

Although it has meant a reduction in the level of monitoring that has been undertaken this year I am pleased to be able to present a good assessment of the standard of decision making achieved. I would, however, wish to raise some issues for consideration by the

Department and Committee. There continues to be increased pressure on staff and in some cases difficulties in the recruitment of appropriate staff and where staff are recruited the time taken for training. The Department continues to deliver existing benefits, manage cuts to these, manage the transitions to new benefits and implement the measures to alleviate the hardship caused by all of this. While the roll out of Universal Credit has been managed to date the Standards Committee are aware that the implementation of migration, when it takes place, will place further pressures on the service. To avoid a decline in decision making standards and reduce strain and anxiety amongst staff, continued new thought will need to be given to the timetabling and resourcing of change. At the time of writing we continue to see the impact of the COVID-19 pandemic and believe this will carry through into 2021 and beyond.

Finally, I would like to express my particular thanks for the support provided to me by the rest of the members of the Standards Committee, the officials who have attended the meetings and visits arranged throughout the year and the staff of Benefit Security

Business Support who have provided secretarial and administrative support to the Committee. John McKervill and Conrad McConnell left the Standards Committee in 2020 and were replaced by Mickey Kelly and Julie Nelson respectively. I would like to thank both John and Conrad for all the work they have done with the Committee over many years and welcome Mickey and Julie who we have had the pleasure of working with throughout this year.

Once again, I would like to thank Ursula O'Hare and Kevin Higgins for sharing their experience as Independent members of the Committee with me. Their breadth of knowledge and experience of social security legislation and policy continues to be an invaluable asset to me and the Standards Committee generally.



**Marie Cavanagh**  
Chairperson of the Standards Committee

# Introduction by the Director of Pensions, Disability, Benefit Security and Debt Supporting People Group

I am pleased to introduce the Department for Communities Annual Report on Decision Making and Financial Accuracy for 2020. Throughout the COVID-19 pandemic the Department has worked collectively to deliver key public services to some of the most vulnerable in society, ensuring they receive the essential services on which they depend. Some staff were redeployed from the team who carry out the monitoring programme to support critical benefit delivery functions therefore an amended monitoring programme was put in place as soon as practically possible. Measurement recommenced in August 2020, focussing on areas of highest risk and highest spend, namely: State Pension and Universal Credit.

It is pleasing to note that in her Foreword the Chairperson has given a positive overview of the Department's performance, in spite of the COVID-19 pandemic and she is able to present a good assessment of the standard of decision making achieved.

This report focuses on two main areas which are the level of decision making accuracy in social security benefits and the level of financial accuracy. The purpose is to establish if the decisions to award claims to benefit are correct and also to provide robust estimates of the percentage of benefit expenditure which is paid correctly. Accuracy underpins

the Department's commitment to ensure that customers are receiving the right benefit at the right time.

State Pension, with a result of 100%, exceeded the benchmark set for decision making accuracy. As Universal Credit is a relatively new benefit a target has not yet been set but the result was 95% which is very encouraging for a new and complex benefit. The Chairperson has also acknowledged the significance of the achievement in her Foreword recognising it has been delivered in what has been a very trying year.

Financial accuracy performance has remained high during 2020 for the two benefits monitored. State Pension with a result of 99.5% exceed the benchmark set. As a relatively new benefit, there was no target set for Universal Credit financial accuracy; measured for the first time in 2019 the result was 93.3% but this has increased significantly to 97.9% this year which is a particularly noteworthy achievement against the backdrop of the doubling of the caseload from 65,000 in February 2020 to over 132,000 by the beginning of August and, expenditure increasing from £295m in 2019 to £716m.

I would personally like to record my thanks to the staff for their remarkable resilience, dedication and hard work throughout this

unprecedented year. The excellent results outlined in this report clearly demonstrate that staff are committed to delivering excellent customer service. However there is always more to do as we seek to make further improvements in decision making and financial accuracy.

