

Annual Report and Accounts 2025 to 2026



NHS Counter Fraud Authority

Annual Report and Accounts 2025 to 2026

For the period 1st April 2025 to 31st March 2026

Accounts presented to Parliament pursuant to Section 29A(7) of the National Health Service Act 2006

Report presented to Parliament by Command of His Majesty

Ordered by the House of Commons to be printed on 16 July 2026

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Foreword

The Annual Report and Accounts for 2025 to 2026 reflects our performance in the final year of our three-year strategy. It highlights how we collaborated to surpass our financial targets and the impact of our counter fraud work. Alongside this information is provided on our management structure, operating model and governance.

The report also sets out an overview of the NHS Counter Fraud Authority's (NHSCFA) spending and reflects how we remained accountable to the Department of Health & Social Care (DHSC).

Performance Report



Performance overview

This overview draws together the information presented below. As 2026 marks the conclusion of the current three-year strategic reporting period, it reflects both our cumulative performance against strategic targets and our achievements during this reporting year.

Messages from the Chair and Chief Executive open the section, providing reflections on progress over the past 12 months and setting out priorities for the next strategic period. Further detail on our achievements, and the impacts and outcomes delivered, is provided in the performance analysis section.



Message from the Chair

I have seen the real impact that the CFA makes daily over the past three years during our 2023 to 2026 Strategy.

I hope the focus on fraud will remain strong across the organisation, as the CFA has been an incredible success which can be a force for good across the healthcare sector, learning from past successes. Fraud is a pernicious crime that robs the Health Sector of valuable public resources and puts it in the hands of criminals.

The CFA impressively has a 5:1 'return-on-investment' meaning any funds provided to the CFA, reaps 5 times that in resources protected. An impressive achievement that highlights the value of working hard to prevent fraud and should give confidence that investing in the CFA helps return vital resources to nurses, doctors, and hospitals for the benefit of the public.

Thank you to all the staff, executives and Board members at the CFA who have supported me during my time as Interim Chair. I have great confidence that the new Chair, Tom Hayhoe, will achieve great things with the organisation in the future.



Gaon Hart
Non-executive director (former Interim Chair)

I am delighted to have been appointed as the new Chair of NHSCFA.

I hope my experience in previous NHS trust roles, in professional regulation and in my commercial career will allow me to support CFA achieve its goals and ambitions as one of the Department of Health and Social Care's arm's length bodies.

I look forward to working with my new colleagues making sure that all the money spent by the NHS is available for patient care and not syphoned off in fraud, bribery and corruption. This includes delivery of the next three-year phase of our strategy, building on last year's strong performance last year.



Tom Hayhoe
Chair

Message from the Chief Executive Officer

Welcome to the NHSCFA's Annual Reports and Accounts for 2025 to 2026. Our target for 2023 to 2026 was to realise financial values of fraud detected, prevented, and recovered to a value of £500 million, which we have surpassed, achieving in excess of £590 million. As we reflect, I'd like to highlight all the NHSCFA's efforts that enabled us to surpass our financial targets and the impact of counter fraud work, reflecting both our cumulative performance against strategic targets and our achievements during this reporting year.

Our performance in 2025 to 2026 has been assessed against a clear set of key performance indicators, providing a strong foundation for strategic improvement and supporting evidence-based decision making for the year ahead.

Our stakeholders have played a critical role in this success. At our Local Counter Fraud Specialist (LCFS) conference in January, we brought colleagues together to explore current fraud risks, consider future challenges, and identify opportunities for deeper collaboration. Engagement of this kind is vital in strengthening our collective resilience and supporting fraud prevention across the community.

Collaboration with LCFSs has continued to mature, building closer relationships that have enabled faster intelligence sharing and more efficient case progression. This has, in turn, supported the delivery of additional community workshops, the launch of strategic tools such as the Enterprise Fraud Risk Assessment (EFRA), and the development of a dedicated horizon scanning function.

These achievements are a direct reflection of the commitment and professionalism of our staff and partners across the counter fraud community. I would like to extend my sincere thanks for their contribution over the past year and for their continued support in the year ahead.

Moving forward for next year our new NHSCFA strategy, which will be aligned to the [NHS 10 Year Plan](#) and the DHSC Counter Fraud Strategy, will be underpinned by a new a new delivery model. The focus will be on prevention and recovery along with a stronger stewardship role for the organisation, including collating performance and activity, assuring against standards, and scaling up controls that work so they are replicated across the system.

We will be placing 'Counter Fraud by Design' at the core of our approach, aligning with the direction of NHS reform. This sets the foundation for a longer-term ambition in which counter fraud is fully embedded within frontline services, protecting health resources from fraud while supporting service delivery and modernisation.

We opened a formal consultation on the proposed advanced data analytics function of Project Athena which outlined proposed changes to how the CFA organises its analytical, data science, data engineering and data acquisition capabilities. The programme has strengthened the CFA's data and analytical capability, providing the foundation for advanced, data-driven counter-fraud work.

The CFA launched Project WISE this year (Workforce Integrity and System Efficiency) - a first of its kind, proactive, data-driven initiative designed as a strategic response to fraud risks within the NHS. This represents a proactive approach to tackling NHS fraud head-on. The project will:

- analyse both local and national datasets
- generate intelligence from data outliers
- support local counter fraud teams through NHSCFA expertise and resources
- assess return on investment to inform a potential national adoption

International Fraud Awareness Week (IFAW) formed a key part of strengthening our focus on organisational learning and supporting the NHS to better understand and prevent financial loss to fraud. We reached 1.9 million NHS staff, along with international partners and the wider counter fraud community, to share insights and strengthen our collective understanding of global fraud risks in health with our downloadable materials and campaign.

Our ongoing and past investigations highlight the vigilance and dedication of our investigators and shows that we continue to ensure that those who seek to exploit the health service for their own benefit are identified and brought to justice. Highlights of the past year's cases include:

- a former NHS resident doctor being sentenced to three years' imprisonment after defrauding the NHS out of more than £268,000
- a conviction of a former NHS credit controller for fraud by abuse of position and money laundering resulting in five convictions in a £300k case
- a confiscation order that forced a former NHS manager to return £175,000 that they defrauded from the NHS defrauding a former Clinical Commissioning Group out of £564,484

Without our investigators, these offenders would have gone unpunished, and our work ensures that such abuses are identified and prosecuted, protecting NHS funds for patient care.

I'd like to thank our Chair, Dame Linda Pollard, and Interim Chair, Gaon Hart, for all their hard work the past year guiding us through our transformation period and helping to achieve our aspirations to remain an independent organisation. The organisation and I have benefited from their direction and experience. I'm also delighted to be working with our new Chair, Tom Hayhoe, who brings a wealth of expertise to the CFA, such as in his previous role such as Chair of West London Mental Health NHS Trust (renamed West London NHS Trust in 2018), Investigating Committee Chair on the Nursing and Midwifery Council's Fitness to Practise Panel, and up until the end of 2025, Covid Counter-Fraud Commissioner.

The value we make as an arm's length body with our expertise and commitment to counter fraud cannot be understated. Let us continue to build on these achievements over the next year and beyond.



Alex Rothwell
Chief Executive Officer

Background and role of NHSCFA

We are a special health authority directly accountable to the Department of Health and Social Care (DHSC). We are held to account for the delivery of our 2023 to 2026 Strategy by our departmental sponsor, the DHSC Anti-Fraud unit (DHSC AFU).

We are responsible for preventing, detecting and investigating fraud, corruption or other unlawful activities, carried out against or otherwise affecting the NHS and the wider health sector in England.

[Statutory Instrument 2017 No 958](#) sets out the establishment and constitution of the organisation. Schedule 2, parts 1 and 2, detail the requirements for specific roles which make up our Board. To find out more about the role of the NHSCFA Board and its members, see the [NHSCFA Board of Directors](#) section on our website. We also provide specialist counter fraud support functions to the Welsh Government under section 83 of the Government of Wales Act 2006. See the [NHS Counter Fraud Service Wales](#) page for more details.

How the NHSCFA is organised

NHSCFA's management team and Board are collectively responsible for setting the organisation's culture and overseeing effective decision making. Further information on the Board, its committees and their respective responsibilities is set out in the Accountability Report. We welcomed Tom Hayhoe as our new Chair from 1 May 2026. Full dates on Non Executive Tenures are provided in the Accountability report.



“Working together to understand, find and prevent fraud, bribery and corruption in the NHS”

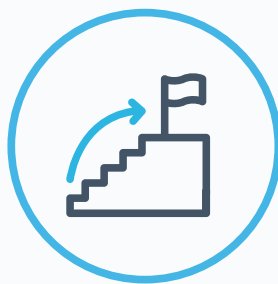


NHSCFA vision and aims

Our priorities to support this vision are



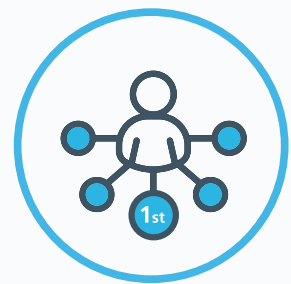
being experts and leaders in our field



leading the NHS response



empowering others



putting the interests of the NHS and its patients first

Our 2023 to 2026 Strategy has now been completed, and we are now focusing on delivery of our ambitions for our next strategic cycle.

Our 2023 to 2026 Strategy described our objectives as four pillars; **understand**, **prevent**, **respond** and **assure**. These are support by two enabling pillars.

Our key objectives - what we set out to achieve	Example of achievements
We will understand how fraud, bribery and corruption affect the NHS	We strengthened the NHS's understanding of fraud risk through system-wide intelligence, including the Strategic Intelligence Assessment (SIA) and Enterprise Fraud Risk Assessment framework (EFRA). Improved intelligence sharing and horizon scanning enabled earlier identification of emerging threats and more targeted, intelligence-led counter fraud activity.
We will ensure the NHS is equipped to take proactive action to prevent future losses from occurring	We heightened fraud prevention across the NHS by embedding organisational learning, delivering targeted guidance and expanding awareness through initiatives such as International Fraud Awareness Week (IFAW). Data-driven programmes, including Project WISE (Workforce Integrity and System Efficiency), enabled earlier identification of workforce risks and more proactive, system-wide prevention.
We will be equipped to respond	We improved our response to fraud through targeted investigations, specialist capability and advanced analytics. Project Athena identified millions in fraud savings, while the creation of a Centre of Specialist Learning (CSL) established a clear pathway into the Government Counter Fraud Profession (GCFP), strengthening workforce capability and consistency.
We will assure our key partners, stakeholders and the public that the overall response to fraud across the NHS is robust	We reinforced assurance across the NHS counter fraud system through high levels of engagement, robust performance monitoring and targeted improvement activity. This has increased confidence in the effectiveness of counter fraud arrangements and supported more consistent standards across the sector.

Enabling pillars

We supported **our people** to develop expertise to underpin and deliver counter fraud activity within the NHS.

We used **our resources** in an innovative and agile way to support and deliver counter fraud activity within the NHS.

NHSCFA operating model

Our operating model is set out below. We have continued to move to a more project focused approach with representatives from different teams contributing specialist areas of expertise as required.

