TORONTO

STAFF REPORT
INFORMATION ONLY

Moving Towards a Quality Assurance Scorecard

Date:	November 19, 2007
To:	Community Development and Recreation Committee
From:	General Manager, Social Services
Wards:	All
Reference Number:	

SUMMARY

Quality assurance standards are an integral part of how Toronto Social Services (TSS) is informed on service quality and how it is making a difference on the lives of people. As a municipal service delivery agent, TSS is legislatively responsible for effectively delivering Ontario Works (OW) to social assistance recipients. At the same time, TSS as a City service, has a longstanding commitment to quality services and supports to Toronto's most vulnerable residents.

The development of a scorecard provides the opportunity for TSS to report out on its continuous improvement efforts to identify, evaluate and replicate best practices in the system as well as to focus on opportunities for improvement. This report will highlight the Division's systems, successes and ongoing developments in place to enhance service quality in the areas of program management, client-focused service and program integrity.

Financial Impact

There are no immediate financial implications with respect to the 2007 budget.

DECISION HISTORY

This report responds to a recommendation contained in the Auditor General's report 'Recovery of Social Assistance Overpayments, Toronto Social Services', on June 2, 2005, that "the General Manager of Toronto Social Services establish reporting requirements for social assistance overpayments and recoveries" and provide an annual update on these actions to Senior Management and the Community Development and Recreation Committee.

ISSUE BACKGROUND

Since 1998, TSS, on behalf of the City of Toronto, has been responsible for administering and managing the OW program in accordance with provincial legislation. OW has two main components: employment assistance which provides clients with the opportunities to engage in various employment related activities, as well as financial assistance which provides support for basic necessities such as food, shelter and clothing.

For the City of Toronto, coupled with the long term impacts of the recession of the early 1990s, the introduction of OW has made TSS the 4th largest delivery agent of social assistance in Canada. In 2006, the division delivered over $600 million in direct financial assistance and more than $55 million in employment services and supports to an average of 1 in 11 Toronto residents or 230,000 people. This, in conjunction with major reforms over the past 20 years to other public employment and income support programs in Canada such as Employment Insurance, has resulted in a municipally-delivered social assistance system in Ontario that has gone from a program of last resort to one of only resort for a significant portion of Toronto's unemployed and under-employed residents.

The complexity of delivering the OW program is made even more difficult given that 85 percent of Toronto's caseload consists of the five most financially vulnerable groups in our society: single parents, persons with disabilities who are not eligible for Ontario Disability Support Program (ODSP) benefits, aboriginal Canadians, recent immigrants, and unemployed or underemployed people over the age of 45.

As a program steward for OW, TSS is charged with the responsibility of maintaining the integrity of the social assistance system. TSS has responded to this role by accurately assessing the eligibility of potential clients, ensuring clients fulfill their employment and financial requirements and by responsibly managing program dollars.

At the same time, TSS continues to support Toronto's most vulnerable residents in their efforts to move towards greater self-sufficiency. This commitment is being demonstrated through a client-centred delivery approach that is accessible and responsive to the needs of residents. Providing quality services means that clients continue to receive all the benefits to which they are entitled, that clients are treated with dignity and respect and that TSS staff are provided with the proper training, tools and supports to deliver the program effectively.

Central to TSS' commitment to clients, is the value the division places on relationships. By building and sustaining service relationships with the local community, city partners and other levels of government, TSS can more effectively advocate on behalf of clients and provide a broader range of services and supports.

Recognizing the challenges for providing supports for such diverse groups in Toronto, TSS has a legacy of demonstrating its commitment to providing quality client service. In its 2002 document "Living the Vision: Toronto Social Services' Report to the Community", TSS emphasized the importance of delivering high quality, accessible and

effective services to clients. In addition, City Council's priority to provide local place-based activities across thirteen priority neighbourhoods reinforces the importance of having clients at the centre of a human service model. And finally, TSS' recent report "Systems of Survival, Systems of Support: An Action Plan for Social Assistance in the City of Toronto" reemphasizes the Division's commitment to designing and delivering programs that are locally effective and responsive to the residents of Toronto.

COMMENTS

Program Management

TSS has established a series of performance management initiatives to support the Division's objectives of providing both quality services to the most vulnerable residents of Toronto while maintaining a high standard of program integrity.

The three areas where the Division has been actively developing these performance management systems to support its work include:

1. Corporate benchmarking projects developed in collaboration with other municipalities through initiatives such as the Ontario Municipal Benchmarking Initiative (OMBI);
2. Developing, in conjunction with the Province, Employment Outcome Measures, and;
3. TSS' performance management and reporting initiatives.

1.   Ontario Municipal Benchmarking Initiative (OMBI)

Since 2000, Chief Administrative Officers and City Managers from OMBI partner municipalities across the province have been working on a Benchmarking Model for municipal services. Toronto has been an active participant in this initiative since the beginning.

