



Public Accounts Committee

Peter Schofield CB
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By email: psd@dpw.gov.uk

30 May 2022

**Treasury Minute Response- The Department for Work and Pensions' Accounts 2020-21:
Fraud and error in the benefits system**

Dear Permanent Secretary,

Thank you for the response¹ to the Committee's report on The Department for Work and Pensions' Accounts 2020–21 – Fraud and error in the benefits system² and your letter of 18 May 2022³ following up on some of the recommendations. We are concerned, however, by the impression given in your responses that the Department does not believe enhanced transparency on its efforts to tackle fraud and error in the benefits system is in the best interests of the taxpayer. Given you now estimate Fraud and Error has reached £8.6 billion a year, again a new record high, your response does not always seem commensurate with the scale of the challenge.

I was of course particularly disappointed by the Secretary of State's decision to not set targets for fraud and error. Such targets would enable a better dialogue between the Department and Parliament on what progress is being made. In their absence we will have to judge progress based on how the estimate of fraud and error changes year to year, instead of against any more specific aspirations to improve and any other factors you might like us to take into account. This places more onus on you to be able to explain the trends when we meet on this subject in the upcoming evidence session on the accounts in July.

I was also disappointed by the number of other recommendations that you rejected. Some of this was particularly surprising given the positive discussion we had at the session on the challenge of reducing fraud and error. It is also surprising when you reject our recommendations in the Treasury Minute but seem to then go on to adopt them in practice. For instance, I note you rejected our recommendation 6 to use retrospective checking as part of your effort to tackle fraud and error and yet such retrospective checking (you call it a targeted case review) forms a central part of your published *Fighting Fraud in the Welfare System plan*.⁴

¹ HM Treasury, [Treasury Minutes: Government response to the Committee of Public Accounts on the Twenty-Second to the Twenty-Sixth Reports from Session 2021-22](#), January 2022

² Committee of Public Accounts, [The Department for Work and Pensions' Accounts 2020-21: Fraud and error in the benefits system](#), November 2021

³ Committee of Public Accounts, [Correspondence from the DWP Permanent Secretary on Fraud and Error Targets](#), May 2022

⁴ Department for Work & Pensions, [Policy Paper: Fighting Fraud in the Welfare System](#), May 2022



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However, I was pleased with some of the comments you made. This included your acceptance of recommendation 3 and commitment to publish additional information in the Department's annual accounts such as the recovery of overpayment debts; and to develop, in partnership with the National Audit Office, a framework for reporting progress on your counter-fraud and error activities, a consistent basis for reporting how much money has been saved for the taxpayer by your counter fraud and error activities, and new metrics for reporting the amount of overpayments and underpayments that have been detected and how much of this has been recovered and paid out. I was reassured that you say this will be in place by this summer, which I took to mean in time for the 2021-22 Annual Report and Accounts and our session on these in July. I look forward to discussing these and other issues with you then.

I am copying this letter to the Chair of the Work and Pensions Select Committee, the Treasury Officer of Accounts and the Comptroller and Auditor General.

Yours sincerely

Dame Meg Hillier MP
Chair of the Committee of Public Accounts