

Schedule A Annexes

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Annex 1

Authority Monitoring, Assurance and Quality Framework

The Authority requires a single approach for all quality checks across the Contractor Operation. By getting the decision or penalty determination right first time it will reduce the amount of re-work, complaints and appeals and provide a better customer experience for tax credits customers.

To enable the Contractor to build the capability of their Managers and teams, the Authority will provide the Contractor with a Quality Assurance Process and checklists that will enable the Contractor to check that Authority Processes, Guidance and Standard Operating Procedures have been applied when making decisions, applying penalty determinations or dealing with tone and treatment complaints.

The Authority will monitor the performance of the teams and assure the checks being carried out to build on and validate the Contractor's data. The accuracy of all the checks will be documented by the Contractor and the Authority to evidence the pass/failure rate of the process to include observations.

For the purpose of the Authority Monitoring, Assurance and Quality Framework a random sample means that the Contractor and the Authority must be able to evidence that the selection has been chosen randomly on every occasion i.e. purely by chance, with no predictability. Where it states "until the Authority are confident" please refer to A39.3.

REDACTED FOIA 2000 s43(2)

Annex 2 Indicative Risk Types, Annual Volumes and Average Losses Prevented per Risk

The information provided in the following tables is illustrative and monthly volumes should be used by the Contractor as indicative only for planning purposes.

REDACTED FOIA 2000 s43(2)

The Contractor should use this information to establish the intervention strategy required to achieve such levels at the outset and should take note of the following –

- The delivery profile, related to tax credits risks, will align with the Authority's delivery plan. Granular detail is provided in respect of September 2014 to March 2015 that the Contractor may use as illustrative of future periods.
- The indicative volumes provided are the estimated total volumes prior to any risk de-selection by the Authority and the Contractor, as a result of the application of the data matching / analytics described in sections A4.2.2, A10, A11 and A22 of Schedule A. The Authority expects that the Contractor data matching / analytics activity will significantly reduce the number of cases required to be worked.
- The Indicative Average Losses Prevented per risk performance levels have been arrived at through the analysis of previous year's compliance intervention activities.
- Typical Authority Productivity (per FTE per day) reflects current Authority performance.
- The Authority does not plan to ask the Contractor to undertake cases in the Disability risk group at this stage. The Authority, in agreement with the Contractor, may, upon the Contractor demonstrating appropriate levels of capability, agree to the sending of such cases over the period of the contract, with appropriate adjustment to other risk groups.

REDACTED FOIA 2000 s43(2)

Annex 3 - Tax Credits Act 2002

In respect of the provisions of this annex, “we” should be read as meaning the Contractor working on behalf of the Authority.

Section 14

Includes 2 provisions:

1. to make an award of tax credits (where we have had a claim). That award may be at a nil rate.
2. the power to request information or evidence before we make an award.

Section 16

Includes 2 provisions that can only be applied during the period of the tax credits award (i.e. in year):

1. the power to amend or terminate an award, where we have reasonable grounds for believing that the award is wrong or that there is no entitlement (s16(1)).
2. the power to request information or evidence, where we believe that the award may be wrong or that there is no entitlement (s16(2), (3)).

The information obtained under s16 (2)/ (3) may be used to make a decision under s16 (1) – where the information/ evidence gives us the belief the award is wrong.

NB – where a person does not respond to an information request under s16 (2)/ (3) by the required date we have the power to postpone (suspend) payments.

Section 17

Imparts duties on both HMRC and customers. This applies after the end of the tax year.

HMRC must give customers a notice relating to the tax year. That notice:

Must:

- require the customers to declare their relevant circumstances were as specified or state how they differ, or inform the customer that, if they do not respond by the 1st specified date (1SD), we will treat them as having declared that their circumstances were as specified.
- require the person to satisfy the requirements of the notice regarding their Current Year income. The requirement can be to provide actual or estimated income or be that they will be treated as having given income if they do not respond by the 1st specified date.
- explain that, if estimated income is given, that estimate will be treated as actual if, by the 2nd specified date(2SD), they haven't provided their actual income.

May:

- also ask for Previous Year income.

