



Department for  
**Communities**

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Department for

**Communities**

[www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

# Social Fund Account

For the year ended 31 March 2021

Accounts laid 31 January 2022



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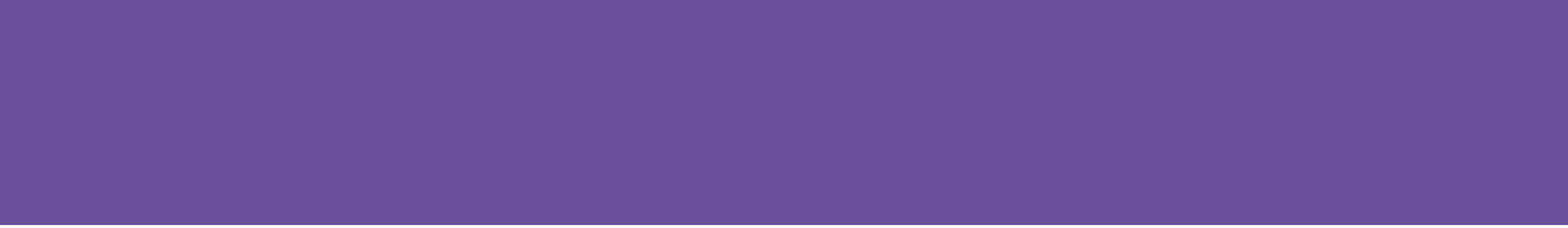
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## **Department for Communities**

### **Social Fund Account for the year ended 31 March 2021**

Laid before the Northern Ireland Assembly  
under Section 146 (4) of the Social Security  
Administration (Northern Ireland) Act 1992  
by the Comptroller and Auditor General for  
Northern Ireland

31 January 2022



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# Foreword

## Presentation of Account

1. The Department for Communities (DfC) presents its Social Fund Account which has been prepared in accordance with a direction issued by the Department of Finance (DoF) in pursuance of section 146(4) of the Social Security Administration (NI) Act 1992. The Department of Finance (DoF) accounts direction is included as an appendix to this account.

## Statutory Background

- 2.1 The Social Fund was established in 1987 under Article 33 of the Social Security (Northern Ireland) Order 1986 and continued in being by section 146 of the Social Security Administration (Northern Ireland) Act 1992. Section 134(1) (a) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 provides for maternity and funeral loans in prescribed circumstances. Section 134(1) (b) of that Act provides for other needs to be met in accordance with directions and guidance issued by the Department for Communities in respect of loans and community care grants. Section 134(2) provides for payments in prescribed circumstances to meet extra expenses for heating incurred or likely to be incurred during periods of very cold weather.
- 2.2 The first phase of the Social Fund comprising maternity and funeral loans came into operation on 6 April 1987. The second phase was introduced on

11 April 1988 and replaced all remaining supplementary benefit single payments and some urgent needs payments. Regulations were introduced in November 1988 which provided for payments to be made to certain Income Support customers following a period of cold weather, enhanced by further regulations in November 1991 to include payments when cold weather is forecast. The Winter Fuel Payments scheme was introduced by the Department under Regulations made in exercise of powers conferred by Section 134 (2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, which came into operation on 16 January 1998.

- 2.3 Payments from the Fund are split into two broad categories, regulated and discretionary. Regulated payments are Maternity Expenses, Funeral Loans, Cold Weather Payments and Winter Fuel Payments and are demand led. Discretionary payments comprise Budgeting Loans: these are demand led and cash limited. All payments are made subject to relevant qualifying conditions being met. From October 1996 Jobseeker's Allowance (Income Based), which replaced Income Support payable to the unemployed, became a qualifying benefit for Social Fund payments. In September 2017 Universal Credit was introduced in Northern Ireland; this benefit is a qualifying benefit for certain categories of Social Fund payments.

2.4 Legislation was introduced with effect from April 1998 that allowed the recovery of Social Fund overpayments.

2.5 The Welfare Reform (NI) Order 2015 provided for the abolition of certain elements of discretionary Social Fund and the introduction of a new Discretionary Support Scheme. The Discretionary Support Scheme went live on the 28th November 2016 and Community Care Grants and Crisis Loans were replaced with locally based support. Discretionary Support (DS) loans and grants are not administered under Social Fund legislation and are not part of the Social Fund White Paper Account. The DS loans and expenditure amounts are included in the 2020-21 DfC Annual Report and Accounts.

Crisis Loan recoveries continue to be received by the Department. These recoveries no longer fund Social Fund expenditure and are not included within the Social Fund Receipts and Payments account. The Crisis Loan balances are included within the 2020-21 DfC Annual Report and Accounts.

2.6 Social Fund Budgeting Loans will remain until they are replaced by Budgeting Advances payable under claims to Universal Credit.

2.7 As part of the implementation of Universal Credit which started in September 2017 the Department initiated the transfer of Social Fund Loan balances from the Social Fund Computer System (SFCS) onto the Debt Manager Computer System (DMCS). All Social Fund Budgeting Loan and Funeral Loan balances, regardless of the IT debt system used to manage the loan, are reflected within the figures produced in the Receipts and Payments account and the notes to these accounts. The Department will continue to monitor the impact of Welfare Reform changes on Social Fund benefit administration.

## Categories of Payments

### 3.1 Sure Start Maternity Grants:

The Sure Start Maternity Grant is available to families in receipt of a qualifying benefit and who meet the eligibility criteria. **Sure Start Maternity Grant | nidirect**. The grant is worth £500 in respect of babies due, born, adopted or subject to a parental order on or after 16th June 2002.

### 3.2 Funeral Loans:

Funeral Loan payments are available to help with the cost of a funeral. They may be made to customers or their partners, who meet the eligibility criteria. **Funeral Expenses Payments | nidirect**. Funeral Loan payments are normally recoverable from the estate of the deceased, even if the estate is not sufficient to permit full recovery.

