

PART A

AGENDA

ITEM **8**

Report to: Audit Committee  
Date of Meeting: 6th March 2007  
Report of: Audit Manager  
Title: Benefit Fraud Inspectorate Report

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1. **SUMMARY**

This report serves two purposes. It presents the Benefit Fraud Inspectorate's (BFI) "Inspection of Security" report and it sets out the 2007/2008 Fraud Investigation Team's Business Plan and the Action Plan drawn up in response to the BFI report.

2. **RECOMMENDATIONS**

- 2.1 The BFI report be noted.
- 2.2 The Business Plan and Action Plan be approved.
- 2.3 Progress reports on both plans be submitted to future meetings of the Committee.

Contact Officer:

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Report approved by Janice Maule – Director of Finance

### **3.0 DETAILED PROPOSAL**

- 3.1 It was reported to the last meeting of this Committee that the Benefit Fraud Inspectorate's (BFI) report would be available for this meeting of the Committee. The embargo on circulating the report was lifted on 22<sup>nd</sup> February when the press notice of the report was announced in the House of Commons.
- 3.2 The report highlights a number of areas of concern and officers from the Fraud Investigation Team, Internal Audit and Revenues and Benefits have reacted promptly to bring about improvements with several of the recommendations having already been actioned. These, and the measures proposed to address the remainder, are shown in the BFI action plan attached to this report.
- 3.3 An earlier version of the action plan has been forwarded to the Department of Works and Pensions but there has been no comment on it as yet.
- 3.4 One of the main criticisms in the report is the Council's inability to produce management information leading to the inability to manage resources and performance. These issues are being remedied as a new case management system has been ordered and it is hoped to have this operational from 1<sup>st</sup> April.
- 3.5 Also attached to this report is a copy of the 2007/2008 Business Plan for the Fraud Investigation Team. Not surprisingly, much of the work in the coming year will be directed at resolving the issues raised by the BFI (some are the responsibility of the Revenues and Benefits Service) and consolidating progress already made.
- 3.6 The two plans are therefore closely related through common purpose.

### **4. IMPLICATIONS**

#### **4.1 Financial**

The Director of Finance reports that there are no direct financial implications arising from the report.

4.2 Legal Issues (Monitoring Officer)

The Head of Legal and Democratic Services reports that there are no specific legal issues in the report.

4.3 Staffing

There are no implications in this report.

4.4 Accommodation

There are no implications in this report.

4.5 Equal Opportunities

There are no implications in this report.

4.6 Community Safety

There are no implications in this report.

4.7 Sustainability

There are no implications in this report.

4.8 Potential Risks

Failure to react to the BFI report could lead to continued criticism from the DWP and Audit Commission. By improving controls in processing and investigating Benefit claims the risk of frauds being committed or remaining undetected/unpunished are reduced.

Background papers:

Benefit Fraud Inspectorate's report "Inspection of Security".

File reference: None