



An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí
Department of Employment Affairs
and Social Protection

Back to Work Enterprise Allowance Control Survey 2018/2019

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1. Introduction

1.1. Background

The Department of Employment Affairs and Social Protection undertakes Control Surveys to establish baseline incorrect benefit levels for social welfare schemes, with a view to designing processes and control measures specifically targeted to minimise the level of future risk.

This survey was undertaken on the Back to Work Enterprise Allowance (BTWEA) scheme. The BTWEA scheme encourages people receiving certain social welfare payments to become self-employed. If a recipient takes part in the BTWEA scheme, s/he can keep a percentage of their social welfare payment for up to 2 years. To qualify for a BTWEA payment, the recipient must be under the age of 66.

For the survey, 401 randomly sampled BTWEA claims in payment in September 2018 were reviewed to assess recipients' compliance with the rules of the scheme.

The headline reporting metric for this Control Survey is shown as Net Loss to Government, which is the Final Incorrect Benefit Excluding Recoveries (FIBER) rate established by the survey, minus the value of overpayments actually recovered.

1.2. Methodology and categorisation of results

The methodologies and the manner in which results are categorised are set out in detail in Annex III. The results are categorised based on the decisions taken on each case in the sample:

- ✓ **Benefit Correct:** Includes cases where no evidence was found that any conditions for receipt of benefit, or the rate of benefit in payment, were not satisfied.
- ✓ **Incorrect Benefit:** Includes cases where one or more of the eligibility conditions for receipt of benefit, or the rate of benefit in payment, are not being met, such that a revised decision has been made, or should in principle be made, leading to a change in the payment rate for this customer or the termination of the claim. Cases of incorrect benefit are further classified based on the decisions of the Deciding Officer in each case included in the survey sample:
 - Fraud or suspected fraud arises where a Deciding Officer is satisfied that there is sufficient evidence that the customer deliberately provided false or misleading information or wilfully concealed relevant information.
 - Customer error refers to cases where a customer provided inaccurate or incomplete information or there was an unreported change in a person's circumstances.

The main results of the survey are set out in section 2.

2. Main results

The survey finds that Net Loss to Government for BTWEA was 3.2% of total expenditure, equivalent to approximately €60,000 per week.

Table 1 – Main results of BTWEA Control Survey

Percentage of Expenditure	Predominant category	Type of claim impact (percentage of expenditure)					
		Over-payment	Under-payment	Transfers with other schemes	Final Incorrect Benefit Excluding Recoveries	Recoveries	Net Loss to Government
	Suspected Fraud	1.3	0.0	0.0	1.3		
	Official Error	0.7	0.0	0.0	0.7		
	Customer Error	1.4	0.0	0.0	1.4		
	Total	3.3	0.0	0.0	3.3	-0.17	3.2
	95% CI Lower	1.2	0	0	1.5	-0.17	1.3
	95% CI Upper	5.5	0	0	5.5	-0.17	5.3

3. Scheme characteristics

3.1. Overview

The Back to Work Enterprise Allowance (BTWEA) is a business start-up incentive that allows the applicant to retain their social welfare allowances on a reducing scale over the first 24 months of their business. The BTWEA was introduced in September 1993. Since early 2009, the allowance is paid on a reducing scale over a two year period i.e. 100% of a person's social welfare payment in year one and 75% in year two. The BTWEA is a non-statutory scheme approved by Government. The purpose of the scheme is to encourage people who are unemployed, lone parents, people with disabilities and other social welfare customers to become self-employed and, ultimately, to no longer be dependent on welfare. The majority of current customers on the BTWEA are from the jobseekers schemes.

At the time the sample was drawn (September 2018), 70.5% of those on BTWEA were men. The average age of those on the scheme was 40, while 17% of customers were aged over 50 when they commenced on the scheme. Forty eight per cent (48%) of customers were receiving an allowance for a dependant adult or child(ren) and the average rate of payment was €235.

Overall, 76.9% of the customers on the BTWEA were Irish nationals, while 5.0% were from the UK. Sixteen percent were from other EU countries, and the remaining 2.1% were non-EU nationals.

The eligibility conditions for BTWEA are summarised below, and further information is available at <http://www.welfare.ie/en/Pages/Enterprise-Allowance-Self-Employed.aspx>.

3.2. Eligibility conditions

To be eligible for BTWEA, an applicant must at the time of application:

- Be under 66 years;
- Be in receipt of a qualifying payment as outlined in Annex V;
- Be in a position to start up a viable new enterprise as a self-employed person; and
- Have received advanced written recommendation from a Local Development Company (LDC) and from a DEASP Case Officer.

3.3. Payment rates and means test

Applicants are paid at a rate appropriate to their scheme of underlying entitlement, including any age related payments as they arise.

3.4. Scheme risks and control strategy

The BTWEA is a short-term allowance that remains payable throughout the first two years of a new enterprise. The rate in payment is automatically adjusted after 12 months from 100% to 75%. Customers are entitled to the appropriate Budget increases. Participation in the BTWEA may be periodically reviewed, to confirm that the conditions of entitlement continue

to be satisfied. A review may also be initiated on receipt of notification of any change in circumstances which may affect entitlement or the appropriate rate of payment

In general, BTWEA payments should be examined at 3 and 9 months. Failure by customers to comply with the rules and conditions of the scheme should result in termination of the BTWEA payment.

Primary responsibility for control and monitoring rests with the Deciding Officer and the Case Officer managing the application in the Department.

In July 2017, the BTWEA Guidelines were revised and new instructions to DEASP Case Officers on the review and maintenance of BTWEA claims were introduced. These included the requirement that BTWEA payments should be examined at 3 and 9 months after commencement on the scheme. These guidelines followed a review of the Scheme which was conducted in 2016/17.

4. Survey Findings & Conclusions

The methodology used in this survey is set out in Annex III and the sampling approach in Annex IV.

4.1. Survey findings

The Net Loss to Government arising from the BTWEA is 3.2% of scheme expenditure, or €0.06 million per week (*Table I-1*). This is made up of the FIBER rate established by the survey of 3.3% of expenditure, minus the 0.1% of expenditure recovered from overpayments in 2018.

The most frequent causes of incorrect benefit were found to be:

- Customer not engaged in viable self-employment (1.5% of cases, 1.6% of expenditure);
- Customer failed to provide required information (1.2% of cases, 1.3% of expenditure); and
- Customer failed to meet scheme eligibility criteria (0.2%, 0.5% of expenditure).

4.2. Risk analysis by cohort

The survey found that men are at a higher risk of incorrect benefit than women – no women were found to have incorrect benefit in this survey. However, as the scheme customers are over 70% male, it is not entirely unexpected that they would be the riskier group.

Those aged 41-50 had the highest rate of incorrect benefit by age group in this survey. However, this is not statistically significant – all age groups had some incorrect benefit.

No statistically significant difference was found between people who are jointly assessed (married or co-habiting) and those who are single.

No statistically significant difference by nationality was found. Non-Irish customers have a higher estimated rate of incorrect benefit in this survey, but importantly, the confidence intervals are large. Instances of incorrect benefit were found in both nationality cohorts.

There was also no statistically significant difference between people with dependents on their claims versus people with no dependents in terms of incorrect benefit.

4.3. Existing control focus

The survey sample selected in September 2018 included a mix of BTWEA customers who commenced on the scheme from September 2016 to September 2018.

As outlined earlier, in July 2017, the BTWEA guidelines were revised and new instructions to DEASP Case Officers on the review and maintenance of BTWEA claims were rolled out.

The revised guidelines provide for reviews to be carried out following the initial 3 and 9 months of the new business. This enables the Department to monitor the on-going suitability of BTWEA as the appropriate activation measure for the customer. Additionally, where the

customer may be encountering difficulties, the Case Officer will be in a position to offer support, including the assistance of the Enterprise Support Grant, or signpost the customer to business supports available elsewhere. Although the number of cases operating under the new guidelines reviewed as part of this control survey (194 cases) is too small to generate statistically valid findings, the indications are that the level of non-compliance has reduced significantly (a non-compliance rate of less than 1%).

This suggests that issues highlighted through the survey (non-engagement in viable self-employment or with DEASP Case Officers) can be managed through the structured 3 and 9 month reviews, which were introduced in 2017.

4.4. Measures which will improve control activity

As outlined above, the Department has comprehensive control processes set out in the 2017 BTWEA scheme guidelines and these will continue to be promoted.

It is acknowledged that since the 3 and 9 month reviews have been routinely conducted, as set out in the guidelines, the risks identified by the survey on the existence or viability of the self-employment activity are significantly reduced.

Accordingly it is proposed that:

- The BTWEA Guidelines will be re-issued to all DEASP Case Officers in August 2019 to remind them of the control procedures that need to be followed in BTWEA cases. Particular attention will be drawn to the 3 and 9 month reviews to ensure that customers are involved in viable self-employment projects and are engaging with DEASP staff; and
- The survey findings will be issued to the Divisional Managers and will be an agenda item at their meeting in September 2019. The importance of the control measures, as contained in the guidelines, will be emphasised with particular emphasis on the critical need for the 3 and 9 month reviews to be carried out.

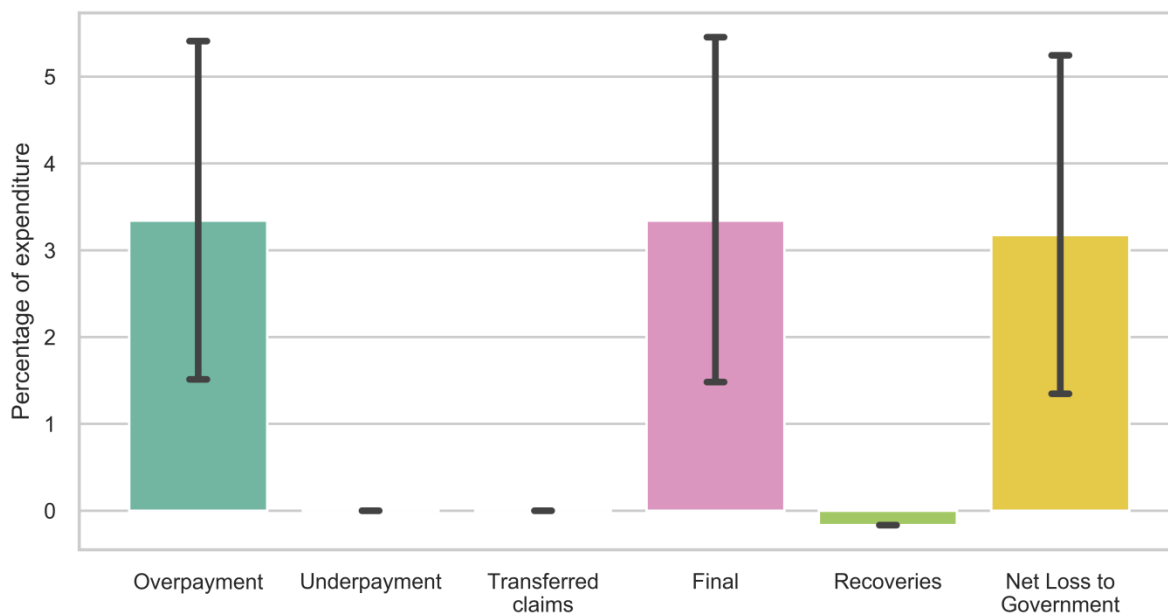
Annex I Detailed survey results

The results of the survey are presented in this section. Bootstrapped 95% confidence intervals for the results are shown both graphically and numerically below each table.

