10 Regularity of social welfare payments

10.1 The Department of Social Protection (the Department) is required to ensure that

- the expenditure it incurs has been applied for the purposes for which the money has been made available by Dáil Éireann, and
- its financial transactions conform with the authorities under which they purport to have been carried out.

Financial transactions are considered to be 'regular' when both of these conditions are satisfied.

10.2 Any payments that are in excess of claimants' entitlements under the terms of welfare schemes are, accordingly, irregular. Such excess payments can arise due to suspected fraud, claimant error or official error (see Annex 10A).

10.3 The level of expenditure incurred each year by the Department means that even a small incidence of error and/or suspected fraud can result in a large monetary loss to the Exchequer, which funds Vote 37 Social Protection, or to the Social Insurance Fund (SIF), which is mainly funded by social insurance contribution receipts.[1]

10.4 In the period 2013 to 2019, the Department incurred annual expenditure of around €20 billion under about 80 schemes and programmes. Reflecting the Department's response to the Covid-19 pandemic, annual gross expenditure increased to €31 billion in both 2020 and 2021 and had very significant impacts on the Department's operations.

- ***Continuation of emergency schemes:*** The Department funded expenditure totalling €8.7 billion in 2021 (2020: €9.1 billion) in relation to four schemes introduced to provide support to individuals whose income was adversely affected by restrictions imposed to reduce the impacts of the pandemic. Two of the schemes — the pandemic unemployment payment (PUP) and enhanced illness benefit (EIB) — were implemented by the Department. Two other schemes — the temporary wage subsidy scheme (TWSS) and the employment wage subsidy scheme (EWSS) — were administered by the Office of the Revenue Commissioners (Revenue), but were funded by the Department.[2]
- ***Suspension of certain scheme controls:*** The Department's compliance and anti-fraud strategy includes a comprehensive set of controls and measures aimed at preventing, deterring and detecting fraud and error. Implementation of the Department's control regime for existing schemes continued to be affected by operational restrictions imposed during 2021 due to Covid-19.

10.5 In 2021, the Department's scheme expenditure totalled €29.6 billion (see Figure 10.1), which was around the same as in 2020. In addition,

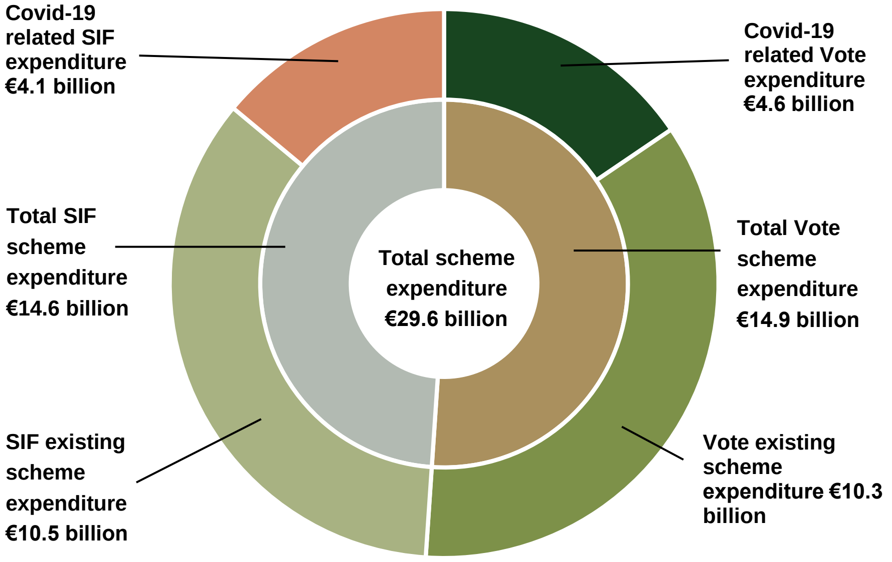
- €789 million was paid for administration expenses
- €797 million was paid over to the National Training Fund[3]
- €59 million was paid to the Citizens Information Board.

1 In 2021, 18% (€2.6 billion) of the SIF income was in the form of an Exchequer subvention paid through the Vote.

2 TWSS and EWSS legislation provided that the administration of both subsidy schemes was under the care and management of Revenue and the application of controls is a matter for Revenue.

3 Payments are made from the SIF to the National Training Fund as these are amounts collected through the employer's PRSI charge on behalf of the Department of Further and Higher Education, Research, Innovation and Science.

Figure 10.1 Vote and SIF scheme expenditure in 2021[a]



Source: Department of Social Protection

Note: a Any apparent differences are due to rounding.

