HMCPSI

HM Crown Prosecution Service Inspectorate

Follow-up inspection of the Serious Fraud Office – case progression

May 2023

Who we are

HM Crown Prosecution Service Inspectorate inspects prosecution services, providing evidence to make the prosecution process better and more accountable.

We have a statutory duty to inspect the work of the Crown Prosecution Service and Serious Fraud Office. By special arrangement, we also share our expertise with other prosecution services in the UK and overseas.

We are independent of the organisations we inspect, and our methods of gathering evidence and reporting are open and transparent. We do not judge or enforce; we inform prosecution services' strategies and activities by resenting evidence of good practice and issues to address. Independent inspections like these help to maintain trust in the prosecution process.

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Chief Inspector's foreword

1.1. The Serious Fraud Office (SFO) is at the vanguard of the United Kingdom's efforts to maintain its reputation and integrity as an international financial centre. Its work seeks to protect and promote the economy and prosperity of this country. It has a unique role in the criminal justice system in that it both investigates and prosecutes significant and complex economic crime. Many of its cases are extremely challenging and, because of that, can take many years to progress from acceptance through to completion.

1.2. The SFO has a mixed performance record. There have been some high-profile case failures, including the recent G4S, Serco and Unaoil cases. But the SFO has also enjoyed a number of major successes. It has secured convictions in each of its last five trials, delivering justice for 10,500 victims of serious fraud and other economic crime. The conviction of Glencore yielded a record-breaking penalty of £183 million and a confiscation order of £93 million.

1.3. In the past four years, the SFO has secured over £1 billion in fines and compensation from Deferred Prosecution Agreements. All of this money goes to the Treasury.

1.4. The role of HMCPSI is to drive improvement and build public confidence in our national prosecution bodies. In July of 2022, I decided on four new strategic priorities for HMCPSI, one of which was a greater focus on the SFO. We had only conducted five inspections of the SFO since 2013, when HMCPSI was given the statutory duty to inspect the SFO. I appointed Anthony Rogers, one of my Deputy Chief Inspectors, to be largely dedicated to and responsible for all inspection activity at the SFO.

> **There have been some high-profile case failures ... But the SFO has also enjoyed a number of major successes**

1.5. This current inspection is a follow-up to our 2019 report on case progression, which made seven recommendations on what the SFO needed to do to progress cases more rapidly and effectively. Where possible, this follow-up inspection also reviews the SFO's responses to two major external reviews of the SFO by Sir David Calvert-Smith and Brian Altman KC, both in 2022.

1.6. Since 2019, the Director and her staff have done much work to ensure proper case monitoring and assurance, which was lacking four years ago. Since 2021, the SFO has adopted more flexible staffing policies designed to ensure that operational resources can be re-directed from less advanced cases to the most urgent cases. This more focused approach to prioritising its work means that some cases deemed as a lower priority may be delayed; this approach carries some risks. In this inspection, we found that case prioritisation had had a negligible impact on progression of the cases in our sample, but the office must carefully monitor those cases which have had resources reallocated to more urgent cases, to maintain the integrity and progress of casework across all cases.

the SFO has made concrete progress towards implementing a number of the Calvert-Smith and Altman recommendations

1.7. The cases the SFO investigates and prosecutes are often large and factually complex. They almost always involve high volumes of recovered digital material which have to be processed by the dedicated Digital Forensic Unit (DFU). In 2019, we found significant backlogs of material in the DFU. In 2023, we have found the DFU to be functioning much more effectively, and communication and collaboration between case teams and the DFU to be vastly improved. We have also found that comprehensive guidance is now in place for instructing and monitoring the performance of external counsel in SFO cases.

1.8. Staff training has been enhanced since 2019 and the SFO is to be commended on its Trainee Investigator Scheme, which has been extremely successful. HMCPSI regards training as fundamental to enhancing the performance of the SFO. There is still much work to be done here.

1.9. Overall, we assessed that the SFO had fully met (delivered) three of the recommendations we made in 2019 and partially delivered the other four.

1.10. Many of the conclusions reached and recommendations made by Sir David Calvert-Smith and Brian Altman KC reflect the Inspectorate's own findings in respect of the SFO. While there is still work to be done, the SFO has made concrete progress towards implementing a number of the Calvert-Smith and Altman recommendations.

1.11. We have made three recommendations in this report which aim to build on our 2019 recommendations around casework resourcing, assurance and training. We expect these three recommendations to be met by March 2024. We will be working with the SFO over the coming months to make sure these recommendations are fully implemented.

1.12. The Law Officers have requested that I commence an inspection into disclosure in the SFO in the coming months. Recent case failures, and the reviews by Sir David Calvert-Smith and Brian Altman KC, have highlighted the challenges the SFO faces around disclosure. The current law on disclosure lags behind the complexity and scale of modern-day disclosure obligations. There have been calls for legal reform in the area. Our inspection will assess if the SFO's handling of disclosure is effective. We also aim to provide some independently assessed evidence to aid the current debate about the challenges of managing disclosure in highly complex digital cross-border crime.

There remains more to do, but my overall assessment is that the action taken since 2019 has made a real difference

1.13. The performance of the SFO generates polarised narratives. My role is to report objectively and fairly on what I find after inspection. This inspection highlights a determination and commitment by the Director and her senior team to drive change in light of the recommendations of the 2019 HMCPSI case progression inspection and also the Altman and Calvert-Smith reviews. Some of the behaviours that need to change at the SFO have formed over many years and become embedded in its culture. Evidence from this inspection shows that, whilst progress has been made to change that culture, the Director and her team need to continue to work with staff and to communicate clearly why reform is still needed. It is my view that, with strengthened management assurance processes and challenge to case team decisions – both of which this report evidences – we will see improved outcomes and ultimately a reduced risk of future case failures. There remains more to do, but my overall assessment is that the action taken since 2019 has made a real difference. It puts the SFO on the right track to tackling some of the problems that we identified in 2019, and that were found in the cases reviewed by Calvert-Smith and Altman.

Headlines

1.14.   The SFO is a specialist investigating and prosecuting authority. It plays a core role in protecting the UK and works with others across the world to tackle economic crime, with the mission to:

- fight complex financial crime

- deliver justice for victims

- protect the UK's reputation as a safe place to do business.

1.15.   The SFO takes on highly complex cases, most of which take a number of years to progress through the criminal justice system from acceptance to completion.

1.16.   HMCPSI has a statutory remit to inspect the SFO. In 2019, we published an inspection which examined SFO case progression. This inspection was a result of discussions with the SFO and key stakeholders who expressed concerns about the time it took SFO cases to reach a conclusion. The 2019 inspection examined cases and the processes that supported cases from acceptance to the decision to charge.

1.17.   Our 2019 inspection found that the SFO had a robust Operational Handbook (OH) but it was not universally followed. The organisation lacked a strategic approach to resourcing, and case progression was hampered by a backlog of digital material waiting to be processed. Case progression had the potential to be more effective. The 2019 inspection report included seven recommendations which highlighted the need for the SFO to improve resourcing, address monitoring of counsel, reduce delays in processing digital material, develop a case progression-focused training package and reinforce assurance in both casework and processes.

1.18.   This follow-up inspection focuses on how the SFO has responded to HMCPSI's recommendations and also considers its response to the recent reviews conducted by Sir David Calvert-Smith and Brian Altman KC.

1.19.   The SFO has made progress in implementing and addressing the recommendations made in 2019. Of the seven recommendations we made, we have assessed three as being fully met and four as partially met.

1.20. Where we have assessed recommendations as being fully met, the SFO has developed and embedded change to address the issues we identified in 2019. For those rated as partially met, action has been taken and, in some instances, progress has been made – but there needs to be further evidence that the changes made are embedded, with more evidence to prove that the impact of the change addressed the weaknesses we identified in 2019.

understanding resource requirements with the SFO's work is challenging

1.21. We first inspected the SFO's handling of cases in 2019 at the request of the Director and stakeholders, who were concerned that cases took too long to conclude. This follow-up does show commitment, both personal and organisational, to developing systems, processes and culture to improve case progression.

1.22. There remains a lot of work to do to achieve the Director's vision of an organisation which progresses cases effectively and to the best of its ability. However, some long-standing issues have started to fall away. The ineffective leadership and staff working in silos which we found in 2019 have been addressed. A new narrative has been developed – staff are a resource of the organisation, not just of the individual case they are working on. The SFO is dealing with resources strategically by exerting more control over when to move cases to the investigation or prosecution stage whilst ensuring that de-prioritised cases are being managed and commence when resources allow.

1.23. In 2019 we recommended that the SFO should develop a resourcing model. This has yet to be developed. There is no doubt that understanding resource requirements with the SFO's work is challenging. Much work has been done to improve the management and control of resources. The decision by the senior leadership team to develop a strategy of case prioritisation is a clear admission that the previous approach – of accepting cases without the appropriate resource to manage and develop them properly – was a risk, and not effective at progressing cases.

1.24. The decision to prioritise cases means that some take higher priority. Resources can be moved to priority cases at the expense of those cases of a lower priority. This slows down or pauses case progression in low priority cases, but we believe that this is a sensible approach given the limited resources available. It is also a much more effective way to deal with cases compared to those we found in 2019,

when cases which nominally sat with case teams were accepted but did not have any meaningful resource dedicated to progressing matters.

1.25. The 'Prioritisation Gold Group' was set up two years ago. Here, all the Heads of Divisions discuss resource requirements with enabling teams (for example, digital forensics and e-discovery) and the senior team. The creation of this group allows for a much more strategic and holistic view of resourcing and has broken down the silo approach we criticised in 2019. Resource issues are discussed, cases are prioritised and resource allocation is adjusted according to needs. Cases coming up for trial are, naturally, a high priority. This approach has enabled those cases to receive additional resources to progress matters more effectively through the trial process.

if correctly managed, this approach can put the SFO in a stronger position to provide a better outcome

1.26. As part of the decision to prioritise cases, the SFO has made a conscious decision to hold cases in the Intelligence Division (ID). This allows for the case to become more developed in the ID by utilising statutory powers. It also means cases are not formally accepted for investigation until adequate case team resources become available. ID cases that are being held are actively monitored and, if necessary, as we saw during the time of the inspection, can move to case acceptance and allocation if there is an operational need. Within the investigation stage, the SFO has greater control over the progress of a case and a deliberate move has been made to stop the intake of new cases and delay charging decisions until the organisation releases resources from cases at trial.

1.27. Of course, in all delayed cases, some risks are involved. For example, evidence may become stale and degrade. But if correctly managed, this approach can put the SFO in a stronger position to provide a better outcome to victims, defendants and the public.

1.28. In 2019, we recommended that the SFO needed to be clearer about how it managed and instructed counsel. In this inspection, we have seen that since 2019, clear and comprehensive guidance on the instruction of counsel has been developed and consistently applied in the cases we examined: business cases for the engagement of counsel and extensions to the instruction of counsel are signed off at the correct levels, adherence to monitoring the performance of counsel is expected of those in charge of cases, performance management has resulted in the removal of those counsel who are under-performing, and counsel are

provided with the tools to complete their roles, whether trial, disclosure or legal professional privilege counsel.

1.29. In 2019 we expressed some concern about the impact that backlogs in the DFU were having on the effectiveness and efficiency of the SFO to progress cases. We were also concerned about the management culture and relationships that existed between case teams and the DFU, which seemed to exacerbate the problems we identified. This inspection found that all the issues and concerns we had identified in 2019, such as backlogs, poor relationships with case teams and recruitment and retention problems, have been addressed. Through the effective focus on leadership within the unit, including the recruitment of a new management team, staff in the DFU are better engaged and relationships with the rest of the organisation are improved.

there are pockets of well-developed training and a definite focus on developing staff

1.30. Work has been carried out to address some of the long-standing issues of recruitment and retention that dogged the unit in 2019. The gap in salaries between the SFO and other public sector law enforcement organisations that require similar skills has narrowed somewhat (though the SFO is still lower than most). Career development is much more clearly defined and this has led to a better retention of staff. Improvements in the environment and a supportive management approach have brought the team together. Better work management control, along with some reduction in workloads as a result of the pandemic, has eradicated many of the backlogs and delays we saw in 2019. A new and improved IT system has enabled better communication with case teams, which has also reduced pressure on the forensics team. Staff from the DFU attend case team searches and provide their expertise to advise on site as to which devices should be seized, which can ultimately save valuable resources.

1.31. In 2019, we were concerned that there was limited training to support those carrying out roles which affected case progression. As part of this inspection, we found that there are pockets of well-developed training and a definite focus on developing staff within the organisation. The Trainee Investigator Scheme and the leading complex cases training have been developed and proved to be effective tools to provide staff with the skills needed to deal with cases.

1.32.   Overall, our findings indicate that there have been improvements with developing an effective learning and development strategy, but there remains room for improvement. Training to support the roll-out of the new system for managing documents and disclosure, Axcelerate, could have been handled better initially, although management have recognised the issue and revised the approach. Learning from case reviews and peer reviews remains a missed opportunity. Case learning events have yet to be fully developed.

1.33.   The size and complexity of individual cases can make it difficult for Heads of Divisions to have detailed knowledge and understanding of cases within their divisions. This makes casework assurance challenging. In 2019, we found little evidence of effective assurance. In this inspection, there is evidence that the SFO has made progress in developing and implementing an assurance framework.

Learning from case reviews and peer reviews remains a missed opportunity

1.34.   As a direct response to our 2019 inspection, the SFO set up the Case Progression Project, which has led to some significant developments in establishing and monitoring case milestones and case assurance. Measures have been put in place to assist the Heads of Divisions with the task and casework assurance meetings are now consistent across all cases, with the Heads of Divisions leading assurance with assistance from General Counsel's office and the Chief Investigator's office. Within the last four months, additional disclosure-focused assurance meetings have also been introduced. Internal but independent peer reviews carried out by the Chief Investigator's team provide another level of assurance, but more can be done to fully realise the benefits of these. The development of a Case Assurance Framework has helped provide clarity about what documentation is required from case teams to provide assurance.

1.35.   A project to revise the guidance and instructions in the OH has not only improved the guidance available to all staff, but also clarified what is compulsory and expected to be followed with regards to assurance. As with all organisations, there is ongoing work to make sure all staff fully comply with requirements of the handbook and that management action is considered where that does not happen.

1.36.   Both cases that were subject to the Altman and Calvert-Smith reviews commenced before our 2019 inspection, but the themes and recommendations found in the independent reviews mirror those we made in 2019. Given that many of the issues identified by Altman and

Calvert-Smith touch upon case progression, we have been able to use the evidence from this follow-up inspection to assess if the SFO has made any immediate progress to implement review recommendations. Our view is that the SFO has made satisfactory progress in implementing many of the recommendations made by Altman and Calvert-Smith, though it will take more time to assess whether the implementation of those recommendations will have a positive impact. Some of the matters included in the reviews were out of our scope and there will need to be further independent work to assess progress.

Recommendations

We make the following further recommendations.

Recommendations
By December 2023, the Serious Fraud Office should develop a strategic resourcing model, incorporating its prioritisation policy and consideration of how key personnel are deployed at each stage throughout the life of a case, and ensuring cases retain a minimum number of personnel.
By March 2024, the Serious Fraud Office should provide all case controllers with enhanced management and leadership skills training to equip them with the tools to effectively communicate strategic and corporate messages, provide staff with the necessary support and confidence to effectively progress cases in accordance with the Operational Handbook with allocated resources, and mentor case teams.
By September 2023, the Serious Fraud Office should bring together all current casework assurance mechanisms, including peer reviews, so that they complement each other whilst avoiding overlap, establishing a standardised casework assurance process that captures pre-investigation, investigation and post-charge stages; and ensure compliance with the process on all Serious Fraud Office cases.

Compliance issues

We identify the following compliance issues.

Compliance issues
There is no central record of course evaluation to consider whether external courses are focusing on the desired aims and objectives and providing value for money. [Paragraph 8.11]
Heads of Divisions should make sure that the Case Assurance Framework review is undertaken on each case on a quarterly basis. [Paragraph 9.20]
Peer reviews are not always being discussed with Heads of Divisions. Every peer review should be evaluated by the Head of Division. [Paragraph 9.67]
Staff are not consistently adhering to the Operational Handbook. Heads of Divisions should ensure full compliance with the Operational Handbook. [Paragraph 9.85]

2. Context and methodology

The Serious Fraud Office

2.1. The Serious Fraud Office (SFO) is a specialist investigating and prosecuting authority tackling the top level of serious or complex fraud, bribery and corruption. It is part of the UK criminal justice system and covers England, Wales and Northern Ireland, but not Scotland, the Isle of Man or the Channel Islands. When compared to other much larger criminal justice organisations, such as the Crown Prosecution Service and His Majesty's Revenue & Customs, the SFO has a relatively small caseload, but those cases are large and complex. When deciding whether to take on an investigation, the Director of the SFO applies the Director's Statement of Principle. This considers a series of principles such as whether actual or intended harm would be caused to:

- the public

- the reputation and integrity of the UK as an international financial centre

- the economy and prosperity of the UK.

2.2. It also considers whether the complexity and nature of the suspected offence warrants the application of the SFO's specialist skills, powers and capabilities to investigate and prosecute.

2.3. The SFO also pursues the financial benefit acquired from crime and assists overseas jurisdictions with their investigations. The SFO works with other law enforcement partners to tackle the challenges faced from serious and organised crime in line with the Government's strategy. The SFO also works collaboratively with UK Government departments and overseas partners on matters where there is a common interest.

2.4. The SFO's caseload is relatively small, usually fewer than 100 cases at any one time. Its budgeted headcount is 615 staff though it is rarely fully staffed. The number of cases, however, does not reflect their scale and complexity. SFO cases can involve hundreds of victims, many millions of documents, and potential criminal activity in, and evidence from, across the globe. As a result, cases take longer to investigate and prosecute than other types of criminal cases. No matter how complex the case, it is incumbent on the SFO, and those who manage cases, that all cases are managed with expedition and progressed effectively.

2.5. The role of the SFO in investigation and prosecution can be broken down into stages. During the intelligence gathering or pre-investigation

stage, the SFO receives information on possible criminal activity from a variety of sources including whistle-blowers, victims, other law enforcement agencies, the media, corporations themselves by way of self-reports, and a range of other bodies. The SFO's Intelligence Division (ID) analyses and assesses this information and undertakes its own inquiries. The Division has unique pre-investigation powers to help determine whether to commence an investigation where bribery and corruption may have occurred.

2.6. The Director can accept a case for criminal investigation if it meets the Statement of Principle and if they consider that there are reasonable grounds to suspect serious or complex fraud, bribery and corruption. As part of this process, the ID prepares a submission which the case evaluation board[1] (CEB) considers when making its recommendation to the Director as to whether a case should be accepted for investigation.

2.7. The SFO has the power to investigate and to prosecute cases, and its teams are multidisciplinary. A case team is led by a case controller (who may be a senior lawyer or investigator). The case controller oversees lawyers, investigators, forensic accountants, and other specialists, as well as instructing counsel from the outset. This structure is known as the Roskill model, named after a 1985 review chaired by Lord Roskill.

2.8. The SFO has three casework divisions, each handling fraud, bribery and corruption. It also has an operational division dealing with the proceeds of crime and international assistance. Other supporting units that assist casework divisions include the Digital Forensic Unit (DFU), which processes all digital material the organisation receives from searches, seizures or voluntary surrender. Once the DFU processes the material, the eDiscovery team assist case teams with navigating it. Both teams are part of the Evidence Handling Management Office, which also houses teams dealing with non-digital material and reprographics. Strategic support comes from the Strategy Group, which encompasses communication and engagement including:

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[1] The case evaluation board is the process where the Intelligence Division presents a case to the General Counsel of the SFO for a decision on whether it should be submitted for formal acceptance by the Director under the Statement of Principle. Other members of the case evaluation board include the Chief Operating Officer and other senior managers from casework divisions.

- policy, risk and assurance

- strategy planning

- special projects.

2.9.   Once the case is accepted, it enters the investigation and prosecution stage where investigators and lawyers work together from the outset, under the Roskill model. The organisation applies the Code for Crown Prosecutors: if the investigation results in enough evidence to support a realistic prospect of conviction, and if a prosecution is considered to be in the public interest, charges will normally be brought. If the decision is to prosecute, the case can take significantly longer to reach a conclusion than other criminal trials because of the complexity of the evidence.

2.10.   The SFO is unique in its role and structure as it both investigates and prosecutes. This means direct comparisons with other prosecuting authorities, such as the Crown Prosecution Service (CPS), can be unhelpful. The CPS has no investigative function, although it does provide early investigative advice to the police in serious and/or complex cases. The SFO is a much smaller organisation than the CPS, about a tenth of the size in terms of staffing. In many ways, the SFO has a higher national profile due to the nature of its cases and well-resourced defendants involved in multi-million-pound allegations of fraud, bribery and corruption. The SFO has faced, and continues to face, substantial challenges, some of which derive from the complexity of its casework, and some from the frequent interest shown by Parliament, the national media and other commentators. Two recent reviews, Calvert-Smith and Altman, and the recent judgement in the ERNC case, also highlight how high-profile issues in SFO cases can garner great interest and significant commentary.

Case progression inspection 2019

2.11. In October 2019, HMCPSI published an inspection report which examined case progression by the SFO. The inspection was, in part, a result of the SFO's desire to improve the time cases took, with the Director, Lisa Osofsky, requesting that HMCPSI undertake an independent assessment of its handling of cases in February 2019. The 2019 inspection assessed case progression in the period from case acceptance through to charge. That period was chosen because it covers the timeframe of cases where the SFO has the most control over the timetable and the pace of activity. Simply put, the period from case acceptance to charge covers the investigation and case building stages, and is where the SFO should determine case strategies, including for investigation and disclosure.

2.12. The 2019 inspection found that the SFO had clear and well-documented internal casework processes contained in an Operational Handbook (OH), which set out processes for managing cases. Our 2019 findings highlighted inconsistency in applying the standards set out in the handbook, with individual case managers operating in their preferred way. This lack of consistency had an impact on the effectiveness and efficiency of case progression. In some of the cases we examined,[2] inspectors found that this inconsistent and personal approach not only affected the effectiveness of case progression but also hampered the effective management and control of cases. Additionally, inconsistent compliance with the expected standards in the OH also increased the risk when changes in case teams and personnel happened. Given the long-running nature of SFO cases, with some taking many years to conclude, changes in personnel within case teams are common. We found that, whilst there was clear internal guidance and expectations, the SFO could do more to improve its assurance processes to ensure full and appropriate compliance by its staff.

2.13. The 2019 inspection also noted that unused material was handled reasonably well, and there were examples of very good consideration of the material and strong disclosure strategies in the six cases we examined. However, there were inconsistencies in practice here, too. A lack of compliance with the OH and the inconsistent approaches and methods of different case controllers hampered effective case

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[2] HMCPSI examined six cases in detail, looking particularly at the period between case acceptance and charge.

progression. We noted this as a risk particularly when the case controller changed the original case strategy. This caused delay and re-work.

2.14. Our 2019 findings also highlighted a lack of strategic oversight of resourcing and little evidence that case resources were managed effectively, or that case controllers and senior managers had a clear understanding of resource needs. Whilst there was a strategic and tactical co-ordination group, it did not examine cross-team resourcing. It was our view that the SFO needed to develop a strategic approach to cross-organisational resourcing and case management.

2.15. We also recommended that case assurance and oversight needed improvement. There were various strands to the oversight and assurance of casework, including case review panels, Heads of Divisions' meetings with case teams, and peer reviews. Opportunities for assurance tended not to have a specific focus on case progression. We found that case review panels varied in frequency and depth of analysis and tended to be more focused on legal issues than case progression. We set out that Heads of Divisions could do more to challenge, influence and quality-assure cases that were not progressing effectively.

2.16. The 2019 report set out seven recommendations:

1. The Serious Fraud Office should develop a resourcing model that takes into account staff skills and time available to progress cases effectively.

2. The Serious Fraud Office should review resourcing in a holistic manner to ensure equity across cases in allocation of the teams and skills and reconsider allocation of the case controller and team when it becomes apparent that cases are not being taken forward promptly after acceptance.

3. The Serious Fraud Office should review resourcing across divisions to ensure that resources are allocated according to case needs, and in such a way that when changes are required, there is as little disruption as possible to case progression.

4. The Serious Fraud Office should be clear about the use of independent counsel, including guidance for case controllers on their deployment and monitoring, and a mechanism for evaluating the value for money they provide.

5. The Serious Fraud Office should develop understanding across the casework divisions of the impact of seizures on the Digital Forensic

Unit, and the need to be proportionate in their demands and expectations of this unit. This should be accompanied by measures to significantly reduce the impact of current delays on case progression.

6. The Serious Fraud Office should consider how it can improve the focus and delivery of training to support case progression. The Serious Fraud Office needs to develop a programme of learning and development that delivers the core skills for effective case progression.

7. Heads of Divisions should set and monitor key milestones in the investigation and prosecution of cases and should enforce compliance with the Operational Handbook.

Context

2.17.   In its 2020–21 business plan, HMCPSI committed to undertake a follow-up inspection to assess the SFO's progress in implementing change and addressing the recommendations set out above. Usually, follow-up inspections take place 18 months after the initial inspection; it is our view that this timeframe allows those we inspect ample time to consider, develop and implement the change needed to address our concerns. However due to the emergence of, and issues arising from, the pandemic, and the announcement of two independent reviews into high-profile case failures (Unaoil and Serco), HMCPSI delayed plans to conduct the follow-up inspection until after the publication of the reviews. This would also allow the SFO to concentrate its efforts on recovering from the pandemic issues that affected most organisations.

2.18.   The two independent reviews were published in July 2022. Both made a series of recommendations that repeated, to some degree, the themes of our findings in the 2019 HMCPSI case progression inspection.

2.19.   The scope of the proposed follow-up inspection has been extended, from only following up on the SFO's progress against the recommendations we made in 2019, to include – where within scope of the evidence – an assessment of the SFO's response to the findings of the two independent reviews.

2.20. We have made an assessment of the implementation plan the SFO has developed to address the recommendations from both independent reviews. The SFO plans to address the concerns outlined in the Calvert-Smith and Altman reviews by focusing on disclosure and five work streams:

- record keeping and case assurance

- improving guidance, policies and training

- compliance with policies

- roles and responsibilities

- resources.

Methodology

2.21. The aims of the inspection are as follows:

- to determine whether the recommendations made by HMCPSI in the 2019 case progression inspection have been implemented and resulted in improvement

- to assess, through a degree of case examination, whether the suggested changes included in the 2019 recommendations can be clearly seen as business as usual in the SFO's operational management of cases, including:

  - to determine if there are appropriate and effective arrangements in place for the timely progression of cases, and that decisions are properly made, recorded and quality assured

  - to determine whether there is effective leadership, management, quality assurance and oversight of casework progression to ensure cases are progressed efficiently, effectively and in a timely manner

- to determine whether the issues with case progression identified in the Calvert-Smith and Altman reviews present risks to other casework or whether the issues that were identified were case specific

- to assess the viability and sustainability of any change plans to address the case progression issues raised in the Calvert-Smith and Altman reviews.

2.22. The high-level questions for the inspection and criteria can be found in annex A.

2.23. This inspection examined a sample of casework files and supporting documentation. This involved considering SFO-generated case management documentation, such as the investigation strategy documents created at the outset and decision logs. Our examination and findings were validated by reference to other documentation, such as minutes from the case review meetings and the documentation set out in the OH. We also spoke with staff deployed to the cases and with counsel.

2.24. The casework sample included five cases which mostly involved case progression that had taken place after our 2019 report. The selected cases were a mix of fraud, bribery and corruption offences across the three divisions. To capture the elements of the case progression issues raised by the two recent independent reviews, two of the cases that were examined were at the post-charge stage. This departed from the remit of our 2019 inspection, where we only examined cases from case acceptance up to the point of charge.

2.25. As well as case examination, inspectors also carried out fieldwork which included consultation with SFO staff and managers and any external stakeholders that we thought would provide evidence to help us make our judgements. Internal documentation was examined in relation to the governance and assurance of casework, and other aspects of business that were pertinent to the scope of the inspection.

2.26. The inspection team consisted of the lead inspector, who was the same inspector that led the 2019 inspection team, four legal inspectors and two business inspectors. One of the team had worked on the Calvert-Smith review. The inspection was supported by a member of HMCPSI's business support team. Inspectors attended SFO offices to conduct the inspection and speak with staff between October and December 2022. On some occasions, due to issues with rail disruption and availability, meetings with staff were conducted via video conferencing.

2.27. Deferred Prosecution Agreements were out of scope of this inspection.

3. The SFO resourcing model

Recommendation 1: 2019 report

The Serious Fraud Office should develop a resourcing model that takes into account staff skills and time available to progress cases effectively.

A short summary of the 2019 position

3.1.   Our 2019 inspection found that the Serious Fraud Office (SFO) did not have a formal model for identifying and allocating resources to cases. While we did not find any evidence of significant delays in accepting cases, we found that there were delays in defining the scope of an investigation and allocating resources to it. At the time of the inspection, we were told of some instances where the Intelligence Division (ID) had to hold on to cases for some time before a case team was allocated and the investigation started.

3.2.   We found that when cases were handed over from the ID, the quality of the handover was not sufficient to support the allocated case teams. There was also a lack of clarity around why some cases were seen as a higher priority than others.

3.3.   We highlighted that meetings between the Heads of Divisions (HoDs) and the Head of Intelligence (known as the strategic and tactical co-ordination group) assessed some level of priority and skills matching, but the group had no further strategic role in resourcing teams.. This was instead taking place within the individual casework divisions.

3.4.   Post-acceptance delays were common due to resourcing issues. We saw significant delays before investigation plans were developed, and a period of drift in cases before the right team was assembled.

Factual findings of the 2023 follow-up

3.5.   We spoke with SFO senior leaders about the development of a resourcing model in accordance with the recommendation we made in 2019. Senior leaders acknowledge that a holistic and fully documented resourcing model to aid case progression has yet to be fully developed.

3.6.   Whilst more needs to be done to develop a strategic resourcing model to bring together available resources, productivity and capability, some developments have addressed the gap we identified in 2019.

3.7.   Like all organisations, the SFO must work within its allocated budget and prioritise resources accordingly. In the findings of the 2019

inspection, there was evidence that the SFO had historically accepted cases without considering the resource requirements for that case or the impact that this had on the effectiveness of case progression. Whilst the inspection reported that some cases remained with the ID before being put through to the case evaluation board (CEB) for acceptance, we also found that many cases allocated to casework teams were sitting without any meaningful resources and were not progressing. This is because other cases took priority for resources. This resourcing culture had been an accepted model over many years but, realistically, it meant that too many cases drifted as case teams were overloaded with work and priorities were not clear.

3.8.   The SFO recognised that this longstanding approach to resourcing was unsustainable and increased casework risks. If cases are accepted and allocated, but no meaningful action is being conducted, the risk of a case drifting is increased. Unsurprisingly, in 2019, we heard of cases being allocated but seeing little meaningful action for a number of years as case teams focused on other cases. The SFO senior leadership team saw that, to address this problem, they needed to reconsider how work was accepted, how case priorities were determined and whether there was a better and more effective way to manage resources. In August 2021, the Director, the Chief Operating Officer (COO), the Chief Capability Officer (CCO) and General Counsel (GC) agreed to determine a system for prioritising their current cases. At the same time, the decision was made to have a moratorium on case acceptances. This was to be delivered through a cross-organisational Prioritisation Gold Group.

3.9.   The criteria for prioritisation included the following:

- cases requiring the application of the SFO's specialist skills

- the strength of public interest with regards to justice, victims, economic prosperity, and the UK's position as a financial nexus

- multi-jurisdictional cases and/or those requiring cooperation with strategic partners

- Government priorities.

3.10.   The SFO explained the need for prioritisation in terms of appreciating that case teams were under pressure, with more work than could be delivered within their current finite resources; and making sure that resources were directed to where they could have the biggest impact.

3.11. Prioritisation empowered those responsible for case teams to reduce resources on lower priority cases in order to meet expectations on higher priority cases with finite resources. Cases that are deemed a lower priority become a higher priority as the context changes: for example, when cases approach charging decisions or trials. The Gold Group was tasked with considering the decisions in relation to prioritisation, and with sense checking the impact on case teams and divisions and whether the prioritisation decision needs to be reconsidered.

3.12. There is now a more formal process for assessing how cases are prioritised through the Gold Group. In our casework examination, we found evidence of resources moving from case to case due to prioritisation.

3.13. As part of the Gold Group, the COO and GC are responsible for assessing and prioritising cases across the three operational casework divisions. The purpose of the group is tol have strategic oversight of live SFO criminal cases. The group is responsible for, but not limited to:

- implementing case prioritisation decisions

- resourcing and financing priority investigations

- IT and skills requirements to support priority investigations

- proposals for alternative resolutions or disposal of cases that are not deemed high priority.

3.14. The establishment of the Gold Group in October 2021, which includes all three operational HoDs, was key to understanding the resourcing demands across the organisation. The group provides an effective forum for senior leaders to assess, discuss and strategically allocate resources. This group has filled some of the gaps we found in 2019 when there was a much more parochial silo approach to resourcing between the casework divisions. As well as providing the opportunity to discuss resources across the operational divisions, the group also considers workflows, pressures and capability gaps in casework teams and makes decisions on priorities to ensure that, where possible, resources are allocated based on need.

3.15. In addition, there is a separate ID oversight committee who provide an assessment of cases at the pre-acceptance stage. They determine if a case at this stage should be accepted and provide guidance on when the case should be submitted to a CEB. This allows the Director to decide

whether to open an investigation and consider the resources available to progress the case.

3.16. This year, in line with the strategic position of allocating resources to meet demand, the SFO has accepted one case and delayed the acceptance of others, to allow resources to be managed in a much more effective way.

3.17. The revised approach to determining priorities was a major change in how the organisation deals with casework. In a number of interviews with case teams, we heard a degree of disquiet and upset from those whose cases had been deemed a lower priority. This was not surprising given that staff had worked on some low-priority cases for a substantial period. To accompany the change in approach, there were a series of communications to staff to outline the rationale for the change and why cases were being prioritised. Formal written communications were complemented by discussions at team meetings and other face-to-face meetings to outline why the change had been made and was seen as necessary.

3.18. Communications to operational staff explaining why the organisation is prioritising cases make it clear that the SFO Executive Committee, under the advice of the COO and GC, determine which cases are classed as high priority. Low-priority cases could be paused or stopped – or progressed, albeit with fewer resources – and there would have to be some consideration of reducing the scope of some investigations. The communications convey the aim of making sure high-priority cases are "done well and at pace". The communications are clear that decisions on prioritisation can change depending on the circumstances and stage of the case.

3.19. As well as developing the strategic approach of prioritising cases to manage resources and improve case pace and focus, we also heard that there was an ongoing workforce plan project to assess the overall structure and resourcing requirements across the organisation. We were told that the SFO needed to understand its resources better to deploy them effectively. The workforce plan project will look at several different work streams. This includes whether SFO cases require a standard resource model at each stage of the case. It will also look at what tools can be used to help the organisation make more effective decisions around resourcing.

3.20. In August 2022, the Gold Group asked the strategy team to assess how the organisation gathers resource information. This was to

understand better the available resources and how they are deployed across its operational divisions and see if this could be done more effectively. Off the back of this request, a resource dashboard was developed and presented the following month. The dashboard is an attempt to begin the development of an overall resourcing model. However, the HoDs think that more work is required if it is to be a useful tool to assist them in making strategic decisions on resources.

Judgements

3.21. Managing resources is such a key factor in case progression that in 2019 we made three recommendations that touched on resources in the SFO. The first of these, and the focus of this chapter, concerned the development of an overall resourcing strategy. During the follow-up inspection, whilst the SFO had yet to develop a holistic resourcing model, we found clear evidence that at a strategic level, resourcing was being managed much more effectively than in 2019. Unlike in 2019, we saw the SFO taking a step back from divisions to view all the resources required to deliver a case in a holistic manner. This allowed it to weight cases in order of priority, enabling better informed resourcing decisions.

3.22. The SFO has yet to develop a strategic resourcing model that considers staff skills and time available. When taken in the context of the events that have occurred since our 2019 report, the SFO has begun a prudent process which allows it to decide when to accept cases and how to manage resources based on priority. It is the right decision to be honest about the limitations of resources, take the decision to determine case priorities, limit activity on 'low' priority cases, and reduce the scope of investigation so the SFO is able to manage its work effectively and improve its pace. However, it needs to be recognised that this change needs time to work through the current cases, and this revised strategy is not an immediate fix of the problems that the previous approach has built up over the years.

3.23. The establishment of the Gold Group provides SFO senior leaders with an effective forum to discuss how cases can be best progressed with the available resources. The Gold Group can pause work on investigations and redeploy resources to other, higher-priority cases. We found evidence of this in some of the post-charge cases we examined.

3.24. At the front line, there remains some misunderstanding of, or a lack of acceptance of, the rationale for the prioritisation of cases. Staff that we spoke to, across various roles, were not always clear on the prioritisation process or why their case was not classed as a priority. Of more concern

was that some staff were unaware that their case had been de-prioritised. This gap in understanding needs to be plugged, and some of the staff whose cases had been deprioritised may need more explanation as they feel disenfranchised by the revised approach to resourcing.

3.25. There is evidence that the SFO is making progress in understanding the makeup of its resources and how they can be deployed effectively. Senior leaders have accepted that they need to better understand the skills and productivity across their operational resources. While historic attempts to gather and present data on resourcing have yet to be fully developed, the SFO has developed a workforce project plan which will inform a future resource model.

3.26. We consider the recommendation as partially met.

Recommendation
By December 2023, the Serious Fraud Office should develop a strategic resourcing model incorporating its prioritisation policy and consideration of how key personnel are deployed at each stage throughout the life of a case, and ensuring cases retain a minimum number of personnel.

4. Reviewing and assessing resources

Recommendation 2: 2019 report

The Serious Fraud Office should review resourcing in a holistic manner to ensure equity across cases in allocation of the teams and skills and reconsider allocation of the case controller and team when it becomes apparent that cases are not being taken forward promptly after acceptance.

A short summary of the 2019 findings

4.1.   During our 2019 inspection, we found no evidence of significant delays in the acceptance of cases. However, in half of the cases we examined, we found there was a delay post-acceptance, before investigation strategies were developed and suitable resources allocated. We found that some teams were under-resourced and there was little challenge from senior management in relation to progressing cases expeditiously, although the then-new Director of the Serious Fraud Office (SFO) started a campaign of speaking to case teams to focus minds on case progression.

4.2.   The SFO accepted the above recommendation in part. It did not accept *"reconsider allocation of the case controller and team when it becomes apparent that cases are not being taken forward promptly after acceptance"* as, in its view, it already had existing processes and mechanics to deal with any such issues.

Factual findings of the 2023 follow-up

4.3.   As we set out from paragraph 3.7, the SFO, like all organisations, must manage its resources according to its allocated budget. SFO investigations and prosecutions are often long and complex, requiring specialist resources to progress them effectively. During our follow-up inspection, we found that the SFO strategy on resourcing included a moratorium on accepting cases from the Intelligence Division (ID) until resources become available in the casework divisions to progress cases effectively. As we set out in chapter 3, senior leaders told us that case teams were already stretched and not in a position to take on further work. They said that this approach was the fairest way for both the cases and SFO staff. Senior management were adamant that overburdening staff was no longer an option.

4.4.   We were told that the ID actively manages and prioritises referrals coming to the unit. The division will make robust decisions on closing cases as they are being developed if it does not believe that progressing

them will lead to a charge and prosecution. We were also told that the SFO works with other agencies – for example, the National Economic Crime Centre, City of London Police, or the National Crime Agency – to ensure that the most suitable agency takes the case to the investigation stage. Cases that stay with the SFO are fully developed within the ID and then wait for a case evaluation board (CEB) to move them to the next stage of formal acceptance. We were told that cases awaiting a CEB are actively managed in the ID and fully monitored at a strategic level. We saw evidence of cases being monitored but the work of ID is out of the scope of this inspection.

4.5.   Heads of Divisions (HoDs) are responsible for allocating resources to cases which have been formally accepted by the Director after a CEB. There are several forums in which HoDs discuss resourcing issues on high-priority cases, should they identify that additional resources are required and there is insufficient capacity within their own division. The main forum is the Gold Group (see paragraph 3.14). We are also aware that discussions about resource pressures and possibly moving resources between divisions take place outside of the Gold Group amongst the three operational HoDs. These discussions have seen a rebalance of staff across divisions to support high-priority casework.

4.6.   The development of Gold Group has led to an improvement in working relationships between the casework divisions and the Digital Forensic Unit (DFU). A member of the DFU is present at the Gold Group which has, for example, enabled early discussions of DFU assistance at case team searches[3].

4.7.   There was evidence of efficient and timely allocation to the case teams after CEB in all the cases we examined. Thereafter, the case teams sought to review and progress the cases in a timely manner in all but one case. Here, we found that the case controller had not adequately progressed the case and was replaced with another case controller to reinvigorate the investigation. This change resulted in a positive impact, moving the case towards a charge but after a degree of delay.

4.8.   Recently, division C[4] moved to an emergency resourcing model to facilitate unexpected additional disclosure work on a high-priority case. This meant that resources were reallocated from other cases within the division to support this case. In addition, the HoD of division C was able to liaise with the HoDs from divisions A and B and request additional

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[3] To gain evidence, the SFO has the power to search premises under its section 2 Criminal Justice Act 1987 powers.
[4] There are three casework divisions within the SFO: A, B and C.

resources. This supported the high-priority case in division C but had the effect of determining that all other cases were lower priority. This would be likely to affect case progression in other cases whilst staff were removed. From what we heard in interviews, it appeared that most staff from division C were temporarily moved onto the high-priority case. We heard some frustration about the time taken to familiarise themselves with the new case before being able to work on it. The nature and complexity of SFO casework make changes in staffing a challenge, but a consistent and standard case structure helps staff get to grips with the case much earlier. In the cases we examined, file structures generally followed the guidance as specified by the Operational Handbook (OH).

4.9.　In three out of the five cases we examined, there was evidence that the prioritisation strategy was in force. One of those cases was moved to high priority after it was charged, thus proceeding to trial under the timetable of court. Compliance with court orders relating to disclosure required significant additional resources. This was due to a combination of the volume of unused material in the case and low availability of suitably qualified disclosure counsel. The case moved to high priority to meet the court timetable, which allowed for disclosure counsel allocated to other lower priority cases to move to the case whilst recruitment for disclosure counsel continued.

4.10.　Whilst the case had moved to high priority, there was evidence of significant drift in progressing the case by members of the team at the pre-charge stage. Our view is that this case suffered from poor leadership. From the assurance we saw (most of which related to 2016–19), the problems were not identified by a succession of HoDs. The matter came to light after a deep dive commissioned by the Chief Investigator as a forerunner to a later peer review of the case. As a result, the case controller on the case was changed. It was clear that this change had an immediate impact. The new case controller made significant changes and addressed many of the shortfalls, but some of the issues, including a lack of foresight about the potential size of the disclosure exercise, needed additional resources. As the case had been prioritised, counsel was reallocated from other cases within the division. With better management at the early stage of the case, this influx in work on the case could have been anticipated. This would probably have avoided the need to re-allocate counsel and the impact of that on other cases in the division.

4.11.　Most members of case teams are assigned to one casework division. However, case progression officers told us that they frequently

work across divisions, and a case controller we spoke to had cases from different divisions. This is a change from 2019. Working across divisions provides greater resilience and can develop a more collegiate culture. We believe that more staff movement between cases and across divisions also provides greater resilience. This is a positive development from the silo working we observed in 2019.

4.12. In two of the cases we examined, resources were temporarily removed from them to assist another case that was prioritised. In both of those cases, most of the case team (and in one, the whole case team) were required to work full-time on another matter preparing for trial. This meant that the work was effectively suspended for approximately three months. In one of those cases, it resulted in a delay to the charging decision. Whilst there was a general understanding from case team members of why this was necessary, they did express dissatisfaction with how it was communicated to them, the level of work they were required to complete on the other case, and the resulting delay to their own case.

4.13. Prioritising casework will inevitably mean some cases lose resources for the benefit of other higher-priority cases. Inspectors concluded that with limited resources, there were few options for the SFO to manage casework. Prioritisation, if managed properly, was an effective solution. However, better communication is required to keep staff fully engaged during the process.

4.14. In previous years, the SFO held regular conferences for grade 6 managers to discuss strategic objectives and plan how to deliver them. At the most recent conference last year, the senior leadership team decided to open the event to grade 7 staff as well. The conference focused on strategic leadership, change, and the roles of the new staff in the senior leadership team. Inspectors were provided with an assessment document which strongly indicated that the event was well received by most of those attending. Many felt better connected to colleagues and senior leaders from across the organisation and better equipped to communicate key changes to their teams.

4.15. The organisation is providing more support to case controllers to help them with their leadership roles. In our 2019 inspection, staff who worked with more than one case controller, or across divisions, identified that management styles and expectations, and the extent and quality of management supervision, varied from case to case or was dependent on the case controller's personal preferences. The SFO has recently developed a pilot project management course specifically for case controllers (and disclosure officers). At the time of this inspection, the

training course was still in its pilot phase, with a limited number of people having attended. There had not been a full assessment to determine if it will be rolled out further. Some staff told us they would appreciate more management and leadership training, as many have been promoted to managerial positions having had little management experience.

4.16. Following on from our leadership inspection in 2019, the SFO established a culture change programme to address some of the longstanding historical cultural issues and promote collegiate working. Senior leaders are working to promote better engagement across teams to help colleagues better understand the different roles in the organisation. We found evidence that divisional and team meetings are inclusive, and a number of forums have been introduced where different cadres of staff can share issues and experiences.

Judgements

4.17. The SFO recognises that it must work within its allocated budget and with the resources it has. Delaying the acceptance of new cases allows it to manage cases which are already with the operational divisions. Senior leaders recognise the risk this brings and have introduced mitigating measures. Liaising with partner agencies for additional support and working with others who can take enforcement action is a sensible approach. However, it is likely that other organisations will also have limited capacity.

4.18. There is clear evidence that senior leaders from across the organisation take a more holistic view when making decisions which could affect the resources available. Delaying case acceptances and developing the prioritisation system have resulted in a realistic understanding of what is possible with current resources. This approach means that priority cases have more of a chance of being progressed more effectively when compared to 2019. In the cases we examined, we saw evidence that a flexible approach to managing resources positively impacted the cases with additional resources allocated to them. However, this means that work may have to slow down or pause on lower-priority cases.

4.19. The Gold Group ensures that the HoDs, and all cross-organisational teams involved in delivering cases, can engage regularly to access available resources and be flexible according to the priority of cases. The move to introduce the emergency resourcing model in division C is a good example of how leaders using a flexible approach to resourcing can move resources from other divisions. Our feedback

indicates that the SFO needs to think more effectively about how feedback to those moving (or whose cases have been de-prioritised) is managed and communicated. We found that some of the corporate messaging is lost. The SFO is developing training for case controllers on how to manage projects. It has also started some work on leadership training. The leadership training needs to be bespoke to the role of a case controller and further developed.

4.20. In 2019, the SFO, when responding to our inspection recommendations, did not accept that it should *"reconsider allocation of the case controller and team when it becomes apparent that cases are not being taken forward promptly after acceptance"*. The development of case prioritisation partly addresses the concerns we had in 2019. However, there was evidence in the cases that we examined, and cases we were told about, that some cases continued to drift depending on the ability and focus of the case controller.

4.21. In the case outlined from paragraph 4.9, changing the case controller predated the publication of our 2019 report. Nevertheless, this demonstrates that our recommendation is still pertinent. With this in mind, it is surprising that the need to address the drift in the case was not identified and acted upon earlier (between 2016 and 2019). Several case review panels had taken place over the previous years that provided oversight of the case by senior managers. There was a regular turnover of HoDs within the division, which may have contributed to the failure to identify the problems. It was only when the fourth HoD in four years was appointed that the weaknesses in the investigation were identified and the division gained a grip on case progression.

4.22. In all the cases we examined, the current case controllers demonstrated good knowledge of their cases and the investigative steps needed to fully develop the case. This was echoed during our interviews with all grades of staff. We found that not all case controllers demonstrated the necessary leadership skills and some accepted that there were gaps in their management experience.

4.23. The senior leadership team invited grade 7 staff to the case controller leadership conference to address leadership issues between some case controllers and the wider case teams. The SFO provides some management training, and more is planned, but due to the pivotal role of the case controller, a more focused offering needs to be developed to ensure that they have the necessary skills to successfully lead both people and cases. In our view, case controllers with better leadership skills will improve the progression of cases.

4.24. We consider the recommendation as partially met.

Recommendation
By March 2024, the Serious Fraud Office should provide all case controllers with enhanced management and leadership skills training to equip them with the tools to effectively communicate strategic and corporate messages, provide staff with the necessary support and confidence to effectively progress cases in accordance with the Operational Handbook with allocated resources, and mentor case teams.

5. Resourcing case teams

Recommendation 3: 2019 report

The Serious Fraud Office should review resourcing across divisions to ensure that resources are allocated according to case needs, and in such a way that when changes are required, there is as little disruption as possible to case progression.

A short summary of the 2019 findings

5.1.   In our 2019 inspection, we found that the Serious Fraud Office (SFO) had challenges making sure it had the right staff with the necessary skills doing the right jobs when needed. A lot of the work that case teams were carrying out was lengthy and complex, often requiring liaison across multiple international jurisdictions. They also faced delays with huge amounts of digital data to process and navigate.

5.2.   The SFO continues to operate under the Roskill model where investigators collaborate with lawyers, accountants, and other disciplines across its three operational casework divisions. The casework divisions are supported by specialist units within the organisation including:

- the Digital Forensic Unit (DFU) which assists with processing digital material and can assist with conducting searches

- the international assistance unit which provides advice to case teams on international jurisdiction matters and letters of request

- the accountancy support unit which provides accountancy expertise to case teams when required.

5.3.   It is common and expected for case team members to change throughout the life of a long-running SFO case. By the nature of long-running cases, teams experience staff turnover. In our previous inspection, staff reported that team changes during an investigation had an adverse impact on case progression, and some stakeholders shared their concerns.

5.4.   Our 2019 report commented on the varying quality of handover by outgoing staff and its significant influence on the ability of incoming staff to pick up, manage, and effectively progress the case.

5.5.   Staff in 2019 indicated an imbalance of resources across case teams and divisions. The resourcing models adopted at the time did not promote effective case progression. We agreed with that view.

Factual findings of the 2023 follow-up

Resourcing case teams

5.6.   It appears that there is no standard resourcing model for how a case should be resourced following acceptance by the Director of the SFO. Resources are checked at critical stages throughout the life of a case and during assurance meetings and resources can be flexed if necessary. More recently, as set out in the Operational Handbook (OH), the case controller is required to develop an investigation plan, including the case strategy, and provide a view of the resource needs of the case. The Heads of Divisions (HoDs) can use this to allocate resources and, via the Gold Group, draw on additional resources if necessary.

5.7.   Resources are ordinarily assessed at several stages during the progress of a case. Cases are passed from the Intelligence Division (ID) to a case evaluation board (CEB) made up of senior leaders from across the organisation. This is after the Head of ID meets with the HoDs at an oversight meeting to ascertain whether cases should be accepted and which casework division has the capacity to take on each case, should it progress. If a case is accepted by the Director, the CEB will identify a case controller. Within two months[5], they will outline in the investigation plan what resources are required to progress the case.

5.8.   Establishing early links with staff who developed the case within the ID will assist the case controller with developing a more informed plan. Although the ID is out of scope for this inspection, inspectors took the view that with the legal and non-legal resources now deployed in ID, there was a much better chance of understanding resource needs when cases were at the handover stage, unlike in 2019. We were told by senior managers that there is more work to do to bring the ID within a holistic view of resources, but the addition of legal and non-legal resources into the division was a positive development.

5.9.   As we set out in paragraph 4.3, the SFO has limited the number of cases it accepts in recent years to make sure existing cases are more effectively progressed. However, inspectors were provided with the six-month cross-organisational resource plan for a case which had recently been accepted at CEB. This resource plan was developed while the case was at the intelligence stage, before it was discussed at CEB. We were told that having this structured resource plan was helpful, both for the case team to focus their minds on the resources needed and how best to deploy them, and for senior management, who had some clear indication

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[5] This is a new key performance indicator that the SFO has introduced.

of the likely resource impact of taking the case on. Within the resource plan, the case controller must establish the wider resources required for the first six months of the investigation and how they will be allocated to various tasks, matching this to the investigation strategy and other case requirements.

5.10.   The resource plan we saw considered what resources would be required from other SFO units, notably the DFU, and the impact on their workload. The plan noted that initial conversations had already taken place with the Head of the DFU. These conversations aimed to establish a timeframe for when searches would take place to ensure that the DFU would be available to assist the case team by conducting initial sifts of the material obtained on site.

5.11.   The plan also considered the support required from stakeholders. In this case, assistance with searches was required from the National Crime Agency, and there was a need to engage specialist counsel early to advise on search warrants and legal professional privilege material.

5.12.   With the use of the plan, the SFO could push a case to CEB where there was a need to preserve evidence and commence with the investigation. The SFO is considering using this plan template as good practice for future cases, which inspectors would encourage.

5.13.   Once a case is accepted by a CEB and allocated to a case controller, an investigation plan must be produced. We found investigation plans in all the SFO cases we examined. In all the investigation plans we examined, resources were considered and updated regularly as required by the OH. Case controllers met weekly with HoDs and we were told that resource issues could be raised. During interviews, case controllers confirmed that resources were assessed and discussed at regular periods throughout an investigation. Case controllers from all three casework divisions said that they felt they could have open discussions with their HoD regarding any resourcing issues. However, inspectors were told that finding staff with the right level of experience and skill remains challenging.

5.14.   HoD-led casework assurance meetings with entire case teams have been introduced. These are called case review meetings (CRMs). They are completed twice yearly and are another forum where resources are discussed. We saw evidence of CRMs in all the pre-charge cases we examined. HoDs can adjust resources from within their divisions and discuss the case at the Gold Group, where resources can be further flexed across the organisation.

5.15. After the case has been investigated by the case team, the case controller, in consultation with the HoD, will determine if the case should proceed to a charging decision. The case will then be referred to General Counsel (GC) to consider the evidence, decide if the case should be charged and decide the appropriate charges. In 2022, the SFO developed a new system for cases which are put to GC for a charging decision. There is an expectation that case controllers will submit a separate resource plan after charge which outlines the resources required to progress the case.

5.16. Inspectors were told by some staff that the new process has caused some delays in charging cases. We were told of two cases that were submitted for charging decisions to the GC office, which were still awaiting a decision nine months after submission. Staff continued to work on the cases during this period. Case teams conveyed their frustrations around delays and the lack of communication. GC considered the new process as part of the overall strategy to deal with existing casework and not to progress cases to the next stage until resources were properly considered and available. In our view, assessing resources before charge tightens the process and allows for proper resource planning for the post-charge period when the timetable is commanded by the Court. However, timely decision-making would be helpful and reduce the risk of drift or wasted work.

5.17. Out of the five cases we examined, there was one which the case controller and case team viewed as being adequately resourced. The investigation in this case had been scoped down to match the resources available.

5.18. Three of the other four cases were considered low-priority cases. It is unsurprising that case teams expressed some frustration as to how they were resourced as, inevitably, they were not being provided with as much resource as high-priority cases. The case controller in one of these cases expressed the view in both the case investigation plan and during our interview, that the case was under-resourced and hampered from the outset by the constantly changing resources on the team. The case controller felt that there was insufficient support for investigators and insufficient numbers of document reviewers as well as counsel dealing with legal professional privilege material.

5.19. In another case, there was only one principal investigative lawyer working one day per week on the case, which was insufficient given the volume of legal work. One year after the case had been accepted, there

was no disclosure officer, which meant there was no current disclosure strategy. This was negatively impacting case progression.

5.20. In the final case, despite resourcing concerns expressed by the case team at the outset, it benefited from being prioritised at a later stage when, to supplement the external recruitment of disclosure counsel, resources were reallocated internally from another case. This approach benefitted the case and ensured that, through the additional resources provided by prioritisation, the case complied with court orders and was able to progress to trial.

5.21. In the five cases we examined, the case teams unanimously agreed on the importance of the multi-disciplinary model and its value in enhancing case progression. There was no evidence of any split between the investigative and prosecutorial arms of the case and the different disciplines worked cohesively. Each part of the team appreciated the skills of others and relied upon them to progress cases. In three cases, the principal investigator(s) had a financial or accountancy background which was vital to the rest of the team to being able to follow and evidence the trail of money through various financial institutions. This highlights the value of a multi-disciplinary team when dealing with financially complicated cases.

Use of external resources

5.22. Inspectors were told that the SFO carries, and allows for, a 10% vacancy rate to allow for a surge in temporary staff recruitment. Due to the volume of material that must be reviewed, case teams rely heavily on recruiting temporary agency staff as 'document reviewers' who conduct initial assessments of material seized during searches. In some cases, the material seized can run into millions of pages. Document reviewers carry out an initial assessment of material based on instructions from the disclosure officer or case controller.

5.23. We found that case controllers made document reviewers feel part of the overall case team. Document reviewers were mainly positive about their role within case teams. They told inspectors that they were routinely invited to attend case team meetings and had regular meetings with their line managers. They were largely positive about the training provided by the SFO and said they had clear expectations of the work they were expected to complete, and enough reading time for the cases they were allocated to. Some commented that the creation of a permanent document reviewer role would incentivise them further.

5.24.   The recruitment of temporary agency staff brings some issues for the SFO. Significant delays with the completion of security checks resulted in some document reviewers not starting for more than 12 weeks after recruitment. In some cases, the delay resulted in applicants turning down the role, having secured employment elsewhere.

5.25.   Some case teams conduct their own recruitment of document reviewers, which means taking time away from the case. Staff also told us that they faced delays in dealing with their own work as they were required to spend multiple days interviewing candidates for document reviewer positions. Whilst document reviewers can be moved between cases, there is no central internal group of document reviewers for case teams to call upon at any time. The SFO should consider if making case teams responsible for recruiting and deploying temporary staff is the most efficient and effective method.

5.26.   Our file examination highlighted an inconsistent approach to the use of document reviewers, with some case controllers choosing not to use them at all. Instead, they instruct members of the external bar to conduct all document reviews. Current levels of remuneration[6] for the disclosure counsel role, compared to other organisations, leads to some delays in recruiting. However, we did not find evidence that it prevented the SFO from using them. Three of the cases used document reviewers as part of their case teams. This did not appear to affect the quality of casework, according to quality assurance records. Senior managers were aware of the inconsistency but were content to provide case controllers with flexibility on a case-by-case basis.

Role of the disclosure officer

5.27.   It is necessary for the case controller to deploy someone in the role of disclosure officer in every case[7]. The disclosure officer (DO) will establish and set out the parameters of how material should be assessed and labelled, providing clear instructions to document reviewers and other members of the case team. The DO role can be deployed from existing, internal legal or non-legal staff.

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[6] The SFO is discussing levels of remuneration at senior levels.
[7] Disclosure in accordance with the Criminal Procedure and Investigations Act 1996.

5.28.   Our file examination and our inspectors found that case controllers found it challenging to find staff willing to take up the role of DO. We were told that there were a number of reasons for this including:

- the repetitive nature of the work

- a general lack of understanding of what the DO role involves

- criticism of individuals in the recent Altman and Calvert-Smith reviews.

5.29.   The SFO has carried out a number of mandatory training events on disclosure before and since the publication of the Altman report. Advanced DO training was delivered personally by GC in June 2021. A staff skills assessment has been carried out to determine the levels of understanding and experience of DOs and Deputy Disclosure Officers (DDOs).

5.30.   In the five cases we examined, there was no evidence to suggest that there were any problems with the DO's level of experience. In one case, the DO was relatively inexperienced. However, they felt well supported by the case controller in their role.

5.31.   In another case, the DO was an ex-member of the bar that recently joined the SFO, taking a pay cut to gain the stability of working in the civil service. The previous DO handed over the case in person over a three-week period and this was effective and helpful.

5.32.   As a result of the findings of recent reviews, and of problems with staff being willing to take on the disclosure role, the SFO has engaged with staff who perform the role of DO or DDO in a series of events and established a DO review project. There has been wide-ranging engagement with over 150 staff offering views. Senior management have developed several proposals for how to incentivise and develop disclosure handling. A decision will be made on the best approach to adopt as issues are worked through and an organisational strategy is finalised. A DO forum has been established and there are monthly meetings of DOs and DDOs to discuss general issues.

5.33.   Senior leaders recognised that the organisation needs to do more to support staff to take on the DO role and work on having a better understanding of the parameters of the role and their decision-making authority.

Judgements

5.34. As with our report in 2019, we found that the Roskill model was the right model for SFO cases. In the cases we examined, it was clear that the multi-disciplinary approach was essential to progressing cases.

5.35. Resources are continually assessed throughout the life of case. The SFO has sufficient forums and check points where resources are reviewed and considered. Case controllers can discuss resourcing issues with their HoDs on an ad-hoc basis or during regular one to one meetings and CRMs. The Gold Group can redirect resources across divisions and reprioritise cases. With limited resources, inspectors consider this a sensible approach. However, there needs to be better communication with the wider organisation on why accepting cases or making charging decisions are taking longer than normal.

5.36. Making sure cases are sufficiently and consistently resourced with experienced staff remains a challenge for the organisation. The results of the recent Civil Service People Survey[8] demonstrate that resourcing challenges across the three casework divisions have an impact on their individual workloads. The moratorium on accepting cases and the prioritisation of existing cases can help, but available resources remain finite and recruitment remains competitive. The SFO will need to plan for how resourcing will work if the situation remains the same.

5.37. The use of document reviewers on SFO cases is essential due to the volume of material which needs to be reviewed in most of its cases. The recruitment of document reviewers had an impact on case progression. The SFO needs to consider whether the current method of recruitment is the best use of resources.

5.38. Enlisting staff to the role of DO presents the SFO with some challenges. The SFO should consider how it can improve the understanding of the role of the DO across the wider organisation. It could consider incentivising the role, using it as a development opportunity for staff who may wish to apply for a promotion to case controller.

5.39. We conclude that the SFO has fully met the 2019 recommendation.

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[8] The annual Civil Service People Survey looks at civil servants' attitudes to and experiences of working in Government departments.

6. Use of independent counsel

Recommendation 4: 2019 report

The Serious Fraud Office should be clear about the use of independent counsel, including guidance for case controllers on their deployment and monitoring, and a mechanism for evaluating the value for money they provide.

A short summary of the 2019 findings

6.1.   In our 2019 report, we found that counsel was not always used to maximum effect. There was no operational guidance on the use of independent counsel to assist in the disclosure process (known as disclosure counsel). This meant that the deployment was different from case to case.

6.2.   Other issues hampering the efficiency of disclosure counsel included:

- their lack of access to the Operational Handbook (OH)

- their lack of access to training on Serious Fraud Office (SFO) practices or policies for casework (such as disclosure)

- a lack of clear expectations for how, and by when, review work was to be completed.

6.3.   The inconsistent oversight and control meant that we were not able to assess whether counsel was providing good value for money on individual cases.

6.4.   The under-evaluation of counsel's performance in the disclosure process exposed the organisation to risks and criticism. We noted rework that needed to be completed where the disclosure process was not intact.

Factual findings of the 2023 follow-up

Instruction of counsel

6.5.   Adequate policies and procedures are in place to provide instruction for the management of counsel. When the case controller or team wants to involve counsel, they prepare a business case which must be signed off by the Head of Division (HoD) and the commercial team with involvement from General Counsel's (GC's) office if necessary. If an extension of the arrangement is required, further approval must be sought. The case investigation plan, which is subject to senior

management oversight, also sets out how and when the team intends to use counsel.

6.6. In all the cases we examined, we found evidence of this process being followed for the teams' use of prosecution counsel, disclosure counsel and legal professional privilege (LPP) counsel.

6.7. A business case for the instruction of counsel should include options for whom to instruct so the SFO can choose the most appropriate person. Invariably, a case controller may request the instruction of specified counsel based on their experience in previous cases and a successful working relationship, particularly in the case of trial counsel. This may be due to the complex nature and longevity of cases. We did not find evidence of difficulties in instructing appropriate counsel, particularly trial counsel. However, we heard directly from some counsel that rates of remuneration for the type of work they were instructed to do was not in line with other work they conducted.

6.8. In the cases we examined, there was evidence that trial counsel was provided with clear instructions at the appropriate stages of the case. They were often instructed from when the case was accepted by the SFO, which assists with case progression in these complex cases. During the pre-charge stage of the cases, counsel tended to be asked to deal with specific issues, such as jurisdictional issues or advice on searches. These limited but specific instructions are an appropriate use of counsel and assist in focusing and progressing cases throughout.

6.9. We found that guidance documents and instructions were provided to disclosure counsel, with clear expectations of work to be undertaken. Any changes to the disclosure strategy, such as refining or extending search terms, were communicated to enable disclosure counsel to amend their work accordingly.

Quality assurance

6.10. Performance monitoring forms (PMFs) are completed twice a year with an assessment of counsel's performance in the previous six months. These are usually completed by the case controller for trial counsel, or the disclosure officer for disclosure or LPP counsel. The PMFs are provided to the commercial team who keep a central record. This allows performance issues to be shared when another case team wants to use the same counsel.

6.11. In all the cases we examined where PMFs were required, they were being used to monitor counsel performance appropriately.

Appropriate monitoring and robust decisions were made regarding counsel performance, which aids case progression. In interviews with staff, there appeared to be some lack of awareness of expectations, but we also saw one instance where counsel was not asked to continue on a case after their initial term of instructions expired due to poor performance. This was before a PMF was due, indicating that the monitoring of counsel is an ongoing process and not restricted to the completion of a PMF.

6.12. LPP counsel's performance is based on efficiency measures, such as how many documents are reviewed and how much time counsel is spending on the case. This is necessary because the documents they are reviewing are privileged, so the disclosure officer undertaking the performance monitoring and quality assurance is unable to view or dip-sample the documents.

6.13. Trial counsel are expected to provide senior managers with a summary of their opening speech as the trial date approaches. This provides an opportunity for challenge and assurance, and a more senior level of oversight.

6.14. The cases we examined, and the interviews we conducted, evidenced a more consistent approach to training and access to the SFO systems and policies for disclosure counsel when compared to 2019. Disclosure counsel are issued with an SFO laptop so they can review documents through the secure system, Axcelerate[9]. They therefore have access to the SFO handbook and available policies. Training to use Axcelerate is provided through online videos. Specific SFO disclosure training is not mandatory for disclosure counsel, and we did not find evidence of disclosure counsel having attended the training. However, given how they are engaged and their experience, it must be expected that disclosure counsel will be qualified for the role without attending SFO disclosure training.

6.15. There is a mixed picture for trial counsel's use of the SFO's digital systems. The SFO will provide a laptop if counsel wants one, but some counsel we spoke to said that they preferred to use their own devices because they think the SFO laptops are not user-friendly. If they do, they are provided with the case documents in a secure and encrypted manner. The use of their own device means that counsel does not have access to

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[9] See paragraph 7.33.

the SFO handbook and other available policies, which we raised in our 2019 report as hampering the efficacy of counsel deployment.

6.16. As part of the assurance process, the SFO asked its internal auditors, the Government Internal Audit Agency (GIAA), to audit its use of counsel. The audit was conducted in 2022. The audit team reviewed 12 cases in which counsel were instructed. Overall, it found that the SFO had adequate guidance in place, including clear and accessible policies and procedures on how to engage and manage counsel. It also found that there were satisfactory arrangements to monitor service provision on an ongoing basis and maintain the quality of service. A number of improvements were identified, including to governance, risk management and controls relating to the instruction of counsel.

Judgements

6.17. We conclude that the SFO has addressed recommendation 4 appropriately and that it is fully met. There is clear and comprehensive guidance on the instruction of counsel and proper consideration of business cases, and the extensions to the instruction of counsel are being signed off at the correct levels.

6.18. We found that trial counsel and disclosure counsel are provided with clear instructions and other documentation and guidance (as required to enable them to work effectively). Clear expectations are set for their work product and timescales.

6.19. There is an assurance mechanism in place to monitor and report on counsel's performance. Whilst there are some limitations to this, such as only being able to monitor LPP counsel on volume of work rather than quality, the process allows for sufficient oversight of overall performance. This enables the SFO to evaluate (to an extent) the value for money that counsel provides, and assists case progression by making sure counsel's performance is adequate. We saw examples of poor performance being managed appropriately using this mechanism.

6.20. Commissioning an internal audit report is indicative of the SFO's acknowledgement of the need to have a tighter grip on the performance of counsel.

7. The Digital Forensic Unit

Recommendation 5: 2019 report

The Serious Fraud Office should develop understanding across the casework divisions of the impact of seizures on the Digital Forensic Unit, and the need to be proportionate in their demands and expectations of this unit. This should be accompanied by measures to significantly reduce the impact of current delays on case progression.

Short summary of the 2019 findings

7.1. The Digital Forensic Unit (DFU) is a key part of the Serious Fraud Office (SFO). It processes all the digital material the organisation receives from searches, seizures or voluntary surrender, among other sources. This includes a considerable number of electronic devices, which are encrypted in increasingly sophisticated ways, and which may contain huge quantities of potential evidence. The digital material will also include large amounts of unused material and items subject to legal professional privilege, both of which must be handled in accordance with strict regimes.

7.2. These challenges are not unique to the SFO. The changing environment of increased encryption makes processing devices more complex and time consuming. The DFU's task, under the Roskill model, is to support the investigation and prosecution of cases effectively by processing and interrogating the material, and to enable compliance with criminal procedure rules and regulations and statutory duties.

7.3. In our 2019 report, we found that there were delays in the DFU which had a significant impact on case progression. We found a lack of a 'one team' ethos in the SFO, which had an impact on the DFU's ability to work with case teams to deliver its service. Cases we examined lacked digital strategies, and this had an impact on the amount of work channelled into the DFU. This caused backlogs and a high turnover of staff within that team. There were attempts by some case controllers to work more closely with the DFU, but this was dependent on individuals and was not consistent across all case teams.

7.4. There was a poor relationship between the DFU and the rest of the organisation as well as a lack of collaborative working, despite the DFU being key to case progression.

Factual findings of the 2023 follow-up

7.5.   In our follow up inspection, we have seen evidence of a much-improved relationship between the DFU and case teams. This was seen in the individual cases that we examined and borne out by what we heard in interviews with staff. The DFU is in a stronger position than in our 2019 inspection and is not facing the pressures and delays we saw previously. This appears to result from a reduced workload (partly due to the pandemic and partly to case prioritisation), investment in personnel and technology, and greater strategic consideration of how the DFU's resources are to be used.

7.6.   A new Chief Technology Officer (CTO) was appointed in December 2020. He was able to carry out a full assessment of the DFU function, which focused on the structure and processes of the DFU. He recognised that the DFU immediately needed to refocus to deal with current backlogs, and that the problems in the DFU affected case teams' ability to access essential material to progress cases. The CTO worked closely with the new head of the DFU (who had arrived in June 2020) to refocus and professionalise the unit. There was full support from the senior leadership team to make the necessary changes. A strategy was developed which included:

- reward

- accommodation

- workload

- systems

- communication

- a relationship with case teams.

7.7.   We found evidence that this was handled in a robust, thorough, and inclusive manner and resulted in a strategy which was fundamentally sound.

Reward

7.8. Given some of the issues with recruitment and retention, salaries for DFU roles were reconsidered. Salary structures were compared with other similar law enforcement organisations. This highlighted significant discrepancies. A business case was made to change the threshold to add allowances to salaries. This resulted in many DFU staff being awarded an allowance. This moved salaries to some degree of parity with other organisations and slowed staff turnover.

7.9. New senior roles were created within the team, which created development opportunities within the DFU, and technical expertise was brought in from outside the organisation. This, coupled with allowances, has significantly improved staff retention and, in the last year, seven new team members have been recruited. There has been a loss of one staff member.

7.10. In the previous year, before the changes, five team members left and one was recruited. This ability to retain staff with specific expertise will enable a more focused and efficient DFU, enhancing case progression. The unit is considering developing an apprenticeship programme to increase the capacity for recruitment and expertise. The programme will take on its first apprentice this year, with another in the following year, thus creating a new national program. We were also told that work placements will still be provided for degree students.

7.11. The DFU still holds a few vacant posts, but this is because its work mainly takes place at the commencement of a case. This is when searches are conducted and material and devices are seized. As fewer searches have been conducted because of the pandemic, it makes sense not to fill all the posts now and protect the posts for when work increases. This is a cost-effective approach to the management of staff and resources.

Accommodation

7.12.   The unit is currently housed in the sub-basement area of the SFO building where there is a lack of natural light. Within the SFO's current accommodation, there are few alternatives where the DFU could be based, because of the specialist equipment needed for its work. Despite plans to move in the future, it is not feasible for the unit to move within its current accommodation. However, to improve the working environment, new furniture has been purchased.

7.13.   We heard from staff that this has improved morale and provided a more pleasant work environment.

Workload

7.14.   The pandemic resulted in a reduction in the number of searches taking place, therefore reducing the number of seized devices that required processing by the DFU, but it continued to receive material under the SFO's section 2 powers. We were told that the DFU team were among the few members of staff that were unable to work from home during the pandemic, because they need access to forensic equipment. Whilst the rest of the world began working from home, DFU staff continued as they had before, attending the office almost daily.

7.15.   Through this continued work programme, and with some degree of overtime, the DFU used the time to clear most of the backlogs that hindered case progression as highlighted in our 2019 report. Additionally, the strategic decision to place a moratorium on case acceptance meant that the numbers of searches and devices gathered for forensic examination have decreased. The DFU has been able to manage more effectively and focus on prioritising existing seized material.

Digital systems

7.16.   The DFU introduced a forensic case management system in October 2022 called Nimbus, which has brought about many benefits. The system allows for better communication and transparency through a case team portal, which shows the case team's progress details within the DFU laboratory. We heard that the capabilities of the system are good. The system can provide reports when required. Staff told us they felt that the previous case management system was poor, but that the new system aligns with the national standards and is much more effective for managing and controlling the material.

7.17. Inspectors were informed about other advancements in technology that have assisted, or will assist, the SFO with the digital forensic examination of devices:

- the electronic booking-in system has been upgraded

- the scanning system will be upgraded

- the registry database is in the process of being rebuilt.

Relationship with case teams

7.18. At a divisional level, the DFU now routinely allocates a DFU member of staff to individual case teams. We saw this in all the cases we examined that commenced after 2019. As indicated in previous chapters, a member of the DFU can also attend case team meetings and is invited to attend all case review meetings. Attendance at these meetings provides good line of communication and enables the DFU to anticipate and plan for upcoming work. This enables early discussions with case teams about the strategy of processing and prioritising work. A senior member of the DFU also attends prioritisation meetings to provide necessary input at a strategic management level.

7.19. Investigation plans require a clear digital strategy. This has been reinforced in the Operational Handbook (OH) rewrite. The investigation plan includes separate sections for gathering material and subsequent review and interrogation. We saw evidence of this in all the cases we examined. The focus on digital strategy at the early stages of the investigation enables a greater strategic consideration of how to use DFU resources as the case progresses.

7.20. The Case Assurance Framework[10] consists of key issues for consideration, which are to be reviewed by the Head of Division (HoD) and case controller at regular intervals. A key consideration is whether there has been a discussion with the DFU regarding the handling of any digital evidence, where there is likely to be a delay, and whether priorities have been agreed. This framework provides assurance case teams and the DFU are communicating about the handling and prioritisation of digital evidence. This further demonstrates a stronger and more collaborative relationship between the DFU and case teams than seen in our previous inspection.

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[10] The Case Assurance Framework record contains a list of matters that provide a structured approach to assessing casework.

7.21. In the cases we examined, there were examples of positive working relationships between the case teams and the DFU. These showed an understanding of the need to work collaboratively from an early stage to ensure the proportionate seizure of relevant material and, in doing so, to anticipate and manage any potential delays.

7.22. There was also evidence of DFU members attending searches with case teams, where they can triage material at the scene and enable search teams to make more informed decisions about whether devices require seizing. This can result in fewer devices being seized and processed whilst ensuring that relevant material is still seized. This reduces the workload of the DFU and enables the material to be processed more quickly and with a more focused approach for the developing case.

7.23. In one of the cases we examined, the case strategy outlined the case team's intention to liaise with the DFU from an early stage following case acceptance. The DFU assisted the case team on-site during searches, screened the material that was seized, and limited the collection of irrelevant material. The strategy outlined the evidence obtained and prioritised the examination of several specific devices which were believed to contain the most important evidence. A timetable was developed, anticipating the requirement for resources once the material was due to be processed. The strategy was updated as the investigation progressed, which enabled the case team to properly plan their resources. At subsequent casework assurance meetings, there were regular discussions about the DFU's progress in processing the material seized and the timeline for the material becoming available.

7.24. In another case we examined, we saw how the DFU triaged devices that had been seized by the company administrators and made available to the SFO. This reduced the number of items that needed to be processed. In addition, the case team and DFU consulted over the extraction of material from mobile phones to avoid the duplication of material already seized. There was good liaison over the identification and recovery of material believed to have been deleted by the suspects. Subsequently, there was a discussion at the case review meeting, attended by the Head of DFU, about the progress the DFU had made in processing the material seized. This enabled the case team to understand and manage the investigation accordingly.

Relationship between DFU and eDiscovery

7.25.   The CTO is also responsible for eDiscovery and the eDiscovery team. The eDiscovery team are responsible for the Autonomy and Axcelerate systems[11].

7.26.   Delays have been dealt with in the DFU but we were told that delays are now occurring in the eDiscovery team. The eDiscovery team gets involved in cases once the DFU has processed data from devices into the Autonomy or Axcelerate systems. Resources have been stretched in eDiscovery due to several cases being in court at the same time, and additional work needing to be completed on the trial cases where disclosure requests can be made on a daily basis.

7.27.   We were informed that the annual business plan considers the need to increase the resources in the eDiscovery team. We were told that recruiting into the team is a real challenge because of the specialist nature of the roles and the competitiveness of the salaries. As such, vacancies do not always get filled. The SFO is keen to fill posts with suitable personnel and not just fill in the gaps.

7.28.   Running two systems side-by-side in eDiscovery (Autonomy and Axcelerate) is more resource intensive. Autonomy is the older system and we were told that it is very labour intensive to keep it going. We were told that very few people can operate it, which is a risk. However, all cases are being migrated to the new system. With case migration, the risk is diminishing.

7.29.   The migration of cases onto Axcelerate is expected to complete in October 2023. The change team are responsible for the transition between the two systems. The SFO has not been running any new cases on Autonomy for some years now and it is expected that only two existing cases will be left on Autonomy by October 2023. Working on a single system should increase the eDiscovery team's capacity.

7.30.   Whilst there has been a significant improvement in the DFU's relationships and backlogs, the senior leadership team accepts that a delay has now presented itself within the eDiscovery unit. Examples of delays are highlighted by case team staff, including legal professional privilege (LPP) material not being released to case teams despite being cleared by LPP counsel, which results in delayed case progression.

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[11] Autonomy was the system used by SFO to interrogate digital material once it had been processed by the DFU. This system was replaced by Axcelerate and from 2019 all new cases used Axcelerate.

7.31. Fortnightly DFU and eDiscovery prioritisation meetings, chaired by the Chief Investigator, are held to prioritise work for case teams. Senior managers from both departments collate the pressure points for the units and any requests for urgent work. We were told that the HoD's input is often used to make business decisions about the priority of work. This is then relayed to the DFU and eDiscovery team.

7.32. The SFO uses some automation technology to streamline its forensic approach. The SFO now employs programmes that complete agreed auto searches, although case teams still look at the data once extracted. Inspectors were told that the automation assists case progression by speeding up the process of getting relevant material to the case teams.

7.33. Inspectors were told, and found, that the Axcelerate system is a strong tool and exceeds the capabilities of Autonomy. Axcelerate training has been commissioned by the SFO, but staff have mixed views on the quality of this training[12]. There are staff who are more comfortable with using the system than others. The SFO envisions case teams navigating the system to extract the information they require without separate and specialist eDiscovery assistance or support. With training and effective support, this position should be achievable.

Judgements

7.34. Our 2019 recommendation had two distinct parts. The first related to the need for divisional case teams to understand the impact of their decisions on the DFU and appreciate that the demands on the unit need to be commensurate with the SFO's priorities. The second part of the recommendation relates to a reduction in the backlog of devices awaiting forensic examination.

7.35. The SFO has benefited from a hold on searches during the pandemic and has dealt with staff retention issues. In turn, the DFU has reduced the backlogs which hampered case progression during our previous inspection. The unit can manage its work with current resources. This is a marked contrast from our 2019 report. Effective leadership has served the unit and SFO well. We consider this part of the recommendation as being fully met.

7.36. In 2019, we noted that the organisation lacked a 'one team' ethos and inspectors felt that the unit was alien to the rest of the organisation. We found that the one team ethos has now been established by investing

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[12] See paragraph 8.12.

in the unit and developing strong lines of communication. This good work is reflected in the latest Civil Service People Survey results, with the unit achieving impressive year-on-year increases in many of the main metrics.

7.37. When we spoke to case teams, they were complimentary of the DFU. Case teams felt fully involved in timelines for DFU work and were not frustrated by material not being available. The focus has now turned to eDiscovery delays, but the imminent movement to only one of the eDiscovery systems should see significant improvements for eDiscovery resources.

7.38. Our case examination highlighted good evidence of the DFU's involvement in case team meetings and quality assurance meetings. This satisfied inspectors that the DFU was fully engaged with the case teams and that there were good, if not excellent, lines of communication. We saw investigation plans with clear digital strategies from the outset of the cases and we saw case teams scope down investigations and alert the DFU to devices that no longer needed to be processed.

7.39. The DFU attending searches with case teams meant that fewer devices were seized, and this contributed to the reduction in the DFU's workload and backlogs.

7.40. We consider that the recommendation has been fully met.

8. Training and development

Recommendation 6: 2019 report

The Serious Fraud Office should consider how it can improve the focus and delivery of training to support case progression. The Serious Fraud Office needs to develop a programme of learning and development that delivers the core skills for effective case progression.

A short summary of the 2019 findings

8.1.   At the time of our 2019 inspection, we found that training and development opportunities at the Serious Fraud Office (SFO) were not planned or delivered under a strategic SFO-wide training plan or as a result of any recent training needs analysis. This meant that there was no clear link between training or development activities and the organisation's aims, risks and business needs. Case progression was identified as a key priority at SFO board level, but in 2019 there were no linked training products. We also found there were no formal post-training event evaluations, either by recipients of training and development or their line managers, to assess the quality of the activity and whether it fulfilled the identified need.

8.2.   We identified a need for senior managers to develop a joined-up training strategy. We also suggested specific case progression training, to include modules on tasking, project management, criminal procedure rules and regulations, quality assurance and performance management.

Factual findings of the 2023 follow-up

8.3.   The SFO has developed an extensive package of training that covers all aspects of SFO casework. A training strategy has recently been developed, which focuses on the development of the organisation's overall competence and capability as well as individual development needs. The strategy focuses on leadership development and improving access to learning.

8.4.   As part of the Case Progression Project[13], a five-day 'progressing investigations' course has been developed, combining the existing training on leading complex investigations, case progression and key aspects from the witness statement training. The new combined course is due to commence this year.

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[13] The Case Progression Project is an internal group dedicated to considering changes in the SFO to enhance case progression.

8.5. In interviews with case team staff, we were told that the Trainee Investigator Programme is excellent and provides trainees with a comprehensive programme of learning and development. Trainee investigators are moved to a new case every few months, exposing them to a range of case types and different stages of a case, which is necessary given the time it takes for many SFO cases to conclude. As a result, trainee investigators are developed from the outset with the specific skills required for undertaking the complex matters dealt with by the SFO. The training is also clear about the focus of managing cases at pace, which should enhance progression.

8.6. In 2022, trainee investigators took part in the Civil Service People Survey as a separate unit. The positive engagement results reflect the investment the SFO has made in developing a course which is challenging and rewarding.

8.7. The SFO is considering developing a training program on project management for case controllers and disclosure officers. We refer to this in paragraph 4.15. This is being piloted and, if deemed appropriate, will be rolled out across the SFO. Such training is likely to assist with the necessary skills to ensure effective project control. This should enhance case progression.

8.8. We were told that there are conflicts between attending training and undertaking casework on occasion. The courses available take place over one to five days. This is a substantial amount of time away from casework. For some, the pressure of the day job and managing long running and complex cases can deter them from attending training.

8.9. A training budget was previously allocated to each division, with responsibility for its spending devolved to the Heads of Divisions (HoDs). The budget is now centralised, and training is allocated across divisions based on business needs. This means that, when a staff member withdraws from training, there is no divisional budgetary impact, which may also lead to casework being prioritised over training. This short-term solution to casework pressures presents a longer-term risk to case progression, so it is important that the SFO signals the importance of training and that staff are fully supported by all managers to attend training.

8.10. The SFO has put measures in place to address the concerns in our 2019 report around training needs analysis and the evaluation of training. When a new starter joins, the SFO carries out a needs assessment to identify gaps in skills and knowledge. Any training identified as being

required is assessed alongside the training needs of the division. Training for case teams is requested through line management or the HoD. The Case Assurance Framework[14] also includes consideration of whether a case has the right balance of skills and expertise and whether any training is required.

8.11. The SFO keeps a record of who attends training courses, but there is still no central record of course evaluation to consider whether external courses are focusing on the desired aims and objectives and providing value for money.

Compliance issue
There is no central record of course evaluation to consider whether external courses are focusing on the desired aims and objectives and providing value for money.

Axcelerate

8.12. Over recent years, the SFO has been migrating all its cases to a new eDiscovery system, Axcelerate. All new cases use the system from the outset and most older cases have been migrated to the new system, or will be by June 2023. Training on Axcelerate has been provided, but the response to that training has been mixed.

8.13. Those who attended the external training course were generally positive about it. However, some told us that it was delivered too early, before they could build on the training by using the system. The cost and time involved mean that the training has not yet been given to all staff using the system, and the external training is delivered according to a list of priorities.

8.14. Over 100 case team staff have received the two-day bespoke training course. A further subset of 50 has been identified for whom a higher tier of the training course is needed. The training for the 50 will be delivered in the next few months.

Learning from casework

8.15. In 2019, we found one formal opportunity for the SFO to share learning from cases in the wash-up exercise carried out at the conclusion of a case. We also found some ad hoc sharing of good practice and lessons learned across case teams, but there was little evidence of learning being shared across divisions. We concluded that the SFO was

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[14] See paragraph 7.20.

not adept at consolidating best practice and that a more formal structure to provide feedback across the organisation would be beneficial.

8.16. It appears that little has changed since then. Case learning events take place after a case has concluded. The case team and some members of senior management attend these events, but there is no system in place for the wider dissemination of the learning. Due to the length of time that SFO cases take, there is also a risk that the case learning event will consider practices that may have changed in the interim.

8.17. We found some evidence of learning points being identified during the lifetime of a case in case review panels or case review meeting minutes, but saw no evidence of such learning being shared more widely, even where the intention to do so was specified.

8.18. Some learning from casework is disseminated by developing guidance and reinforcing staff awareness. Guidance on how to record communication from a defendant, suspect, or any representative of either was developed, issued, and codified by the SFO in May 2022. Our interviews with case teams indicated that there was full awareness of the new guidance and the process to be adopted if the event occurred.

8.19. We discuss peer reviews fully in chapter 9. The new process of peer review presents an opening for organisational learning. We found that the peer reviews were thorough, provided appropriate recommendations and identified areas of good practice where appropriate. The reviews were positive and did not identify any issues of case progression. This aligned with our findings on the cases we examined. However, there appears to be no formal mechanism for sharing the outcomes, including sharing good practices and oversight to make sure that appropriate recommendations are implemented, either at an organisational or a divisional level. Given the intensive and time-consuming work involved for the peer reviewer and the case teams, the lack of such a formal mechanism is a missed opportunity to realise the benefits of the effort expended.

Judgements

8.20.   There is evidence of a programme of learning and development that delivers the core skills for effective case progression. In particular, the Trainee Investigator Programme provides comprehensive and specialist training which will develop the skills of those undertaking the programme. This will enable effective case progression. However, there is still no consistent evaluation of the impact of training. This is necessary to ensure that the training offered remains relevant and necessary and is delivering value for money.

8.21.   The SFO remains poor at sharing learning from casework across the organisation. Learning events following the conclusion of cases are limited to the case teams and some senior management, with no clear evidence of wider dissemination of learning points. Peer reviews are comprehensive and provide a good opportunity to share good practice and learning, but the outcomes are not discussed by HoDs and case teams, and there is no formal route for wider dissemination of any learning. Learning from both case learning events and peer reviews appears to be kept in silos. The sharing of this learning across case teams and divisions would assist with developing skills for effective case progression.

8.22.   We consider that the SFO needs to develop effective processes to share case learning. We made this recommendation in 2019, but this is still a gap. There are also missed opportunities for case learning from the peer review process. The SFO needs to make sure that there is a clear understanding of how the issues and actions in peer reviews are followed up and delivered.

8.23.   We consider the recommendation as partially met.

9. Setting milestones and the Operational Handbook

Recommendation 7: 2019 report

Heads of Divisions should set and monitor key milestones in the investigation and prosecution of cases and should enforce compliance with the Operational Handbook.

A short summary of 2019 findings

9.1.   The above recommendation fell within the 'governance of casework' section in our previous inspection report. With the size and complexity of Serious Fraud Office (SFO) cases, the governance of casework is always going to be a challenge. In other prosecuting organisations, managers can glance at key documents to develop an understanding of the case and challenge effectively. With the top end of fraud, bribery and corruption, it is difficult for supervisors to familiarise themselves with the detail of a case unless substantial time is allocated for reading the case in detail and keeping their knowledge updated. It is not unusual for many case team members not to have knowledge of all the details of the entire case as they focus on their individual areas of investigation and/or prosecution of the case. There are key areas that all case members do have knowledge of.

9.2.   Inevitably, cases remain of a size and complexity that makes it challenging for Heads of Divisions (HoDs) to have an in-depth grasp of all aspects of them. Despite this, in 2019 no formal assurance process was adhered to for the HoDs to satisfy themselves that cases were being progressed effectively.

9.3.   With a relatively small number of complex cases in each division, data becomes less reliable as a measure to check the progress of casework. In 2019, the SFO did not have any process where generated data was used to monitor case progression at a divisional level effectively. We noted that there were no key milestones against which HoDs could measure case progression. We commented that HoDs required support to deliver their quality assurance role to drive casework forward effectively.

9.4.   We reported that case review panels, which were established to assure senior managers about the progress of cases, were sporadic and did not focus on moving the cases to the next stage. Also, actions were not followed up.

9.5.   The peer review process adopted was robust and effective, but not enough reviews had been conducted to make a difference to delivery.

Only two peer reviews were conducted in the year preceding our 2019 report. Those that were conducted were not fully utilised by case teams and HoDs. We reported it as a missed opportunity.

9.6. The SFO has an Operational Handbook (OH) which includes clear instructions on how to organise an electronic case file, along with guidance for casework processes and procedures. In our 2019 inspection, we found that while senior managers had stressed that compliance was mandatory, many staff still regarded the expectations and standards set out in the OH as optional. We found that staff consulted the OH when obscure points of law or practice arose but did not follow more routine guidance regarding case files. In the cases we examined as part of the 2019 inspection, we found instances of confusing folder structures, items stored in the wrong folders, non-standard naming protocols and duplication of documents. This was a clear risk to proper case management and case progression. We recommended that the HoDs enforce compliance with the OH.

Factual findings of the 2023 follow-up

9.7. As a direct response to our 2019 inspection, the SFO set up a Case Progression Project (CPP), which has led to some significant developments in establishing and monitoring case milestones and case assurance at the SFO. The aim of the project was to streamline case progression by implementing assurance mechanisms and training programmes.

9.8. Phase one of the CPP took place between October 2020 and July 2022. The biggest developments were the replacement of case review panels (CRPs), led by General Counsel (GC), with case review meetings (CRMs), led by HoDs. Key performance indicators (KPIs) were also introduced, with targets for completing different phases of cases before charge. Phase two of the CPP began in July 2022 and focused on the implementation of phase one and post-charge case assurance framework.

Heads of casework divisions

9.9. Each of the three casework divisions (A, B and C) has an HoD.

9.10. The casework the HoD performs is a critical function. They have strategic and operational oversight of their division and of all the staff and cases within that division.

9.11. We interviewed staff across the SFO, from the most senior levels to junior grades, and it was evident that there was no collective view about what the HoD role entailed or what their main priority ought to be. The SFO has done considerable work to define roles and responsibilities as one of the work streams of its plan. This will address the concerns outlined in the Calvert-Smith and Altman reviews. It has also created a Deputy HoD role for each of the three divisions.

9.12. The remit of the HoD role is wide and includes:

- providing leadership to their division

- overseeing all of the investigations and prosecutions in their division

- fulfilling the function of senior managers of the SFO

- reporting risks and concerns to the Chief Operating Officer (COO)

- overseeing business processes in their division

- managing all of the case controllers (who are responsible for the day-to-day management of cases) in their division

- conducting two separate assurance processes.

9.13. Given our findings and those of the Calvert-Smith review, it is clear that the HoD role must be one of leadership and less about the day-to-day legal conduct of specific cases.

9.14. As part of its work to consider organisational roles and responsibilities, the SFO has decided to introduce a Deputy HoD role for each of the three casework divisions. In our view, this is much needed. However, some of those we interviewed thought that role of the deputy was yet to be determined, even though senior management has developed a job description to support recruitment to the roles. There was clearly a lack of clarity around this issue. We recognise that HoDs might want some degree of autonomy about the design and responsibilities of the deputy role, but more transparency at an organisational level would be helpful and necessary.

9.15. There will need to be effective communication once Deputy HoDs are in place to ensure that those in casework divisions have clear understanding of the extent of the role. One key aim of the role must be to help focus activity on case progression and assurance.

9.16. The SFO has revamped formal assurance processes for the HoDs to undertake, in addition to the regular meetings they have always held with case controllers. These are the Case Assurance Framework (CAF) and CRMs.

Case Assurance Framework

9.17. The CAF is a structured review to be undertaken by the HoD of each case on a quarterly basis. It takes the form of a table of set questions to which the HoD must find answers that focus on matters pertinent to case progression, including whether the case has all the documents required by the OH (such as an investigation plan and disclosure strategy document), sufficient resources, the timetabling of suspect and witness interviews and risks to the investigation.

9.18. The HoD conducts a review of the case on the SFO case management system to answer all of the CAF questions. While there is space for the HoD to add comments to the framework document, the process is largely to make sure that the relevant matters have been considered and recorded and that the correct procedures are being followed – as opposed to providing assurance about the quality of work being done on the case.

9.19. We were supplied with separate CAF records for seven cases (including one of the cases we examined), demonstrating that the process was being used. However, some of these appeared to have been completed by the case controller, not by the HoD. That defeats the purpose of the assurance process. The process would be more effective if conducted independently by the HoD or Deputy HoD.

9.20. In the five cases we examined, we found limited evidence that the CAF process was being followed. In one case, there was full compliance. In another, there was limited compliance as entries were not fully up to date. In the other cases, we could not establish if the process had been adhered to. This supported what we were told in interviews about the CAF process, with some uncertainty expressed about whether it had been superseded by CRMs.

Compliance issue
Heads of Divisions should make sure that the Case Assurance Framework review is undertaken on each case on a quarterly basis.

9.21. There was no evidence of the CAF feeding into CRMs or being used to provide any overarching assurance.

9.22. It is evident that completing each CAF form takes a considerable amount of time. It involves not only reading much of the case documentation, but also reviewing the case drive. If this is to operate as an assurance process, the action must be completed by somebody outside the case team.

9.23. Our inspectors questioned whether the HoDs have the time to carry out this process meaningfully in addition to all their other functions. We would encourage the SFO to consider whether the CAF currently sits at the right level and how it is used to complement other assurance mechanisms.

Case review panels

9.24. The second HoD-led assurance process is CRMs, which replaced case review panels (CRPs) led by GC. Throughout the pandemic these were all led virtually by GC. Whilst this was not a perfect solution, it meant that the scrutiny we would expect to be provided by CRPs was still in place.

9.25. We have been supplied with a selection of minutes from CRPs that were held across all three casework divisions from 2020 onwards. These demonstrate that CRPs were being held by GC on a more regular basis than in 2019.

9.26. We saw clear evidence in CRP minutes of case teams being challenged by senior management. For example, there were a number of examples of case controllers being required to justify the timescale in which they expected to be able to submit a case for a charging decision. We also saw examples of case teams being robustly questioned on the scope of the investigation. However, it is notable that these were the most common type of challenges we saw evidence of, which does reflect the same concerns we expressed in 2019. We were concerned that the substantial focus of CRPs was on charging decisions and legal matters as opposed to other more practical aspects of case progression.

Case review meetings

9.27. Due to an increased focus on wider case progression, HoD-led CRMs replaced the GC-led CRPs in April 2022. The OH stipulates that CRMs should be held on every case every six months. They currently apply to pre-charge cases only. While they are led by the HoD, a number of other key personnel (in addition to the case teams) are required to attend for the purposes of challenge and assurance. These include

Assistant General Counsel (AGC) and either the Chief Investigator or one of their Criminal Investigation Advisers (CIA)[15].

9.28.   The move to HoD-led CRMs was designed to give HoDs greater ownership in quality-assuring cases.

9.29.   We were supplied with a selection of the minutes of CRMs which had taken place since April 2022. Naturally, given their recent introduction, there were fewer of these than minutes of CRPs.

9.30.   Three of the five cases we examined were at the pre-charge stage. A CRM had taken place on all three of these. However, in one case, no minutes of the CRM had been recorded. This was a positive finding as our 2019 report found little evidence of HoDs demonstrating effective casework assurance.

9.31.   Although CRMs took place and provided forums for assessing how cases were progressing, there was limited evidence in the minutes of case teams being appropriately challenged about the progress of cases and decisions being made to improve progress. Inspectors were concerned that some of the meetings appeared to be more of a case update than a robust assurance process.

9.32.   However, we acknowledge that few CRMs had taken place at the time of our inspection. Furthermore, it was evident from the case drives for each of the three relevant cases we examined that the case teams had carried out significant preparation for the CRM, including updating the investigation plan. The amount of effort clearly put into this preparation indicates that the case teams expect to be put under a high degree of scrutiny at CRMs. This new system of casework assurance is still in its infancy, but inspectors felt that the new system had the ability to deliver real casework scrutiny.

9.33.   It is evident that CRMs are ordinarily conducted in accordance with the OH and that the right people are generally attending.

9.34.   We heard mixed views among case teams as to the benefit of CRMs and whether they were an improvement upon CRPs. Some staff viewed any assurance as invasive and unnecessary. At a senior level, the view was significantly more positive about the switch to a HoD-led process, with the firm belief that it is the HoD who has the better

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[15] AGCs and CIAs are new roles that were not present during our 2019 report. Part of their introduction is to provide greater support to case teams on legal and investigative issues as well as resilience for the GC and Chief Investigator role to discharge their quality assurance functions.

understanding of the case and can therefore provide a meaningful degree of challenge.

9.35. We have also noted in paragraph 9.26 that CRPs still tended to concentrate on charging decisions and legal matters. We would expect CRMs to have a broader focus on case progression and consider that the move to an HoD-led process is a positive one. CRMs put case assurance in the hands of the senior manager with the most knowledge of the case and overall management responsibility for the case team. This means that the assurance process is more likely to discover any issues with the progression of the investigation while also making it far easier to set the case team appropriate actions.

9.36. There are no formal means for the HoD to report any issues about a case, or particular risks, identified at a CRM to the COO. We found evidence of regular meetings between GC and HoDs to discuss cases which present the opportunity for specific case discussions. Consideration should be given to introducing a process to ensure that there is upward reporting of specific concerns following a CRM.

9.37. We were told that neither the HoDs, the AGCs, nor the CIAs had sufficient preparation time for CRMs (these three participants being the ones who provide the key superintendence at CRMs). The material on SFO cases is voluminous. Even the documents prepared by the case teams for the CRMs are extensive. For example, investigation plans alone will frequently be more than 30 pages long. If case teams are to be effectively challenged at CRMs, it is critical that attendees at the meeting have a clear grasp of the case materials.

9.38. We were also told that the HoDs, AGCs and CIAs do not discuss the case in advance of the CRM and agree the approach to be taken at the meeting. This means that there is no strategic understanding between them which would enhance the challenge that could be provided at CRMs, instead of the meetings taking place in an ad hoc manner. This ties in with the minutes of CRMs we have seen, where there seems to be limited input from AGCs and CIAs. In our view, there needs to be a cultural shift in the mindset of those involved to ensure effective assurance.

9.39. The lack of CRMs on post-charge cases leaves an assurance gap, even though there will be HoD involvement in those cases. This is being considered during phase 2 of the CCP.

9.40. Disclosure review meetings (DRMs) were introduced in late 2022. These take place in addition to CRMs. DRMs came about as case teams and HoDs felt that CRMs did not allow sufficient discussion about issues with disclosure and a separate meeting would assist. DRMs should ensure sufficient time can be dedicated to the disclosure assurance process.

9.41. We were told both by HoDs and case teams that DRMs provide a real level of assurance over the way case teams are approaching disclosure and that there is analysis of how teams are using search terms and applying the relevance test. It is too early to judge their effectiveness, but with the level of scrutiny the SFO is up against from defence teams, we felt that the move to a focused disclosure assurance forum was positive.

Key performance indicators

9.42. For some time, the SFO has set an aspiration to charge a case within three years of commencing an investigation. However, it has not always achieved this.

9.43. There were no targets or milestones against which to measure the progress of an investigation in 2019.

9.44. The CPP introduced five KPIs, all of which apply at the pre-charge stage of investigations. They are:

- date from case acceptance to the investigation plan being signed off – two months

- date from case acceptance to decision on arrest/search – three months

- time taken from identifying a suspect to the date of the suspect interview – six months (unless there is a case decision log recording why the six-month target cannot be reached)

- time from the first interview with the significant witness to a signed witness statement being obtained (where statement required) – six months

- time taken from the date it is identified that a letter of request needs to be issued to the date that the letter of request is issued – three months

9.45. The investigation plan is a standard form template introduced by the CPP which must be completed in all cases. It is a record of the strategic and logistical approach the case team will take to the investigation. All of them will be signed off by the Chief Investigator or a CIA. This KPI does not rely upon any particular progress being made with the investigation and is entirely within the gift of the SFO.

9.46. The second KPI relates to making a decision about an arrest or a search, not to actually carrying out an arrest or a search. Again, this is a target which does not depend upon any particular investigative progress and is entirely within the gift of the SFO.

9.47. The remaining three KPIs all depend upon the progress made by the case team and other external factors. In order to interview a suspect, the case team must have located that suspect (who may well be outside of the jurisdiction), obtained sufficient evidence to question that suspect and have had time to prepare for the interview.

9.48. In the case of external witnesses, a signed witness statement ultimately requires the cooperative action of an outside party in providing a signature. Drafting a witness statement is also a significant piece of work that will demand investigative progress and envisage evidentially significant content.

9.49. This KPI attracted particular criticism in interviews with SFO staff for being unrealistic. Case teams considered completing the first draft of a witness statement within six months of the witness being interviewed as achievable, but obtaining a signed statement was another matter entirely, particularly since it was outside the case team's control whether the witness actually signed the statement.

9.50. We agreed that this was a stretching target, but with full engagement of staff, would drive casework at pace. The rigour of a target, even one that is stretching, is a sensible development to drive case progression and will result in case teams having to carefully consider the focus and breadth of the case.

9.51. International letters of request are the means by which information or evidence is obtained from foreign jurisdictions. The requirements of such a document are onerous and mean that the case team must be able to demonstrate a justifiable reason for their request. This will depend upon a degree of progress having been made with the investigation. The issuing of a letter of request will also depend upon the relationship the UK has with the relevant foreign jurisdiction.

9.52. Again, the rigour of a target to produce letters of request should help drive case progression and focus case team thinking and strategy.

9.53. Some staff expressed the view that it would be possible to manipulate some of the KPIs. For example, one could delay the decision to identify a person as a suspect or a witness so the KPI did not start to run, or delay the decision about a letter of request being needed. There was no evidence in any of the cases we examined that this had been the case, and we would expect the revised case assurance processes to pick up any internal manipulation by case teams.

9.54. Some staff who were unhappy with the introduction of KPIs expressed the view that there is some risk of casework quality being compromised by a desire to meet KPIs. For example, a limited-use witness statement may be obtained, lacking key details, which would necessitate obtaining another, more detailed witness statement further down the line. However, we were also told of historic cases which had failed because signed witness statements were never obtained, as the witness had died before signing the statement. There is a balance to be struck, recognising that in the past there was an attitude that cases 'took as long as they took', which cannot be right.

9.55. It is acknowledged at a senior level that the KPIs are ambitious. There is a clear recognition that they will not always be achieved, hence the clear provision that an explanation should be provided if one cannot be met. They have been described at senior level as an "incentive". It will help drive the culture that effective case progression requires.

9.56. All of the five cases we examined pre-date the introduction of KPIs. However, three of those cases remain at the pre-charge stage and therefore the KPIs do apply. We saw no evidence that the KPIs were actively monitored or that they were considered particularly important.

9.57. From interviews with SFO staff, we observed some awareness of KPIs among case teams, particularly among case controllers. There were not felt to be any consequences for missing a KPI. The general view was that some kind of metric to monitor milestones was positive, but there was some disquiet around their artificiality and the risks to quality work. However, there was a clear feeling from some case controllers that when case teams did not have sufficient resources, KPIs were unachievable and unimportant.

9.58. More needs to be done to communicate the rationale for introducing KPIs, as it is apparent that case teams think it is unwarranted.

The view of inspectors is that KPIs which increase pressure on teams to meet timescales for key issues will drive a culture that considers pace in case progression. For too long, cases in the SFO have drifted as there has been no clear determination of the need to progress cases effectively. This has negative impacts on outcomes for victims, uncertainty for suspects and the SFO's own staff.

9.59. The SFO accepts that it does not yet have a good system in place to capture data from KPIs. It is also clear that the KPIs are not monitored in a formal way. The SFO recognises that the monitoring system needs to be improved. It is in the process of designing a better reporting mechanism. Improved monitoring will allow the SFO to evaluate the effectiveness of its recently introduced KPIs.

9.60. HoDs are expected to challenge case teams on KPIs. We saw evidence that this was happening in the minutes of CRMs. We saw that simple explanations for missing KPIs like "volume of work" were accepted. It is positive to see that KPIs are being discussed, but HoDs need to take clearer action to challenge why progress is not being made and develop plans to make the necessary progress.

9.61. A case decision log is needed for a missed KPI. This makes no real sense as it is not a decision. It also highlights a real difficulty in monitoring whether KPIs are being met or not. KPI performance needs to be recorded somewhere but inspectors felt that the case decision log, which is often detailed enough to withstand cross-examination in court, was not the right place.

9.62. There is a risk that KPIs could drive undesirable behaviours; however, this is unlikely at present, given there are no consequences for missing a KPI. Furthermore, provided there is proper assurance of a case with a focus on KPIs through the CAF and CRMs, this risk should be fully mitigated.

Peer reviews

9.63. In 2019, we were complimentary about peer reviews, which were then undertaken by Principal Divisional Investigators. We concluded that they were robust and evidence-based. However, we were critical of the fact that there had only been two peer reviews since 2018, calling this a missed opportunity.

9.64. The peer review process has changed since 2019. They are now conducted by CIAs who report to the Chief Investigator. Cases are selected for peer review by the Chief Investigator in consultation with the

HoDs. The cases peer-reviewed will be pre-charge, and the aim is to peer review each investigation every two years.

9.65. The CIA looks at the whole casefile on the case drive and interviews the case team. The CIA then produces a detailed report which contains case recommendations and organisational recommendations and identifies good practice and learning points.

9.66. Three of the five cases we examined had been peer reviewed since 2019, with the remaining pre-charge case due to commence peer-review in January 2023. Inspectors considered the peer reviews to be complete and thorough. They demonstrated a forensically detailed examination of the investigation and included a review of the disclosure process and proper assessment of OH compliance. In one case, specific aspects of good practice (such as the way the case team had dealt with a seize and sift operation) were highlighted as things the SFO should adopt organisation-wide, including in the OH and training.

9.67. A peer review takes months to complete, which is why the CIA is able to conduct such a detailed review of the investigation. It would not be possible to have this level of scrutiny at every CRM. We considered the peer review process to be valuable and positive. However, it lacked any formal mechanism to be evaluated by the HoD. We were told that two of the peer reviews on the cases we examined had not been discussed by the HoD and the case controller. Whilst the guidance is clear, we found a lack of compliance. We found that some case team staff were dismissive of the process and findings.

Compliance issue

Peer reviews are not always being discussed with Heads of Divisions. Every peer review should be evaluated by the Head of Division.

9.68. Peer reviews involve so much work, and produce such useful and detailed reports, that it would be logical and beneficial for the HoD and the case controller to evaluate them properly and discuss them formally. A discussion immediately after the production of the final report, or at least by the next CRM, between the CIA, HoD and case controller would certainly add to the effectiveness and feedback process of the peer review.

Freedom To Speak Up Guardian

9.69. In May 2022, the SFO created the Freedom To Speak Up Guardian role. This is held by an AGC. Since Autumn 2022, staff have been able to approach the Guardian about any concerns they have relating to casework issues. The Guardian has no power to make decisions but can listen to issues faced by the case team and provide some guidance.

9.70. Inspectors were told of instances where, before the creation of the role, staff (and particularly case controllers) did not have an avenue to raise concerns when they were at odds with their senior management about the direction of the case. Staff in this situation felt helpless and this caused much stress and anxiety. With the creation of the new role, a formal avenue now exists.

9.71. At the time of our inspection, it was too early to assess the effectiveness of staff being able to raise casework concerns with the Guardian. Nonetheless, we consider the creation of the role to be positive. This provides reassurance regarding some of the concerns raised during the Calvert-Smith review and directly addresses one of the review's recommendations. This would certainly assist with case progression by giving case teams confidence that even decisions by senior management are subject to a level of scrutiny.

9.72. As well as the Guardian, staff still have the ability to approach one of the SFO's non-executive directors or the human resources team in line with other routes to raise a concern, if appropriate.

Operational Handbook and compliance

9.73. The OH is an extensive and detailed document containing over 50 chapters, desk instructions, templates, and updates. There is a guide on how to use the handbook and a search function. The OH is web-based, allowing navigation between pages with links from chapters to documents. Pages or chapters can also be printed.

9.74. The content is regularly updated as practices develop and change, and staff are encouraged to identify improvements. There is a process set out on the intranet for this, including major changes to content and minor changes such as fixing a broken link.

9.75. The SFO is in the process of 'rebooting' the OH in order to update legal content, make it more manageable and user friendly, and emphasise that it must be followed. Senior management have committed to making the rebooted OH a high-quality resource.

9.76.   The project to reboot the OH has been significant, with a working group holding weekly meetings and a planned approach to ensure progress, including clear allocation of responsibilities. Staff were asked to update relevant parts of the handbook, which were then quality-assured and signed off. There were some delays because staff allocated to update chapters continued with their usual work and day-to-day priorities. Additional resources, such as the use of external disclosure counsel, were approved to increase the resources allocated to the task. The delays meant that the anticipated date of the relaunch in April 2022 was not met. It is now envisaged that the revised OH will be fully live by the end of the financial year 2022–23.

9.77.   The chapter on disclosure was completed and signed off by GC in October 2022. The revision included clear expectations for the management and handling of disclosure, including standardised methods for assurance, such as the standard expectation of clear and regularly updated disclosure strategy documents. In our interviews with case teams, we heard this made expectations of the disclosure process clearer. The section on assurance sets out a form that helps standardise the assurance process. It is our view that having GC and the GC's office responsible for legal content is essential.

9.78.   We were told in interviews and focus groups that many members of staff found the OH hard to navigate, although most were positive about the quality of the content and guidance. Most staff said that they would consult the OH for guidance as a starting point, but that if they could not find what they were looking for, they would ask a colleague for guidance. Any changes in the OH may not be reflected in colleagues' advice, which carries a risk. More experienced team members also told us that they were less likely to look at the OH for guidance as they already knew the processes. Whilst understandable, this also carries a risk that staff do not review updates and become aware of changes to casework practice.

9.79.   The reboot team used surveys to get views on usability from staff across the SFO. There were about 100 responses to the survey, of which 80 commented on how the OH could be more user-friendly. This indicates that staff are invested in using the OH. Senior managers' responsiveness to staff is likely to increase compliance and better support case progression.

9.80.   Updates to the OH are communicated to all staff through a weekly operational update. The latest updates are also set out on the OH intranet page.

9.81. We found that the OH was detailed and provided clear guidance on SFO processes. We found (and were told) that on occasion, links to pages or forms did not work. We recognise that at the time of inspection, the OH was still undergoing the reboot and these issues were being identified and rectified.

9.82. The OH is prescriptive as to how case files are set up and managed. There are specified folders that must be included in the main case file, and this consistency will make quality assurance easier. Other folders may be created by the case controllers, but the guidance is to do so only where necessary and keep them to a minimum. The staff we interviewed saw the value in having a standardised case management system to ensure that files and documents were dealt with consistently and recognised this would aid efficiency and effective case progression.

9.83. In the cases we examined, we found that the file structure was largely in accordance with the OH, particularly with newer cases. It is likely that the older cases we read were created before the current guidance, when a different file structure may have been prescribed. In those cases where additional folders had been created, we found that they were appropriate and assisted navigation and accessibility of the case file.

9.84. We found some examples where naming conventions had not been followed. In one of the cases we examined, emails saved in the case files were undated and many had the same or similar subject line, making it difficult to ascertain who the email was from or to without opening it. Given the volume of documents in SFO cases, this non-compliance is likely to hamper case progression. An individual could spend a long time finding the correct document or not find it at all.

9.85. In the five cases we examined, we found little evidence that HoDs ensure full compliance with the OH. We were told of regular meetings between case controllers and HoDs, but no minutes were produced from these discussions. CRMs have recently been introduced and are chaired by the HoD with minutes taken. This should provide a more consistent approach to monitoring compliance.

Compliance issue
Staff are not consistently adhering to the Operational Handbook. Heads of Divisions should ensure full compliance with the Operational Handbook.

9.86. Peer reviews include an assessment of compliance with the OH. If a peer review finds that the OH has not been followed, this should feature in the recommendations of the peer review report.

Judgements

9.87. The CPP has been a catalyst for addressing recommendation 7 from our 2019 report. It has developed KPIs that are now measurable, and staff are aware of why they are essential to enable the monitoring of case progression.

9.88. Case team staff were dissatisfied with the introduction of the KPIs, primarily due to resourcing issues which make the KPIs difficult to achieve, and some staff felt they were being set up to fail. This may have contributed to the most recent downturn in engagement scores in the casework division's Civil Service People Survey scores[16]. It will be for SFO management to communicate effectively around KPIs to reassure staff. It will be essential to formally review the KPIs. This should fall into phase two of the CPP.

9.89. We consider the introduction of KPIs a positive step. The concept is a good idea. They establish clear milestones in an investigation and have already begun to focus the minds of case teams on how to meet them. This can be seen by the challenge levelled at the witness statement KPI. A proper recording and monitoring method for KPIs is currently lacking, along with any sense of what the consequences are for not meeting a KPI.

9.90. We found some evidence that KPIs are monitored at a case level, but divisional and organisational monitoring of KPIs is still a work in progress. The challenge will be demonstrating the value of the new KPIs whilst the SFO remains under-resourced. The prioritisation of casework is the only available solution. At least with improved monitoring, the SFO will be able to see trends and decide whether the KPIs have assisted in driving case progression forward.

9.91. Casework assurance by HoDs has been firmly established with the use of CRMs and DRMs. The HoD is supported at CRMs by AGCs and CIAs but a collaborative approach needs to take place to gain the full benefits of the structure. The AGC and CIA provide independent challenge, which should be seen as an essential element of the assurance forum, providing a safe environment to question the speed and method in which the case has progressed. All need sufficient time to

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[16] Engagement scores dropped in all three casework divisions in 2022–23.

prepare a joined-up approach. Once they are fully established, Deputy HoDs can support the HoD with assurance.

9.92. The CAF needs to be properly considered against the new measures of casework assurance.

9.93. When we spoke with senior managers at the SFO, we were given the indication that post-charge casework assurance will be the next focus. We welcome this, as we found a significant gap in casework at this stage. Neither CRMs nor peer reviews currently include post-charge cases.

9.94. Whilst we found more compliance with the OH than in our 2019 inspection, we did not find much evidence of this being enforced by HoDs. HoD casework assurance has improved significantly but checking the case against all the requirements of the OH is a mammoth task, not possible at CRMs beyond a superficial level. Deviation from the agreed case structures and naming conventions needs to be checked by case team managers and assurances should be provided to the HoD. The HoD should utilise assistance from divisional business managers for this assurance process.

9.95. Better compliance and assurance would allow new starters to a case to be more productive more quickly because they would be able to find their way around a case more efficiently. We recommend strengthening the oversight of adherence to the OH to aid effectiveness, efficiency and productivity.

9.96. We consider the recommendation as partially met.

Recommendation
By September 2023, the Serious Fraud Office should bring together all current casework assurance mechanisms, including peer reviews, so that they complement each other whilst avoiding overlap, establishing a standardised casework assurance process that captures pre-investigation, investigation and post-charge stages; and ensure compliance with the process on all Serious Fraud Office cases.

10. Progress against independent reviews

Altman and Calvert-Smith recommendations

10.1.   As set out previously, the aims of this inspection included assessing progress against the recommendations made in both the Altman and Calvert-Smith reviews. The Altman report was commissioned by the Serious Fraud Office (SFO) in response to the collapse of R v Woods & Marshall (Serco). The Calvert-Smith enquiry was commissioned by the Attorney General to examine the failing of the R v Akle (Unaoil) case. Both reviews were published on 21 July 2022 and included a series of recommendations.

10.2.   As part of this inspection, where issues in Altman and Calvert-Smith were within the scope, we have used the evidence gathered to assess progress made by the SFO to address the recommendations. The issues highlighted in the Altman and Calvert-Smith reviews often mirrored themes we identified in our 2019 case progression inspection. It is, therefore, possible to set out progress against the majority of recommendations made in both Altman and Calvert-Smith in some detail. For ease, we will set out the full recommendations made in the two reviews.

Recommendations from the Altman report

Recommendation 1: the remuneration for disclosure reviewers is not reasonable remuneration for the work done, or expected to be done, and should be increased to bring it in line with other equivalent organisations.

10.3.   Our findings highlight that this issue risks the effectiveness of case progression and the overall ability of the SFO to deal with its caseload. However, since the Serco trial, the SFO has made several changes, including reducing the number of cases being accepted and taking a proactive approach to prioritising its current caseload. This has resulted in available resources being better targeted.

10.4.   However, our evidence also highlights the current rate of pay for temporary staff undertaking disclosure review work as less than that offered by many others in the market. This includes other public sector-type organisations.

10.5.   Our evidence does not point to the SFO struggling to fill the posts of disclosure reviewers. However, what is common is that the experience of some of those appointed is very limited. They often come straight from

being qualified and have limited legal experience. In one case we examined, the disclosure officer had recently left the Bar and joined the SFO, taking a pay cut to do so. Our findings also highlight that the recruitment of disclosure reviewers is time-consuming and requires significant resources at case team level. There is also some attrition after recruitment due to the time taken to gain security clearances, which adds to the overall burden. Some staff expressed a view that making some long-standing document reviewers permanent may help to ease those pressures. The SFO is working within the remit of the temporary-post pay scales which are not always attractive to even the more junior practitioner. The SFO is governed by the Attorney General's Office (AGO) rates and has highlighted the issue with Ministers on several occasions as part of pay discussions and recruitment and retention problems.

Overall assessment

10.6. The SFO changing its resource strategy to prioritise current cases and delaying case acceptances has allowed for the reallocation of disclosure reviewers to priority cases. The scale of pay that the SFO can offer remains an issue, which makes recruitment in a competitive market a challenge and results in some of those hired being less experienced. This may result in some increased risk to effective case progression.

Recommendation 2: the SFO must continue to consider the means by which it can adequately staff and resource case teams to ensure, so far as possible, that undue time and resource pressures minimise the risk of human error.

10.7. Given the size and extent of the cases dealt with by the SFO (and the legal requirement of the disclosure process) it must be recognised that it is impossible to remove the risk of human error entirely. The SFO has made a number of significant resourcing decisions since our 2019 inspection, in which we recommended that the SFO develop a resourcing model to ensure that cases can be progressed effectively. As a result of resource stresses on the handling and management of cases, the SFO senior team developed a case prioritisation list in early 2021 which allowed for resources to be moved from cases deemed as a lower priority and increased resources on priority cases. This ensured that those cases identified as a priority would have resources increased.

10.8. To allow for strategic resourcing decisions, a senior resourcing group (the Gold Group) meets monthly to make resourcing decisions to move and flex resources across and within the three casework divisions. In the five cases we examined, there were various resourcing issues,

which highlight that some of the changes to case prioritisation had allowed case teams to flex and increase at relevant points to reduce pressure on resources. One of the five cases had been deemed a low priority. As a result, it was still waiting for a disclosure officer to be appointed. This meant there was no disclosure strategy document or activity on disclosure. This supported the case teams' concerns about resource pressures and that there were times when resource challenges meant that decisions on what work to progress and prioritise would mean that matters could drift.

Overall assessment

10.9. Since the 2019 HMCPSI recommendation to develop a resourcing model to aid case progression, the SFO has decided to limit the cases being accepted and developed a system to prioritise its resources to high-priority cases. Whilst not a resourcing model, this change in approach is positive. We found that the cases we examined were generally progressed effectively and there was evidence that the approach to prioritising cases had improved case progression compared to the findings reported in our 2019 inspection. Given the complexity and scale of the cases being dealt with by the SFO, it must be recognised that it is impossible to remove the risk of human error entirely.

Recommendation 3: the SFO should consider the resourcing of its Document Review Systems and Evidence Handling Management Office to ensure the timeliness, efficiency and accuracy of ingestion and processing of bags of evidence for review by case teams.

10.10. The 2019 HMCPSI case progression inspection highlighted significant concerns with backlogs in the Digital Forensic Unit (DFU) and the impact this had on the SFO's ability to manage cases. Since the 2019 inspection, the issues within the DFU have been fully addressed. However, as a consequence of addressing the backlogs in DFU, pressures have subsequently increased in the eDiscovery team. Senior management are fully aware of the challenge which is, in part, exacerbated by the continued running of two document review systems, Autonomy and Axcelerate.

10.11. To manage pressures, SFO case prioritisation meetings consider and take into account the feasibility (and available resources) of the eDiscovery team to manage digital material. As part of this inspection, we have seen evidence that strategic resourcing decisions have been made to delay case acceptances as a result of resourcing challenges with the eDiscovery team. Our interviews with members of case teams and the

digital team indicate that effective relationships, regular discussions and case updates are provided between the eDiscovery team and case teams. This is a significant improvement on the relationship and position that we found during our 2019 inspection.

Overall assessment

10.12. The scope of this inspection means that we have limited evidence of the impact of the resourcing challenges in the eDiscovery team and Evidence Management Handling Office (EMHO). We sought an update on progress with addressing our 2019 recommendation relating to backlog and resource challenges in the DFU, and were provided with some evidence which indicated that the issue had moved further along the process – and that it is exacerbated, in part, by the SFO having to run two eDiscovery systems in parallel (Autonomy and Axcelerate). This is resource intensive. There is a much better relationship between the DFU, eDiscovery team and EMHO than in 2019. This allows for a better understanding of priorities and improves case management. The degree of consultation between the digital and case teams reduces the risk of material not being identified or processed.

Recommendation 4: the SFO should consider ways in which staff may be incentivised to take on the roles of Disclosure Officer and Deputy Disclosure Officer to increase the pool of able and experienced candidates and improve staff retention in those roles.

10.13. As part of the evidence provided to the inspection, we note that the SFO has engaged with staff who have performed the role of disclosure officer (DO) or Deputy Disclosure Officer (DDO) in a series of events and established a DO review project. There has been wide-ranging engagement, with over 150 staff offering views. Senior management has developed several proposals for incentivising and developing disclosure handling. A decision will be made on the best approach to adopt as issues are worked through and an organisational strategy is finalised. A DO forum was established, and we were told that in some divisions, there are regular monthly meetings of DOs and DDOs to discuss general issues.

10.14. In a number of interviews with case team staff, inspectors heard that the role of DO was an unattractive proposition and there was little incentive to carry out the role. Any future decision on the organisational approach will need to have clear plans to address the negative perception held by staff if there is to be an increase in the pool of experience.

Overall assessment

10.15. There is evidence of early work underway to consider the approach in response to the recommendation.

Recommendation 5: the SFO should increase the training and support available to Disclosure Officers by (a) deploying Disclosure Officers on non-charged cases to assist Disclosure Officers on charged cases, especially when the case is closer to or at trial in order to augment the available resources where needed most (b) in addition to mandatory Advanced Disclosure training, provide Disclosure Officers with bespoke Disclosure Officer training focusing upon management of the review and of reviewers (c) only appointing sufficiently trained and experienced Disclosure Officers and (d) appointing sufficiently trained and experienced Deputy Disclosure Officers, where appropriate.

10.16. The SFO carried out a number of mandatory training events on disclosure before and since the publication of the Altman report. Advanced DO training was held in June 2021, delivered personally by General Counsel. A staff skills assessment has been carried out to determine the levels of understanding and experience of DOs and DDOs. This process gives senior management an accurate awareness of organisational disclosure skill levels.

Overall assessment

10.17. Some initial work has been done to train and increase the skills of staff who currently undertake disclosure duties. The delivery of other aspects of this recommendation is linked to the future approach taken in the SFO to the management of disclosure, including whether there will be specific disclosure roles (recommendation 4). It is too early to say, from the evidence we have seen, whether the main aspects of this recommendation have been met, but there is some evidence which highlights that the risks identified in the Serco case have been recognised and feature within casework assurance and management action.

Recommendation 6: the SFO should revise the Operational Handbook to introduce standardised methodologies for the disclosure process, as well as introduce management, oversight and monitoring regimes to ensure that the disclosure process is conducted and audited to the same standard across all case teams.

10.18. Over the past year there has been a major programme to update the content and format of the Operational Handbook (OH). This was managed by a handbook working group that had clear terms of reference

to improve the accessibility of the content, update the content and make sure the OH was fit for purpose. The chapter on disclosure was completed by an experienced disclosure expert and signed off by General Counsel in October 2022. The revision included setting clear expectations for the management and handling of disclosure, including standardised methods for assurance and the standard expectation that there would be clear and regularly updated disclosure strategy documents.

10.19. Since October 2022, case assurance has been extended to mandate disclosure review meetings between the Head of Division (HoD) and the case team where disclosure strategy and disclosure decisions are challenged. In our interviews with case teams, we heard positive feedback about the revision of the OH, with some specific references to how the change clarified the requirements and expectations of the disclosure process. The five cases we examined were all structured in line with the standard set out in the OH and had investigation plans and other expected documents, showing much better compliance than in 2019.

Overall assessment

10.20. The amended OH sets out clear methods for the handling and management of disclosure. Feedback from staff about the change was generally positive. The OH includes a section on assurance and a form to help standardise the assurance process. The recent creation of disclosure review meetings to improve assurance and challenge brings a degree of focus which will support the compliance regime for disclosure in each case. This change sets the foundation for the SFO to drive a much more rigorous approach to the handling and management of disclosure. Future inspection activity will assess whether the revised system has been effectively embedded and resulted in an overall and consistent improvement.

Recommendation 7: the SFO should revise the Operational Handbook to include a standardised model for the conduct of Quality Assurance reviews, which ensures (a) that Quality Assurance reviews are compliant with the law and guidance on disclosure and (b) that Quality Assurance reviews are robust, reliable and proportionate.

10.21. As set out in recommendation 6, the revision of the OH has included specific guidance on the assurance process to support the handling and management of disclosure. A template form for assurance has been created and specific disclosure review meetings have recently been introduced to support the focus and time allocated to the

management assurance of disclosure. Our discussion with the HoDs and case teams gave us some assurance that the increased assurance on disclosure allowed for challenge. In the cases we examined, there were three cases where disclosure assurance had been completed. We rated this as effective. In four out of five cases, a disclosure strategy document was in place that had been developed in line with the guidance set out in the OH.

Overall assessment

10.22. As set out in recommendation 6, the amended OH sets out clear methods for the handling and management of disclosure, including assurance. Our findings from the case examination (and what we were told by staff) indicated that revised assurance processes for disclosure are beginning to take place, with much more scrutiny and challenge. The development of disclosure review meetings allows management to dedicate specific time to examining disclosure at the case level. The Dos we interviewed welcomed this development, and HoDs generally felt that this allowed them a better and more focused opportunity to examine the disclosure issues in cases.

Recommendation 8: in modelling standardised Quality Assurance reviews, the SFO should introduce a system of regular and routine inspections and audits of the disclosure process on active cases at key milestones by someone not only sufficiently experienced in disclosure but also independent of the case.

10.23. Evidence supplied to the inspection included a number of peer reviews. These reviews were detailed examinations of specific cases carried out by Criminal Investigation Advisors (CIAs) who report to the Chief Investigator and are independent of the case team. The reviews are conducted over a period of about three months and include a detailed examination of case material and one-to-one discussion with case team members. The peer reviews test the evidence and result in clear actions for the case team. We were told by two out of three HoDs that they use peer reviews as a means to address the issues identified.

10.24. The peer reviews, case review meetings and the more recently added disclosure review meetings present the SFO with a structured way to assure elements of progress in cases and challenge and direct action. There would be some sense in linking the peer review process with the case review and disclosure review meetings to give a fuller picture of the risks and opportunities in cases. Peer reviews take place on cases at the investigative stage and are conducted by investigators. Assurance

processes we have seen relate to pre-charge cases and highlight the lack of formal management oversight of disclosure after charge.

Overall assessment

10.25. The improved pre-charge case assurance processes that are now in place are much more structured and regular than those we found in our 2019 inspection. They go some way towards addressing this Altman recommendation. In two out of the five cases we examined, there were peer reviews which had been carried out by CIAs. In our discussions with two case teams about the peer reviews, there was a lack of awareness of the issues that had been identified. Some view this as a backward look at the case and do not see it as useful. Some case team staff were dismissive of the process and findings.

10.26. Case controllers and HoDs were not utilising the peer review with case teams. This is a missed opportunity. In our view, the in-depth independent reviews conducted by the CIAs are detailed and present an opportunity for the SFO to systematise case assurance to include a more detailed examination of disclosure, if the peer review findings are used as a part of any case review and disclosure review meetings.

Recommendation 9: the SFO should invest (or continue to invest) in technology to ensure that document review and case management systems are obtained, designed and developed with a focus on the disclosure process.

10.27. In the four of the five cases we examined, there was evidence that the Axcelerate system was being used. Since the 2019 inspection we can see that the new system is more effective for the handling and management of case material. In the one case where it was not used, a decision was made not to migrate the case given the age of the case and the proximity to trial. The functionality of Axcelerate allows for more effective management of the disclosure process, but as set out in recommendation 11, the training and support to case teams on using the additional functionality could have been better managed.

Overall assessment

10.28. We are aware that over the past year the SFO has worked to reconsider what it needs from a case management system. After a significant effort to develop and understand these needs, which has engaged with business users as well as technical staff, the SFO is in a position to work up and develop a proof of concept which will initially generate case data and some automation of repeatable elements of case

activity. Future inspection activity will assess whether the revised system has been effectively embedded and resulted in overall and consistent improvement.

Recommendation 10: the SFO should invest (or continue to invest) in technology that ensures that case teams can work and meet (and continue to work and meet) securely and remotely online, including adopting back up/failsafe systems and procedures for the exceptional working circumstances, such as those that existed during the imposition of Covid-19 restrictions.

10.29. We are aware, through regular interaction with the SFO, that videoconferencing software was rolled out across the SFO during the pandemic and, in line with most Government departments, the SFO now has full access to Microsoft Teams. This development (within five months of the initial lockdown) allowed case teams to work and meet through digital means securely and remotely. The SFO has also mandated a 40% attendance rate for staff – meaning that case teams and other staff must be in the office for a minimum of two days a week (pro-rata for part time workers). Given the opportunities presented by remote working and better technology, the SFO has also reduced its accommodation footprint, which has resulted in savings on lease costs.

Overall assessment

10.30. Recommendation met and delivered.

Recommendation 11: the SFO should ensure that it recruits case teams with sufficient technical skills, and, following initial training, provides continuing refresher training, which should be compulsory, in particular, in respect of its Document Review Systems, data management and disclosure law and guidance.

10.31. When speaking with staff, we heard some concerns from case teams about the training provided to support the new Axcelerate document review system. Some staff received training before they would need to use the system and, as such, it was difficult for them to use the training other than in conceptual terms. Many of those we spoke to mentioned the video packages to support training, which they thought were poor and did not fully support what they thought was necessary to be able to do their jobs and carry out tasks effectively. These concerns, which had been shared with management, had already resulted in changes, including the SFO developing a bespoke training course. Over 100 case team staff have received the two-day bespoke training course and another subset of 50 has been identified, for whom a higher tier of

training course is needed. The training for the 50 will be delivered in the next few months. This training should produce a critical mass of fully trained staff and address the concerns that case team staff have expressed.

Overall assessment

10.32. Concern about the standard and usefulness of training on how to use the document review system was a regular issue staff raised with inspectors during interviews. These concerns had been recognised by the SFO and a tailored and bespoke training course already developed and in the process of being rolled out, with all staff who requested additional training having received or been offered the training. Future inspection activity will assess whether the revised system has been effectively embedded and resulted in overall and consistent improvement.

Recommendation 12: the SFO should consider providing Case Controllers, Disclosure Officers and Deputy Disclosure Officers with project management training and support in order to improve the management of case teams, time and resources.

10.33. Out of scope of the HMCPSI case progression follow-up inspection – no assessment possible. We recommend that further training is provided to case controllers and others to increase leadership and project management skills.

Recommendation 13: the SFO should ensure mandatory compliance by case teams with the performance monitoring of all instructed counsel to include (a) Periodic Performance Reviews and (b) the use of the Performance Monitoring Form, as required by the current Managing Counsel guidance.

10.34. In all the cases we examined where Performance Monitoring Forms (PMFs) were required, they were being used to monitor counsel performance appropriately. There was timely compliance with the process and relevant PMFs had been completed in line with the relevant guidance.

Overall assessment

10.35. The evidence from the cases in our file examination indicated compliance with the process.

Recommendation 14: the SFO should review and, if so advised, revise the Managing Counsel guidance and training for all those engaged in the instruction of counsel. In particular, the SFO should consider whether the

Managing Counsel guidance should be revised so that direct responsibility sits (a) with the Disclosure Officer for the monitoring of the performance of disclosure review counsel and (b) with the Case Controller for the monitoring of the performance of trial counsel, while the Case Controller bears overall responsibility to ensure the holding of Periodic Performance Reviews and the completion of Performance Monitoring Forms.

10.36. Out of scope of the HMCPSI case progression follow-up inspection – no assessment possible.

Recommendation 15: the SFO should consider redesigning the Performance Monitoring Form in particular as regards its applicability to disclosure review counsel, to include as additional key performance indicators (a) the nature and volume of the work counsel has conducted monthly since the last performance monitoring round (b) the accuracy of all aspects of their review work and (c) the letter of engagement to counsel should be redesigned to include a section on Performance Monitoring.

10.37. Evidence supplied to the inspection included copies of the standard template for the letter of engagement for disclosure counsel. In line with part (c) of the Altman recommendation, we can confirm that specific reference is made to performance monitoring. In the cases we examined, there was evidence of case teams monitoring the volume and accuracy/quality of work by counsel, and of some assessment of the volume of work carried out by counsel. In one case, disclosure counsel had been dismissed as a result of a lack of effective quality and productivity. In interviews with staff there appeared to be some lack of awareness of expectations.

Overall assessment

10.38. Since the issues identified in R v Woods & Marshall, the SFO has strengthened its processes in relation to the monitoring and engagement of disclosure counsel. In the cases we examined we saw a good level of compliance. However, in interviews with some case teams it was apparent that some still lack awareness of the expectation to monitor counsel. Future inspection activity will assess whether the revised system has been effectively embedded and resulted in overall and consistent improvement.

Recommendation 16: the SFO should ensure that (a) its internal generic disclosure guidance documents are reviewed, simplified, rationalised, regularly revised and updated (b) they offer reviewers not merely

technical but also real practical guidance (c) its case-specific disclosure guidance is regularly reviewed, revised and updated and focuses on the known and foreseeable issues in the case (d) the SFO employs a standard form of version control bearing the date and a unique version number for all internal guidance documentation (e) each case team maintains an audit record of the detail of guidance documentation provided to its disclosure review counsel (document version number, date and recipient) who should be invited to certify on a dedicated form what they have read, when they did so and what they have understood the guidance and (f) those certifications should be attached to the Disclosure Management Document and any amended Disclosure Management Document.

10.39. In our interviews with disclosure counsel and document reviewers, we were told that the guidance that they were provided generally helped them do their job and that they were given time to read into cases, which was helpful. As set out in recommendation 6, the 'reboot' of the OH has resulted in a rewrite of the general guidance on the handling and management of disclosure.

