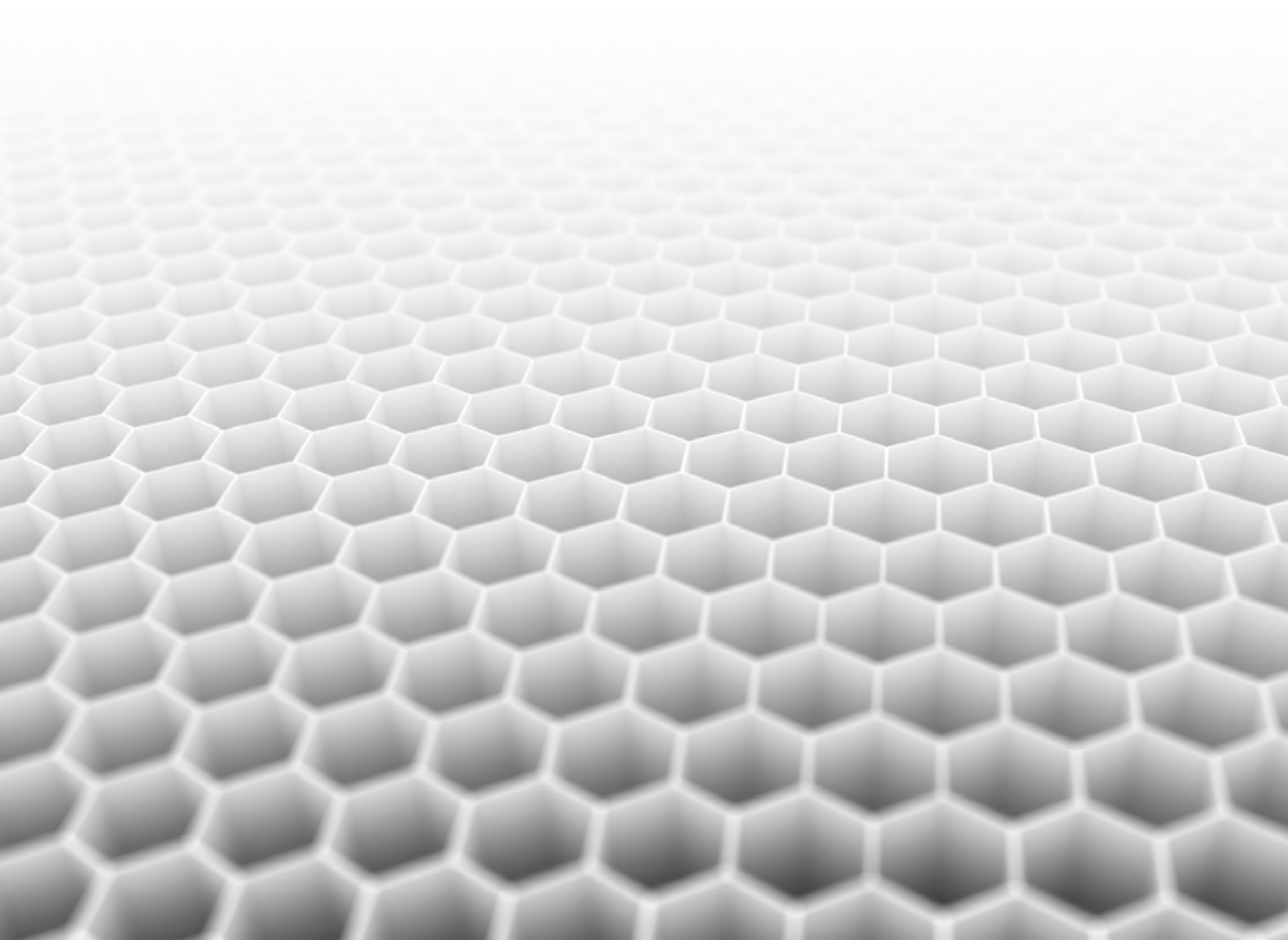




Slipping Through the Net:

Staff vetting guide for local authorities



“We commit a significant amount of time, resources and expertise to developing control and compliance environments to deal with dishonest and potentially dishonest staff. How much more effective, and cost-effective, would these environments be if we devoted the same effort to ensuring the employment of honest staff, and to developing cultures that identify and encourage potentially honest staff?”

Alan Doig, Author of *Fraud: The Counter Fraud Practitioner’s Handbook*

“Preventing insider fraud is an integral part of creating an anti fraud culture. Many staff have access to sensitive and personal information. It is important that those who have access to the public purse are honest.”

Tim Shields, Chief Executive, Hackney Council

“On average 11% of conditional offers of employment are withdrawn as a result of enhanced vetting. Our enhanced vetting process is designed to uncover people who have lied about their qualifications, references, work histories, previous convictions or created a false identity. This makes it much harder for dishonest people to get a job at Ealing Council. Sadly, we know they go on to get jobs at other organisations that don’t perform these robust checks.”

Ian O’Donnell, Executive Director of Corporate Resources, London Borough of Ealing

“Without the right policy in place on continued monitoring of employees, local authorities can open themselves up to a minefield of civil and even criminal liability.”

Chris Corney, Partner, Carter Lemon Camerons LLP

“Lewisham have supported the idea of pre employment screening since 1999. We have built it into our processes and it has support from the top down. It is essential to ensure that we only employ those with the highest standards of integrity and honesty.”