I.1 Incorrect benefit by type and category

i. Percentage of Expenditure

Figure 1 - Incorrect benefit by type and percentage of expenditure, with 95% confidence intervals



Incorrect benefit by type, with 95% confidence intervals

Table I-1 - Incorrect benefit by type and predominant category (percentage of expenditure affected)

Percentage of Expenditure	Predominant category	Type of claim impact (percentage of expenditure)					
		Over-payment	Under-payment	Transfers with other schemes	Final Incorrect Benefit Excluding Recoveries	Recoveries	Net Loss to Government
	Suspected Fraud	1.3	0.0	0.0	1.3		
	Official Error	0.7	0.0	0.0	0.7		
	Customer Error	1.4	0.0	0.0	1.4		
	Total	3.3	0.0	0.0	3.3	-0.17	3.2
	95% CI Lower	1.2	0	0	1.5	-0.17	1.3
	95% CI Upper	5.5	0	0	5.5	-0.17	5.3

Source: DEASP. Figures may not add due to rounding.

ii. Weekly expenditure impact

Table I-2 – Incorrect benefit by type, and predominant category (**weekly** expenditure impact (€m))

Weekly expenditure impact (€m)	Predominant category	Type of claim impact (percentage of expenditure)					
		Over-payment	Under-payment	Transfers with other schemes	Final Incorrect Benefit Excluding Recoveries	Recoveries	Net Loss to Government
	Suspected Fraud	0.02	0.00	0.00	0.02		
	Official Error	0.01	0.00	0.00	0.01		
	Customer Error	0.02	0.00	0.00	0.02		
	Total	0.06	0.00	0.00	0.06	-0.00	0.06
	95% CI Lower	0.03	0.00	0.00	0.03	0.00	0.03
	95% CI Upper	0.09	0.00	0.00	0.10	0.00	0.09

Source: DEASP. Figures may not add due to rounding.

iii. Percentage of claims affected

Figure 2 – Cases of incorrect benefit by type, with 95% confidence intervals

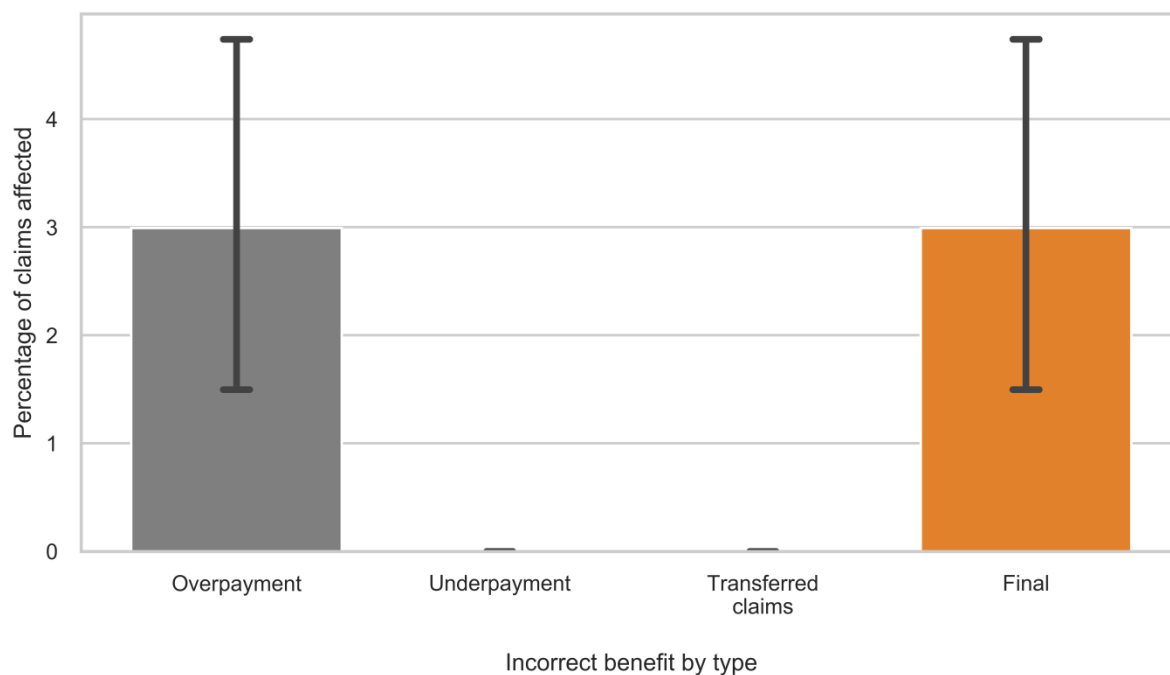


Table I-3 – Percentage of incorrect benefit cases by type and category

Percentage of cases affected	Predominant category	Type of claim impact (percentage of cases affected)			
		Overpayment	Underpayment	Transfers with other schemes	Final Incorrect Benefit Excluding Recoveries
	Suspected Fraud	1.2	0.0	0.0	1.2
	Official Error	0.5	0.0	0.0	0.5
	Customer Error	1.2	0.0	0.0	1.2
	Total	3.0	0.0	0.0	3.0
	95% CI Lower	1.5	0.0	0.0	1.5
	95% CI Upper	4.7	0.0	0.0	4.7

Source: DEASP. Figures may not add due to rounding

I.2 Predominant and overlapping error categories

More than one category of incorrect benefit may be detected in respect of 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. The tables in this section show which cases were affected by more than one type of incorrect benefit, and provide an additional breakdown of the suspected fraud or error categories found.

Figure 3 – Incorrect benefit by *predominant* and *overlapping* category (*explanatory table*)

<i>Predominant</i> category ↓↓	↓↓ <i>All cases affected by this category (including overlaps)</i>		
	Suspected Fraud (all)	Official Error (all)	Customer Error (all)
1. Predominantly Suspected Fraud	Suspected Fraud (all cases)	←←of which, Suspected Fraud AND Official Error	Not possible to combine
2. Predominantly Official Error	Cases with Suspected Fraud can't be predominantly Official Error	Official Error (NO Suspected Fraud)	←←of which, Official Error AND Customer Error
3. Predominantly Customer Error	Cases with Suspected Fraud can't be predominantly Customer Error	Cases with Official Error can't be predominantly Customer Error	Customer Error (NO Official Error)

Table I-4 – Incorrect benefit by *predominant* and *overlapping* category (*percentage of expenditure affected*)

Percentage of Expenditure	<i>Predominant</i> category ↓↓	↓↓ <i>Overlapping</i> category (<i>percentage of expenditure</i>)		
		Suspected Fraud (any)	Official Error (any)	Customer Error (any)
1. Suspected Fraud		1.3	0.0	
2. Official Error			0.7	0.0
3. Customer Error				1.4

Table I-5 – Incorrect benefit by *predominant* and *overlapping* category (*percentage of claims affected*)

Percentage of Claims Affected	<i>Predominant</i> category ↓↓	↓↓ <i>Overlapping</i> category (<i>percentage of claims affected</i>)		
		Suspected Fraud (any)	Official Error (any)	Customer Error (any)
1. Suspected Fraud		1.2	0.0	
2. Official Error			0.5	0.0
3. Customer Error				1.2

Source: DEASP. Figures may not add due to rounding.

Table I-6 – Incorrect benefit by **predominant** and **overlapping** category, with details (percentage of expenditure affected)

Percentage of Expenditure	Predominant category ↓↓	↓↓ Overlapping category, with details (percentage of expenditure)						
		Suspected Fraud		Official Error		Customer Error		
		Materially incorrect information	Willful concealment	Decision error	Failed to act on information	No viable self-employment	Inaccurate information provided	Unreported change in circumstances
1. Suspected Fraud		0.0	1.3	0.0	0.0			
2. Official Error				0.5	0.2	0.0	0.0	0.0
3. Customer Error						0.4	0.2	0.7

Table I-7 – Incorrect benefit by **predominant** and **overlapping** category, with details (percentage of claims affected)

Percentage of Claims Affected	Predominant category	↓↓ Overlapping category, with details (percentage of claims affected)						
		Suspected Fraud		Official Error		Customer Error		
		Materially incorrect information	Willful concealment	Decision error	Failed to act on information	No viable self-employment	Inaccurate information provided	Unreported change in circumstances
1. Suspected Fraud		0.0	1.2	0.0	0.0			
2. Official Error				0.2	0.2	0.0	0.0	0.0
3. Customer Error						0.4	0.2	0.7

Source: DEASP. Figures may not add due to rounding.

I.3 Outcomes by incorrect eligibility condition

Figure 4: Incorrect Benefit by eligibility criteria and expenditure impact

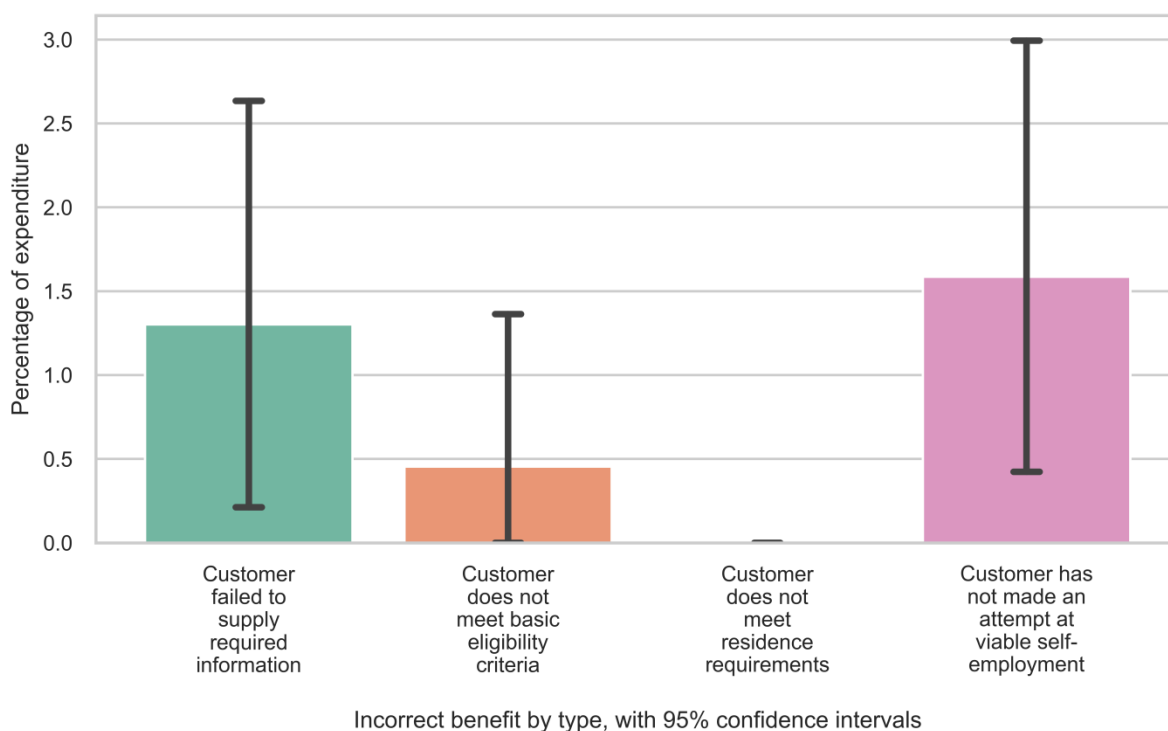


Table I-8 – Outcomes by predominant category and eligibility component (percentage of expenditure)

Percentage of expenditure affected	Predominant incorrect benefit component	Predominant category			
		Suspected Fraud	Official Error	Customer Error	All incorrect benefit
	Customer failed to supply required information	1.3	0.0	0.0	1.3
	Customer does not meet basic eligibility criteria	0.0	0.5	0.0	0.5
	Customer does not meet residence requirements	0.0	0.0	0.0	0.0
	Customer has not made an attempt at viable self-employment	0.0	0.2	1.4	1.6
	Total	1.3	0.6	1.4	3.3

Source: DEASP. Figures may not add due to rounding.