Where delivery is not driven by project deliverables we have continued to maintain delivery against agreed business plans. Both approaches are now held to account via executive assurance panels which replaced the former performance and assurance panels in the autumn.

The new NHSCFA Strategy, which will be aligned to the [NHS 10 Year Plan](#) and the DHSC Counter Fraud Strategy, will be underpinned by a new delivery model. The consultation on this will commence mid-year in 2026 to 2027 with implementation due to complete in 2027 to 2028.



Significant achievements at a glance

Building on the example achievements against our objectives in the vision and aims section, the table below shows our performance against financial targets.

Our target for 2023 to 2026 was to realise financial values of fraud detected, prevented and recovered to a value of £500 million. Working together with the wider health group this target has been exceeded. Results for this financial year and year on year comparisons are set out below.

Financial summary of fraud detected, prevented and recovered	2023 to 2024 £m	2024 to 2025 £m	2025 to 2026 £m
Direct enforcement	12.42	6.21	20.16
LCFS* function	14.83	15.16	18.38
DHSC core and arm's length bodies (ALBs)	99.15	82.22	69.30
Other (RTEC)**	58.20	64.75	58.90
Project Athena	-	28.48	42.30
Annual Totals	184.60	196.82	209.04
Total for 3 year strategic period			590.46

*Local Counter Fraud Specialist

**Real Time Exemption Checking

Managing our risks

The external environment across the wider NHS, including the creation of a new department combining NHS England and DHSC and the publication of the Government's [10-Year Health Plan](#), has informed our ongoing review of strategic risks. This work has assessed the impact of these changes on the delivery of our four fraud focused pillars, and on our ambition to support our people to deliver counter fraud activity across the NHS while making best use of available resources. We have considered the impact on how the changes to delivering NHS services will alter the vulnerabilities to fraud as new models are introduced and digital solutions are rolled out. We continue to monitor the risks emerging from this changing landscape.

The scale of transformation across the NHS has highlighted the need to adapt our approach to better **understand** and respond to fraud, bribery and corruption risks. This has also reinforced the strategic risk associated with meeting increasingly ambitious government counter fraud objectives without commensurate funding.

During the reporting period, the reputational risk associated with demonstrating the return from investment in data analytics was actively monitored. Project Athena was a specific data analytical project delivered over a two-year period. It tested the concept of using data analytics to identify potentially fraudulent activity, prevention opportunities and identify financial returns. This further matured over the year; the associated mitigations and controls enabled the workstreams to demonstrate the value to the work and this is now transitioning into business as usual activity. This capability now represents a key enabler of our ambition to move from reactive detection to the proactive **prevention** of fraud losses across the NHS.

The rapid pace of technology-enabled fraud continues to present a strategic risk, with the potential for threats to evolve more quickly than the NHS counter fraud community's capacity to detect, prevent and respond effectively. Mitigation activity during the year has focused on forward planning to ensure our workforce is equipped with the digital, data and artificial intelligence skills required to **respond** to emerging risks and provide **assurance**.

Cyber security has remained a consistent area of strategic risk throughout the year. Targeted investment has been made in **our people**, cyber security controls and IT resilience to mitigate the threat of malicious cyber activity and to maintain operational continuity.

The impact of the risks described has been the redeployment of resources to provide mitigation, in line with our agreed risk appetite, which is set out below. Our aspirations for the next strategic period will also reflect a change in direction to a more data driven approach which will require the development and implementation of a new operating model to support delivery. Further information is set out in the future plans section of this report.

Strategic Risks opened in 2025 to 2026 (previous strategic risks were subsumed into these)

Risk description	Risk appetite	Key mitigations	Direction of travel of the risk score
NHS transformation and counter-fraud capacity	Open	Active engagement with NHS system partners and ongoing monitoring of transformation impacts on fraud prevention capacity	
Funding and operating model sustainability	Open	Active engagement with DHSC on funding arrangements and ongoing review of operating model design	
Project Athena delivery and data analytics	Open	Robust programme governance, regular reporting to the Board, and engagement with the proof-of-concept workstream	
Cyber security and IT resilience	Cautious	Ongoing investment in cyber controls and regular assurance reviews	
Technology-enabled fraud outpacing counter-fraud capacity	Cautious	Horizon scanning group established for monitoring external threats. A review of the cyber threat landscape led by the Information and Cyber Security Manager. Findings from these feeds an information security forum	
Emerging technology and AI capability	Open	Development of our Digital Strategy and incorporation of digital, data and AI skills requirements into future Board recruitment	
Risks across the procurement lifecycle	Open	Enhanced procurement pipeline reporting and lessons learned reviews of contract renewals introduced during the year	

The organisation's overall approach to risk management and its risk appetite are explained in the accountability section of the report.

Future plans

Our Strategy for 2026 to 2027 places 'Counter Fraud by Design' at its core and aligns with the new DHSC Counter Fraud Strategy. This approach will embed fraud resilience into everyday practice across the health service, influencing decision making, governance, accountability and system design. It aligns with the direction of NHS reform and sets the foundation for a longer-term ambition in which counter fraud is fully embedded within frontline services, protecting health resources from fraud while supporting service delivery and modernisation.

During the reporting period, our expanded data analytics capability has successfully transitioned from proof of concept to business as usual. A sustainable business model to support further development and ambition will be approved in early 2026 to 2027 and become operational from April 2027. This enhanced capability will underpin our ambitions to strengthen prevention, support digitalisation, and embed counter fraud principles within healthcare models and frameworks, thereby improving the sectors' overall response to fraud.

Our risk profile for the next strategic period recognises the critical importance of effective stakeholder engagement. Delivery of our ambitions depends on strong, integrated relationships across the system, rather than organisations operating in isolation. The following have therefore been identified as our key engagement partners.



Our finances

Overview of financial performance 2025 to 2026

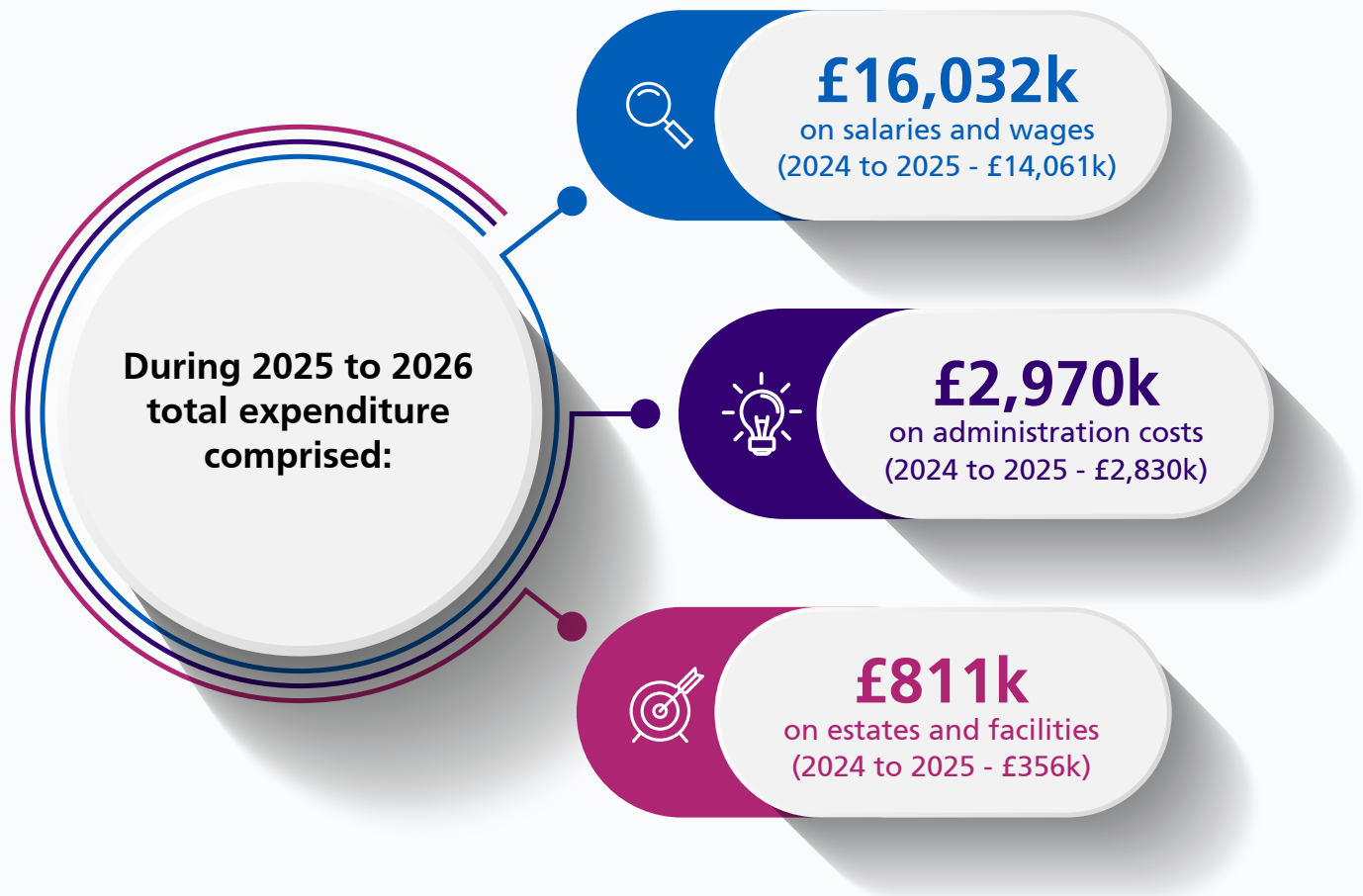
As a special health authority, we receive funding from the DHSC to deliver the services outlined in our Establishment Order and Directions.

The table below shows our performance against the financial targets set by DHSC

Financial obligations Target	2025 to 2026			2024 to 2025		
	Limit £'000	Outturn £'000	Achieved	Limit £'000	Outturn £'000	Achieved
Capital resource limit does not exceed target set by DHSC (excludes IFRS16)	1,641	1,231	✓	700	506	✓
Capital resource limit does not exceed target set by DHSC (IFRS16 only)	839	434	✓	-	561	×
Non-ring-fenced revenue resource expenditure does not exceed the limit set by DHSC (excludes depreciation and amortisation)	20,193	19,646	✓	20,793	17,055	✓
Depreciation and amortisation resource limit does not exceed target set by DHSC	2,000	1,722	✓	1,850	1,970	×

In 2025 to 2026 the NHS Counter Fraud Authority reported a revenue underspend against its Resource Departmental Expenditure Limit (RDEL), excluding depreciation and amortisation. This position demonstrates the Authority's ability to adapt to changing circumstances by successfully absorbing cost pressures and reflects consistent and proactive approach to resource management.

In relation to capital expenditure, the NHSCFA's total capital programme resulted in an underspend position. This outturn is primarily due to changes in Estates Strategy which delivered in year cost savings.



Material movement in salaries and wages due to increased resource in relation to Project Athena.

Income for the year totalled £296k, of which £294k related to contracts for services delivered by the Authority.