Control surveys

10.6 The Department's compliance and anti-fraud strategy provides for the completion of surveys of scheme payments in order to determine the level of excess payment that is occurring. This is a key measure of the Department's success in preventing, detecting and deterring fraud and error in its scheme payments. The surveys also assist the Department in identifying scheme-specific risks and required changes to the control measures in place.[1]

10.7 The surveys involve reviews of random samples of claims in payment to establish if the recipients are entitled to the payments they are currently receiving and if so, whether the correct amounts are being paid.

Control survey methodology

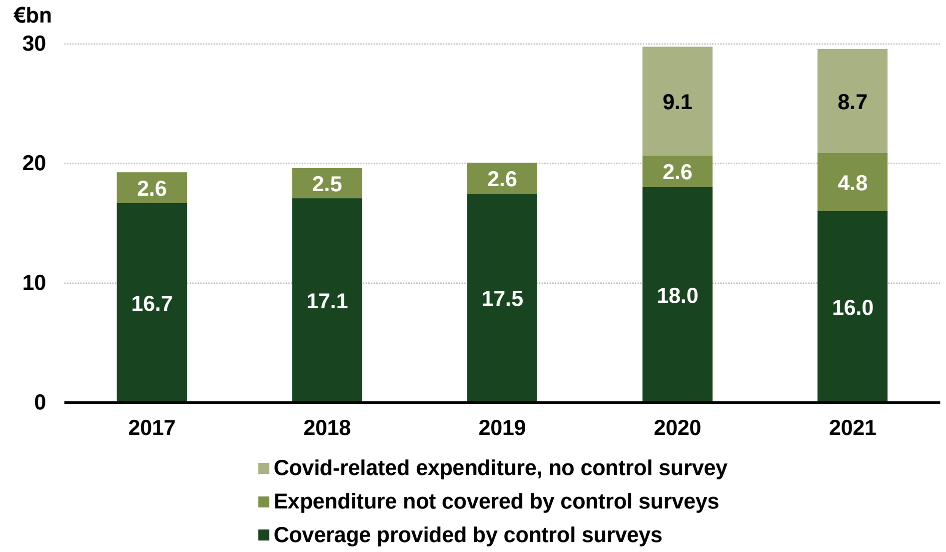
Control surveys generally review between 500 and 1,000 randomly selected claims for each scheme and aim to provide an estimate — with 95% confidence — of the level of incorrect payment at a point in time. The surveys typically capture

- the ***gross excess payment*** which is the total value of any overpayment identified
- the ***net excess payment*** which adjusts for transfers to other schemes in situations where a claimant (and/or a dependent person) was found to be paid in excess of their entitlements on the scheme reviewed, but was entitled to a different social protection payment.

The Department considers the net excess payment identified to be the more accurate measure of the level of excess payment on schemes.

1 In May 2022, the Department published the detailed methodology for control surveys at www.gov.ie/en/publication/59304-detailed-methodology-for-control-surveys-in-the-department-of-social-protection.

Figure 10.2 Coverage of scheme expenditure provided by control surveys[a]



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Coverage provided by control surveys published within the last ten years.

10.8 Just over half (54%) of the Department's total scheme expenditure in 2021 was covered by control surveys conducted during the last ten years (see Figure 10.2). This was down from 61% of total scheme expenditure in 2020, and from 87% in 2019.[1] The reduction is primarily due to the implementation of Covid-19 related schemes, in respect of which control surveys have not been undertaken.[2] In addition, the results of the control surveys published in 2012 of two high-value schemes may no longer be valid, and have therefore been removed from the analysis.[3,4]

10.9 The Department published two control surveys in both 2021 and 2022, and none in 2020. The Department stated that no control surveys were published during 2020 due to various health and safety restrictions, and additional Department workload caused by the Covid-19 pandemic. The Department also stated its commitment to publishing two control surveys per annum and to ensure that there is adequate coverage in future years.

10.10 The scope of future control surveys should consider all key risk factors. However, the forthcoming survey of the disability allowance scheme does not include a review of medical eligibility, which is a key scheme condition. The Department stated that including medical reviews would delay the time to complete the survey by up to 18 months. In addition, the Department believes the absence of medical reviews from the survey will not materially impact the survey outcome given the relatively high level of medical review decisions that are overturned on appeal — it expects the final number of cases disallowed on medical grounds to be less than 1%.[5]

Implications of control surveys for audits

10.11 Figure 10.3 shows the expenditure in 2021 on Vote and SIF schemes in respect of which control surveys have been undertaken (at least once) since 2013 and the level of irregular payment identified.