The stated purpose of OMBI is to identify and develop appropriate service performance measures, capturing performance data, and analyzing and benchmarking results, in order to identify best practices of service efficiency and quality in Ontario municipalities.

Initially, expert panels comprised of municipal representatives were established to study long-term care, roads, solid waste, emergency medical service (ambulance), water and wastewater services. In subsequent years, other expert panels were added. Currently, nearly all municipal services provided by regional municipalities and single tier cities are involved in the benchmarking initiative.

An expert panel was struck in 2004 to study the municipally delivered OW program and now comprises 14 municipal representatives from across the Province including all GTA municipalities. Together these 14 municipalities represent over 70 percent of the

Province's OW caseload and their work has resulted in the development of the following key measures:

- Monthly Social Assistance Administration Cost/Case;
- Monthly Social Assistance Caseload/100,000 Households;
- Social Assistance Beneficiaries/100,000 Population;
- Social Assistance Caseload/Full Time Equivalents (FTEs);
- Social Assistance Benefit Cost/Case;
- Response Time to Client Eligibility (Days), and;
- Average Time on Social Assistance (Months).

Beginning in 2005, OMBI started publicly reporting on most of these measures and more recently in November 2007 reported its 2006 findings. The following highlights some of the key results for Toronto from the 2006 OMBI report:

- Toronto had the 5th lowest cost of administration per case of OMBI municipalities ($203.00) and was the lowest in the GTA;
- Toronto's cost of administration per case was 18.5 percent lower than the average of all GTA municipalities;
- Toronto had the 2nd highest ratio of cases to FTEs for all OMBI municipalities and the highest among the GTA;
- Toronto issued the 2nd highest monthly benefits per case;
- Toronto ranked 2nd in response time for determining client eligibility, and;
- Toronto had the greatest length of time on assistance (21 months) of all OMBI municipalities;

Analysis of the OMBI data also appears to demonstrate a relationship between the average time clients are in receipt of OW and the average cost of administration. The chart in Attachment 1 shows that most of those municipalities with higher than average cost of administration had lower average lengths of time on assistance. As well, the majority of municipalities with lower than average administration costs, including Toronto, had longer average lengths of time on assistance.

With the ongoing collection and reporting of the OMBI data beginning with the 2005 report, OMBI municipalities are building a body of information that they will be using to develop more comprehensive analysis of the trends within and across municipalities. In addition to this work, the OMBI municipalities are also looking to supplement the current measures with employment-focused indicators consistent with those being developed in consultation with the Province and which are discussed in greater detail below.

2.   Employment Outcome Measures

Starting in 2004, TSS along with other OW delivery agents and Ministry of Community and Social Service (MCSS) staff began designing a core set of employment outcomes and outcome measures that are linked to the funding of employment assistance. The

principles that were used by the working group in the development of the outcome funding model included:

- ensuring a participant and employment focus;
- providing flexibility;
- support for a full range of quality employment services and continuum of supports;
- developing an environment that fosters continuous improvement;
- a framework that is simple, practical, measurable, accountable;
- a recognition of the unique roles and collective responsibilities of the province, municipalities and local communities, and;
- building on best practices and innovation.

To help guide the overall planning, delivery and funding of OW employment assistance, this new framework identified two over-arching or core outcomes: increasing client employment and improving client earnings.

Within these two core outcomes a total of seven specific measures have been developed along with a new funding framework linking target achievement in each area to employment assistance funding. The following are the measures currently in place:

Earnings:

1. Average Amount Of Employment Earnings For Participants With Earnings;
2. Average Amount Of Employment Earnings At Exit, and;
3. Average Earnings Of Participants With Earnings After At Least 12 Months On Assistance

Employment:

1. Percentage Of Caseload With Employment Income
2. Percentage Of Caseload Exiting To Employment
3. Job Retention Rate Determined By Average Length Of Time From Exit Due To Earnings And/Or Employment To Re-Entry Into Social Assistance
4. Job Retention Rate Determined By Percentage Of Participants Who Exit Social Assistance Due To Earnings And/Or Employment And Return

At the beginning of each year, TSS in consultation with regional ministry staff, establish targets for each of the measures. A number of variables are taken into consideration including:

- historical caseload trends;
- past achievement;
- local labour market, and;
- TSS specific employment service initiatives.

The new employment outcome measures and funding framework along with initial targets were piloted in 2006. For both 2006 and the 2nd quarter of 2007, for which the most recent provincial data is available, TSS has either met or exceeded its targets in both core outcomes. Attachment 2 contains two charts illustrating the Division's performance for two key measures, one in each of the core outcome areas.

TSS continues to work with MCSS staff and our municipal partners to improve this new outcomes funding framework as well as enhance the existing outcome measures. The Division's objective is to both maximize available program funding and ensure an effective response to service requirements.