Carol Owen, Anti-Fraud & Corruption Team Manager, London Borough of Lewisham

“No business is immune from fraud, but all businesses could go a long way to protect themselves from fraud risk by instilling a robust anti-fraud culture. For it to work effectively, all employees must be engaged in committing to active fraud prevention and the tone must be set from the top with the CEO and board recognising the value that a fraud prevention strategy adds to the company’s well-being.”

Ros Wright CB QC, Chairman, Fraud Advisory Panel

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Introduction

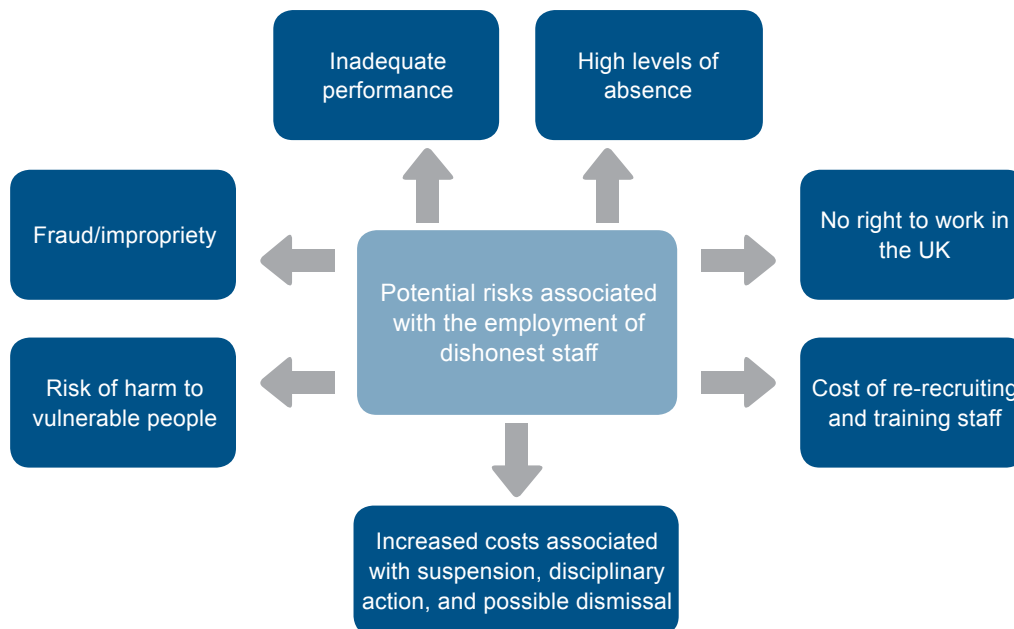
Local authorities today are working harder and harder to provide the best value possible from their diminishing budgets. In a situation where it is so important to provide more for less, the last thing that local authorities want or need is to employ someone who is not honest from the outset. There is overwhelming public support for keeping dishonest people out of the public services. This guide is intended to provide some pointers to local authorities to help them to avoid employing anyone with a history of fraud.

PWC's report *Fraud in the Public Sector*, from early 2012, found that:

- In the UK, 52% of public sector organisations experienced economic crime in the last 12 months.
- 41% of respondents stated that the risk of job loss is the primary incentive to commit fraud.

- Staff reductions have resulted in fewer resources being deployed on internal controls - the lesson learnt from the private sector is this will increase fraud risk.
- 31% of fraud in the public sector is detected by internal tip offs, whilst the majority of private sector frauds are uncovered by internal audit and fraud risk management.
- Zero tolerance does not always mean zero tolerance. They found that organisations are often reluctant to bring charges against employees because of the time and costs associated with developing a case.

CIFAS reports a 52% overall increase in the number of insider frauds recorded during the first half of 2012 when compared with the same period in 2011.



The Scope of the Problem

'Insiders' are in a privileged position. The employer provides them with access to organisational assets (including access to data) and/or involves them in the processes through which the organisation operates. Insiders fall into a range of categories (not all of which are relevant to every organisation):

- permanent staff employed directly;
- staff employed directly on fixed-term or temporary contracts;
- temporary staff employed through an agency;
- staff seconded or loaned from other organisations;
- staff employed by third-party organisations providing services under contract;
- self-employed contractors providing services within the organisation under contract;
- staff employed by third-party organisations delivering services on behalf of the organisation under contract;
- Individuals on work experience and internships.

All of these categories need to be taken into account when putting staff vetting processes in place.

The Importance of a Counter-Fraud Culture

Preventing insider fraud is an essential part of having a robust counter-fraud culture.

Some local authorities refer to the *Seven Principles of Public Life* (also known as the Nolan principles) established in 1995 by the Committee on Standards in Public Life:

Selflessness: Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.

These principles provide a useful backdrop, and help to underpin a culture of zero tolerance to fraud.

It goes without saying that recruitment processes need to be designed carefully to stop fraudsters from slipping through the net. Equally, those who take part in the screening process must themselves be committed to a counter-fraud culture.

An organisation's culture can be described as 'the way things are done in practice' and includes procedures, shared understanding and values. A counter-fraud culture is one in which countering fraud is integral to everything the organisation does and the way in which its employees behave.

For a counter-fraud culture to become established within any organisation, all staff must buy into the reasons why combating fraud is important. They need to understand where the boundaries are between what is and is not acceptable, see that preventing and dealing with fraud is important to the organisation in practice and that doing so is an integral part of everyone's role within the organisation.