Customers must either make a s17 declaration or, if their s17 notice allows, may be treated as having made a declaration (on or after the specified date).

Section 18

After we have given the s17 notice s18 provides that HMRC must make a decision on entitlement. Before we make that decision we may request further information or evidence (under s18 (10)) that we consider we may need to make the s18 decision.

There are certain timing rules:

- If the customer has made a s17 declaration we may finalise following this (and prior to 1SD).
- If we do make a (s18) decision prior to 1SD and the customer makes a revised s17 declaration prior to 1SD we have to make a revised decision.
- If no declaration is made then we can only finalise when we have passed the 1st Specified Date.

Where a person provides estimated income (as part of their s17 declaration) we have to make a further decision on entitlement.

There are certain timing rules

- If the customer provides actual income we may finalise following this (and prior to 2SD).
- If we do make such a decision prior to 2SD and the customer gives us revised income prior to 2SD we have to make a revised decision.
- If actual income is given then we can only finalise when we have passed the 2SD.

Section 24

Provides that:

- Where we have made an award it must be paid to the prescribed person. Regulations prescribe who gets paid.
- Where we are in the renewal period provisional payments may be made.
- Entitlement may be contingent upon a bank account being notified to HMRC.

Full details of the Tax Credits Act 2002 can be found in the following link:

http://www.legislation.gov.uk/ukpga/2002/21/pdfs/ukpga_20020021_en.pdf

Annex 4 – IT Interfaces

The end to end IT Solution is based on two core principles: -

- That the Contractor has a suitable Case Management or CRM System which facilitates the management of tax credits customer interactions.
- That the Authority will provide data for ingestion into the Contractor's System in a prescribed format and provide a prescribed format and associated business rules to govern the return provision of case updates to the Authority.

The following descriptions provide the detail of the interface components, business rule approach and process the Authority will provide to enable the Contractor system to exchange data updates with the Authority IT systems: -

1. Rules and Interface Management (RIM)

The Authority will define the necessary interfaces using its RIM approach, which is designed for describing the Authority's interactions with 3rd parties using XML Schema v1.1 and ISO Schematron.

Interface requirements and associated business rules are converted into data types, structural templates and rules (both technical and business). These components are stored in a repository, and the process ensures that as much re-use as possible takes place, encouraging consistency across services.

The repository is then used to generate the required artefacts for consumption by internal and external consumers. These artefacts include XML Schemas, ISO Schematron schemas (business rules), programmer documentation, example valid XML instance documents and error message catalogues.

The schemas would then be used by the Contractor to use in their Case Management/CRM system, to govern the data interactions between Authority and Contractor.

RIM distributions are version-controlled and will usually contain the following:

- An XML Schema (v1.1 currently - the structure and content of an XML transaction);
- A Schematron schema (ISO standard co-occurrence constraint language for expressing Business Rules);
- An XSLT validation stylesheet (the equivalent of the Schematron schema for those without a Schematron interpreter);
- Test cases and results for each Business Rule A test coverage report;
- An error message catalogue;
- A descriptive sample XML transaction;
- A schema-valid sample XML transaction;
- A Specification Doc (PDF) - programmer documentation describing the Schema, Business Rules and error messages;
- A Diff log (for subsequent releases - shows what has changed in other artefacts).

2. Records Management

Sections A16 & A17 deal with the Authority's requirement for the management of Outbound and Inbound Contact, both paper and telephony based. The following standards for metadata capture should be applied:

For scanned material each work item shall have the following recorded as part of its metadata:

- Date of receipt (where applied);
- Date of scan/capture
- Unique Batch reference;
- Business area Index (exclusively Benefits and Credits, code to be provided);
- Unique Customer Identifier, where available (to be advised);
- Record creation date.

For call recordings each work item shall have the following recorded as part of its metadata:

- Time/date;
- Call ID;
- Adviser ID;
- Customer Reference;
- Call category.

Customer Contact Records should be transmitted to the Authority, as required, using the SET arrangements.