Finally, my thanks to Marie and the Committee for playing a very important role in providing independent scrutiny and assurance to the Department on the

standards of decision making and financial accuracy. This feedback is highly valued as we continue to make every effort to deliver a first class service to all.

A handwritten signature in black ink that reads "Mickey Kelly". The signature is written in a cursive, slightly informal style.

**Mickey Kelly**

Director of Pensions, Disability,  
Benefit Security and Debt

# Part 1 Background

This 2020 Annual Report on Decision Making and Financial Accuracy sets out the categorising and reporting on decision making standards within the Department for Communities (DfC). It also reports on the financial accuracy of payments for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit. The standard of Financial Accuracy for these benefits along with Attendance Allowance, Bereavement Benefit, Carer's Allowance, Disability Living Allowance, Incapacity Benefit, Income Support, Industrial Injuries Disablement Benefit, Maternity Allowance, Social Fund, and Widows Benefit is also shown in the DfC Annual Report and Accounts.

Following the introduction of the Social Security (Northern Ireland) Order 1998 the requirement for the Chief Adjudication Officer to report on standards of adjudication was removed. To help ensure transparency, it was decided to have independent oversight, and in 1999, a Northern Ireland Joint Standards Committee (the Standards Committee) for both the Social Security Agency (SSA) and Child Support Agency (later renamed Child Maintenance Service (CMS)) was set up to oversee monitoring arrangements and report on performance. Following the change in structures in May 2016, both the SSA and CMS were dissolved and their services were incorporated within the DfC. The Standards Committee includes an independent chairperson, together with two other independent members, and has terms of reference agreed by the DfC.

The Standards Committee members are:

<b>Marie Cavanagh</b>	Independent Chairperson
<b>Kevin Higgins</b>	Independent Member
<b>Ursula O'Hare</b>	Independent Member
<b>Mickey Kelly</b>	Director of Pensions, Disability, Benefit Security and Debt, Department for Communities
<b>Julie Nelson</b>	Deputy Director of Benefit Security and Debt, Department for Communities
<b>Jonathan Furphy</b>	Deputy Director, Child Maintenance Service, Department for Communities
<b>Lacey Walker</b>	Head of Audit, Department for Communities

Appendix 1 sets out the terms of reference for the Standards Committee.

## Part 2 Measurement and Sampling Methodology

The DfC Annual Report on Decision Making and Financial Accuracy for the period 1 January to 31 December 2020 (the Report) summarises the categorising results for standards of decision making and financial accuracy for social security benefits in 2020. Measurement of decision making and financial accuracy for social security benefits is carried out by Standards Assurance Unit. Decision making and financial accuracy checks are carried out using the one common random sample of cases for each benefit.

All cases from the official error sample that have had a decision made within the 12 months prior to the date the payment for the selected period was issued are checked and recorded to measure the standard of decision making.

### Categorising

Standards Assurance Unit completes the following checks on a case in the common sample:

- **Decision Making** – The categoriser checks if a decision has been made on the case within the last 12 months prior to the date the payment for the selected period was issued and if so, the case is used to measure the standard of decision making. The purpose of this check is to establish if the actual decision awarding a new claim to benefit or changing the rate of benefit in payment is correct. A decision making

error is only recorded where the incorrect decision also results in the payment being incorrect. The standard of decision making is expressed as a percentage. It is important to note that when Standards Assurance Unit reports on the standard of decision making it is only on decisions made by offices within the last 12 months so that the quality of current decision making can be assessed. It does not cover the full live load. For revision and supersession decisions, the check is based on the last business event.

The decision making check continues to examine the 4 main areas as follows:

- **evidence** – is there enough evidence on which to base a decision?
- **determination of questions** – have all relevant questions been decided?
- **findings of fact** – have the correct facts been found from the evidence available at the time of the decision?
- **interpretation and application of the law** – has statute law and case law (previous commissioner/court decisions) been correctly interpreted and applied?
- **Financial Accuracy** – The financial accuracy standard represents the estimate of the percentage of the benefit expenditure that is paid correctly. Financial accuracy is measured by considering the monetary value of each error, either

overpayment or underpayment, identified during the official error check. The monetary value of each error identified is passed to Professional Services Unit who extrapolate the figures to estimate the likely level of financial error in the live load for the benefit concerned.

