

Inspection of the Benefit Investigation Service of the Social Security Agency

**A follow-up review of the May 2006
inspection recommendations**

May 2008





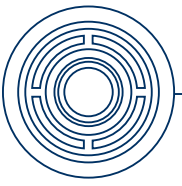
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Criminal Justice Inspection
Northern Ireland
a better justice system for all







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List of abbreviations

AMB	Agency (SSA) Management Board
BIS	Benefit Investigation Service (within SSA)
CJI	Criminal Justice Inspection Northern Ireland
DSD	Department for Social Development
DWP	Department for Work and Pensions
FLO	Fraud Liaison Officer
FPU	Fraud Policy Unit
GMS	Generalised Matching Services
IGT	Intelligence Gathering Team
MoU	Memorandum of Understanding
PiNS	Professionalism in Security
PPG	Programme Protection Group
PPS	Public Prosecution Service for Northern Ireland
SLA	Service Level Agreement
SSA	Social Security Agency



Chief Inspector's Foreword

I welcome the positive response from the Social Security Agency (SSA) to the various recommendations in my original report of May 2006. While this follow-up review has found progress being made in relation to all recommendations, a few areas have been slower to progress than others, mainly due to the requirements of policy development and implementation and inter-agency working. The effectiveness of the development work undertaken will become increasingly transparent as more cases progress through the criminal justice system.

In particular Inspectors were pleased to see evidence of improvements, particularly the development of systematic means of identifying the risk of benefit fraud, based on intelligence gathered from its activities; such learning is vital if the Agency is to maintain a rigorous effort to tackle fraud.

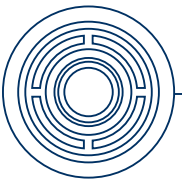
Based on the evidence submitted and follow-up interviews, Inspectors found 15 of the 18 recommendations have in the main been satisfactorily achieved, one recommendation has been set aside and two recommendations require some further work. Within this report we have highlighted areas where progress or further actions are required to fully achieve the desired outcomes. In particular, more needs to be done to secure the 'gateway' to social security benefits by transferring learning from counter fraud and Programme Protection Group activities. Identifying the causes of fraud and error and developing better controls of benefit claims are a central theme for delivering the objectives of the SSA's fraud and error strategy.

I recognise that some of the expected results will take a longer time to mature; due to the nature of counter-fraud work it takes time to apply the improvements and for them to have the necessary effect. In addition, completing often complex investigations and referring them for prosecution needs due care and attention and it may be 2008-09 before Benefit Investigation Service (BIS) can fully evaluate much of what has been achieved to date. Once the full lifecycle of enforcement events has been completed, and a significant volume of cases have been evaluated, BIS will be better able to fully assess its strategy and achievement of operational objectives.

The Inspection Team led by John Shanks appreciated the support of SSA staff in facilitating the conduct of this follow-up review.



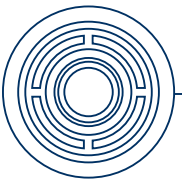
Kit Chivers
Chief Inspector of Criminal Justice
in Northern Ireland
May 2008



Section



Follow-Up Review



Introduction



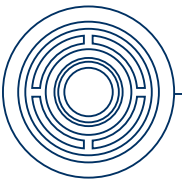
In May 2006 Criminal Justice Inspection Northern Ireland (CJI) published a report entitled *Inspection of the Benefit Investigation Service of the Social Security Agency*, which made a total of 18 recommendations for improvement structured into four themes:

- Leadership and Accountability;
- Partnership Working;
- Organisational Learning; and
- Delivering Results.

This follow-up review forms part of the CJI 2007-08 inspection programme. It focused upon a review of the action plan submitted by the Social Security Agency for Northern Ireland (SSA) as documented in Part 3 of the report. CJI reviewed evidence files collated by SSA and carried out interviews with key staff to validate progress against each of the recommendations.

Recommendations have been assessed as having been achieved or not achieved based on results or progress in implementing the agreed tasks at the time of the follow-up fieldwork during January 2008.

