

REDACTED



**REDACTED INTERNAL AUDIT REPORT
PRE-EMPLOYMENT CHECKS**

CEX/02/2023

13 OCTOBER 2023

Auditor	Principal Auditor Auditor
Reviewer	Head of Audit and Assurance

Distribution list and Job title
Director of Human Resources and Customer Services
Head of HR Business, Systems and Reward
HR Business Services and Reward Manager

Executive Summary

Audit Objective	The objective of this audit was to review the adequacy of pre-employment checks in design to mitigate recruitment risks including fraud and safeguarding, and the application of these in practice.
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Assurance Level		Findings by Priority Rating		
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.	Priority 1	Priority 2	Priority 3
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Key Findings
<p>We identified areas of good practice and sound controls as set out below:</p> <ol style="list-style-type: none"> 1. Training and guidance has been given to officers within HR to ensure that they are aware of how to carry out pre-employment checks effectively. This consists of written guidance and Powerpoint presentations on key aspects of pre-employment checks to ensure that any new legislation, regulations and specific checks required are communicated to HR officers. 2. The Council's Pre-employment Screening Policy and training Powerpoint presentations include reference to the relevant legislation such as 'Right to live and work in the UK' and BPSS checks. HR identify changes to legislation and give presentations to HR officers to make them aware of them. 3. The design of controls in place for pre-employment checks is appropriate, covering employment history, references, medical clearance, DBS, vetting and qualification checks. We noted that all of the employees in our sample had a medical questionnaire completed satisfactorily and the relevant level of DBS check where required and copies of their passport on file. Where any concerns had been identified through completing the medical questionnaire the relevant manager had been informed and the outcome was accepted by them. 4. Individual roles are risk assessed using the government's on-line assessment tool to determine the level of DBS check to be undertaken. <p>We have identified the following areas for management attention:</p> <ol style="list-style-type: none"> 5. Policies and procedures (Priority 2) – Due to the introduction of a new HR system in April 2023, and from our sample testing of pre-employment checks carried out as part of this audit, the HR Business Service Manual and the Council's Pre-employment Screening Policy do not reflect current working practices in HR and there are gaps in information in the Pre-employment Screening Policy. See Recommendation 1. 6. Pre-employment checks carried out (Priority 2) – We have provided separately to the Head of HR Business, Systems and Reward and the HR Business Services and Reward Manager details of those pre-employment checks which we could not see completed satisfactorily for each of our sample of employees tested. A summary of the issues identified is included in the finding at recommendation 2. See Recommendation 2.

7. **Quality Assurance** (Priority 2). There is a monthly 'Audit spot checks' procedure, as described in paragraph 20 of the London Borough of Bromley Pre-employment Screening Policy, but we were unable to evidence when this was last carried out. **See Recommendation 3.**
8. **Risk Assessment** (Priority 2) The Council's Pre-employment Screening Policy sets out screening levels under a definition of 'High risk (Qualified/safeguarding roles)' and 'Low risk' (Corporate roles)'. These definitions are not fully clear which roles are included in each level and also do not take into consideration risk factors other than safeguarding for specific employment roles and responsibilities, such as those with financial control and those with access to sensitive, financial or commercially sensitive information. **See Recommendation 4.**
9. **Recruitment fraud and unsuitability mitigation checks** (Priority 3). Best practice pre-employment checks to mitigate recruitment fraud were recommended by CIFAS in their 2022 publication 'Slipping through the net'. The gov.uk website also has an 'Employers' right to work checklist' for organisations to check prospective employees. We compared the checks set out in these publications against the design of the Council's controls currently in place and have suggested where the Council's control framework could be strengthened. **See Recommendation 5.**

Management has agreed actions for all findings raised in this report. **Please see Appendix A.**

*Definitions of our assurance opinions and priority ratings are in **Appendix B**. The scope of our audit is set out in **Appendix C**.*

