

SLIPPING THROUGH THE NET

A FREE GUIDE FOR THE FFCL INITIATIVE BY



'Despite the important collaboration work being carried out by local authorities across the UK to fight fraud committed against them by external parties, it is critical that they continue to manage the threat from within their own authority. The increased demand on services provided by local authorities coupled with cuts to funding means that the opportunity for staff and contractors to commit fraud is greater than ever.'

'Fraud committed against local authorities takes funding directly from those that need it the most. It is therefore crucial that authorities take all steps necessary to protect their precious funds and prevent them falling into the hands of criminals.'

Mike Haley, CEO of Cifas

'It is great to see the revival of "Slipping through the net" as many Local Authorities fighting fraud are currently finding the insider threat and Identity fraud is widespread. This edition will help to ensure vigorous policies and procedures are in place to prevent dishonest employees from gaining employment, due to providing false or fake identity documents, qualifications or elaborating on their previous work history. It is so imperative to prevent deceitful people from entering Local Authority employment before they commence working, as opposed to trying to deal with them after they have gained employment, if they are dishonest at the beginning of the recruitment process, what other fraud could they be prepared to commit once they are inside your Authority?'

Rob Brooker, Chair London Fraud Forum

'This joint initiative between Cifas, the Better Hiring Institute, and Reed Screening is essential in informing local government organisations about the latest best practice in employee screening and hiring. Slipping Through the Net – Better Hiring Toolkit allows Local Government organisations to benchmark their current employee vetting processes and get access to the latest information, thinking and advice, with a focus on the importance of digitisation to hiring and onboarding and the future of digital credentials.'

'The Better Hiring Institute was established to improve standards and employee screening across the UK as well as making hiring faster, fairer and safer.'

Keith Rosser, Director of Reed Screening & Chair of the Better Hiring Institute

'Lewisham Council implemented pre-employment screening over 20 years ago and we have demonstrated its worth time and again by preventing dishonest candidates from gaining employment. During this period the checks have evolved to tackle current risks, continually learning from the latest fraud trends and detected cases. This new edition of Slipping Through the Net will assist organisations in ensuring they recruit only those with the highest standards of integrity and honesty.'

Carol Owen, Anti-Fraud & Corruption Team Manager and Vice Chair FFCL Regional Group

'The London Borough of Lambeth identified 17 candidates in nine months who were being recruited for agency posts but flagged by the Cifas National Fraud Database.'

Michael O'Reilly, Internal Audit and Counter Fraud Manager

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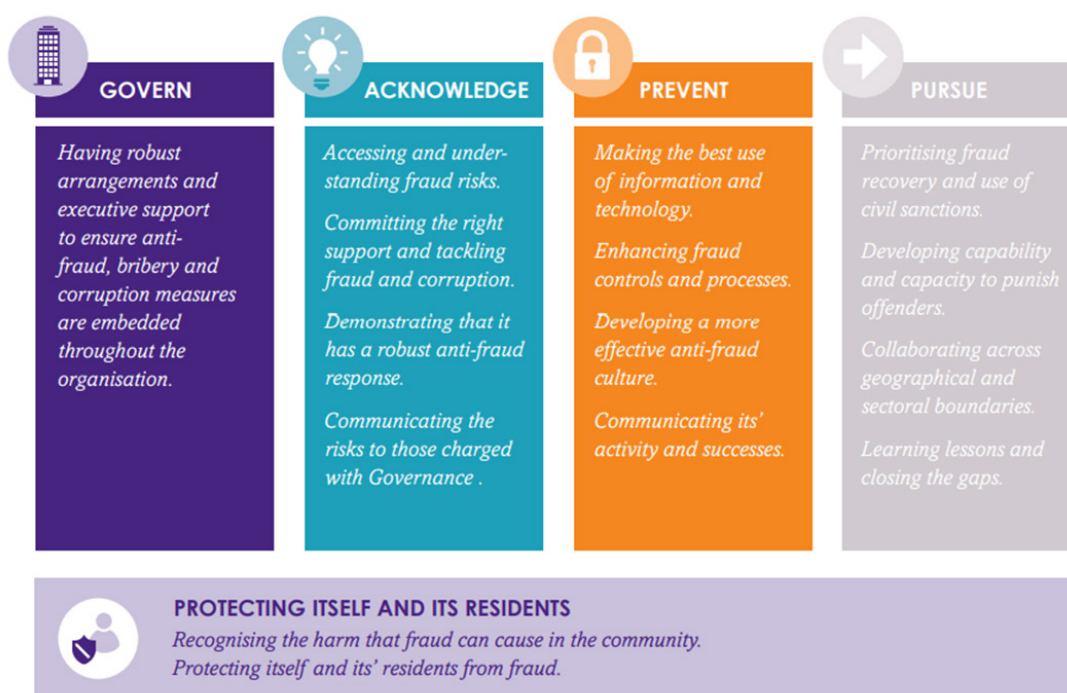
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1. Introduction

This document is an updated version of the guide 'Slipping Through the Net' originally produced by Cifas and the National Fraud Authority as part of the Home Office for the Fighting Fraud and Corruption initiative in 2011. It has been updated by Cifas, Reed Screening and the Better Hiring Institute and aims to give local authorities the tools to prevent employing staff who are not honest about their personal circumstances, achievements, or identities. It also forms part of the Better Hiring Toolkit series.

