Control Surveys:
Detailed Methodology

31-05-2022

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1. Introduction

1.1.   Control Surveys are an integral part of the Department' of Social Protection's (DSP) Control Strategy by independently assessing random samples of claims in payment.

1.2.   Claims are reviewed by Social Welfare Inspectors (SWIs), who investigate entitlement to the relevant social protection payment, as provided for under Section 250(2) of the Social Welfare Consolidation Act (2005).

1.3.   The surveys provide estimates for the rate of overpayment and underpayment in the social protection system, and subsequently allow for estimation of the overall Net Loss to Government (NLG) due to irregular payments[1].

1.4.   The surveys also estimate the rate of incorrect payments attributable to Suspected Fraud, Official Error, and Customer Error, and the underlying unsatisfied entitlement conditions. This allows the Department to identify risks within social protection schemes, and to subsequently address its control response.

1.5.   The social welfare benefits to be selected for review are set out in the Department's Compliance and Anti-Fraud Strategy[2].

1.6.   The Department operates a combination of continuous rolling control surveys[3] of high-expenditure benefits, alongside standalone surveys of lower expenditure benefits.

1.7.   The results of the surveys are published at www.gov.ie/dsp/statistics and may be subject to audit by the Comptroller and Auditor General.

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[1] The Comptroller and Auditor General, in its reporting on the regularity of social welfare payments, considers only expenditure actually incurred by the Department. Underpayments do not incur expenditure until they are corrected, at which point they become regularised payments. Underpayments are therefore not considered irregular payments in accounting terms, and so are not involved in the calculation of the NLG metric, but are included in the survey results. Reports on the accounts of the public services, including chapters on the regularity of social welfare payments, are available at: https://www.audit.gov.ie/en/find-report/publications/report%20on%20the%20accounts%20of%20the%20public%20services/

[2] The latest Strategy is available at: https://www.gov.ie/en/policy-information/bef2da-compliance-and-anti-fraud-strategy-2019-2023/

[3] Continuous rolling surveys have been introduced following Recommendation 10.1 of the Report on the Accounts of the Public Services 2013, which is available at: https://www.audit.gov.ie/en/find-report/publications/report%20on%20the%20accounts%20of%20the%20public%20services/report%20on%20the%20accounts%20of%20the%20public%20services%202013.html

2. Definitions

2.1.   Claims reviewed as part of the surveys may be termed correct or incorrect.

o   Benefit correct claims are cases where no evidence was found that any conditions for receipt of benefit, or the rate of benefit in payment, were not satisfied.

o   Incorrect benefit claims includes cases where one or more eligibility conditions for receipt of benefit, or the rate of benefit in payment, are not being met, such that a change in the rate of payment or a termination of the claim has occurred, or should occur in principle. This can include both Overpayments[4] and Underpayments[5].

2.2.   Incorrect benefit claims are further classified into three outcomes; Suspected Fraud, Official Error, and Customer Error.

2.3.   A case of incorrect benefit is enumerated as Suspected Fraud where:

o   the person failed to participate in an interview with the SWI after multiple contacts or attempted contacts, or immediately closed their claim when invited to interview by the SWI; or

o   a 302(a) decision was issued by a Deciding Officer as a result of the SWI investigation; or

o   the customer could otherwise reasonably be expected to be aware that their entitlement to a particular payment had changed or ceased.

2.4.   A case of incorrect benefit is enumerated as Official Error where:

o   An existing decision on the claim relating to the customer's entitlement and/or rate of payment, was incorrect; or

o   The Department was aware of a change in circumstances of the customer but failed to act on this information, such that incorrect payments issued to the customer; or

o   The Department had previously noted that a claim should be reviewed within a specified time period, but that review was not carried out.

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[4] Overpayments occur where the rate of payment was greater than the recipient's entitlement.

[5] Underpayments occur where the rate of payment was less than the recipient's entitlement.

2.5.   A case of incorrect benefit is enumerated as Customer Error where:

o   There is error on the part of the customer leading to the incorrect payment, but the case does not meet the criteria for Suspected Fraud Cases.

2.6.   Overpayments may be classified into any of these outcomes; underpayments cannot be classified as Suspected Fraud.

2.7.   Each outcome of incorrect benefit can be broken down into further detail according to the criteria mentioned in paragraphs 2.3, 2.4, and 2.5 above. Table 1 outlines the detailed breakdown for each outcome, and an example of how these details are shown in Control Survey reports is set out in Table A- 4 and Table A- 6 in Appendix A: Result Tables.

