

Completion of loss returns for overpayments of training allowances, FSF, grants and subsidies

Background

1. A 'Loss' is defined as a 'transaction which Parliament couldn't have known about when granting supply'.
2. As the department has effectively no provision for losses, these transactions are subject to greater control than other payments. The requirement to record losses is laid down in government accounting where it outlines the departments' obligations to Parliament to collect and report information in respect of losses.
3. Losses are subject to audit scrutiny by both our internal auditors (Risk Assurance Division (RAD)) and National Audit Office (NAO) and it's therefore essential that the information provided is accurate and complete.
4. In order to meet the above obligations, periodically, details of such losses need to be collected and submitted in accordance with these instructions.
5. Losses arising from overpayments of Flexible Support Fund (FSF), originating from local sites represents a significant element of total losses in terms of volume and value. They are published in the public accounts and are open to scrutiny so should be closely monitored locally.
6. These instructions are to renew and reinforce the need for the correct compilation and approval of such losses for write off from sites and districts.
7. Losses should only be written off after careful appraisal of the facts. Districts should be satisfied that there is no feasible alternative and all reasonable action has been taken to effect recovery.
8. The original cost will have been met from the employment programmes accounts. Once written off, those costs are transferred to the non-staffing accounts. This increases the funds available for spending on employment programmes and reduces funds available for goods and services.

The Quarterly Process

9. The documents you will need can be found here - \\DFS60667\Folders\WSD FINANCE OPS\FCC Ops and FBP Returns\FSF - Losses, Write Offs and Recoveries , within your group's sub-folder.
10. Each quarter, by the deadline given in paragraph 12, groups must ensure the following:
 - the file starting "1. Financial Losses and Write Offs..... (Master)", from now on referred to as the "losses template", is completed accurately for all sites. Every site must have at least one entry on the relevant 'District' tab or be confirmed as a nil return on the 'Site Assurance' tab
 - the file starting "4. FSF Losses Write Offs and Recoveries – Manager Declaration" from now on referred to as the 'managers declaration', is completed and that the figure quoted in Section 2 Q3 equals the Total Value of

Overpayments on the losses template (do not deduct the recoveries figure). For further information see, [Finance Guide](#) service point page.

Note: It is for groups and, or districts to decide how the data is collated in order to comply with the above. Should you wish sites and, or clusters for example to complete their own individual losses templates and managers' declarations, then the folder above contains sample templates you can use.

11. There is an agreed timetable for the submission of returns to the DWP finance group business intelligence team which districts must follow.

Timetable for submission of returns:

Quarter	District return due to Finance Group Central Services	Return due to be submitted to shared services
1	05 July	11 July
2	04 October	08 October
3	03 January	07 January
4	04 April	08 April

12. Late returns will not be accepted and will be returned to the SPOC for inclusion in the next quarter's return.

Roles and responsibilities

13. District SPOC – ensure all sites are covered by reported overpayments or losses or have submitted a nil return.

14. Sites - keep accurate records and ensure the site makes a return for inclusion in the collated District return as prescribed locally.

15. Service Leaders (SLs) - be aware of volume and cost, efforts are being made to address root causes and keep losses to a minimum. Consider the reliability of their control systems, and ensure that there is a complete audit trail for the identification and recording of losses to ensure the completeness of the returns and that site managers have complied with the relevant recovery procedures relating to training allowances, Flexible Support Fund (FSF), grants and subsidies. Complete the managers declaration and email to Finance.

16. DWP WSD Finance Operations team - issue reminder, collate returns, analyse for GSG, report for inclusion in departmental resource accounts.

Roles and responsibilities

Role	Responsibilities
District Single Point Of Contact (SPOC)	Ensure all sites are covered by reported overpayments or losses or have submitted a nil return.
Sites	Must keep accurate records and ensure the site makes a return for inclusion in the collated District return as prescribed locally.
District Managers (DMs)	<p>Be aware of:</p> <ul style="list-style-type: none"> volume and cost that efforts are being made to address root causes and keep losses to a minimum <p>Consider the reliability of their control systems.</p> <p>Ensure that there is a complete audit trail for the identification and recording of losses. This will ensure the completeness of the returns and that site managers have complied with the relevant recovery procedures relating to training allowances, Flexible Support Fund (FSF), grants and subsidies.</p> <p>Complete the manager's declaration and email to finance.</p>
DWP Work Services Directorate (WSD) finance operations team	<p>Issue reminder</p> <p>Collate returns</p> <p>Analyse for FSF Governance Steering Group (GSG)</p> <p>Report for inclusion in departmental resource accounts</p>