Figure 5 - Incorrect benefit by eligibility criteria and number of cases affected

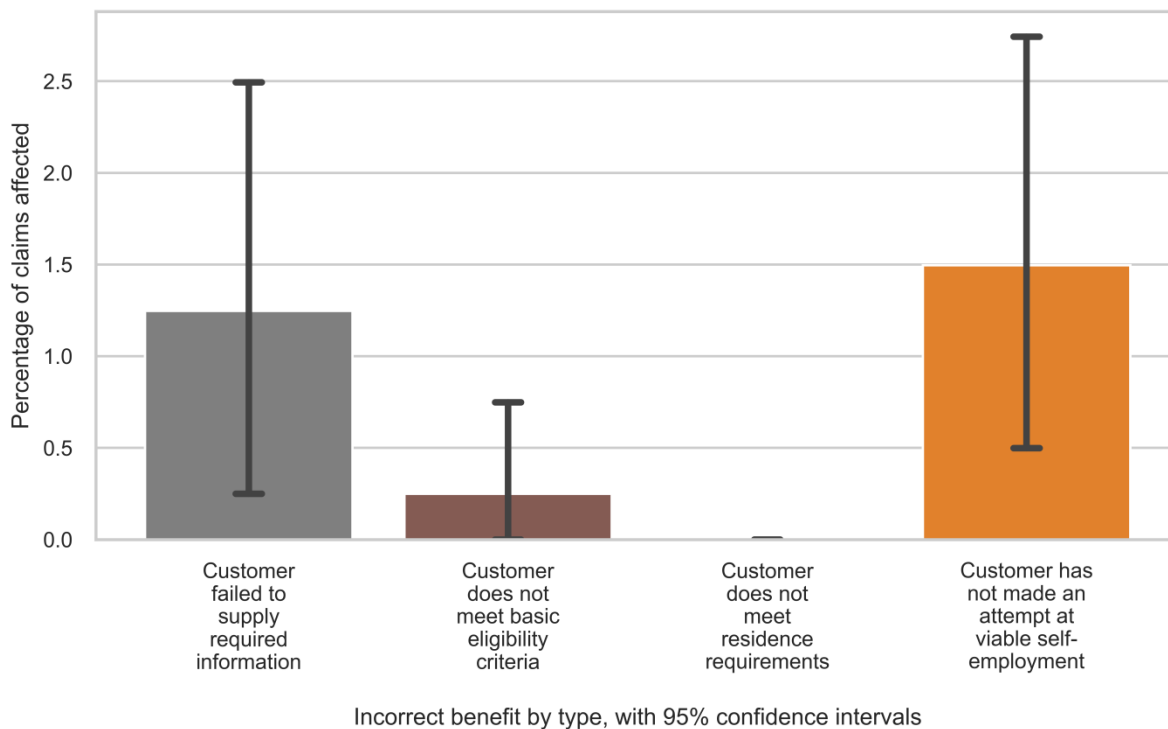


Table I-9 – Percentage of incorrect benefit cases by predominant category and eligibility component

Percentage of cases affected	Predominant incorrect benefit component	Predominant category			
		Suspected Fraud	Official Error	Customer Error	All incorrect benefit
	Customer failed to supply required information	1.2	0.0	0.0	1.2
	Customer does not meet basic eligibility criteria	0.0	0.2	0.0	0.2
	Customer does not meet residence requirements	0.0	0.0	0.0	0.0
	Customer has not made an attempt at viable self-employment	0.0	0.2	1.2	1.5
	Total	1.2	0.5	1.2	3.0

Source: DEASP. Figures may not add due to rounding.

Annex II Detailed results by risk cohort

II.1 Age group

Figure 6 – Age profile of Back to work enterprise allowance September 2018

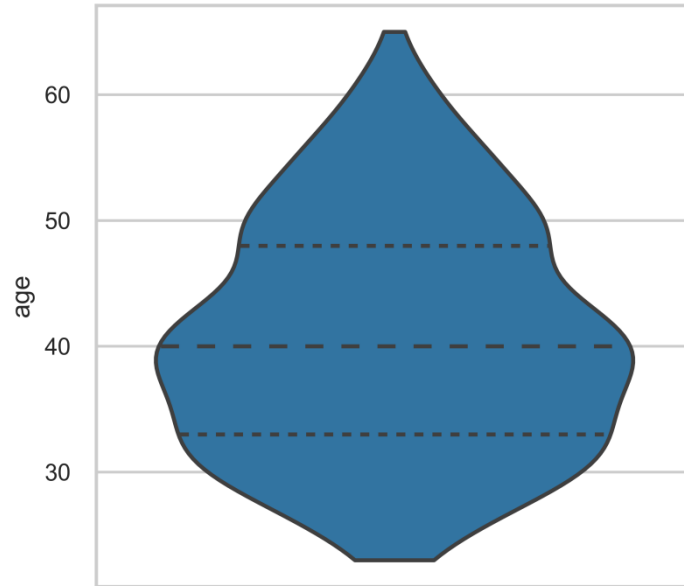


Figure 7 - Incorrect Benefit by age group (% expenditure)

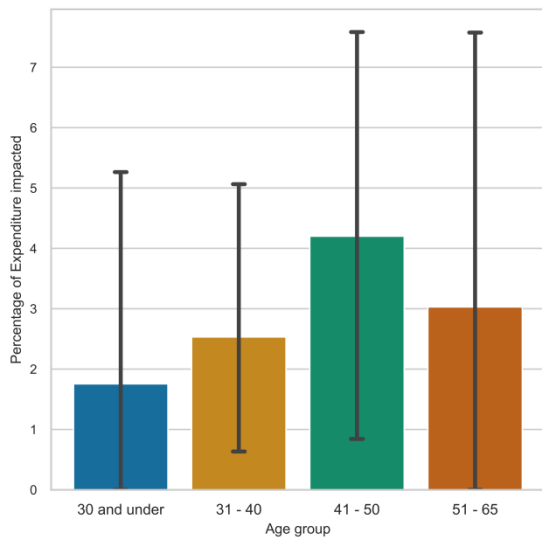


Figure 8 Incorrect Benefit by age group (% of cases affected)

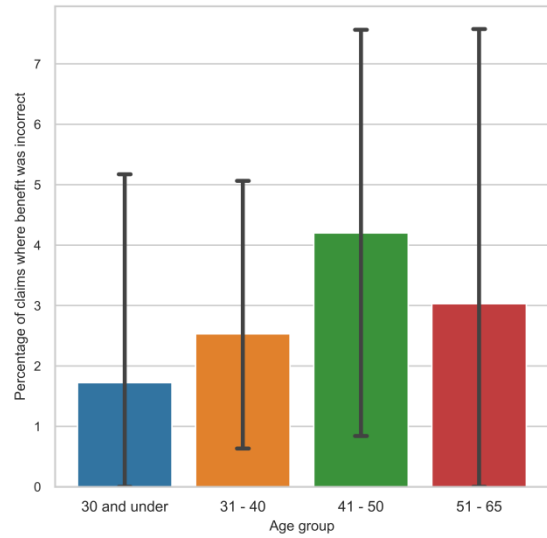


Table II-1: Age Profile of BTWEA, September 2018

	30 and under	31-40	41-50	51-65	Overall
Estimated Weekly Expenditure (€m)	0.22	0.71	0.53	0.28	1.74
Number of customers	2,988	2,160	1,263	1,057	7,468

Table II-2: Incorrect benefit by component and age group, with 95% confidence intervals (% expenditure)

Incorrect benefit eligibility component	Incorrect benefit by age group (% of expenditure)				
	30 and under	31-40	41-50	51-65	Overall
Customer failed to supply required information	0.0	1.1	2.9	0.0	1.3
Customer does not meet basic eligibility criteria	0.0	0.0	1.5	0.0	0.5
Customer does not meet residence requirements	0.0	0.0	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	2.9	1.1	0.7	3.5	1.6
All benefit eligibility components	2.9	2.1	5.1	3.5	3.3
Lower bound 95% confidence interval	0.0	0.5	0.7	0.0	1.5
Upper bound 95% confidence interval	8.6	4.2	10.3	9.2	5.5

Table II-3 - Incorrect benefit by component and age group, with 95% confidence intervals (% of cases affected)

Incorrect benefit eligibility component	Incorrect benefit by age group (% of cases)				
	30 and under	31-40	41-50	51-65	Overall
Customer failed to supply required information	0.0	1.3	2.5	0.0	1.2
Customer does not meet basic eligibility criteria	0.0	0.0	0.8	0.0	0.5
Customer does not meet residence requirements	0.0	0.0	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.7	1.3	0.8	3.0	1.5
All benefit eligibility components	1.7	2.5	4.2	3.0	3.0
Lower bound 95% confidence interval	0.0	0.6	0.8	0.0	1.5
Upper bound 95% confidence interval	5.2	5.1	8.4	7.6	5.7

Source: DEASP. Figures may not add due to rounding.

