



National Audit Office

A SHORT GUIDE

The NAO's work on the Department for Work and Pensions



National Audit Office

Contents

Introduction 5

About the Department 6

The Department's responsibilities **6**

Where the Department spends its money **6**

Financial management 8

Financial governance and reporting **8**

Efficiency **10**

Use of information 12

Testing the reliability of performance data
across government **12**

Use of information by the Department **13**

Understanding the costs of the
Department's activities **13**

Service delivery 14

Paying benefits **15**

Delivery of services to the Department's customers **16**

Delivering through others **18**

Appendices 19



introduction

This short guide is one of 17 we have produced covering our work on each major government department. It summarises our work during the last Parliament, reflecting programmes and spending before the May 2010 General Election, and as such does not reflect changes introduced by the new Government.

These guides are designed to provide Members of Parliament, and particularly select committees, with a quick and accessible overview of our recent work and how we can help with the scrutiny of government. The guides are not intended to provide an overall assessment of the departments' performance but simply to illustrate, with examples, the range of our work. Where the examples refer to specific weaknesses and recommendations, departments have in many cases taken action since to address them.

In the last year, we supported the Work and Pensions Select Committee by preparing a Performance Briefing which gave an overview of the work and performance of the Department for Work and Pensions based on 2008-09 data. We also provided a report to the Committee on the Performance of the Child Maintenance and Enforcement Commission in December 2009.

We prepared a Memorandum for the Committee in November 2008 on the Department's Information Technology Programmes. It provided an overview of the Department for Work and Pensions' IT programmes and projects, and drew upon issues identified from previous National Audit Office work on common causes of IT project failure across departments.

We will continue to support all select committees in 2010-11, providing further briefing on each major department and supporting specific enquiries where our expertise and perspective can add value.

about

About the Department

The Department's responsibilities

The Department for Work and Pensions (the Department) is responsible for paying benefits to those who are entitled to receive them, including the unemployed, pensioners, disabled people and carers and for providing help to people without jobs to get back to work quickly.

The Department devolves most of the delivery of the services it provides to customers to its agencies and other sponsored bodies (Appendix 1).

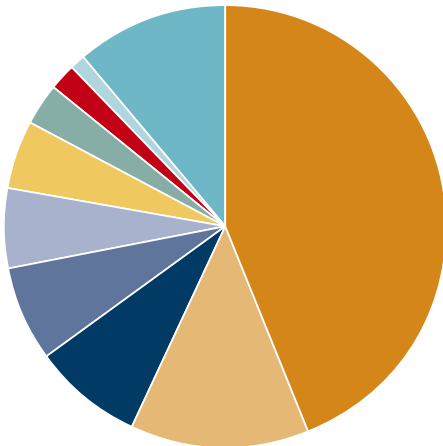
Where the Department spends its money

The Department runs the largest single public expenditure spending programme across government. It employs more than 105,000 staff and each year provides services to over 20 million people.

Total expenditure in 2008-09 was £143.1 billion, the vast majority of which (95 per cent) was benefit spend distributed through agencies and other sponsored bodies (opposite). The largest expenditure was administered by the Pension, Disability and Carers Service (£89 billion) and Jobcentre Plus (£16 billion).

The Department's administration costs were £5.7 billion in 2008-09, of which £3.1 billion related to staff costs. Other administration costs include accommodation and IT provision, which are managed through large Departmental corporate contracts and allocated to users throughout the Departmental group. The diagram opposite shows how the Department's funding is spent by (or allocated to) its sponsored bodies.

Total expenditure on benefits in 2008-09 was £135.9 billion, of which £21.4 billion was paid on the Department's behalf by local authorities, mainly on Housing Benefit and Council Tax Benefit. The chart on the left provides a breakdown of this expenditure by benefit. Of these benefits, State Retirement Benefit, Incapacity Benefit and Jobseeker's Allowance are funded by the National Insurance Fund.