### 3.3 Cold Weather Payments:

Cold Weather Payments are payable to customers in receipt of a qualifying benefit. **Cold Weather Payment | nidirect**. Customers receive payments of £25 for each period of seven consecutive days during which the average temperature was or was forecast to be zero degrees Celsius or below in areas where the customer lives. There were several Cold Weather triggers for individual stations in the 2020-21 financial year.

### 3.4 Winter Fuel Payments:

The Winter Fuel Payments are payable to people of state pension age and who meet the eligibility criteria, regardless of whether they are receiving a Social Security Benefit. In 2020-21 this was customers born on or before 5th October 1954. **Who qualifies for Winter Fuel Payment | nidirect**

The total amount payable to a person eligible and aged under 80 years living alone in their own home was £200 for the 2020-21 financial year (£100 if they shared a home with another eligible person aged under 80). For people aged 80 or over the amount payable for

2020-21 was £300 (£150 if they shared a home with another eligible person aged 80 or over). Where there is only one person in the household who is entitled, the full Winter Fuel Payment is made. If there is another eligible person in the household who qualifies, the lower level of £100 is made to the eligible person under 80 and £200 is payable to the eligible person aged over 80.

### 3.5 Budgeting Loans:

Budgeting Loans are Payable to customers in receipt of a qualifying benefit. **Budgeting Loans | nidirect** Loans are repayable, normally by deduction from benefit. Budgeting Loans will be replaced by Budgeting Advances when a customer claims Universal Credit.

## Financial Basis of the Social Fund 2020-21

4. The Social Fund is, in part, financed by grants from the Consolidated Fund, which in 2020-21 were payable from DfC Vote Resource A, line A27 for both regulated expenditure and Winter Fuel Payments.

In addition, section 74(1) of the Social Security Administration (NI) Act 1992 provides for the repayment of loans, recoveries of which help finance the fund; and section 74(4) of the Act provides that payments to meet funeral expenses may be recovered from the deceased person's estate.



From April 2014 funding for Sure Start Maternity Grants & Funeral Loans transferred from Annually Managed Expenditure (AME) to Departmental Expenditure Limits (DEL).

## Changes to the Social Fund accounts

5. The Department for Communities (DfC) is one of nine Northern Ireland departments created on 9 May 2016. The Permanent Secretary, Tracy Meharg, is the Department's most senior official and the Minister's principal advisor. The Northern Ireland Assembly was dissolved from 26 January 2017 until an Executive was formed on 11 January 2020. Ministers were not in place during this time. From 11 January 2020, the Department for Communities was under the direction and control of NI Assembly Minister Deirdre Hargey, and from 15 June 2020 Carál Ní Chuilín replaced Deirdre Hargey as acting minister for Communities. Deirdre Hargey returned as Minister in December 2020.

## Annual Report on the Social Fund

6. The Department for Communities is required by Section 146(5) and (6) of the Social Security Administration (NI) Act 1992 to prepare an annual report on the Social Fund and to lay a copy of the report before the Northern Ireland Assembly. It is anticipated the report for 2020-21 will be published later in the current financial year.

## Audit Arrangements

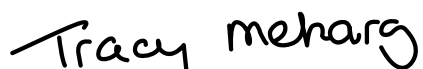
7. The NI Comptroller and Auditor General is required under section 146(4) of the Social Security Administration (NI) Act 1992 to examine and certify the Social Fund account and to lay copies of it, together with his report thereon, before the Northern Ireland Assembly.

## Impact of COVID-19

8. The emergence of Covid-19 in the closing period of 2019-20 has had far reaching impacts on the Department and its staff. During 2020-21 the Department managed a number of significant issues with the Covid-19 pandemic presenting the biggest challenge to operational delivery. The Department faced an unprecedented increase in demand for its services throughout the pandemic but was able to successfully maintain service delivery throughout 2020-21. Further detail on the Department's performance in relation to Covid-19 is included in the DfC 2020-21 annual report and accounts.

The Departmental actions to address the Covid-19 pandemic have resulted in some measures which have impacted on the Social Fund in the 2020-21 financial year. For example in June 2020 the Department paused debt recovery for three months to provide relief to claimants. The paused recovery activity includes the recovery of Budgeting Loans, Funeral Loans, and the recovery of Social Fund overpayments.

A number of temporary policy and operational changes (also known as easements) were introduced as a result of COVID-19 to deal with the unprecedented surge of new claims and comply with face-to-face capacity restraints resulting from national restrictions. In practice, this meant we had to ease some of our more stringent checks in order to process claims efficiently and safely while complying with public health guidance. For Social Fund this applied to Funeral Loan Payments and Sure Start Maternity Grants.

A handwritten signature in black ink that reads "Tracy Meharg". The signature is written in a cursive, slightly slanted style.

**Tracy Meharg**  
**Accounting Officer**

**23 December 2021**

# Statement of Accounting Officer's Responsibilities

Under Section 146(4) of the Social Security Administration (NI) Act 1992, accounts of the Social Fund are to be prepared in such form and in such manner as the Department of Finance (DoF) may direct. The accounts are prepared on a cash basis and must properly present the receipts and payments for the financial year and the balances held at the year end.

In preparing the accounts, the Accounting Officer is required to comply with the accounting principles and disclosure requirements of the Government Financial Reporting Manual (FRoM) and in particular to:

- Observe the Accounts Direction issued by the Department of Finance including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the accounts on a going concern basis.

- Confirms that the Foreword and accounts as a whole are fair, balanced and understandable and takes personal responsibility for the Foreword and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the Permanent Secretary of DfC as the Accounting Officer for DfC. The Accounting Officer DfC is also the Accounting Officer for the Social Fund. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Department for Communities' assets are set out in "Managing Public Money Northern Ireland" published by the Department of Finance.