II.2 Sex

Figure 9 – Age and sex profile of Back to work enterprise allowance, September 2018

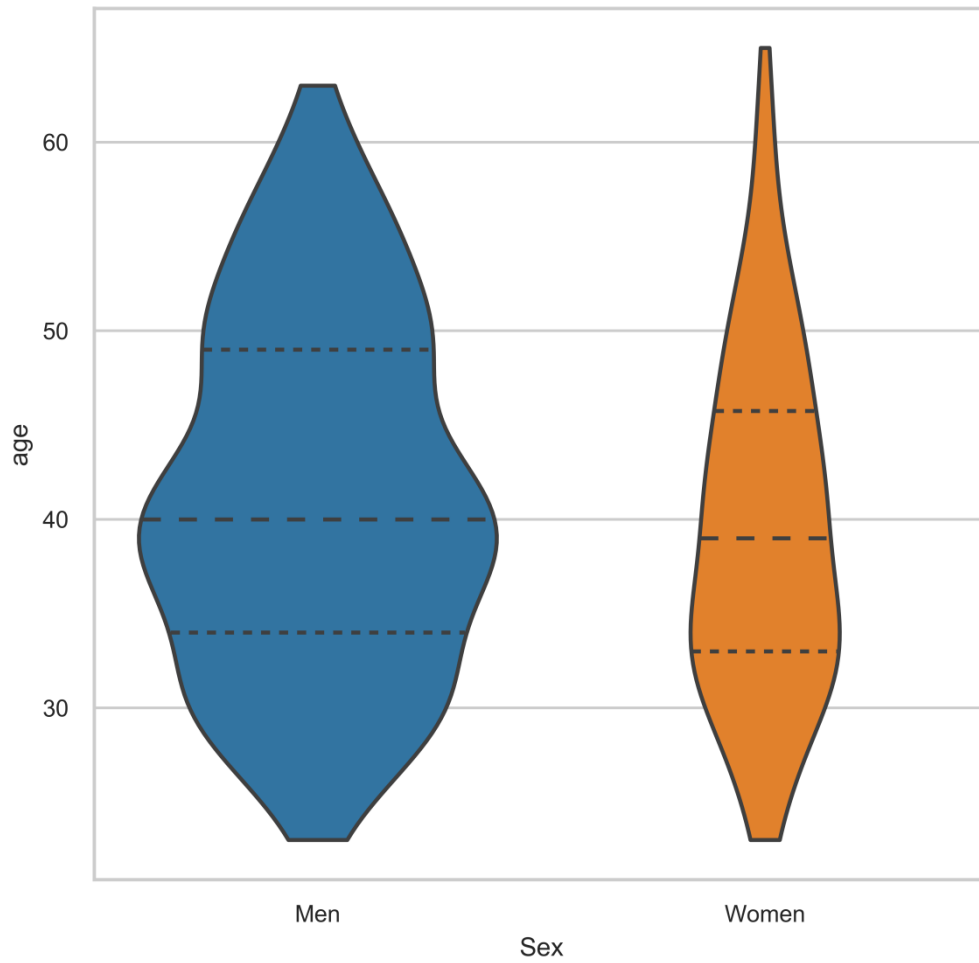


Figure 10 – Incorrect benefit by sex (% expenditure)

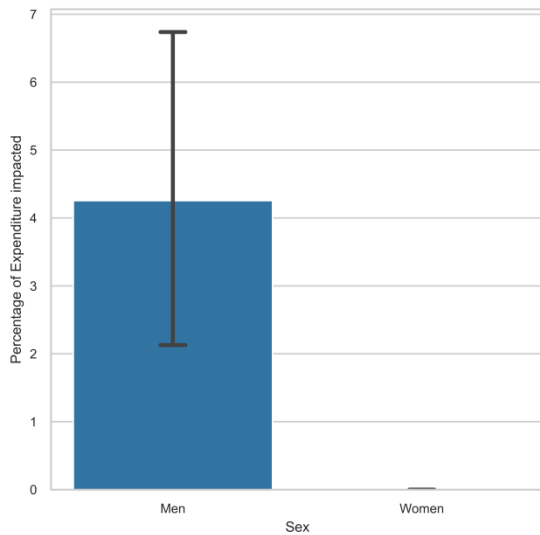


Figure 11 – Incorrect benefit by sex (% of cases affected)

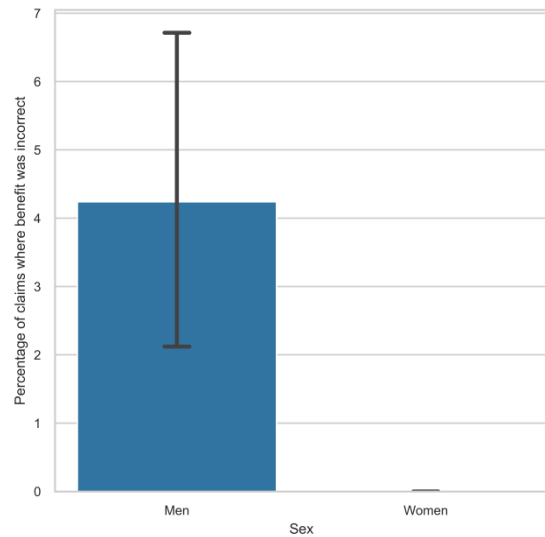


Table II-4: Sex Profile of BTWEA when the sample was drawn

	Male	Female	Overall
Estimated Weekly Expenditure (€m)	1.29	0.45	1.74
Number of customers	5,266	2,202	7,468

Table II-5 Incorrect benefit by eligibility condition and sex, with 95% confidence intervals (% expenditure)

Incorrect benefit eligibility component	Incorrect benefit by sex (% of expenditure)		
	Male	Female	Overall
Customer failed to supply required information	1.8	0.0	1.3
Customer does not meet basic eligibility criteria	0.6	0.0	0.5
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	2.1	0.0	1.6
All benefit eligibility components	4.5	0.0	3.3
Lower bound 95% confidence interval	2.1	0.0	1.5
Upper bound 95% confidence interval	7.3	0.0	5.5

Table II-6 - Incorrect benefit by component and sex, with 95% confidence intervals (% of cases affected)

Incorrect benefit eligibility component	Incorrect benefit by sex (% of cases affected)		
	Male	Female	Overall
Customer failed to supply required information	1.8	0.0	1.2
Customer does not meet basic eligibility criteria	0.4	0.0	0.2
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	2.1	0.0	1.5
All benefit eligibility components	4.2	0.0	3.0
Lower bound 95% confidence interval	2.1	0.0	1.5
Upper bound 95% confidence interval	6.7	0.0	5.7

Source: DEASP. Figures may not add due to rounding.

II.3 Marital status

Figure 12 – Sex and marital status profile of Back to work enterprise allowance

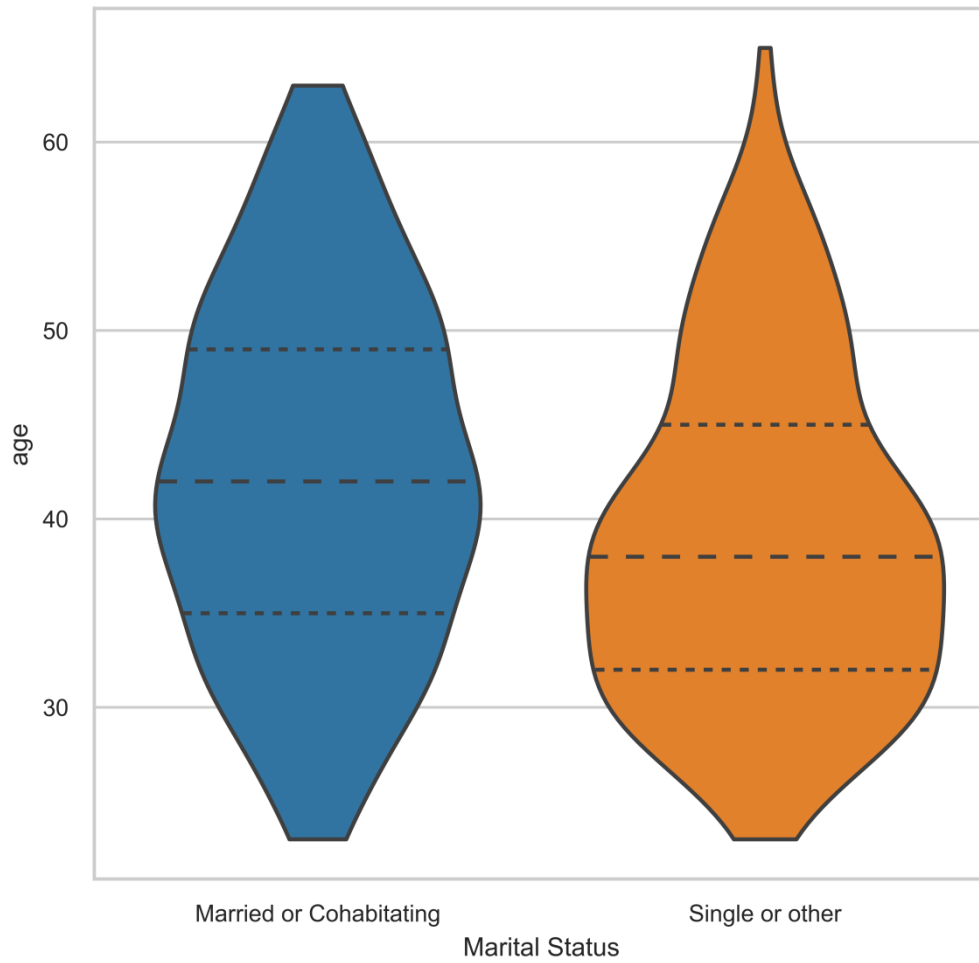


Figure 13 – Incorrect benefit by marital status (% expenditure)

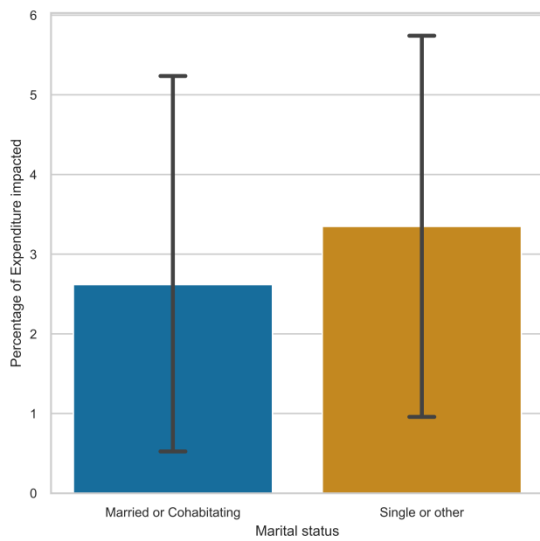


Figure 14: Incorrect Benefit by marital Status (% of cases affected)

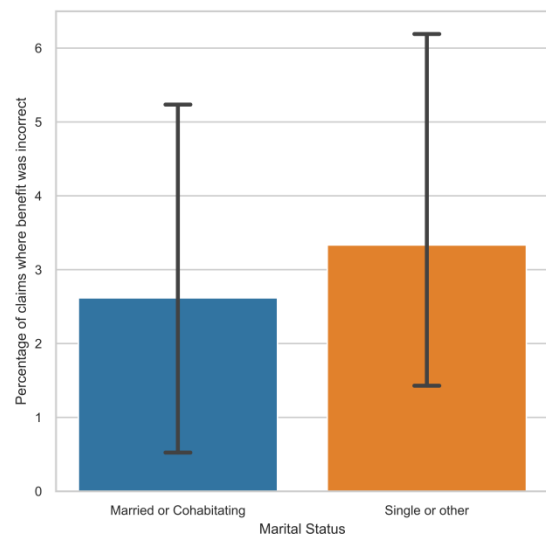


Table II-7 Marital Stats Profile of BTWEA at the time the sample was drawn

	Married	Single or other	Overall
Estimated Weekly Expenditure (€m)	0.95	0.79	1.74
Number	3,587	3,881	7,468

Table II-8 Incorrect benefit by eligibility component and marital status (% of expenditure)

Incorrect benefit eligibility component	Incorrect benefit by marital status (% of expenditure)		
	Married	Single or other	Overall
Customer failed to supply required information	1.2	1.4	1.3
Customer does not meet basic eligibility criteria	0.8	0.0	0.5
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.4	1.9	1.6
All benefit eligibility components	3.4	3.2	3.3
Lower bound 95% confidence interval	0.7	0.9	1.5
Upper bound 95% confidence interval	6.8	6.0	5.5

Source: DEASP. Figures may not add due to rounding.