Table 1 Detailed Outcomes

Outcome	Detail
Suspected Fraud	Materially incorrect information provided
	Information not provided or wilfully concealed
Official Error	Decision error, including calculation errors
	Did not act on information held by the Department
	Length of time since the claim was reviewed
Customer Error	Inaccurate information provided
	Unreported change in circumstances

2.8.   The recorded outcomes and detail of these cases are statistical, not operational classifications. In particular it is important to note that cases of Suspected Fraud do not require that a revised decision is issued under section 302 of the Social Welfare Consolidation Act for enumeration in the survey.

3. Overlapping Outcomes

3.1.   More than one category of incorrect benefit may apply to a given claim. In such cases, the *predominant* category is assigned according to the following hierarchy: 1–Suspected Fraud; 2–Official Error; 3–Customer Error.
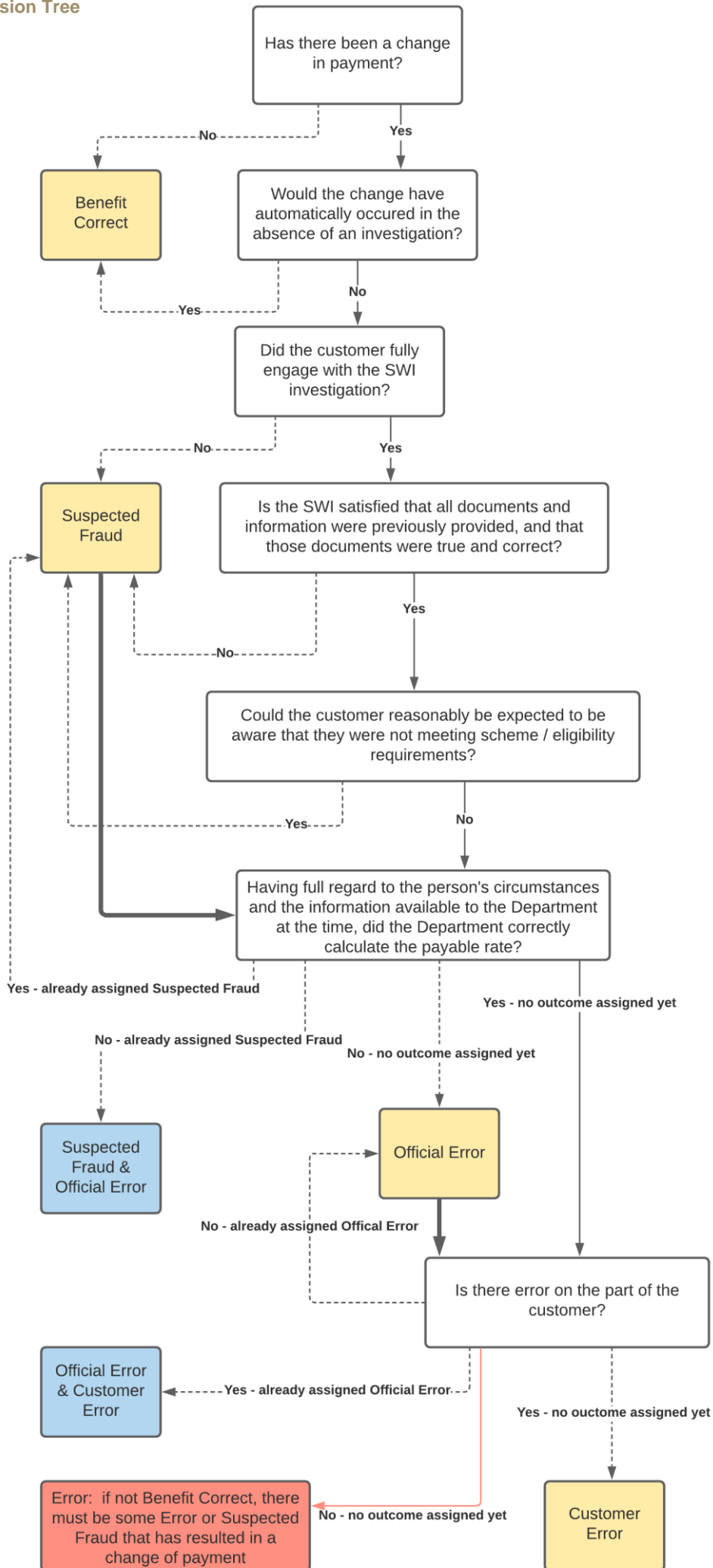
Table 2 Predominant and Overlapping Categories