Appendix A - Management Action Plan

1. Policies and Procedures

Finding

The Council's Pre-employment Screening Policy and training presentations given to team members in HR include reference to the relevant legislation such as 'Right to live and work in the UK' and Baseline Personnel Security Standard (BPSS) checks. Our review of the Pre-employment Screening Policy identified that:

- It does not have a nominated owner, date approved or future review date.
- The training presentations for staff contain additional checks not included in the Pre-employment Screening Policy e.g on slide 11 'Obtain a name document where the passport is in a different name to other documents/references'.
- It does not include the detail provided in the gov.uk website guidance 'Employers' right to work checklist' which states 'Reasons for difference in names across documents can be explained by providing evidence e.g. original marriage certificate or divorce decree nisi which should also be photocopied and a copy retained'. It also says 'any passport page containing information indicating that the holder has an entitlement to enter or remain in the UK should be copied and retained'.
- It mentions that 'a DBS should not be initiated until a completed Rehab form has been completed' but does not specify how a Rehabilitation of Offenders check should be carried out.
- It does not contain any guidance about driving documentation checks if the employee is designated as an essential car user and using their vehicle for work purposes.
- Section 18 refers to BPSS checks for roles which require access to the government's 'Tell us once' system. There is no guidance however about what these roles are or how to identify them.
- Sections 4 and 5 state that a comparison check should be done between the information declared on the CV and the information the applicant has declared on the application form. However the HR Business Services and Reward Manager told us that 'there is no requirement to send a cv if they have completed an application form.'

We also noted that the HR Business Service Manual includes references to Directors and officers who no longer work at the Council and the previous HR system, which is no longer used. The manual also does not include the 'Disqualification in Childcare Act 2006' check requirement. It also says 'Please refer to the screening policy guide for reference requirements. ADD HYPER LINK ONCE SIGNED OFF', indicating that the document is still a draft version.

Risk

Without regularly reviewed and updated policies, procedures and instructions, which are readily available to those who need them, officers may not fully understand their responsibilities. This may result in errors or gaps in control and a lack of consistency in pre-employment checks carried out.

Recommendation

Review, revise and update the various guidance and procedures including the Pre-employment screening policy, HR Services Manual and Powerpoint presentations to officers, ensuring that they are consistent in content and application of information, and that the policy and manual have a nominated owner, date approved and future review date.

Rating

Priority 2

Management Response and Accountable Manager

Agreed.

HR Business Services and Reward Manager

Agreed timescale

31st December 2023

2. Pre-employment checks carried out.

Finding

We selected a random sample of 15 employees who started employment between the period 1 October 2022 – 31 May 2023 and reviewed documentation to confirm that required pre-employment checks had been carried out. Our audit testing identified the following issues:

1. For eight cases, although there was a copy of the passport on file, there was no written confirmation that the original had also been seen. HR have, however, advised us that the originals were seen, and the stamp used on these followed the wording expected by the Home Office.
2. For one case there was no record kept of who in HR carried out the face to face RTLW video call check.
3. For one case there were overlapping employment dates for a previous employment period but no explanation for this was recorded on file.
4. For two cases there was no evidence of the car insurance certificate for business purposes and DVLA driver's summary on IDOX.
5. For seven out of nine cases in our sample where the post required a professional qualification, a copy of the professional qualification certificate, instead of the original, had been provided by the prospective employee. The HR Business Services and Reward Manager told us that the HR officer relies on the documents provided by email and does not always see the original professional qualification certificate. The Pre-Employment Screening Policy states however that 'If a professional qualification is deemed essential for the role you should ask to see the original certificate.'

Risk

Risk of ID fraud and/or other criminal activity or serious incidents by staff engaged. Risk of engaging employees who do not have the required competencies, skills or qualifications.

Recommendation

Where there is a lack of clarity about what should be checked, or the wording of the declaration of identify checks, notify HR officers and include it in the Pre-employment Screening Policy and documented guidance and training.

Please also refer to Recommendation 3 – Quality Assurance.