Table II-9 - Incorrect benefit by component and marital status, with 95% confidence intervals (% of cases affected)

Incorrect benefit eligibility component	Incorrect benefit by marital status (% of cases affected)		
	Married	Single or other	Overall
Customer failed to supply required information	1.0	1.4	1.2
Customer does not meet basic eligibility criteria	0.5	0.0	0.2
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.0	1.4	1.2
All benefit eligibility components	2.6	3.3	3.0
Lower bound 95% confidence interval	0.5	1.0	1.5
Upper bound 95% confidence interval	5.2	6.2	5.7

Source: DEASP. Figures may not add due to rounding.

II.4 Province of residence

Figure 15 – Place of residence profile of Back to work enterprise allowance recipients

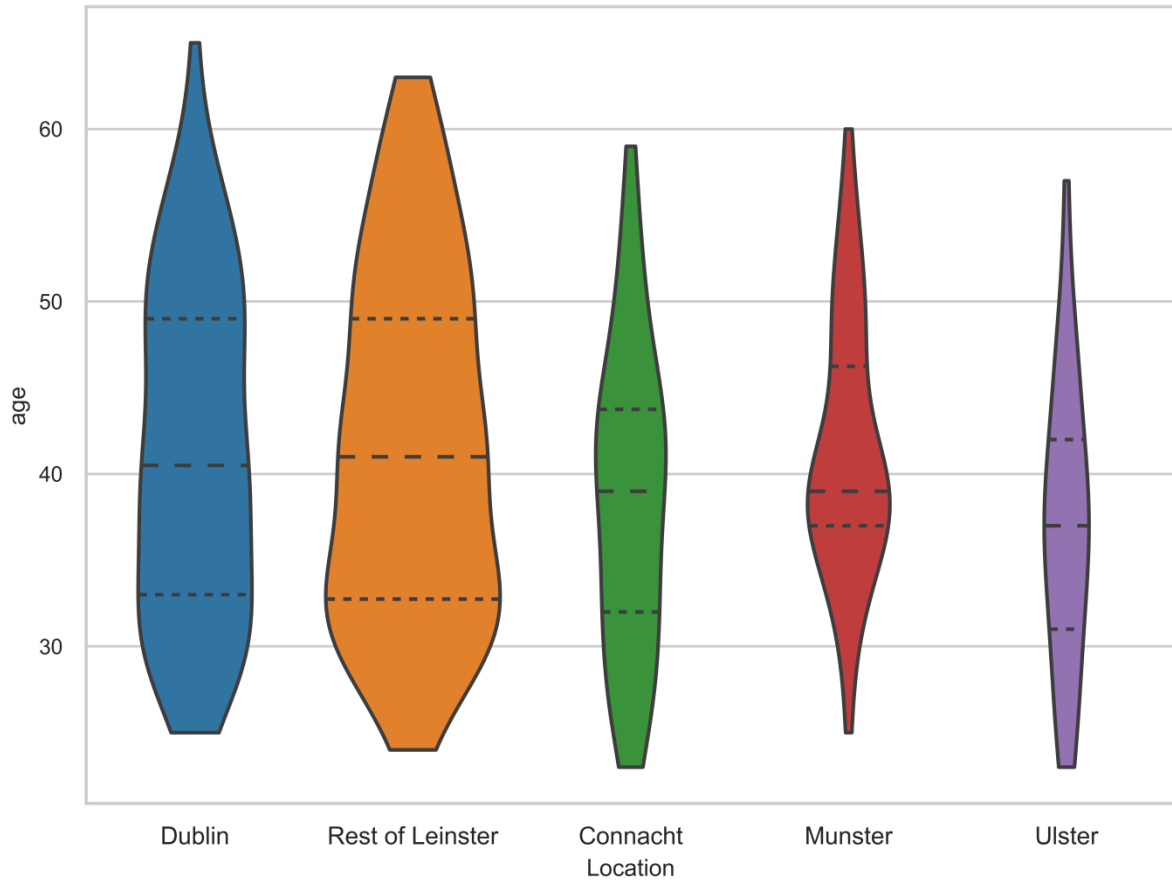


Figure 16 – Incorrect benefit by location (% expenditure)

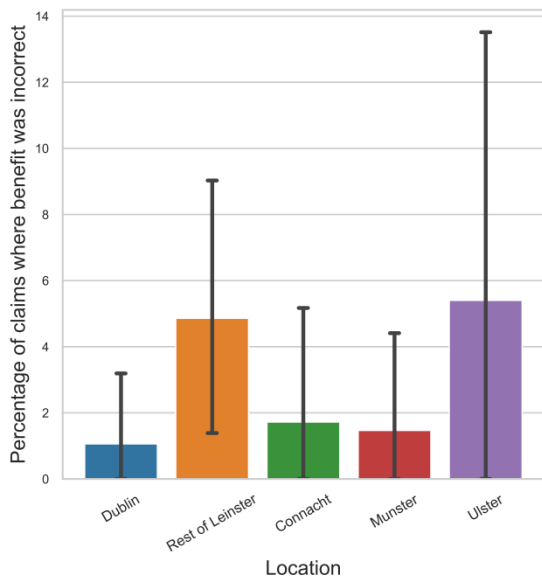


Figure 17 – Incorrect benefit by location (% of cases affected)

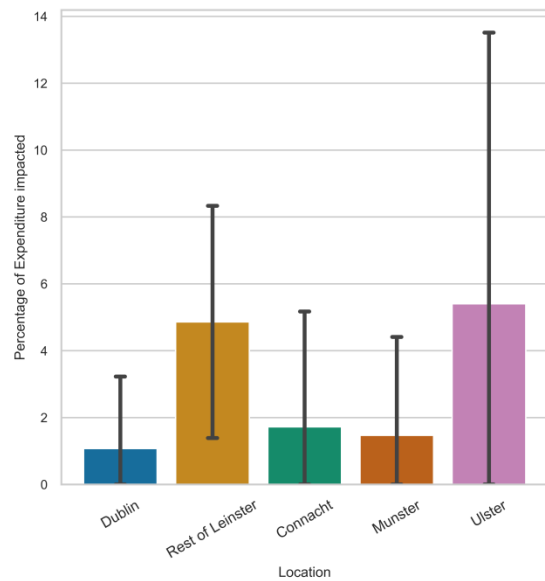


Table II-10 Residence Profile of BTWEA at the time the sample was drawn

	Dublin	Other Leinster	Connacht	Munster	Ulster
Estimated Weekly Expenditure (€m)	0.38	0.62	0.23	0.36	0.15
Number	1,649	2,594	980	1,602	643

Table II-11 Incorrect benefit by eligibility component and location (% of expenditure)

Incorrect benefit eligibility component	Incorrect benefit by Customer's province of residence (% of expenditure)					
	Dublin	Other Leinster	Connacht	Munster	Ulster	Overall
Customer failed to supply required information	0.9	2.4	0.0	0.0	2.1	1.3
Customer does not meet basic eligibility criteria	0.0	0.0	0.0	0.0	4.6	0.5
Customer does not meet residence requirements	0.0	0.0	0.0	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	0.0	3.2	1.5	1.3	0.0	1.6
All benefit eligibility components	0.9	5.6	1.5	1.3	6.7	3.3
Lower bound 95% confidence interval	0.0	1.8	0.0	0.0	0.0	1.5
Upper bound 95% confidence interval	2.8	10.4	4.4	3.8	17.9	5.5

Table II-12 - Incorrect benefit by eligibility component and location, with 95% confidence intervals (% of cases affected)

Incorrect benefit eligibility component	Incorrect benefit by Customer's province of residence (% of cases affected)					
	Dublin	Other Leinster	Connacht	Munster	Ulster	Overall
Customer failed to supply required information	1.1	2.1	0.0	0.0	2.7	1.2
Customer does not meet basic eligibility criteria	0.0	0.0	0.0	0.0	2.7	0.5
Customer does not meet residence requirements	0.0	0.0	0.0	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	0.0	2.8	1.7	1.5	0.0	1.5
All benefit eligibility components	1.1	4.9	1.7	1.5	5.4	3.0
Lower bound 95% confidence interval	0.0	1.4	0.0	0.0	0.0	1.5
Upper bound 95% confidence interval	3.2	8.3	5.2	4.4	13.5	5.7

Source: DEASP. Figures may not add due to rounding.

II.5 Nationality

Figure 18: Nationality Profile of the sample

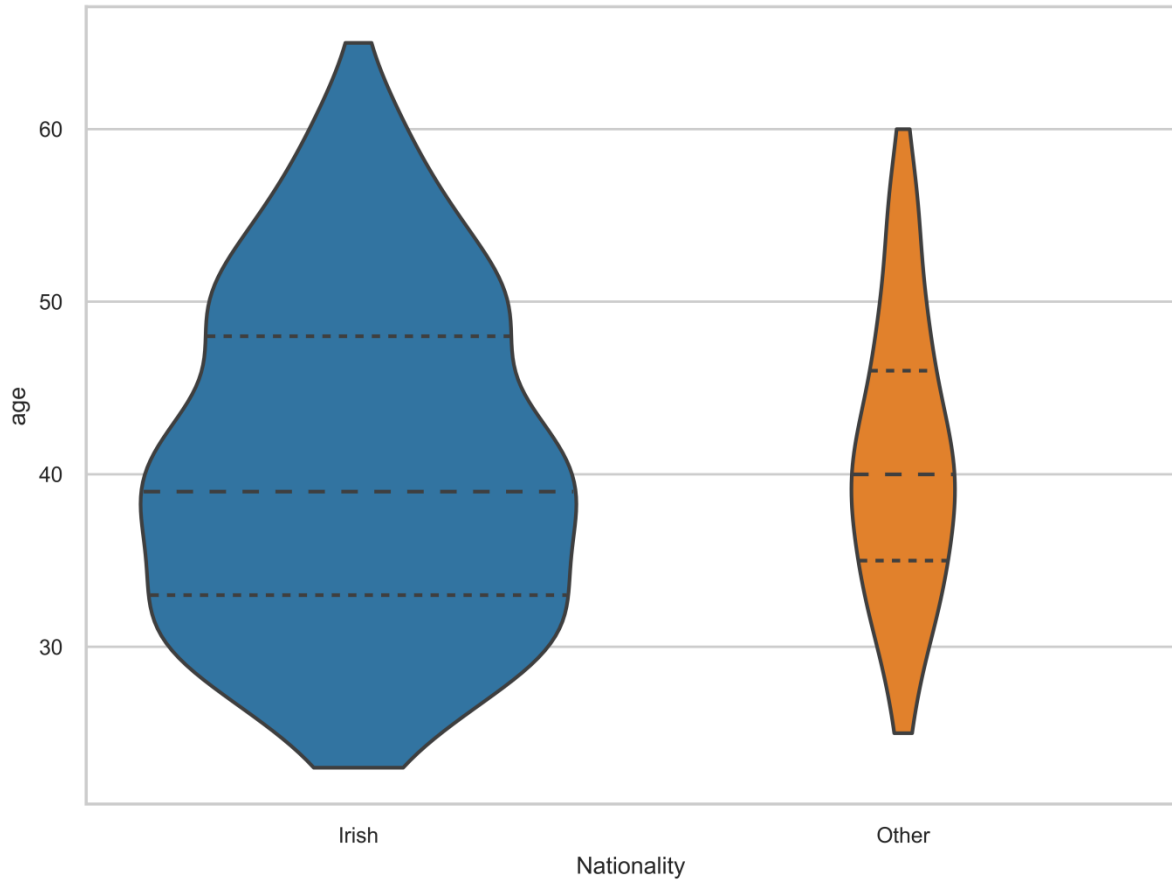


Figure 19: Incorrect benefit by nationality (% of expenditure)