As Accounting Officer I have taken all the steps that I ought to have taken to ensure that I am aware of any relevant audit information and to establish that the auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

# Governance Statement

## Introduction

The Department for Communities (DFC) Governance Statement is included within the DFC Annual Report and Accounts 2020-21. The Department's Governance Statement provides assurance on how the system of control has operated in 2020-21, it outlines the DFC Risk Management Framework, Risk Appetite and the areas of risk managed through the Corporate Risk Register. The departmental board's performance and its assessment of effectiveness, information regarding quality of information presented to the board and any committee reports are also included in the Governance Statement.

Details of Departmental Board membership attendance and activity is also available within the DFC Annual Report and Accounts 2020-21.

The Department's Fraud and Whistleblowing and other Departmental Assurances are included within the 2020-21 Governance Statement. There were no whistleblowing issues relating to Social Fund for 2020-21.

## Head of Internal Audit (HIA) Opinion

The HIA provides an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Department's framework of governance, risk management and control. For 2020-21, the HIA provided an overall satisfactory opinion on the Department's arrangements.

Progress against the Annual Internal Audit Plan is monitored by the Departmental Audit and Risk Assurance Committee (DARAC). HIA attendance at Departmental Management Board (DMB) and Group Management Board meetings, as necessary, and scrutiny of internal audit recommendations, are some of the measures used to ensure a strong focus on control and improvement. Details of limited opinion audit reports are included in the 2020-21 DfC Governance statement.

The 2020-21 Internal Audit Plan was revised in early April 2020 to meet the priorities and key assurance requirements specifically to include the provision of advice and guidance to the Department in its design of Covid-19 schemes and revisions to operations and internal control frameworks. The HIA overall opinion is based on internal audit activity carried out during 2020-21 and cumulative assurances derived from internal audit activity during the period of the current Internal Audit strategy, with a 'Satisfactory' opinion for 2020-21 provided.

There were no Internal Audit reviews of Social Fund in 2020-21 as reviews over the previous year's found no significant issues to report.

## Key Risks and Issues

The most significant issues relating to NI Social Fund in 2020-21 are detailed below.

## **Covid 19**

The emergence of Covid-19 in the closing period of 2019-20 and throughout 2020-21 has had far reaching impacts on the Department and its staff. An unprecedented level of demand was experienced for the timely delivery of benefits and services required to meet the needs of the most vulnerable in our society and to assist those impacted by the Covid-19 restrictions. This demand was coupled with the challenge of keeping staff safe within the Department, adapting to the emergency by introducing a range of measures including: remote-working, revised telephony assistance and the use of online forms and services.

The Department's inherent risk of exposure to fraud /error increased as a direct result of the Covid-19 emergency. This was primarily as a result of enhanced demand for benefits and departmental services, also the impact of measures implemented by the NI Executive in respect of the payment of Grants [DAO 03/20], and continued payments to departmental suppliers [PGN 01/20] in order to maintain cash flow and protect jobs during the emergency.

The Department stood up, at short notice, a range of Covid 19 support schemes. The 2021-22 Internal Audit Plan includes a number of schemes for review in order to provide independent assurance and to identify lessons learnt to inform future schemes and business as usual activities.

## **Northern Ireland Assembly and Budget Authority**

The Assembly passed the Budget Act (Northern Ireland) 2021 in March 2021 which authorised the cash and use of resources for all departments for the 2020-21 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2021 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2021-22 financial year. The 2021-22 Main Estimates and the associated Budget (No. 2) Bill was passed by the Northern Ireland Assembly in June 2021 and received Royal Assent on the 04 August 2021. This will authorise the cash and resource balance to complete for the remainder of 2021-22 based on the Executive's 2021-22 Final Budget.

## **Protective Security**

There were no major incidents involving personal data for the Social Fund for the 2020-21 year.

## **Fraud and Error in Benefit Expenditure**

DfC is responsible for payment of social security benefits including the range of new benefits introduced under Welfare Reform. As reported in previous years, there is an inherent risk of fraud/error with all benefit processing which the NIAO highlights as the most significant risk in terms of material misstatement in the Department's financial statements. Full details of benefit fraud and error measurement and the Department's activities to mitigate against this risk are included in the DfC annual report and accounts.



### **Social Fund Fraud and Error**

For the 2020-21 financial year the NI Comptroller provided an unqualified opinion on the Social Fund Accounts. Details of Social Fund fraud and error are included in Note 8 in the accounts, Payment Accuracy – Social Fund.

The note explains the use of proxy rates to provide an approximate estimate for unreviewed Social Fund benefits. The methodology provides a measure of Social Fund fraud and error for Official Error, Customer Error and Customer Fraud. The total estimated overpayments for Social Fund expenditure were £0.930m (1.1% of total Social Fund expenditure). For the 2019 year total estimated overpayments for Social Fund were £1.25m (1.2% of total Social Fund expenditure)

For 2020 total estimated underpayments were £0.471m (0.6% of total Social Fund expenditure). In 2019 total estimated underpayments were £0.551m (0.5% of total Social Fund Expenditure)

Winter Fuel Payments were previously administered through multiple benefit systems which required several manual steps to avoid duplicate and erroneous payments. In order to improve efficiency and accuracy a standalone system has been developed, the Seasonal Payment Service (SPS) system delivered Winter Fuel payments for 2020-21.

The SPS includes enhanced data matching and eligibility calculations. A new process was also introduced to advise citizens of their payment in advance which was designed to reduce potential over or under payments.

### **Welfare Reform**

All Welfare Reforms are now live in Northern Ireland, including Universal Credit which has been successfully rolled out for new claims. DWP is currently considering plans and timescales for the transfer of legacy benefit claimants, including Tax Credit claimants to Universal Credit.