1 Control survey coverage for non-Covid-19 related schemes is 77% in 2021 compared to 87% in 2020 and 2019.

2 The Department stated that the Covid-19 related schemes were temporary and therefore a control survey of the schemes would be of limited use in relation to the amendments of scheme controls. The schemes are now closed with the final recipients transferring to standard jobseeker schemes in May 2022.

3 Disability allowance scheme expenditure in 2021 was €1,829 million. The last control survey of this scheme, published in 2012, estimated the level of net excess payments to be 4.6%. A new control survey of the scheme commenced in April 2022.

4 Jobseekers' benefit scheme expenditure in 2021 was €332 million. The last control survey of this scheme, published in 2012, estimated the level of net excess payments to be 1.6%. A new control survey of the scheme commenced in February 2022.

5 The Department noted that of 1,284 medical reviews conducted in 2022, there were only 17 disallowances (15 of which are under appeal).

Figure 10.3 Estimated level of irregular payments in schemes subject to control surveys published since 2013

Scheme (and year of publication)[a]	Scheme cost in 2021 €m	Estimated level of net excess payment[b]
Child benefit (2022)	2,090	1.4%
Jobseekers' allowance (2022)	1,567	7.9%
State pension (non-contributory) (2019)	1,083	6.5%
Carer's allowance (2018)	931	9.1%
One-parent family payment (2021)	561	5.9%
Working family payment (2016)	338	0.6%
Rent supplement (2014)	123	6.0%
Supplementary welfare allowance (BASI) (2017)	95	2.6%
Farm assist (2016)	59	12.7%
Back to work enterprise allowance (2019)	29	3.3%
State pension (contributory) (2017)	6,187	2.1%
Widow's/widower's/surviving civil partner's contributory pension (2014)	1,651	0.7%
Invalidity pension (2015)	730	1.5%
Illness benefit (2015)	571	6.0%

Vote funded schemes

Social insurance funded schemes

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Notes: a The household benefits survey in 2016 is not included because the survey only related to beneficiaries not in receipt of another welfare payment and represented only 7% of those in receipt of the benefits package. Since 2016, schemes representing a further 62% of household benefit recipients have been examined — the Department estimates the error rate in respect of entitlement to the benefits package for the schemes surveyed to be 1.3% by value.

b The net excess payment is the value of all excess payments identified less transfers to other schemes. The figures shown are the net excess payments identified in control surveys as a percentage of the total value of payments of income support included in the survey cases.

10.12 There is wide variation in the level of excess payments found by surveys.

- In relation to Vote funded schemes, estimated rates of net excess payments range from 0.6% of scheme expenditure (working family payment) to 12.7% of scheme expenditure (farm assist).
- Estimated rates of net excess payments for SIF schemes range from 0.7% (Widow's/widower's/surviving civil partner's contributory pension) to 6% (illness benefit).

Latest control survey findings

Jobseekers' allowance

10.13 In February 2022, the Department published the results of a control survey of the jobseekers' allowance scheme, which is a means-tested scheme available to those working three days a week or less, who are habitually resident in the State, and are genuinely seeking full-time employment. The survey examined 750 claims in payment in 2020 and 2021 in three batches — 250 claims in January 2020, 250 claims in November 2020 and 250 claims in July 2021.

10.14 This is the second 'rolling' survey of the jobseekers' allowance scheme that the Department has published — the previous survey was published in January 2021. The Department had stated that in future years, batches of claims will be surveyed quarterly.

10.15 The control survey found that 18% of the Jobseekers allowance claimants surveyed were receiving more than they were entitled to. The value of the overpayments was estimated at 8% of the expenditure on the sampled cases.[1] Transfers to other schemes reduced the excess payment level to a net 7.9%. This compares with a net excess payment level of 8.3% found in the previous control survey published in 2021.

10.16 The control survey also found that 5.1% of claimants were being underpaid, with the underpayments equivalent to 0.9% of scheme expenditure across the claims examined.

10.17 The report on the control survey noted the impact of the Covid-19 pandemic on scheme controls during the period examined, with staff assigned to manage pandemic unemployment payment applications, data analytics being suspended from March 2020 to November 2021, face-to-face interactions with claimants curtailed, and all new claims being paid via electronic fund transfer (EFT).

10.18 At 7.9%, the level of net excess payment detected by the survey is high. The Department outlined the steps taken to address the key scheme risks identified by the survey and to improve the controls over jobseekers' allowance (see Figure 10.4).

1 The main causes of excess payments were underdeclared means (3.9% of scheme expenditure), a failure by the claimant to provide the required information (2% of scheme expenditure) and a failure to meet eligibility criteria (1.4% of scheme expenditure).