3. Architecture Overview

The following diagram provides an overview of the IT Architecture for exchanging and processing Case Data: -

REDACTED FOIA 2000 s31(1)(a) and s43(2)

The interface schemas and associated business rules referred to earlier in this annex will govern the interactions between the Contractor system and the HMRC Web Tier. The Secure Electronic Transfer (SET) service will be provided for other ad-hoc data exchanges not mediated by the Web Tier.

4. Secure Electronic Transfer Service

The Secure Electronic Transfer (SET) service is an additional approach to ad-hoc exchanges of large amounts of information with the Contractor online. This is safer and more efficient than transfers of paper or storage media like hard drives.

SET is the secure online service that allows the Authority and the Contractor to send and receive bulk information via the internet. This service has been designed to replace transfers of physical media like tapes, disks, CDs and paper.

SET offers a number of security enhancing features and delivers a wide range of sustainable benefits to users.

Features

- Simple, easy to use browser based service.
- Works via the Government Gateway (the common access point for government departments).
- Uses dual levels of protection (a secured network as well as encryption).
- Requires electronic signatures to ensure that information has been sent by an approved party.
- Tracks progress and provides email progress notifications.
- Transfers large volumes of data in a single file (currently 2GB up to 10 GB in the future).

- Encryption provides protection for personal and financial details*.
- Offered free of charge to the Authority's business customers.

* For government users this system has been accredited to handle information with a Government Security classification of 'Official Sensitive.'

Benefits

- Risk mitigation - elimination of the uncertainties that arise from physical transfers and handling by multiple individuals e.g. courier delivery.
- Traceability - audibility, visibility and traceability of the transfer which can be tracked at every stage of the process.
- Increased security - secure and reliable data transfer to and from the Authority using multiple levels of encryption.
- Authority compliance - sustainable compliance with the Authority's policies and deadlines for data submission. SET is the Authority's preferred method for electronic bulk transfer of data.
- Cost reduction - SET can reduce the amount of resource needed to manage the returns process and removes other costs such as secure couriers.

Requirements for using SET

The SET service is provided free of charge but you will need the following in place before you can use it:

- an internet connection and a browser (e.g. Internet Explorer V6 or above);
- an encryption tool compliant with RFC4880* (e.g. PGP);
- Digital Signing and Encryption Certificates from a government approved Certificate Authority (CA) Organisation;
- tools to generate certificate signing requests (e.g. Open SSL);
- a single point of contact to work with our on-Boarding Team who will support you through the sign up process.

The initial set up and implementation of the service typically takes around one man day spread out over a week or two, you also need to ensure that the appropriate levels of protection are in place on the data to be transferred.

REDACTED FOIA 2000 s31(1)(a) and s43(2)

Annex 5 – Target operating Model

REDACTED FOIA 2000 s43(2)

Annex 6 – Error and Fraud Adding Capacity High Level ‘To Be’ Model

REDACTED FOIA 2000 s43(2)

Annex 7 – Data Transfer Process Map

REDACTED FOIA 2000 s43(2)

Annex 8– High Risk Change of Circumstance “In Year” Process (S16 examination)

REDACTED FOIA 2000 s43(2)

Annex 9 – High Risk Renewals “End of Year” Process (s18 examination)

REDACTED FOIA 2000 s43(2)

Annex 10 – Error & Fraud High Level Mandatory Reconsideration Process

REDACTED FOIA 2000 s43(2)

Annex 11 – Contractor Post Room Facility Process Map

REDACTED FOIA 2000 s43(2)

Annex 12 – Average Customer Responses Received by Risk Type

REDACTED FOIA 2000 s43(2)

HMRC BENEFITS AND CREDITS COMPLAINTS PROCESS

Purpose of This Guide

The purpose of this document is to inform the Contractor of their roles, responsibilities and hand-offs, when dealing with complaints related to Error and Fraud Adding Capacity Tax Credits Interventions.

The Contractor should ensure they deal with complaints relating to the tone and treatment of their staff thoroughly, that responses cover the points raised to the customer's satisfaction and that necessary follow up action is taken. All other forms of complaint must be referred back to the Authority within 5 working days. It is important that all necessary steps are taken to resolve customer complaints effectively, avoid escalation wherever possible and thereby prevent unnecessary complaints to the Authority and MPs.