Measures an organisation can take to generate a counter-fraud culture include:

- ensuring that the importance of combating fraud is recognised and endorsed by those at the highest levels within the organisation;
- raising awareness of fraud risks and trends among all staff on a continuous basis, and building fraud risk assessments into the development of new business processes, systems, policies and services;
- building objectives for combating fraud into roles and ensuring that all staff take ownership of this through performance management processes;

- developing recognition among all employees that insider-enabled fraud affects them as individuals as well the organisation as a whole;
- ensuring that insider-enabled fraud risks are taken into account in the development of all organisational policies, rules and systems and also ensuring that all employees comply with those policies and procedures.

A significant risk arises where the real culture of an organisation differs from the anti-fraud policies, processes and formally-declared organisational values. An environment which tolerates the non-implementation, or bypassing, of procedures may provide encouragement to those who are motivated to commit fraud and may facilitate corrupt behaviour. Indeed, several contributors reported that a failure by organisations to ensure that policies and processes were adhered to was a major factor in the majority of detected insider-enabled frauds.

A perception that counter-fraud measures are not integral to the way an organisation operates will lower the credibility of the organisation's response to this threat in the eyes of those it wishes to deter and have potentially damaging consequences for combating insider-enabled fraud. A worst case scenario is where combating insider-enabled fraud is regarded as a specialist responsibility that is 'bolted on' to the business rather than being the responsibility of all.

Recruitment

It is important that HR are involved fully in the process and understand the importance of proper robust screening.

“Suspicions about the activities of a cleaner were raised by a council employee, who noticed that the cleaner’s birth certificate stated that he was born in 1977 at a hospital that was not actually built until 1986. A search warrant was executed at the cleaner’s home and forged identity documents were recovered as well as numerous items of council property. These included computers, hand-held devices, mobile phones, sim cards, memory sticks and software. The court sentenced the cleaner to three months imprisonment.

References should always be followed up, if necessary telephoning referees to clear up any ambiguity.

Organisations often wish to avoid acrimonious dismissal, particularly prosecution and any attendant publicity resulting from computer fraud. Some organisations have been accused of giving unwarranted and misleading references simply to ensure corrupt personnel leave with the minimum of fuss.”

Excerpted by permission of the publishers, in Fraud and Corruption in Public Services by Peter Jones (Farnham: Gower, 2004). Copyright © 2004.

One London Borough set up a vetting team who rigorously check new applicants.

The vetting team reports on the outcome of its work each year and has maintained performance figures for more than a decade. Since the start of the programme, vetting failures had steadily declined year on year.

“However, in 2007/08 when the team completed over 1,000 vetting checks, more than 6 per cent of applicants failed the checking process – almost double the previous year’s rate.

In 2007/08, applications from people with no right to work in the UK were a major issue for the council. The vetting process covers agency staff and most of the failures were in this category of employment. Vetting failures uncovered in that year included people who had:

- no right to work in the UK - 52
- benefit issues - 6
- fictitious work history and/or references - 5
- false qualifications - 1
- criminal convictions - 1

Another area of concern identified by the vetting team is that, in one year, 9 per cent of successful applicants for jobs withdrew when the council told them that it would be vetting applications.”¹

Case Study: The London Borough of Ealing

Ealing have targeted recruitment as an area where they can effectively prevent fraud. They believe that staff are the most valuable resource for an organisation and it is imperative that when appointing staff an effective recruitment process is in place.

Ealing use a risk assessment for each prospective employment campaign to decide on the level of Enhanced Vetting for each post. When conditional offers are made to a candidate they are subject to Ealing's Enhanced Vetting checks. The Enhanced Vetting check includes an in depth review of qualifications, employment history and references. This is a fraud prevention measure that provides a barrier to potentially dishonest employees entering the organisation. The Enhanced Vetting service endeavours to combine skills within the council's Audit and Investigation team with those in our HR team. The process has been developed and continues to be developed by engaging with the key stakeholders in the organisation in order to ensure Enhanced Vetting is an embedded part of the recruitment process.

Results from the Enhanced Vetting process have identified a significant number of candidates who were dishonest; reasons for failing Enhanced Vetting have included false identity and CRB details, false qualifications, references and work histories, benefit and Council Tax fraud.

Results to date are in the table below and show that to date in 11.6% of cases conditional offers of employment were withdrawn as a result of enhanced vetting.

	08/09	09/10	10/11	11/12	Total
Candidates with conditional offers that have been vetted	16	96	207	172	491
Conditional offers withdrawn	2 (12.5%)	13 (13.5%)	22 (10.6%)	20 (11.6%)	57 (11.6%)

Effective pre-employment screening

The Audit Commission reports² that, as a result of strengthened pre-employment vetting procedures, Ealing Council found that 6% of successful candidates for permanent positions failed vetting checks and almost 13% of successful candidates for temporary positions. The Audit Commission's 2009 report³ reported that in one year, 9% of successful applicants for positions with Waltham Forest Council withdrew their application when the Council advised them it would be vetting applicants.

Making checks to assess and assure the trustworthiness, integrity and likely reliability of prospective employees, and advising applicants that such checks will be made, should be a standard part of the recruitment process. This is an integral part of a robust counter-fraud culture.

Effective pre-employment checks involve checks to validate identity, right to work in the UK, qualifications and work history (including the investigation of gaps and verification of explanations provided). They may also involve criminal record checks (UK and overseas).

