

## **Report to Audit and Governance Committee**



**Epping Forest  
District Council**

**Report reference: LDF-025-2010/11**

**Date of meeting: 14 February 2011**

**Portfolio: Finance and Economic Development**

**Subject: Benefits Service – Anti-fraud Strategy & Investigation Team Update**

**Responsible Officer: Janet Twinn (01992 564215).**

**Democratic Services: Gary Woodhall (01992 564470).**

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### **Recommendations/Decisions Required:**

- (1) To agree the Benefits Division Anti-Fraud Strategy; and**
- (2) To note the progress on the Investigation Team performance.**

### **Executive Summary:**

The Audit Commission carried out an inspection of the Authority's Benefit Service in January 2010 on behalf of the Department for Work and Pensions. The Inspection Report was issued in May 2010 and presented to the Audit and Governance Committee on 21 June 2010. Following the inspection, a Post Inspection Action Plan was drawn up to address the recommendations in the report. One action was to produce a Benefits Division Anti-fraud Strategy. This report is presented to the Audit & Governance Committee to enable the Committee to agree the Anti-Fraud Strategy and to provide an update on the Investigation team performance.

### **Reasons for Proposed Decision:**

The report is being made to comply with a request from the Audit and Governance Committee.

### **Other Options for Action:**

To not agree to the Benefits Division Anti-Fraud Strategy.

### **Report:**

1. During the Inspection of the Benefits Service in 2010, the Audit Commission were critical that the Authority did not have an Anti-Fraud Strategy document. The Post Inspection Action Plan therefore included an action to produce such a document.

2. At the meeting of the Audit & Governance Committee on 15 November 2010, a report was presented to update the Committee on progress against the Post Inspection Action Plan. At that time, Members noted that an Anti-Fraud Strategy was being developed and requested that the strategy be presented to the next meeting.

3. The Inspectors were also critical that, in their opinion, the Authority had not been doing enough to investigate fraudulent benefit applications. They did accept that the quality of the investigation work was of a good standard but, due to a lack of resource on the team, the number of cases being investigated was lower than expected. The Investigation team has for some time experienced difficulties with recruiting qualified Investigation Officers and this has meant that there have been vacancies on the team for extended periods. The situation has improved since the Inspection was carried out and, of the 3 Investigation Officer posts, one Officer was recruited in January 2010, another in August 2010 and the third Officer was formerly a trainee who qualified in the autumn. The number of investigations carried out has therefore increased since August as the Investigation Officer posts are all currently filled. However, the Investigation & Interventions Manager left in November after 16 years service with the Authority which means that the team is still not at full establishment. The Senior Investigation & Prosecution Officer is currently acting up in this post but this does result in a lack of resource for preparing cases for prosecution.

4. The performance for the Investigation team from 1/4/10 to 21/1/11 is shown below.

Completed Investigations	206
Investigation – fraud proven	63
Investigation – fraud not proven	143
Referred to DWP for investigation	178
Cases resulting in Benefit reduction/cessation/not paid where it is not appropriate to impose a further sanction	37
Convictions at Court resulting from a guilty plea	6
Prosecutions resulting in a not guilty verdict	0
Administration Penalties	6
Cautions	4
Cases with Legal	2
Prosecutions being taken jointly with DWP	2
Cases being prepared for prosecution	6

5. The target for LPI53 was adjusted for 2010/11 to take into account the lack of resource on the team. At present, it is expected to achieve the revised target of 300 completed investigations.

**Resource Implications:**

There are no resource implications from this report.

**Legal and Governance Implications:**

There are no specific implications at present. The Department for Work and Pensions is still

monitoring the performance of the Benefits Service and it is expected that they will still request the follow up inspection detailed in the Inspection report.

**Safer, Cleaner and Greener Implications:**

No specific implications

**Consultation Undertaken:**

The Anti-Fraud Strategy was developed by reference to similar strategies in other Local Authorities.

**Background Papers:**

Reports to Audit & Governance Committee 21 June 2010 and 15 November 2010. Performance monitoring data is retained in the Benefits Division.

**Impact Assessments:**

Risk Management

If an Anti-Fraud Strategy is not adopted by the Authority, any future inspection of the Benefits Service will result in further criticism.

Equality and Diversity:

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A