Figure 10.4 Jobseekers' allowance — control survey findings and control changes

Scheme risk

- claimants with means other than from employment are more likely (36% of cases) to receive an overpayment than those without other means (15%)
- risk of overpayment to part-time/casual workers (31%) is twice as high as to non-casual workers (15%)[a]
- married or cohabiting claimants have a higher risk of overpayment (29%) than single claimants (11%)
- increased risk of overpayment by EFT (24%) compared to post office payments (14%)
- claimants aged over 25 have higher risk of overpayment (20%) than under-25s (6%)

Changes to the control regime

- the Department resumed data matching with real-time payslip information from Revenue in November 2021 — rules have been developed for the identification of changes in means or employment for claimants and their qualifying adults, and changes in means for casual jobseekers
- utilisation of the Special Investigation Unit to target higher risks, such as concurrent working and claiming, the shadow economy and PRSI compliance
- ensure all new applicants for jobseekers' allowance will be paid at the post office, and eventually all jobseekers to be paid through the post office[b]
- physically attending a post office or Intreo centre for certification and signing-on was reintroduced following suspension during the Covid-19 pandemic[c]

Source: Department of Social Protection

Notes: a The report concluded that while casual workers were more likely than non-casual workers to be overpaid, this is not reflected in the expenditure impact as the overpayment amount is, on average, less.

b In May 2022, the circular allowing all jobseekers to be paid by electronic funds transfer was rescinded and the prior payment arrangements were restored, including the payment of new and repeat claims only at a post office.

c The Department stated that jobseekers were required to sign on in May 2022. Targeted sign-on will be required from selected claimants as an ongoing control.

Child benefit

10.19 Also in February 2022, the Department published the results of a control survey of the child benefit scheme, which is payable to the parents or guardians of

- each child under 16 years of age
- a child under 18 years of age if in full-time education or training or who cannot support themselves due to a disability.

10.20 The benefit is not means-tested but habitual residence criteria must be satisfied.

10.21 The survey examined 600 claims in payment in May 2021. The control survey found there was a net excess payment level of 1.4% of scheme expenditure.[1,2] This compares with a net excess payment level of 0.5% found in the previous control survey published in 2013. There were no cases of scheme underpayment detected by this control survey.

1 Transfers to other schemes does not arise in the case of this scheme, so the gross excess payment and net excess payment are both 1.4%.

2 The main causes of excess payment were: family not resident in the state (1.2% of scheme expenditure); claimant failed to supply required information (0.1% of scheme expenditure); and child not residing with the claimant (0.1% of scheme expenditure).

10.22 The Department did not propose any changes to scheme controls, concluding that due to the low level risks of the scheme, the current controls will remain in place and be continuously monitored.

Recovery of overpayments

10.23 The Department may revise a benefit payment where new evidence becomes known that impacts the eligibility to, or value of, a scheme payment entitlement. Benefits may also be revised where a prior error or a suspected fraudulent claim is identified. If the revised benefit is lower than the payment the claimant had been receiving, the Department may raise an overpayment debt against the claimant in respect of prior payments.

10.24 The decision on whether to raise an overpayment is the responsibility of the case deciding officer. The Department publishes internal guidance to all staff on the assessment of overpayments, depending on the circumstances found to have led to the excess payment.

- **Customer error** — where there is no evidence that the customer deliberately or wilfully provided wrong information — the deciding officer will determine on a case-by-case basis whether a 'current date' decision (i.e. correction of future payments but no recovery of prior overpayments) or a 'retrospective' decision (i.e. raising of overpayment) is appropriate.
- **Error by an official of the Department** — the deciding officer will determine on a case-by-case basis whether a current date or retrospective decision is appropriate.
- **Fraud or concealment of facts** — the deciding officer should always make a retrospective decision. Raising an overpayment in a case of suspected deliberate misclaiming requires a high burden of proof. The deciding officer must establish that evidence provided by the claimant was false or materially misleading or that facts were wilfully concealed.[1]

10.25 The jobseekers' allowance control survey detected 135 instances of excess payment of the 750 payments examined by the survey. The examination team randomly selected and reviewed 25 excess payments cases, to establish what the subsequent action was.

- In eight cases, an overpayment was raised — full recovery was made in three of these cases; recovery is ongoing in one case; and recovery has not commenced in the remaining four cases.
- In thirteen cases, the deciding officer made a current date decision, so no overpayment was raised — in most of these instances, the claimant had previously declared means but the Department had not been informed when those means increased.
- In four cases, no overpayment was raised for a range of reasons — the claim was cancelled as the claimant did not respond to the survey; the claimant cancelled the claim shortly after engaging with the Department; the claim was reinstated after being stopped when the claimant commenced engagement with the Department; or the excess payment recorded was an official error.