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 gain assurance about who they are employing.

The Fighting Fraud and Corruption Locally Strategy is supported by the key stakeholders in local government and sets out a framework for addressing fraud within local authorities under five themes of activity. Dealing with potential insider threat fits within these pillars:

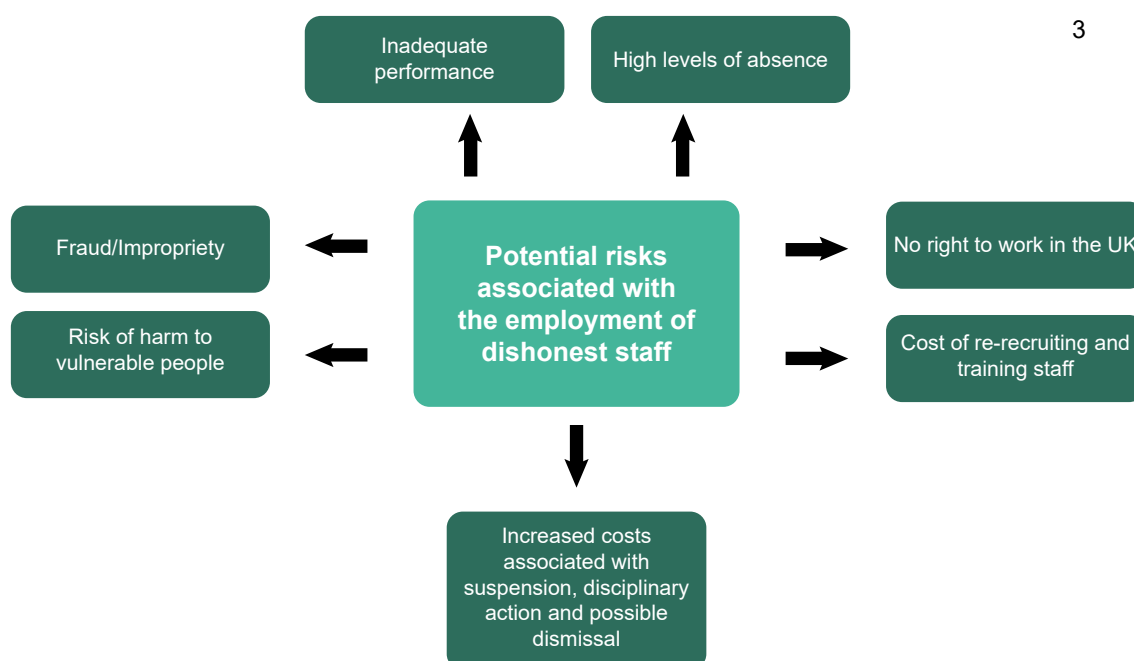


2. The scale of the problem

The FFCL Strategy acknowledges that the scale of the problem of fraud within and against local authorities is undefined and has not been measured for some years. The impact and consequence of fraud and corruption is, however, well documented.

It is accepted that fraud affects the UK across all sectors and causes significant harm. The Office for National Statistics states that one in 16 members of the population is likely to fall victim. The Government's Economic Crime Plan 2019 states that the number of fraud offences rose by 12% during 2018 to 3.6 million – constituting a third of all crimes in the UK. The last, most reliable, and comprehensive set of local authority figures was published by the National Fraud Authority in 2013 and indicates that the fraud threat may have been costing the UK £52bn a year. Within these figures the threat to local authorities totalled £2.1bn. More recent estimates are higher. The Annual Fraud Indicator produced by Crowe Clark Whitehill estimated that this figure may be as high as £7.8bn in 2017, of which procurement fraud was estimated as £4.3bn. This study estimated that the total threat faced by the public sector was £40.4bn".²

Local authorities have a duty to protect the public purse and ensure that every penny of their funding is spent on providing local services. Ensuring that public funds are spent wisely is central to good governance, but ensuring that those who administer these funds are honest and trustworthy is the bedrock to this. Whilst it may be hard to put a price on preventing insider fraud, there are many consequences and costs to not building in proper recruitment checks.



² FFC2020

³ Slipping Through the Net 2011

3. The importance of a robust counter fraud culture

As outlined in the FFCL diagram above, preventing insider fraud is an essential part of having a robust counter-fraud culture. Those charged with governance must ensure that proper measures are in place.

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: Holder 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 reward and benefits, holders of public office should make choices or 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 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.

