



National Audit Office

The UK's independent public spending  
watchdog

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Reference FOI-1637  
Date 07 August 2023

## DWP USE OF AI TO PREVENT FRAUD

Thank you for your request of 12<sup>th</sup> July 2023 for information about the Department for Work and Pensions' (DWP) use of artificial intelligence (AI) to prevent fraud and error in the Universal Credit (UC) system.

Your request was considered under the terms of the Freedom of Information Act 2000 (FOIA). The FOIA provides a legal right of access to recorded information held by a public authority, but it is subject to certain exemptions that may apply. Whilst we hold information within the scope of your request, having reviewed it, we consider this to be exempt from disclosure under section 33 (Public Audit function) of the FOIA.

I am sorry not to be able to share the information with you and I hope you find this response helpful. DWP are the owners of the information that you have requested and while we will respond to information requests and associated queries, we believe that DWP are much better placed to do so. Details of how to do this can be found here: [Make a Freedom of Information \(FOI\) request to DWP - GOV.UK \(www.gov.uk\)](https://www.gov.uk/make-a-foi-request).

Your original request has been reproduced below in **Annex A** for your reference with our response. **Annex B** provides a full explanation of the Section 33 - audit exemption, how this applies to your request and our consideration of the public interest test.

**Annex C** sets out the steps you may wish to take if you are not satisfied with the way we have handled your request for information under the FOIA.

Yours sincerely,

**NAO FOI Team**

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## Annex A

### **Your original request for information about the Department for Work and Pensions (DWP) use of artificial intelligence (AI) to prevent and error in the Universal Credit (UC) system.**

(Your request is in italic below)

- 1. any emails, manuals, letters held by the NAO that describe and provide information about the DWP's machine learning model it has been using since 2021-22 to flag potentially fraudulent claims for Universal Credit advances to Universal Credit agents.*
- 2. any emails, manuals, letters held by the NAO that describe and provide information about four similar models piloted by the DWP in 2022-23 designed to prevent fraud in the key areas of risk in Universal Credit: people living together, self-employment, capital, and housing.*
- 3. any information held about the results of 'fairness' analysis conducted by the DWP about the data analytics products currently in use to prevent fraud to test for disproportionate impacts on people with the protected characteristics of age, gender and pregnancy.*
- 4. the NAO has said the results were largely inconclusive but the DWP found some evidence of bias toward older claimants in some of the models. Please release information held about these results and this evidence?*
- 5. in fig 13 of the DWP 2022-23 annual report (p.310), the NAO produced a flowchart showing "How the Department for Work & Pensions (DWP) uses machine learning to reduce benefit fraud". This was based on a NAO review of DWP governance documents. Please release these documents.*

### **NAO response:**

We have searched our records and can confirm that we hold information falling within the scope of your request, but consider this information exempt from disclosure. The following exemption applies: Section 33 – Public Audit Function.

## Annex B

**This annex sets out the exemption we have applied to your request.**

### **Section 33 Freedom of Information Act 2000 – Public Audit**

Section 33 of the FOIA provides that:

- (1) This section applies to any public authority which has functions in relation to -
  - (a) the audit of the accounts of other public authorities, or*
  - (b) the examination of the economy, efficiency and effectiveness with which other public authorities use their resources in discharging their functions.**
- (2) Information held by a public authority to which this section applies is exempt information if its disclosure would, or would be likely to, prejudice the exercise of any of the authority's functions in relation to any of the matters referred to in subsection (1).*

### **Reasons why we have applied the Section 33 exemption:**

We have applied the Section 33 exemption to the information we hold in scope of your request and which we are withholding from release, namely the details you requested about the DWP use of artificial intelligence to prevent fraud and error in the Universal Credit system. Any data provided to us by DWP was done so in confidence, solely for the purposes of our audit and it was highlighted at the time that it was highly sensitive and should not be released to anyone. Releasing this information would undermine our function as a statutory auditor, whilst also potentially compromising fraud and error controls put in place by the DWP.