- State Retirement Pension (£61.7 billion, 44%)
- Housing Benefit (£17.2 billion, 13%)
- Disability Living Allowance (£10.6 billion, 8%)
- Income Support (£8.9 billion 7%)
- State Pension Credit (£7.8 billion, 6%)
- Incapacity Benefit (£6.6 billion, 5%)
- Council Tax Benefit (£4.2 billion, 3%)
- Jobseeker's Allowance (£2.9 billion, 2%)
- Carers Allowance (£1.4 billion, 1%)
- Other (£14.6 billion, 11%)

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Where the money goes (2008-09 data)



- Corporate and Shared Services – a central unit funded by the Department to provide corporate and back office functions such as IT, Finance, HR and Payroll (across the Department). These shared services are also provided to the Cabinet Office and the Department for Education.
- Agencies and Crown Non-Departmental Public Bodies within Department for Work and Pensions Departmental Boundary responsible for service delivery.
- Independent bodies outside of the Department responsible for service delivery.
- Other sponsored bodies.

Note: The figures in the diagram have been rounded to the nearest £100 million.

Source: National Audit Office

financial management

Financial management

The ability of departments to control costs and drive out waste requires professional financial management and reporting. In particular, departments need to be better at linking costs to services and benchmarking performance to determine whether costs are justified and value for money can be improved. To provide assurance that resources are being appropriately managed and controlled, organisations have to publish Statements on Internal Control with their Annual Financial Statements.¹

Financial governance and reporting

We audit the accounts of the Department and the majority of its sponsored bodies. In total these organisations spent £143.1 billion in 2008-09 and employed around 105,000 staff. Our audit work involves understanding the business of each organisation, examining internal controls, agreeing the accounting policies, auditing the transactions, liabilities and assets and confirming that the accounts present a true and fair view. We also consider whether the transactions of the Department are in accordance with Parliament's intentions.

Departmental account qualification

Material levels of fraud and error in the payment of benefits have led to the Department's accounts being qualified for 21 consecutive years. The qualification arises because mistakes are made, either by customers or officials, in processing benefits or as a result of customer fraud. Every year the

Department estimates that it overpays around £3 billion to benefit claimants and underpays around £1 billion. Where the Department makes the mistake, overpayments are not normally recoverable and are consequently lost to the taxpayer, costing nearly £1 billion every year.

Fraud, error and debt management

Our **report on the Department's 2008-09 resource accounts²** concluded that the Department has invested a considerable amount of effort and resource into trying to prevent, detect and correct these errors.

'To the extent that debt is identified and referred for recovery, the rate of recovery has continued to improve in 2008-09 despite the increased challenges on staff resources brought about by the effects of the economic downturn.'

For 2007-08, the Department obtained agreement from Treasury to no longer actively pursue all customer debts predating 1 April 2007, other than those identified 'in the normal course of business' on the grounds that it would not represent value for money to review all cases where an overpayment might have been made.

However, 'significant weaknesses remain in the systems for identifying debts in the normal course of business and until these weaknesses are addressed, the level of estimated unrecorded debt will continue to grow'.

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¹ *NAO Strategy 2010-11 to 2012-13*, www.nao.org.uk/publications/0809/nao_strategy_2010-11_to_2012-1.aspx

² *Department for Work and Pensions Resource Accounts 2008-2009: Report by the Comptroller and Auditor General*, www.nao.org.uk/publications/0809/dwp_accounts.aspx

Other qualifications in the Department for Work and Pensions group

The functions of the Child Support Agency were transferred to the Child Maintenance and Enforcement Commission from 1 November 2008. The Child Support Agency's Client Funds account has been qualified for 15 years owing to receipts and payments being made on the basis of incorrect maintenance assessments. This has led to material error in the reported maintenance arrears. The account is also qualified due to uncertainty surrounding the collectability of the maintenance arrears.

The Department also has responsibility for preparing a separate account for the Social Fund, which exists to provide support to citizens in extreme and immediate need. This account has been qualified for six years because of high levels of incorrect or unsubstantiated payments.

Statement on Internal Control

We work with the Department, its agencies and sponsored bodies on their Statements on Internal Control to ensure that they are supported by robust evidence that controls are sufficiently reliable and that they comply with Treasury's guidance.

Key issues raised by the Department in its Statement on Internal Control on its 2008-09 accounts included the following.

- The scale of fraud and error in the benefits system. In 2008-09, the Department paid £4 billion incorrectly of which £2.7 billion was overpaid. This represents a reduction in the proportion of overpayments from 2.1 per cent of benefit expenditure in 2007-08 to 2 per cent in 2008-09.
- An acknowledgement by the Department that there was still a significant volume of overpayments that were not being brought to account, and control weaknesses across the end to end debt process. The Department reported that it is addressing the issue through automating the process. In 2008-09 the Department exceeded its target for the amount of debt it recovers to £281 million.