Rating

Priority 2

Management Response and Accountable Manager

Agreed. In relation to the right to work "Original seen" aspect of this recommendation, although this is not a Home Office requirement, we will implement this as it is an audit requirement for best practice. We will also be implementing the recording of the 'Right to work' impostor checks, as although there is no explicit requirement and guidance on this from the Home Office, we feel it would provide assurance.

Agreed timescale

1st February 2024

HR Business Services and Reward Manager	
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3. Quality Assurance

Finding

There is a monthly ‘Audit spot checks’ procedure, as described in paragraph 20 of the London Borough of Bromley Pre-employment Screening Policy, but we were unable to evidence when this was last carried out.

This is a useful management check to confirm that procedures and processes have been followed and identify any issues of non-compliance which may need further investigation. It also enables the reviewer to check that there is consistency across the team in documenting checks and obtaining evidence required, feeding as necessary into future training requirements and guidance for applying best practice.

Risk

The Council engages an employee who does not have the required skills or qualifications or may commit ID fraud or other criminal activity. Prosecution, fines and sanctions may be applied against the Council for failing to comply with employment legislation.

<p><u>Recommendation</u></p> <p>Re-introduce the monthly ‘Audit spot checks’ procedure, taking into account the areas of our pre-employment check audit testing where we identified issues of non-compliance or inconsistency in individual checks carried out.</p>	<p><u>Rating</u></p> <p style="text-align: center;">Priority 2</p>
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<p><u>Management Response and Accountable Manager</u></p> <p>Agreed.</p> <p>HR Business Services and Reward Manager Head of HR Business, Systems and Reward</p>	<p><u>Agreed timescale</u></p> <p>1st November 2023</p>
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4. Assessment of high and low risk roles.

Finding

The Council's Pre-employment Screening Policy sets out screening levels under a definition of 'High risk (Qualified/safeguarding roles)' and 'Low risk (Corporate roles)'. This definition is not sufficiently specific regarding which roles should be included in each. Further, it seems to consider 'risk' through a safeguarding lens only and does not take into account wider risk factors for specific employment roles and responsibilities such as those which may be more vulnerable to fraud or those with access to sensitive, financial or commercially sensitive information.

As referred to in 'Finding 1', Section 18 of the Policy refers to the Baseline Personnel Security Standard (BPSS) checks for roles which require access to the government's 'Tell us once' system. BPSS is the recognised standard for the pre-employment screening of individuals with access to government assets. There is no guidance however about what these roles are within the Council or how to identify them.

Risk

The Council engages an employee who may commit ID fraud or other criminal activity. Prosecution, fines and sanctions may be applied against the Council for failing to comply with employment legislation.

Recommendation

Review the criteria for assessing pre-employment screening levels for high and low risk roles, including the definition of 'high risk' and 'low risk' roles. Take into consideration other risk factors such as fraud, access to sensitive, financial or commercially confidential information and set out what pre-employment screening checks should be carried out for roles with specific risk characteristics.

Rating

Priority 2

Management Response and Accountable Manager

Agreed.

HR Business Services and Reward Manager

Agreed timescale

31st December 2023

5. Recruitment fraud and unsuitability mitigation checks

Finding

We carried out a reasonableness review by comparing the adequacy of the Council's current range of pre-employment checks to mitigate recruitment fraud to the 'best practice' pre-employment checks recommended by Cifas in their 2022 publication 'Slipping through the net'. The gov.uk website also has an 'Employers' right to work checklist' for organisations to check prospective employees and we compared the Council's 'right to live and work' checks against that checklist.

Our review showed that overall, the Council's controls are adequate in design to mitigate the risk of recruitment fraud but there are several areas where the design of those checks could be enhanced to strengthen the control framework. These are set out below.