From discussions with senior management CJI recognised that, due to the nature of the work, the lifecycle of current fraud investigations may not yet have matured sufficiently to facilitate a full evaluation of effective outcomes. Management in the Benefit Investigation Service (BIS) acknowledged that it will be important to learn from its experience through regular evaluation of its approach and results, to ensure that it is able to fulfil its obligations to tackle benefit fraud and play a full part in the criminal justice system in Northern Ireland.



Progress on recommendations



Leadership and Accountability

Recommendation 1.1

The SSA should assess and prioritise how best it can enhance public confidence through accurate and timely reporting of the progress being made in countering benefit fraud.

Status: Achieved

BIS provided compelling evidence of its efforts to publicise the results of fraud prosecutions and raise public awareness that benefit fraud is a crime. We previously reported on its general *'It's a Rip-off campaign'* and the increased media interest that this generated together with success in maintaining the profile of counter fraud efforts in local newspapers and television. The gathering and publicising of results is more systematic and increased efforts to promote an anti-fraud culture have shown some success as measured by surveys carried out by MORI. The SSA commissioned a MORI poll in March 2005 with subsequent polls in July 2005, and May 2006. The results of the polls showed an increase from a baseline figure of 34% to 39% and then 48% of respondents that felt very or quite well informed about benefit fraud. The results further showed a

decrease from 23% in July 2005 to 7% recorded in May 2006 on the number of respondents who have not seen or heard advertising relating to benefit fraud.

Although general publicity had reported on successful fraud prosecutions, BIS had missed some opportunities to report its wider successes in achieving other sanctions such as administrative penalties (fines) and cautions. Its public awareness can be enhanced, and the public better informed, if these other results are also regularly reported.

While public surveys showed that the *'It's a Rip-off campaign'* had been successful in raising public awareness of benefit fraud, senior management in BIS agreed that there had been no measure of public confidence and that this area will be included in future surveys.



Recommendation 1.2

The SSA needs to review with BIS Management the appropriateness and robustness of targets to deliver the optimum level of criminal sanctions in proven benefit fraud investigations and to report results in a clear and consistent manner.

Status: Achieved

In response to this recommendation, BIS carried out a review of its business and developed a specific focus on ‘criminal sanctions’ to improve the return on the investigative effort. It developed clear terms of reference for staff supported by a mission statement, and a series of high level objectives for its three-year Business Plan. It also engaged Departmental statisticians to develop a systematic model for selecting cases for investigation. This systematic approach has provided a much better means of managing its workload and diverting other non-fraud work to the Programme Protection Group (PPG). BIS has developed an appropriate and well-founded method for managing its business and reporting results in a regular and consistent manner.

Recommendation 1.3

An SSA Fraud Response Plan should be developed, communicated and incorporated within training across the Agency, to raise awareness of roles and responsibilities and to emphasise the corporate commitment to counter-fraud policies and initiatives.

Status: Achieved

In the first inspection we found evidence of a Department for Social Development (DSD) Fraud Response Plan but no such plan existed within the SSA. In this follow-up review, we found that the SSA had developed an Internal Fraud Response Plan – to cover the risks of fraud in internal operations, and an External Fraud Response Plan – to cover matters relating to the risks of fraud entering the benefits system.

These documents provide useful advice and guidance to staff across the SSA when they suspect that fraud has occurred. The onus is now on the SSA to ensure that the plans are kept up-to-date and continue to address the current and emerging risks of benefit fraud. It will also be important that the Fraud Response Plans feature in the regular fraud education and awareness exercises, referred to elsewhere in this report.



Recommendation 1.4

To enhance accountability, the SSA needs to adopt a more holistic approach to manage counter-fraud efforts to ensure that BIS operations and benefit administration are more integrated in terms of planning, performance targets and priorities, to support the delivery of counter-fraud strategic objectives.