- Weaknesses in the standard of decision-making in processing applications to the Social Fund.
- Weaknesses in the management information, data security and accounting systems for child maintenance schemes.

In 2010, we are working with the Departmental Audit Committee and its internal auditors to identify how its Statement on Internal Control could be developed further to increase the usefulness and transparency of reporting. We have also provided the Department's Audit Committee with our own [guidance on the Statement](#).³

³ *The Statement on Internal Control: A Guide for Audit Committees*, www.nao.org.uk/guidance__good_practice/audit_of_financial_statements.aspx

Efficiency

We are undertaking a programme of work to validate the value for money savings reported by major government departments between 2008-09 to 2010-11.

The Department had an ongoing programme of efficiency savings at the time of the May 2010 General Election, which included investing £90 million over four years to reduce the level of fraud and error in the benefits system and recover more debt, which the Department claims will deliver £700 million in savings between 2010 and 2014. Our [Briefing for the Work and Pensions Select Committee](#)⁴ in October 2009, noted that the Department had reported efficiency savings of £581 million, of which £300 million was through increases in staff productivity.

We expect to carry out a review of the Department for Work and Pensions' efficiency savings in the next two years. [Examples of validation work](#)⁵ we have performed on the savings reported by other departments can be found on our website.

A number of our reports have examined aspects of the Department's efficiency and that of its sponsored bodies. Our report on the 2008-09 Resource Account considered fraud and error in the benefits system (opposite).

As part of our work on the Resource Accounts, we review the adequacy and effectiveness of the Department's debt management procedures annually. We have made a number of recommendations for improvement to ensure all overpayments are passed on for recovery action, which has already saved some £235 million.⁶ We published a separate report on management of benefit overpayment debt in May 2009.

Fraud and error in the benefits system⁷ July 2009

'Reducing official error* may depend on providing adequate staff training, enforcing adherence to internal procedures and correcting inadequate system interfaces.'

Because many of the Department's systems do not adequately communicate with each other, the amount of manual input is increased which is both a cause of inefficiency and a factor in causing error.

* Official error is where the Department makes the mistake as opposed to its customers.

Management of benefit overpayment debt⁸ May 2009

'The Department has improved the effectiveness of its debt management operations. More benefit overpayments are being identified and referred for recovery action. The amount of cash recovered is increasing, but so is the amount tied up in debt, as recoveries are not keeping pace with the growth in identified overpayments. Helping more customers stay out of debt will need to be an important part of the answer.'

We have recommended that the Department should:

- pilot increased use of customer contact methods, such as texting, to encourage prompt notification of changes in circumstances;
- use risk profiles for customer groups to better target debt collection activities;
- seek more information, for example, proof of earnings, when negotiating repayment plans with 'off benefit' debtors; and
- enhance performance indicators to monitor the performance of debt collection operations.

⁴ *Performance of the Department for Work and Pensions: Briefing for the House of Commons Work and Pensions Committee*, www.nao.org.uk/publications/0809/briefing_dwp.aspx

⁵ *Independent Reviews of reported CSR07 Value for Money savings*, www.nao.org.uk/publications/0910/independent_reviews_of_vfm_sav.aspx

⁶ *National Audit Office Annual Report 2010*, www.nao.org.uk/publications/1011/nao_annual_report_2010.aspx

⁷ *Department for Work and Pensions Resource Accounts 2008-09: Report by the Comptroller and Auditor General*, www.nao.org.uk/publications/0809/dwp_accounts.aspx

⁸ *Department for Work and Pensions: Management of Benefit Overpayment Debt*, www.nao.org.uk/publications/0809/management_of_benefit_overpaym.aspx

The NAO also produces a wide range of cross-cutting reports to Parliament that consider aspects of efficiency across government (Appendix 3). Of particular relevance was our report, **Improving the efficiency of central government's office property**,⁹ which found that out of 16 government departments, the Department for Work and Pensions had the fifth highest office accommodation cost per square metre, the third highest accommodation cost per employee, and the fifth highest space per person.

The Department's office space includes areas dedicated to customers as well as employees. Our assessment indicated that the Department had one of the best overall approaches to property asset management.

Our report on **Recruiting Civil Servants Efficiently**¹⁰ considered recruitment practices from six departments, including the Department for Work and Pensions. The report concluded that there was a potential for savings of £35 million across central government.

