

Report to: Audit Committee

Date of Meeting: 25th June 2007

Report of: Audit Manager

Title: Benefit Fraud Inspectorate Report

1. **SUMMARY**

This report sets out progress made in implementing the action plan drawn up in response to the Benefit Fraud Inspectorate's (BFI) report "Inspection of Security".

2. **RECOMMENDATIONS**

That the progress made to date be noted.

Contact Officer:

For further information on this report please contact Barry Austin
telephone extension 8032, email barry.austin@watford.gov.uk

Report approved by Janice Maule – Director of Finance

3.0 PROGRESS TO DATE

- 3.1 At the last meeting of this Committee Members were concerned to read the shortcomings set out in the Benefit Fraud Inspectorate's (BFI) report "Inspection of Security", especially those relating to the investigation of benefit fraud. It was agreed that progress in addressing these shortcomings would be reported back to Committee. An updated version of the action plan is attached to this report. The "Comments/Action" column has been amended to show the latest position. Members will note that the majority of recommendations have already been completed.
- 3.2 A copy of the action plan was sent to the DWP and we have since heard that our response to the BFI report had been accepted and that no further action against the Council was proposed. It is noted however that the external auditors are highly likely to follow up on the concerns raised by BFI.
- 3.3 There have been several changes made since receipt of BFI's report and it is now vital that the revised working practices become embedded into day to day procedures and are constantly monitored. The next report will cover only those items not shown as complete in this paper. Once all items have been addressed, the annual Business Plan will reflect the need for continued good practice.
- 3.4.1 An experienced Fraud Manager was appointed in October 2006 to take over the management of the Benefit Fraud Investigation Team, including the implementation of BFI's recommendations. His contract has been extended and will be reviewed again once the implications of shared services for benefit fraud investigation become clearer.

4. IMPLICATIONS

- 4.1 Financial
There are no implications in this report.
- 4.2 Legal Issues (Monitoring Officer)
There are no implications in this 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 act in response to the recommendations made in the report will lead to criticism from the external auditors who will be reviewing how the Council has addressed the concerns raised by BFI and potentially action by the DWP. If weaknesses are not addressed there is the increased risk of new frauds being committed or existing ones not being detected or not being correctly and thoroughly investigated.

Background papers:

The following background papers were used in the preparation of this report:

Audit Files

If you wish to inspect or take copies of background papers please contact the officer named on the front page of the report.

File reference:

None