Financial planning

Following the successful delivery of Project Athena in 2025 to 2026, the Authority's financial plan for 2026 to 2027 has been shaped by the need to secure the financial resources necessary to sustainably deliver its mandated services and realise associated counter fraud savings for the wider health system.

Revenue and capital funding has been agreed with the DHSC and is sufficient to meet the Authority's planned net expenditure during 2026 to 2027. The Authority remains committed to upholding high standards of financial governance and ensuring value for money across all areas of its operations.

Better Payment Practice Code Performance

The Better Payment Practice Code requires the NHSCFA to aim to pay all valid invoices either within 30 days of receipt of a valid invoice or by the agreed due date, whichever is later. The target is to achieve payment of at least 95% of invoices, measured by both volume and value. In 2025 to 2026, the NHSCFA met this target, achieving performance 95% or above for both the number and value of invoices paid within target.

BPPC performance	2025 to 2026		2024 to 2025	
	Number	£'000	Number	£'000
Non-NHS payables				
Non-NHS payables	1,000	4,717	1,106	7,207
Total Non-NHS invoices paid within target	948	4,442	1,061	6,986
Percentage of non-NHSCFA invoices paid within target	95%	94%	96%	97%
NHS payables				
NHS payables	102	2,237	54	2,477
Total NHS invoices paid within target	102	2,237	46	2,434
Percentage of NHSCFA invoices paid within target	100%	100%	85%	98%
Total CFA invoices paid	1,102	6,954	1,160	9,684
Total CFA invoices paid within target	1,050	6,679	1,107	9,419
Percentage of total CFA invoices paid within target	95%	96%	95%	97%

Going concern

NHSCFA's Annual Report and Accounts have been prepared on a going concern basis.

The NHSCFA draws its funding from the DHSC. Parliament has demonstrated its commitment to fund DHSC for the foreseeable future, and DHSC has demonstrated its commitment to the funding of the NHSCFA. There is no evidence that the services we provide will not continue, and therefore we have applied continuation of service provision in making our decision to use the going concern assumption.

Performance analysis

The preceding performance overview section set our overall performance against financial targets. This performance analysis section builds on that summary by highlighting delivery against key performance indicators and the outcomes and impact achieved through our four fraud focused pillars and our enabling pillars; understand, prevent, respond and assure.

It includes illustrative examples of work undertaken within the reporting period and outlines how we have supported our people and deployed our resources to enable to delivery. Also described are details on how activity this year has contributed to the strategic period achievements and includes comparison data where applicable.



The analysis describes how we have been held to account by our Board and departmental sponsor across all performance areas and our future aspirations and targets along with further information on the impact of our strategic risks on our delivery.

The four pillars in action relating to investigations



Case study 1 2025

**Fraud by abuse of position
and money laundering**

Case study 2 2025

**Four counts of fraud by false
representation by a resident
NHS doctor**

NHSCFA has a range of expert teams who work together to tackle fraud.

**The National Investigation Service has three main areas of investigation – digital forensics,
financial investigation and fraud investigation.**

The Fraud Hub provides support through case management, enforcement, engagement and prevention.

Privileged access to confidential financial data was used to steal £218,000 and a further attempt of £84,000 was prevented

Positive collaboration with Trusts and LCFs have produced excellent results in recent cases

Worked on-call night shifts at additional Trusts whilst on sick leave and on reduced duties from employer

Working closely with the CFA finance team investigators demonstrated that they pursue fraudsters where the evidence leads them

Working together by sharing resources, practical advice and expertise resulted in the prevention of further monies being stolen

Proved to have defrauded the NHS out of more than £268,000

**Five defendants
Two custodial sentences
Three suspended sentences**

Positive outcomes reflect the skills and dedication of the investigators and demonstrates the NHSCFA's commitment to tackling fraud and protecting public resources

**Defendant pleaded guilty
and sentenced to three
years imprisonment**

Investigators used powers under Proceeds of Crime Act (POCA) to trace the stolen funds

Reclaiming funds back for the NHS and exposing the fraudsters in court maintains reputation and public confidence

In sentencing the judge said:
"The public does not expect doctors to lie for personal gain."

Extensive social media, print and broadcast coverage in the UK and internationally

Publicising the positive outcomes through the media raises the awareness of the work of the NHSCFA and is an effective prevention message and deterrent across the sectors and public

Extensive regional and social media coverage

The NHSCFA provides training, advice and guidance to Trusts and LCFs to help them identify and investigate fraud, these include:

**Regular webinars – bulletins for the sector – ongoing training courses
– extranet for LCFs – guidance documents**



Understand activity

We set out to increase our understanding of how fraud, bribery and corruption affect the NHS.

1. The annual [Strategic Intelligence Assessment](#) (SIA) has provided a system-wide view of fraud risk across the NHS, identifying emerging threats, vulnerabilities and trends to inform targeted intelligence led counter fraud activity. The latest assessment identified a 1.5% increase in reported allegations, rising to 6,462 in 2024 to 2025. This reflects improved awareness and reporting across the system, strengthening the evidence base used to prioritise action.

Workshops were developed for stakeholders to explore counter fraud activity and local challenges

2. Collaboration with Local Counter Fraud Specialists (LCFS) was strengthened, delivering faster intelligence sharing, closer relationships and more partnership working, and more efficient case progression. This has enabled earlier identification of risks and more timely targeted interventions across the NHS.

EFRA identifies key fraud themes, emerging risks and control gaps.

EFRA provides a consolidated view of fraud risk exposure, showing direction of travel, priority risk areas and limitations in current controls.

3. The NHSCFA Strategic Fraud Risk team has led the development and production of consistent system-wide Enterprise Fraud Risk Assessment (EFRA) framework for the NHS. This has strengthened the NHS's ability to identify key fraud risks, expose control gaps and assess risk exposure at both organisational and national level, aligned fully with the government Counter Fraud Functional Standard and recognised best practice.

4. Analysis undertaken within the NHSCFA Fraud Hub identified gaps between fraud identified and funds recovered. In response we launched a dedicated workstream to enhance understanding of this issue and implement measures to improve processes, communication and accuracy of reporting.

5. The NHSCFA operates a dedicated horizon scanning function, systematically monitoring external developments including policy, legislative and technological change to identify emerging threats and opportunities to enhance the counter fraud response. This proactive capability delivered 17 responses during the year, including engagement in consultations and legislative amendments, ensuring that we remain agile and ready to respond to a rapidly evolving fraud landscape.

These activities strengthen our understanding of a rapidly changing fraud landscape, ensuring that counter fraud priorities and active interventions remain aligned to emerging threats and the scale and pace of transformation currently underway across the NHS.



Prevent activity

We have supported the NHS to take proactive action to prevent future losses from occurring.

1. We continued to place greater emphasis on organisational learning as a key driver of fraud prevention. Learning Reports demonstrating the impact of investigations and identifying fraud prevention opportunities were disseminated directly to stakeholders, providing timely insight into control weaknesses, risks and vulnerabilities. ensuring timely and accessible access to key findings. This enabled NHS organisations to undertake informed local fraud risk assessments within their own operating environments.

Our IFAW campaign reached over **1.9 million** NHS staff

Practical advice

to assist the sector with developing stronger prevention initiatives has included issuing of targeted guidance documents.

10 Fraud Prevention Notices (FPNs) and sector bulletins

2. We strengthened our focus on organisational learning as a core component of fraud prevention, supporting the NHS to better understand risks and how action can lead to the prevention of financial loss to fraud.

International Fraud Awareness Week (IFAW) formed a key part of this approach, significantly extending our reach and reinforcing fraud awareness across the NHS. We also engaged with international partners to share insights and strengthen our collective understanding of global fraud risks in health.

3. A new prevention initiative, Project WISE (Workforce Integrity and System Efficiency), was launched during the year. This first of its kind, proactive and data driven pilot was developed as a strategic response to workforce related fraud risks within the NHS. Delivered in collaboration with NHS trusts, Project WISE supports a coordinated, system wide approach to tackling staff related fraud. The programme strengthens early detection, improves transparency and enhances controls by proactively identifying fraud indicators using data analytics and machine learning across organisations. Collaboration has demonstrated the added value of combining local fraud intelligence with prevention capability across the NHS.

Examples of NHS staff fraud relating to Project WISE

- working whilst on sick leave
- undeclared dual employment
- conflicts of interest

Project WISE



uses data-driven insights to identify fraud risk at scale



connects local intelligence with national analytical capabilities



develops proactive, preventative interventions rather than relying solely on reactive investigations

4. We have enhanced our platform for capturing and analysing fraud vulnerabilities across the NHS, enabling organisations to report control weaknesses and emerging risks as they arise. This provides a consistent, system-wide view of fraud vulnerabilities, allowing insight to be collated, analysed and shared back across the sector to strengthen prevention activity and reduce exposure to fraud. As a result the number of reports made across the platform increased by 18% to 8501 in the reporting period.

Rapid technological change continues to create new fraud threats and vulnerabilities across the NHS. The provision of targeted fraud prevention advice to the sector forms a key mitigation to this strategic risk. Investment in workforce expertise has strengthened our understanding of emerging risks and enhanced our ability to respond effectively.



Response activity

When we know that fraud has occurred, we are equipped to respond in a variety of ways.

1. To coordinate counter fraud activity, we have collaborated with stakeholders to develop a Control Strategy. This is the mechanism for setting and coordinating priority counter fraud activity across the NHS, based on intelligence and risk, so that limited resources are focused where they will have the greatest impact. An example of how this has directed our activity is Project WISE which was set up as a direct result of identification of a risk.
2. Our National Investigation Service (NIS) has continued to lead on serious, complex and high value investigations, progressing cases through criminal, civil and disciplinary routes. Further information on the outcomes of these is available in the news section on our website. This year has seen an increase in the number of cases progressing through to positive Crown Prosecution Service (CPS) charging decisions and ultimately to court, although capacity issues across the criminal justice system continue to impact upon timelines.

£7.05 million target for the National Investigation Service teams to identify, prevent and recover monies lost to fraud.

Total achievement **£20.16 million**

Investigations are supported by the Digital Forensics Unit (DFU). This provides specialist digital capability. The team enable the lawful acquisition, examination and presentation of digital evidence from a wide range of devices and systems, supporting criminal, civil and regulatory proceedings. The DFU operates is accredited under ISO/IEC 17025 and is aligned with the Forensic Science Regulator's Code of Practice.

3. Continuously improving the skills of counter fraud specialists at national and local level is essential to maintain compliance with legislation and remain in line with best practice. We strengthened professional capability across the counter fraud community through the creation of a Centre of Specialist Learning (CSL), providing a dedicated, accredited approach to developing counter fraud expertise.

The CSL has been accredited by Skills for Justice and recognised by the Government Counter Fraud Profession (GCFP) as an approved academy model, positioning NHSCFA at the forefront of professional standards development across the public sector.

This establishes a clear pathway for NHS counter fraud specialists to develop and demonstrate professional competence and become part of the GCFP strengthening the consistency, capability and professionalism of the workforce.