The Tax Credits Error and Fraud intervention processes will be reviewed to ensure that standards in handling complaints align with standards applied by the Authority. The following is then to be used in conjunction with the Contractors own complaints process. The guide describes generic processes, to be used and includes:

- Definition of a complaint;
- Ownership and hand off processes; and
- Management Information Requirements.

Generic Standards

For the purposes of the Error and Fraud Adding Capacity Process, the Contractor will be expected to:

- apply the spirit of the **the Authority** complaints handling process;
- manage complaints within the same timescales as those expected of **the Authority** enable escalation of unresolved complaints;
- Provide customers with details of their complaints handling policy on receipt of a complaint. This should include details of the escalation route for unresolved complaints; and
- Provide a named contact for managing complaints. The Customer Service and Support Group Manager will be the Authority contact.

The Authority definition of a Complaint

The Authority defines a complaint as a written or verbal expression of dissatisfaction that is not resolved at initial contact.

'Resolved at initial contact' should be interpreted as meaning that the matter can be sorted out quickly and informally with the customer, usually at the point of contact. Expressions of dissatisfaction which should be recorded as complaints will include those where:

- the tax credits customer says they are making a complaint;
- There may be no mention of the word complaint but it is clear that the customer is unhappy with the way their affairs have been handled.

Whether the complaint concerns an unreasonable delay, a mistake they feel could have been avoided, or how they have been dealt with, the Authority are keen to learn from errors and put things right as quickly as possible.

Customers can make their complaint by letter, phone, and fax with the Contractor or the Authority or additionally in person direct through an Authority Enquiry Centre. All Complaints relating to the tone or treatment of the Contractor's staff received within the Authority will be referred to the Contractor within 2 working days.

The Contractor should summarise what they think has gone wrong and what they think should be done to put it right. The Contractor will look at the tax credits customers' concerns and contact them as soon as possible - normally within 15 days. The Authority would normally expect the Contractor to resolve most complaints at this stage. If tax credits customers are unhappy with the Contractor's response they can ask the Authority to look at the complaint again. The Contractor should refer this type of request to the Authority within 2 days for an Authority senior officer who has not been involved to:

- Take a fresh look at it and how we have handled it; and
- Give a final decision.

If the customer is still unhappy they can ask the Adjudicator to look into the complaint. The Adjudicator is a fair and unbiased referee, independent of the Authority and the Contractor. If the customer is still unhappy with the Authority or the Adjudicator's handling of the complaint, they can ask any MP to refer their case to the Parliamentary Ombudsman.

The Authority is keen to help if there are complaints and will deal with customers in a friendly and professional way. They will:

- Treat the complaint seriously and keep it confidential;
- Not treat the customer differently from other people just because they've made a complaint;
- Not discriminate against them for any reason.

It is expected that the Contractor will replicate this.

Service is the way in which customers are dealt with, e.g. through courteous and timely communication. It is very important that the Contractor understands that there is a difference between a complaint about **service** and an explanation or reconsideration of a decision. Occasionally there is a complaint about **service** within a request for an explanation or reconsideration. In these cases the former is dealt with by the complaint process and the latter is dealt with by the Contractors.

On other occasions where there is a complaint about the Contractor's service and/or the Authority service, dependant upon where the complaint has been received ownership and hand off procedures must be considered.

Contractors will aim to resolve any complaint within 15 working days from receipt of complaint. Responses will be in the most appropriate format, wherever possible in writing. If the complaint cannot be resolved within 15 days the customer will be informed of the reasons for delay and when they can expect a full response.

Timescales

The Contractor will be required to operate an escalation route for complaints received from customers in 2 stages:

- Stage 1 - first response issued within 15 working days of receipt of the complaint.
- Stage 2 - second response issued within 15 working days of receipt if the customer is dissatisfied with the first response.

Stage 1 and 2

Responses to complaints for stage 1 and 2 will be issued within 15 working days.

In exceptional circumstances a response may not be available within 15 working days. In these circumstances the customer must be informed of the reason why and the date they can expect a full response.