The Appendix 1 to FFCL2020 ⁴ lays out the responsibilities of senior stakeholders with LAs to ensure a robust counter fraud framework is in place. It names: the CEO, S151 Officer⁵, the Monitoring Officer and the Audit Committee as all needing to seek assurance on the recommendations. As part of the recommendations FFCL 2020 states:

'The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended to prevent potentially dishonest employees from being appointed'⁶

The following sections provide local authorities with some support in putting the framework in place.

'After taking part in a pilot exercise with Cifas and 12 other councils, the London Borough of Lambeth joined Cifas as a full member of the National Fraud Database (NFD) and the Internal Fraud Database (IFD) in September 2020.

'The IFD was always the area of Cifas where we felt local authorities would really benefit, and Lambeth put the IFD to work searching against candidates accepted for employment as part of our vetting process. We now use Cifas for vetting both agency and staff appointments at the Council, with searches taking place after an offer of employment has been made.

'Lambeth has identified seventeen candidates in 9 months who had been accepted for agency posts but who were subsequently flagged by the NFD, having been filed for misuse of facility, provision of false information or retaining a wrongful credit. Of the first five when further checks were carried out, two of the successful candidates were identified as having served lengthy custodial sentences for fraud. 'Cifas is undoubtedly providing invaluable assistance in identifying unsuitable candidates to join the council.'

⁴ FFCL2020

⁵ Under s151 of the Local Government Act 1972 this is the officer with statutory responsibility to ensure public funds are protected – commonly the Finance Director

⁶ FFCL2020

Case study 1

An individual working with organised crime gangs was told to apply for a role with an organisation so that they could obtain confidential information relating to internal processes. That information was passed back to the organised crime group (OCG) so that they could commit fraud by circumnavigating internal controls and checks using the information obtained by their 'insider'.

Case study 2

An employee of an organisation had access to personal information detailing individuals who were in financial difficulty. This information was given to a family member of the employee - who was an illegal loan shark - to get the individuals to take out illegal loans.

Case study 3

A candidate received a custodial prison sentence. In an attempt to conceal the conviction, the individual manipulated their personal details on their application for employment to prevent the offence being identified.

Case study 4

A contingent worker was recruited with a lower level of background checks. It was later identified that they had committed fraudulent conduct at their previous employer, but a reference had not been requested as they had only applied for a week-long contract. On the last day of their contract they stole electronic devices worth £5000.

Case study 5

An employee was submitting their timesheet detailing an additional two hours worked each week. Over an average of 47 weeks in the working year, this would have amounted to 94 hours – equivalent to over 2.5 weeks of additional pay.

Case study 6

Expenses were submitted by an employee which related to personal expenditure for a family member to visit their partner who did not live locally. Records showed that the employee was working from the office on the day that the travel allegedly took place.

Case study 7

Employee divulged sensitive information to a third party which allowed them to be given priority access to emergency housing and benefits when they were not entitled to any of this.

Case study 8

An employee was making unauthorised transfers to her own account, masking them as genuine payments by submitting false invoices. This went unidentified for over three years and totalled £470,000.

Case study 9

Whilst working from home an employee accepted a second full-time role with a different company and was working both jobs at the same time, during the same hours.

4. Recruitment and Supply Chains

It is important that HR and Onboarding Teams are fully involved in the recruitment process and understand the importance of a robust screening policy for all employees - regardless of the role. It is not just new employees who should be vetted, existing employees should be subject to regular ongoing monitoring, such as Cifas checks, right to work, credit and criminal record checks.

As part of your recruitment process, you should ensure that you follow your organisation's policies when recruiting, always keeping in mind equality, diversity and inclusion, consent, modern slavery, counter fraud reporting and GDPR (General Data Protection Regulation).

For peace of mind, there are various options if you choose to outsource your recruitment and pre-employment screening. These can include framework agreements, direct sourcing, or the use of recruitment agencies.

The most common frameworks used by local authorities include MSTAR, YPO and CCS (Crown Commercial Service). These are all national frameworks put in place for the provision of managed temporary agency resourcing services. Their aim is to deliver value for money in a simple and compliant manner, ensuring consistency across the sector.

If you opt for the internal route and source directly, you should ensure that you are adhering to your organisational policies and procedures. For further information, visit the Local Government Association (LGA) website [here](#).

Advice to employers when choosing a recruitment agency

When working with a supplier, it is good practice to assess the service they provide and how they manage their supply chain. To feel confident about your supply chain, ensure you build awareness around compliance as well as compliance within their supply chain. You can do this by carrying out thorough due diligence on suppliers to avoid any risks to your clients and your business.

Not all recruitment agencies are the same. One factor that may differentiate agencies from each other is if they are part of an accreditation scheme and/or registered with a trade body. The main ones are APSCo Compliance+ and the REC.

