

## Chapter 5 Evidencing/Validating Payments – Job Outcomes & Sustained Job Outcomes

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### Evidencing/Validating Payments – Job Outcomes/Sustained Job Outcomes

1. This guidance covers the payment of job outcomes/sustained job outcomes in Contracted Employment Programme (CEP) contracts. Where there are exceptions to the generic guidance these are highlighted in the programme specific guidance.

#### Introduction

2. This guidance outlines the evidence/validation requirements to support payment and claims processes for job outcomes and sustained job outcomes and is written primarily from the point of view of those programmes contracted from June 2011. Evidence/validation requirements for any other payments e.g. start fees, attachment fees, sustainments will be detailed in the programme specific guidance.
3. From June 2011 DWP will obtain the evidence it needs to support payment of providers' claims for job outcomes and sustained job outcomes, however you will still need to provide employment information (see paragraph 9). It will remain your responsibility to satisfy yourselves that the claims you make to the Department are accurate but DWP will utilise its own systems to satisfy itself of their validity. This will involve off-benefit checks (in all cases) prior to payment being made, backed up by sample checks post-payment to confirm that individuals are/were in employment according to the definition of the outcome claimed.
4. Please note that changes to IT systems are needed to support these new arrangements and, as these are not expected to be in place until a future date you will need to follow interim arrangements in the meantime (Please refer to the Programme Specific Guidance for information).

## High Level Must Dos

You must satisfy yourselves that the outcome claims you make to DWP are valid.

You must maintain a robust system of internal control which must include appropriate checks, monitoring arrangements and adequate records to demonstrate that you are entitled to make the claim.

You must keep information to support your claims and submit it to DWP in the format requested, when requested – this will include information about the participant, their employer and details of the job/s held.

You must make available for testing by DWP and other external bodies the information kept to support your claim.

You must seek the participant's written, informed consent allowing DWP to contact their employer/s directly and confirm to DWP whether or not you have obtained that consent.

## How to (detail)

### Before submitting Job Outcome/Sustained Job Outcome Claims

5. Before submitting any claim for job outcomes and/or sustained job outcomes), you will need to satisfy yourself that you only submit claims for payment to which you are entitled and you will be expected to make a declaration to this effect on submission of the claim.
6. In order to do this, you will need to put in place whatever systems you deem appropriate in order to track participants and ensure that they have commenced and/or remained in employment that meets the job outcome definitions as specified in the provision being delivered.
7. You will also be expected to maintain a robust system of internal control which must include appropriate checks, monitoring arrangements and adequate records to demonstrate that you are entitled to make the claim. The records maintained need to be sufficient not only to support any claim for job outcomes/sustained job outcomes but also to allow internal management checks and independent validation for example by DWP and other external bodies. The records maintained should document how and when the employment information was obtained.
8. Separately, the Provider Assurance Team will, from time-to-time, review your systems to ensure that they are effective and manage risk to DWP expenditure and data (see [Generic Guidance Chapter 6 - Provider Assurance for more information](#)).

9. Although DWP does not require Employment Verification Templates nor is it prescribing the way in which you track participants and obtain information about their employment, there are a number of pieces of information that you must obtain and you will be required to submit them to DWP when making your claim. These are:
- whether the job is employment or self-employment;
  - employer contact details inc address, employer contact name, full business telephone number and e-mail address of employer contact;
  - participant contact details;
  - job title/s;
  - job start dates (and end dates if applicable);
  - hours;
  - working pattern / shift pattern;
  - whether or not the participant has given consent for their employer/s to be contacted; and
  - an employee identifier such as works or payroll number.
10. This information will need to be provided for every job the participant has held in the claim period and failure to provide all or part of this information may result in your claim being rejected or payment being recovered if DWP is unable to validate the outcome as a result.
11. If the programme is match funded the above information along with the requirements as described in paragraph 7 will be required to be kept as part of the ESF document retention requirement. Please refer to [Generic Guidance Chapter 11 - ESF Requirements](#).
12. When submitting claims for job outcomes and/or sustained job outcomes all of the above information will be entered into PRaP.

### **The Payment Validation Process**

13. DWP will validate payments on a regular basis by conducting a series of pre and post payment checks as detailed in paragraph 15 - 28. These checks will be performed at the optimum time to allow DWP systems to be updated and will include an off-benefit check on 100% of all claims submitted by you and post-payment checks for a sample of claims to ensure that individuals are in work and/or have been in work for the required period of time.