1. Qualifications. In the 2022 Cifas publication 'Slipping through the net' it says '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.' *Audit note: The following website explains more about this area and the risks involved.* <https://www.eurocomci.co.uk/blog/how-to-avoid-diploma-mill-qualifications/>
2. Identity fraud/residential history. The Council's Pre-employment Screening Policy does not specifically refer to identity checks. The 'Right to live and work in the UK' check would confirm the personal identity e.g. their name, age and date of birth. The gov.uk website has a 'Proof of identity' checklist for individuals (for companies and other legal structures) www.gov.uk/government/publications/proof-of-identity-checklist/proof-of-identity-checklist It consists of documents which can be used to prove identity and states 'You cannot use one form of identification for both name and address'. It then lists 'Proof of name' documents in one column and 'Proof of address' documents in the second column.

The 'Slipping through the net' 2022 update provides guidance on residential history checks (which are not currently included in the Council's Pre-employment Screening Policy). It says in section 7, '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.'

3. Right to live and work in the UK. The gov.uk website has an 'Employers' right to work checklist' for organisations to check prospective employees. The website has '3 basic steps to conducting a right to work check using an IDSP' and '3 basic steps to conducting an online right to work check'. The HR Pre-employment Screening Policy and the acceptable documents set out in the Council's 'Right to live and work guidance' mirror the gov.uk checklist. The gov.uk checklist however contains additional guidance such as 'Reasons for difference in names across documents can be explained by providing evidence e.g. original marriage certificate or divorce decree nisi which should also be photocopied and a copy retained' and 'any passport page

containing information indicating that the holder has an entitlement to enter or remain in the UK should be copied and retained'.

<https://www.gov.uk/government/publications/right-to-work-checklist/employers-right-to-work-checklist-accessible-version>

4. Unsuitability for the role. There are questions in the reference template which is sent to referees asking about the applicant's honesty and integrity, any legal proceedings, police investigations or disciplinary action and anything else about the applicant that would help the Council make an employment decision in relation to the post applied for. No media specific checks are carried out by the Council, however and referees may choose not to answer these questions or, frequently, to submit their own standard reference. The Cifas guidance in 'Slipping through the net' 2022 suggests that media screening - adverse media and social media (a negative media profile identifying past conduct or social media screening to identify a reputational risk to the Council) could be considered for those roles in an organisation with access to sensitive areas or sensitive material, or roles with a specific type of responsibility or considered high profile.

Risk

The Council may not identify someone who is dishonest, leading to the risk of ID fraud and/or other criminal activity or serious incidents and significant reputational damage.

Recommendation

Enhance the Council's Pre-employment Screening Policy by including the above suggested best practice checks and procedures quoted from the Cifas 2022 publication 'Slipping through the net' and the 'Proof of identity' checklist and the 'Employers' right to work' checklist from the gov.uk website.

Rating

Priority 3

Management Response and Accountable Manager

Agreed.

HR Business Services and Reward Manager

Agreed timescale

1st March 2024

Appendix B - Assurance and Priority Ratings

Assurance Levels

Assurance Level	Definition
Substantial Assurance	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
Limited Assurance	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
No Assurance	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

Action Priority Ratings

Risk rating	Definition
Priority 1	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
Priority 2	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.
Priority 3	A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls.

Appendix C – Audit Scope

Audit Scope

Our scope included the following:

- Governance, including organisational management, and the clarity of roles and responsibilities,
- Reviewing policies, procedures and arrangements for carrying out pre-employment checks,
- Reviewing the design of controls in place for pre-employment checks, to ensure that these are robust, appropriate, and effective in practice. This will include a review of how individual roles are risk assessed to determine the level of checks undertaken,
- Controls reviewed will encompass employment history, references, medical clearance, DBS, vetting and qualification checks,
- Training and guidance which has been given to staff within HR and operational managers to ensure that they are aware of how to carry out pre-employment checks effectively,
- Ensuring that any queries or concerns arising from pre-employment checks are identified, followed up and escalated to management promptly.

Our audit included interviews with key officers, i.e. the Head of HR Business, Systems and Reward and the HR Business Services and Reward Manager.

We reviewed relevant documentation, procedures and processes and carried out testing of a sample of staff recruited to confirm that the required pre-employment checks had been conducted. Our testing covered staff who had commenced employment with the Council between 1 December 2022 and 31 May 2023.