1 The legislation states that the revised decision shall take effect from the date of the original decision (when misleading documents were supplied or facts concealed), but the deciding officer has discretion as to whether to raise an overpayment for periods to which the misleading information or facts withheld do not relate.

10.26 In relation to the child benefit control survey, the examination team examined all ten cases (of 600 payments examined by the survey) where an excess payment was detected by the survey.

- In three cases, an overpayment was raised — in two of these cases, the full overpayment was recovered by the Department and recovery is ongoing in the third case.
- In one case, relevant evidence was subsequently provided and the claim was reinstated.
- In six cases, an overpayment was not raised, with the payment stopped in five of these cases — the Department subsequently stated that the current address of the claimant is unknown in these cases and the last date of entitlement could not be established; if the claimant sought to reinstate the claim, documentary evidence would be sought and an overpayment raised.[1]

10.27 This examination highlights that overpayments were not raised in the majority of cases where the control surveys identified an excess payment. The rationale for raising, or not raising, an overpayment was not recorded on the case files examined at the time of the control survey. The Department stated that in April 2021 it instructed deciding officers to state clearly and to record the reason they decided to issue a current date decision instead of a retrospective decision.

10.28 The examination team also examined a random sample of ten cases from both control surveys where the Department did not detect an excess payment. The team concurred with the finding of the Department that the payments examined were not irregular.

Sample testing of pandemic unemployment payment (PUP) claims

10.29 Pandemic unemployment payments (PUP) in 2021 accounted for a charge of €4 billion on the SIF (2020: €5 billion). The payments were available both to employees and to self-employed persons whose earning was interrupted by restrictions imposed in response to Covid-19.

10.30 In a review of 219 employee PUP claimants, the audit found that for around 8% of 2021 claims examined, there was evidence that the claimant was not eligible for the payment received on the payment date tested. In two-thirds of these cases, there was evidence that the claimant was employed while in receipt of the PUP. In the remaining ineligible cases, there was no evidence that a job had in fact been lost, suggesting the claimants had not been working prior to claiming the PUP payment.[2]

10.31 A sample of 53 claims for PUP recipients in 2021 who declared themselves to be self-employed was also reviewed. In those cases, the audit found there was a significant number of cases where there was a lack of evidence on file to prove a loss of work. No self-employment returns for 2020 had been made for 23 (43%) of these cases, and in four cases (8%), there was no evidence of submission of a return for 2019.[3]

10.32 The audit also followed up on a random sample of 25 PUP self-employed cases examined for the 2020 audit, in respect of which additional information should have become available. It was found that 15 claimants (60%) had made annual income tax returns to Revenue in respect of earnings other than PUP payments in 2020. However, since these were aggregate annual returns, it was not clear to what extent income had been affected by Covid-related restrictions.

1 In the sixth case, the claimant did not respond to the control survey, but the Department had other simultaneous engagement in relation to another scheme which provided sufficient evidence of eligibility for the child benefit payment.

2 For these cases, Revenue data did not show evidence of recent employment and there was no recent PRSI contribution history. There was also no evidence of recent self-employment for the cases where there was no evidence employment had been lost.

3 The statutory filing date for income tax returns is 31 October in the year following the year of assessment e.g. 2020 income tax returns were required to be filed by 31 October 2021. However, an administrative arrangement extends the filing date for those who file online to a specific date during November each year. For the 2020 year of assessment, the extended filing date was 19 November 2021.

10.33 In 11 of the 15 cases, the returns filed indicated that the claimants' 2020 earnings had decreased relative to 2019.[1] However,

- two claimants had similar income in 2019 and 2020, despite claiming weekly PUP for nine months in 2020 (both claimed from March 2020 to mid-2021)
- another claimant reported 2020 income that was more than 50% higher than 2019 income, despite being in receipt of PUP for 8.5 months in 2020.

10.34 In ten of the 25 self-employed PUP cases examined, the claimants had not submitted an income tax return to Revenue in respect of 2020. As a result, the Department has no evidence via Revenue returns that the PUP payments made in those cases were valid. The Department stated that the failure to submit a tax return by self-employed individuals is a compliance matter to be followed up by the Revenue Commissioners. While the Department had not followed up on such cases as of August 2022, it stated an intention, in co-operation with Revenue, to identify any such cases for review from the end of Quarter 3 or start of Quarter 4 2022.