All errors identified in the decision making and financial accuracy checks, including errors which do not cause a payment error, are reported back to operational managers and staff for the purpose of continuous improvement and to enable them to take corrective action. A further analysis of the financial accuracy results can be found in Part 4 of this report.

## Sample Size and Selection

### Random Sample, Confidence Level and Confidence Intervals

On a monthly basis, statisticians provide Standards Assurance Unit with a random sample of cases from across each benefit live load. This means that the sample can contain a range of cases from the oldest in the live run to the most recent. This is necessary to meet Northern Ireland Audit Office requirements to reflect the full live load. The samples provided for each benefit aim to ensure that the results of the financial accuracy exercise are to a confidence interval of no more than +/- 1% for all benefits and the results of the decision making exercise expected to achieve a confidence interval of no more than +/- 5% for all benefits.

The financial accuracy (percentage of annual benefit expenditure paid correctly) of a social

security benefit is estimated from random samples selected throughout the year.

The overall sample size required to measure financial accuracy is based on a confidence level, a confidence interval and an estimate of the financial accuracy in the benefit population. Using the weekly monetary amounts paid in error, benefit expenditure and the appropriate statistical formula, the sample size required to measure financial accuracy in 2020, at the 95% confidence level, was calculated for each benefit.

### Stratification

The financial accuracy of each social security benefit was estimated from stratified random samples of benefit cases selected throughout the year. Stratification serves to ensure that the sample is distributed over the sample in the same way as the overall benefit population. The sample therefore better reflects the population than it would have been likely to if it were selected entirely at random. For this reason, stratification acts to increase the precision of the estimates.

### Variability and Sample Size

The variability in the attribute being measured within the population is an important factor in determining the sample size required. The more variability in the population, the larger the sample size required to achieve a given confidence interval.

For example, the sample size needed to measure financial accuracy to a given confidence interval would depend on the proportion of cases paid correctly. If over

90% of cases were paid correctly, this indicates that the variability in the population is low i.e. a large majority of cases are paid correctly. However, if 50% of cases were paid incorrectly, this indicates a high level of variability in the population. This greater level of variability means that a larger sample size would be needed to achieve a given confidence interval.

The 2020 measurement programme was subject to significant disruption due to the coronavirus pandemic. In late March 2020, all measurement activity was suspended

as some staff were redeployed to support critical benefit delivery functions, and benefit review visits, which are largely face to face were suspended in line with Public Health guidelines. An amended programme recommenced in late August 2020 focusing on the areas of highest risk and highest spend and consisted of the following:

- Universal Credit Benefit Review
- Universal Credit Financial Accuracy Monitoring
- State Pension Financial Accuracy Monitoring

## Part 3 Results - Decision Making

The table below sets out the standard achieved against the decision making benchmarks for social security benefits. These results are also shown in the graph in Appendix 2 to the Report with comparison to last year's result.

Appendix 3 to the Report details the type of decision making errors made under the 4 main headings.

Benefit	Total Cases Checked	Number of Incorrect Cases	Error Rate	Decision Making Standard	Decision Making Benchmark	Variance
State Pension	32	0	0%	100%	97%	3%
Universal Credit	410	20	5%	95%	N/A	N/A

The results from the table above show that State Pension exceeded the benchmark set. As Universal Credit is a relatively new benefit a benchmark was not set in 2020.