Our March 2009 report on **Innovation across Central Government**¹¹ examined progress in improving innovation since we had previously reported in 2006. We used the Department for Work and Pensions' 'Lean Programme' as a case study and reported that results from the first pilots had lead to 15-30 per cent efficiency savings.



In recent years, the Department has evolved a shared services function to provide back office services for the core Department, its own agencies and other sponsored bodies. These shared services, which include Human Resources, payroll and accounts management processes, are now expanding to provide similar services to smaller departments such as the Cabinet Office and the Department for Education. The intention is to consolidate back office activities into one provider and derive efficiencies from a cross government economy of scale. In 2010-11, we will be looking at the set-up of these shared services arrangements and, in particular, their implementation within other departments.

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⁹ *Improving the efficiency of central government's office property*, www.nao.org.uk/publications/0708/improving_the_efficiency_of_ce.aspx

¹⁰ *Recruiting civil servants efficiently*, www.nao.org.uk/publications/0809/recruiting_civil_servants_effi.aspx

¹¹ *Innovation across central government*, www.nao.org.uk/publications/0809/innovation_across_government.aspx

information

Use of information

The life blood of a successful organisation is the quality of information on which it makes decisions and monitors and assesses performance. Poor quality information leads to inefficiency and waste and can result in excess or unnecessary costs. Departments need reliable information on which to design and deliver services and monitor quality, be confident about their productivity, and drive continuous improvement.¹²

Testing the reliability of performance data across government

We carry out work across government to test the systems used by departments to generate performance data. This work provides assurance to Parliament and the public about whether these systems are adequate, and supports better performance management by Government.

Under the previous Government, Public Service Agreements (PSAs) were the agreements between the Treasury and individual departments which set out priority areas for the Government's work and against which the departments reported their performance. For the period 2008-2011, 30 PSAs were used by departments to measure and report progress, each underpinned by several indicators.

In October 2009, we published our **Fifth Validation Compendium Report**,¹³ which reviewed data systems underpinning 13 of the Government's PSAs:

'...the slow progress being made by some government departments in achieving better quality information about their own performance is a matter for concern. The NAO has found that some one third of the PSA data systems used by departments have weaknesses and just over a tenth remain unsatisfactory.'

Our Sixth Compendium Report, for PSAs across the whole of government, will be published shortly.

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¹² *NAO Strategy 2010-11 to 2012-13*, www.nao.org.uk/publications/0809/nao_strategy_2010-11_to_2012-1.aspx

¹³ *Measuring Up: How good are the Government's data systems for monitoring performance against Public Service Agreements?* www.nao.org.uk/publications/0809/5th_validation_report.aspx

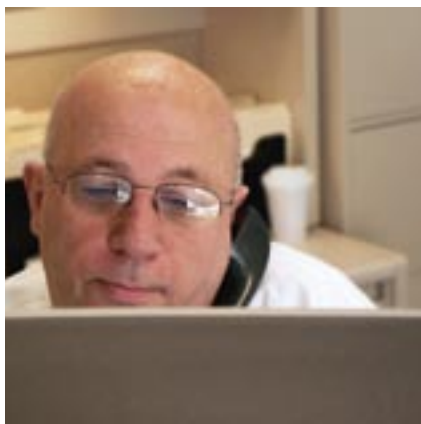
The Treasury announced in June 2010 that it had ended the system of Public Service Agreements and that in future, departmental business plans would include the data the public can use to hold departments to account.¹⁴ We will continue to apply the lessons from our work validating the PSA data systems when looking at government's performance data in future.

Use of information by the Department

The Department for Work and Pensions had lead responsibility for PSA 8 to 'Maximise employment opportunities for all' and PSA 17 to 'Tackle poverty and promote greater independence and well-being in later life'. Our **June 2010 reports**¹⁵ looked at the data systems to support PSA 8 and PSA 17. We concluded that six of the nine data systems were fit for purpose and three were broadly appropriate but in need of strengthening.

We also provided a **Briefing for The House of Commons Work and Pensions Committee: Performance of the Department for Work and Pensions**¹⁶ in October 2009 which included commentary on the Department's assessment of its performance against its PSA and other objectives.

The most recent public statement provided by the Department on progress against its PSAs and other performance indicators was in its Autumn Performance Report 2009,¹⁷ published in December 2009.