10.35 The audit findings in respect of 2021 PUP expenditure are broadly consistent with those of the 2020 audit, and indicate that the rate of irregular payment on the PUP scheme continued to be material in 2021.[2] There has been no control survey to estimate more reliably the level of irregular payment of PUP claimants.

Impact of Covid-19 on scheme controls in the Department

10.36 The estimated level of irregular payment found by a control survey is measured when the Department's control activities are operating as normal. Covid-19 impacted the Department's ability to operate some of its normal controls over its schemes when processing new applications and to conduct other control activities for claims in payment. The Department has stated that, during 2020,

- the impact of public health restrictions necessitated widespread redeployment of staff to other priority work
- restrictions on personal movement and interactions had an extraordinary impact on the labour market leading to an unprecedented increase in unemployment
- managers of scheme areas, in conjunction with the Assistant Secretary responsible, made decisions in regard to the suspension or curtailment of certain scheme controls having considered the relevant risks, and adhering as best as possible to the health and safety restrictions.

10.37 The restrictions on scheme controls continued into 2021, but during the year progress was made in reinstating controls or utilising alternative methods on some schemes.

10.38 Annex 10B summarises the changes made to the key controls over 16 schemes due to Covid-19 restrictions and the actions of the Department in 2020 and 2021 to mitigate the impact of the changes and to restore those controls. The examination reviewed the changes made to key controls and assessed the impact of these changes on the estimated level of irregular payment by scheme. We found that the continuation of restricted scheme controls in 2021 was likely to have resulted in a higher than normal risk of payments in excess of entitlement.

1 One claimant did not have earnings in 2019 against which to compare to 2020 earnings.

2 See chapter 11, *Controls over the Covid-19 pandemic unemployment payment*, Report on the Accounts of the Public Services 2020.

Controls over enhanced illness benefit scheme

10.39 The enhanced illness benefit (EIB) scheme was a new Covid-19 related scheme introduced in March 2020 and available to employees and the self-employed who could not work in the short term due to being Covid-19 positive or being medically certified to self-isolate or restrict their movements. Scheme expenditure in 2021 was €106 million (2020: €57 million).

10.40 The 2020 financial audit of the SIF financial statements found that the required recent PRSI contribution history of claimants was not checked before their claims were put into payment, giving rise to a risk of irregular payment where claimants did not meet the eligibility conditions. The Department undertook to conduct an analysis of a number of high-risk claimants on EIB to confirm their eligibility. The results of that analysis indicate that there was a low risk of EIB claims being awarded where the claimant did not satisfy the contribution eligibility requirement.

Conclusions

10.41 As a result of a range of policy responses to the challenges presented by the Covid-19 pandemic, expenditure by the Department of Social Protection increased by more than 50% in 2020 and 2021, as compared to the average expenditure level in prior years. With expenditure totalling over €31 billion in 2021, even small levels of payments in excess of entitlements to welfare can amount to significant losses of public funds.

10.42 The level of irregular payments found by the Department through its ongoing programme of scheme-level control surveys is material. While such surveys have not been undertaken in respect of the temporary Covid-related schemes, work undertaken as part of the audit of the Department's annual financial statements for 2020 and 2021 indicates that there is likely to have been a significant incidence of payments in excess of entitlement under the PUP scheme. Based on these findings, I have referred in my audit reports on the 2021 appropriation account for Vote 37 Social Protection and on the 2021 financial statements of the SIF to the material level of irregularity of scheme payments.

Control surveys

10.43 The available evidence points to a material incidence of payments in excess of the entitlements of claimants under many welfare schemes. This has been confirmed by the level of irregular payments found through the Department's most recent control surveys, on the jobseekers' allowance and child benefit schemes (published February 2022).

10.44 The amount of scheme expenditure in 2021 for which control surveys have been published in the last ten years was 54%. This was down from 61% for 2020 expenditure, primarily because of the elapse of time since surveys were last published in respect of two major schemes (in 2012): disability allowance and jobseekers' benefit.[1] The Department commenced control surveys of both schemes in 2022.

10.45 An increase in the number of control surveys completed is required to ensure that there is adequate coverage of scheme expenditure in future years. The Department has stated its commitment to publishing two control surveys per annum and to ensure that there is adequate coverage in future years.

1 Control survey coverage for non-Covid-19 related schemes is 77% in 2021 compared to 87% in 2020 and 2019.

Latest control survey findings

10.46 The Department has implemented changes to controls on the jobseekers' allowance scheme to address the risks identified in survey work carried out in 2021. The Department did not deem it necessary to amend controls on the child benefit scheme in response to the findings of a control survey of that scheme, also completed in 2021.