Predominant Outcome ↓↓	All cases affected by this category (including overlaps) ↓↓		
	Suspected Fraud ↓↓	Official Error ↓↓	Customer Error ↓↓
1. Suspected Fraud	Suspected Fraud (all cases)	←← of which, Suspected Fraud and Official Error	
2. Official Error		Official Error (No Suspected Fraud)	←← of which, Official Error and Customer Error
3. Customer Error			Customer Error (No Official Error)

3.2.   Suspected Fraud and Customer Error may not overlap, while Official Error may be self-contained, or may overlap with either Suspected Fraud or Customer Error. The extent of these overlaps is enumerated and outlined in the statistical annex to the Control Report[6].

3.3.   A summary decision tree for these outcomes, including overlaps, is set out on the following page.

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[6] Examples of these tables are also provided in Table A- 3, Table A- 4, Table A- 5, and Table A-6 in Appendix A: Result Tables.

Figure 1 Summary Decision Tree

Figure 1 Summary Decision Tree

- Has there been a change in payment?
  - No → Benefit Correct
  - Yes → Would the change have automatically occured in the absence of an investigation?
    - Yes → Benefit Correct
    - No → Did the customer fully engage with the SWI investigation?
      - No → Suspected Fraud
      - Yes → Is the SWI satisfied that all documents and information were previously provided, and that those documents were true and correct?
        - No → Suspected Fraud
        - Yes → Could the customer reasonably be expected to be aware that they were not meeting scheme / eligibility requirements?
          - Yes → Suspected Fraud
          - No → Having full regard to the person's circumstances and the information available to the Department at the time, did the Department correctly calculate the payable rate?
            - Yes - already assigned Suspected Fraud → Suspected Fraud
            - No - already assigned Suspected Fraud → Suspected Fraud & Official Error
            - No - no outcome assigned yet → Official Error
            - Yes - no outcome assigned yet → Is there error on the part of the customer?
              - No - already assigned Offical Error → Official Error
              - Yes - already assigned Official Error → Official Error & Customer Error
              - No - no outcome assigned yet → Error: if not Benefit Correct, there must be some Error or Suspected Fraud that has resulted in a change of payment
              - Yes - no ouctome assigned yet → Customer Error

Error: if not Benefit Correct, there must be some Error or Suspected Fraud that has resulted in a change of payment

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4. Analysis of Eligibility Conditions

4.1.   The control survey results also provide further analysis of incorrect benefit claims by the underlying unsatisfied entitlement conditions. This allows the Department to identify risks within social protection benefit schemes, and to subsequently address its control response.

4.2.   Common eligibility conditions and situations in which they apply are set out in Table 3. This table should be treated as illustrative, and should not be considered exhaustive.

4.3.   Where more than one eligibility condition is not satisfied, the eligibility conditions are assessed on a hierarchical basis, in the order set out in Table 3.

Table 3 Eligibility Condition Mappings

Hierarchy	Predominant incorrect benefit component	Examples Include:
1	Customer failed to supply required information	o Customer could not be contacted for interview after multiple attempts, or refused to participate in the interview o Customer failed or refused to provide all requested documents o Customer failed to disclose all relevant information and/or documents at interview, or at previous time such as on the date of application, or at a previous review
2	Customer does not meet basic eligibility criteria	o Customer does not meet age or residency requirements o Customer does not meet scheme-specific requirements, such as: being readily available for work (Jobseeker's Allowance), not parenting alone (One Parent Family Payment), or not providing full time care and attention (Carer's Allowance)
3	Customer means are not correct	o The means on record for the customer are not correct
4	Additional Allowances are not correct	o Overpayments: Additional allowances were paid to the customer for which there was no entitlement o Underpayments: Additional allowances were not being paid to the customer for which there was an underlying entitlement
5	Other unreported change in circumstances	o Some other eligibility condition is unsatisfied

4.4.   While some eligibility conditions are common to multiple schemes, some schemes may

have additional scheme-specific eligibility conditions that must also be examined. These scheme-specific criteria are generally enumerated under 'basic eligibility criteria', though in certain cases, key eligibility conditions may be separately reported on[7].

