

# Conflict of interest

## Supplementary guidance

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## Introduction

This supplementary guidance on conflict of interest should be read alongside NHS England's *Managing Conflicts of Interest in the NHS: Guidance for Staff and Organisations*<sup>1</sup> (September 2024). This guidance further outlines responsibilities for NHS staff and organisations, providing a framework for identifying, addressing, and managing conflicts of interest to maintain public confidence and ensure fair, transparent decision-making.

The purpose of this supplementary guidance is to reduce the NHS's vulnerability to fraud that occurs from poor management and controls of staff interests that could lead to the occurrence of bribery and corruption.

Under the NHS Standard Contract, providers must maintain counter-fraud arrangements in line with NHS Counter Fraud Authority (NHSCFA) requirements. Organisations should ensure compliance with GovS013 - NHS requirement 12, which includes having a conflict of interest policy and covers, conflicts of interest and gifts and hospitality. Staff awareness should be tested regularly to demonstrate effectiveness.

### Who is this guide for

The guide applies specifically to NHS bodies including Integrated Care Boards (ICBs), NHS trusts, NHS foundation trusts, and NHS England. These organisations are collectively referred to as "organisations" within the document.

## Conflict of interest

A conflict of interest occurs when a staff member's ability to act impartially in the NHS could be compromised or seen to be compromised by another interest they hold. Conflicts may be actual or potential, and can arise from financial, professional, personal, or indirect relationships. If unmanaged, they pose risks including compromised decision-making, misallocation of public funds, procurement irregularities, reputational harm, and breaches of legal obligations.

NHS staff should declare any interests that could cause a conflict of interest in their role, particularly those with a financial interest in a business that could provide goods or services to the NHS.

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<sup>1</sup> [NHS England » Managing conflicts of interest in the NHS](#)

## Fraud risks and vulnerabilities

The NHSCFA has identified recurring vulnerabilities in capturing and managing conflicts of interest and the offer and receipt of gifts and hospitality within NHS organisations, which results in a lack of transparency, and an increased risk of conflicts being undeclared and not managed.

The most prominent issue relating to conflicts of interest is employees failing to make a declaration. This has been found to occur when organisations do not clearly define who is required to make a declaration and the expectations relating to declarations are not communicated effectively to staff. Conflicts of interest policies often refer to 'decision makers', however there is rarely any clarity of which employees this applies to.

A recent case study highlighted an incident where an employee had the responsibility for approving the procurement of high value equipment, however due to their pay grade, they were not denoted as a decision maker within the organisation's conflicts of interest policy. The policy required any employee on a band 8C and above to make an annual declaration, including a nil return, this left a gap for senior managers who had influence over budgetary decisions. In this case, the employee bypassed procurement processes and set up a contract with a company that they had accepted overseas hospitality from.

Employees have also failed to make a declaration because they have not been prompted to do so. If an organisation has not implemented a process to identify who is required to make a declaration, they will not be able to measure compliance of returns or be able to prompt relevant staff to make them.

The NHSCFA has found that, although some NHS organisations have policies and procedures relating conflicts of interest, many have failed to implement a robust process to manage any declared interests or identify any undeclared interests.

## Prevention advice

Organisations should have procedures in place to identify, record and manage any potential conflicts of interest. Without proper controls, NHS organisations are at risk of reputational damage and could be liable for Bribery Act offences for failing to prevent bribery. The following controls are not exhaustive and should be considered by all NHS organisations to prevent risk and reduce exposure from fraud.

### Conflicts of interest policy

Organisations should have a policy in place outlining their expectations of all employees in relation to the declaration of, potential interests and gifts and hospitality. The policy should reinforce that all staff regardless of grade should declare relevant interests. This should also include the organisation's stance on any subsidiaries or contracts to ensure interests are captured on all entities under NHS oversight.

Organisations should consider requiring all employees with budgetary responsibility to make an annual declaration even if this is a nil return. The policy should clearly define which individuals are required to make an annual declaration.

Employees should also be prompted to declare any interests at the start of any new procurement process and during meetings where decisions are being made on contracts.