The *HMG Baseline Personnel Security Standard* (BPSS)⁴ sets out the minimum required standards for pre-employment screening that Government requires all central government agencies to employ. In most central government bodies the HR teams are responsible for carrying out pre-employment screening checks. There is a clear benefit to these teams drawing on the experience of counter-fraud specialists, although this happens rarely at present.

It is recommended that all staff should be put through the BPSS security policy framework. It is, however, not mandatory but provides good practice guidance on pre-employment screening. This is a good approach for all local authorities to follow.

There is no local government equivalent of the BPSS and standards applied to pre-employment screening differ from authority to authority. Further guidelines on pre-employment screening are published by CPNI⁵ and SAS⁶ (CPNI also

provides complementary guidance on verifying identity documents⁷).

The Audit Commission⁸ in its 1997 publication '*Countering Housing Benefit Fraud – A Management Handbook*' recommended the following as good practice:

- Verifying references provided by employers
- Verifying whether previous employers were genuine
- Ensuring that the required skills profile is met, using competency testing if required
- Verifying educational and professional qualifications
- Verifying previous employment and duties performed.

The CIFAS Staff Fraud Database is an extremely effective mechanism to help screen out staff fraudsters from the outset. The National Fraud Authority's *Fighting Fraud Locally* report strongly recommended that local authorities should use the CIFAS Staff Fraud Database to help prevent fraudsters moving from one employer or local authority to another. The Staff Fraud Database is a data sharing scheme that enables responsible employers to file proven cases of staff fraud in order to prevent the perpetrator moving unchallenged to a new employer to commit further fraud. The Database was designed in consultation with the Information Commissioner's Office, existing CIFAS Member organisations, the Confederation of British Industry (CBI), The Trades Union Congress (TUC) and the Chartered Institute of Personnel and Development (CIPD). The seriousness of employee fraud should not be underestimated. Research carried out by CIFAS and the Serious Organised Crime Agency (SOCA) in 2011 showed that, of those individuals dismissed for fraud and filed to the CIFAS Staff Fraud Database, one tenth had the potential to be involved in serious organised crime.

A sample pre-employment questionnaire is included from page 20 onwards.

Media Screening

In an age where internet use – including that of social media – has become more widespread, the concepts of openness and privacy are undergoing daily redefinitions.

While no specific legal constraint exists in relation to the searching of open source/online information, there are numerous legal provisions to ensure that when an employer conducts media checks on a prospective or current employee, they do not interfere unduly with the individual's right to privacy, disclose any information they may find in an inappropriate way or without due cause, or use information sourced from media checks in a discriminatory way.

Media screening may be considered particularly important if the role an individual has applied for, or currently holds, includes: access to sensitive sites/areas of the organisation; access to sensitive material; a specific type of responsibility; or is considered high profile. Provisions in the Human Rights Act (1998) and Data Protection Act (1998) also safeguard the use of any information that an employer finds from these or other sources.

Media checks may also be carried out in order to assess whether a prospective or current employee:

- presents a reputational risk to the organisation due to their use of the internet;
- may be a security risk to the organisation and its employees due to their personal use of the internet;
- has not revealed/or concealed certain information about themselves which may be detrimental to the organisation;
- could be vulnerable to coercion as a result of their internet activities or presence;
- is using the internet to bully or harass other members of staff.

Media screening must only form a part of an organisation's approach rather than constitute the whole/or majority of such an approach to employment screening. There are key principles for organisations to keep in mind, however, if they undertake any media screening.

Proportionality – organisations must have legitimate grounds for collecting, using or storing any online personal data about an individual. Not all positions represent a security or organisational/reputational risk. The Information Commissioner's Office also warns against organisations relying on arbitrary checks on an individual's private life (e.g. sexuality, hobbies, personal beliefs) when it does not impact upon their professional role.

Necessity – during an online search, organisations may see a great deal of information that has no risk impact or relevance to the search or role. The organisation must not collect or use such information. It is a breach of data protection regulations to collect such personal information.

Perspective – online searches must only be a part of the screening process. It is important for organisations to remember that the purpose of checking an individual's online footprint is to identify whether it indicates a legal, compliance and security risk, and not to form judgements about an individual's lifestyle choices. Results of a search regarding an individual's hobbies, relationship status, etc, are far removed from information relating to possible criminal activities.

Transparency – organisations must make it clear to applicants what checks they might do and why. If there is no justifiable reason for doing online checks, then organisations should not do them.

Consistency – the ways in which information is sought, handled, reported and stored must be the same for all individuals.

Privacy – only online information that is publicly accessible can be researched and information found must

be kept securely and only for as long as there is a clear need. In addition, it is not appropriate for an organisation to raise questions about an individual's internet use and presence unless:

- Something adverse or irregular has been found and further details are needed
- The organisation wishes to raise awareness of online security issues and is doing so as part of an induction/annual review
- A vetting officer is conducting a developed vetting interview
- The individual in question is under investigation for professional misconduct or legal reasons
- It relates directly to the individual's suitability for a role and the risk that they might present in that role.

This section was compiled using material from the CPNI website www.cpni.gov.uk.

Further detailed guidance can be found on their website in *Media Screening: Use of the Internet in Employment Decisions – a good practice guide for employers*.

The Vetting Process

Minimum checks should include verification of identity and the right to work.

More detailed checks will involve scrutiny of the application form and checks on education and employment histories, checks on whether referees exist or if the referee has the same address as the candidate and may also extend to media checks and social networking pages.