Status: Achieved

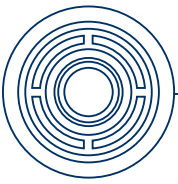
Tackling fraud and error is an SSA-wide responsibility and seen as one of the SSA's five key strategic objectives. We mentioned earlier the work done by BIS to focus its business clearly on 'criminal sanctions'. This development is aligned with the work done by the SSA to develop the role of the PPG to tackle areas of incorrectness in benefit claims. There is an obvious link between the two groups, and a fundamental requirement that each is aligned and understands their common goals, objectives, and how their respective efforts contribute to the strategic intent. We were pleased to find some significant achievements in BIS and PPG working more closely together. Each has a systematic means of selecting work based on statistical models and shared objectives to identify the causes of fraud and error.

These positive developments are still in their early stages and while they show promise, it is rather early to draw firm conclusions on whether the objectives have been met. It will be particularly important to learn the causes of fraud and error and for that learning to be translated into better controls in the administration of benefits. Encouragingly, senior management has committed to learning the lessons from

early experience and to continue to develop the approach in each business area to ensure close alignment and achievement of results, and seek ways to make improvements across the Agency.

We found that the role of the Fraud Liaison Officer (FLO) had been developed since our previous inspection, and that this role had been recognised as crucial to achieving closer working between BIS and benefit administrators. We discuss some of the related issues elsewhere in the report.

An area that still needs further development is the relationship between BIS and decision makers in SSA. One of the regional counter fraud teams trialled an approach where a decision maker was based with the fraud team to provide advice on evidence required to determine overpaid benefit, and also to calculate overpayments before cases were submitted for prosecution. This had been a poorly performing area over the years and the trial proved an outstanding success. Fraud investigators reported that the immediacy of advice provided by the decision maker had been invaluable, and that the time taken to reach decisions could be measured in a small number of days, compared to previous experience of decisions taking a number of months. We would encourage the SSA to support the findings of this initiative and find ways to improve performance and consistency across all districts along the lines of the successful trial.



Recommendation 1.5

BIS Management should identify in its reports to the Agency Management Board (AMB) key risks, accurate statistical reports, priorities, options and solutions to aid decision making and provide assurance that actions accord with the strategic intent.

Status: Achieved

The work to develop its business focus and identify the risks of benefit fraud, assisted by the introduction of the statistical model, has done much to ensure that BIS can report accurately and regularly on its achievements. We found good evidence of regular and informative reports to senior management about the progress BIS was making in achieving its business targets and objectives. The results are aligned with the strategic intent and supplemented by periodic 'assurance certificates'.

There was also evidence that the Operations Director reported key issues in relation to benefit fraud, programme protection and business developments to the AMB, together with an options appraisal and recommendations for further improvements to business.

Management reports and AMB papers are available to staff so ensure that the issues and decision-making processes are transparent.

Recommendation 1.6

The SSA and BIS need to develop a formal counter-fraud education and awareness programme across the Agency, informed by an up-to-date understanding of fraud intelligence and results to ensure that staff recognise their responsibilities and duty to prevent fraud entering the benefits system.

Status: Achieved

In our previous inspection we found a lack of structure to the framework being used to deliver counter fraud messages to staff. There was also some doubt about the continuing role of the FLO due to increasing pressures on the SSA budget.

In this follow-up review, we were pleased to find that the role of the FLO had been confirmed and enhanced. SSA Management have confirmed the need for BIS and benefit administration to be integrated as much as possible and sees the FLO as a key means for facilitating that closer working. Inspectors also found a more comprehensive central programme with visible components including: policy statements, fraud response plans, counter fraud posters and 'beating fraud is everyone's business' flyers and desk aids.

Consistency in approach and information/communication needs require to be formalised to realise the real benefit of counter fraud and awareness programmes. The FLOs have a job description and a general appreciation of the function although they do not have action plans to guide their efforts. Some regularly visit local offices and sometimes provide comment at 'team time' meetings.



Management also told us that there had been difficulties with high turnover of staff and most of the current FLOs had not been experienced in the role. The lack of a formal programme will not help (inexperienced) FLOs to keep the anti-fraud message consistent or fresh. We found that there were 10 FLOs across the SSA, four in central units and six in districts. In the period to summer 2007, FLOs were engaged in delivering presentations to all staff across the SSA to raise awareness of benefit fraud. While we commend the effort, it could be enhanced by a more regular and systematic education and awareness programme.