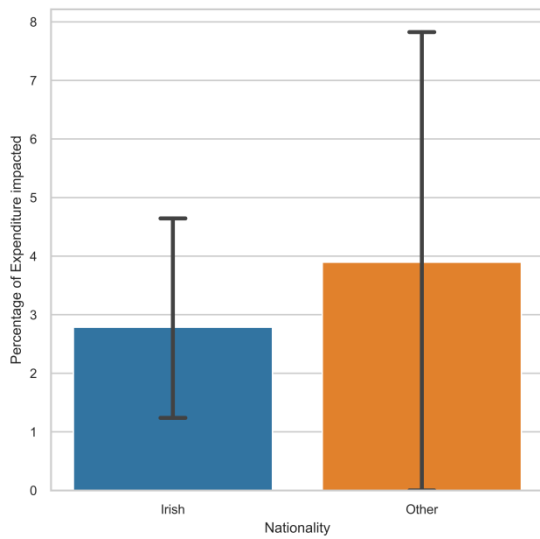


Figure 20: Incorrect benefit by nationality (% of cases affected)

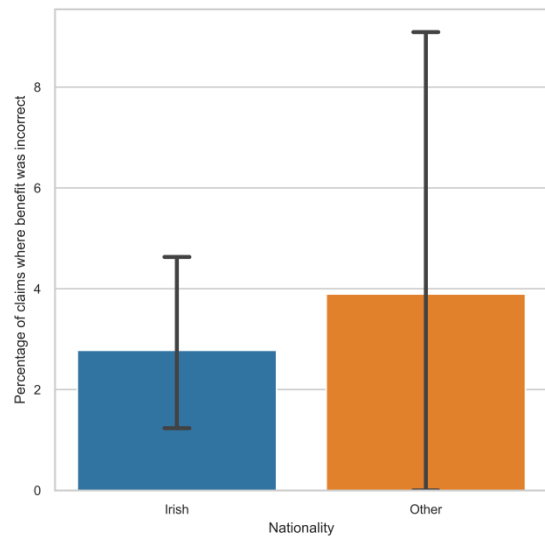


Table II-13 Nationality Profile of BTWEA at the time the sample was drawn

	Ireland	All Others	Overall
Estimated Weekly Expenditure (€m)	1.32	0.42	1.74
Number	5,741	1,727	7,468

Table II-14 Incorrect benefit by eligibility component and nationality, with 95% confidence intervals (% of expenditure)

Incorrect benefit eligibility component	Incorrect benefit by Customer's nationality (% of expenditure)		
	Ireland	All others	Overall
Customer failed to supply required information	1.4	1.0	1.3
Customer does not meet basic eligibility criteria	0.0	2.1	0.5
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.7	1.0	1.6
All benefit eligibility components	3.1	4.2	3.3
Lower bound 95% confidence interval	1.1	0.0	1.5
Upper bound 95% confidence interval	5.4	9.8	5.5

Table II-15: Incorrect Benefit by eligibility component and nationality, with 95% confidence intervals (% of cases affected)

Incorrect benefit eligibility component	Incorrect benefit by Customer's nationality (% of claims)		
	Ireland	All others	Overall
Customer failed to supply required information	1.2	1.3	1.2
Customer does not meet basic eligibility criteria	0.0	1.3	0.2
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.5	1.3	1.5
All benefit eligibility components	2.8	3.9	3.0
Lower bound 95% confidence interval	1.2	0.0	1.5
Upper bound 95% confidence interval	4.6	9.1	5.7

Source: DEASP. Figures may not add due to rounding.

II.6 Previously recorded Means

Figure 21 – Age and presence of means profile of Back to work enterprise allowance, September 2018

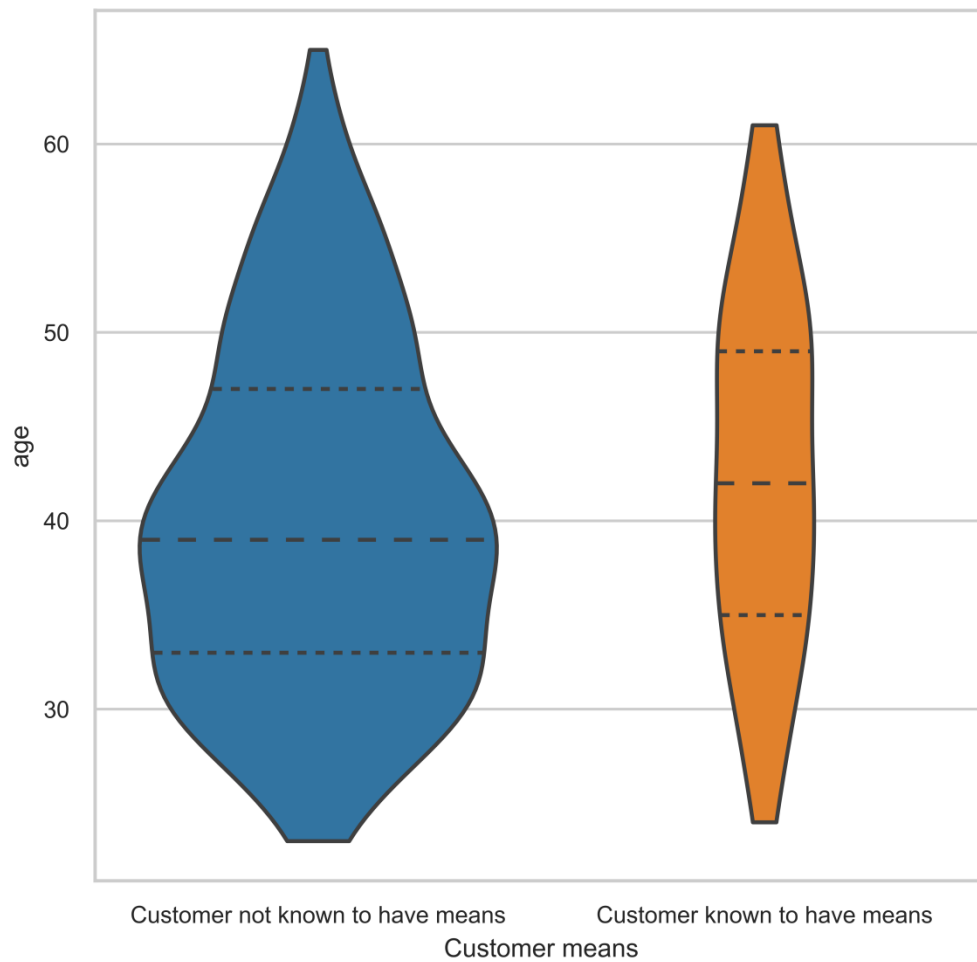


Figure 22 – Incorrect benefit by Means (% expenditure)

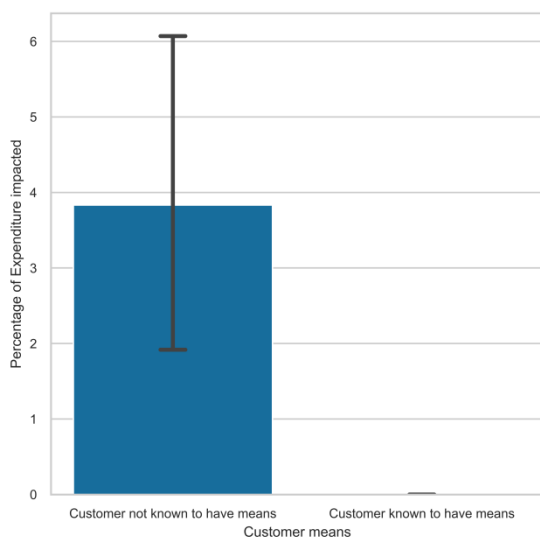


Figure 23 – Incorrect benefit by Means (% of cases affected)

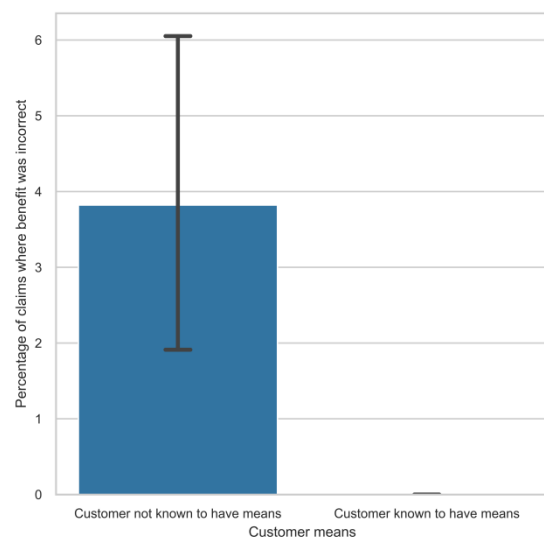


Table II-16 Means Profile of BTWEA at the time the sample was drawn

	Not known to have means	Known to have Means	Overall
Estimated Weekly Expenditure (€m)	1.39	0.35	1.74
Number	5,701	1,767	7,648

Table II-17 Incorrect benefit by eligibility component and means (% of expenditure)

Incorrect benefit eligibility component	Incorrect benefit by Means(% of expenditure)		
	No Means	Means	Overall
Customer failed to supply required information	1.6	0.0	1.3
Customer does not meet basic eligibility criteria	0.6	0.0	0.5
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	2.0	0.0	1.6
All benefit eligibility components	4.1	0.0	3.3
Lower bound 95% confidence interval	1.9	0.0	1.5
Upper bound 95% confidence interval	6.7	0.0	5.5

Source: DEASP. Figures may not add due to rounding.

Table II-18 - Incorrect benefit by component and Means, with 95% confidence intervals (% of cases affected)

Incorrect benefit eligibility component	Incorrect benefit by Means (% of cases affected)		
	No Means	Means	Overall
Customer failed to supply required information	1.6	0.0	1.2
Customer does not meet basic eligibility criteria	0.3	0.0	0.2
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.9	0.0	1.5
All benefit eligibility components	3.8	0.0	3.0
Lower bound 95% confidence interval	1.9	0.0	1.5
Upper bound 95% confidence interval	6.1	0.0	5.7

Source: DEASP. Figures may not add due to rounding.