Understanding the costs of the Department's activities

We have reported to Parliament on limitations in the way data is used by the Department to monitor and manage the effectiveness of its activities. Our report in May 2009 on the **Management of Benefit Overpayment Debt**¹⁸ found that:

'The Department does not monitor the cost-effectiveness of different interventions within the debt recovery process. The Department should calculate the cost of its different methods of recovering debt (for example, letters, civil litigation, debt collection agencies etc) and the success rates of each (including amount and speed of recovery) to determine the relative cost-effectiveness of each and use the outcome to better target recovery effort.'

Our report on **Communicating with Customers**¹⁹ found that:

'The Department has already realised substantial cost savings by reducing the number of pre-printed leaflets by almost three quarters, and by putting

in place a new contract for printing and distribution. For other communications activities the Department cannot currently identify the full cost of managing communications for specific benefits or communication channels. Cost efficiencies from online provision have also still to be fully realised. For example, though forms can be downloaded from the internet, it is not yet possible to apply for most benefits online. Lengthy engagement of staff and customer time is required in handling the claim by telephone or face-to-face.'

Similarly, our 2008 report on **Progress in tackling benefit fraud**²⁰ concluded that good progress has been made in reducing fraud. However:

'Information on the costs of countering fraud is not complete, making it difficult for the Department to compare the relative costs and benefits of its activities. In part, this is due to the complex interactions amongst its activities, but is exacerbated by avoidable weaknesses including a lack of a consistent measure of effectiveness across its counter-fraud activities to enable quick comparisons or to determine the real effectiveness of its activities.'

The Department for Work and Pensions is leading the *Tell Us Once* initiative to ensure its customers only have to provide it with the same information once – such as birth or death – and the Department will then make sure that the information reaches all the government departments and agencies that need to know. Depending on the progress made we intend to report on this initiative in 2011-12.

¹⁴ *HM Treasury: The Spending Review framework, June 2010 (paragraph 2.7).*

¹⁵ *Public Service Agreement data systems reviews 2010, www.nao.org.uk/PSA-validation-2010*

¹⁶ *Performance of the Department for Work and Pensions: Briefing for the House of Commons Work and Pensions Committee, www.nao.org.uk/publications/0809/briefing_dwp.aspx*

¹⁷ *Department for Work and Pensions Autumn Performance Report 2009.*

¹⁸ *Department for Work and Pensions: Management of Benefit Overpayment Debt, www.nao.org.uk/publications/0809/management_of_benefit_overpaym.aspx*

¹⁹ *Department for Work and Pensions: Communicating with customers, www.nao.org.uk/publications/0809/communicating_with_customers.aspx*

²⁰ *Department for Work and Pensions: Progress in tackling benefit fraud, www.nao.org.uk/publications/0708/progress_in_tackling_benefit_f.aspx*

delivery

Service delivery

Public services are different in the way they are delivered but their quality and cost effectiveness depends on a number of common minimum requirements. For example, service delivery requires sound programme and project management, strong commercial skills, effective IT enabled business change, and a real understanding of customer needs. Many of our reports to Parliament cover these issues. We summarise below some of this work, organised by key areas of the Department's business.²¹



Service delivery requires sound programme and project management, strong commercial skills, effective IT enabled business change, and a real understanding of customer needs.

²¹ NAO Strategy 2010-11 to 2012-13, www.nao.org.uk/publications/0809/nao_strategy_2010-11_to_2012-1.aspx

Paying benefits

Many of the important delivery issues faced by the Department have been the subject of our qualifications of the Department's accounts. In our work we have made a number of recommendations on how some of these could be tackled (below).

We also plan to report to Parliament in 2010-11 on:

- Minimising the cost of administrative errors in the benefit system.
- Reducing losses in the benefits system caused by customers' mistakes.

Qualification issue

Fraud and error

Every year benefit spending includes some £4 billion paid in error or as a result of fraud

Debt

Doubts over whether the Department passes over all its overpayments for recovery action

Social Fund

Weaknesses in records management and failure to comply with regulations

Child Support Agency Client Funds Account (up to 2007-08)

Error in maintenance assessments and debt balances

Uncertainty surrounding the recoverability of debt

National Audit Office action

- Provide advice on benchmarking, optimal systems and processes
- A series of reports on fraud, error and specific benefits
- Provide advice on new systems including the automation of the overpayment referral system
- Report and made recommendations to improve the management of benefit overpayment debt
- Monitor and comment where necessary on improvements in systems for the retrieval of case papers and the implementation of the Quality Assurance Framework
- Recommendations from our report on implementation of child support reforms
- Update on the performance of the statutory child maintenance schemes

International benchmark of fraud and error in social security systems²²

July 2006



Our 2006 report on International benchmark of fraud and error in social security systems concluded that the Department was:

'at the forefront in developing estimates of losses from fraud and error in social security expenditure'.