3.   TSS' Performance Management and Reporting Initiatives

With a Divisional emphasis on performance management as well as a shift to outcome based reporting at the provincial level, TSS has developed an internal performance measurement system that links the Division's strategy and mission to performance.

Significant steps have been taken in developing a reporting system that supports both operational and program analysis. The synthesis of information from the Division's data mart infrastructure forms the foundation of a divisional performance measurement system which through interactive checks and balances helps determine successes and highlights areas for continuous service improvement.

This system informs divisional decision making and program management by having the flexibility to produce reports at various staff levels. From a divisional Dashboard report that displays summary information on Key Performance Indicators (KPI); to a client employment assistance synopsis (Case Profile) that supports frontline responses to divisional initiatives, this drill-down reporting system supports employment service delivery while ensuring financial compliance and program integrity. This "closed loop" reporting structure reinforces strategic alignment and has demonstrated tangible outcomes. (See Attachment 3 for an example of a Dashboard report used by divisional senior management.)

Client-Focused Service Delivery

The following highlights some of the mechanisms TSS have in place to facilitate a client focused service delivery approach.

Client Services and Information Unit (CSIU)

CSIU was formed to provide a vehicle to address client issues as well as to provide public information to a number of stakeholders, including city councillors, the community and representatives from other orders of government. The CSIU provides clients with needed information about policy changes, clarifying eligibility and entitlement benefits and ensures effective processes are in place to resolve client issues.

As part of the division's management information system, reports are produced on a quarterly basis to identify local service issues, establish benchmarks and inform divisional planning and communication with clients.

In 2006, CSIU fielded 5,129 inquiries. Inquiries usually take two forms: general inquiries involving client benefits and eligibility, and service concerns. The vast majority of inquiries with CSIU in 2006 were related to general inquiries (approximately 86 percent), 6 percent involved service concerns and 8 percent involved other issues.

Client Advisory Group (CAG)

In 1999 and 2000, TSS conducted client satisfaction surveys to evaluate the services and supports available to clients as well as to identify areas for improvement. In responding to client feedback from the surveys, TSS introduced the CAGs as a mechanism for clients and staff to work together to identify service delivery issues and discuss recommendations for improvement.

Some of the service enhancements that have resulted from the CAGs include:

- the development of a client newsletter to better inform clients about local issues raised and actions taken to address them;
- the creation of a client information kit in ten languages to address language barriers;
- the introduction of standardized telephone and reception protocols for interactions between clients and staff;
- physical plant changes to make local offices more accommodating to clients, and;
- development of a reception area information video on benefits and services that are provided by TSS.

Appeals Review Unit (ARU)

In accordance with provincial legislation, a dispute resolution process is available for clients who disagree with decisions regarding eligibility. The ARU is responsible for ensuring that all avenues for resolving eligibility concerns are exhausted. Cases that are not resolved can then be appealed to the Province's Social Benefits Tribunal (SBT). As a result of the efforts by the ARU, the number of resolutions has increased to almost 50 percent of the cases requesting a review. In addition, the number of appeals filed with the SBT has dramatically dropped from 3,135 in 1996 to a projected 279 for 2007.

Program Integrity and Financial Accountability

As a service provider, TSS continues to strive for program integrity and financial accountability when managing and delivering OW in the City of Toronto. Divisional policies and guidelines have been developed to assist staff in accurately assessing eligibility requirements according to provincial legislation. However bearing this in

mind, individual circumstances and program barriers continue to impact program integrity.

Overpayments Recovery

Overpayments result when the amount of social assistance provided to recipients exceeds the amount to which they are entitled. Overpayments can exist on cases where the individual is receiving social assistance (active cases) or on cases where the individual is no longer receiving assistance (inactive cases).

Recovery from active cases is straightforward, allowing the excess amount to be automatically deducted from social assistance payments, whereas the recovery of overpayments from inactive cases is typically more difficult and costly to administer.

There are several inherent features of the social assistance system that contribute to the incidences of overpayments, including:

1. Systemic Issues – Ongoing changes to provincial policy and regulations may often result in program complexity and inconsistencies when determining eligibility and entitlement;
2. Client Circumstances – Clients on social assistance often experience income fluctuations on a monthly basis affecting entitlement. Intentional or unintentional delays in reporting such changes can often result in an overpayment;
3. Technology Complexity – The mandatory use of the Provincial Service Delivery Model Technology (SDMT) for the administration of social assistance benefits and the management of overpayments contributes to the incidence of overpayments. TSS has reported to both City Council and the Province on numerous occasions, on issues related to the accuracy, flexibility and functionality associated with SDMT;
4. Administrative Error – The size and complexity in managing and processing social assistance benefits in Toronto contributes to overpayments, and;
5. Client Movement – The OW legislation require that overpayments move with clients between jurisdictions and as such, Toronto is required to pursue overpayments that it did not originally create.