4.5.   When the outcomes and eligibility conditions are established, the expenditure and incidence rates of incorrect benefit are calculated and the final results are tabulated. Examples of the main results tables are set out in Table A- 1 and Table A- 2 in Appendix A: Result Tables.   Examples of the results according to the unsatisfied eligibility conditions are set further out in Table A-7 and Table A- 8.

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[7] For example, in the Back to Work Enterprise Allowance survey, failure to make an attempt at viable self-employment was reported on separately to basic eligibility criteria.

5. Survey Methodology

5.1.   All Control Surveys, whether rolling or point-in-time, are based on a stratified random sample of all claims in payment in a particular week.

5.2.   The random samples are selected by the DSP Statistics Unit, who review the sample for its appropriateness before the selected cases are assigned to SWIs for review.

5.3.   Sample sizes generally range from 600 to 1,000 cases. Under the rolling approach, samples of 250 cases are selected on a quarterly basis, resulting in a total annual sample of 1,000 cases[8].

5.4.   The initial payments identified for inclusion in the rolling surveys are Jobseeker's Allowance, State Pension Contributory, and State Pension Non-Contributory, with the pension schemes to be alternated on an annual basis. Standalone surveys identified include One Parent Family Payment and Jobseeker's Benefit.

5.5.   A circular is issued to all SWIs informing them of the survey, and setting out the timeline for completion of their investigations.

5.6.   Upon assignment of a case, SWIs carry out a comprehensive structured review[9] of the persons' entitlement to the particular social welfare payment, using standard payment review forms.

5.7.   Depending on the entitlement criteria, the investigation may involve a means assessment, a review of a contributory record, a review of entitlement to additional allowances, a review of employment status, and/or other relevant criteria.

5.8.   Once the investigation is completed, the SWI completes the form and returns it to a Deciding Officer.

5.9.   Deciding Officers review the returned reports, and may make a decision on the correct rate of payment to be paid to the customer; they may also request further information from the SWI.

5.10. Once all investigations are closed, the Statistics Unit reviews all payments before and

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[8] Rolling surveys are being introduced for larger schemes to ensure continuous assessment and reporting on these schemes. Initial samples under the rolling survey model may be 'front loaded' with a higher number of cases selected for review in order to improve initial estimates.

[9] These reviews are conducted in-person, and follow a common structured format. This ensures consistency in how each interview is carried out. The covid-19 pandemic and the impact of associated restrictions and social distancing requirements resulted in unavoidable delays in the survey process between March 2020 and January 2022.

after the investigation close date, and any changes in the payment amount are examined. A change in the rate of payment before[10] or after a SWI investigation may indicate that the rate of payment prior to the investigation was incorrect.

5.11. The last payment issued before the customer is contacted by the SWI is used as the base value of the payment received (the 'Payment Previous'). Payments that issue, or fail to issue, in the weeks surrounding the investigation closure date are analysed for changes compared to the Payment Previous, and the 'Payment Post' is recorded.

5.12. The difference between these two payment values is the value of the incorrect benefit for that case. Overall rates of overpayment[11], underpayments[12], and transfers[13], are then calculated[14].

5.13. All cases where a change in payment occurs are examined by the Statistics Unit, and then by Central Control, and each unit proposes an outcome[15] for each case based on the content of the SWI report.

5.14. The proposed outcomes for each case from each section are then compared, and the outcomes are reviewed, agreed, and shared with the relevant scheme area. The detailed criteria behind these outcomes are set out in in paragraphs 2.3, 2.4, and 2.5.

5.15. Bootstrapping is applied[16], and incidence and expenditure rates of overpayments and underpayments are calculated.

5.16. The Net Loss to Government is calculated as *Overpayment rate* less *Transfer rate* less *Recovery Rate*, where the rates of *Overpayment* and *Transfer* are determined by

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[10] There may be an overlap between a payment change and the investigation being officially closed. This is an unavoidable administrative effect and it is considered appropriate to review the payment change.