4. Developing our analytical capability to detect fraud has been a key activity. Project Athena has strengthened NHSCFA's counter fraud capability by embedding advanced data science and analytics into

Total achievement of fraud prevented
by **Project Athena £42.30 million**
for 2025 to 2026

operational practice. In its first year, the programme exceeded a 11:1 return on investment, formally recognised by the Public Sector Fraud Authority, and identified millions of pounds in fraud prevention savings.

Athena has established scalable data infrastructure, expanded access to national datasets and enabled earlier identification of potential fraud through advanced analytics, including artificial intelligence and machine learning. This has strengthened our ability to detect anomalies, generate actionable insight and intervene earlier.

The programme has also strengthened collaboration with partners across the NHS, law enforcement and financial institutions, improving the sharing and use of data to support investigations and disruption activity.

Together, this work has laid the foundations for data analytics to operate as a sustainable, business-as-usual capability within NHSCFA, supporting more proactive fraud detection, evidence-based decision-making and the ongoing protection of public funds.

£16.63 million target to prevent, detect and recover monies lost to fraud at local level.

Total achievement **£18.38 million** an increase of **17.6%** from 2025 to 2026.

5. Operational support, oversight and engagement enhanced fraud detection, supported investigative work and increased recovery of funds lost to fraud.

Risks associated with the delivery of Project Athena were actively managed throughout the reporting period. Robust governance arrangements ensured ethical data acquisition and supported the development of consistent, repeatable data analytics models.



Assure activity

Assuring our key partners, stakeholders and the public that the overall response to fraud across the NHS is robust.

We have achieved this by strengthening confidence across the counter fraud system by actively engaging with local stakeholders and partners, demonstrating that NHSCFA's support, standards, and interventions are effective, responsive, and valued by the wider counter fraud community.

1. Annual declarations of compliance with the Counter Fraud Functional Standard Return (CFSSR) provide a comprehensive, system-wide view of counter fraud performance across NHS organisations. We review and quality assure these returns, ensuring the integrity and consistency of the data used to assess compliance.

383 Local Proactive Exercises to identify issues and provide assurance completed.

The latest cycle achieved a 99.6% submission rate, demonstrating strong engagement across the sector. Analysis of this data enables us to identify trends, highlight areas of strength and target improvement activity where it is most needed, driving increased compliance and more consistent standards across the NHS.

2. Nationally driven improvements to reduce vulnerability to procurement fraud have been supported by NHSCFA through the development of local proactive exercises. These enable organisations to evaluate existing controls, identify weaknesses and implement targeted improvements, strengthening procurement fraud resilience at local level.

3. Guidance on the new '[Failure To Prevent Fraud](#)' offence, introduced under the Economic Crime and Corporate Transparency Act 2023, has been issued to the counter fraud community. Supplementing the Home Office guidance, this supports NHS organisations to act with integrity and to gain assurance that

21 targeted awareness campaigns delivered.

Strengthening knowledge on how to counter procurement fraud.

effective and proportionate fraud prevention arrangements are in place. Through this coordinated approach, the organisation seeks to enhance resilience to fraud across the NHS and encourage a culture of continuous learning and improvement.

1 contract register reviewed, which listed over **200** contracts worth **£1,395,000** identified anomalies such as:

- missing contract values
- contracts still marked as 'draft' despite start or end dates having passed

As a result of the Local Proactive Exercise these gaps were addressed, resulting in benefits to the organisation of improved contract management and monitoring.

- 4.** We strengthened assurance across the counter fraud system by supporting LCFs and promoting collaboration across the NHS. The enforcement team played a key role in sharing expertise and supporting investigations, with approximately 90% of cases originating from LCFS referrals. A structured engagement approach ensured consistent communication with key stakeholders, including LCFs, Directors of Finance (DoFs) and governance leads, strengthening alignment, oversight and confidence across the system. This was supported by a programme of conferences, webinars and drop-in sessions, providing a platform to share knowledge, address emerging risks and support continuous improvement.

A second LCFS conference, alongside follow-up drop-in sessions, further strengthened sector collaboration and the sharing of insight.

Stakeholder feedback and surveys demonstrate the impact of this approach, with overall measured satisfaction increasing by more than 10% and confidence in communication and relationships rising from 60% to 77%. This feedback is used to continuously refine engagement activity and ensure it remains relevant, targeted and effective.

Our webinar on Failure to Prevent Fraud attracted **270 attendees** - the highest number recorded for this type of engagement.

Quarterly Fraud Hub Bulletins

Engagement forum stakeholder survey

- 5.** Clue, our case management system, underpins assurance across the counter fraud system by ensuring investigations, intelligence, outcomes and identified fraud are captured accurately and consistently. This provides a robust audit trail, strengthens oversight and supports reliable, high-quality data for reporting, assurance and organisational learning.

A case management team provides ongoing support to users, resolving issues and offering clear guidance, helping to maintain data quality, operational continuity and confidence in the system.

6. During the year, we commenced a fraud loss measurement exercise within General Ophthalmic Services, working in collaboration with NHS England and the NHS Business Services Authority. This work will provide robust, evidence-based insight into the scale and nature of fraud risk in this area, with the final report due in Q1 2026 to 2027. This strengthens assurance by improving the accuracy and consistency of fraud measurement and supporting more informed, risk-based decision-making across the system.

These activities rely on a range of technology solutions, making IT resilience and protection against malicious cyber threats a strategic priority for the organisation. Cyber security risks are continuously monitored to support business continuity and maintain effective controls.

Our People and our Resources

Our enabling services support the delivery of all our counter fraud activity. Information regarding our Board, governance and compliance and financial position are detailed in the Accountability Report.



Technology

- redesigned the online fraud reporting tool to enhance the quality of intelligence gathering
- further developed our customer relations management platform to support our approach to engagement and communications
- achieved an average customer satisfaction score of 96.6%
- improvements to our cyber security resilience including:
 - resolution of 40% of system alerts via automation
 - improved phishing awareness
- maintained ISO27001 ISO20000 accreditations

Communications

- implementation of a new media management platform
- international, national and regional media and social media
- delivery of social media campaigns
- internal communications via our intranet
- regular CEO Live events

Performance and Transformation

- introduction of AI assistance i.e.Copilot
- designing new fraud resilient project and programmes
- strengthened Board-level assurance and risk oversight
- supported organisational review and operating model development
- maintained delivery discipline and enabled effective use of technology

People

- active recruitment monitoring to assess fairness and differences in ethnicity outcomes
- supported inclusive decision making with Equality Impact Assessments
- 82% of staff would recommend NHSCFA as a good place to work
- delivered a range of core leadership training
- all-staff conferences held

Performance reflections

Overall performance against our published business plan was strong. Over the reporting period we have reviewed delivery and adjusted resources to support additional areas of work including a significant increase on our international engagement.

During the year, we undertook additional international engagement activity, establishing a formal collaboration with the Health Insurance Organisation in Cyprus to support the development of its counter fraud capability.

This work involves the delivery of a structured programme of knowledge-sharing and capability-building activity, including webinars and follow-up engagement sessions focused on fraud awareness, intelligence, risk assessment and data analytics.

The programme commenced in Q4 and will continue into 2026 to 2027, supporting the development of organisational capability to detect, prevent and respond to fraud.

This activity reflects the growing recognition of the NHSCFA's expertise internationally and demonstrates our ability to apply our knowledge and experience to support counter fraud capability beyond the NHS.

We committed to developing a dedicated deterrence strategy to promote a stronger counter fraud culture across the NHS. While a standalone strategy was not formally published during the reporting period, significant progress has been made in delivering the underlying components.

This has included strengthening engagement with key stakeholders, expanding awareness and behavioural change activity, and increasing focus on risk assessment and fraud reporting across the system.

Progress on implementing enhanced management reporting, including proposals for mandatory fraud reporting through NHS England, was paused in light of wider system reform and the transition away from the arm's length body model. This ensures that future reporting arrangements align with emerging accountability structures across the NHS.

Taken together, this work has advanced a more mature, system-wide approach to deterrence and has informed the development of strategic objectives within our 2026 to 2029 Strategy, where this activity is being taken forward as part of a broader, integrated counter fraud approach.

Sustainability Reporting

NHSCFA is not currently required to provide full sustainability reporting under Task Force on Climate-related Financial Disclosures, as it does not meet the threshold criteria.

We comply with the [Greening Government Commitments](#) and report through the DHSC as set out in the sustainability section of the [framework agreement](#) between both bodies providing quarterly data.

Social responsibility is a consideration in strategic decision making and assurance processes including the procurement life cycle and project management.

A review of our longer-term estate requirements will take place during 2026 - 2027 once the of changes to our operating model are confirmed.

The environmental impact of the organisation is described in the following sections.

Estates

We occupy three offices, all of which are in multi occupancy buildings. The lease for our Citygate office in Newcastle was renewed in 2025. Our London and Coventry offices are within government hub buildings. As we operate within shared premises, there is limited scope for us to take direct action in relation to climate adaptation and carbon offsetting. We do not own or control any sources of Scope 1 greenhouse gas emissions within our offices and do not directly procure energy supplies.

Our Coventry office is in Cheylesmore House, which is currently undergoing an internal reconstruction project aimed at decarbonising the building by the end of April 2026. This initiative represents an important step in the broader effort to reduce carbon emissions across the public estate.

Once the decarbonisation measures have been completed, Cheylesmore House is anticipated to see a reduction in its overall carbon emissions. This improvement will also help to lower the carbon footprint of the NHSCFA.

All offices are fitted with automatic hand washing taps, instant hot water taps to reduce unnecessary water use, and sensor controlled lighting. Recycling schemes operate across all buildings. During the reporting period, we did not undertake any biodiversity related activities.

Social responsibility

Most of our workforce is fully or partially home based, with staff attending offices and meetings as required. Home based workers who live more than five miles from their nearest office may claim business travel when attendance is necessary. This approach to flexible working continues to support recruitment by widening our potential talent pool and promotes a positive work-life balance for staff.

We have continued to raise awareness of social responsibility through the regular publication of information for staff and the delivery of drop in engagement sessions. This has included the publication of an internal Sustainability Strategy to support shared understanding and ongoing engagement across the organisation.

Currently, we cannot provide specific figures regarding employees' domestic energy consumption or the reduction in emissions resulting from decreased commuting. To improve future reporting and support sustainability, we have introduced two voluntary questions into the **Safety, Health, and Environment (SHE)** app as part of our home worker risk assessment:

- is the electricity supply at your home address on a green energy tariff?
- which primary mode of transport would you normally use to travel to your primary NHSCFA office location?