### **Conclusion**

I am satisfied that DfC has effective governance arrangements in place that I can rely on as Accounting Officer to provide assurance that the public funds and other resources for which I am accountable are deployed effectively. Where significant issues have arisen I am satisfied that appropriate action is being taken to address the issues concerned.



**Tracy Meharg**  
**Accounting Officer**

**23 December 2021**

# The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

## Opinion on financial statements

I certify that I have audited the financial statements of the Social Fund for the year ended 31 March 2021 under the Social Security Administration (Northern Ireland) Act 1992. The financial statements comprise: the Receipts and Payments Account, Statement of Balances, and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion the financial statements:

- properly present the receipts and payments of the Social Fund for the year then ended and the balances as held at 31 March 2021; and
- have been properly prepared in accordance with the Social Security Administration (Northern Ireland) Act 1992 and Department of Finance directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects the receipts and payments recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Department for Communities in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department for Communities' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Social Fund's ability to continue as a going

concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The other information comprises the information included in the Foreword other than the financial statements, and my audit certificate and report. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the Account.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Social Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements and for being satisfied that they properly present the receipts and payments during the year;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Social Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Social Fund will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine and certify the financial statements in accordance with the Social Security Administration (Northern Ireland) Act 1992.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Social Fund through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Social Security Administration (Northern Ireland) Act 1992;
- making enquires of management and those charged with governance on the Social Fund's compliance with laws and regulations;

- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Social Fund's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified the potential for fraud in the Social Fund's payments although the level of error was not considered to be material by its nature or value;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and

- agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
    - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate. In addition I am required to obtain evidence sufficient to give reasonable assurance that the payments and receipts recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Report

I have no observations to make on these financial statements.



**KJ Donnelly**  
**Comptroller and Auditor General**  
**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast**  
**BT7 1EU**

**21 January 2022**



# Social Fund Receipts and Payments Account

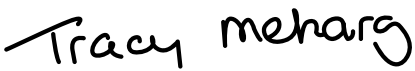
## for the year ended 31 March 2021

Receipts	2020-21 £000	2019-20 £000
Receipts from DfC Vote RfRA	50,000	47,000
Repayments of Funeral Loans	108	175
Repayments of Budgeting Loans	32,435	57,784
Refund of Social Fund Overpayments	3	5
<b>Total Receipts</b>	<b>82,546</b>	<b>104,964</b>
Less		
Payments		
Sure Start Maternity Grants	1192	1,162
Funeral Loans	3,289	2,471
Cold Weather Payments	783	-
Budgeting Loans	26,018	49,788
Winter Fuel Payments	50,902	51,082
Total Payments	82,184	104,503
<b>Excess of Receipts over Payments/ (Payments over Receipts)</b>	<b>362</b>	<b>461</b>

## Statement of Balances

	2020-21 £000	2019-20 £000
Opening Balance	1,899	1,438
Plus Excess of Receipts over Payments/ Less Excess of Payments over Receipts	362	461
<b>Closing Balance</b>	<b>2,261</b>	<b>1,899</b>

The notes on pages 21 to 34 form part of the account.



**Tracy Meharg**  
**Accounting Officer**

**23 December 2021**

# Notes to the Account

## 1. Accounting Policies

The account is prepared in accordance with Section 146(4) of the Social Security Administration (Northern Ireland) Act 1992.

It has been prepared on a cash basis with no provision for accruals and in a form directed by the Department of Finance, shown as an appendix to this account.

## 2. Statement of budgeting loans

	Budget Loans	
	2020-21 £000	2019-20 £000
Opening Amount	52,698	60,945
Amount loaned	26,018	49,788
Transferred to overpayments	-	-
Amount recovered	(32,435)	(57,784)
Amounts written off	(339)	(251)
<b>Closing Amount</b>	<b>45,942</b>	<b>52,698</b>

The amount for loans outstanding at 31 March 2021 shown in this note is based on cumulative loans and repayments and adjusted for amounts written-off and amounts transferred to overpayments. Crisis Loan balances are presented in the Departmental Resource Accounts.

## 3. Age of loan analysis

Loans are normally recovered by deduction from social security benefits and, where this is not possible, by cash repayments. Where a customer has more than one loan, the earliest

loan is normally recovered first, with repayment of later loans following automatically. Loans can therefore take several years to recover fully. This may be due to the customer losing entitlement to benefit and recovery being deferred until a further claim is made. In addition recovery of loans is determined by legislation and can be restricted to avoid causing hardship. The Department for Communities (DfC) has a statutory obligation to issue Social Fund loans and seek repayments in line with legislation.

The loan balances shown above represent the total (gross) amounts outstanding. These balances may not reflect the amounts that are actually recovered. The estimated net recoverable amount for Social Fund loan balances is stated in the DfC annual report and accounts. The net amount outstanding

per the Departmental accounts at 31 March 2021 for Budgeting Loans was £40.661m (2019-20: £48.837m). The net total reflects the 2020-21 fair value adjustments as required by the relevant financial accounting standards and guidance.

**An analysis of the age and number of loans outstanding at 31 March 2021 is summarised below.**

Category	Budgeting Loans	
	2020-21 £000	2019-20 £000
5 years and more 38,105 cases (2019-20: 36,663 cases)	9,559	9,042
Between 1 year and less than 5 years. 64,614 cases (2019-20: 54,903 cases)	17,396	14,254
Less than 1 year 48,133 cases (2019-20: 81,450 cases)	18,987	29,402
<b>Total</b>	<b>45,942</b>	<b>52,698</b>

#### 4. Statement of Funeral Loans outstanding

	2020-21 £000	2019-20 £000
Opening Amount	4,486	4,322
Amount loaned	3,289	2,471
Amount recovered	(108)	(175)
Amounts written off	(2,246)	(2,132)
<b>Closing Amount</b>	<b>5,421</b>	<b>4,486</b>

The amount for Funeral Loans outstanding at 31 March 2021 shown in this note is based on cumulative loans and repayments disclosed in the receipts and payments account and adjusted for amounts written off.