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14. In order to support these processes and to comply with Data Protection legislation you will need to ensure that you have the participant's written, informed consent allowing DWP to contact their employer/s directly.
15. It is your responsibility to obtain this consent and to determine the optimum time for obtaining it. The participant consent form, **which cannot be altered in any way because it contains the appropriate legal wording**, can be found at [Annex 1](#). The declaration should be completed and signed by the participant and kept on file in your premises. You will need to explain to the participant why their permission is being sought and inform them that they themselves may be contacted to confirm details of their employment. If the participant refuses to sign the consent form ensure that this information is entered into PRaP when making the outcome claim.
16. This consent form has been designed to ensure that DWP is compliant with DPA requirements for the purpose of contacting employers which can also be used by yourselves if you are seeking to obtain exactly the same amount and type of information and for the same purpose as that on the DWP Employment Programmes consent form.
17. As part of the post-payment sampling process, if DWP identifies overpayments in the monies already paid to you, the proportion of overpayments found in the sample of claims selected will be extrapolated across the total population of all payments made in the same period and DWP will recover monies at that rate.

### DWP Pre-Payment Checking Regime

18. DWP will conduct an off-benefit check for all job outcome and sustained outcome claims submitted by you. This check is conducted via an automated link between the Provider Referral and Payment System (PRaP) and the Customer Information System (CIS) which is a departmental system that holds information about a participants benefit history. Where a claim fails the off-benefit check, i.e. there is a mismatch between what you have told us about the period of employment for an individual and what CIS is telling PRaP about an individual's claim history, the claim will go 'on hold'.
19. Claims that are placed 'on-hold' will be picked up by the Provider Payment Validation Team (PPVT) who will then be responsible for doing any additional interrogation of CIS, e.g. to establish the exact reason for the off-benefit failure, followed by supplementary checks with the employer and/or participant where appropriate.

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20. If PPVT establish the claim to be valid, then payment will be released. However, if their investigations conclude that the individual has not in fact signed off-benefit (legitimately) and/or they are not in employment, then the claim will be rejected and 'backed-out' of PRaP. This will include instances where PPVT is unable to get hold of the employer and/or the participant but PPVT will make a number of attempts before taking this action, contacting you to check telephone numbers and manually checking benefit history systems where appropriate. It is therefore critical that you supply the correct contact details when submitting your claims for payment. In both cases, PPVT will record the outcome of these additional activities and our expectation is that providers will be issued a weekly report setting out the status of their 'on-hold' claims.
  
21. If a claim is rejected, it will become available for you to claim again at some point in the future should you find that you subsequently achieve a valid outcome for the same individual but it is expected that the necessary steps will have been taken to further establish the validity of the claim and the information supplied with it. You should be aware that DWP will keep management information about claims that are rejected and this will be used to inform other activities that may then take place, e.g. claims that are constantly rejected could indicate a weakness in providers' systems and feedback of this nature may therefore inform Provider Assurance Team activities (see [Generic Guidance Chapter 6 - Provider Assurance for more information](#)).

## DWP Post Payment Checking Regime

22. Conducting an off-benefit check does not provide a guarantee that individuals are in-work and, in order to manage this risk, DWP will therefore conduct further checks post-payment to establish whether or not participants are also in employment. These checks will be conducted every two months across a sample of payments that have been paid in the previous two month period having passed the automated PRaP/CIS matching process.
  
23. Every two months DWP will draw a sample completely at random from the population of all claims that have passed the automatic CIS check in the preceding two month period. For each contract, the sample will comprise either 100 claims, or all claims made if the total is less than 100. Completely random sampling will ensure that the results of the sample are representative of the population of claims from which it is drawn. Sampling a sufficiently large number of claims will guard against isolated errors leading to us significantly over or under-estimating the amount overpaid.

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24. Initially the sample from claims (made in the previous two month period) will be matched against P45 records from HMRC. This automated process is checking for tax records for the applicable period. If a record confirms that someone was in employment for the appropriate period then the claim is assumed valid. The results of this will be recorded and issued to PPVT.
25. Any claims that fail this check (do not have tax records) will then be subject to further validation by PPVT who will contact the employer or the participant using the information supplied by you at the point of submitting the claim. If the participant has not given their consent for DWP to contact their employer or if the participant is self employed then PPVT will contact the participant. NB. In the cases where participant consent is not given the claim must still contain the employer details
26. There will be no limit placed on the number of times PPVT will attempt to contact the employer and/or participant during the post payment validation process. However, there will need to be time restrictions in that PPVT will at some point have to draw a line and record the outcome of the post payment validation process before moving on to the next two month validation process.. Our expectation is therefore that you should know roughly at the end of each two month period how many claims have been validated from the previous two month period and therefore the impact of any proposed extrapolation.
27. Failure to contact an employer / participant during this time will not be classed as a fail and will not therefore impact the payment already made to you or the error rate used when calculating the extrapolation amount.
28. There are three possible outcomes; pass, fail or unable to validate:
  - in the case of 'Pass' where the employer or participant confirms the employment details, no further action is taken;
  - in the case of 'Fail' where the employer or participant does not confirm the employment details then we will recover the individual payment and this will be recorded as an error; and
  - in the case of 'Unable to validate' where PPVT have been unable to make contact with the employer or participant, no further action is taken.
29. In cases where PPVT is struggling to make contact with the employer and/or participant we may contact you to confirm the employer and participant details entered into PRaP are accurate.