To help ensure that a local authority employs an honest and trustworthy individual it is important that the job application form is comprehensive and that thorough vetting checks are carried out. Application forms should consider the following:

- Has the applicant ever been dismissed from previous employment or is a dismissal pending?
- Has the applicant got a criminal record?
- Was the applicant disqualified from acting as a company director?
- Has the applicant ever been bankrupt? Does he/she have CCJs/large scale debts?

The applicant should sign (by hand or electronically) the application form to declare that the information they have provided is true and accurate, and that any false information may lead to the offer of employment being withdrawn (or to a dismissal, if already in employment). The applicant should also be notified that it is a criminal offence to apply for a position using false information and that he or she could be reported to the police and fraud prevention databases (e.g. CIFAS). The key checks that should be conducted include: verifying the applicant's identity, verifying references, qualifications, trustworthiness and creditworthiness. More information on this can be found in Alan Doig's book, *Fraud: The Counter Fraud Practitioner's Handbook* – Gower 2012.

One London Council sets out a process for screening new job applicants as follows⁹:

- All applications contain a declaration, signed by the applicant, that states that, if successful, they agree to be vetted and provide information which will be checked.
- At interview the applicant is asked to bring proof of national insurance number. During the interview, the chair of the recruitment panel also questions any unexplained gaps in the employment history.
- The vetting declaration and application form is faxed to the vetting team, together with any proof provided. The officers then conduct the checks.
- All permanent and temporary staff are vetted and checks are made at one of 2 levels:
 - Full check: for example, all Principal Officer Grades or grades relative to the tasks involved in the post e.g. the ability to order goods, grant/use computer access, and positions of trust.
 - Part checks: manual workers, advice givers etc.

The checks made by this London Council are:

- Verification of addresses
- Company checks
- Verification of qualifications
- Work histories are matched against benefit periods.

Any organisation should carry out thorough vetting checks in order to validate the information supplied by the applicant in his or her job application form and ensure that any inconsistencies are identified.



Case Study: Inappropriate Reference

A candidate listed two references on his application, as requested. Both were for short term temporary posts. The candidate had also held a recent long-term permanent post which he had left due to “voluntary resignation” but had not used this as a reference.

Enquiries with this employer revealed that the candidate had been dismissed from the long-term post for gross misconduct.

Case Study: False Reference

A candidate was forwarded by an agency for a temporary position. When asked, the agency forwarded references.

Checks with former employers revealed that they had not provided the references submitted by the agency. In one case the name of the referee was spelt incorrectly and in all cases the referees had not even been contacted until after the references had been submitted to the London council.

A complaint was made to the agency and an internal disciplinary led to the recruitment consultant being dismissed.

One of the key checks to carry out is a qualifications check. However, one of the challenges faced by Local Authorities is that of fake degrees/bogus qualifications. These are all too easy to obtain from institutions (known as 'diploma mills') that sell bogus degrees/qualifications. In 2011 Verifile, a vetting specialist company that collects data on diploma mills, reported that the UK has 339 diploma mills – the highest number in Europe. Further information can be found in their report on *Diploma and Accreditation Mills: New Trends in Credential Abuse*: (http://www.accredibase.com/upload/documents/accredibase_accredibasereport.pdf). The Department for Business Innovation and Skills lists all the recognised institutions that award degrees: <http://www.bis.gov.uk/policies/higher-education/recognised-uk-degrees>, so always check unfamiliar institutions against that list.

The Centre for the Protection of National Infrastructure (CPNI) have produced a checklist of what a screening policy may involve¹⁰.

Pre-employment screening policy – CPNI checklist

1. Make pre-employment screening an integral part of your recruitment process.
2. Ensure that applicants are informed in writing that any offer of employment will be subject to the satisfactory completion of pre-employment screening checks, whether or not the individual has already been granted access to the employer's premises.
3. Ensure that your screening processes are legally compliant at all stages (including the wording of your application form).
4. Involve all the relevant departments in your organisation, and ensure that they communicate and share data effectively.
5. Identify an 'owner' of the pre-employment screening process.
6. Incorporate specialist businesses into your strategy if appropriate.
7. Ensure that the application form requests all relevant information, including consent for further checks, and outlines your screening policies.
8. Establish decision-making guidelines for consistent and transparent judgements about information provided.
9. Have a clear understanding of the thresholds for denying someone employment.
10. Be clear about how you deal with fake or forged documents
11. Collect data on the results of the pre-employment screening process (e.g. incidence of false qualifications or criminal record).

Employers may wish to set different levels of checks for different posts and this may not necessarily be linked to whether the staff member handles cash. A risk assessment could be done on whether or not posts are high risk. For example, a home carer may have access to benefit books and a more senior finance officer may not have access to alter systems, so roles need to be looked at carefully to define the level of risk.

Interviews

In his book *An HR Guide to Workplace Fraud and Criminal Behaviour* Mike Comer gives guidance on how to conduct an interview to ensure that the most appropriate and trustworthy candidate is employed. This involves careful planning in respect of questions and preparation. Interviews should be planned according to internal policy and with emphasis on

- “A decision matrix of factors which would debar employment
- A brain storming review of a detailed application form and a prepared biography
- Examination of corroborative data such as original educational certificates

You should review these documents carefully and prepare a list of discrepancies or aspects that require clarification. Pay special attention to subjective truths, omissions, inconsistencies and to entries that may be difficult to verify externally.”¹¹

It is suggested that the interviewer should pay close attention to body language while asking a series of questions, and then expanding the questions to gauge consistency and voluntary statements.