MP Complaints

All complaints received from MPs will be handled by the Authority interface team. This will enable the Authority to ensure the contact is genuine and strict control is in place.

Contractors will provide the Authority with a response within 24 hours if any aspect of the enquiry refers to Contractor's action.

Ministerial Correspondence Unit Queries

On occasion the Authority receives enquires from the Ministerial Correspondence Unit. All of these enquiries are handled by a specialist team within the Authority Benefits and Credits. Contractors need to be aware that these queries have a turnaround deadline of 2 working days to supply relevant information. As a consequence, requests for information for this type of enquiry are considered as urgent and the Contractor will be required to provide responses within 1 working day.

Roles and Responsibilities

When the Contractor receives a complaint, if all or any part of the complaint refers to the Authority, the Authority will be deemed the owner and will take full responsibility to provide a resolution.

Therefore if a Contractor receives a complaint about their **service** and also the Authority service, they will refer the complaint to the Authority through the agreed referral process. The Authority will inform the Contractor about the response they have provided and whether or not it has been upheld for training and Payment by Results Purposes.

Likewise if the Authority receive a multiple complaint and part of that complaint refers to the Contractor **service**, the Authority will control the complaint and contact the Contractor for their response. The Contractor will be expected to provide their response within 2 working days.

The only exception to the above is when the Contractor receives an MPs enquiry. All MP enquiries will be managed by the Authority. The Contractor will provide the Authority with a response within 24 hours if any aspect of the enquiry refers to Contractor action.

All documentation will be issued and received via e-mail.

Management Information

Detailed below is the basic Contractor MI requirement.

All information will be transferred to the Authority in electronic format in accordance with the provisions of Annex 4 of Schedule A.

Weekly Requirements

Cases where the Contractor has received a complaint should be split into complaints about process and complaints about Contractor conduct and, state whether the complaint has been referred to the Authority. The Authority will return this report to document where these complaints have been upheld.

- Summary Report - Excel spreadsheet;
- Date of receipt;
- NINO/case identifier;
- Complaint type;
- Action taken.

Individual resolution reports for each complaint:

- Summary Report;
- NINO/case identifier;
- Name;
- Outline of complaint;
- Action taken;
- Outcome.

A nil return will be required weekly.

A copy of all correspondence regarding the complaint will be required by the Authority.

File Retention

The Contractor's Customer Services manager will be required to maintain and retain the customer complaint and supporting evidence received for a maximum of 93 days following the complaint closure.

The Contractor's Customer Services manager will be required to supply any electronic data and Authority data received as a result of responding to a tax credits customer's complaint about their tone and treatment within 5 working days of the initial request being made to the Contractor.

Data Protection

Customers make complaints in writing and by telephone. When dealing with any customer it is important to be certain, before disclosing information or discussing details about a particular case that you are communicating with the customer or their appointed representative.

Review Procedures

Complaints and the complaints procedure will be reviewed at the regular performance meetings; this will include a review of the most critical complaints and consideration given to whether escalation is required.

Annex 14 Error and Fraud Adding Capacity Trial Results

REDACTED FOIA 2000 s43(2)

Annex 15 Key Error and Fraud Adding Capacity Role Profiles

Customer Contact Agent

Main responsibilities:

- Manage incoming phone calls
- Carry out relevant security checks relating to the customer and maintain customer confidentiality
- Make direct contact with customers by telephone and letter
- Ask specific security questions to confirm customer identity and maintain confidentiality.
- Establish why the customer is making contact and where possible conclude enquiries/make decisions (or refer onwards) at first contact to minimise the need for any follow-up action.
- Where relevant identify and record accurately the main points of any complaints, escalating if appropriate.
- Collect and review data and information from all sources such as departmental guidance, the customer, managers and technical support manager and teams.
- Provide accurate, relevant information to resolve the customer's contact.
- Update customer records accurately and other relevant electronic records and systems.
- Undertake follow up action: making return calls to customers or make appropriate referrals to other appropriate business units to ensure the customer enquiry is fully dealt with.
- Basic computer literacy skills.