Recovery of overpayments

10.47 This examination has found that, for a sample of 35 of the survey cases where the Department identified an excess payment in the latest control surveys, overpayments were recorded for less than one third (11 cases). In most of the remaining cases, the deciding officer implemented a 'current date' decision (meaning that there was a payment adjustment for future payments only and there was no recovery sought of prior excess payments), or the Department concluded it did not have enough information to calculate the overpayment amount.

10.48 A perceived low likelihood of having to repay any overpayments received in the past, even if an excess entitlement situation is detected, may mean that there is little or no incentive for many claimants to keep the Department informed of information relevant to their claims.

Impact of Covid-19 on scheme controls in the Department

10.49 In 2020, Covid-19 impacted the Department's ability to operate some of its normal controls over its schemes when processing new applications, or to conduct other control activities for claims in payment. The impact on scheme controls continued into 2021, but during the year progress was made in reinstating controls or utilising alternative methods on some schemes.

10.50 The examination reviewed the changes made in 2021 to the key controls over existing schemes and assessed the impact of these changes on the estimated level of irregular payment for 16 schemes that account for the majority of the Department's normal expenditure.

10.51 The changes in the Department's control activity in 2020 due to Covid-19 restrictions were considered in the short term, and in the circumstances brought about by the pandemic, to be unlikely to have increased the level of payments in excess of entitlements. However, the continued reduction of normal scheme controls into 2021, when restrictions in the economy and in society are removed, increases that risk. Normal scheme controls should therefore be fully restored as soon as possible, prioritising those where the remaining risk is greatest.

Annex 10A

Categorisation of irregular payments

- **Suspected fraud** — where it is suspected that a claimant for welfare payments intentionally provides incomplete or inaccurate information in relation to a claim, or deliberately fails to inform the Department of relevant changes in circumstances (such as an increase in means or a change in medical condition) affecting a claim in payment.
- **Claimant error** — when the claimant has provided inaccurate or incomplete information, or failed to report a relevant change in circumstances, but there is no fraudulent intent on the claimant's part.
- **Official error** — where benefits are paid incorrectly due to inaction, delay or mistakes made by the Department's staff.[1,2]

1 In some cases, claimant and official error can also result in claimants receiving less than they are entitled to (an underpayment).

2 Where the last review of a claim was conducted more than five years previously (or three years previously for working age schemes), excess payment is categorised as an official error.

Annex 10B

Figure 10B.1 Changes to key welfare scheme controls by scheme

Scheme (2021 expenditure)	Changes to key controls over schemes
Pensions	
State pension contributory (€6.2 billion)	All key controls in place from June 2021. From March 2020 until May 2021, the Department suspended reviews of eligibility for non-resident claimants, which is deemed the highest risk type of claim. Under the Department's normal control regime, one fifth of non-resident claims were reviewed annually, equating to approximately 10,000 reviews. In 2021 the Department conducted 10,700 reviews.
Non-contributory State pension (€1.1 billion)	Controls improved relative to 2020, but not all key controls were in place in 2021. Just over half of the planned (12,000) control reviews were conducted in 2020. This increased to around 10,500 reviews in 2021 which is more than the 7,500 planned reviews. A standard control is that 5% of cases be desk-reviewed by Social Welfare Inspectors. This control was suspended during 2021 and resumed in February 2022.
Widow's/ widower's/ surviving civil partner's contributory pension (€1.7 billion)	Controls improved relative to 2020, but not all key controls were in place in 2021. In 2020 claimants aged over 70 were excluded from the continuing eligibility reviews. All age cohorts were included in control reviews in 2021. In 2021, sixteen control reports were not run at the normal frequency. The Department stated that the priority was to process all new claims within six weeks.
Working age income support	
Jobseekers' allowance (€1.6 billion) and Jobseekers' benefit (€0.3 billion)	Controls improved relative to 2020, but not all key controls were in place in 2021. From mid-March 2020, due to restrictions on personal movement, applicants submitting new claims were not required to be SAFE2 registered (identify verification process). In the absence of SAFE2 registration customers had to provide photo ID and proof of residence. Bringing customers to SAFE 2 registration recommenced in April 2021. At the end of December 2021, around 3,200 Jobseekers' Allowance and 3,200 Jobseekers' Benefit claimants were not SAFE2 registered. In 2021, the Department conducted 65,000 control reviews, compared to 129,000 in 2019. In addition, quality control checks for jobseekers' allowance were not completed on a timely basis during 2021.
One parent family payment (€561 million)	Controls continued to be impacted — there was no material improvement in controls in 2021. A scheme control is that each claimant must complete a self-declaration of continuing eligibility — in 2020 and 2021, no such reviews were conducted. However, the Department did conduct over 27,000 control reviews, which is more than half of all recipients, in both 2020 and 2021. The Department restored its policy to review all One Parent Family Payment claims yearly in March 2022.
Maternity benefit (€267 million)	All key controls were in place from May 2021. During 2020, quality control checks to ensure accuracy of processing of new claims were carried out by a lower grade member of staff, at a reduced level and conducted later than normal. From early March 2021, staff at the appropriate grade completed the quality control checks and all backlogs were cleared by the end of April 2021.