When verifying the form and biography, the interviewer can ask probing questions expanding on any discrepancies, for example (these are also taken from Mike Comer’s book mentioned above):

“In our biography you stated that you worked as credit control director at XYZ but on the application form you said you were credit control manager. What exactly was your title?”

“I understand. So, saying you were a director was over egging the cake a bit, wasn’t it? [pause] Are there any other areas on the form where there is a just little too much egg? I understand how these things happen, but we need to know. Who was your manager at ABC?”

“Have you kept in touch with any of your colleagues?”

“Do you have contact numbers for them?”

You should assess the candidate’s reaction and if you have doubts, seek more detail. You should also verify the information you are given.

Other examples of areas that questions could cover, that might help to corroborate the information that the interviewee has supplied, could include:

- Verifying gaps in employment history
- Verifying gaps in education history
- Asking specific questions about the candidate’s previous role(s), who they reported to and probing on vague answers¹²
- Probing any anomalies such as why a candidate is willing to travel disproportionately or to drop several salary bands
- Probing periods of time where it is difficult to check e.g. time spent travelling
- Poor references
- Statements that don’t appear to be accurate
- Reasons for leaving current or previous employers

Open questions on these areas are recommended. However, it is better not to ask the questions in the order that is set out in the application form. Experience shows that jumping from topic to topic is more likely to uncover dishonesty. For each question, you should be “looking for consistent, volunteered detail and commitment”. For further information please see *An HR guide to workplace fraud and criminal behaviour: Recognition, prevention and management* by Michael J Comer and Timothy E Stephens (Gower, 2004), and *Fraud and corruption in public services* by Peter Jones (Farnham: Gower, 2004). Copyright © 2004.

Case Study

Mr M was recruited as an agency worker Highways Technician without being forwarded for vetting in 2004. He was eventually forwarded for vetting in December 2006. It was identified that Mr M had claimed Job Seeker's Allowance (JSA) continuously between 1997 and February 2003 and again from September 2003 to April 2005. No employment had been declared for the purposes of these claims. Since it was of interest that there was a break in his claim record from Feb '03 until September '03, this was explored. It was confirmed that Mr M had been convicted (on his own admission) at Crown Court (May 2003) of Conspiracy to Defraud, for which he was sentenced to 2 years' imprisonment. He was released early (under curfew with a tag). Mr M was interviewed by the Vetting Officer concerned, and was asked about this period of imprisonment (since the sentence was unspent), but the answers he gave bore no relation to the facts.

Mr M is no longer employed with the Council.

Job applicants' histories may seem simple but, in some cases, there may be undisclosed issues and some probing questions may resolve these at an early stage. For example, one candidate claimed that his most recent 3 years had been spent studying for a degree. No questions were asked. After the candidate was employed, and allegations of insider fraud were made citing a fraud had been committed at his previous place of employment, it later surfaced that this had been an open university degree done whilst in prison for offences of forgery and false accounting .

Case Study

The successful applicant for a post as a cleaner appeared to have given his last employer (a City Council) as a referee. However, it was noted that the individual providing the reference appeared to occupy the same property as the applicant. When further enquiries were made, it was established that this referee was not the appropriate person to provide a reference and that, actually, the applicant had been dismissed for gross misconduct. Further enquiries established that the applicant had also been dismissed from another post. The offer of employment was subsequently withdrawn.

Verifying Identity

CPNI's publication *Pre-Employment Screening – A Good Practice Guide* (available to download from www.cpni.gov.uk) provides a wealth of useful information. It includes a list of documents that can be used for identification purposes¹³. These include:

- current signed full passport, national identity card and/or other valid documentation relating to immigration status and permission to work
- current UK photo card driving licence
- current full UK driving licence (old version)
- current Biometric Residence Permit (formerly the Identity Card for Foreign Nationals)
- full birth certificate
- adoption certificate
- marriage / civil partnership certificate
- divorce, dissolution or annulment papers
- gender recognition certificate
- current benefit book or card or original notification letter from the Department for Work and Pensions (DWP) confirming right to benefit
- building industry sub-contractor's certificate issued by Her Majesty's Revenue & Customs (HMRC)
- recent HMRC tax notification
- current firearms certificate
- police registration document
- HM Armed Forces identity card
- proof of residence from a financial institution
- recent original utility bill or certificate from a utility company confirming the arrangement to pay for the services at a fixed address on pre-payment terms confirmation from an Electoral Register search that a person of that name lives at that address*
- local authority tax bill (valid for current year)*
- bank, building society or credit union statement /passbook with current address*
- recent original mortgage statement from a recognised lender *
- current local council rent card or tenancy agreement *
- record of home visit *
- court order *

*If these documents are submitted then the date should be within the last 6 months – unless there is good reason for it not to be – and should contain the name and address of the applicant.

Case Study: Council Tax Fraud

Candidate gave an address in Borough A. An address check showed the property was receiving a full exemption because the sole householder was severely mentally impaired. The exemption had been in applied to the property for 4 years.

When questioned, the candidate stated that they had mistakenly given the wrong address and gave another address, which had been listed as a previous address. At the second address provided, the householder had completed a single person's discount application stating that our candidate had moved out to the original address given.

The offer of employment was withdrawn. Further investigation demonstrated that the house in Borough A had been occupied by a family throughout the period of the exemption and the exemption was withdrawn and the true householder was billed.