[11] Where the Payment Post is less than the Payment Previous

[12] Where the Payment Post is greater than the Payment Previous

[13] Transfers are cases where the amount in payment was not correct, but the customer had an underlying entitlement to another payment, and has since transferred to that payment. The difference in the two payment amounts is assessed and recorded.

[14] Not all cases where there is a difference between the Payment Previous and the Payment Post are considered Incorrect Benefit. Some of these can be considered Normal Movement cases, where the change occurred as would have normally happened in the absence of the review. For example, the age of a dependent child could cause a change in rate payable in respect of that child; this is considered a normal change in payment.

[15] Outcomes refer to the broad classification of the case: Benefit Correct, Suspected Fraud, Official Error, Customer Error.

[16] Bootstrapping is a statistical technique which approximates the population distribution; from this it is possible to estimate the results had different random samples been selected, which makes it possible to estimate 95% confidence intervals for the results from the survey. 10,000 bootstrapped samples are used.

the survey, and the *Recovery Rate* is the rate of recovery of overpayments as determined by the audited accounts of the Department.

5.17.   As the Department operates on a cash-accounting basis, scheme expenditure and the value of monies recovered from overpayments within that same year and within that particular scheme are used to estimate the Net Loss to Government resulting from overpayments due to fraud and/or error.

5.18.   When the outcomes and eligibility conditions are established, statistical analysis of the results is performed.

5.19.   Generally, this involves examining claim characteristics such as the duration of the payment, and customer characteristics such as customer age, to establish what, if any, characteristics are associated with a greater likelihood of irregular payments occurring.

5.20.   All statistically significant characteristics are outlined in the main body of the survey report document.

6. Interpretation of Results

6.1.   The surveys provide bootstrapped estimates for the rates of overpayment, underpayment, and transfers in expenditure and caseload terms.

6.2.   The primary metric for the survey is the Net Loss to Government. This is a point estimate for the net percentage of scheme expenditure lost due to irregular payments. As the results are based on a random sample of claims in payment, 95% confidence intervals are also reported.

6.3.   The true rate[17] of net expenditure loss is likely to be between these values. For example, using the result tables from the 2019 One Parent Family Payment, which are set out in Appendix A: Result Tables, we estimate that the Net Loss to Government is 4.9%, and the true rate is likely to be between 3.3% and 6.6%.

6.4.   The incidence rate of Suspected Fraud or Error will generally be higher than the rates of over or under payments. This is because a claim may have an over or under payment rate anywhere between 0 and 100%; in incidence terms, however, it is either 0% or 100%. For example, an overpayment of €5 on a €208 claim, equates to an overpayment rate of 2.4%, and an incidence rate of 100% for that claim.

6.5.   Thus, for the 2019 One Parent Family Payment survey[18], it is estimated that the scheme has a Net Loss to Government of 4.9% (95%CI: 3.3%-6.6%), and an overpayment rate of 5.9% (95% CI: 4.3%-7.7%). An estimated 21.0% of claims are overpaid (95%CI: 17.8%-24.3%) with an additional 15.5% of claims estimated to be underpaid (95%CI: 12.7%-18.3%).

6.6.   It is important to include the confidence intervals when considering estimates of Fraud and Error over time. The point estimates from the surveys rely on the particulars of the sample; the bootstrapped confidence intervals provide the range within which the true rate likely exists.

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[17] The 'true rate' of loss could only be determined by conducting investigations on the entire population of claims in payment. This is impractical and cannot be achieved; instead, random sampling allows for the estimation of a range within which we are 95% certain the true rate lies.

[18] The report is available at: https://www.gov.ie/en/policy-information/25588d-control-surveys/

7. Revisions

7.1.   Future revisions to this document will be set out in Table 4 below. Any future changes in the methodology used in the Control Surveys will be described in Appendix B: Methodological Changes.