Figure 10B.1 Changes to key welfare scheme controls by scheme (continued)

Scheme (2021 expenditure)	Changes to key controls over schemes
Working age employment support	
Community employment (CE) programme (€320 million)	Amended scheme controls to mitigate the impact of the pandemic were implemented during 2021. From mid-March 2020, due to restrictions on personal movement during lock-down periods, CE participants and supervisors were paid without having to attend their places of work. Commencing in January 2021 the Department implemented a remote monitoring process, with schemes that were not monitored during 2020 being prioritised. On-site monitoring has since resumed where it is safe to do so. A blended model, part on-site and part remote, is now in operation.
Supports for children	
Child benefit (€2.1 billion)	Controls improved relative to 2020, but not all key controls were in place in 2021. From mid-March 2020, all new claimants were required to submit their birth registration documentation online or by post. The Government discontinued this temporary provision in September 2021. The number of control reviews conducted in 2019 was 242,000 — in 2021, only 170,000 were conducted (237,500 were planned). A requirement to provide a certificate that children remained in education after turning 16 was suspended from March 2020 to September 2020 and ran at a reduced level (just under 70,000 certificates were issued) until June 2021 when it resumed full operation.
Back to school clothing and footwear allowance (€52 million)	Controls continued to be impacted — there was no material improvement in controls in 2021. A low level of quality control inspections were conducted — less than 1% of the 27,000 claims — just over 2% of claims were inspected in 2020. The requirement for a means assessment was extended from every three years to every five years.
Illness, disability and carers	
Disability allowance (€1.8 billion)	Controls improved relative to 2020, but not all key controls were in place in 2021. Means reviews commenced in January 2021 and were conducted on 5% of claimants in 2021, compared to none in 2020 and 7% in 2019. Fewer than 500 of 3,000 cases selected by the business analytics unit were reviewed. Medical reviews were not conducted in 2020 or 2021 (1,000 were planned in 2021) — medical reviews recommenced in January 2022. Data matching exercises were delayed and targeting cases by exception reporting were suspended through 2021.
Carer’s allowance (€931 million) and carer’s benefit (€48 million)	Controls continued to be impacted — there was no material improvement in controls in 2021. Normal data matching exercises were not conducted during 2021. No medical reviews were conducted during the year. In 2019, 892 intelligence-led reviews were conducted — in 2021 only 72 such reviews were conducted. The number of Carer’s Allowance reviews completed for 2021 was 4,275, compared to 4,100 in 2020. To the end of June 2022, the number of reviews completed was 5,400.

Figure 10B.1 Changes to key welfare scheme controls by scheme (continued)

Illness benefit (€571 million)	Amended scheme controls to mitigate the impact of the pandemic were implemented during 2021. There were no in-person medical assessments conducted from March 2020. Telephone assessments commenced in June 2020, which the Department considers a robust mitigating control. In 2021 the Department conducted 1,892 telephone assessments (2020: 1,357), which found 21% of claims reviewed were ineligible. In 2019, the in-person medical assessments found 12% of claims reviewed were ineligible.
Other schemes	
Rent supplement (€123 million)	Controls continued to be impacted — there was no material improvement in controls in 2021. Standard controls over this scheme include checking that the claimant must have been paying rent for six months in the property (to ensure rent was within means) and conducting home visits — these controls were suspended from mid-March 2020 and remained suspended through 2021. The six-month requirement was reintroduced in March 2022 and home visits recommenced in February 2022.
School meals (€58 million)	Controls continued to be impacted — there was no material improvement in controls in 2021. As at the end of 2021, no quality control checks were conducted in relation to 2020 or 2021 expenditure. The Department stated that these control checks were completed in 2022. Onsite inspections of 400 schools in relation to 2019 expenditure was scheduled in 2020, but were not completed until 2021. The 400 onsite inspections related to 2020 expenditure, which should have occurred in 2021, were not conducted – the reviews are due to commence in September 2022.

Source: Analysis by the Office of the Comptroller and Auditor General