The initial series of presentations had been informed by some summary results from fraud investigations and the value of this is recognised although it depends on the regular review of results before sharing them with SSA staff. FLOs need to be provided with regular summaries of results and, more importantly, with local case studies providing more information on the outcomes of certain investigations, to capture staff interest and maintain a high profile on counter fraud work.

Recommendation 1.7

BIS Management should ensure that there is regular and systematic analysis of results and intelligence gathered to identify trends in benefit fraud and associated emerging risks. The analysis should also contribute to the development of business targets, allocation of resources and the continual improvement of performance, ensuring a maximum return for the application of fraud specialist resources.

Status: Achieved

We reported earlier that BIS had engaged statisticians to develop a systematic model for selecting those cases most likely to result in a fraud sanction. Statisticians told us that they had met with BIS Management in the summer and autumn of 2006 to discuss the design of the model. This was followed by research in Department for Work and Pensions (DWP) and discussions with DWP statisticians in London to inform the development. BIS carried out a review to learn from experience the main causes of fraud and, while this intelligence was limited to historical data for the period 1 April 2003 – 14 June 2006, statisticians had used it to develop the risk-based model.

Business targets were also reviewed and centre on 'criminally focussed' investigations and the allocation and targeting of specialist fraud investigation resources. BIS Management also told us that the SSA had shown its commitment to tackling benefit fraud by allocating additional fraud investigators bringing the resource level to 102 investigators.





While there are early signs that the statistical model has improved the sifting and management of workloads, the nature of fraud investigations means that it takes time for casework to be processed. Thus, it is too early for BIS to conclude that the model has met the objectives and that performance has improved. In addition, BIS confirmed that it intends to keep results under review and modify the model as appropriate in consultation with the statistician on a regular basis.



Partnership Working

Recommendation 2.1

Immediate work needs to be carried out to complete and formalise a protocol between BIS and the PPS to clearly establish the terms of engagement, quality standards (particularly in evidence requirements) and consistency in approach for staff in both organisations.

Status: Not Achieved

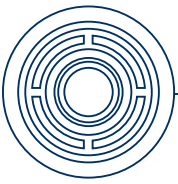
BIS Management informed Inspectors that discussions with PPS had been on-going for some time and were now at an advanced stage. It was reported that there were several pertinent issues still to be resolved and PPS had expressed some concern about the likely increased volumes of referrals and its capacity to process them. BIS staff are keen to finalise the agreement and it was expected that each party would sign the protocol when the additional consultations had been completed. This recommendation cannot be achieved until negotiations are complete and the protocol is signed and operational.

Recommendation 2.2

In addition, the SSA should consider the need for BIS to have direct access to a legally qualified and experienced person to lead the Prosecutions Team, be available to give legal directions to staff, oversee each case being prosecuted, and enhance liaison with the PPS.

Status: Achieved

BIS Management confirmed that it had consulted with the Public Prosecution Service for Northern Ireland (PPS) and taken advice from Departmental Solicitors in response to the recommendation, and had decided to appoint a specific officer at EO1 grade with direct responsibility to obtain legal guidance on all relevant matters. This officer's duties includes liaison with PPS, as well as seeking legal support and guidance from DSD solicitors, when necessary.



Recommendation 2.3

As part of the development of its working arrangements with principal stakeholders, BIS Management should consider the range and adequacy of targets in relation to quality and timeliness of investigations and their ability to meet common objectives.

Status: Achieved

We confirmed with BIS Management that it had reviewed all existing Service Level Agreements (SLA) and Memoranda of Understanding (MoU) to ensure their adequacy and completeness and to update them in line with the new approach to managing counter fraud activities. Some detailed work had been done, based on a growing understanding of counter fraud intelligence, to identify appropriate targets for the throughput of work, particularly in relation to submitting cases for prosecution. For example, management targets are set for preparing investigations, carrying them out, preparing prosecutions and submitting cases to PPS. In addition, quality checks are now carried out at key stages to ensure the correct evidence and all relevant actions have been completed before next actions are taken. While the protocols with PPS have still to be completed, there is a clear intent to agree common standards and targets and a core set of shared objectives.



