

Buying goods and services

NHS fraud prevention quick guide

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This quick guide highlights the fraud risks when buying goods and services directly from suppliers.

Fraud in this area includes any act whereby deliberate steps are taken to mislead a NHS organisation with a view to dishonestly obtain payments individuals are not entitled to; for example by staff, suppliers or fictitious suppliers or collusion between these groups.

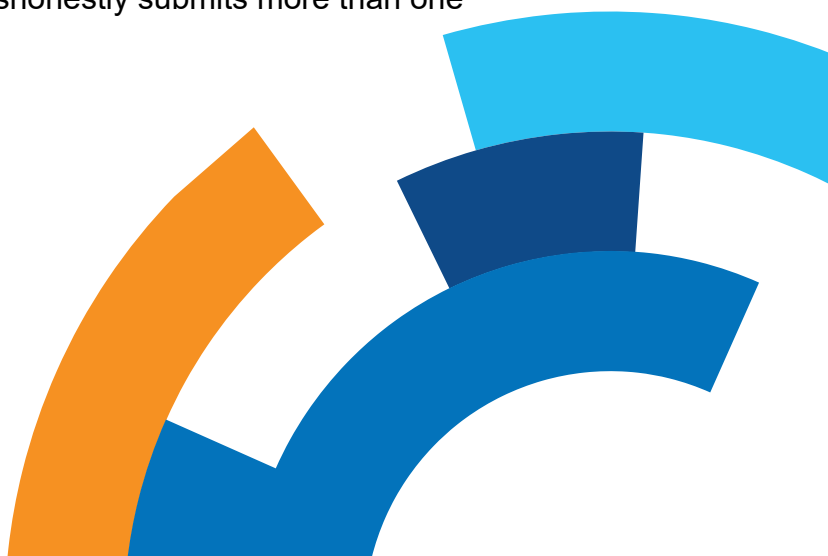
Who is this quick guide for?

This guidance is intended for NHS staff, particularly budget holders, those with responsibility for requisitioning goods and services or approving invoices, and procurement and finance teams, particularly those with responsibility for processing invoices and payments.

How to spot fraud

Staff should remain vigilant to fraud within the process of buying goods and services; here are some areas of vulnerability to be aware of:

- False invoices, where either a legitimate or fabricated supplier dishonestly submits invoices to the NHS for goods or services not supplied.
- Inflated invoices, where a supplier dishonestly submits invoices that do not accurately reflect the goods or services provided or contracted to the NHS.
- Duplicate invoices, where a supplier dishonestly submits more than one invoice for the same goods or service.
- VAT fraud, such as VAT charged on invoices without a VAT registration number and erroneous VAT charges.
- An invoice for goods or services with hidden or incorrect fees, such as: handling fees, add on costs and administration fees that should not be charged for.



the payment systems.

Preventative action

NHS organisations should require suppliers to provide as much information as possible on invoices, in particular, a full breakdown of the amount due. All invoices should be verified by staff to ensure that:

- The supplier's details including trading name and logos are genuine. If in doubt, check against records and details held on file.
- The supplier's invoicing address and contact details for queries relating to the invoice are checked against records on file.
- The PO number is correct. Staff should be vigilant for any irregularities, for example an extra digit or letter.
- The invoice, account and VAT numbers are consistent, and VAT numbers are valid. An EU VAT number (including the UK) can be checked on-line at http://ec.europa.eu/taxation_customs/vies/.
- The NHS organisation's name and invoicing address are correct.
- The supplier's bank details, including account name, number and sort code, are correct. If in doubt, cross check details held on file.
- A full breakdown of the amount being invoiced is provided, including VAT, additional fees and discounts, as applicable.

Process

Other measures to prevent fraud include:

- Staff should spot check information on invoices against supplier details already held on file.
- In conjunction with procurement teams, staff should carry out an exercise of reconciliation of POs, where possible, or booking confirmations and goods received against invoices.
- Staff should approve all invoices in accordance with their NHS organisation's Standing Financial Instructions.
- The organisation should use a payment system which is able to identify duplicate invoices.
- The organisation should establish and run systems and processes that manage conflicts of interest.
- Clear written instructions and procedures should be in place for all staff involved in the payment process, including finance and procurement teams.