Funeral Loans are recoverable only from the estate of the deceased, but in the majority of cases the estate is insufficient for the funeral payment to be recovered.

The loan balance shown above represents the total (gross) amount outstanding. The balance for Funeral Loans may not reflect the amount that is actually recovered. The estimated net recoverable amount for Social Fund loan balances is stated in the DfC annual report and accounts. The net amount outstanding at 31 March 2021 for Funeral Loans was £0.087m (2019-20: £0.068m). The net total reflects the

2020-21 fair value adjustments as required by the relevant financial accounting standards and guidance.

**An analysis of the age and number of Funeral Loans outstanding is summarised below:**

Category	Budgeting Loans	
	2020-21 £000	2019-20 £000
5 years and more. 9 cases (2019-20:7 cases)	10	8
Between 1 year and less than 5 years. 2,051 cases (2019-20: 1,963 cases)	2,272	2,148
Less than 1 year 2,474 cases (2019-20: 2,171 cases)	3,139	2,330
<b>Total</b>	<b>5,421</b>	<b>4,486</b>

## 5. Losses

	2020-21 £000	2019-20 £000
<b>Funeral Loans:</b> Claims for recoverable Funeral Loans written off mainly due to insufficient estates. 2,042 cases (2019-20: 1,957 cases)	2,246	2,132
<b>Budget Loans:</b> Written off 1,040 cases (2019-20: 721 cases)	339	251
<b>Total</b>	<b>2,585</b>	<b>2,383</b>

## 6. Statement of Overpayments

	Regulated £000	Discretionary £000	Total £000
Amount outstanding at 01 April 2020	1	28	29
New overpayments in year 2020-21	-	-	-
Amount recovered in year 2020-21	(1)	(2)	(3)
Amount written off/Adjusted in year 2020-21			
<b>Amount outstanding at 31 March 2021</b>	<b>0</b>	<b>26</b>	<b>26</b>



The amount for overpayments outstanding at 31 March 2021 shown in this note is based on the cumulative overpayments which have been identified less the repayments disclosed in the receipts and payments account.

In line with DfC policy and procedures for the referral of benefit overpayment debt Social Fund overpayments are referred to the DfC Debt Management team for recovery action. The Social Fund overpayment debt is also incorporated within the benefit overpayment receivable amounts in the DfC annual report and accounts.

## 7. Standing Balances

The closing balance within the Fund will vary from year to year but the intention is to maintain a standing balance of £1.3m. At 31 March 2021 this balance was £2.2m. In 2020-21 the Department continued to monitor and regulate the Social Fund standing balance to ensure it was maintained within acceptable tolerances.

A monthly draft receipts and payments account is produced to inform the funding requirements for Social Fund on a regular basis. The Department for Communities will continue the funding, monitoring and reporting processes throughout the next financial year to ensure that Social Fund standing balance is maintained within an acceptable level.

## 8. Payment Accuracy - Social Fund

### Background

Social Security legislation lays out the basis on which the Department for Communities (DfC)

calculates and pays benefits. However, the complexity of the benefit systems and inherent risks associated with the award and payment of benefits can result in inaccurate payments being made in a proportion of the awards made. The Department has well focused mechanisms in place to tackle incorrectness and measure results. The focus is on the prevention, detection and correction of fraud and error, with investigation and prosecution where appropriate. Further information on the range and detail of the Department's counter fraud and error activities is included in the DfC Annual Report and Accounts.

The Department is committed to continuous improvement in its measurement of fraud and error. The Department measures fraud and error estimates based on a calendar year. For the first time in 2017 the Department applied proxy rates to Social Fund expenditure and this approach has been applied again for the 2020 year. The use of proxy figures represents a methodology change in the approach to the measurement of fraud and error and the presentation of the estimates in the accounts. Proxy rates provide an approximate estimate for an unreviewed benefit.

### Social Fund Official Error Estimates

Official Error occurs when benefit awards are miscalculated as a result of an official not applying the benefit specific rules correctly or not taking into account all the circumstances applicable to an individual. Social Fund official error for Budgeting Loans (BL) was measured as part of the Departments 2016 Financial Accuracy exercise and the results for Budgeting Loans

are updated for the 2020 year. Official error for Social Fund Funeral Loans (FL) and Sure Start Maternity Grants (SSMG) is based on updated 2013 results. This does not affect the statistical validity of the Social Fund result as the remaining elements are still measured to a 95% confidence level.

Winter Fuel Payments and Cold Weather Payments are not included within the Department's official error annual measurement exercise as the nature and administration of these payments means that the possibility and the level of official error is considered to be insignificant. In 2020 Official Error proxy rates have been applied to Winter Fuel Payments and Cold Weather Payments. The Official Error proxy rate utilised for Winter Fuel Payments is State Pension and for Cold Weather Payments the Jobseekers Allowance Official Error rate has been selected.

### Social Fund Customer Error and Customer Fraud Estimates

Customer Error occurs where there has been a failure by the customer to notify a reportable change that affects the benefit in payment but there is no suspicion of fraud/fraudulent intent.

Customer Fraud occurs where the basic conditions of entitlement have not been met, where the customer could reasonably be expected to be aware of the effect on entitlement to benefit and the customer has deliberately not reported relevant information.