As well, limitation in the design of provincial technology does not allow TSS to freeze overpayment balances for reporting purposes. Examples of this limitation include, income subsequently reported by clients that retroactively adjusts overpayment balances or where clients with overpayments move between municipalities.

The following table provides updated 2007 overpayment information for TSS and responds directly to the Auditor General's (AG's) recommendations from his 2005 audit of TSS inactive overpayments.

2007 Annual Overpayments and Recoveries Compared to Financial Benefits Issued	
	2007 (gross/projected actual)
Financial Benefits Issued ($ mil)	$598.6
Annual Overpayments Issued ($ mil)	$11.8
OP as a percentage of benefits issued	2.0%
Annual Repayment Recoveries ($ mil)	$9.7

Between 1979 and 2007, TSS has issued approximately $14 billion dollars (gross) in direct financial benefits to the residents of Toronto. As of January 2007, the cumulative overpayment balance for this 28 year period was approximately $168 million. Taking into account a $19.6 million (gross) adjustment to the opening balance, as a result of system reconciliations, recoveries, clients moving from the municipality, transfers to ODSP program, it is projected that the closing balance of overpayments for 2007 will be approximately $148.7 million (gross). This represents approximately 1 percent of the total cost of benefits issued over this same period.

Notwithstanding the challenges noted above, the degree of overpayments experienced by TSS in delivering an income maintenance program in a large urban centre is consistent with other jurisdictions. For example, the United Kingdom Department for Work and Pensions 2006 report titled "Getting Welfare Right: Tackling Error in the Benefits System" indicates that their official error report at its lowest level was 5.1 percent in September 2005 (see Attachment 4). Statistics released in March 2007 by the United States Government Accountability Office indicated that the state and national food stamp error rate for 2006 was 5.8 percent (see Attachment 5).

Since the overpayment audit, in June 2005, a number of additional measures have been implemented by TSS to improve the management of overpayments, including:

- the development of technology solutions to streamline and enhance overpayment reporting;
- the inclusion of overpayment performance reports as a regular feature of divisional Senior Management meetings;
- recently concluded negotiations with the province to establish a 'write-off' policy for uncollectible overpayments, and;
- implementation of a pilot project where TSS transfers inactive overpayments to the Provincial Overpayment Recovery Unit (ORU) for collection, at no cost to the City.

The current provincial funding for the cost of administration does not adequately recognize the necessary staff and associated resources in the staff/caseload ratio to capture, input and interpret data and information in a timely manner, and achieve a reasonable level of accuracy in overpayments. In order to efficiently and effectively manage these overpayments, TSS must continue to invest in technological tools and

expertise. TSS will continue to work with provincial staff on finding additional solutions in this area.

Fraud Prevention and Investigation

TSS has established a number of monitoring and verification processes to identify potential fraud, including a dedicated fraud reporting hotline. All allegations of fraud are fully investigated by the division.

Cases are assessed to ensure there is a clear indication of intent to commit fraud and are then referred to the Special Review Committee (SRC). The SRC determine whether or not there is sufficient evidence of fraud and whether or not criminal action should be pursued. It is projected that by 2007 year end, TSS will have followed-up on over 8,500 fraud allegations, based on previous trends it is anticipated that in 10 percent (850 cases) the information received will be confirmed to be true. However, less than 0.5 percent (approximately 40 cases) will meet the criteria to be referred for criminal charges.

Conclusion

This report introduces a scorecard that informs the Community Development and Recreation Committee and the Auditor General about the network of program integrity mechanisms employed by TSS in the management of the OW program and in particular overpayments. It underlies management's commitment to an acceptable level of program integrity both in the issuance of employment supports and financial assistance to eligible residents, and the collection of overpayments. Overall, TSS has performed well in comparison to its OMBI partners and its' debt collection outcomes are comparable to similar social assistance agencies.

TSS has achieved this level of program integrity and performance outcomes through the judicious investment of a constrained Cost of Administration (COA) subsidy envelope from the Province. The continued imposition of a cap on COA has transformed the legislated cost- sharing ratio from 50/50 to a burden of approximately 70/30 to the City. It thus forces TSS to make difficult decisions when allocating resources over a range of program priorities, and dictates the pace at which TSS can pursue its program integrity goals and achieve further efficiencies. In this regard, the AG's recommendations related to inactive overpayments have been instrumental in strengthening TSS discussions with the Province for a more realistic COA funding arrangement.