Agencies that join these trade bodies must follow a certain ethical code and are bound by certain guidelines. Choosing a recruitment company that is a member of a trade body provides one level of assurance as they will have had to go through a sign-up process. For a higher level of assurance, choose a recruitment agency with an external accreditation as this involves ongoing rigorous audits - for example, APSCo developed their Compliance+ standards for this purpose.

[The Association of Professional Staffing Companies \(APSCo\)](#)

[Recruiting & Employment Confederation \(REC\)](#)

[JobsAware](#) aim to support employers using flexible recruitment supply chains, including those companies using job boards, recruitment agencies, gig platforms and other third-party labour supply models. JobsAware wants to help employers ensure their supply chains are sustainable and compliant.

Concerns about agencies and agency workers

It is important that staff being provided to a Local Authority are suitable for the role in which they are fulfilling, and that should any concerns be raised either with the worker or the agency, that relevant action is taken.

Where there are conduct concerns relating to agency workers, the primary responsibility rests with the employer. The employer may be the recruitment agency, or it may be the payment intermediary. It is important that the Local Authority and the agency have robust internal processes in place to manage any allegation. The Local Authority should consider asking the agency to share their safeguarding policy prior to working with them.

If the Local Authority believes that the recruitment agency is not properly managing the safeguarding issue, they should report this to the relevant trade body (APSCo or REC). If the recruitment agency places the worker in another setting whilst the investigation is ongoing, or following the investigation finding the worker guilty, this can be reported to the recruitment regulator.

Reporting agencies

It is recommended by the trade bodies to report a complaint issue to the recruitment agencies first. Ensure you ask the agency for a copy of their complaint procedure, outlining how will they deal with your complaint and detailing the timescale it will be processed in. When making the complaint, ensure to state the individual's name you are making a complaint against, the nature of the complaint, the date the incident occurred, and your desired outcome.

If an agency is a member of any trade bodies, you can make a complaint directly through them.

You can also escalate the complaint to the [Employment Agency Standards Inspectorate \(EAS\)](#) regulator if no action has been taken.

5. Effective pre-employment screening

Conducting checks to assess and assure the trustworthiness, integrity, and ability 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 validating identity, right to work in the UK, qualifications, work history (including the investigation of gaps) and referencing. They may also involve criminal record checks (UK and overseas).

Ensuring your organisation is compliant has never been more important, and the risk of an unqualified hire includes harm to your organisation, bad publicity, fraud and more.

Your organisation has worked hard to build a positive organisational culture, filled with shared values, beliefs, and goals. A bad character hire can disturb the balance and wreak havoc within your teams. By screening your potential employees, you can see a bigger picture of your candidate, making sure they're the right fit for your business, and protect your organisational culture.

Pre-employment screening increases the quality of applicants. Screening acts as a deterrent to those who are unqualified or unsuitable for the role, saving your recruitment team time reviewing inappropriate candidate applications, and increasing the efficiency of your process.

Failure to undertake sufficient pre-employment screening checks could result in reputational damage as well as monetary losses and a loss of trust.

For the best free source of information on digital employee screening visit The Better Hiring Institute website here - www.betterhiringinstitute.co.uk

Ongoing Monitoring

Any check is only valid at the time it is undertaken, and that's the same for pre-employment screening checks too. Therefore, checks should be refreshed on a regular basis, but especially:

- At the end of a probationary period
- Upon acceptance of a new role – what was not important for the recruited role may be important in the new role
- On an annual basis

6. Vetting process

At present, there are no set pre-employment screening check standards for roles within local authorities. However, there are standards that could be adopted which are detailed below.

The HMG Baseline Personnel Security Standard (BPSS) sets out the minimum required standards for all central government agencies to employ.

It is recommended that all staff should be put through this framework. Whilst not mandatory, it provides good practice guidance on pre-employment screening.

The BPSS comprises verification of the following checks:

- Identity
- Nationality & immigration status
- Employment history (covering a 3-year period)
- Criminal record check (where applicable)
- Qualifications (where applicable)

As an alternative, there are additional frameworks adopted by local authorities which mandate the following checks for all roles:

Eligibility to work	Proof of ID, address, NI	Application form	Qualifications (where applicable)
Professional registration (where applicable)	Employment history (5 years with no gaps of more than a month)	Criminal record declaration	Referencing (at least 2 written references, one from most recent employer)
Training (where applicable)	COVID-19 vaccination for those working in adult care homes in England	Police check (where applicable)	Driving documentation (where applicable)

7. Verifying Identity and Right to Work

Establishing the identity and right to work of applicants is essential to protecting your organisation. The direction of travel is towards remote/online solutions, with recent changes to right to work policy and digital identity strategy. This is done either in-house or by using trusted third parties.

Identity Checks

Identity checks must be performed on all applicants - whether they are a UK resident or an overseas candidate seeking for work in the UK. This is to confirm that the applicant is who they claim to be and are not impersonating another individual or forging an identity.

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There are two elements to identity checks. The first is to confirm personal identity such as their name, age, and place of birth. The second is to evidence residential history in terms of their address and current country of residence.