Organisational Learning

Recommendation 3.1

BIS Management should ensure that the development of new procedural guidance is a priority and is available to all staff. It is also important that consideration is given to securing adequate resources to review and update this specialist guidance when required.

Status: Achieved

An extensive exercise to update procedural guidance for BIS staff had been completed and made available to staff on the intranet. We examined the guidance and, with a couple of exceptions, it was up-to-date. FPU is responsible for maintaining the guidance and there was evidence that this was done. Fraud staff confirmed that they make use of the guidance. Inspectors were provided with the revised Sanctions Policy which includes a Prosecutions Policy and staff confirmed it provided focus and direction for their case file work.

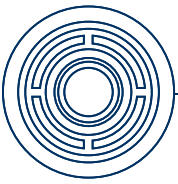
Recommendation 3.2

BIS should review the skills, competencies and experience needed for its operations and perform an up-to-date training needs analysis to ensure that all staff are adequately supported to meet the requirements of their jobs.

Status: Achieved

In line with the changes made to its business focus, BIS carried out a training needs analysis and considered the skills, competencies and experience needed by staff to fulfil their duties. Professionalism in Security (PiNS) is still the central approach to training fraud investigators and has been developed to meet some specific needs in Northern Ireland. Training is delivered by trainers from England so the timing of training events is not always able to meet individual needs. In addition the Intelligence Gathering Team (IGT) staff receive training on the job as well as specific instruction on the use of Fraud Act and other legislation.

Performance is reviewed during the annual performance appraisal process and staff agree their performance development plan with managers. This process had been found to fail for some staff we spoke to during the previous inspection, but we were pleased to find this time that staff confirmed that their performance was reviewed as expected.



Recommendation 3.3

BIS Management should seek other opportunities to gather regular and systematic feedback from its customer base to help measure any changes in public perceptions and learn how processes, performance and services could be improved.

Status: Achieved

Evaluation of the MORI surveys following the *'It's a Rip-off campaign'* had shown an increasing public awareness of benefit fraud, and growing acknowledgement that benefit fraud is not acceptable (see information at 1.1). BIS has also made efforts to identify other sources of feedback from its customer base. It has shown some initiative to engage with those people subject to fraud sanctions to seek feedback about how they felt they had been treated. This is innovative and should be extended to learn more about the causes of the fraud, the motivations of those attempting to cheat the system, and develop ways to combat those risks in the future.

BIS Management told us that the SSA had still to approve a future benefit fraud publicity campaign to maintain the public profile which would depend on business priorities and budget pressures. The SSA needs to give serious consideration to building on the successes from the earlier publicity campaign, to maintain a high public profile and continue to improve public perceptions that benefit fraud is a crime and, most importantly, that the SSA and BIS takes its responsibilities seriously and the public can be assured that every effort will be made to fight benefit fraud.


Recommendation 3.4

BIS Management needs to ensure that lessons learned from counter-fraud experience are shared with benefit administrators to improve the security of the benefit system.

Status: Not Achieved

Inspectors found evidence that the role of the FLO had been reviewed and continued to facilitate liaison between BIS and benefit administrators. The role has responsibility to ensure decision makers give priority to calculating benefit overpayments so that investigations and prosecutions can proceed. While there had been signs of improvement, FLOs and decision makers confirmed that this was not consistent across the Agency. As mentioned earlier in this report, there is scope for more detailed discussion between FLOs and benefit administrators to consider the lessons learned from counter-fraud work, and better understand the implications and opportunities to improve benefits administration.