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ATTACHMENTS

Attachment 1:   2006 OMBI: Average Time on Social Assistance and Administration Cost/Case
Attachment 2:   Employment Assistance Outcomes
Attachment 3:   Toronto Social Services Dashboard – October 2007
Attachment 4:   Getting Welfare Right: Tackling Error in the Benefits System
Attachment 5:   Improper Payments: Agencies' Efforts to Address Improper Payment and Recovery Auditing Requirements Continue

Attachment 1

2006 OMBI:
Average Time on Social Assistance and Administration Cost/Case
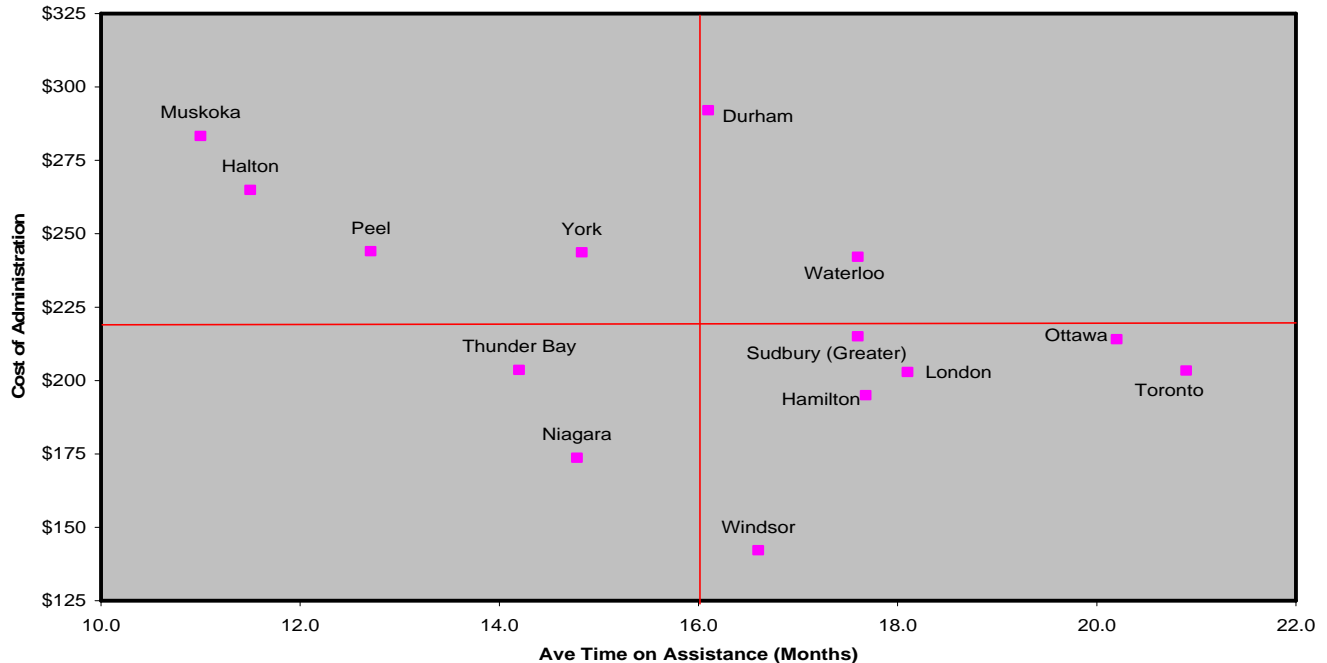
To better understand the variance in results between municipalities for any given measure, the OMBI partners in each expert panel identify some of the influencing factors that may be contributing to these differences.

For variances in the average cost of administration per case the influencing factors included:

- caseload size and demographics;
- services provided;
- infrastructure;
- labour costs, and;
- available community supports.

For variances in the average length of time on assistance the influencing factors included:

- legislative changes that impact client eligibility;
- local labour market conditions;
- socio-demographics of the case load (family size and caseload mix), and;
- a municipality's programs, services and delivery model.

Attachment 2 – Employment Assistance Outcomes

Earnings Performance

1. Average Amount Of Employment Earnings For Participants With Earnings

	Baseline	Target	Actual
2006 Q1	$563.10	$592.66	$701.40
2006 Q2	$552.61	$581.62	$687.52
2006 Q3	$607.73	$639.64	$718.46
2006 Q4	$653.54	$687.85	$737.10
Y/E 06 Average	$594.25	$625.44	$711.12
2007 Q1	$666.33	$701.31	$730.78
2007 Q2	$653.14	$687.43	$727.85
2007 Q3	$682.54	$718.37	$779.13
2007 Q4	$700.25	$737.01	
Y/E 07 Average	$675.56	$711.03	

Employment Performance

1. Percentage Of Caseload With Employment Income

	Baseline	Target	Actual
2006 Q1	8.67%	9.17%	9.37%
2006 Q2	8.61%	9.11%	9.16%
2006 Q3	8.72%	9.22%	8.96%
2006 Q4	9.05%	9.55%	9.20%
Y/E 06 Average	8.76%	9.26%	9.17%
2007 Q1	8.90%	9.40%	9.10%
2007 Q2	8.70%	9.20%	9.09%
2007 Q3	8.51%	9.01%	9.23%
2007 Q4	8.74%	9.24%	
Y/E 07 Average	8.71%	9.21%	