Where an audited body raises reasonable concerns about the disclosure of their information, then we consider the implications for the future conduct of our public audit functions should we release it. The audit process is enhanced significantly by audited bodies or third-party entities responding promptly to information requests and/or volunteering information to support a constructive, timely and effective audit. The disclosure by NAO of sensitive information beyond that required for audit reporting purposes and in the face of representations against such disclosure would impair the provision of audit information in the future – it would reduce, if not cut off, critical information flows. It would incentivise DWP and other audited bodies to take a minimalist approach to NAO information requests or, in the case of bodies whose engagement is optional, serve to discourage such information sharing altogether.

Audited bodies regularly challenge the extent of the NAO's access rights and seek to place conditions around meeting information requests. Such issues consume time and resources as we work them through. The disclosure of this sensitive information would encourage DWP and other audited bodies to approach our audit work in this way going forwards.

An effective, efficient audit is supported through an open and constructive approach between the NAO and the audited body. As such it is critically important that we have a safe space to gather information and knowledge and can engage in a free and frank way with audited bodies. The release of this information would remove this safe space - precipitating a backdrop of increased challenge and procedure around requests for audit information. This would require the NAO to formally assert our statutory access rights more frequently and potentially seek to enforce them, leading to significant delay, escalation of issues and increased audit costs.

Section 17(3) of the Budget Responsibility and National Audit Act 2011 places a duty on the C&AG to “aim to carry out functions effectively and cost effectively”. Given the above factors, we consider that our disclosure of the information requested would be at odds with this statutory requirement – it would serve to undermine the effectiveness and increase the cost of the C&AG's public audit functions.

For the reasons set out above, we consider it appropriate to apply the public audit exemption available under Section 33(2) of the FOIA.

**Reasons why the public interest in maintaining the exclusion outweighs the public interest in disclosing the information in this case:**

The NAO is independent of government and scrutinises public spending on behalf of Parliament. Our work serves the public interest by helping Parliament hold government to account, providing transparency on matters of public interest and driving improvement in the use of public resources.

We recognise that there is a public interest in knowing that the use of public money is subject to appropriate levels of accountability and transparency, delivered through an effective audit function. We consider that disclosure of sensitive audit evidence supplied to the NAO by departments and other public bodies in pursuit of our statutory functions and beyond that published in our reports would impair the audit process for the reasons set out above. Bodies and officials would be reluctant to engage with us, which would delay and diminish the audit process.

The NAO's work puts information into the public domain and helps Parliament hold government to account. In our view, the balance of public interest rests with the NAO being able to deliver an effective and efficient public audit function and report our findings to the public.

Information relating to this has been reported on, and we have stated what assurances the wider public can take from this from the Report on Accounts for the DWP: [Report on Accounts - Department for Work & Pensions \(nao.org.uk\)](#). There is a clear public interest in the NAO being able to provide assurances over counter fraud Artificial Intelligence systems. This outweighs the public interest for disclosure.

Given the negative impact that would result from disclosure, we consider it appropriate to maintain the Section 33 public audit exemption in this instance.

## **Annex C**

### **Statement of Policy**

Our policy is to respond to requests made under the Freedom of Information Act 2000 as helpfully and promptly as possible, having regard to the principles set out in the Act. I therefore hope you are happy with the way we have handled your request. If you are not, then you should take the following steps.

In the first instance, within 40 working days, write to the National Audit Office Freedom of Information (FOI) Team at [FOI.requests@nao.org.uk](mailto:FOI.requests@nao.org.uk) or by post to:

FOI Team, Green 2, National Audit Office, 157-197 Buckingham Palace Road, London, SW1W 9SP.

The Head of FOI will arrange a review, which will be conducted by a senior member of staff who was not involved in decisions relating to your original request. Once the review has been completed, we will write informing you of the outcome. If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The primary way of escalating your concerns to the Information Commissioner is at: [www.ico.org.uk/foicomplaints](http://www.ico.org.uk/foicomplaints). Alternatively, you can contact the ICO at [Contact us | ICO](#) or Information Commissioner's Office Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF.