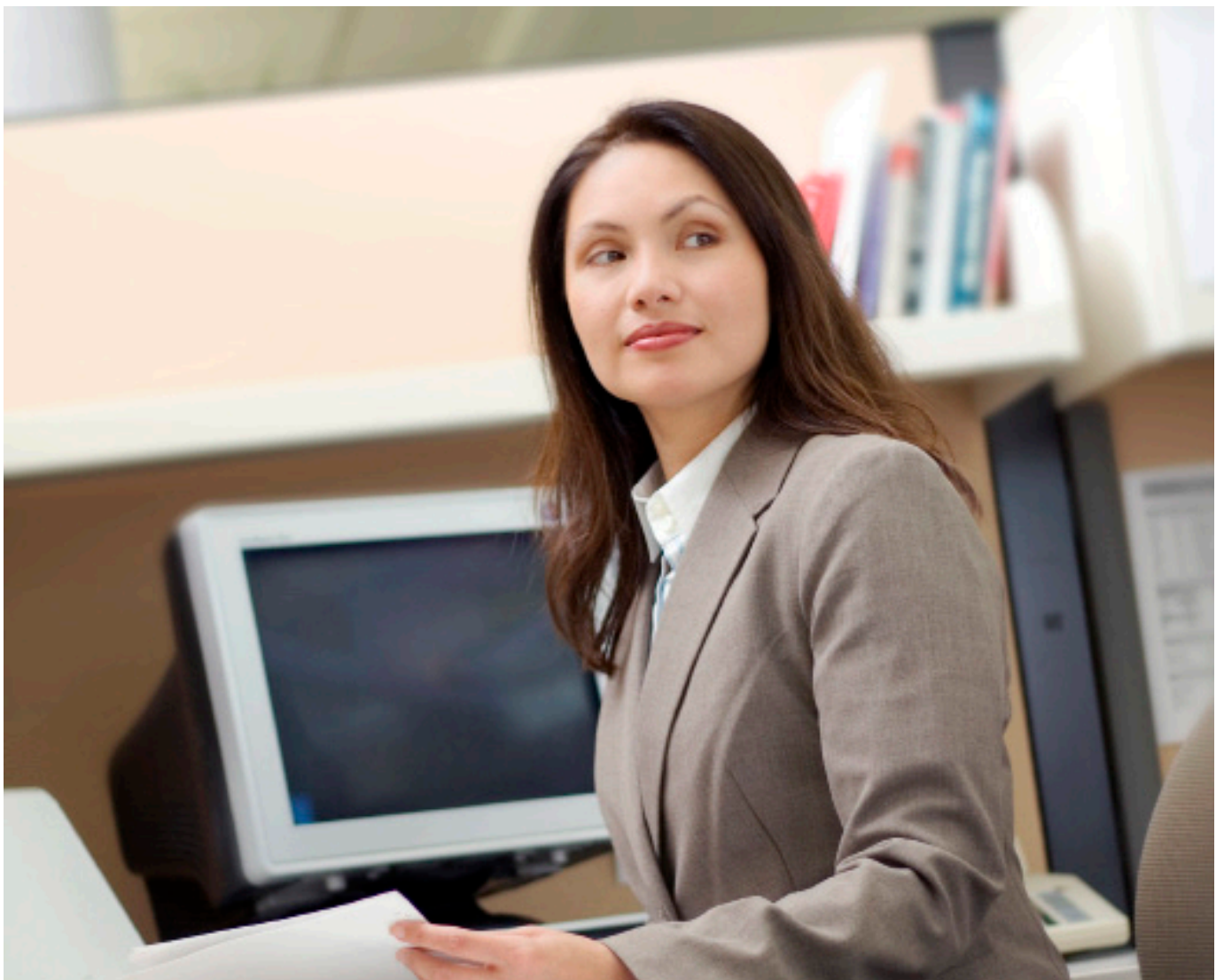


The do's and don'ts of background checking



A robust employee screening policy ensures that an organisation both complies with legislation and takes a rounded, balanced and accurate view of a candidate's background. Experian offers the following advice to help organisations get the most from background checking.

Do's

Do verify a candidate's identity

Proper identity authentication is key to the employee screening process. Verifying that a candidate is who they say they are should always be the starting point. Many background checks are rendered ineffective if a candidate's basic details are incorrect. A candidate may attempt to hide criminal records or other adverse information by omitting addresses or using false ones. Furthermore, if a candidate is new to the country, a thorough background check needs to examine their record in previous countries of residence. By drawing on a wide range of data sources about a potential candidate, recruiters and employers have known facts on which to base a final decision.

Do get the candidate's consent

Background checks are designed to protect the employee as much as the business, so it's essential to gain their permission at the outset in order to meet data protection obligations. According to the CIPD, it costs, on average, between £4,500 to £8,000 to recruit a new employee. At this cost, it is far better for a company to be sure that a candidate is suitable before they hire them, and to ensure the relationship between the company and candidate is properly managed from the beginning.

Do get the facts on their figures

Employee vetting is not just about checking qualification, references and criminal records – it also pays to look closely into an individual's true financial standing. Financial checks can highlight any red flags, such as bankruptcies or other evidence of financial stress, which may provide valuable warning signs into a candidate's character and suitability. As well as providing valuable

information on a person's background, it can also highlight external factors that might affect their work and that of those around them. An individual's performance can have a knock-on effect on the rest of a workforce, so employers should be aware of the impact that financial pressures may have on potential staff. In the most extreme cases, financial pressure may make an employee more vulnerable to coercion or open to insider fraud as a way of improving their situation.

Do check their qualifications

Using a third party to validate a candidate's qualifications can ensure that industry and legal requirements are met. The Corporate Manslaughter Act means that organisations now have to provide evidence that they have carried out the proper health and safety checks on their staff. So, for example, if a lorry driver is convicted of causing accidental death without a valid business driving licence, the company that employed him will face prosecution. Employers need to thoroughly check that the people they recruit have the relevant certification before they take them on – and be able to provide adequate proof that they took the correct steps years down the line.

Do use criminal record checks as part of your overall assessment

The response depends on the severity of the offence. In some cases, a criminal conviction may be highlighted for a relatively minor offence, such as a speeding penalty. In this situation, the employer can make a judgment call. More serious convictions, however, may bring the integrity of the candidate into question or have an impact on the role they have applied for. In these cases, appropriate steps should be taken to mitigate any risks they may pose to other staff or to the organisation's reputation.

Do check their legal right to work in the UK

It isn't just employee fraud and other criminal behaviour that companies need to be aware of when selecting a candidate, but also their legal right to work in the UK. New laws introduced in 2008 have already led to more than 200 firms being prosecuted for employing illegal immigrants with employer fines amounting to more than £3.4m. The Immigration, Asylum and Nationality Act 2006, makes it a criminal offence to employ someone that does not have a legal right to work in the UK. With forged identity documents often very hard to spot without specialist equipment or Scotland Yard level expertise, it is increasingly important that employers consider identity validation as a way of mitigating risk and ensure that their background checking systems are up-to-date with new legislation.

Do develop an ongoing employee screening policy

While pre-employment screening will significantly reduce the threat of a poor hiring decision, an ongoing employment vetting strategy can also play a vital role in combating insider fraud as well as providing valuable insights into the background of the workforce. Ongoing screening enables companies to identify changes in an employee's circumstances in order to make a better assessment of the risk they may pose. Just as background screening at the application stage can deter rogue candidates, an ongoing vetting process can highlight those existing staff that may be perhaps most vulnerable to committing fraudulent acts against the company.

Do use background checks to deter rogue candidates

Background checks can also work before candidates have even applied. If a company advertises that it carries out extensive background checks, it can help deter rogue candidates at the outset. Experian has found that it's not uncommon for as many as 15 per cent of applicants to drop out when made aware that a thorough background check is used in the recruitment process – highlighting the strength of robust checking procedures in deterring time wasters and potential fraudsters.

Do develop a policy for dealing with negative background checks

An employer's response to a negative background check should be in line with the severity of the offence. In some cases, a criminal conviction may be highlighted for a relatively minor offence, such as a Road Traffic offence, in this situation, the employer can make a judgement call as to whether this flags up a genuine concern about the candidate's suitability. More serious convictions, which bring the integrity of the candidate into question, will require a more thorough investigation. This will enable the employer to make an objective decision as to whether the candidate is appropriate for the role.

Do provide effective training for line managers

Appropriate training, support and advice for line managers with hiring responsibilities can be invaluable in ensuring that they make the best use of all the background data available to them in order to make the right recruitment decisions, first and every time.



Don'ts

Don't just check senior positions

It is often a common misconception that the more senior a position, the more checks are required, as they are perceived as holding positions of power and responsibility. However, it can often be some of the most junior employees who are the biggest threats in terms of employee fraud. Junior or temporary staff often have less to lose, have less loyalty to the company and can also have wide access to sensitive customer information. To be truly effective at preventing insider fraud, background screening should be applied to all staff at all levels across the organisation.

Don't underestimate reputational risks

A business' reputation can be seriously compromised if an employee's misdemeanour is made public and it is clear that it could have been avoided through proper background checking procedures. This is particularly true for companies working in sectors that deal with sensitive data or customer-facing environments such as call centres or utilities service providers. Those recruiting staff in these sorts of positions of responsibility have to ensure the integrity of their staff or risk the consequences. Recent legislation also means that companies can also face high fines if they fail to carry out appropriate checks.

Don't accept CV's at face value

While social networking sites are a useful tool for connecting with potential recruits, do be aware that their existence creates a greater risk of CV cloning, placing even more of a requirement on HR to fully validate the identity and career history of candidates sourced in this way.

Don't use data protection as a reason not to screen employees

When it comes to screening potential candidates, there seems to be some confusion around data privacy, employment and even human rights law. The Data Protection Act should not be an excuse for organisations to fail to carry out effective screening of their staff. In order to comply with data protection legislation, organisations need to ensure that potential candidates are made aware - at the application stage - of the background checking policy and the specific checks carried out.

Key Points:

- Verifying a candidate's identity should always be the starting point
- Go beyond simply reference checking to include criminal and financial checks
- Using a third party can ensure compliance conditions are met
- Background checking should be applied at all levels not just senior positions
- An ongoing employee screening strategy provides valuable insight into the background of the workforce.



Contact us:

Online at: www.backgroundchecking.com

Email: salesbackgroundchecking@uk.experian.com

Call: 0115 901 6016