We are looking at whether it might be possible to benchmark the Department's processes for the delivery of its benefit programme with other organisations. These might include the financial services sector, call centres and the insurance industry. The objective is to compare the Department's benefit processes and performance, particularly in terms of waste and complexity, with others.

²² *International benchmark of fraud and error in social security systems*, www.nao.org.uk/publications/0506/international_benchmark_of_fra.aspx

Delivery of services to the Department's customers

Many of our reports examine how the Department for Work and Pensions delivers services directly to its customers. A number of examples are given below.

Roll-out of the Jobcentre Plus office network²³

February 2008



In 2008, we published a report on the roll-out of the Jobcentre Plus office network. We concluded that:

'Jobcentre Plus did well to deliver nearly all the planned offices while making savings against the agreed budget of £2.2 billion. Jobcentre Plus succeeded in keeping the network operating while bringing new offices on stream. Delivering the offices using a more conventional procurement strategy would have cost around 15 per cent more. The rationalisation of the Jobcentre Plus estate had saved £135 million a year by 2006-07. The roll-out has also contributed to improvements in customer service. The way the project was managed compares well with external good practice and there are important lessons for other government transformation projects.'

Supporting carers to care²⁴

February 2009



The Comptroller and Auditor General concluded that:

'The Department is largely successful in delivering carers' benefits efficiently and there have been cost-effective improvements in processing claims in the last few years. The majority of carers who receive support from the Department are positive about their experiences.'

'The Department's help to carers who wish to support themselves through combining paid work with their caring responsibilities is not sufficiently effective for carers. The Department does not consistently identify which job opportunities are flexible and there is a potential disincentive to provide part-time work because it is not part of the Jobcentre Plus target regime. Most people receiving carers' benefits who seek employment support from the Department feel the services do not fully meet their needs as carers. The Department has generally worked well with others in designing and implementing its policies for carers.'

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²³ Department for Work and Pensions: *The roll-out of the Jobcentre Plus Office network*, www.nao.org.uk/publications/0708/the_roll-out_of_the_jobcentre.aspx

²⁴ Department for Work and Pensions: *Supporting Carers to Care*, www.nao.org.uk/publications/0809/supporting_carers_to_care.aspx

Communicating with customers²⁵

May 2009



The Comptroller and Auditor General concluded that:

‘Since the Committee of Public Accounts last reported on government forms, the Department has made progress in making its forms shorter and easier to read, and promoting telephone enquiry services has reduced the reliance on paper forms for many customers.’

‘For those who rely on paper forms, however, some forms are still lengthy, and accompanied by long and over complex guidance notes. The effectiveness of communications is also hampered by system-generated letters which are long, complex and difficult for customers to understand.’



²⁵ *Department for Work and Pensions: Communicating with customers*, www.nao.org.uk/publications/0809/communicating_with_customers.aspx

Delivering through others

Local authorities administer Housing Benefit on behalf of the Department. Overpayments due to fraud and error are estimated to be £840 million and underpayments are a further £230 million. Housing Benefit is, therefore, a major contributor to the material levels of fraud and error in the benefits system, which we review annually through our financial audit work and report upon in the Department's **Resource Accounts**.²⁶

Our most recent report on **Support to incapacity benefits claimants through Pathways to Work**²⁷ (May 2010) assessed the progress of the Department in reducing the number of incapacity benefits claimants and the effectiveness of its Pathways employment programme. The Department uses external contractors to lead delivery of Pathways in 60 per cent of Jobcentre Plus districts paying 70 per cent of the contract value on performance. We concluded that:

'The Department for Work and Pensions has made a concerted effort to reduce the number of people claiming incapacity benefits and deserves credit for grappling with a problem often seen as intractable.'

'However, the Pathways to Work programme has turned out to provide poor value for money and it is therefore important that the Department learns from the experience. In the future it should base its programme decisions on a robust and clear evidence base, follow best contracting practice and establish

a measurement regime which allows it to understand better what happens to those whom they may have helped.'