Table 4 Document History

Version	Publication Date	Summary of Changes	Page Nos
1	31/05/2022	Version 1 of the document published online	All

Appendix A: Result Tables

Table A- 1 One Parent Family Payment: Headline Results (Expenditure)

	Predominant category	*Type of claim impact (percentage of expenditure)*					
		Over-payment	Transfers with other schemes	Recoveries	**Net Loss to Government**		Under-payment
Percentage of Expenditure	Suspected Fraud	3.8	0.0				0.0
	Official Error	0.5	0.0				0.1
	Customer Error	1.6	0.0				1.2
	Total	5.9	0.0	-1.0	**4.9**		1.2
	95% CI Lower	*4.3*	*0.0*	*-1.0*	*3.3*		*0.1*
	95% CI Upper	*7.7*	*0.1*	*-1.0*	*6.6*		*1.7*

Table A- 2 One Parent Family Payment: Headline Results (Cases)

	Predominant category	*Type of claim impact (percentage of cases affected)*			
		Overpayment	Transfers with other schemes		Underpayment
Percentage of cases affected	Suspected Fraud	4.2	0.0		0.0
	Official Error	0.7	0.2		0.8
	Customer Error	16.1	0.0		14.6
	Total	21.0	0.2		15.5
	95% CI Lower	*17.8*	*0.0*		*12.7*
	95% CI Upper	*24.3*	*0.5*		*18.3*

Table A- 3 One Parent Family Payment: Overlapping Outcomes (Expenditure)

Percentage of Expenditure	Predominant category ↓↓	↓↓ Overlapping category (percentage of expenditure)		
		Suspected Fraud (any)	Official Error (any)	Customer Error (any)
	1. Suspected Fraud	3.8	0.1	
	2. Official Error		0.5	0.1
	3. Customer Error			1.6

Table A- 4 One Parent Family Payment: Overlapping Outcomes with Detail (Expenditure)

Percentage of Expenditure	Predominant category ↓↓	↓↓ Overlapping category, with details (percentage of expenditure)						
		Suspected Fraud		Official Error			Customer Error	
		Materially incorrect information	Wilful concealment	Decision error	Failed to act on information	Length of time since last claim review	Inaccurate information provided	Unreported change in circumstances
	1. Suspected Fraud	2.5	1.3	0.0	0.1	0.0		
	2. Official Error			0.1	0.4	0.0	0.0	0.1
	3. Customer Error						0.0	1.6

Table A- 5 One Parent Family Payment: Overlapping Outcomes (Cases)

Percentage of Claims Affected	Predominant category ↓↓	↓↓ Overlapping category (percentage of claims affected)		
		Suspected Fraud (any)	Official Error (any)	Customer Error (any)
	1. Suspected Fraud	4.2	0.2	
	2. Official Error		0.7	0.2
	3. Customer Error			16.1

Table A- 6 One Parent Family Payment: Overlapping Outcomes with Detail (Cases)

Percentage of Claims Affected	Predominant category	↓↓ Overlapping category, with details (percentage of claims affected)						
		Suspected Fraud		Official Error			Customer Error	
		Materially incorrect information	Wilful concealment	Decision error	Failed to act on information	Length of time since last claim review	Inaccurate information provided	Unreported change in circumstances
	1. Suspected Fraud	2.8	1.3	0.0	0.2	0.0		
	2. Official Error			0.2	0.5	0.0	0.0	0.2
	3. Customer Error						0.0	16.1

Table A- 7 One Parent Family Payment: Overpayments by Eligibility Condition (Expenditure)

Percentage of expenditure affected	Predominant incorrect benefit component	Predominant category			
		Suspected Fraud	Official Error	Customer Error	All Over-payments
	Customer failed to supply required information	1.0	0.0	0.0	1.0
	Customer does not meet basic eligibility criteria	2.0	0.2	0.2	2.4
	Customer means not correct	0.5	0.1	1.4	1.9
	Additional allowances are not correct	0.4	0.0	0.0	0.4
	Other unreported change in circumstances	0.0	0.3	0.0	0.3
	Total	3.8	0.5	1.6	5.9

Table A- 8 One Parent Family Payment: Overpayments by Eligibility Condition (Cases)

Percentage of cases affected	Predominant incorrect benefit component	Predominant category			
		Suspected Fraud	Official Error	Customer Error	All Over-payments
	Customer failed to supply required information	1.0	0.0	0.0	1.0
	Customer does not meet basic eligibility criteria	2.3	0.2	0.2	2.7
	Customer means not correct	0.5	0.2	15.8	16.5
	Additional allowances are not correct	0.3	0.2	0.2	0.7
	Other unreported change in circumstances	0.0	0.2	0.0	0.2
	Total	4.2	0.7	16.1	21.0

Appendix B: Methodological Changes

i.   Any future methodological changes will be detailed in this Appendix.