The policy should include how to make a declaration, the frequency of making a declaration, how declarations will be recorded and managed and the repercussions of failing to declare an interest. The policy should also include details on what employees need to do if they suspect a breach of the policy.

The policy needs to be widely communicated to all staff and form part of the induction process for new employees, ensuring all staff are aware of their responsibilities and the requirements of the policy.

## **Management of declared interests**

Organisations need to be able to determine which individuals are required to make a declaration. A register should be kept of individuals who are required to make a declaration, this should be updated on receipt of their declaration, including recording nil returns. This will highlight non-compliance and will enable organisations to prompt employees to submit their declaration.

Organisations should consider using an electronic system to capture interests, these have a built-in function where staff are automatically sent an email to prompt them to make a declaration. The system will notify an employee's line manager if they have failed to make a declaration after multiple reminders, this should then result in their line manager taking action.

The declarations register or register of interests should be used to manage any interests that have been declared. There should be a section on the register where it is clearly documents how the interest will be managed, any decisions that have been made, and any action that has been taken.

Organisations should have regular audits of the management of any declared interests to ensure any agreed actions are being followed. Organisations should also consider including a review of their local process/procedure as part of the annual work conducted by an internal audit. The audit could potentially highlight that whilst they organisation has a process in place, the process is not being adhered to. This would enable the organisation to benchmark compliance with the policy year on year and measure improvement (or decline).

## **Non-compliance escalation processes**

Weak enforcement fosters a culture of disregard for declaration of interest obligations. Organisations should establish a formal escalation process to address overdue or missing declarations. Responsibility should be assigned to managers and human resources to set clear timelines for resolution, and define the consequences for persistent breaches.

The register should be scrutinised regularly by the Audit Committee, and any breaches should be recorded and reported to them.

Organisations should publicise clear guidelines for staff on how to report breaches.

## **Awareness**

Organisations should incorporate declarations of interest within induction training, this should also include embedding the requirement to declare interests in employment contracts. Key staff groups should be required to complete regular mandatory training covering how to record, manage and the approval of gifts and hospitality. Conflicts of interest policies should be available to all employees and communicated regularly.

Leadership should actively promote transparency through messaging, awareness campaigns, and whistleblowing channels. Recognising compliant behaviour and publicising enforcement actions reinforces accountability.

## **Fraud detection**

### **Proactive review of registers**

Organisations should consider implementing processes to identify potential undeclared interests. A regular review of interest registers cross referenced against open-source records such as Companies House would detect any employees who have failed to declare an interest.

### **Proactive detection exercises**

The National Fraud Initiative (NFI) is a proactive detection exercise that public sector organisations are required to participate in, one of the matches in this exercise cross references data from payroll, finance and companies house, this will highlight where any employees are a director or linked to a director of a company that the organisation contracts with. Organisations should scrutinise the results of this exercise to identify any potential undeclared interests.

## Reporting suspected fraud and corruption

Breaches of conflict of interest policies, whether accidental, negligent, or deliberate, must be addressed promptly to protect integrity and public trust. All breaches should be documented and reported through governance channels, with sanctions proportionate to severity. Serious cases, including suspected fraud or bribery, must be referred to the NHS Counter Fraud Authority (NHSCFA). Organisations should promote whistleblowing, provide confidential reporting routes, and ensure fair investigations involving HR, audit, and governance teams.

Staff should report any suspicions of fraud against the NHS by:

- filling in [the online fraud reporting form](#). All reports are treated in confidence, and you have the option to report anonymously
- calling the NHS fraud and corruption reporting line (powered by Crimestoppers) on 0800 028 40 60 (available 24/7).
- asking their Local Counter Fraud Specialist for advice

## More information

[Welcome to the NHS Counter Fraud Authority \(NHSCFA\) public website | NHS Fraud? See it. Stop it. Report it.](#)

[NHS England » Managing conflicts of interest in the NHS](#)

[Conflict of interest - case study | Digital Forensics Unit \(DFU\) | NHS Counter Fraud Authority](#)

[NHS fraud guidance | Fraud Prevention | NHS Counter Fraud Authority](#)



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