Sustainability goals	Milestones reached
Delivery of workforce engagement activities	<p>Publication of articles/promotional material to promote environmental and sustainability initiatives launched by the wider building management terms</p> <p>Signage for recycling schemes</p> <p>Promotion of cycle to work schemes, access to electric salary sacrifice scheme cars, commitment to paperless working where possible</p>
To embed social responsibility in procurement activity	<p>Procurement guidance amended to improve signposting for contract managers on consideration of social responsibility on all expenditure</p> <p>Assessment of supply chain partners to identify their commitment to sustainability</p>
To increase awareness of managers and leadership to consider sustainability and environments impact in decision making	Continued promotion of sustainability activity and process for recovery and recycling of furniture when home workers leave employment with the organisation
Responsible disposal of end-of-life IT equipment	All equipment disposed of appropriately including recycling of parts and electrical appliances in accordance with regulations
Removal of consumer single use plastic (CSUP)	Stationary orders managed centrally to ensure CSUP is factored into purchases
Collation of data as required by DHSC	Ongoing liaison with landlords to obtain required data

Greenhouse gas emissions

		2019-2020	2023-2024	2024-2025	2025-2026	Movement from 2019- 2020 baseline
Scope 1 emissions ¹ (tCO ₂ e) ⁵	Emissions from organisation owned fleet vehicles	2.81	1.08	0.57	-	
	Gas	-	-	7.48	1.67	
	Total scope 1 emissions	2.81	1.08	8.05	1.67	-40%
Scope 2 emissions ² (tCO ₂ e)	Electricity	-	-	81.16	50.14	
	Total scope 2 emissions	-	-	81.16	50.14	-%
Scope 3 emissions ² (tCO ₂ e)	Road travel	8.11	4.03	18.80	17.91	
	Rail travel	31.81	14.05	20.52	19.17	
	Domestic air travel	-	2.79	1.36	2.61	
	International air travel	-	3.05	0.18	0.97	
	Total scope 3 emissions	39.92	23.92	40.86	40.66	2%
	Total tCO₂e	42.73	25.00	130.07	92.47	116%

Related use and cost⁴

Scope 1 emissions (tCO ₂ e)	Scope 1 business travel	Miles	46,654	16,171	8,600	-	
		£	6,532	2,264	1,204	-	
	Gas	kWh	-	-	40,924	9,153	
		£	-	-	2,861	640	
Scope 2 emissions (tCO ₂ e)	Electricity	kWh	-	-	360,161	256,439	
		£	-	-	97,352	69,315	
Scope 3 emissions (tCO ₂ e)	Road travel	Miles	101,452	50,110	93,081	84,677	
		£	25,055	22,172	43,545	62,230	
	Rail travel	Miles	454,056	246,564	360,397	336,156	
		£	192,250	128,167	194,914	174,178	
	Domestic air travel	Miles	-	6,362	2,906	7,067	
		£	-	1,129	1,270	2,624	
	International air travel	Miles	-	9,478	599	4784	
		£	-	946	393	576	
	Total miles (scope 1 and 3)			602,162	328,685	465,583	432,684
	Total cost of business travel £'000 (scope 1 and 3)			223,837	154,678	241,326	239,608
Total cost of all related use £'000 (all scopes)			223,837	154,678	341,539	309,563	

1. Scope 1 emissions arise from organisation owned and operated vehicles, plant and machinery

2. Scope 2 emissions arise from the consumption of purchased electricity, heat, steam and cooling

3. Scope 3 emissions arise from official business travel by vehicles not owned by the organisation

4. Miles and £ rounded to nearest whole number

5 tCO₂e stands for tonnes of carbon dioxide equivalent, a standard unit for counting greenhouse gas emissions

Air Travel					
Flight type	Haul	Class	2023 to 2024	2024 to 2025	2025 to 2026
Total distance (kilometres)					
Domestic	n/a	Economy	10,239	4,677	13,839
International	Short	Economy	-	964	7,707
International	Long	Economy	15,252	-	-

Signed



Alex Rothwell
Chief Executive Officer

1st July 2026

Accountability Report



Overview

This Accountability Report contains three sections: combined they contribute to demonstrating accountability to Parliament and compliance with corporate governance requirements.

1. The Corporate Governance Report: which explains our governance structure, is set out in three parts:
 - Directors' Report: setting out statutory disclosures not covered elsewhere
 - Statement of Accounting Officer Responsibilities: setting out the requirements placed upon the Accounting Officer and the legislative basis for these
 - Governance Statement: setting out the composition of the NHSCFA and the governance framework
2. The Remuneration and Staff Report. This sets out remuneration and staffing details.
3. The Parliamentary Accountability and Audit Report. Disclosures required by Parliament.

Taken together, these contribute to demonstrating compliance with all our statutory obligations and accounting requirements by providing a clear description of our governance arrangements; how they support achievement of our objectives, and how they enable effective scrutiny and challenge of our internal controls and risk assessment and management measures.

Corporate Governance Report

Directors' Report

The NHSCFA is the special health authority responsible for discharging the Secretary of State for Health and Social Care's counter fraud functions in relation to the health service. These functions are set out at s.195 (2) of the 2006 National Health Service Act.

The NHSCFA, accountable to the Secretary of State, supports the policies of the Secretary of State and complies with statute and any directions given by the Secretary of State. The NHSCFA presents our report and audited financial statement for the year ending 31 March 2026 in the form directed. The Accounting Officer has authorised these financial statements for issue on the date of certification by the Comptroller and Auditor General.

[Statutory Instrument 2017 No 958](#) sets out the requirements for the constitution and membership of the Board.

From 1 April 2025 to 31 July 2025 the Board comprised of Non-Executive Director Gaon Hart as Interim Chair, three further NEDs and three Executive Directors. Gaon Hart served as Interim Chair pending the selection and appointment of the replacement for our previously departed chair. From 1 August 2025 Dame Linda Pollard was appointed as Chair, and served until 27 November 2025, when she ended her tenure. Gaon Hart served again as Interim Chair for the period 28 November 2025 to 31 March 2026 pending the selection and appointment of a replacement. From 17 November 2025 our complement of NEDs in post reduced to three following one tenure ceasing, following the sad passing of Andrew Flanagan. Tom Hayoe was appointed as a new Chair from 1 May 2026.

The current composition of the Board can be found in the Performance Report. Biographies of all our Board members and their declarations of interest are found on our website.

[The Board of directors | NHS Counter Fraud Authority | NHSCFA](#)

[NHSCFA Board - register of interests | NHS Counter Fraud Authority](#)

Potential conflicts of interests are considered pre-appointment and reviewed at the beginning of each meeting of the Board and its committees.

The Board has two committees: an Audit and Risk Assurance Committee (ARAC) and a People, Remuneration and Nominations Committee (PREMCO). Together these provide strategic direction and oversight of assurance on risk management, governance, and internal control.

The composition and terms of reference for these committees can be found at [NHSCFA Board and Committees Terms of Reference](#).

The Board supports the Accounting Officer in ensuring that the NHSCFA exercises proper stewardship of public funds, including compliance with the principles laid out in [“Managing Public Money”](#). The relevant sections of [HM Treasury’s Corporate Governance Code](#) are also taken into consideration. There were no material departures from requirements relevant to the NHSCFA.

The Accounting Officer is responsible for maintaining a system of internal controls which support the achievement of the NHSCFA objectives in accordance with the above legislation. The effectiveness of these controls is described in our Governance Statement, which explores aspects such as:



Integrated
planning



Risk
management



Performance
assurance



Data
breaches



Counter fraud
and anti-bribery
arrangements
and complaints

The Comptroller and Auditor General is the statutory auditor of the NHSCFA. The fee for 2025 to 2026 is £83,000, compared with £81,000 in 2024 to 2025. No fees for non-audit work have been charged by the Comptroller and Auditor General.

Statement of Accounting Officer's Responsibilities

Under the requirements of the National Health Service Act 2006, and under 6(1) of the NHS Counter Fraud Authority Directions, with Supplemental Directions to the NHS Business Service Authority 2017¹, the Secretary of State has directed the NHS Counter Fraud Authority (NHSCFA) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the NHSCFA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis,
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Secretary of State has appointed the CEO as Accounting Officer of NHSCFA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the NHSCFA's assets, are set out in *Managing Public Money* published by the HM Treasury.

I consider the Annual Report & Accounts to be fair, balanced and understandable.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NHSCFA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

1. The NHS Counter Fraud Authority (Establishment, Constitution and Staff and Other Transfer Provision) (Amendments) Order 2020 came into force 30 October 2020, extending the tenure of the organisation to 30 October 2023. The Health and Care Act 2022, removed the requirement to obtain Parliamentary approval to renew special health authorities, allowing the lifespan of the NHSCFA to continue.

Governance Statement

Introduction

The Accounting Officer for the NHSCFA is our Chief Executive Officer, Alex Rothwell. The governance arrangements summarised in this Statement describe how the Board and Accounting Officer gain assurance. It includes information relating to the effectiveness of:



our Board and
its Committees



our risk management
including identification
of emerging risks



internal controls which
include our assurance
framework and assurance
mapping process

The Accounting Officer confirms the assurances provided in this Governance Statement are in line with the HM Treasury guidance. As explained in the Directors' report, details of the legislation which established the organisation are available via the [Corporate publications | About | NHSCFA](#).

Sponsor oversight

The DHSC Anti-Fraud Unit (AFU) is the departmental sponsor for the NHSCFA, and a framework agreement between the DHSC and the NHSCFA details the governance arrangements between the two. During the year the framework agreement was updated to reflect intentions for the new strategic period. [Framework agreement between DHSC and NHS Counter Fraud Authority 2026 to 2029 - GOV.UK](#)

Finance, performance and accountability meetings are held regularly under the agreement, and these provide opportunities throughout the year to discuss and inform:

- financial and budgetary status and resourcing
- performance in respect of financial and non-financial targets
- high level strategic decision making and planning

Regular working level meetings enable comprehensive and accurate planning at an operational level, through exchanges of information, horizon scanning and problem solving. The DHSC Sponsor attends Board meetings to ensure members of the Board, understand the key stakeholder's views.

NHSCFA Board

This year the Board's principal focus was responding to the government's review of arm's length bodies (ALBs), developing the NHSCFA Strategy for 2026 to 2029 and the 2026 to 2027 Business Plan, and overseeing NHSCFA's transformational programme of work aligned to its longer-term aspirations. Against a backdrop of unexpected NED vacancies and changing spending priorities, the Board maintained effective governance and continued to provide strategic challenge and assurance throughout the year.

Key decisions and areas of oversight during 2025 to 2026 included:

- agreeing terms of reference for a new Finance and Performance Committee (F&P) and for the committee to commence in shadow form
- overseeing performance metrics, the Operational Performance Report and Proceeds of Crime Act figures, and risk mitigation approaches where identified fraud is not prosecuted by stakeholders
- oversight of the Digital Strategy, Estates Strategy, health and safety arrangements, crisis planning, and procurement pipeline - with enhanced reporting introduced to improve transparency of planned procurements, and learning from contract renewals
- agreeing updated risk appetite and tolerance statements for countering internal fraud, bribery and corruption
- agreeing a culture statement on hybrid working and strengthening the integrity focus within our People Strategy

Two Board development and briefing days were held during the year, which focused on the development and review of the NHSCFA Strategy for 2026 to 2029. These prompted useful reflection on whether Board reporting adequately captured the extent and range of NHSCFA influence on realisable counter fraud outcomes - an area that will inform how performance is reported going forward.

At each meeting, the Board received an operational performance report and quarterly updates on progress against strategic goals and targets. Other supporting reports are provided on an annual cycle, covering key compliance and governance topics. Committee reporting kept the Board informed of risks identified and actions taken. The Board provided feedback on the quality of papers and presentations throughout the year and remained satisfied with their standard, balance and accuracy.