Previously where Social Fund had not been measured it was assumed for overall fraud & error calculations, there was no customer fraud or error within these benefits. Since 2017 Customer Error and Customer Fraud proxy rates have been applied to the total of Budgeting Loans expenditure. These categories of Social Fund expenditure can be accessed by a variety of different benefit claimants, and a percentage breakdown of customer applicants for Budgeting Loans is included in the Table below;

Customer Group	% of Expenditure
Pensioners	7.06
Unemployed	7.36
Disabled	25.13
Lone Parents	21.51
Others	38.94
<b>Total</b>	<b>100.00</b>

A combination of proxy rates was used to determine the overall Customer Error and

Customer Fraud proxy. The different proxy rates utilised were as follows:

Customer Group	Proxy Rate
Pensioners	State Pension Credit rate as proxy
Unemployed	JSA rate as proxy
Disabled	DLA rate as proxy
Lone Parents	IS rate as proxy
Others	Overall rate as proxy

For Winter Fuel Payments State Pension was used as a proxy for Customer Error and Customer Fraud, It is anticipated that the measurement of customer fraud and error (Benefit Review) in State Pension will be included in the Department’s 2022 monitoring programme. In line with normal reporting arrangements the results are expected to be available in late April 2023. For Cold Weather Payments the Jobseekers Allowance Customer Error and Customer Fraud rates were selected for use as the proxies.

**Confidence Intervals:**

Confidence intervals around the statistical estimates are provided in the Tables below. The Department reviews a sample of claims; this is a sampling approach as it would be impractical to assess every case and therefore requires a level of statistical certainty to underpin the estimates. This level of certainty is quantified with confidence intervals or tolerances around

which the central estimates are produced. These give the range in which the Department has a confidence level of 95%. This means the Department can be 95% sure that the true value lies for each of the estimates presented. Tables 1 and 2 show the Monetary Value of Error (MVE) and the MVE as a percentage of expenditure. The associated ‘range’ or ‘lower’ and ‘upper’ confidence intervals are also provided. The figures also account for additional uncertainty that has been introduced into the overall estimates by the introduction of data from previous years.

Full details and further information on the Department’s methodology of the estimated fraud and error results for the Department for Communities and the over and underpayment estimates for all Departmental benefits are included in the 2020-21 Departmental Annual Report and Accounts, (Note 23, Payment Accuracy).

## Estimates of Social Fund Overpayments for 2020 and 2019

The tables below set out the estimates of overpayments and underpayments due to fraud and error in Social Fund expenditure for the calendar years 2020 and 2019.

### Estimates of Benefit Overpayments 2020

Year 2020	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval
<b>Official Error</b>	84,810,986	239,333	42,527	491,535	0.3%	0.1%	0.6%
<b>Customer Error</b>	84,810,986	125,393	0	606,741	0.1%	0.0%	0.7%
<b>Customer Fraud</b>	84,810,986	565,513	28,658	1,187,771	0.7%	0.0%	1.4%
<b>Total Overpayments</b>	<b>84,810,986</b>	<b>930,239</b>	<b>332,841</b>	<b>1,756,379</b>	<b>1.1%</b>	<b>0.4%</b>	<b>2.1%</b>

### Estimates of Benefit Overpayments 2019

Year 2019	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval
<b>Official Error</b>	107,903,133	277,391	29,966	620,860	0.3%	0.0%	0.6%
<b>Customer Error</b>	107,903,133	200,022	0	978,632	0.2%	0.0%	0.9%
<b>Customer Fraud</b>	107,903,133	770,411	328,480	1,300,125	0.7%	0.3%	1.2%
<b>Total Overpayments</b>	<b>107,903,133</b>	<b>1,247,823</b>	<b>685,295</b>	<b>2,250,222</b>	<b>1.2%</b>	<b>0.6%</b>	<b>2.1%</b>

## Estimates of Social Fund Overpayments due to Official Error 2020 and 2019

### Official Error 2020

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	33,830,930	206,841	17,036	454,502	0.6%	0.1%	1.3%	Jan 16 - Dec 16 (BL,CL,CCG) / Jan 13 - Dec 13 (FP,SSMG)
<b>WFP</b>	50,812,650	30,775	0	78,262	0.1%	0.0%	0.2%	SP Proxy
<b>CWP<sup>(1)</sup></b>	167,406	1,717	0	5,568	1.0%	0.0%	3.3%	JSA Proxy
<b>Total</b>	<b>84,810,986</b>	<b>239,333</b>	<b>42,527</b>	<b>491,535</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.6%</b>	

#### NOTES:

- The Department measures fraud and error estimates based on calendar year. Cold Weather Payments (CWP) above relate to awards accrued in December 2020 for payment in January 2021.

### Official Error 2019

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	56,822,324	259,039	13,246	600,266	0.5%	0.0%	1.1%	Jan 16 - Dec 16 (BL,CL,CCG) / Jan 13 - Dec 13 (FP,SSMG)
<b>WFP</b>	51,082,834	18,352	0	57,533	0.0%	0.0%	0.1%	SP Proxy
<b>CWP<sup>(1)</sup></b>	-2,025	-	-	-	-	-	-	JSA Proxy
<b>Total</b>	<b>107,903,133</b>	<b>277,391</b>	<b>29,966</b>	<b>620,860</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.6%</b>	

#### NOTES:

- The expenditure for CWP is £0 but separate accounting adjustments and the calculation of the expenditure on a calendar year basis has resulted in the negative figure in the Table above.

## Estimates of Social Fund Overpayments due to Customer Error 2020 & 2019

### Customer Error 2020

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	33,830,930	125,240	0	606,588	0.4%	0.0%	1.8%	Jan 08 - Dec 08 updated
<b>WFP</b>	50,812,650	0	0	0	0.0%	0.0%	0.0%	SP (Archive) Proxy
<b>CWP<sup>(1)</sup></b>	167,406	153	0	855	0.1%	0.0%	0.5%	JSA (Archive) Proxy
<b>Total</b>	<b>84,810,986</b>	<b>125,393</b>	<b>0</b>	<b>606,741</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.7%</b>	

#### NOTES:

- The Department measures fraud and error estimates based on calendar year. Cold Weather Payments (CWP) above relate to awards accrued in December 2020 for payment in January 2021.