Check the [Proof of identity checklist](#) for what documents can be accepted.

The UK Government has explored digital identity solutions and employers will be able to use digital identity to check identities and right to work from 2022 onwards. The Better Hiring Institute (BHI) is leading digital hiring development for employment with the Department for Digital, Culture, Media, and Sport (DCMS).

Right to Work

You must check if the applicant has the right to work in the UK before they can be employed. By carrying out right to work checks, employers prevent illegal working and avoid civil penalties.

For further guidance visit: [An employer's guide to right to work checks \(publishing.service.gov.uk\)](#) and for a list of what documentation can be accepted, please refer to the Home Office Right to Work checklist [Right to Work Checklist.pdf](#).

Alongside the All-Party Parliamentary Group (APPG) on digital identity, the Better Hiring Institute produced an inquiry at the end of 2020 proposing long-term digital solutions to right to work checking. Employers will be able to use digital identity to check identities and right to work from 2022 onwards.

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 purposes.

8. Criminal Record Checks

Criminal record checks most commonly refer to the statutory function of criminal disclosure performed by three distinct bodies: The Disclosure and Barring Service (DBS) who cover England & Wales, Disclosure Scotland (DS) and Access Northern Ireland (ANI).

Applicants in high-risk roles, regulated environments or have responsibility for sensitive information or vulnerable individuals will typically require a criminal record check of one level or another, varying across distinct roles and regulatory environments.

Each of the three bodies provides the same fundamental service – issuing disclosures of an individual’s criminal convictions, cautions and reprimands – but do so with varying approaches, according to the obligations, processes and conviction filtering schemes laid out by their relevant country’s legislation:

Disclosure and Barring Service (England & Wales)

Offer Basic, Standard and Enhanced levels of disclosure (revealing unspent, spent, and spent + barred list information respectively), but individuals must meet certain eligibility criteria to be entitled to request a check. The DBS has an eligibility tool which will walk you through this determination which can be found here <https://www.gov.uk/find-out-dbs-check>.

Disclosure Scotland (Scotland)

Offer Basic and Standard checks as well as an additional scheme for the Protection of Vulnerable Groups (PVG) which continuously monitors the suitability of individuals to work in regulated settings with vulnerable adults and children. Eligibility guidance for these can be found here <https://www.mygov.scot/disclosure-types>.

Access Northern Ireland (Northern Ireland)

Offer Basic, Standard and Enhanced checks which correspond to the level of information revealed by the same checks conducted by the DBS. You can find more guidance here <https://www.nidirect.gov.uk/articles/types-accessni-checks>.

Each individual body also has its own filtering rules defined by their governing country's legislation on the rehabilitation of offenders. This means that an individual could apply for the same basic level of disclosure in all three countries, and their disclosure could reveal completely different information as the differing rehabilitation periods of a past conviction are applied specific to the location in which they lived and worked at the time. Disclosures from all three bodies can be applied for online either through their own portal or registered umbrella organisations, and turnaround times normally vary between a few days to a couple of weeks.

Employers should have a criminal record check completed prior to the applicant starting. In some instances, workers might start beforehand, however this should be carefully risk assessed and the activities of the employee should be monitored.

It is recommended that organisations have a process in place for when information is identified on the criminal record check. You should ensure that there is a consistent and fair approach to all criminal record information to prevent unfair discrimination against those with criminal records or other information revealed in a disclosure.

Criminal record checks can be conducted by the organisation itself or through an outsourced provider. The Criminal Records Trade Body (CRTB) is a group of UK-based criminal record check professionals. Where outsourcing, it is advisable to consider using a CRTB member because of the role they play in industry. The CRTB cover almost half of all police checks processed in the UK. The role of the CRTB is to:

- Promote safeguarding
- Develop strong relationships with DBS, DS, and Access Northern Ireland
- To input into policy development
- To provide feedback on potential changes

The CRTB has several goals, including to encourage the adoption of enhanced identity verification processes, to support candidates in understanding eligibility of checks, and highlight the work of JobsAware in preventing employment screening scams.

For further information visit

[Criminal Records Trade Body \(CRTB\) - Professional Background Screening Association \(thepbsa.org\)](https://www.thepbsa.org)

[DBS checks: guidance for employers - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

[Check someone's criminal record as an employer - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

[DBS Update Service: employer guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

[Guidance overview: Guidance on the Rehabilitation of Offenders Act 1974 and the Exceptions Order 1975 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

9. Referencing

References are a fundamental part of verifying your candidate's previous work experience, skills, and integrity (amongst other things). This guidance addresses common questions relating to seeking and obtaining references.

When to seek reference/evidence of conduct?

This can vary from employer to employer. Employers may ask for references either before the interview, post-interview (but before making the offer) or after the offer is made. Ideally, references should be requested at the earliest opportunity otherwise they could delay the vetting process.