Top 10 Tips for preventing employee fraud

PREFIT¹⁴ (*Protecting Employers from Insider Threats*) is a network of police, screening professional and security experts. Its Top 10 Tips for preventing employee fraud are set out below:

1. Prevention is better than cure.

On average, it costs over £4,000 to recruit someone (source: CIPD). And the National Fraud Authority (NFA) estimates that fraud costs the public sector over £20 billion every year. It's estimated that the majority of fraud-related crime is now perpetrated – or at the very least enabled – by organisations' own employees. It's far easier to know who you're dealing with before you recruit, and during your employees' tenure.

2. Use a risk-based approach.

Recognise that screening is a part of (albeit, an important part of) insider threat management. A holistic view of risk will require regular audits, enforced annual leave, managed access to systems and facilities, segregation of duties, easy disclosure ("whistle blowing") procedures, etc.

3. Identity is the most important check.

Failure to check someone's identity renders any further checks based on uncorroborated identity worthless.

4. Use a number of sources to ensure reliability.

Don't rely on only one check. Reliability is significantly improved by checking several factors.

5. Know the source of any reference.

Don't rely on employment, professional, academic references from uncorroborated individuals or organisations.

6. Check the authenticity of official documents and numbers.

Don't rely on a document or number, such as a National Insurance Number, without checking its authenticity with the source.

7. Use the right Criminal Record Checks where appropriate.

All employers have the right to ask candidates about unspent convictions for employment purposes. More detailed information about criminal history is required for (and restricted to) specific occupations and work environments.

8. Share information about former employees lawfully.

Don't use so-called "blacklists". Instead, consider using controlled, transparent, consensual, and secure registers to check candidates' previous conduct. And respond to reference requests from former candidates' new employers quickly too.

9. Use readily available research tools.

Internet searches often uncover information about individuals. Remember that this information isn't always reliable, but it can expose otherwise unreported allegations and clues to prompt further, consensual checks.

10. Check existing employees, contactors and temporary workers regularly.

Employees' circumstances change over time, so renew checks at appropriately regular intervals, and apply relevant checks to specific risks rather than a purely hierarchical approach.

Annex: Pre-employment Form

A well-designed pre-employment form is a prerequisite for efficient screening. London Borough of Lewisham has kindly given permission to include its form within this guide.

London Borough of Lewisham ask all candidates to provide 2 proofs of address and for those outside the borough they seek to verify their address independently through 192.com etc.

They do not check whether out-of-borough candidates have any arrears etc with their local council.

Where any discrepancies or anomalies are identified, the candidate is invited to an interview, following which a report is produced for the recruiting manager and HR to consider.

They have also provided the Recruitment Team with document verification training and frequently provide additional help and advice on confirming the validity of documents supplied to them.



PRE-EMPLOYMENT QUESTIONNAIRE

The public is entitled to expect the highest standards of behaviour and conduct from all employees who work for Lewisham Council. One measure the Council has introduced to assist in ensuring high standards has been the introduction of a Fraud and Corruption Policy.

As part of this policy all new starters in posts where duties include activities such as handling cash, awarding contracts, making or assessing payments to the public or dealing with vulnerable clients are asked to supply further personal information as part of their final confirmation of employment. You are therefore required to complete this pre-employment questionnaire.

PLEASE COMPLETE THIS FORM AS FULLY AS POSSIBLE IN BLOCK CAPITALS

continued . . .

1. PERSONAL DETAILS

Please enter your details fully and clearly. This information may be used to confirm your identity. If you have more than one residential address i.e if you are staying elsewhere temporarily please supply the full postal address for each place of residence.

Surname Title

Forenames

Maiden Name or Known as Names

Home Address(es)

Previous Address &

Date of move (if at current Address
less than 3 yrs)

Daytime Contact Number

National Insurance Number

Date of Birth

Post applied for

2. BENEFIT CLAIMS

Please enter details of all benefits you receive, this includes Housing Benefit payments which are paid to you as a landlord. If you do receive benefits this will not prevent your employment but further details may be requested from you to ensure that you are receiving your correct entitlement.

If benefits are found to have been claimed incorrectly this may affect your offer of employment

Are you currently in receipt of any Benefits either for yourself or a third party? i.e Income Support, Housing Benefit

Yes / No

If **'No'**, go to Section 3

If **'Yes'**, please give details of the Benefits you receive:

continued . . .

3. PROPERTY OWNERSHIP

This information is required in order to identify any interest you may have in properties in Lewisham and ensure that council records are up-to-date.

Do you own any properties in the London Borough of Lewisham?

Yes / No

If **'No'**, go to Section 4

If **'Yes'**, please supply full address(es) and details of any joint owners:

.....

4. COUNCIL TENANCY

If you are a Council tenant your account may be checked to ensure that you are not in arrears. If you have arrears you may be required to provide further information or arrange repayment. Your offer of employment may be withdrawn if you owe the council a substantial amount and do not come to a mutually agreeable arrangement to clear the debt.

Are you a Council Tenant with the London Borough of Lewisham?

Yes / No

If **'No'**, go to Section 5

If **'Yes'**, are you in arrears with your rent?

Yes / No

If **'Yes'**, how much do you owe? £.....

continued . . .

5. COUNCIL TAX

If you are liable to pay Council Tax to Lewisham your account may be checked to ensure that you are not in arrears. If you have any arrears you may be required to provide further information or arrange repayment. Your offer of employment may be withdrawn if you owe the council a substantial amount and do not come to a mutually agreeable arrangement to clear the debt.