### Customer Error 2019

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	56,822,324	200,022	0	978,632	0.4%	0.0%	1.7%	Combination Proxy
<b>WFP</b>	51,082,834	0	0	0	0.0%	0.0%	0.0%	SP (2009) Proxy
<b>CWP</b>	-2,025	-	-	-	-	-	-	JSA Proxy
<b>Total</b>	<b>107,903,133</b>	<b>200,022</b>	<b>0</b>	<b>978,632</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.9%</b>	

#### NOTES:

- The expenditure for CWP is £0 but separate accounting adjustments and the calculation of the expenditure on a calendar year basis has resulted in the negative figure in the Table above.

## Estimates of Social Fund Overpayments due to Customer Fraud 2020 & 2019

### Customer Fraud 2020

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	33,830,930	557,832	21,048	1,180,008	1.6%	0.1%	3.5%	Combination proxy - as below
<b>WFP</b>	50,812,650	0	0	0	0.0%	0.0%	0.0%	SP (Archive) Proxy
<b>CWP<sup>(1)</sup></b>	167,406	7,681	0	17,765	4.6%	0.0%	10.6%	JSA (Archive) Proxy
<b>Total</b>	<b>84,810,986</b>	<b>565,513</b>	<b>28,658</b>	<b>1,187,771</b>	<b>0.7%</b>	<b>0.0%</b>	<b>1.4%</b>	

#### NOTES:

1. T(1)The Department measures fraud and error estimates based on calendar year. Cold Weather Payments (CWP) above relate to awards accrued in December 2020 for payment in January 2021.

### Customer Fraud 2019

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	56,822,324	770,411	328,480	1,300,125	1.4%	0.6%	2.3%	Combination Proxy
<b>WFP</b>	51,082,834	0	0	0	0.0%	0.0%	0.0%	SP (2009) Proxy
<b>CWP</b>	-2,025	-	-	-	-	-	-	JSA Proxy
<b>Total</b>	<b>107,903,133</b>	<b>770,411</b>	<b>328,480</b>	<b>1,300,125</b>	<b>0.7%</b>	<b>0.3%</b>	<b>1.2%</b>	

#### NOTES:

1. The expenditure for CWP is £0 but separate accounting adjustments and the calculation of the expenditure on a calendar year basis has resulted in a negative figure in the table below.



## Estimates of Social Fund Underpayments for 2020 and 2019

### Estimates of Benefit Underpayments 2020

Year 2020	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval
<b>Official Error</b>	84,810,986	293,536	0	664,323	0.3%	0.0%	0.8%
<b>Customer Error</b>	84,810,986	177,594	0	709,245	0.2%	0.0%	0.8%
<b>Total Overpayments</b>	<b>84,810,986</b>	<b>471,130</b>	<b>47,747</b>	<b>1,119,309</b>	<b>0.6%</b>	<b>0.1%</b>	<b>1.3%</b>

### Estimates of Benefit Underpayments 2019

Year 2019	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval
<b>Official Error</b>	107,903,133	325,062	0	1,001,321	0.3%	0.0%	0.9%
<b>Customer Error</b>	107,903,133	226,248	0	791,466	0.2%	0.0%	0.7%
<b>Total Overpayments</b>	<b>107,903,133</b>	<b>551,310</b>	<b>69,232</b>	<b>1,432,671</b>	<b>0.5%</b>	<b>0.1%</b>	<b>1.3%</b>

## Estimates of Social Fund Underpayments due to Official Error 2020 & 2019

### Official Error 2020

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	33,830,930	75,748	0	362,350	0.2%	0.0%	1.1%	Jan 16 - Dec 16 (BL,CL,CCG) / Jan 13 - Dec 13 (FP,SSMG)
<b>WFP</b>	50,812,650	215,844	0	451,050	0.4%	0.0%	0.9%	SP Proxy
<b>CWP<sub>(1)</sub></b>	167,406	1,944	0	6,472	1.2%	0.0%	3.9%	JSA (Archive) Proxy
<b>Total</b>	<b>84,810,986</b>	<b>293,536</b>	<b>0</b>	<b>664,323</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.8%</b>	

#### NOTES:

1. The Department measures fraud and error estimates based on calendar year. Cold Weather Payments (CWP) above relate to awards accrued in December 2020 for payment in January 2021.

### Official Error 2019

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	56,822,324	127,833	0	638,402	0.2%	0.0%	1.1%	Jan 16 - Dec 16 (BL,CL,CCG) / Jan 13 - Dec 13 (FP,SSMG)
<b>WFP</b>	51,082,834	197,228	0	640,677	0.4%	0.0%	1.3%	SP Proxy
<b>CWP</b>	-2,025	-	-	-	-	-	-	JSA Proxy
<b>Total</b>	<b>107,903,133</b>	<b>325,062</b>	<b>0</b>	<b>1,001,321</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.9%</b>	

#### NOTES:

1. The expenditure for CWP is £0 but separate accounting adjustments and the calculation of the expenditure on a calendar year basis has resulted in the negative figure in the Table above.