Attachment 3 – Toronto Social Services Dashboard – October 2007

OCTOBER 2007 QUICK STATS

Input

Cases Applying	YTD	Oct-07	Sep-07	change
Total Cases Screened (Distinct Count)	58,143	5,545	5,148	7.7%
Inelig/ Cdisc.	14,746	1,148	1,298	-11.6%
Eligible	43,589	3,501	3,785	-7.5%
AC apps overturned	1,238	348	444	-1.8%

Applications (AO Applications / AC Applications)
- Oct-07: 1,695 / 3,850
- Sep-07: 1,701 / 3,447
- Aug-07: 2,057 / 3,637

CASES SERVED

	OW Cases Served	ODSP Part. OW	New Cases	New Recidivists	Terminated Cases	Homeless	REP CLAIMANTS
Oct-07	69,706	4,157	3,600	2,060	4,864	1,450	445
Change	-0.9%	0.9%	11.6%	8.8%	8.0%	-0.6%	37.8%

Office Traffic (Visits) OVER 1/2 MIL PEOPLE in 2006

	Current	YTD
CHQ P/U	1,581	46,173
Active Walk In	3573	22403
Appointment	1135	7194
PAR	10834	84013
SNI	3540	23646
SNI Walk In	482	3174
Total CR	36,789	358,426
Other ERC Visits	1,778	67,499
NON SAR VISITS	58	5,497
Total ERC VISITS	7,388	83,094
Total Recorded Office Traffic	13,026	441,520

Efficiency

TSS Overpayments (OPs CREATED / TOTAL RECOVERIES)

	TSS Created			TSS Recovered		
	Collectible	Uncollectible	Total TSS	System	Self	Total TSS
Last Month	$1,360,573	$137,753	$1,498,326	$831,354	$173,643	$1,004,996
%Change over previous mth	18.15%	8.45%	17.26%	-4.25%	45.31%	4.31%
YTD	$11,242,627	$1,610,109	$12,852,737	$8,353,293	$1,119,388	$9,472,680
%change over previous YTD	6.22%	23.75%	9.84%	-6.05%	1.10%	-5.26%

Completed / Overdue PARs

	Completed	Outdated	Outdated > 6 months
Oct-07	17,483	9,554	915
Sep-07	15,766	10,302	1,037
Aug-07	16,071	9,532	971

	CNTRAL	EAST	NORTH	SOUTH	WEST	DIVISION
DBD_POTENTIAL	11.4%	12.2%	9.4%	12.4%	10.4%	11.1%
PER_OVRD	19.0%	16.9%	13.3%	20.5%	16.7%	17.0%
PER_DBD_ENROLLED	73.5%	76.9%	81.4%	67.4%	77.0%	75.6%

Divisional Suspends 2005 avg 7.7%, 2006 avg 8.3%
- May-07: 9.4% | Jun-07: 9.4% | Jul-07: 9.1% | Aug-07: 9.8% | Sep-07: 11.5% | Oct-07: 10.0%

Output

Special Funds	Cases	Monthly Expense		Monthly Budget	Change	YTD
Full Time Employment Benefit	831	$407,201	>	$316,667	$32,321	$3,666,985
CSUBM	3,342	$2,366,061	>	$1.2 mil	$345,393	$21,958,746
Special Diet	14,170	$2,850,857	>	$1,708,333	$153,387	$24,157,458
SFE	2,310	$412,531	<	$1,333,333	-$258,088	$13,339,591
Preg Nutr Allow	1,096	$46,237		$17,834.58	139%	

Total 2006 Pregnancy Nutrition Allowance was $ 216,466; 2007 year to date expense is $204,071

2007 Financial Reviews (Under Target / Previous / Current)

EHB / EEHB	Sep-07	Oct-07
OW Extended Health Benefit	17	14
EHB (1st 6 months)	230	206
Employment EHB (2nd 6 months)	1	2

JOBS TORONTO

Oct-07	Sep-07	2007 YTD	2006 YTD	2005 YTD
1,474	2,451	22,412	25,618	20,272

ESFI OUTCOMES

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Sole Support Cases	20,875	20,816	20,816	20,837	21,056	20,837	21,087	21,120	21,036	20,807
No Support Action Taken	4,201	4,095	4,055	3,993	4,923	2,769	2,681	2,630	2,506	2,336
Cases with Support in Pay +	6,124	6,059	6,009	5,969	6,010	6,119	6,022	6,022	6,062	6,031
% SSP Covered by Support	29.30%	29.10%	28.90%	28.70%	28.50%	28.90%	28.70%	29.10%	28.80%	29.00%
Total Support In Pay	$952,982	$947,687	$940,556	$937,359	$949,030	$953,767	$958,808	$969,910	$963,459	$959,754
Avg Support In Pay	$269	$270	$270	$268	$271	$272	$273	$274	$273	$272

Attachment 4: **Getting Welfare Right: Tackling Error in the Benefits System**

"Getting Welfare Right: Tackling Error in the Benefits System". Department for Work and Pensions. United Kingdom. 2006.

