



## Executive Advisory Body

<b>Date of Meeting</b>	18 April 2023
<b>Subject</b>	Error Report – Quarter 3 2022-23
<b>Agenda No.</b>	36
<b>Paper No.</b>	36.4(c) – Below the Line
<b>Prepared By</b>	REDACTED
<b>Purpose</b>	Monitor

### 1. Background

- 1.1. The attached report details Error activities undertaken by Social Security Scotland's Fraud and Error Resolution Unit throughout Quarter 3 of the 2022-23 operational year. The report covers errors which have come to our attention only.

### 2. Key Points

- 2.1. Due to increases in award values and a 18% increase in clearance within the Interventions Team, the monetary value of overpayments corrected increased 50% and underpayments corrected increased by 3% this quarter.
- 2.2. REDACTED
- 2.3. REDACTED

### 3. Conclusions / Recommendation

- 3.1. The Committee is asked to review and comment on progress made by Error Resolution during Quarter 3 of 2022-23.
- 3.2. The Committee is also asked to comment on the format changes made to the report; and to confirm whether that they are content with approach to have a separate Error report; with the level of detail offered; and on whether they wish to continue to receive this information on a quarterly basis.



## Part 1: Error Performance

Key points for the Committee are shown below, with further detail provided within Annex A.

- Quarter 3 saw an **18% increase in total volumes of errors corrected** - underpayments reduced by 5% and overpayments increased by 35% in comparison with the previous quarter.
- **Monetary value of underpayments corrected increased by 3% and overpayments corrected increased by 50%**. This was anticipated due to uprating of benefit entitlements.
- Best Start Foods continues to have highest rate of error expressed as a percentage of benefit expenditure, but Scottish Child Payment is highest by total monetary value

**Official Error (Human) classification was the largest cause of underpayments.** This is contrary to trends in recent quarters. REDACTED

- **Client Induced Error classification continues to be the largest cause of overpayments** and has grown by 50% in comparison with the last quarter.
- REDACTED
- We further developed **our analysis of the undeclared change of circumstances root cause**, to draw more insight and share findings with Case Maintenance and Change of Circumstances programme workstreams.
- REDACTED
- **Payment exception** rate (including bulk exercises) **was 0.34%** in Quarter 3

**During Quarter 3 a total of 1,884 error cases were identified and corrected by the Fraud and Error Resolution Unit, which was an increase of 18% compared with the previous quarter. We corrected 688 underpayments with a value of £79,986 - a decrease in volume of 5%, but a 3% increase in monetary value. In addition 1,196 overpayments with a total value of £183,245 - an increase of 35% by volume**



**and 50% by monetary value respectively - were corrected. All underpayments identified have been paid to clients.**

The table below details corrected error rates, with the monetary value of corrections expressed as a percentage of benefit expenditure (and rounded to 1 decimal point.) Please note these are indicative only as benefit expenditure values have still to be finalised.

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## **Part 2: Building Capability and Capacity**

### **Technology and Systems**

During Quarter 3 changes to the Interventions approval processes were developed and tested to allow targeted checking for staff that had successfully completed a Line Managers Assurance process. This will be deployed into live early in Quarter 4, and will streamline processes for Interventions colleagues, reducing average time taken when processing cases.

Workshops have been taking place throughout Quarter 3 to develop requirements for the forthcoming new payments and accounting system that is being introduced across Scottish Government. REDACTED

We are engaged closely with the Programme and Finance Project to obtain an early understanding of impact on these changes and future resource requirements for delivery.

### **Recruitment and Training**

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The 8 Interventions Officers recruited in Quarter 2 have now completed their formal training and consolidation. Additional support continues to be provided from more experience colleagues.

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In Quarter 3, a ring fenced Learning and Leadership resource was secured for Fraud and Error Resolution requirements. As a result, we have been able to prioritise the development of a formal learning routeway for Interventions Officers that encompasses the complexity of error correction cases and associated processes. The brief which covers all Low Income Benefits, is expected to be signed off in Quarter 4. REDACTED Payment Resolution recruited 3 staff in Quarter 3 REDACTED and these colleagues have now completed their training and consolidation. REDACTED

### Annex A

## Detected Error Performance – Further Detail

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### Underpayment Errors

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## Analysis of Detected Underpayments – Classifications and Root Cause

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### **Data Matching Exercise – Residency cases**

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### **Sampling Exercise – Scottish Child Payment Expansion**

REDACTED

### **Payment Correction Cases – Housekeeping Exercise**

REDACTED

### **Disability Benefits**

REDACTED

## **Payment Resolution**



Throughout Quarter 3, a total of 1,094,167 payments were issued by Social Security Scotland. Payment Resolution processed 1,170 individual payment exceptions, giving an exception rate of 0.11% by volume. REDACTED

Manual payments are where payments cannot be issued through the system due to case faults or user error and are referred to Payment Resolution for team to resolve. In Quarter 3, the vast majority of manual payments were due to system (103) and procedural (321) errors.

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Analysis of System and Procedural errors from Quarter 3 that resulted in manual payment requests show that the majority were due to issues with uploading values onto Best Start Foods payment cards. However, there were some issues identified in Disability Benefits that require manual payments until functionality can be introduced in system releases planned for 2023.