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30. If PPVT establish the check has failed the individual payment will be recovered and 'backed- out' of PRaP and it will become available for you to claim again at some point in the future should you find that you subsequently achieve a valid outcome for the same individual. However, you should be aware that DWP will keep management information around this process (particularly claims that have failed the post payment validation and those that it has been unable to validate) and this will be used to inform other activities that may then take place, e.g. high fail rates could indicate a weakness in providers' systems and feedback of this nature may therefore inform Provider Assurance Team activities (see [Generic Guidance Chapter 6 - Provider Assurance for more information](#)).
31. The error rate is calculated using the total amount of money overpaid divided by the total monetary value of the sample. Once established, the error rate will be applied across the whole population of payments (total of payments made in the two month period),
32. Once all the checks have been completed you will receive a report that will detail the outcome of the validation activity against the sample to enable you to reconcile against your claims. The report will also detail the fail rate and therefore the total amount of money to be recovered (if applicable). The expectation is that this report will be sent **before** any recovery takes place.
33. The PPVT will make a global adjustment to deduct the extrapolated amount less the value of any individual recoveries already made. This adjustment will be at contract level (or higher if necessary) as it cannot be attributed to individual participants and will be made against a future payment.

### **Irregularities/potential fraud**

34. You have a responsibility to minimise the risk of fraud within the programmes delivered. Funding should be safeguarded against fraud and serious irregularity on the part of directors, employees or subcontractors. Such abuse would include false or misleading claims for payments, whether designed to gain immediate financial advantage or overstate performance.
35. Deliberate and/or persistent non-compliance with prescribed standards of delivery would also be subject to investigation if a possible financial impact was identified.
36. In such instances DWP may contact you to pursue enquiries relating to potential abuses of funding. Their remit will be, primarily, to investigate fraud and financial irregularity but it can in certain circumstances extend to non-compliance with contract and guidance.

37. You should therefore ensure that all staff involved in the delivery and management of contracts are fully aware of the risks and consequences of any falsification, manipulation, deception or misrepresentation. Occurrence of fraud within any individual programme could lead to the termination of all contracts held as well as civil or criminal proceedings against those implicated.

**Consequences of failing to undertake must do's**

38. Failure to supply accurate information could prevent DWP from validating the claim. If incorrect details are supplied then dependant on when the check takes place either the payment will not be released or recovery action could be taken.
39. Where you do not supply accurate information this will be reflected in the findings of your PAT assurance report.

## Annex 1

### Employment Programmes – consent to share information

[Name of Provider] is working with Jobcentre Plus programme participants on behalf of the Department for Work and Pensions (DWP) to help these participants to increase their skills to help them find and keep work. [Provider] may claim a payment from DWP for every Jobcentre Plus participant who finds work while or after participating in a programme.

To claim a payment from DWP [Provider] may need to confirm details of your employment

To validate these claims DWP may need to confirm details of your employment. Where appropriate, this may involve confirming details with each of your employers.

To achieve this, [Provider], DWP and your future employers need your consent to share information about you as follows:

**Stage 1:** [Provider] will give your name and national insurance number to your future employer.

**Stage 2:** Your employers will use your name and national insurance number to identify you, so that they can confirm to [Provider] some or all of the following information:

- The date you began each period of your employment;
- Whether your employment is continuing;
- If not continuing, the date each period of your employment ended;
- whether you were employed during a specific period;
- the number of hours you worked each week;
- the amount of your earnings each week;
- your employee number or other unique identifier.
- This information can only be provided where company payroll/structures exist, and therefore if no payroll numbers or detail is present, this information cannot be supplied.

**Stage 3:** To validate payment claims from [Provider], DWP may contact your employer using your name and national insurance number to ask for the information listed at stage 2. It will use this information to:

- Check if the information given to it by the [Provider] is correct; and
- Evaluate the programme.

DWP will store your information securely for audit purposes.



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If you do not give consent, this will not affect your entitlement to participate in the programme, or any job offer or employment obtained. You can write to [Provider] at any time to withdraw your consent and this will not affect your placement on the programme or any employment or offer of employment made.

**Participant name..... (Please print name in full)**

***I give consent for [Provider], my future employer and DWP to share information as described in stages 1 to 3 above.***

***I confirm that:***

I have read the information above and understand why this information sharing is needed and how this information will be used.

***I understand that:***

If I am in receipt of any benefits, my entitlement to these benefits will not depend on whether I choose to give consent or not.

My placement on any programme with [Provider] and any employment or future offer of employment will not depend on whether I choose to give consent or not.

I can withdraw my consent at any time by writing to [Provider]

Signature .....

Date.....