The Department has a number of delivery partners which operate at arm's length. We are planning to publish a best practice guide in 2010-11 on the quality of delivery partners' reporting to sponsor departments. We have also reported directly on both the **Pension Protection Fund**²⁸ and the **Child Maintenance and Enforcement Commission**²⁹ in 2009-10.

'The Pension Protection Fund has done well to retain a healthy balance sheet in trying economic times. However, it is likely that the challenge facing the Fund will increase as more schemes are transferred to it. Therefore it should continue to take appropriate steps to manage the increasing value of its assets efficiently and continue to work at improving its ability to assess the risks that it faces in periods of economic difficulty.'

A **Memorandum**²⁹ was prepared for the House of Commons Work and Pensions Committee (December 2009) to provide an update to our June 2006 report on **Child support reforms**.³⁰ Our initial report found that reforms costing £539 million had failed to deliver the improvements in customer services and administrative efficiency which were expected. In April 2006, a £321 million three year Operational Improvement Plan was launched to remedy many of the longstanding operational problems with the Agency's

existing processes and supporting systems. This Memorandum describes the improvements reported by the Department as of March 2009.

Contracting

The Department for Work and Pensions has a number of Private Finance Initiative contracts including the management of its estate. The NAO has also produced 72 value for money reports to Parliament on the Private Finance Initiative and other uses of private finance across the public sector. We also produced a **summary report**³¹ in October 2009 for the Lords Economic Affairs Select Committee on private finance.

A number of our cross-cutting reports have reviewed how the Department delivers through others. For example, our report on **Central Government's Management of Service Contracts**³² found examples of:

'good practice contract management, such as the Department for Work and Pensions' contract with BT to provide telecommunications services, where there was good senior management engagement with the supplier', and

'excellent processes [for example] the Department for Work and Pensions, has a network of risk registers for its contract with BT, with registers at the operational level feeding up to an IT strategic risk register for the Department as a whole'.

26 *Department for Work and Pensions Resource Accounts 2008-09: Report by the Comptroller and Auditor General*, www.nao.org.uk/publications/0809/dwp_accounts.aspx

27 *Department for Work and Pensions: Support to incapacity benefits claimants through Pathways to Work*, www.nao.org.uk/publications/1011/pathways_to_work.aspx

28 *Department for Work and Pensions: Pension Protection Fund*, www.nao.org.uk/publications/0910/pension_protection_fund.aspx

29 *Performance of the Child Maintenance and Enforcement Commission: Memorandum for the House of Commons Work and Pensions Committee*, www.nao.org.uk/publications/0910/child_maintenance_memorandum.aspx

30 *Child Support Agency – Implementations of the Child Support Reforms*, www.nao.org.uk/publications/0506/child_support_agency.aspx

31 *Private Finance Projects: A paper for the Lords Economic Affairs Committee*, www.nao.org.uk/publications/0809/private_finance_projects.aspx

32 *Central government's management of service contracts*, www.nao.org.uk/publications/0809/central_governments_management.aspx

Appendices

1 The Department's sponsored bodies

As at 31 March 2009, the Department for Work and Pensions sponsored 16 Non-Departmental Public Bodies.³³ More information on these bodies can be found at www.dwp.gov.uk/about-dwp/public-bodies/dwp-sponsored-public-bodies/

Advisory	Executive	Tribunal	Public Corporation
Disability Employment Advisory Committee	Child Maintenance and Enforcement Commission	The Pensions Ombudsman	The Pension Protection Fund
Disability Living Allowance Advisory Board	Health and Safety Executive	The Pension Protection Fund Ombudsman	
Equality 2025	Personal Accounts Delivery Authority		
Industrial Injuries Advisory Council	Independent Living Fund (2006)		
Social Security Advisory Committee	Remploy Ltd		
	The Pensions Advisory Service		
	The Pensions Regulator		
	Working Ventures UK (ceased activity in October 2009)		

³³ Non-Departmental Public Bodies have a role in the delivery and implementation of Government business but are not a Government department or part of one. They operate independently and at arm's length from Ministers but are still accountable to the public for the services they provide.