## Estimates of Social Fund Underpayments due to Customer Error 2020 & 2019

### Customer Error 2020

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	33,830,930	82,641	21,167	417,044	0.2%	0.1%	1.2%	Combination proxy - as below
<b>WFP</b>	50,812,650	94,264	0	507,569	0.2%	0.0%	1.0%	SP (Archive) Proxy
<b>CWP<sub>(1)</sub></b>	167,406	689	0	3,323	0.4%	0.0%	2.0%	JSA (Archive) Proxy
<b>Total</b>	<b>84,810,986</b>	<b>177,594</b>	<b>0</b>	<b>709,245</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.8%</b>	

#### NOTES:

- The Department measures fraud and error estimates based on calendar year. Cold Weather Payments (CWP) above relate to awards accrued in December 2020 for payment in January 2021.

### Customer Error 2019

Social Fund Benefit	Expenditure £	Monetary value of Official Error £	Lower Confidence Level £	Upper Confidence Level £	Monetary value of Error as a % of Expenditure	Lower Confidence Interval	Upper Confidence Interval	Period of Financial Accuracy Review
<b>Social Fund</b>	56,822,324	131,484	56,150	514,666	0.2%	0.1%	0.9%	Combination Proxy
<b>WFP</b>	51,082,834	94,765	0	510,267	0.2%	0.0%	1.0%	SP (2009) Proxy
<b>CWP</b>	-2,025	-	-	-	-	-	-	JSA Proxy
<b>Total</b>	<b>107,903,133</b>	<b>226,248</b>	<b>0</b>	<b>791,466</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.7%</b>	

#### NOTES:

- The expenditure for CWP is £0 but separate accounting adjustments and the calculation of the expenditure on a calendar year basis has resulted in the negative figure in the Table above.

### Social Fund Accounts – Official Error

The DfC Social Fund White Paper accounts for the financial year April 2020 to March 2021 are prepared on a cash basis with no provision for accruals. Expenditure and receipts for the financial year, and the Statement of Balances are included in the Receipts and Payment Account. The account includes expenditure for Cold Weather Payments and Winter Fuel Payments.

The estimated level of total overpayments for 2020 as a proportion of the total 2020-21 Social Fund expenditure is detailed in Table 1 below. Estimates for Official Error overpayments for 2019-20 are also shown in Table 1 for comparative purposes.

The estimated level of total underpayments for 2020 as a proportion of the 2020-21 Social Fund expenditure is detailed in Table 2 below. Estimates for Official Error underpayments for 2019-20 are also shown in Table 2 for comparative purposes.

**Table 1- Estimated Levels of Total Overpayments in Social Fund expenditure**

Year	Expenditure £000	Monetary value of Official/ customer Error & Customer Fraud £000	Monetary value of error as a % of expenditure
2020-21	82,184	930	1.1%
2019-20	104,503	1, 247	1.2%

**Table 2- Estimated Levels of Total Underpayments in Social Fund expenditure**

Year	Expenditure £000	Monetary value of Official/ customer Error & Customer Fraud £	Monetary value of error as a % of expenditure
2020-21	82,184	471	0.6%
2019-20	104,503	551	0.5%

Full details of the estimated fraud and error results for the Department for Communities are included in the 2020-21 Departmental

Annual Report and Accounts, (Note 23, Payment Accuracy)

# Appendices

# Appendix 1

## Accounts direction given by the department of finance in accordance with section 146(4) of the social security administration (Northern Ireland)

1. This direction applies to the Department for Communities' Social Fund Account.
2. For the financial year ended 31 March 2017 and subsequent years, the Department for Communities shall prepare a Social Fund Account comprising a receipts and payments account, a statement of balances and such notes as may be necessary for the purposes referred to in paragraph 4 below, including as a minimum the notes listed in paragraph 5 below.
3. The Social Fund Account shall include a Foreword by the Accounting Officer, a Statement of Accounting Officer's Responsibilities and a Governance Statement. The contents of the Foreword are detailed at Appendix 1 to this direction. The Foreword, the Governance Statement and the statement of balances should be signed and dated by the Accounting Officer.
4. The Social Fund Account shall be in the format shown in Appendix 2 to this direction and properly present the receipts and payments and opening and closing cash balances.
5. The notes shall include:
  - a) a statement of loans including an age analysis of loans outstanding;
  - b) a statement of losses;
  - c) the policy on maintaining a standing balance; and
  - d) any additional notes as may be necessary for the purposes referred to in paragraph 4 above.
6. The accounts direction shall be reproduced as an annex to the accounts.

*Alison Caldwell*

**Alison Caldwell**  
**Treasury Officer of Accounts**

# Appendix 1

## Foreword

1. The foreword shall state that the account has been prepared in accordance with a direction issued by DoF in pursuance of Section 146 (4) of the Social Security Administration (Northern Ireland) Act 1992. The foreword will also include details of the following:
  - a) a brief history of the Social Fund and its statutory background;
  - b) categories of payment;
  - c) financial basis of the fund;
  - d) the publication of the Department for Communities' Annual Report on the Social Fund;
  - e) audit arrangements.



# Appendix 2

## Receipts and payments account for the year ended 31 March 2021

	20XX/XY £	20XX/XY £
<b>Receipts</b>		
Receipts from DfC Vote RfRA	.....	.....
Repayments of funeral payments	.....	.....
Repayments of budgeting loans	.....	.....
Other Receipts	.....	.....
<b>Total:</b>	.....	.....
Less		
<b>Payments</b>		
Maternity expenses	.....	.....
Funeral expenses	.....	.....
Cold weather payments	.....	.....
Budgeting loans	.....	.....
Winter Fuel payments	.....	.....
<b>Total:</b>	.....	.....
Excess of receipts over payments / (Excess of payments over receipts)	.....	.....

## Statement of Balances

	£	£
Opening Balance at 1 April 20XX	.....	.....
Plus		
Excess of receipts over payments (Less Excess of payments over receipts)	.....	.....
Closing Balance 31 March 20XX	.....	.....

The Notes on pages ( ) and ( )  
form part of the Account

**Accounting Officer:** .....

**Date:** .....



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