Are you liable to pay Council Tax to the London Borough of Lewisham?

Yes / No

If **'No'**, go to Section 6

If **'Yes'**, are you in arrears with your Council Tax?

Yes / No

If **'Yes'**, how much do you owe? £.....

6. BUSINESS INTERESTS

You should complete this section as fully as possible. The Council can then ensure that there is no potential conflict of interest with the duties of your employment.

Do you or your immediate family have any interest, financial or otherwise, or relationship with any Business, Contractor or Supplier?

Yes / No

If **'No'**, go to Section 7

If **'Yes'**, please give full details of the business, Contractor or Supplier and state your relationship:

7. CREDIT HISTORY

If you have been declared bankrupt or have County Court judgements this will not prevent your employment but you may be required to provide further information depending on the position you are applying for.

continued . . .



Have you ever been declared Bankrupt or had County Court judgments served against you?

Yes / No

If 'Yes', please give full details including dates:

.....

DECLARATION

I certify that the information I have given is true and complete. I authorise the London Borough of Lewisham to check details I have supplied with any other agencies including local authorities and the Benefits Agency. I understand that making a false declaration or any impropriety may lead to dismissal without notice.

Should the circumstances that I have declared on this form change, I understand that I must notify the London Borough of Lewisham immediately.

This authority is under a duty to protect the public funds it administers, and to this end may use the information you have provided on this form within this authority for the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for this purpose.

Signed: Dated

Print Name:

Please return this form to Recruitment & Personnel Administration Unit

Please note that if you have answered 'yes' to any of the questions on this form it does not necessarily mean that your employment with the Council will not be confirmed. If you have answered 'yes' you may be asked to provide further details as this may impact on your suitability for employment with the Council.

If the information you have provide raises concern you will be invited to an interview in order that the matters can be discussed. A report detailing the circumstances and any supporting evidence will be sent to the relevant manager and personnel department for their decision as to your suitability for employment.

If you have any further queries please contact the Recruitment and Personnel Administration Unit.

References

Recruitment

¹ *Protecting the Public Purse 2009*, The Audit Commission

Effective pre-employment screening

² *Protecting the Public Purse 2010*, The Audit Commission

³ *Protecting the Public Purse 2009*, The Audit Commission

⁴ *HMG Baseline Personnel Security Standard. Guidance on the pre-employment screening of civil servants, members of the armed forces, temporary staff and government contractors*. Version 2.1 Cabinet Office, October 2009

⁵ www.cpni.gov.uk/Docs/pre-employment-screening.pdf

⁶ www.sas.com/offices/europe/uk/downloads/fraud_prev.pdf

⁷ www.cpni.gov.uk/.../Document_verification_guidance_-_July_2007.pdf

⁸ 1997 publication 'Countering Housing Benefit Fraud – A management hand book'

The Vetting Process

⁹ www.sas.com/offices/europe/uk/downloads/fraud_prev.pdf

¹⁰ http://www.cpni.gov.uk/documents/publications/2009/2009024-gpg_pre_employment_screening.pdf?epslanguage=en-gb

Interviews

¹¹ Mike Comer – *An HR guide to workplace fraud and criminal behaviour: Recognition, prevention and management* by Michael J Comer and Timothy E Stephens (Gower, 2004)

¹² How to spot resumé fraud: http://humanresources.about.com/gi/o.htm?zi=1/XJ&zTi=1&sdn=humanresources&cdn=money&tm=165&gps=699_539_1683_788&f=11&su=p284.13.342.ip_&tt=13&bt=1&bts=1&zu=http%3A//online.wsj.com/article/SB122653695797922735.html

Verifying Identity

¹³ CPNI Pre employment screening

Top Ten Tips for Preventing Employee Fraud

¹⁴ <http://www.prefit.info/index.cfm>

“Fraud is one of the biggest threats to organisations and there are simple ways they can prevent themselves from becoming a victim. However, recent figures from CIFAS show the number of insider frauds reported to them in the first half of 2012 have risen by 52 per cent compared to the same period in 2011.

Organisations can protect themselves from becoming a victim by carrying out robust pre-employment checks on potential employees. Basic steps such as checking references, qualifications and criminal records are all a valuable tool to prevent fraud. These simple measures help to foster a level of trust amongst colleagues and ensure you are employing trustworthy individuals.”

Stephen Harrison, Chief Executive, National Fraud Authority

“Thorough staff vetting procedures have never been more vital. While the vast majority of staff are honest and trustworthy, staff fraud is a real problem that poses real and continuing risks to all organisations, including local authorities. It can be caused by a whole range of factors. The intricate complexities involved in battling fraud, balancing preventative measures against the need to treat innocent staff fairly, and the continuing evolution in the types of fraud being committed today, all conspire to make this a difficult terrain for employers to navigate. Prevention has to be the top priority, as the consequences once the damage has been done are far harder to deal with. Prevention begins with effective staff vetting, and we are very happy to be associated with this Guide.”

Peter Hurst, Chief Executive, CIFAS – The UK’s Fraud Prevention Service

Contacts

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PREFIT

Slipping Through the Net:

Staff vetting guide for local authorities

Local authorities today are working harder and harder to provide the best value possible from their diminishing budgets. In a situation where it is so important to provide more for less, the last thing that local authorities want or need is to employ someone who is not honest from the outset. There is overwhelming public support for keeping dishonest people out of the public services.

This guide is intended to provide some pointers to local authorities to help them to avoid employing anyone with a history of fraud.