This year the Board agreed terms of reference for the establishment of a Finance and Performance Committee (F&P) to review integrated business and financial planning and the ongoing delivery of the published Strategy and Business Plan, provide assurance to the Board regarding the management of risks, internal controls and governance in respect of these, and review programme, project and capital investment programmes against any mandatory standards. It was agreed that the Committee will commence in shadow form until board recruitment was finalised. The Board further considered proposed changes to our corporate governance framework to align assurance reporting to the F&P from Associate Director meetings and proposed Executive Assurance Panels.

Board composition and skills

The year presented challenges to Board resilience. The unexpectedly short tenure of the incoming Chair appointed on 01 August 2025 and a reduction in NED numbers tested quoracy, though this was maintained throughout. This year the Board prioritised in-person meetings with four out of seven taking place in person.

The incoming Chair brought timely and valuable skills, particularly experience of ministerial-level engagement, which proved significant during the ALB review. This reinforced the importance of a broad and relevant skills base at Board level. Recruitment re-commenced promptly and the Interim Chair was actively involved in that process. Future Board appointments and the skills matrix will now include digital, data and AI capabilities to ensure the Board can effectively oversee risks to our strategic objectives. This will be a priority following the appointment of our new Chair of the Board, which was competed on 1 May 2026. All Board members' performance continues to be appraised annually.

Board effectiveness review

The Board and Committees routinely consider effectiveness at the end of each meeting. A Board effectiveness self-evaluation was completed during 2025 to 2026, complemented by an independent advisory review conducted by internal audit in quarter 4. The advisory review was designed to provide objective observations on current effectiveness and recommendations for improvement, covering:

- leadership and culture
- Board composition
- Board decision making
- Board committees
- risk management
- partnership working and stakeholder engagement

The findings were discussed at the Board meeting on 31 March 2026 and shared with our DHSC Sponsor. The review confirmed that the Board had remained effective during a period when its resilience was challenged by unexpected vacancies and noted that consultation with the Board had increased during NED recruitment. However, work to review the skills profile of the Board will be completed once the Board is at full complement, including the use of the Insights Discovery psychometric tool to support team dynamics.

Actions to be taken following full Board recruitment include:

- reviewing KPIs to ensure they are clearly aligned to strategic objectives, enabling the Board to track progress against the 2026 to 2029 Strategy more directly
- focusing Board-level risk oversight on strategic risks, with clearer ownership and linkage to performance reporting
- developing and implementing a stakeholder management plan
- completing a formal Board skills matrix, development plan and succession plan

The full programme of follow-up actions will be overseen by PREMCO during 2026 to 2027, with findings from the effectiveness review also considered in NED and Chair appraisals.

Workforce engagement

Board members engaged with staff throughout the year through written updates shared via an internal virtual platform following each Board meeting, and through periodic workplace visits. The Board Apprentice was unable to actively participate during the year, and the programme concluded on 31 December 2025, with no current plans to renew this. The Board will consider future arrangements for engagement when it returns to full strength.

Internal Audits

The Board received updates during the year on the progress of the internal audit plan, and implementation of follow-up recommendations. The Board noted the observations of the ARAC concerning a number of internal audit reports and in particular had discussion on the areas listed below.

Audit title	Assurance rating	Number and priority of actions	Nature of discussion and improvements agreed
Data security and protection toolkit	Moderate	2 low	The overall risk was identified as low with some improvements suggested to strengthen the overall governance and risk framework
Financial Performance	Moderate	3 medium	Inclusion of additional financial metrics to provide deeper insights into financial performance and aid in strategic decision-making
Insider Risk	Moderate	1 medium, 2 low	Improvements in specific areas to enhance overall data protection and risk management
Project Athena review – (advisory)	Advisory		11 suggestions intended to benefit quality Assurance, documentation processes, and continuing to explore more advanced techniques to increase their effectiveness
Fraud Hub	Substantial	3 low	Minor improvements to strengthen control and enhance communication of strategy and objectives, the management of operating procedures and the measurement of internal productivity and efficiency
Board Effectiveness	Advisory		5 suggestions for areas of improvement which have been accepted

The ARAC formally received the following audit reports on 4 June 2026

- Effectiveness of risk management - limited assurance
- Workforce Planning - moderate assurance

A range of suggested improvements will be introduced next year as a result of the insight provided from audits, these can be found in the respective areas under internal controls and risk management and are summarised in the overall statement of effectiveness of internal controls in the Accountability Report.

Annual Internal Audit opinion

Internal Audit services are provided Government Internal Audit Agency (GIAA). The progress of the internal audit programme and implementation status of Internal audit recommendations made are tracked throughout the year and reported to the ARAC. The ARAC received the following Head of Internal Audit opinion:



In accordance with the requirements of the Global Internal Audit Standards in the UK Public Sector, I provide the Accounting Officer (AO) and the Audit and Risk Committee with my annual opinion on the adequacy and effectiveness of the organisation's risk management, control and governance arrangements. My opinion supports the AO's Governance Statement. However, the AO retains personal responsibility for risk management, governance and control processes.

Basis for opinion

The 2023 revised 'Orange Book: Management of risks - Principles and Concepts' introduced the Risk Control Framework (RCF) as a basis for AOs to navigate and gain assurance on the design and application of controls to mitigate risks to tolerance. It is also referenced in the Financial Reporting Manual (the FReM) guidance on Governance Statements. To support the AO, my annual opinion report is now presented in accordance with the areas and sub-areas of the RCF based on an analysis of our work.

Annual opinion

Opinion

Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
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By risk control framework pillar

Governance and management framework	Roles and Accountabilities	Strategy, Planning and Reporting	Standards, Policies and Procedures
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I am providing an overall 'Moderate' opinion on the framework of governance, risk management and control within the NHSCFA for the financial year ended 31 March 2026 that reflects the audit plan agreed and is not limited in scope, to the extent that the assurance provided by internal audit can never be absolute. ”

NHSCFA Board and Committee Member Appointments and attendance records 2025 to 2026

Board Member Appointment Date	Title	29/05/2025	27/06/2025	30/07/2025	29/09/2025	27/11/2025	19/02/2026	31/03/2026
Alex Rothwell 01/11/2021	Chief Executive Officer	Y	Y	Y	Y	Y	Y	Y
Alyson Coates 01/04/2021	PREMCO Chair Non-Executive Director	Y	N	Y	Y	Y	Y	Y
Andrew Flanagan 01/04/2021 to 17/11/2025	ARAC Chair Non-Executive Director	Y	Y	Y	Y			
Angela Dragone 01/01/2025	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y
Gaon Hart* 01/04/2021	Interim Board Chair Non-Executive Director	Y	Y	Y	Y	Y	Y	Y
Jon Hayes 01/02/2025	ARAC Chair Non-Executive Director	Y	Y	Y	Y	Y	Y	Y
Dame Linda Pollard 01/08/2025 to 27/11/2025	Board Chair Non-Executive Director				Y			
Matthew Jordan-Boyd 30/01/2018	Executive Director of Finance and Corporate Resources	Y	Y	Y	Y	Y	Y	Y
Tricia Morrison 15/06/2020	Executive Director, Strategy, Operations and Data Analytics	N	Y	Y	Y	N	Y	Y

*Gaon Hart served as Interim Chair from 01/04/2025 to 31/07/2025, and from 27/11/2025 onwards. Empty cells indicate not in post at material time.

NHSCFA Audit and Risk Assurance Committee (ARAC)

The ARAC is comprised of three Non-Executive Board members. Between 01 April 2025 to 30 October 2025 it was chaired by Andrew Flanagan and from 31 October 2025 it was chaired by Jon Hayes. Both of whom who had recent and relevant financial experience. The ARAC reviews our internal control arrangements and the adequacy of all aspects of our risk management, governance and assurance and audit mechanisms. This includes the review and appraisal of:

- financial management
- the annual internal audit plan
- reports made by our external and internal auditors
- the implementation of audit recommendations
- our assurance maps and Board Assurance Reports
- the maintenance of our risk register
- the Annual Report and Accounts

This year detailed areas of oversight and scrutiny noted by the ARAC included:

- development of our Board Assurance Framework (BAF) strategic risk reporting
- progress against our mandatory training requirements
- declarations of interests and guidance to our people on our Standards of Business Conduct policy
- Government Functional Standards adoption report
- cyber security reports

The ARAC has regularly scrutinised corporate risks and issues, including ratings and the adequacy of mitigating actions and control measures. The ARAC continued to receive enhanced summary strategic risk reporting with the provision of detailed supplementary risk appendix reports. The Committee reviewed the NHSCFA risk appetite statement in the context of the wider environment and risk landscape and further considered the NHSCFA fraud risk appetite and internal counter fraud arrangements.

This year the ARAC completed a self-assessment effectiveness review using the National Audit Office (NAO) effectiveness tool, with no significant concerns raised, but some minor improvement points to be taken forwards.

The ARAC considered in detail the findings of all internal audit reports, noting the assurance levels. The ARAC considered the management response to these and plans to implement recommended improvements. The ARAC received reports on the final internal audit engagements of the year in respect of Board Effectiveness and Effectiveness of Risk Management reports and discussions in 2026 to 2027. The ARAC presented an annual report to the Board on 31 March 2026.

The Committee is committed to continuing to develop its function and effectiveness and intends seeking further assurance in 2026 to 2027 in respect of its annual cycle of business, and review and development of its strategic risks aligned with the 2026 to 2029 NHSCFA Strategy.

ARAC Membership and attendance table 2025 to 2026

Name	23/06/2025	16/09/2025	17/12/2025	18/03/2026
Andrew Flanagan Committee Chair up to 16/9/2025	Y	Y	N	N
Angela Dragone, Non-Executive Director	Y	Y	Y	Y
Jon Hayes* Non-Executive Director, Chair from 17/12/2025	Y	Y	Y	Y
Alex Rothwell** Chief Executive Officer	Y	Y	Y	Y
Matthew Jordan-Boyd** Executive Director of Finance and Corporate Resources	Y	N	Y	Y

*Jon Hayes was appointed as Chair of the ARAC from September 2025. **indicates attendee.

NHSCFA People, Remuneration and Nominations Committee (PREMCO)

The PREMCO is comprised of three Non-Executive Board members and it is chaired by Alyson Coates. The PREMCO oversees contractual and remuneration issues concerning the CEO and Executive Directors and provides assurance to the Board on NHSCFA people and workforce development arrangements. During the year 2025 to 2026, the PREMCO received assurances on the monitoring of the CEO's personal objectives, those of the Executive Director of Finance and Corporate Resources and Executive Director of Strategy, Operations & Data Analytics, as well as those of the Interim Board Chair and NEDs. The committee has also discussed and challenged reports in the following important areas of our work, including:

- progress of the People and Workforce Development (PWD) Strategy
- our equality, diversity and inclusion aspirations
- significant findings from the workforce Spotlight survey and follow-up action
- hybrid/homeworking arrangements review
- areas to note from people workforce data and analysis,

The committee provided valuable feedback on:

- the workforce data report dashboard
- the Freedom to Speak Up initiative and plans for Freedom to Speak Up Guardian recruitment
- analysis of workforce leavers by category
- detailed breakdown of statutory and mandatory training
- recruitment policies and plans, and arrangement for skills development planning for business critical posts
- Board development programme and arrangements for assessment of values and behaviours at board level

The Committee regularly reviews risks linked to the workforce where members consider each risk via a 'people focused lens'. Key issues considered included workforce wellbeing, succession planning and recruitment challenges, hybrid working arrangements and consideration of the cultural diagnostic exercise.