2 Reports by the National Audit Office on the work and pensions sector since 2005

			Parliamentary Session
5 February 2010	Department for Work and Pensions: Pension Protection Fund	HC 293	2009-2010
15 October 2009	Performance of the Department for Work and Pensions: Briefing for the House of Commons Work and Pensions Committee		
20 July 2009	Department for Work and Pensions Resource Accounts 2008-09: Report by the Comptroller and Auditor General		
7 May 2009	Department for Work and Pensions: Communicating with customers	HC 421	2008-2009
1 May 2009	Department for Work and Pensions: Management of Benefit Overpayment Debt	HC 294	2008-2009
26 February 2009	Department for Work and Pensions: Supporting Carers to Care	HC 130	2008-2009
24 November 2008	Department for Work and Pensions: Information Technology Programmes Memorandum by the National Audit Office		
23 July 2008	Department for Work and Pensions: Handling Customer Complaints	HC 995	2007-2008
22 February 2008	Department for Work and Pensions: The roll-out of the Jobcentre Plus Office network	HC 346	2007-2008
23 January 2008	Department for Work and Pensions: Progress in tackling benefit fraud	HC 102	2007-2008
21 July 2006	Progress in tackling pensioner poverty: Encouraging take up of entitlements	HC 1178	2005-2006
20 July 2006	International benchmark of fraud and error in social security systems	HC 1387	2005-2006
30 June 2006	Child Support Agency – Implementation of the Child Support Reforms	HC 1174	2005-2006
18 November 2005	Department for Work and Pensions: Dealing with the complexity of the benefits system	HC 592	2005-2006

3 Recent cross government NAO reports of relevance to the work and pensions sector

			Parliamentary Session
18 March 2010	Reorganising central government	HC 452	2009-2010
6 November 2009	Commercial skills for complex government projects	HC 962	2008-2009
21 October 2009	Measuring Up: How good are the Government's data systems for monitoring performance against Public Service Agreements?	HC 465	2008-2009
16 October 2009	Government cash management	HC 546	2008-2009
29 April 2009	Addressing the environmental impacts of government procurement	HC 420	2008-2009
26 March 2009	Innovation across central government	HC 12	2008-2009
27 February 2009	Helping Government Learn	HC 129	2008-2009
13 February 2009	Recruiting civil servants efficiently	HC 134	2008-2009
5 February 2009	Assessment of the Capability Review programme	HC 123	2008-2009
19 December 2008	Central government's management of service contracts	HC 65	2008-2009
28 November 2007	Improving the efficiency of central government's office property	HC 8	2007-2008

4 Other sources of information

Reports from the Committee of Public Accounts

17 March 2010	Twentieth Report of Session 2009-10 Department for Work and Pensions: Management of Benefit Overpayment Debt	HC 444
6 April 2010	Thirty-third Report of Session 2009-10 Nine reports from the Comptroller and Auditor General published from July 2009 to March 2010	HC 520
8 September 2009	Forty-second Report of Session 2008-09 Supporting Carers to Care	HC 549
26 March 2009	Thirteenth Report of Session 2008-09 Department for Work and Pensions: Handling Customer Complaints	HC 312
11 September 2008	Forty-fourth Report of Session 2007-08 The roll-out of the Jobcentre Plus office network	HC 532
8 July 2008	Thirty-first Report of Session 2007-08 Progress in Tackling Benefit Fraud	HC 323
7 February 2008	Ninth Report of Session 2007-08 Helping people from workless households into work	HC 301
5 July 2007	Thirty-seventh Report of Session 2006-07 Child Support Agency: Implementation of the Child Support Reforms	HC 812
17 May 2007	Twenty-sixth Report of Session 2006-07 Department for Work and Pensions: Progress in tackling pensioner poverty – encouraging take-up of entitlements	HC 169
23 January 2007	Seventh Report of Session 2006-07 Department for Work and Pensions: Using leaflets to communicate with the public about services and entitlements	HC 133
16 January 2007	Sixth Report of Session 2006-07 Gaining and retaining a job: the Department for Work and Pensions' support for disabled people	HC 112
2 November 2006	Fifty-third Report of Session 2005-06 Department for Work and Pensions: Delivering effective services through contact centres	HC 1034
27 April 2006	Thirty-sixth Report of Session 2005-06 Tackling the complexity of the benefits system	HC 765
15 November 2005	Twelfth Report of Session 2005-06 Helping those in financial hardship: the running of the Social Fund	HC 601
11 October 2005	Fourth Report of Session 2005-06 Fraud and error in benefit expenditure	HC 411

Where to find out more

The National Audit Office website is
www.nao.org.uk

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