II.7 Dependants on Claim

Figure 24 – Age and presence of dependants profile of Back to work enterprise allowance, September 2018

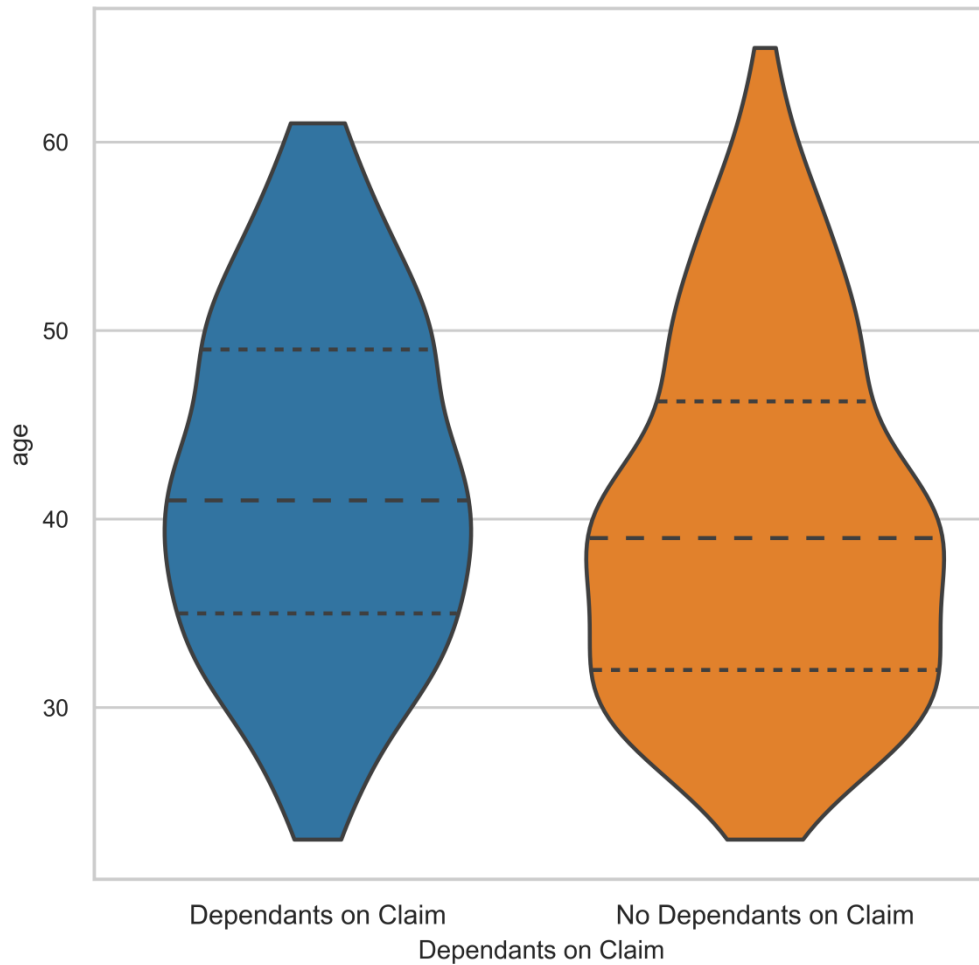


Figure 25 – Incorrect benefit by Dependants (% expenditure)

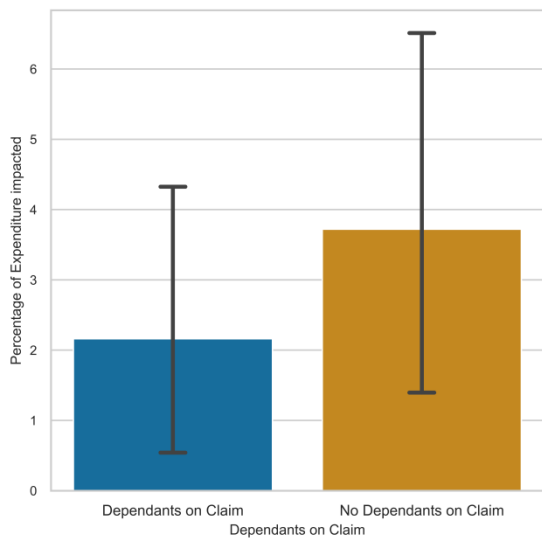


Figure 26 – Incorrect benefit by Dependants (% of cases affected)

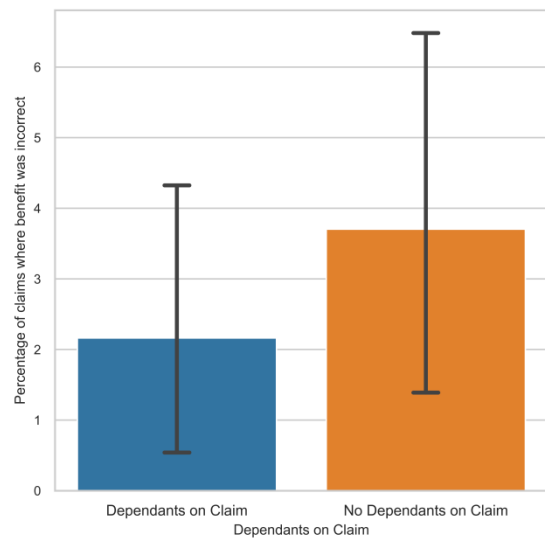


Table II-19 Dependants Profile of BTWEA at the time the sample was drawn

	Dependants	No Dependants	Overall
Estimated Weekly Expenditure (€m)	1.0	0.75	1.74
Number	3,613	3,855	7,468

Table II-20 Incorrect benefit by eligibility component and dependants (% of expenditure)

Incorrect benefit eligibility component	Incorrect benefit by Means(% of expenditure)		
	Dependants	No Dependants	Overall
Customer failed to supply required information	0.8	1.9	1.3
Customer does not meet basic eligibility criteria	0.0	0.8	0.5
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.3	1.9	1.6
All benefit eligibility components	3.0	3.8	3.3
Lower bound 95% confidence interval	0.6	1.4	1.5
Upper bound 95% confidence interval	6.1	6.7	5.5

Source: DEASP. Figures may not add due to rounding.

Table II-21 - Incorrect benefit by component and dependants, with 95% confidence intervals (% of cases affected)

Incorrect benefit eligibility component	Incorrect benefit by Means (% of cases affected)		
	Dependants	No Dependants	Overall
Customer failed to supply required information	0.5	1.9	1.2
Customer does not meet basic eligibility criteria	0.5	0.0	0.2
Customer does not meet residence requirements	0.0	0.0	0.0
Customer has not made an attempt at viable self-employment	1.1	1.9	1.5
All benefit eligibility components	2.2	3.7	3.0
Lower bound 95% confidence interval	0.5	1.4	1.5
Upper bound 95% confidence interval	4.3	6.5	5.7

Source: DEASP. Figures may not add due to rounding.

Annex III Methodology

III.1 Survey principles

The Statistics and Business Intelligence Unit of the Department, a part of the Irish Statistical System, oversees the design, sample selection, analysis and reporting of the Department's Control Surveys, to ensure that they are produced in an objective, transparent and independent manner, in line with the requirements of the Irish Statistical System Code of Practice¹.

The Department, in agreement with the Comptroller & Auditor General (C&AG), applies the following principles to the design and implementation of these surveys:

- All cases for inclusion in the survey must be selected randomly from the population of cases in payment at a specific time;
- The sample size must be sufficiently large to yield reasonably reliable estimates;
- The reviews should be carried out as promptly as possible;
- Cases should be tested fully for all possible breaches of regulations;
- The monetary values of any changes as a result of the review, together with the monetary value of the sample, should be captured so that the results can be extrapolated to draw conclusions about the estimated value of the loss; and
- The results of the survey should be capable of being audited.

III.2 Survey procedures

For every survey, a **stratified random sample** is created from the population to be surveyed (the population is the total number of benefit recipients on a given date).

A **benefit correctness assessment** is then completed for all sample cases. This requires assessing sufficient information to determine the *base payment rate* and *assessed payment rate* for each customer in the sample. This involves a desk assessment by a Deciding Officer or equivalent, and typically also requires an in-person customer inspection by a Social Welfare Inspector (SWI).

- The **base payment rate** is the customer's weekly payment rate in the last week of payment before the customer is first contacted by the Department for the purposes of the survey².
- The **assessed payment rate** is the correct weekly payment rate as established by the benefit correctness assessment.

Claim decisions are reviewed by a Departmental expert group, chaired by the Department's Chief Statistician and including representatives of the Control Division and the relevant scheme area, before arriving at a final categorisation. The report and the data underpinning the analysis is made available to the Comptroller and Auditor-General (C&AG). The C&AG

¹ <http://www.isscop.ie/codeofpractice/>

² For the purposes of the control survey, if it is not possible or necessary to contact the customer – for example, where a customer has very recently been inspected, or where the customer has died - the relevant week for establishing the base payment rate is the week before the desk assessment of that claim.

may subsequently inspect a sub-sample of the survey sample cases to verify the quality of the results and test the application of the methodology.

III.3 Categorisation of case results

The result categories outlined here are based on the decisions taken on each case, according to the survey procedures outlined above.

i. Correct versus Incorrect Benefit

The primary categorisation for each case is between **Correct** and **Incorrect benefit**.

- **Benefit Correct:** In these cases, no evidence was found that any conditions for receipt of benefit, or the rate of benefit in payment, were not satisfied. Included in this category are cases where:
 - the rate of benefit did not change; and
 - the rate of benefit changed or was due to change at the time the case was reviewed, but the change in rate of benefit does not relate to the fact that the case was reviewed. For example, if a customer informed the Department of a change in their means prior to first contact for the survey, or if a customer has recently died
- **Incorrect Benefit:** One or more eligibility conditions for receipt of benefit, or the rate of benefit in payment, are not being met, such that a revised decision has been made, or should in principle be made, leading to a change in the payment rate for this customer or the termination of the claim.

ii. Case-wise outcome measures

The primary outcome measure is *Final Incorrect Benefit Excluding Recoveries (FIBER)*, as this best reflects the financial impact on the Department of a customer's overall benefit entitlement. This metric comprises overpayment, underpayment and transfer impacts as follows:

- **Overpayment:** the base payment rate is *higher* than the assessed payment rate – that is, the customer was previously receiving *too high a rate of benefit* each week.
- **Underpayment:** the base payment rate is *lower* than the assessed payment rate – that is, the customer was previously receiving *too low a rate of benefit* each week.
- **Transfers:** Incorrect benefit claims where the customer subsequently established an entitlement to another benefit³.
- **Final Incorrect Benefit Excluding Recoveries (FIBER):** Overpayments minus underpayments and transfers.

iii. Error categories: Suspected Fraud, Customer Error, Official Error

Cases with error outcomes may be broken down by *incorrect benefit category*. The principal categories are Suspected Fraud⁴, Official Error and Customer Error, derived as follows:

³ Transferred claims are still claims where an incorrect benefit was originally assessed, so that transfers reduce the expenditure cost to the Department of incorrect benefit expenditure, but do not reduce the number of cases affected.

⁴ This category has been applied to cases only where a Deciding Officer is satisfied that there is sufficient evidence that the customer deliberately provided false or misleading information or wilfully concealed relevant information.