The Committee provided advice and feedback on the recruitment, skills and experience of the Board and NEDs, however, the Committee was unable to progress skills mapping and NED composition advice in the absence of a substantive Chair of the Board.

The PREMCO undertook a self-assessment of committee effectiveness during the period and provided assurance on matters within its remit via the PREMCO Annual Report, which was presented to Board on 19 February 2026. The Committee is committed to continuing to develop its function and effectiveness and intends seeking further assurance in 2026 to 2027, particularly in respect of the new operating model.

PREMCO Membership and attendance table 2025 to 2026

Name	28/04/2025	11/07/2025	10/10/2025	27/01/2026
Alyson Coates Committee Chair	Y	Y	Y	Y
Angela Dragone Non-Executive Director	Y	Y	Y	Y
Jon Hayes* Non-Executive Director	Y	Y	Y	N
Alex Rothwell** Chief Executive Officer	Y	Y	Y	Y
Matthew Jordan-Boyd** Executive Director of Finance and Corporate Resources	N	Y	Y	N

*Jon Hayes was appointed as Chair of the ARAC and ceased to be a Member of the PREMCO in October 2025.

**indicates attendee.

Internal controls



A description of risks that have or will affect meeting of objectives is set out in the performance report. Our response to these challenges during the year, the effect on service delivery, and how we will approach mitigating these risks are discussed in the Performance Analysis section.

A description of the organisation's process for review and the main features which support regular monitoring are described under each feature below. Planned enhancement to our internal control arrangements are described throughout this section and summarised in our overall review of effectiveness of controls.

Risk Management

The NHSCFA's approach to risk management complies with HM Government's Orange Book – Management of Risk – Principles and Concepts, and with the five principles set out therein. This section describes our risk management framework, and the improvements made to our approach during the year.

Framework and structures

Responsibility for risk management is embedded across the organisation. Managers identify, evaluate and manage operational, principal and emerging risks within their areas and escalate these to Performance and Assurance Panels (PAPs), where performance trajectories against targets and emerging risks were formally reviewed on a quarterly basis. Time-critical decisions are escalated to senior or executive management as required.

The Risk Register Review Group (RRRG) provided active oversight of corporate and emerging risks throughout the year. It draws on discussions from PAPs, gap analysis, and intelligence from the horizon scanning working group and strategic stakeholder engagement to take decisions on whether risks should be monitored, escalated to the Audit and Risk Assurance Committee (ARAC) or Board, or referred to DHSC. This integrated approach supports timely and informed risk management across the organisation.

The overall risk profile informs the annual review of our risk appetite statement, which was monitored and updated throughout the year to reflect changes in the operating environment, including geopolitical events and shifting political priorities that may affect our strategic objectives.

Improvements made during 2025 to 2026

During the year we supported our risk management framework through the following actions:

- mandatory risk awareness training was released for all staff, improving risk literacy across the organisation
- direct monthly engagement with risk owners and managers was introduced, ensuring risks are actively owned and regularly reviewed rather than passively recorded
- oversight of risk management was incorporated into the Executive Assurance Panels, providing an additional layer of assurance.
- formal reporting to the ARAC was strengthened through the introduction of the RRRG Chair's Assurance Report
- reporting of strategic risks was developed and extended through the Board Assurance Framework (BAF, these are reflected in the performance section
- enhancements were made to the reporting format for strategic, corporate and emerging risks to ensure relevant data is effectively captured and communicated to the ARAC

An internal audit reviewed the effectiveness of our risk management and internal control systems during the year. Improvements agreed for implementation will centre on improving the application of our risk management policy and guidance. This will include greater overview of risks managed across projects and in response to International Organization for Standardization (ISO) accreditations.

New risks identified during the reporting period are summarised in the Performance Report. This section also sets out the links between these risks and the strategic pillars against which we are accountable for delivery, the mitigations in place, and the overall direction of travel.

No relevant ministerial directions have been given during the period and there have been no significant lapses of protective security.

We continue to assess the potential impact of climate change on our organisation. Currently, neither our operating model nor the threat of economic crime against the NHS is location or climate dependent. As such, climate change is not considered a principal risk to our core objectives and deliverables. Nonetheless, we remain committed to monitoring climate-related impacts through our business continuity planning and to taking action to reduce our environmental footprint.

Assurance mapping

The NHSCFA operates an assurance mapping approach, following the three lines of defence model set out in HM Government's The Orange Book; Management of Risk, Principles and Concepts.

Our assurance mapping and governance and management frameworks are aligned to our organisation structure and provide for ongoing alignment to the government functional standards and continuous improvement approach. Detailed ratings guidance issued to our leadership team, and peer review, supports the consistent application, moderation and challenge of assurance ratings.

We have reviewed our assurance mapping arrangements given the increased maturity in our governance approaches across all areas of operation. During the year we reviewed plans for a phased redesign of the map and supporting processes, taking account of effective practice seen across the wider public sector and a proportionate response given the scale of our organisation, and we consolidated our assurance mapping into our strategic risk reporting to reflect this maturity.

Periodic review of assurance mapping, as well as internal audit findings, are used to identify any assurance gaps, informing conversations around our annual internal audit plan.

Corporate performance assurance, project management, integrated planning

Operation of our performance management arrangements with oversight by the Board continued in 2025 to 2026. Managers met regularly to review performance trajectories against targets and emerging risks and formally reported quarterly to the Performance and Assurance Panels (PAPs), where clear pathways existed for the escalation of risk. During the year we piloted changes to enhance the quality of management assurance and challenge, with the introduction of associate director meetings and Executive Assurance Panels, intended to align to our risk framework to provide clear escalation pathways.

The organisation operates bespoke governance frameworks for corporate projects, with simplified arrangements for smaller projects. During the year we assessed our arrangements aligned to Government Functional Standard GovS02: Project Delivery, to benchmark our aspirations and improvements. Corporate project boards, established project management roles, consistent but flexible project management practices, tools and resources, and the development of our programme framework and project assurance charter, assure the health of all project boards.

Our integrated business planning process initiates corporate projects, using a prioritisation scoring matrix for project proposals, which are then governed by a combination of project boards, highlight reports and strategic updates during the performance cycle and accountability process. Accountability and visibility are ensured via the organisation's performance, programmes, and portfolio management system.

Our Operational Infrastructure Programme Board was implemented to provide structured oversight of operational systems commissioning.

Bespoke governance arrangements have been implemented to oversee the organisation's transformational portfolio of work, with a Sponsor Group, Programme Boards, and a Transformation Governance and Risk Group (TGRG), ensuring the effective oversight and management of risk arising from NHSCFA Transformation Programme Boards where there is a cross organisational effect on core strategic aims, operational or support functions. The TGRG and RRRG consider, evaluate and escalate governance and risk issues ensuring they are highlighted via the Summary Strategic Risk Report to the ARAC.

A self assessment review of performance against the suite of government functional standards was completed.

Integrated data assurance framework

Our integrated data assurance and control framework aligns our Data Strategy and data quality management arrangements. Robust methodologies ensure the integrity of our performance and operational management data. Our expert reference forum, the Data Strategy Group (DSG), reviews procedures and escalates issues and risks around access to data and approves submitted technical appendices to ensure the robustness of all formal metrics within the NHSCFA. Where appropriate, the Board

receives progress reports on the operation of the DSG, including data acquisition and data related opportunities for joint-working and engagement across government and between arm's length bodies and insights from the Control Strategy and Strategic Tasking and Co-ordination Group (CSSTCG). Each year a self-review forms part of the DSG scheduled activities, and during 2025 to 2026 this included preparation to incorporate the Government Functional Standard GovS10: Analysis, to ensure analytical best practice will be embedded across all our activities.

Financial control framework

Our financial control framework supports the organisation in meeting its commitments in a sustainable manner while ensuring value for money across all areas of expenditure. This framework encompasses a comprehensive set of policies, procedures and internal controls designed to safeguard assets, mitigate risks, and promote transparency and accountability in our financial operations. The main elements of the framework are:

- internal control environment: including clear delineation of roles and responsibilities, segregation of duties and a range of policies, procedures and practices designed to ensure the accuracy, completeness and reliability of financial reporting
- Standing Financial Instructions, Standing Orders, and Scheme of Delegation, which form part of our control environment
- opportunities to secure additional funding are identified to achieve best financial outcomes
- financial balance is achieved by aligning financial and workforce planning
- monitoring and review: we continuously monitor and review our financial control environment and financial position to assess its effectiveness and identify opportunities for improvement. This includes monthly finance assurance meetings to review and assess the risk of the financial position with accountable budget holders
- service line reporting, aligned to the delivery of our business functions via our new operating model and corporate projects, support planning, effective cost analysis, and control
- communication: we maintain effective channels of communication to ensure timely dissemination of financial information to relevant stakeholders, including management, the Board, ARAC and external auditors
- risk assessment: we conduct regular risk assessments to identify and evaluate potential risks that may impact our financial objectives. These assessments inform our control activities and help us prioritise funding allocation to mitigate the most significant risks effectively and are reported to ARAC

During the year, we continued to perform strongly, supported by robust financial controls and a high level of assurance across our processes. The introduction of the new monthly Executive Assurance Panel meetings provides an additional layer of reporting, scrutiny, and accountability, further strengthening our oversight.

We continued to review the effectiveness of our financial control framework through internal audits, finance assurance meetings, and regular engagement with external

auditors. This work has enabled us to enhance the clarity and usefulness of our reporting dashboards, supporting more informed and timely decision making.

The budget holder training programme is now embedded as an annual cycle designed to strengthen financial capability and support consistent compliance with our control framework. This ongoing approach ensures that staff remain equipped to make value conscious decisions and maintain strong financial stewardship.

Procurement governance

Our governance arrangements around procurement and contract management are an area where we have achieved greater maturity. Procedural guidance documents clearly link to our Standing Orders (SOs), Standing Financial Instructions (SFIs) and contract amounts requiring Board approval, which we have reviewed during the year.

We have continued to embed the strengthened procurement and contract management arrangements developed and introduced in the previous year. Updated procedural guidance, tools and templates are now fully operational, providing clearer expectations, approval routes and improved visibility of contracts requiring management oversight. Internal training has been delivered to improve organisational knowledge and competency around the procurement process.

The enhanced contract risk tiering methodology has been successfully implemented across all new procurements and retrospectively applied to existing contracts. This has enabled earlier identification of higher risk contracts and more proportionate allocation of commercial oversight.

Increased specialist commercial support has improved the robustness of our specifications, market engagement, and evaluation processes. This has contributed to stronger value for money assurance, reduced procurement cycle times, and improved contract handover into business areas.

Closer alignment to financial data and processes has been embedded supported by quarterly reporting, providing increased organisational confidence in meeting statutory, regulatory, and financial obligations while strengthening accountability for procurement and contract delivery outcomes.