Best practice would be to request employment references where possible from a Head Office address or similar, rather than contacting named individuals who may supply an incorrect reference. If there are concerns around the reference or information that needs clarifying, the previous employer should be contacted to understand the full picture.

How to seek a reference?

Before proceeding with the reference checking process, you must verify if the candidate's information is legitimate and correct – that the company exists, the referee is employed by the company in the position stated, and that all phone numbers and email addresses and provided have been proven to be bonafide. Once the candidate has given consent to contact a referee for reference, you should also contact a formal department such as referencing team or HR - if the company has one.

When receiving the reference, it is important to cross-check the candidate's initial details to verify the reference.

How many references should be requested?

This can vary by organisations and depends on the risk factor of the roles that are being recruited for. A minimum of two references covering a two-year period could be a standard approach. It is advisable to ensure these references are received in writing (ideally via a business email account). If verbal references are sought, then they should be verified via email following the discussion to ensure the legitimacy.

What to do when it has proved impossible to gather a reference?

There may be several genuine reasons why a candidate cannot provide you with a referee from a previous employer. This may be because they have no previous employment, they have not worked for some considerable time, or their previous employer has ceased trading. Businesses that no longer trade can be verified by the Companies House website which can be found here - www.gov.uk/government/organisations/companies-house. It is recommended you seek a reference from their last known employer or source personal references from someone of professional standing that can comment on their character.

Should a company suggest that they cannot provide a reference, you should contact them and encourage them to discuss the issue verbally and ask to provide a follow-up written reference. Moreover, should a company refuse to provide a reference, then it is deemed good practice to use bank statements, payslips, or HMRC documentation to confirm the period of employment.

Gaps in employment history

It is best practice to request that any gaps of three months in employment history are fully explained. It is essential that the candidate provides sufficient evidence to determine what they have been doing during that period. A personal reference should be sought from a person of professional standing who knew the candidate during the period in question. If a candidate states they have been travelling during this time, then employers can ask to see their passport for any stamps they have obtained while travelling. If a candidate has a period of unemployment where they have been receiving state benefits, you can seek a Job Centre summary letter or another government source to confirm this.

Dealing with discrepancies

From time to time, the information provided in a reference may contradict the information provided on the application by the candidate. In this case, employers must proceed sensitively and seek a reasonable explanation from the candidate first.

Reference discrepancies include the start and end dates of employment, salary, the reason for leaving, duties and job titles. Commonly, candidates tend to make date errors, and in this case it is always best practice to confirm with the candidate the reason for that error.

If the candidate is adamant that the information they have provided is correct, you should contact the referee to confirm.

Obtaining references for training and/or qualifications

Verifying training and qualifications can be difficult - particularly certificates from private providers. Training requirements will vary depending on the role, although once the specific qualifications and requirements are established, it is easier to identify what is needed. For private providers, it is best practice to contact the training provider to ensure the certification is valid. Moreover, it

is critical to ensure that training is up to date where relevant and certification provides an outline with the training content. It is important to obtain original certificates and check the validity with a training provider.

Self-employment references

For periods of self-employment, evidence is required to confirm their self-employment status. This can be done by searching the business on the Companies House website, ensuring the email address is genuine and belongs to the business. The candidate is required to produce information from their accountants or HMRC to prove self-employment. If they cannot provide this information, you can ask for tax returns to confirm their self-employment status.

Overseas references

Candidates are asked to provide a reasonable account of any significant periods spent overseas. This should be where individuals have spent a continuous period of six months or more overseas. It is good practice to check the company website to ensure it appears a credible business. Candidates must provide detail of name, official email address and how to best contact the company. The reference should be sent electronically, and if the reference is different to English language, it will need to be translated by an official translation service.

Umbrella contractors

An umbrella company employs candidates and pays these candidates net salaries after deducting National Insurance contributions and Income Tax on a PAYE basis. If an individual has worked for an agency or umbrella company, references should be obtained from the umbrella company. Some umbrella companies may manage candidates' non-billable expenses, for example by helping the candidate to claim back tax paid on expenses at the end of the year. The umbrella company enters contracts with recruitment agencies and manages all administration aspects for its candidates, as well as acts as an employer to agency contractors.

If the candidate was supplied through a recruitment agency, it is the agency's responsibility to conduct the pre-employment checks before placing the candidate on umbrella companies' payroll. Umbrella companies would need to obtain candidate references for their own records once the candidate is on their payroll.

Viability of References Model

Volume

Currently there are challenges in industry regarding how many references are required and how far they should go back, often meaning there is little standardisation across industry - even within the same sector. Even in local authorities this can be a challenge for recruitment agencies who have got regulatory requirements, client requirements, their own standards and best practice, as well as other sector standards to meet.

This results in confusion, complexity, and lack of consistent approach for employers.

Looking at a high level of data over the last year, Reed applied for **101,969** references and received **62,092** of those back - which is a **61%** return rate. This highlights the challenge within industry to not just obtain references but to also to provide them.