Table III-1 – Derivation of Incorrect benefit categories

Category	Detail	Basis	Reference
Suspected Fraud	False Declaration	The customer "knowingly makes any statement or representation (whether written or verbal) which is to his or her knowledge false or misleading in any material respect" which is materially relevant to his/her benefit entitlement	Social Welfare Consolidation Act 251, 302(a), 325(a)
	Wilful Concealment	The customer "knowingly conceals any material fact" in relation to his/her entitlement	
Official Error	Mistaken decision	"by reason of some mistake having been made in relation to the law or the facts"	Social Welfare Consolidation Act 301(1), 302(b), 325(b)
	Failure to act on available information	"the decision [previously in force] was erroneous in the light of new evidence or new facts"	
	Length of time since last claim review	Operational guidelines of the Department's schemes require periodic claim reviews to confirm that the correct payment is being made to the correct person and that the qualifying conditions continue to be fulfilled. For the purpose of Control Surveys, an incorrect claim which has not been reviewed in the last 3 years (working age schemes) or 5 years (pension schemes) is deemed to be affected by this error category.	
Customer Error	Inaccurate or incomplete information	"the decision [previously in force] was erroneous in the light of new evidence or new facts"	Social Welfare Consolidation Act 301(1), 302(b), 325(b)
	Unreported change in circumstances	"relevant change of circumstances which has come to notice since that decision was given"	
	No attempt at viable self-employment	This error category is unique to the BTWEA Control Survey. Although not a statutory requirement, BTWEA customers must make an attempt at viable self-employment in order to be eligible for the scheme. Cases are enumerated under this category where the investigating officer found no evidence of an attempt at viable self-employment, but also did not find sufficient evidence to classify the case as a case of Suspected Fraud.	

Source: DEASP

It is possible for one of Suspected Fraud and Customer Error to be present on a given case, alongside Official Error. For example, this may happen where a customer has failed to report a change in means but there was an unreasonable delay on the part of the Department in reviewing the case and reflecting the change in means in the rate of payment.

To ensure clarity of reporting, where more than one type of incorrect benefit is detected, the *predominant category* is assigned according to the following hierarchy:

1. Suspected fraud by the customer;
2. Official error; and
3. Customer error.

That is, any case which shows evidence of Suspected Fraud *and* Official Error is recorded with a predominant category of Suspected Fraud, while any case which shows evidence of both Official Error and Customer Error is recorded with a predominant category of Official Error.

III.4 Outcome metrics

The headline Control Survey outcome metric is shown as Net Loss to Government, defined as the total **expenditure impact** of *incorrect benefit* cases on a *final outcome* basis.

Results are also presented in terms of the proportion of **cases** where the benefit paid was incorrect.

i. Net Loss to Government

For all surveys, the primary outcome metric is shown as Net Loss to Government.

This measure is more comprehensive than FIBER because it takes compliance and anti-fraud activity into account when estimating the overall impact of Incorrect Benefit on the scheme being assessed. The calculation of Net Loss to Government is as follows:

- The estimated **monetary value** of the Net Loss to Government arising from Incorrect Benefit is calculated by subtracting the monetary value of overpayments recovered in a specified period from the estimated monetary value of Incorrect Benefit over the same period.
- The **percentage** estimate for Net Loss to Government is then calculated by dividing the monetary value of the net loss by total expenditure over the same period.

Because overpayment recoveries are not categorised in the same way as Incorrect Benefit cases (between Suspected Fraud, Official Error, and Customer Error), it is only possible to produce this metric at the overall Incorrect Benefit level.

ii. Expenditure impact

Overpayment cases *increase* the overall expenditure impact of incorrect benefit payments, whereas underpayment cases *decrease* it. The expenditure impact can be expressed in two ways:

- The **percentage expenditure impact** is the total net change in payment rates in a given category detected in the survey, divided by the total of all base payment rates of the customers in the survey sample.
- The **monetary expenditure impact** is the percentage expenditure impact multiplied by the total scheme expenditure for a given period (a week).

As well as the overall result, results according to the *expenditure impact* metric are also presented for every sub-category of incorrect benefit payment.

iii. Cases affected

Both overpayment and underpayment cases count towards the number of cases affected metric for overall incorrect benefit payments. The metric may be presented either as a number or as a proportion:

- The **number of cases affected** is a count of all incorrect benefit cases in a given category⁵.
- The **proportion of cases affected** is the number of cases affected divided by the sample size.

Results according to the cases affected metric are also presented for every sub-category of incorrect benefit.

⁵ This count is reweighted where necessary if differential sampling rates have been used.

Annex IV Sampling frame and raw results

IV.1 Sampling frame

For this survey, the Statistics and Business Intelligence Unit selected a stratified random sample of 401 cases from the BTWEA claims in payment in September 2018. Just under 7,500 people were in payment the week the sample was selected. Comparisons between the population and the sample, including the age and sex breakdowns, are presented below.

Table IV - 1 Comparison between the Population and the Sample

	Age (mean, median)	Sex (male, female)	Payment (mean, median)	Months on BTWEA (mean, median)
Sample	40, 39	70.6%, 29.4%	€233.14, €198	13.2, 14.0
Population	40, 39	70.5%, 29.4%	€235.04, €198	12.6, 13.0

Figure 27- Age and Sex profile - Population

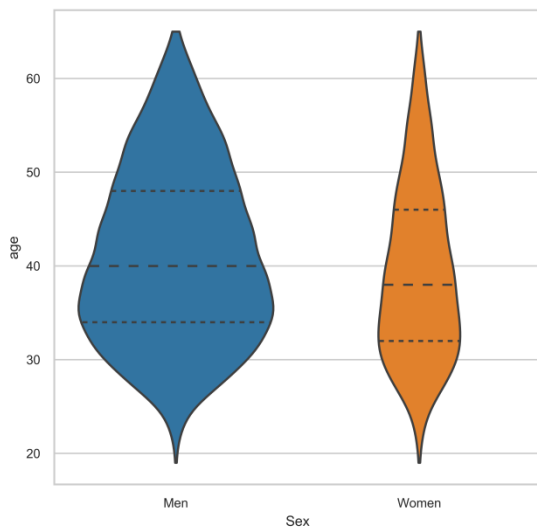
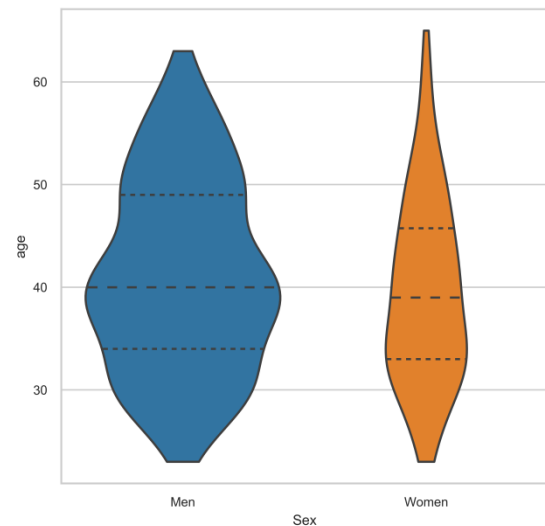


Figure 28 - Age and Sex Profile – Sample



IV.2 Raw results

The breakdown of claims found to be Benefit Correct and Benefit Incorrect are presented in the table below. The results are grouped by the predominant outcome and the detailed eligibility conditions are then listed.

i. All Cases

Table IV: Total and Percent of Cases classified as Benefit Correct / Benefit Incorrect

	Detail	Number of cases	Percent of Cases
Benefit Correct		389	97.0
All Benefit Incorrect Cases	All cases	12	3.0
	Customer failed to supply required information	5	1.2
	Customer does not meet basic eligibility criteria	1	0.2
	Customer does not meet residence requirements	0	0.0
	Customer has not made an attempt at viable self-employment	6	1.5
Suspected Fraud	Suspected Fraud Cases	5	1.2
	Customer failed to supply required information	5	1.2
	Customer does not meet basic eligibility criteria	0	0.0
	Customer does not meet residence requirements	0	0.0
	Customer has not made an attempt at viable self-employment	0	0.0
Official Error	Official Error Cases	2	0.5
	Customer failed to supply required information	0	0.0
	Customer does not meet basic eligibility criteria	1	0.2
	Customer does not meet residence requirements	0	0.0
	Customer has not made an attempt at viable self-employment	1	0.2
Customer Error	Customer Error Cases	5	1.2
	Customer failed to supply required information	0	0.0
	Customer does not meet basic eligibility criteria	0	0.0
	Customer does not meet residence requirements	0	0.0
	Customer has not made an attempt at viable self-employment	5	1.2

Source: DEASP

Annex V List of Qualifying Payments for BTWEA

Primary Eligible Payments

➤ Jobseeker's Allowance (incl. Casuals*)
➤ Jobseeker's Benefit (incl. Casuals*) must have an underlying entitlement to JA. If there is no JA entitlement then there is no BTWEA entitlement.

BTWEA applicants in receipt of one of the above payments must be:

9 months (234 days) continuously in receipt of JA or JB

or

12 months (312 days) in receipt of JA or JB immediately prior to their BTWEA application with a maximum of 30 days break in the Live Register.

(*Casuals **MUST** cease their casual employment before commencing on BTWEA)

Other Eligible Payments for 9 months (continuous)

➤ One-Parent Family Payment
➤ Jobseekers Transitional Payment (JST)
➤ Blind Pension
➤ Deserted Wife's Benefit (DWB)
➤ Disability Allowance
➤ Widow's, Widower's or Surviving Civil Partner's Non-Contributory Pension
➤ Incapacity Supplement
➤ Carer's Allowance (having ceased caring responsibilities & not applicable to half-rate carer's recipients)
➤ Invalidity Pension

In addition to those listed above the following may also be considered for participation in the scheme:

➤ Farm Assist (for 9 months continuous) provided that the self-employment is not related to the holding and not the continuation of an existing operation
➤ Illness Benefit (3 out of last 5 years in receipt of a qualifying social welfare payment)

Combination of Payments for 9 months (continuous)

➤ Combination of OFP/JST/JA
➤ Combination of any other qualifying social welfare payments listed above (except Illness Benefit)

Other Qualifying Periods

1. Periods spent on the following schemes count towards the qualifying period provided they are preceded by a qualifying payment:
 - Full-time Solas/Fáilte Ireland training courses,
 - Community Employment,
 - Rural Social Scheme,
 - JobBridge,
 - Gateway,
 - TÚS and
 - BTEA / VTOS.

The applicant must re-establish an entitlement to a qualifying payment as the BTWEA rate paid is based on this figure.

2. Periods spent in receipt of Supplementary Welfare Allowance and Direct Provision count towards the qualifying period provided the applicant establishes an entitlement to a relevant social welfare payment prior to commencing on the scheme.
3. Periods spent as Qualified Adult for (1) and (2) above count towards qualifying period once the person has established an entitlement to a qualifying social welfare payment in their own right.
4. Periods spent as Qualified Adult on JA/JB or a recent BTWEA payment count towards qualifying period for BTWEA once the person has established an entitlement to a qualifying social welfare payment in their own right.
5. The qualifying period for BTWEA for ex-prisoners is 9 months. Only periods spent in prison in the State can be taken as, or count towards the qualifying period once an underlying entitlement to Jobseeker's Allowance is established.
6. Clients who are currently unemployed in Ireland (for at least 13 weeks) and on a qualifying payment can have recent periods of unemployment in other EU countries accepted. Clients should be asked to request a U1 form from the relevant social security authority that will give the details of employment & unemployment periods in the relevant EU Country.
7. Where there is a break in an eligibility payment due to Maternity or Paternity Benefit the Client can be deemed eligible once this Benefit was preceded and has been followed by a primary eligible payment and meets the required accumulated days as set out above.



**An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí**
Department of Employment Affairs
and Social Protection