10.40. The evidence we have on the other aspects of the recommendation is limited in extent and we are not able to make an effective evidence-based judgement – so will use future inspection activity to assess whether the revised system has been effectively embedded and resulted in overall and consistent improvement.

Overall assessment

10.41. There is some evidence to indicate that the SFO has started to make progress on improving the generic guidance it provides for the management and handling of disclosure, including that contained in the OH. The scope of the case progression follow-up inspection does not allow for a full assessment of all aspects of this recommendation; we will use future inspection activity to assess whether the revised system has been effectively embedded and resulted in overall and consistent improvement.

Recommendation 17: the SFO should ensure that the representations made in the Disclosure Management Document about its approach, processes and intentions – whether past, current or future – are accurate and complied with. Where appropriate, the Disclosure Management Document should be updated (if need be, by way of a supplementary document) to reflect any change and/or developments in the approach or process, as well as in the relevant and/or live issues in the case. It should

operate as a living document, ensuring complete transparency and defence sign-up to approach and process. It should serve to gain and maintain the confidence of the court, the defence and the SFO itself in the disclosure process.

10.42. Out of scope in the HMCPSI case progression follow-up inspection – no assessment possible.

Recommendation 18: the SFO should ensure that it encourages and engages with the defence in the disclosure process. Disclosure should be treated as a two-way street, so that engagement identifies and focuses on the real issues in the case, in order to direct defence disclosure requests and prosecution reviews.

10.43. Out of scope in the HMCPSI case progression follow-up inspection – no assessment possible.

Summary of findings re Altman recommendations

10.44. Many of the Altman recommendations, which were produced as a direct result of a specific case failure, mirrored the themes and recommendations made in the 2019 HMCPSI inspection. As with many SFO cases, R v Woods & Marshall had commenced well before our 2019 inspection and therefore it is not surprising that the Altman findings highlight (in somewhat more detail) the issues of resourcing, assurance and failings in operational guidance. As this follow-up inspection highlights, the SFO has made a substantial effort to address the issues we identified in the 2019 and much of this activity has naturally resulted in many of the Altman recommendations being addressed.

10.45. Some of the action taken is yet to be embedded and, in some cases, the action is the creation of a process to support the change. Demonstrating that the change has become business as usual, resulted in consistent and effective implementation and been fully embedded will take time. In many cases we will need to revisit the SFO to assess if the changes have been effective at producing the required change. However, it must be acknowledged that the SFO has taken action to address some of the fundamental concerns that we set out in the 2019 inspection and this has had the consequence of being an effective start to implementing and addressing the Altman recommendations.

Recommendations from the Calvert-Smith report

10.46. As well as the Altman (Serco) review, the case failure of R v Akle (Unaoil) resulted in an Attorney General-commissioned review. This

review was carried out by Sir David Calvert-Smith and also resulted in a series of recommendations being made to the SFO. Again, as part of this follow-up inspection we have, where in scope, assessed progress against the 11 recommendations made in the Calvert-Smith review.

Recommendation 1: Accepting of course that some events cannot be predicted:

a. There should never be 'interregnum periods' between the departure of one DSFO and the arrival of the next;

b. An incoming DSFO – whatever their previous career experience – should have any identifiable gaps in their knowledge or experience filled by their superintending ministers and the Attorney General's Office (AGO);

c. Likewise, there should never be such periods between the departure of General Counsel and the arrival of a successor. On the contrary, there should always be a period when the incoming General Counsel is 'inducted' by the outgoing one in order to ensure that continuity of the role and to maintain the confidence of the staff and the public that there is such a person 'in charge' at all times.

10.47. Out of scope of the inspection. Not assessed.

Recommendation 2: The SFO and AGO should urgently develop a revised process to enable that superintendence of sensitive and high-risk cases. This should include:

a. A case list with sufficient detail to enable such superintendence – the list always to include the cases which may require or have already received the Attorney General's (AG) consent – even if or a given occasion there is 'nothing to report';

b. Monthly (at least) conversations at an official level before formal superintendence meetings with the Law Officers to ensure that there can be effective scrutiny of cases on the list.

10.48. Out of scope of the inspection. Not assessed.

Recommendation 3: Because there will always be tension between the desire of the investigators to bring persons to justice whom they believe to have committed offences, and the need of prosecutors conduct themselves in such a way as to ensure that those whom they charge have trials which are, and can be proved to be, fair:

a. The relationship between the two functions must be characterised by frankness; and

b. When, as there sometimes will be, there are tensions or disputes between them as the proper way of dealing with a particular issue, they should take the advice of General Counsel – or, if necessary, because of the absence of General Counsel for any reason, from independent counsel – on the proper course of action.

c. Her Majesty's Crown Prosecution Service Inspectorate, in the course of its regular inspections of the SFO, should pay particular attention to the relationship between the investigative and prosecutorial arms of the service to ensure that the flow of information between them is being appropriately managed.

10.49. As part of the scope of this inspection, we examined five cases in detail and spoke in length with case teams, both investigators and lawyers.

10.50. In no cases did we see any evidence of tensions between investigators and lawyers causing an issue. In all cases we found that information and evidence was openly shared and disclosed.

10.51. In our interviews we directly posed questions relating to the matters outlined in this recommendation. Again, inspectors heard nothing that would highlight any concerns which would give rise to risks of tensions undermining the process. It was also clear in the minutes of case review meetings and other assurance processes, such as weekly team meetings with HoDs and case controllers, that there was a degree of challenge that guards against tensions forming within cases. In all five cases we examined, it can be confirmed that the flow of information between investigators and lawyers were effective and appropriately managed.

Overall assessment

10.52. The Roskill model operated by the SFO relies on evidence to be developed as part of the investigation. As Calvert-Smith highlighted in the Unaoil review, there is a risk that the divide between investigators and prosecutors can produce tensions. In all five cases we examined we saw no tension, with evidence being shared effectively within the cases. The additional safeguards that the SFO has developed within the case assurance processes also create a degree of check and challenge to protect the process from developing inappropriate tensions and behaviours within case teams.

Recommendation 4: The SFO must immediately communicate – to investigators within guidance and to all staff – that in the event of any information concerning an ongoing investigation or prosecution coming to them from a defendant or suspect, or any representative of either, it must be fully recorded and shared with the case team.

10.53. Guidance was developed, issued and codified by the SFO in May 2022. Our interviews with case teams indicated that there was full awareness of the new guidance and the process to be adopted in cases if the event occurred.

Overall assessment

10.54. Recommendation met – ongoing monitoring to take place to provide assurance and compliance.

Recommendation 5: Any record of direct contact with the DSFO concerning any current investigation or prosecution should immediately be passed to the case team or Head of Division with responsibility for the case, or senior management team member determined by DSFO or General Counsel. The DSFO's Private Office should ensure that any such contact is immediately 'rerouted' and that no further direct access to the DSFO is allowed.

10.55. None of the five cases examined as part of this inspection had evidence of involvement of the Director of the SFO. We are aware from our examination of the OH and through our interviews with staff that there is a clear understanding of the policy position that was communicated because of this recommendation.

Overall assessment

10.56. We were unable to test the effectiveness of this recommendation as there were no cases in our sample that had direct involvement of the Director. However, we were assured that there is now widespread understanding in case teams of the expectations placed on Private Office and the Director.

Recommendation 6: The SFO must emphasise and communicate to all members of staff the requirement to comply with all the casework assurance processes set out in the Handbook, with specific focus on CPIA disclosure obligations. All current case assurance systems should be complied with within three months of the publication of this Review. A regular audit of compliance against these processes should be carried out by Heads of Division in association with General Counsel and the COO, and all SFO cases should be reviewed at least annually. Formal records

of such assurance should be maintained by Case Controllers and Heads of Division and be provided to General Counsel as required and at least once a year for each case.

10.57. As set out under Altman recommendation 6, the SFO has revised and strengthened its casework assurance processes. The development of case review panels with General Counsel in 2021 – and now case review meetings chaired by HoDs, held regularly (at least twice a year on each case) – have resulted in a much more effective system of assurance.

10.58. Our interviews with case teams indicated that there was a greater understanding and acceptance of assurance than in 2019, although there were still a number of staff who viewed assurance as invasive and unnecessary. Case review meetings and more recent disclosure review meetings are minuted, and records maintained within the case, with General Counsel having a clear awareness of what takes place through associate General Counsel attending case review meetings. There are also regular meetings between General Counsel and HoDs to discuss cases which present the opportunity for specific case discussions.

10.59. It was not clear within the inspection how the Chief Operating Officer (COO) was linked into the case assurance process.

Overall assessment

10.60. Case assurance processes have been strengthened and are much more effective than in 2019. There needs to be some clarification of the role that the COO should take in casework assurance. Ongoing monitoring will be necessary so that the SFO can provide assurance of compliance.

Recommendation 7: The Heads of Division, with oversight from General Counsel and the COO, should ensure that all cases have regular and effective disclosure strategy and management documents (in line with the requirements of CPIA and in line with the SFO Operational Handbook). The Case Controller for each case should produce a quarterly update on 'disclosure risks' in line with the case strategy. These should be reviewed and approved by Heads of Division as part of the assurance process, with formal records maintained.

10.61. In all but one of the cases we examined (four out of five) there were effective disclosure strategy management documents. The 'reboot' of the OH (see Altman recommendations 6 and 7) has clarified the guidance in relation to disclosure and, in the cases we examined, there

was evidence of good compliance with requirements for the management of disclosure.

10.62. In one case that had been de-prioritised there was no disclosure strategy document. We were told that this was as a result of the case being deemed low priority; even so, this lack of a disclosure strategy document was in contravention of the expectation in the OH and indicates a lack of compliance.

10.63. The implementation of disclosure review meetings has increased the degree of specific focus on disclosure. These meetings are chaired by the HoDs and include relevant case team members. The development of the disclosure review meetings has been at the instigation of case team staff (mainly DOs and those with responsibility for disclosure), as they felt that case review meetings – whilst helpful – did not allow for proper and considered discussion of disclosure issues in cases.

Overall assessment

10.64. There are more effective systems in place across the SFO since our 2019 inspection to provide oversight on disclosure on cases. In our case examination and interviews with staff, it is clear that disclosure assurance features in these systems. Regular meetings to support this approach are set out in the OH and are becoming a more structured management expectation. There is some evidence to indicate that the SFO has started to make progress and we will use future inspection activity to assess whether the revised system has been effectively embedded and resulted in overall and consistent improvement.

Recommendation 8: The SFO should work with the AGO to consider the requirements set out in the AG disclosure guidelines (reporting within six months of this Report) and, in particular, whether there should be a change in the current approach to the management of disclosure following receipt of a section 8 CPIA application. The disclosure process, which is necessarily one which often dwarfs the actual gathering of directly relevant evidence, must be kept under constant review. When, as in this case, material which clearly should have been disclosed is only considered for disclosure following the receipt of a section 8 CPIA application, the result should be a much more generous interpretation of relevance than there had been before, instead of the gradual and apparently reluctant 'drip-feed' of disclosure which continued until the CACD hearing and resulted in the appeals of Akle and Bond being allowed. The fact that particular persons may be embarrassed by the

disclosure of actions or decisions they may now regret should never stand in the way of proper performance of the CPIA disclosure regime.

10.65. Out of scope of the inspection. Not assessed.

Recommendation 9: The SFO must ensure it has an effective system to support and monitor resourcing across all cases. Individual case resources must be clearly determined and subject to regular review and assessment by Heads of Division and Case Controllers with oversight by General Counsel and the COO. Written detailed case resource plans must be linked to the initial case strategy and updated to accompany significant case developments with a clear understanding from Heads of Division how case priorities and developments may require more or less resource to be allocated during the life cycle of the case. The Chief Capability Officer (CCO) should work with General Counsel, CPP and finance to determine the best approach to develop such a system and within 12 months have clear case resource plans on all current SFO cases.

10.66. As set out under Altman recommendation 2, the SFO has made a number of significant resourcing decisions since our 2019 inspection. As a result of resource stresses on the handling and management of cases, the SFO has developed a case prioritisation list which allows for resources to be moved from lower-priority cases to priority cases. A resourcing group (Gold Group, which includes General Counsel, COO and HoDs) meets monthly and makes resourcing decisions to move and flex resources across the organisation and within casework divisions.

10.67. In the five cases we examined, there were various resourcing-related issues, which highlight that some of the changes to case prioritisation had allowed case teams to flex and increase at relevant points to reduce resource pressures.

Overall assessment

10.68. The SFO has developed a system to prioritise resources. Whilst not a resourcing model, this change in approach is positive and our findings showed that the cases we examined were mainly progressed effectively. There was evidence that the approach to prioritising cases had improved case progression compared to 2019.

Recommendation 10: With immediate effect the SFO must develop a clear route by which case staff (the case team) can raise concerns about cases. This route should be clearly set out in the Operational Handbook and supported by an independent process.

10.69. As well the usual routes for concerns to be raised – whistle-blowing and raising a concern under the Civil Service Code – the SFO created and implemented a Freedom To Speak Up Guardian in May 2022 as a result of this recommendation. The role was expanded to include casework concerns from October 2022. We spoke to the Guardian as part of this inspection and were assured that the individual carrying out the role was independent, the SFO had communicated the role to all staff, and reference was made in the relevant parts of the OH. As well as the Guardian, staff can still approach one of the SFO's non-executive directors or the human resources team in line with other routes to raise a concern, if appropriate.

Overall assessment

10.70. Recommendation met. Regular management reviews would be expected to assess the effectiveness of the process and to highlight any trends and risks which may require processes or systems to be amended.

Recommendation 11: The need for adherence to the Operational Handbook by all SFO staff needs to be clearly articulated and communicated to all staff. Within six months of the publication of this Review a communication campaign should be designed to deliver this message, the reasons for its importance and the consequences of non-compliance, in association with the Departmental Trade Unions and other staff networks, as well as with senior management and the Culture Change Programme. From April 2023 clear responsibility should be set out in annual objectives (for all case staff including Heads of Division, Case Controllers and case team members) to ensure that annual performance assessments can take account of their compliance with them and set out any apparent development needs.

10.71. One of the key drivers of the OH reboot was to simplify and develop the handbook so that it was clear which of the expectations set out there were mandatory and which advisory. We saw evidence that many staff in SFO did not engage effectively with the handbook and that large numbers of staff did not use the handbook.

10.72. One of the key aspects of the reboot was to make the revised handbook more user friendly. Funding was approved for the recruitment of a web designer to support the development of the revised handbook. There were some delays in the development of the handbook, and the reboot launch had less of an impact than the SFO had planned.

10.73. We have seen evidence of messaging about the position of the handbook on the SFO intranet, and much more clarity about mandatory

expectations in the revised handbook. However, given some of the views of staff in focus groups and interviews, there is still some way to go for staff to understand the role of the handbook and accept the position it has in the organisation.

Overall assessment

10.74. Some progress has been made, but much needs to be done within the SFO for staff to have a clear understanding of the role of the OH.

Summary of findings re Calvert-Smith recommendations

10.75. Unlike Altman, there were some aspects and issues within Calvert-Smith's Unaoil review that did not correspond to themes found in the 2019 HMCPSI inspection. Therefore there are three recommendations that we have not been able to assess.

10.76. However, as with Altman, some of the issues identified by Calvert-Smith related to problems of resources, assurance and failure to follow and adhere to operational guidance.

10.77. This inspection highlights efforts made by the SFO to address the issues we identified in the 2019 case progression inspection, and this has naturally resulted in the Calvert-Smith recommendations relating to resourcing and assurance being addressed.

10.78. It remains too early to assess if the action taken has become embedded as part of this inspection. Much of what we have seen is the development of processes to support the change needed to implement recommendations. Demonstrating that the implementation of the reformed processes has led to improvements in case progression will take time. To assess progress against Calvert-Smith's recommendations we would need to revisit the SFO to assess if the changes have been effective at producing the required change. We will also need to review those recommendations that are clearly out of scope of this case progression follow-up inspection.

Annex A
High level questions and sub-criteria

1. Have the recommendations made by HMCPSI in the 2019 case progression inspection been implemented and resulted in improvement?

    a. Have the SFO developed a resourcing model that takes into account staff skills and time available to progress cases effectively?

    b. Do the SFO take appropriate action if it becomes apparent that cases are not being progressed adequately?

    c. Is review of resourcing completed in a holistic manner considering the needs of case teams within and across the divisions?

    d. Is there effective guidance for case controllers on deployment of Counsel and mechanisms to monitor performance and evaluate value for money?

    e. Is there a collaborative working relationship between the digital forensic unit and case teams to ensure effective case progression?

    f. Are Head of Divisions setting and monitoring appropriate milestones and ensuring there is full compliance with the operational handbook?

2. Has the implementation of the 2019 recommendations resulted in improvements in case progression at an operational level and have there been enhancement in quality assurance of casework processes?

    a. Are case acceptance processes effective and timely?

    b. Is case allocation timely and contributes to the effective progression of cases?

    c. Does the Roskill model approach and the multi-disciplinary design of the investigation team enhance the progression of cases?

    d. Is the selection of Counsel and other experts robust and timely to ensure effective progression of cases?

    e. Are systems for file organisation, file endorsement, and data storage effective to enable the timely progression of cases?

    f. Are there adequate systems for dealing with correspondence?

g. Are available digital systems used effectively to aid case progression?

h. Are reviews of cases timely and proactive to enable early case strategy to provide focus for the investigation and prosecution of a case including the identification of ancillary applications?

i. Is unused material dealt with properly in line with the law and SFO guidance to ensure timely and effective progression of cases?

j. Are cases properly identified and flagged to ensure systems and processes are followed in accordance with the SFO handbook and are local measures in place for compliance?

k. Is there appropriate day to day supervision and line management of staff to monitor the progression of cases?

l. Is the internal leadership structure and case progression governance system effective?

m. Do leaders of the organisation have sufficient influence over stakeholders to aid effective case progression?

n. Are Case Review Meetings and other mechanisms effective in providing oversight of case progression and alive to risks to effective case progression?

o. Are there effective systems to ensure the identification, organisation and dissemination of learning points with respect to case progression?

p. Is performance data used to monitor the effectiveness of case progression?

q. Is there continuity of case ownership throughout the life of a case and mecahanisms in place to minimise disruption when this is not possible?

r. Do quality assurance processes provide senior managers with adequate assurance of the status of case progression within SFO?

3. Do the case progression issues identified in the Calvert-Smith and Altman reviews continue to present risks to the SFO.

    a. Is guidance and the standard of instructions to team members who deal with disclosure adequate to ensure that the SFO can discharge its disclosure obligations in a timely fashion?

    b. Do team members have the right level of experience for their roles and responsibilities to ensure cases progress expeditiously?

    c. Is there a good relationship between the investigative and prosecution arms of the team to aid case progression?

    d. Is there transparency of all interviews and meetings relevant to the cases and are these adequately recorded to ensure that cases do not stall?

    e. Is there sufficient quality assurance and oversight to ensure confidence in cases progressing at speed?

    f. Are case teams adequately resourced to enable cases to progress expeditiously?

4. Are the SFO plans to address the case progression issues raised in the Calvert-Smith and Altman reviews and address the recommendations in the 2019 report viable and sustainable?

    a. Are changes required for the management and appropriate dealing with disclosure taking place and are the changes likely to result in improvements in the disclosure process?

    b. Are proposed changes in record keeping and case assurance producing improved disclosure handling?

    c. Have the planned improvements of guidance and policies and system resulted in better compliance?

    d. Will improved guidance documentation available to staff aid a consistent and effective approach to case progression?

    e. Will changes ensure roles and responsibilities of staff are clearly defined and checks in place to ensure consistency?

f. Has there been appropriate staff training to deal with effective progression of cases, or are plans feasible?

g. Is there an effective plan to ensure staff resources are optimised to ensure cases progress without delay?

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