Executive Summary

The Government is committed to protecting the integrity of the benefits system. In 1997, the Government's first priority was to reduce benefit fraud. Since then, we have made great strides in tackling fraud. It is now at an all-time low.

In July 2006, in a major international study, the National Audit Office found that the Department's levels of fraud and error were comparable with those of other countries, and reported that the UK is at the forefront of comparable countries in measuring losses from fraud and error. The study found that the Department also stands out in developing a comprehensive range of actions designed to tackle fraud and error.

3. One key strand of this work is to both simplify and improve the delivery of services to our customers. For example:
- In Jobcentre Plus, in many cases customers are no longer required to complete complex forms when making a claim to benefit. Instead, their details are now taken over the telephone and they are then invited to meet with a personal adviser to discuss, where appropriate, options for returning to work.
- The Pension Service has simplified the new claims process for customers of Pension Credit. Customers can now choose between telephoning The Pension Service; completing a short paper claim form; or, in certain circumstances, arranging a visit to their home by a member of staff.
- The Disability and Carers Service is raising the skill levels of its decision makers to a level accredited by an external academic body.

Figure 1: Fraud and error in Income Support and Jobseeker's Allowance, 1997–2005
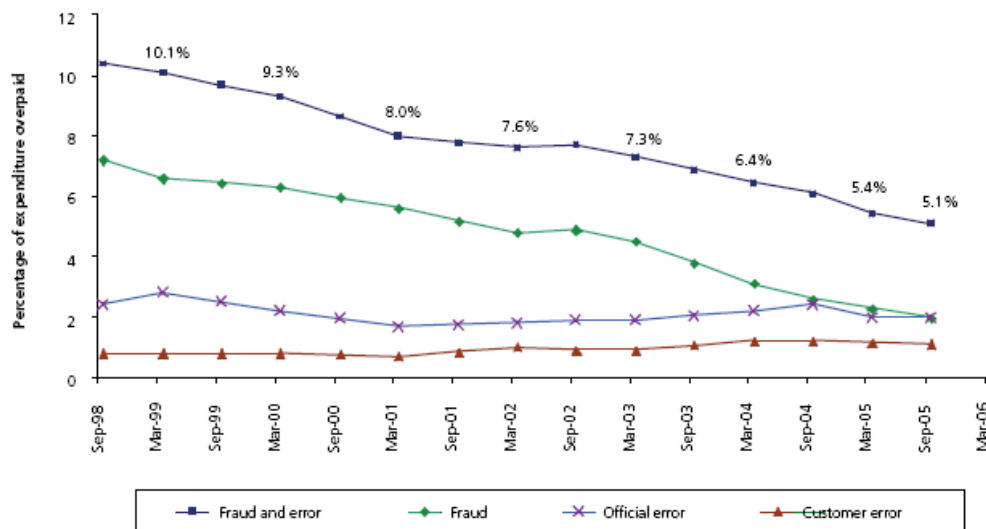
Source: Departmental statistics (Office for National Statistics) from Regional Benefit Reviews, 1997–2005.

Our Challenge

But, despite these and many other efforts, we have not yet achieved the same degree of success in reducing levels of error as we have in reducing fraud. Too many customers receive incorrect benefit payments – either too little or too much money – often causing unnecessary hardship and distress. This means we are not delivering the best possible service to our customers, nor are we completely fulfilling our duty to protect the public purse.

In 2005/06, an estimated £1.9 billion was overpaid as a result of error in the benefits system, equivalent to 1.7 per cent of total benefit expenditure. We recognize that we need a new strategy for improving the correctness of benefit payments. We want to ensure we get welfare right every time we make a payment to our customers. If we can achieve this, we will achieve our aim of reducing the overall monetary value of error in the benefits system.

This strategy makes a significant contribution to the Department's existing public fraud and error target and future targets to 2012.

Our Strategic Direction

Organizations that have low rates of error are generally excellent at managing and delivering quality in everything they do. We aspire to be such an organization. Our strategy for tackling error means that we must move further to become an organization driven by quality – constantly looking at ways of improving our efficiency and effectiveness – in the delivery of benefits and services to our customers.

Our Aim

Our strategic aim in this respect is clear: to pay the correct amount of benefit to all our customers every time. Building on our experience of successfully tackling fraud, our strategy for reducing error is based on:
prevention – preventing new error from getting into the system;
compliance – reminding both our customers and staff of their responsibilities; and
correction – identifying and correcting error already in the system.