Process Operator

Main responsibilities (linked with Customer Contact Agent in HMRC):

- Data entry and capture.
- Process work lists, deal with customer correspondence, Authority/Contractor emails, memos and telephone referrals.
- Progress casework and deal with customer enquiries via written correspondence and phone calls.
- Carry out any relevant security checks relating to the customer and maintain customer confidentiality.
- Where relevant identify and record accurately the main points of any complaints, escalating if appropriate.
- Collect relevant data and information from all sources such as guidance, customer records and systems, managers, technical support managers and other relevant business units.
- Analyse and review all relevant data and evidence to effectively make decisions.
- Provide accurate, relevant advice, guidance and support to customers and colleagues.
- Update customer records and other relevant electronic records and systems relating to the customer.
- Basic computer literacy skills.

Front Line Manager

Main responsibilities:

- Lead and develop people: organise, plan and communicate effectively; manage performance and attendance; motivate the team to deliver to targets; identify and agree development; coach, raise performance and enhance the capability and engagement.
- Manage and implement change: problem solving, to continuously improve business performance, quality and the customer experience; carry out activities that deliver change.

- Manage resources: allocate work and tasks; maximise efficiencies to meet KPIs; respond to peaks and troughs in workloads; ensure team adherence to data security policies; carry out assurance checks.
- Maintain quality standards: provide timely feedback to individuals and the team, addressing poor performance, attendance and low quality work and outputs and praising successes, effective behaviours and progress.
- Deliver business results: organise resources and workloads to meet business KPIs; encourage collaborative team working; identify and manage risks and issues.
- Respond to management customer contact referrals from personnel
- Basic computer literacy skills.

Quality Assurance Adviser

Main responsibilities:

- Consult with the business to confirm cases for quality checking; obtain and manage casework on which to perform quality checks.
- Conduct quality checks using quality assurance Process, Procedures and Guidance.
- Gather relevant information and evidence to support findings; consult technical caseworkers where appropriate.
- Update records and systems.
- Provide timely feedback, summarising findings. Coach and mentor colleagues to ensure understanding and improve business performance and customer service.
- Collate and report findings including trends identified.
- Problem solving on quality issues, identifying issues and root causes. Propose improvement opportunities and support the implementation of continuous improvement.

Post Room Assistant

Main responsibilities:

- Receive, sort, open and deliver incoming customer mail.
- Ensure internal mail (Contractor/Authority) is distributed to the correct department and contact.
- Collect and prepare outgoing mail for despatch in accordance with agreed procedures.
- Scan documents and correspondence.
- Be responsible for the security of post.
- Deal with postal queries.
- Ensure the secure handling and recording of valuable items.
- Return valuable documents to customers by special or recorded delivery, as appropriate.
- Deal with correspondence that has been returned 'Return Letter Service' by Royal Mail.
- Maintain work records and collect statistics/MI to support quality assurance.
- Maintain a safe working environment by completing and applying appropriate health and safety training.

Training Specialist

Main responsibilities:

- Identify training and development needs through regular consultation with the business.
- Develop effective induction programmes.
- Develop and expand training to support staff.
- Manage the delivery of training and development programmes.
- Amend and revise training as necessary to adapt to changes in the work environment.
- Monitor, review and evaluate the progress and effectiveness of training programmes.

Customer Service Specialist

Main responsibilities:

- Respond promptly to customer needs.
- Identify and resolve problems in a timely manner, gathering and analysing all relevant information.
- Demonstrate accuracy and thoroughness.
- Make decisions using discretion; exhibiting sound and accurate judgment.
- Support and explain the reasoning for decisions.
- Track and maintain constant communication with the customer from the beginning to the end of any established case, issue, or concern.
- Solicit customer feedback to improve service.

Data Security Specialist

Main responsibilities:

- Seeking business justification for the movement of data.
- Gaining authority from the Authority's Data Guardian to securely move data.
- Ensure that security incidents are promptly reported to the Authority, investigated, corrective action taken, and that lessons are learned to mitigate the risk of recurrence.
- Provide advice and support on information security issues.
- Communicate updates and guidance changes to staff.
- Promote, educate and disseminate best practice with managers and staff.