Validity

There are number of reasons why a reference may not be acceptable. This includes being provided by an inappropriate referee, information not completed on the reference, or the reference stating the person is unsuitable. This is estimated to be as high as **10%** of references received.

Veracity

This assesses whether or not the referee agrees with the information submitted by the candidate such as place of work, position, and dates of employment. Of the **62,092** references received, **19,399** were found to have discrepancies against information provided by the candidate, which equates to **31%**.

Value

Referees often provide just employment dates rather than any qualitative or conduct information. **81%** of references received contained dates only, this is inclusive of all sectors.

Verification

In most sectors it is required to verify that a reference is real and genuine and has come from legitimate sources. **65%** of referee information provided by candidates were not the correct details.

The data also shows that **13,462 (22%)** references have had to be verified using other sources as a result of the relevant information not being provided.

10. Qualifications

A candidate's educational achievements are a key benchmark for their suitability, and frequently influence a final recruitment decision. However, with diploma mills and forgery rife - particularly within professional sectors (with fake degree certificates costing as little as £50) - education checks are even more critical to an effective screening process than most realise.

You should check qualifications specifically when it is essential to the role. When checking, you must obtain a copy of the original certificate(s) to check the validity (sometimes this can just be obvious on first glance). If it is not in English, then you should consider asking for it to be translated by an official translator.

It is no longer considered best practice to simply see the certificate and establish that the awarding body is legitimate. It is recommended that you verify the individual's enrolment, attendance and attained grades directly with the awarding body, whether through an integration to their database or traditional correspondence.

There are many organisations in the market who either do not check applicable qualifications at all, or simply accept a certificate provided by the candidate without any secondary verification.

Diploma mills see a high proportion of their trade for qualifications which might be relevant to a role, but which are not classified as 'professional' as these typically go hand in hand with professional registration/memberships, which can be separately verified. In the screening process, such qualifications should be viewed as a greater potential fraud vector than Professional Qualifications, instead of the afterthought they commonly are today.

It is recommended that for candidates who are required to be registered with a professional body in order to practice, that an online check be carried out to verify their registration and to check that no restrictions have been placed upon them. Examples of this could include qualified social workers who must be registered with Social Work England, or chartered accountants who must be registered with ACCA.

Where relevant, university qualifications can be verified by HEDD

11. Media screening

Media Screening typically falls into two categories – adverse media and social media.

Adverse Media

There are numerous and varied risks presented by working with businesses or individuals who have a negative media profile, and employing such a person only magnifies those risks. Being able to identify involvement in organised crime, drug trafficking, fraud, financial coercion, money laundering and terrorism before an individual has entered your business is a significant safeguard from the reputational, legal, and commercial jeopardy an organisation might face - particularly in high regulatory environments.

Whilst typically the focus is on sources in the traditional news media such as newspapers (online & print) and broadcast news (radio & TV), new media sources such as web content, blogs and unstructured data sources like forums, chat rooms and social media feeds are just as critical data points.

Such checks can be of value in identifying past conduct of an individual which may be an indicator of their unsuitability for the role or represent a risk to the business (reputational, commercial or fraud) which did not or has not yet led to a conviction, caution, reprimand or inclusion on any sanctions, enforcement, or fraud lists.

Social Media

Social media screening provides insight into an individual's character that is difficult to obtain from other sources. What an individual posts online can provide valuable insight into their character.

Social media screening is not suitable for all roles, and employers should always balance the privacy of their current and prospective employees against the risk to the business. As such, it may be considered particularly important if the role an individual has applied for or currently holds involves 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 (2018) also safeguard the use of any information that an employer finds from these or other sources.

Social media checks such as social media screening may also be carried out 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 or inducement to commit fraud because of their internet activities or presence.
- is using the internet to bully or harass other members of staff.

Social 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.

12. Interviews

Processes can vary between each Local Authority, though the key functions tend to be:

- Recruitment / On-Boarding and Screening
- Hiring Manager
- Counter Fraud / Investigation

All companies want to ensure that they hire the candidate which is the best fit for their business. The application process can say a lot about the integrity of an individual and on occasion there may be discrepancies identified as part of the pre-employment screening process which need to be discussed with the candidate. The recruitment team are unlikely to interview a candidate where a discrepancy is identified during the on-boarding and screening process. They are likely to refer most discrepancies to the Hiring Manager, or to Counter Fraud where fraud or related is suspected.

If an interview is required, it could take on various forms depending on who is

conducting it - in most cases it will not be required. The process of interviewing a candidate does not quite fit within a policy so the legal basis for conducting interviews would generally be because of a fraud related matter. So, if it is deemed necessary to investigate discrepancies further, an interview may be considered the best course of action.