Official Error

For errors we generate (which are termed 'official error'), we aim to prevent new error from getting into the system by simplifying the design of social security benefits, starting with those most vulnerable to error. A simpler benefits system will be easier to administer and will help our staff follow the correct procedures. Specifically, we will:
- identify and target the root causes of error and, where appropriate, make changes to simplify policy and legislation;

- ensure that new benefits, such as the new Employment and Support Allowance (the replacement allowance for Incapacity Benefit), are designed to be as simple as possible so that they are less vulnerable to error when they are introduced;
- continue to improve our ability to find and correct data inconsistencies, including detecting and preventing error earlier than we do at present;
- ensure that the end-to-end benefit processing training we provide is continually improved;
- focus our departmental business and local authority targets more explicitly on the monetary value of error; and
- extend the range of data to which we have access over the long term, for example with credit reference agencies, which will help us to ensure the information used to calculate benefit payment is accurate and up to date.

To remove error that has already found its way into the benefits system, we will undertake more intensive checks and correction of existing cases. The Pension Service, for example, will undertake a 'case-cleansing' exercise on its existing Pension Credit claims, prioritizing those claims at risk of containing high-value errors, and correcting cases where error is found.

In recognition of the importance of this work, the Department established a Task Force in January 2006 with the specific aim of reducing official error in the benefits system. And it's working. By October 2006, the value of overpayments identified and corrected by the Task Force had reached over £1 million a week. Although no two benefit claims are entirely the same and some of these overpayments would have been identified and corrected in the normal course of events, the vast majority would have continued for the remainder of the claim. Consequently, overpayments of around this weekly level would have continued had the work of the Task Force not resulted in their being corrected.

Customer error

To reduce the errors our customers make, our strategy is based on doing more to help them keep their benefit correct. For our part, we will continue to simplify benefit rules wherever possible, removing unnecessary requirements from the benefit conditions. Specifically, we will:
- review the information that we give to customers when they make a new claim and during the life of their claim to ensure that it is clear and simple to understand and that it makes clear when they need to tell us that their circumstances have changed;
- make it easier for our customers to report changes in their circumstances via the telephone and, in time, over the internet;
- launch a new awareness campaign on the importance of our customers reporting changes of circumstance when they happen;
- update our departmental and business websites to include clearer and more accessible information about how and when to report relevant changes of circumstance;
- pilot sending a pre-populated letter to customers, around six months after the start of a claim, asking them to confirm whether or not the entitlement details we hold on them continue to be correct; and

- maximise recovery of overpaid benefit where it is appropriate to do so and will not cause unnecessary hardship to our customers.

Conclusion

Since 1997, we have made real progress in reducing overpayments due to benefit fraud. But we recognize that both this and the monetary value of official and customer error remain too high, and we are determined to reduce them further.

Our challenge is to continue our drive against benefit fraud while bringing renewed focus to preventing and correcting error in the benefits system. This strategy for improving the correctness of benefit payments, based on improving our capability for managing quality throughout the system, sets out how we will aim to achieve our ambition of getting welfare right for all our customers – every time.

The strategy is a further major contribution to the Government's wider program of welfare reform.

Attachment 5:

"Improper Payments: Agencies' Efforts to Address Improper Payment and Recovery Auditing Requirements Continue". Government Accountability Office. United States. March 29, 2007.

Table 1: Reported Improper Payment Error Rates for Major Programs for Fiscal Years 2004 through 2006

Agency	Program	FY 2004		FY 2005		FY 2006	
		Error rate (percent)	Estimate (dollars in billions)	Error rate (percent)	Estimate (dollars in billions)	Error rate (percent)	Estimate (dollars in billions)
Health and Human Services	Medicare (Fee-for-Service component)	10.1	$21.7	5.2	$12.1	4.4	$10.8
Department of the Treasury	Earned Income Tax Credit	24.5	9.7	25.5	10.5	25.5	10.7
Department of Labor	Unemployment Insurance	10.3	3.9	10.1	3.3	10.7	3.4
Social Security Administration	Old Age, Survivors, and Disability Insurance	0.3	1.7	0.7	3.7	0.6	3.3
Social Security Administration	Supplemental Security Income Program	7.3	2.6	7.7	2.9	7.8	3.0
Department of Agriculture	Food Stamp Program	6.6	1.6	5.9	1.4	5.8	1.6
Department of Agriculture	Marketing Assistance Loan Program	0.0	0.0	0.7	0.5	20.3	1.6
Housing and Urban Development	Public Housing/Rental Assistance	6.9	1.7	5.6	1.5	5.4	1.5
	Total		$42.9		$35.9		$35.9
	Estimate for all programs		45.4		38.4		41.6
	Major programs as a percent of total for all programs		94 percent		93 percent		86 percent

Source: GAO analysis of agencies' fiscal years 2004 to 2006 PARs and OMB.