

News release

For immediate use

Estimated £15m of Carer's Allowance benefit overpaid

An estimated £14.8m of a carer's benefit is thought to have been overpaid in Scotland due to error and fraud, a report by the Auditor General has shown.

The Department for Work and Pensions calculated that 5.2 per cent of the £284 million paid out in Carer's Allowance in 2019/20 related to estimated error and fraud, which led to auditors qualifying Social Security Scotland's accounts.

The inherent risk of error and fraud in social security systems means an audit qualification is not unusual. The National Audit Office has qualified the annual accounts of the DWP for the last 31 years.

Social Security Scotland has improved error and fraud prevention and detection in the last year. But it remains reliant on the DWP for the delivery of much of the £3.5 billion it spends on benefits, and for the associated estimates of error and fraud. That increases the audit risk to Social Security Scotland's finances at a time when Covid-19's economic impact brings added uncertainty.

Stephen Boyle, Auditor General for Scotland, said:

"Social Security Scotland has strengthened its error and fraud arrangements and reacted quickly to the immediate challenges posed by the pandemic, but there's still a lot of key work to be done.

"It is now responsible for billions in complex benefits spending but remains heavily reliant on the DWP. Benefit spending may rise because of Covid-19, increasing the potential for greater error and fraud. And Social Security Scotland needs to think about what arrangements will be needed to manage that scenario."

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Notes to editors

1. A qualification means the auditor cannot give a full opinion on the state of a body's finances. Social Security Scotland's accounts were qualified because of overpayments of Carer's Allowance attributable to error and fraud. This spending did not align with the Social Security Contributions and Benefits Act 1992, which states that any payment made to a person who is not entitled to it, does not comply with the legislation and is therefore irregular.
2. DWP error and fraud estimates indicate that there could potentially be £47.5m of overpayments due to error and fraud in the forecast expenditure levels for Scotland in 2020/21. That figure could be on top of Carer's Allowance irregular payments.
3. £1.583 billion of Personal Independence Payments are forecast in 2020/21, along with £719m of Disability Living Allowance; and £532m of Attendance Allowance expenditure.
4. If social security spending does rise beyond forecasts, the net impact on the Scottish budget will depend on how this compares to benefits spending patterns in other parts of Great Britain.

5. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.