### Decision Making Performance

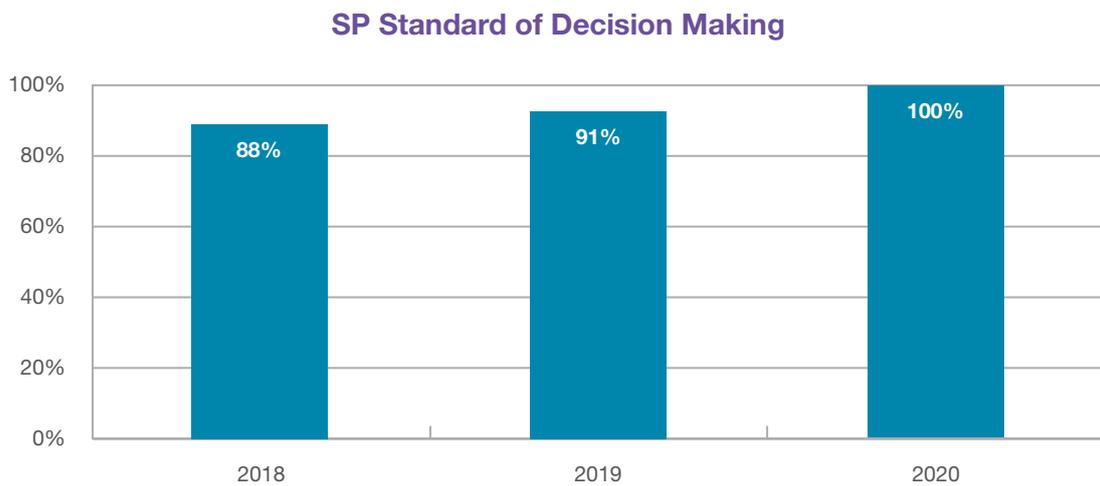
This part of the Report details the standard of decision making for State Pension and Universal Credit.

### State Pension Decision Making

To find out the standard of decision making, 32 cases were examined and all cases (100%) were correct. The decision making standard was 3 percentage points above the benchmark of 97%. The table below shows the breakdown of performance under each type of decision checked.

SP Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	19	0	0%	100%	
Revisions	7	0	0%	100%	
Supersessions	6	0	0%	100%	
<b>Overall Performance</b>	<b>32</b>	<b>0</b>	<b>0%</b>	<b>100%</b>	<b>+/- 4.8%</b>

The chart below compares decision making standard over the last 3 years.



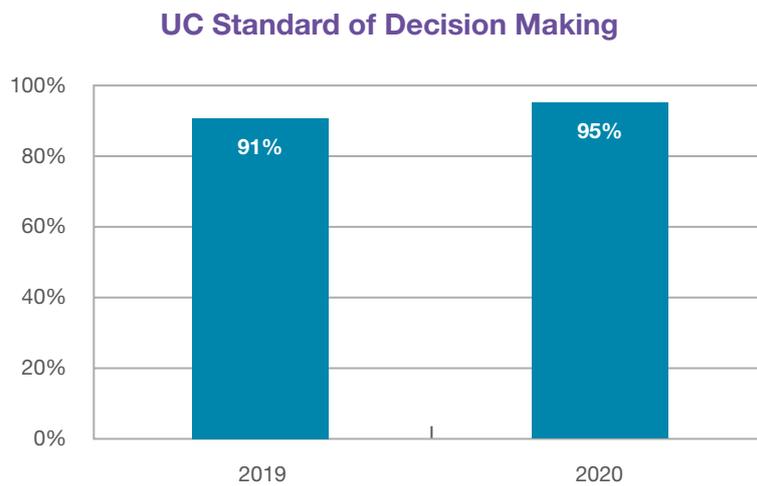
### Universal Credit Decision Making

To find out the standard of decision making, 410 cases were examined and 390 cases (95%) were correct. No benchmark available.

The table below shows the breakdown of performance under each type of decision checked.

UC Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	105	4	4%	96%	
Revisions	32	2	6%	94%	
Supersessions	273	14	5%	95%	
<b>Overall Performance</b>	<b>410</b>	<b>20</b>	<b>5%</b>	<b>95%</b>	<b>+/- 2.1%</b>

The chart below compares decision making standard over the last 2 years.



The main area of error was evidence with 6 errors (30%). The main type of error within evidence related to earnings (3 errors).

## Part 4 Results - Financial Accuracy

Financial Accuracy is the estimate of the percentage of the benefit paid correctly from an official error perspective. From April 2003 a financial accuracy target (the targets for 2020 are shown in brackets) was introduced for Jobseeker’s Allowance (99%). From April 2004 financial accuracy for State Pension (99%) and State Pension Credit (98%) was introduced. From April 2010 financial accuracy for Employment and Support Allowance (98%) was introduced and from January 2018 financial accuracy for Personal Independence Payment (95%) was also

introduced. Due to the coronavirus pandemic the number of benefits monitored was reduced as staff were redeployed to support critical benefit delivery. As a result, the areas of highest spend and highest risk i.e. State Pension and Universal Credit were selected for measurement and the table below shows the 2020 end of year performance against target and a comparison with the 2019 end of year results. Appendix 4 details the estimated levels of financial error (Monetary Value of Error).

Benefit	2020 Target	2020 Financial Accuracy Result	2019 Financial Accuracy Result
State Pension	99%	99.5%	99.6%
Universal Credit	N/A	97.9%	93.3%

The results from the table above show that State Pension exceeded the target set. As Universal Credit is a relatively new benefit a target was not set in 2020.

### Analysis of the data used to calculate Financial Accuracy for 2020

The table below shows the number of cases used to calculate the 2020 Financial Accuracy results.

Benefit	January–December 2020	
	Total Cases Checked	Total Cases in Error
State Pension	684	55
Universal Credit	432	42

# Part 5 Results - Overpayments and Appeals

## **Overpayments and Appeals**

Due to the coronavirus pandemic the 2020 measurement programme was suspended for a number of months. As a result, a reduced measurement programme was put in place from late August 2020, focusing on the areas

of highest risk and highest spend i.e. Universal Credit and State Pension.

As a result, overpayments and appeals were not monitored during 2020.

# Part 6 Department's Strategy to Reduce Error in Decision Making and Financial Accuracy

The Department's activities to reduce error in decision making and financial accuracy is overseen by a Benefit Security Board. This Board's membership comprises of a wide selection of internal stakeholders and guides the Department's priorities to address the areas of highest risk.

Against a backdrop of significant change within the benefit system including new methods of interaction with customers, the Department's Fraud, Error and Debt Strategy encompasses Customer Fraud & Error, Official Error, and Debt Management.

The Strategy is underpinned by four key principles; these are:

Prevent	Target	Correct	Recover
Minimise flow of fraud and error into the benefit system	Identify fraud and error early and stop it	Minimise over and under payments	Effectively recover overpaid benefit

Prevention of error is fundamental to the success of the strategy. Preventing error entering the benefit system impacts on the amount of money lost through overpayment of benefit and minimises the risk of underpayment of benefit to customers.

The need for a strategic approach is emphasised by the scale of transactions handled by the Department. In 2020 almost

£6.3billion was paid out in benefits. Across all benefits, staff handled 200,894 new claims as well as taking action on some 674,148 \* changes of circumstances notified by customers. This large volume of activity has the potential to allow a significant amount of error into the benefit system.

\*This figure does not include Universal Credit change of circs as there is no single measure to count change of circumstances transactions

## Official Error

The latest overall figures across all social security benefits administered by the Department show a slight decrease in loss attributable to overpayments as a result of official error – down from 0.6% of benefit expenditure in 2019 to 0.5% in 2020. The Department remains committed to doing all it can to reduce staff error and has a wide range of control mechanisms built into its system of benefit administration to ensure high levels of financial accuracy. These include extensive training and consolidation complemented by a programme of regular checks and controls to prevent potential incorrectness.

## Error Reduction Division Activity

During 2020-21 the Department's Error Reduction Division continued to direct dedicated resources within benefit offices to identify and correct error. This resourcing

funds specialist teams across the Department to perform checks on cases which, through statistical analysis, are deemed to be at greatest risk of error. It also funds activity to remove anomalies identified by matching data from various information systems. Resources are allocated to each benefit based on the level of risk, and within each benefit all cases are targeted further using risk based selection models. This approach ensures maximum impact from targeted error reduction activity. During the period 18,025 checks or case reviews were actioned, which led to the adjustment of benefit in 2,724 cases, with a total monetary value of almost £10.9 million.

# Glossary

## Attribute

An attribute is a characteristic of the case being examined. The characteristic may refer to the category a case belongs to or a numerical measure. For decision making the attribute is whether the case is correct or incorrect. For financial accuracy the attribute is the amount of money paid in error.

## Benchmarks

Benchmarks are standards set by senior management against which performance can be measured.

## Confidence Intervals

The confidence interval gives an indication of the degree of uncertainty surrounding the estimate obtained from the sample, by giving a range that the true value is likely to be within. The quoted confidence intervals are based on a 95% confidence level, which means that we are 95% confident that the true value will lie within the specified range.

## Decision Making

Decision making is carried out on behalf of the Department by decision makers. The decision maker must make a decision by considering all the evidence, establishing the facts and applying the law, including

any relevant case law, in each case. Where legislation specifies or implies discretion, the decision maker's judgement must be reasonable and made on balance of probabilities with unbiased discretion. The decision making standard represents the percentage of cases in the sample found to be correct when checked by Standards Assurance Unit.

## Financial Accuracy

The financial accuracy standard represents the estimate of the percentage of the benefit expenditure which is paid correctly.

## Standards Assurance Unit

Standards Assurance Unit is part of the Pensions, Disability, Benefit Security and Debt Directorate within the Department for Communities. Standards Assurance Unit provides a reliable and independent measure of decision making, financial accuracy and customer fraud and customer error against benchmarks and targets and assists operational staff in the drive to improve accuracy in benefit administration.

## Targets

Targets are attainable goals set by senior management for staff to achieve within an agreed timetable or to a set standard.

## Variability

The variability within a population refers to the percentage of the population with/without the attribute or the range of values in the attribute being measured. The more varied the population the larger the sample size required to achieve a given confidence interval.

## Social Security Benefits

<b>ESA</b>	Employment and Support Allowance
<b>JSA</b>	Jobseeker's Allowance
<b>PIP</b>	Personal Independence Payment
<b>SP</b>	State Pension
<b>SPC</b>	State Pension Credit
<b>UC</b>	Universal Credit

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# Key to Appendices

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<b>Appendix 1</b>	Terms of reference for the Standards Committee
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## Appendix 1

