

PAC-R-1365 Correspondence 3C.3 – Meeting 124 1/5/2014

Public Accounts Committee, 1st May 2014,

Opening Statement from Niamh O'Donoghue, Secretary General,

Department of Social Protection

Introduction

Thank you for allowing me to make a brief opening statement this morning. As well as examining the Appropriation Account for the Department of Social Protection and the Social Insurance Fund statutory account for 2012, I understand that the Committee wishes to examine the five chapters relevant to the Department that were in the Comptroller and Auditor General's Annual Report for 2012.

As requested, last week I provided the Committee with an update on the recommendations contained in the five chapters together with up to date expenditure figures, the provisional outturn for 2013 and estimates for 2014.

Functions of the Department

When I last appeared before this Committee in July 2013, I briefed you on the three key functions of our Department - income support, activation of those of working age and control of fraud and abuse - and our work continues on all three streams. In seeking to realise our ambitions in each of these areas, we are mindful that this is, and will continue to be, a balance in terms of engagement with our customers and deployment of our resources.

The Department's Customer Charter and Action Plan 2013-2015, published in 2013, sets out our commitments to delivering an excellent standard of service to all our clients. The issue of delays in processing claims has been a cause of concern to some members of the Committee. Over the course of the last year we have worked to ensure that backlogs are cleared and that services are delivered to a high level to customers of the Department, particularly in the areas of illness and disability related payments and family income supports.

I am also pleased to report that the Department now has 44 Intreo offices in place. These are one-stop shops for jobseekers with access to both income and employment supports. It is planned that the full Intreo service will be rolled out to all of the Department's offices by the end of 2014, which I know will be challenging.

The Intreo service is a new way of doing business for the Department. The service offers employment services and supports for jobseekers and brings together income support and activation in a meaningful way for customers. In the context of the Intreo service, we have made significant efforts to develop our relationship with employers, particularly through offering practical assistance and support in relation to the recruitment of staff from the Live Register. This is an area of business that we will continue to grow and develop over the coming years.

Turning specifically to the Chapters in the report.

Expenditure on welfare and employment schemes

As chapter 16 of the Comptroller's Annual Report outlines, the Department spent €20.1 billion in 2012 on welfare and employment schemes. The comparative provisional spend for 2013 is €19.6 billion and the estimate for 2014 is €18.9 billion. These figures exclude expenses incurred on the administration of the schemes which was in the order of €600m in 2012.

The number of recipients of weekly payments from the Department at end 2013 was 1.47 million which was at the same level as in 2012. This was because increased pensioner and employment support claimants balanced the fall of 40,000 in working age income support claimants. An increase of 7,000 claimants was also recorded in the 'illness, disability and caring programme' mainly due to elimination of backlogs in these schemes in 2012-2013.

Regularity of payments

A range of measures are employed by the Department to ensure that social welfare fraud and abuse is minimised and that its control activity is focused appropriately. Over the past number of years, fraud detection and control systems have been refined and enhanced. The progress and achievements include:

- The roll out of the Public Services Card (PSC). The card acts as a key tool in the prevention and detection of identity fraud and provides an enhanced level of assurance as to a person's identity. To date approximately **660,000** cards have been issued and this includes **140,000** PSC Free Travel variants.

- A number of legislative provisions have been introduced to strengthen the Department's capacity to tackle abuse.
- Systematic and regular data matching exercises on both internal systems and with external agencies are ongoing.
- The Department is now in a much better position to recover overpayments through increasing the contribution from persons on social welfare and by way of notice of attachment to earnings and money held in a financial institution.

Looking to the future, the Department published its new Compliance and Anti-Fraud Strategy for 2014 to 2018 last week. A copy of the new strategy has been provided to the Committee along with my briefing paper.

A key aspect of the new Strategy is the harnessing of the potential of risk analytics to enhance the effectiveness and efficiency of our current control activity. This will involve the statistical analysis of large amounts of data to uncover complex patterns which will be used for predicting future risks.

Debt Management

In addition, the Department's requirements in relation to debt management have evolved and expanded significantly in recent times particularly with the enhancements in debt recovery legislation.

It is now in the process of developing a new, more robust and reliable system to maximise the efficiency and effectiveness of the Department's debt management functions. Development of the new system will enable the Department to deliver its debt management objective, which is an integral part of our overall deterrent approach. In addition, the Department has committed to deliver the requirements in relation to debt management identified by the Comptroller and Auditor General.

Domiciliary Care Allowance

Chapter 19 deals with Domiciliary Care Allowance (DCA) and I know that this support is a very important one for the parents and guardians who currently receive it in respect of some 27,400 children. The Comptroller's recommendations in relation to obtaining evidence in

support of claims and the need to have a standard medical review process are accepted. The Department is making the necessary preparations to ensure that medical eligibility and entitlement reviews recommence in Quarter 2 of 2014. The Committee will be aware that the Minister initiated a review of the operation of the DCA scheme in 2012 and the new review arrangements take cognisance of the administrative recommendations included in that report.

Invalidity Pension

In chapter 20 the Comptroller recommended that medical review status should be assigned to all Invalidity Pension cases and that as far as possible medical reviews should be carried out as scheduled. The Department is conscious that there is a need to increase the numbers of medical control reviews carried out on invalidity pensioners in order to ensure that they continue to meet the medical criteria for the scheme. The ability to achieve this is dependent on the capacity of medical assessors to carry out this control work.

The Committee will be aware from the briefing I provided that the Department is continuing its efforts to increase its capacity to carry out medical reviews and that this is a particular challenge for us. In this context and in an effort to maintain customer service levels, priority has been given to new claim assessments, reviews of new claims disallowed on medical grounds and appeals against decisions to disallow new claims.

Conclusion

I wish to acknowledge the support and co-operation of all staff of the Department of Social Protection in our efforts to deliver and continually improve our services. It is through their ongoing commitment to customer service that we have successfully implemented so many positive changes to date. I am very happy to discuss any issues or proposals raised by the Committee.

ENDS