While BIS had used fraud intelligence to help identify categories of claims for its risk profile, Inspectors found limited evidence that this had been shared with operational staff to improve the security of claims. The PPG also confirmed that intervention activities had been reviewed to help identify some of the causes of inaccuracy. PPG informed Inspectors that this learning had been fed back to benefit administrators although there was a need to continue to build on this and identify measures to improve the security in benefit claims. BIS and PPG need to enhance collaboration further to identify the



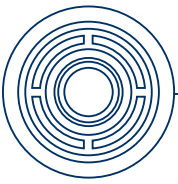
common, or emerging, causes of fraud and error and engage with managers and staff in benefits administration to develop improved controls and checks on benefit claims.

Recommendation 3.5

BIS needs to review previous recommendations for improvement, assess their current relevance and implement the necessary action.

Status: Set aside

Senior management recognised that some of the key areas reported in Appendix 6 of our previous report had not been reviewed and updated. They also recognised that the requirements were now being addressed by the actions taken on other recommendations, for example, developing a Fraud and Error Strategy, Sanctions Policy and developing the role of the FLO. As a result, we are content to set this recommendation aside as being superseded by other SSA development activities.



Delivering Results

Recommendation 4.1

BIS Management should liaise with GMS managers to develop a framework that helps determine the level, frequency and timing of Generalised Matching Services (GMS) referrals to aid planning of work flows and adequacy of resources to address workload demands.

Status: Achieved

In response to this recommendation BIS assigned an officer to liaise with colleagues in Lytham St Annes to agree a framework that ensured BIS had control of the flow of referrals from GMS. We were shown evidence of correspondence with Lytham which confirmed the arrangements, and BIS Management confirmed that it had been able to adjust workflows to match capacity and maintain effective control of data matches. In addition, there is a close link between BIS and PPG that ensures continuity of action for those GMS referrals that BIS considers not to investigate; all are passed to PPG for intervention action.


Recommendation 4.2

The SSA needs to re-examine the adequacy of resourcing a counter-fraud effort that is intelligence-led and based on work volumes and productivity, while recognising that not all investigations will establish fraud.

Status: Achieved

We were encouraged by BIS efforts to re-organise around a risk-based approach to identifying benefit fraud. Following a review of its methods and experience, it had worked with statisticians to develop a systematic means of identifying those referrals most likely to be fraudulent. The statistical model is used to select manageable volumes of work and counter fraud resources are then deployed accordingly. The remainder of referrals are passed to PPG for intervention activity. The approach ensures that specialist fraud investigators are used to focus on the highest risks of benefit fraud, and the selection process is based on intelligence gathered from counter fraud experience.

We also found that BIS resources had been increased, indeed the SSA had recruited nine fraud investigators above the staff complement to boost the fraud effort and show its commitment to tackling this priority work.



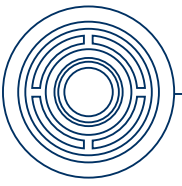
While the risk-based approach is relatively new, BIS needs to ensure that results from investigations are regularly evaluated to identify the causes of fraud and any emerging risks so that the method and model is kept up to date.

Recommendation 4.3

BIS Management should seek legal opinion on how to pursue suspected fraudsters who fail to attend interviews or keep appointments and also discuss prosecution options in such cases with the PPS.

Status: Achieved

BIS Management had discussions with PPS and Departmental solicitors to consider how best to pursue those suspected offenders who refuse to attend interviews. As a result, several legal options have been developed and are being evaluated, principally by FPU. An Arrest Policy is to be developed. While progress has been rather slow, we are content that BIS has recognised the significance of the issue and that FPU is now actively engaged in resolving it.



CHAPTER 3:


Conclusion



CJI has been impressed with the commitment shown by BIS and SSA management in progressing the recommendations and actions detailed in this report. It is of particular note that this has been achieved during a time when significant resource pressures were being experienced by the SSA. The closer working relationship between BIS and PPG was evident and well managed through the senior management team in the Benefits Security Division.

Responsibilities for work allocation, associated risk levels, policy and procedural activities to counter fraud are more streamlined and understood by staff to provide a more effective and efficient service to tackle benefit fraud. This will enhance their contribution to the criminal justice system.

Based on the improvements noted and the commitments made to further develop the SSA's counter fraud strategy, CJI would propose not to undertake any further follow-up activities in relation to this inspection.



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