# Terms of Reference for the Standards Committee

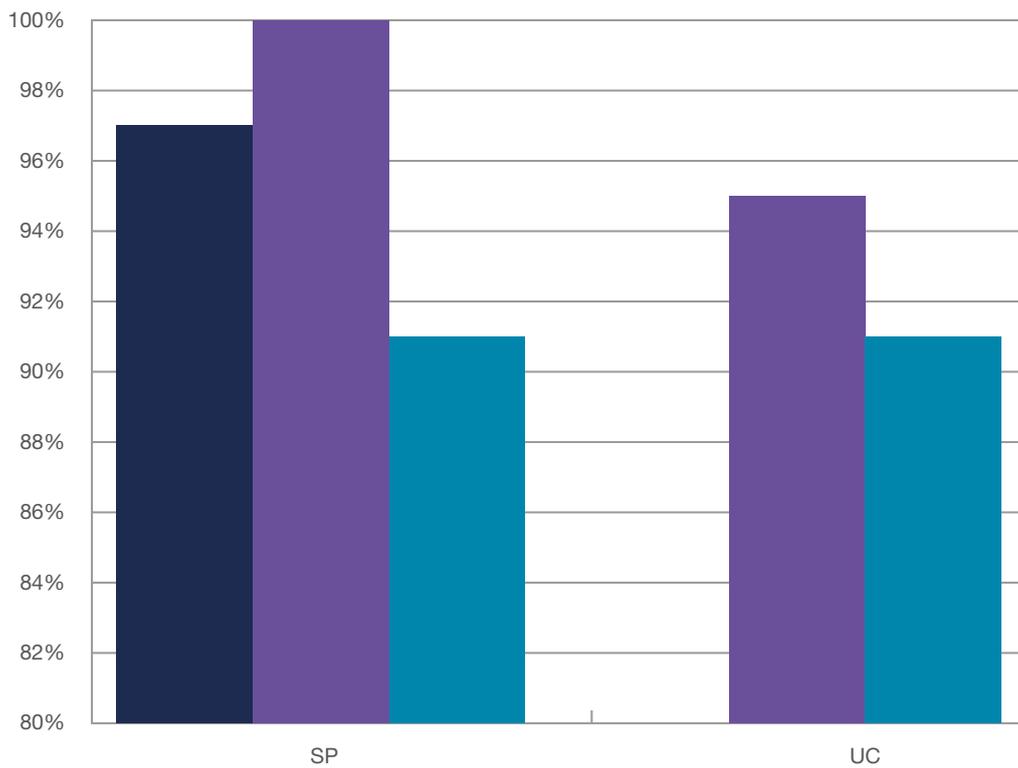
- 1 The Standards Committee will have an advisory rather than executive role. Its objectives will be to:
  - provide assurance to the Deputy Secretary of Supporting People Group that effective decision making checking procedures are in place;
  - to confirm legislation is properly applied;
  - to monitor and report performance against quality targets;
  - identify common trends relating to the quality of decision making in the Department and to highlight those areas where improvement is needed;
  - make specific recommendations on any area considered appropriate;
  - provide assurance to the Deputy Secretary of Supporting People Group that mechanisms are in place to feedback results to the Department to enable continuous improvement;
  - report to the Deputy Secretary of Supporting People Group on the operation of the decision-making process and where necessary to make recommendations for changes.

The Deputy Secretary of Supporting People Group should be free to meet the Chairperson informally and discuss issues that may arise during the year;

- provide the Deputy Secretary of Supporting People Group with an annual assurance in the form of reports on the quality of decision making in the Department and such other reports as the Deputy Secretary of Supporting People Group or the Standards Committee consider appropriate; and
  - provide assurance on the quality of decision making with the results of financial accuracy.
- 2 Standards Committee meetings will be held 4 times yearly to coincide with the reporting programmes and minutes will be taken and agreed by Committee members.
  - 3 An agenda will be prepared in advance of each meeting and circulated to Committee members for consideration.

## Appendix 2

# Decision making standards versus benchmarks: 2019 and 2020



	SP	UC
<b>Decision making Benchmark</b>	<b>97%</b>	<b>N/A</b>
<b>Decision making Standard 2020</b>	<b>100%</b>	<b>95%</b>
<b>Decision making Standard 2019</b>	<b>91%</b>	<b>91%</b>

## Appendix 3

# 2020 Type of decision making errors

Benefit	Decision making Comment Rate %	Evidence		Determination of Questions		Finding of Fact		Interpretation and Application of the Law		Total Number of Errors
		Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	
Universal Credit	5%	6	30%	5	25%	4	20%	5	25%	20

## Appendix 4

# Estimated Monetary Value of Error Information 2020 for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit

Benefit	Estimated Annual Monetary Value of Error	Overpayments	Underpayments	Total Expenditure	Estimated Financial Error Rate
Employment and Support Allowance	£25,764,577	£12,258,434	£13,506,143	£848,802,628	3.0%
Jobseeker's Allowance*	£915,894	£429,544	£486,350	£41,880,677	2.2%
Personal Independence Payment	£4,404,295	£1,720,142	£2,684,153	£900,110,412	0.5%
State Pension**	£11,923,447	£1,487,894	£10,435,553	£2,456,668,966	0.5%
State Pension Credit	£3,716,292	£2,297,216	£1,419,076	£238,963,637	1.6%
Universal Credit**	£15,242,081	£12,277,599	£2,964,482	£716,116,714	2.1%

\* includes training monies

\*\*Financial Exercise completed in 2020

No Financial Exercise completed in 2020 - MVE proxies calculated by applying each benefit 2019 percentage to 2020 expenditure.

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