The interview should be planned in advance and in accordance with internal policies and processes. Consideration should be given to:

- Giving the candidate an opportunity to explain the discrepancy.
- What could the candidate respond to the discrepancies with?
Consideration should be given to possible scenarios before the interview and thought given as to the next steps after each of the scenarios.
- Does the discrepancy affect the willingness to continue with the hire?
This should be considered prior to any type of interview, or after obtaining an explanation from the candidate.
- Can the candidate verify gaps in employment and/or education history?
Where there is a gap in employment, has a criminal record check been undertaken?
- Has the candidate submitted a false employment application and should consideration be given to additional action such as filing to the Cifas Internal Fraud Database and reporting to law enforcement?
- Is the candidate taking a significant drop in grade or salary?
- Asking specific questions about previous role(s) and seeking additional clarification where you feel the candidate is being dishonest.
 - o Asking unsuspecting questions and assessing the reaction of the candidate can provide you with an insight as to whether they are being honest. If the candidate has falsified their application, they are more likely to remember the details if asked in chronological order, so instead ask about employments in a different order.
 - o Checking references and contact details – are these genuine and provided by the correct person(s).
 - o Checking certificates and related supporting documentation – are these genuine and do they require further checks to corroborate.
 - o Checking ID and contact information – cross reference against Cifas EIFD (Enhanced Internal Fraud Database), existing Local Authority investigation records and/or ID scanners where applicable.

TIPS

Prevention is better than cure. It is far easier to know who you are dealing with before you recruit, and during your employees' tenure.

Use a risk-based approach. Recognise that screening is a 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.

Ensure supply chain checks are carried out and documented.

Identity is the most important check. Failure to check someone's identity renders any further checks based on uncorroborated identity worthless. Use the proof of identity checklist.

Use several sources to ensure reliability. Do not rely on only one check. Reliability is significantly improved by checking several factors.

Make use of services such as Cifas to check previous history.

Know the source of any reference. Do not rely on employment, professional, academic references from uncorroborated individuals or organisations.

Check the authenticity of official documents and numbers. Do not rely on a document or number, such as a National Insurance number, without checking its authenticity with the source.

Glossary Links

Local Government Association (LGA) website [here](#).

APSCo [Compliance+](#)

[Enhanced Internal Fraud Database | Protect Your Organisation | Cifas](#)

[The Association of Professional Staffing Companies \(APSCo\)](#)

[Recruiting & Employment Confederation \(REC\)](#)

[JobsAware](#)

the [Employment Agency Standards Inspectorate \(EAS\)](#)

- www.betterhiringinstitute.co.uk

[HMG Baseline Personnel Security Standard \(BPSS\)](#)

[Proof of identity checklist](#)

[An employer's guide to right to work checks \(publishing.service.gov.uk\) Right to Work Checklist.pdf.](#)

[Coronavirus \(COVID-19\): right to work checks - GOV.UK \(www.gov.uk\)](#)

<https://www.gov.uk/find-out-dbs-check>

<https://www.mygov.scot/disclosure-types>

<https://www.nidirect.gov.uk/articles/types-accessni-checks>

[Criminal Records Trade Body \(CRTB\) - Professional Background Screening Association \(thepbsa.org\)](#)

[Check someone's criminal record as an employer - GOV.UK \(www.gov.uk\)](#)

[DBS Update Service: employer guide - GOV.UK \(www.gov.uk\)](#)

[Guidance overview: Guidance on the Rehabilitation of Offenders Act 1974 and the Exceptions Order 1975 - GOV.UK \(www.gov.uk\)](#)

[Where relevant, university qualifications can be verified by HEDD](#)

About us

[About the BHI](#)

The Better Hiring Institute is a not-for-profit social enterprise set up between UK government and industry to drive the development of a modern, agile UK labour market. Working closely with all the major UK industries, The Better Hiring Institute is driving standardisation, modernisation, best practice, and digital innovation to reduce hiring times, enable portability, and improve safeguarding. Cross-industry themes include digital right to work checks, digital identity, digital hiring, standardised referencing, open banking, and education credentialing. The Better Hiring Institute is already working with many of the UK's largest, household names.

[About Cifas](#)

Cifas is the UK's fraud prevention service, leading the fight against fraud by sharing data, intelligence and learning. With over 30 years of experience in fraud prevention and financial crime, Cifas works with a range of UK businesses, charities, and the public bodies to help them protect themselves, their customers and the public, delivering trusted data of unparalleled depth and diversity, and hosting the largest databases of fraud risk in the UK.

[About Reed Screening](#)

Reed Screening are the fastest growing screening provider working 24/7, onshore in the UK, and have been leading specialists in pre-employment screening for over ten years. Their mission is to be at the forefront of industry changes and regulations and so are delighted to work with government bodies and industry leaders to consistently complete checks to the highest standard. With strong experience in providing employment screening services for both regulatory and non-regulatory roles for clients, Reed Screening supports over 2000 clients with employment screening solutions - including UK based FTSE 100 companies with international requirements.

Acknowledgements page

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Fighting Fraud and Corruption Locally