Over the coming year we will continue to refine these processes, focusing on data quality, contract performance reporting, and strategic supplier management to further enhance the maturity of our procurement governance arrangements.

Managing conflicts of interests, gifts and hospitality

Integrity and impartiality are paramount to us. Declarations of interest, gifts, hospitality or outside engagements, including nil returns, are requested annually as detailed within the NHSCFA Standards of Business Conduct policy which applies across the organisation. Declarations made by members of the Board are published externally. Each Board and Committee meeting has a standard agenda item to note any changes.

During the year we maintained our control environment by requiring declarations of interests for prospective employees at offer stage and confirming them through our induction processes to ensure awareness and compliance by our people.

Declarations are reviewed to confirm there is no conflict of interest, and considered as part of our procurement procedures, including for procurements under £10K. Declarations of loyalty conflicts and recusal from decision making are integral to our arrangements, including operational decision making.

Data protection and freedom of information

As a special health authority, the NHSCFA is subject to the requirements of the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act (DPA) 2018. Appropriate notifications have been filed with the ICO. This means that all Data Subject Access Requests are responded to within the requirements of UK Data Protection legislation, typically within a calendar month.

During 2025 to 2026 we dealt with **10 Data Subject Access Requests** all were responded to within the required timeframe, once the requestor had provided proof of their identity

During 2025 to 2026 we dealt with **35 Freedom of Information Requests**

all were responded to within the required timeframe

The NHSCFA is also subject to the requirements of the Freedom of Information Act (FOI) 2000. This means that all requests for information are responded to within the provisions of the Act, typically within 20 working days.

There was no significant change in our performance in responding to requests this year compared to previous year, when all requests also met required timescales.

Information governance framework, including data breaches

The NHSCFA has maintained a robust Information Governance Framework, including established policies, to ensure effective processes and procedures are in place to protect both confidential personal data and sensitive business information. All data breaches are tracked and escalated if required.

Issues relating to information security within the NHSCFA are coordinated by the Information Security Forum which is attended by our Senior Information Risk Owner (SIRO). The remit of the SIRO is to take ownership of the NHSCFA's information risks, act as advocate for the management of information risk, and provide written advice to the Accounting Officer on the content of the Governance Statement with regard to information risk.

During 2025 to 2026 there were 15 information governance personal data related incidents reported and recorded. No incidents were reported to the Information Commissioner's Office (ICO).

Each year, the NHSCFA completes the NHS wide Data Security and Protection Toolkit (DSPT) review which is based on the National Data Guardian's 10 data security standards. Our return was submitted at the end of June 2025 and independently audited by Government Internal Audit Agency (GIAA). Compliance updates are provided to the ARAC and Board under our audit implementation arrangements.

Counter fraud and anti-bribery arrangements

Our internal policies and procedures explain how to report allegations of suspected fraud, bribery or corruption. We continue to develop and enhance our internal prevention controls using approved fraud risk assessment methodologies.

The NHSCFA has a counter fraud action plan that sets out risk based delivery of counter fraud activity for the year, in alignment with the GovS013 Counter Fraud Standard. We reported progress against our plan to the ARAC during the year.

New employees receive anti-fraud, bribery and corruption training during onboarding. This is reinforced with fraud awareness communications during the year, with activities based on identified risks and emerging threats, such as cyber enabled fraud.

During 2025 to 2026, two recruitment related referrals were received. Both were assessed on receipt and referred to human resources for review, as they fell within their remit. Arrangements were in place for escalation to LCFS if further issues were identified. Neither referral progressed to an LCFS investigation. Separately, two non-fraudulent salary related overpayments totalling £1,606.78 were identified as loss or error as detailed in the accounts.

Whistleblowing/Freedom to Speak Up

Following the establishment of the Freedom to Speak Up (FTSU) initiative, there has been regular communication within the organisation to maintain awareness and visibility. This awareness raising led to the successful recruitment of a new Freedom to Speak Up Guardian which has enabled continuation in offering this important service. Anonymous and confidential reporting mechanisms are in place for staff, not only for raising concerns but also when things are going well and could be even better. Staff and managers are supported in raising, listening to and following through when issues are raised.

During 2025 to 2026 no internal concerns were raised through our Freedom to Speak Up Guardian and associated reporting routes.

The FTSU service plays a key role alongside other employee engagement routes, such as through our employee resource groups where we encourage openness, provide safe spaces to listen and act to help staff fully contribute to the work of NHSCFA.

Complaints

Our NHSCFA Complaints Policy outlines our approach to handling and responding to complaints against our organisation, including routes for escalation. This policy can be found at [Making a Complaint | Corporate and information governance | NHS Counter Fraud Authority](#)

Complaints provide us with a valuable opportunity for the NHSCFA to identify areas for continuous improvement to enhance our service to the public and our stakeholders. During 2025 to 2026 we received 4 formal Stage 1 complaints. 3 complaints were concluded during the year and were resolved within an average of 18.3 working days, well within the policy standard of 25 working days. (An increase on the average of 14 working days in 2024 to 2025). One complaint remained open at year end. This complaint was subject to a wider review beyond the usual scope of the complaints process and as a result has been excluded from the year's timeliness calculations.

One complaint was escalated to Stage 2 of the complaints process and was resolved within three working days. There were no known referrals to the Parliamentary and Health Service Ombudsman (PHSO) during 2025 to 2026.

Additionally, 40 enquiries outside our complaints remit were received and managed, offering signposting and guidance to the public. This was an increase from 19 during 2024 to 2025.

We remain committed to learning from complaints and feedback, using insight gained to strengthen internal processes and support continual service improvement.

Public Interest Disclosure Act

The NHSCFA is classified as a 'Prescribed Person' under Public Interest Disclosure legislation. Our Annual Report, detailing relevant activity in respect of this responsibility can be accessed here on our website.

[Prescribed Person reports \(whistleblowing\) | Corporate and information governance | NHS Counter Fraud Authority](#)

Overall review of effectiveness of controls

As Accounting Officer, I have responsibility for reviewing the effectiveness of our internal controls. I have examined the information provided to me regarding the scope of performance reporting, financial management, risk management and information governance and assurance reports. I have considered the opinion of our internal auditors. I have also discussed this with our Board, the ARAC and the executive management of the organisation.

We continue to embed robust and proportionate governance so that risks to delivery of our strategic counter fraud aspiration will continue to be well-managed through the next strategic period.

Areas of focus for the year ahead include but are not limited to:

- ongoing review and development of strategic risks aligned with the 2026 to 2029 NHSCFA's Strategy
- systematic evaluation of risks presented to the Board and committees to ensure alignment with the Strategy and longer term aims
- enhancing governance and defining the scope of our workforce planning activities, documented regular review of strategic workforce risks, critical role analysis and arrangements for digital and technical skills development planning
- enhanced financial performance measures including forecast accuracy, risks, operational efficiencies, and value-for-money metrics, especially for high-risk programs
- embedding the changes to our corporate governance framework and extending NED oversight, for example by aligned risk and assurance reporting from associate director meetings and Executive Assurance Panels to the F&P
- robust effectiveness reviews of our risk oversight groups and governance mechanisms
- introduction of efficiency and productivity metrics where proportionate
- continued focus on process improvement to support these areas

We will continue with horizon scanning, advanced analytical approaches, partnerships and engagement, and strategic planning which enable us to respond with agility to a changing threat landscape.

Signed:



Alex Rothwell
Chief Executive Officer
Date: 1st July 2026

Remuneration and Staff Report

The Board structure and operation is aligned with recognised best practice in terms of governance and accountability. The Board also ensures proper governance arrangements are in place to facilitate the delivery of objectives which take into account good practice outlined in Corporate Governance Code for central government departments.

Non-executive directors are appointed by the Secretary of State for a fixed term. Executive directors have NHSCFA contracts of employment. Other than statutory requirements and other normal pay provisions, there are no contractual clauses or other agreements for compensation in the event of early termination of office.

Emoluments of Board Members

Remuneration figures for all directors in post, past and present during 2025 to 2026 are detailed in the tables below. These identify the salary, other payments and allowances and pension benefits applicable to both Executive and Non-Executive Directors.

Subject to audit

Name and title	Salary (bands of £5,000)	Non-cash benefits (nearest £100)	Performance pay and bonuses (bands of £5,000)	All pension related benefits (nearest £1,000)	Total (bands of £5,000)
	£000	£00	£000	£000	£000
Linda Pollard ² Non-Executive Director and Board Chair	0 - 5 (10 - 15) ¹	-	-	-	0 - 5 (10 - 15) ¹
Gaon Hart ³ Non-Executive Director and Interim Chair	10 - 15	-	-	-	10 - 15
Andrew Flanagan ⁴ Non-Executive Director and ARAC Chair	5 - 10 (10 - 15) ¹	-	-	-	5 - 10 (10 - 15) ¹
Jon Hayes ⁵ Non-Executive Director and ARAC Chair	10 - 15	-	-	-	10 - 15
Alyson Coates Non-Executive Director and PREMCO Chair	5 - 10	-	-	-	5 - 10
Angela Dragone Non-Executive Director	5 - 10	-	-	-	5 - 10
Alex Rothwell Chief Executive Officer	140 - 145	-	5 - 10	35	185 - 190
Matthew Jordan-Boyd Executive Director of Finance and Corporate Resources	125 - 130	-	-	4	130 - 135
Tricia Morrison Executive Director of Strategy, Operations and Data Analytics	120 - 125	-	-	34	155 - 160

¹ Annual equivalent, ² Assumed role of Chair Aug - Nov 2025, ³ Assumed role of interim Chair Apr - Jul and Nov 2025 onwards, ⁴ Left CFA Nov 2025, ⁵ Assumed role of ARAC Chair Oct 2025

2024 to 2025 comparison

Subject to audit

Name and title	Salary (bands of £5,000)	Non-cash benefits (nearest £100)	Performance pay and bonuses (bands of £5,000)	All pension related benefits (nearest £1,000)	Total (bands of £5,000)
	£000	£00	£000	£000	£000
Tom Taylor ² Chair	10 - 15	-	-	-	10 - 15
Gaon Hart ³ Non-Executive Director and Interim Chair	5 - 10 (10 - 15) ¹	-	-	-	5 - 10 (10 - 15) ¹
Andrew Flanagan Non-Executive Director and ARAC Chair	10 - 15	-	-	-	10 - 15
Angela Dragone ⁴ Non-Executive Director	0 - 5 (5 - 10) ¹	-	-	-	0 - 5 (5 - 10) ¹
Jon Hayes ⁵ Non-Executive Director	0 - 5 (5 - 10) ¹	-	-	-	0 - 5 (5 - 10) ¹
Alyson Coates Non-Executive Director	5 - 10	-	-	-	5 - 10
Alex Rothwell Chief Executive Officer	135 - 140	-	-	36	170 - 175
Matthew Jordan-Boyd Director of Finance and Corporate Resources	120 - 125	-	-	0	120 - 125
Tricia Morrison Director of Performance and Improvement	110 - 115	-	-	30	140 - 145

1 Annual equivalent, 2 End of fixed term contract 31/12/2024, 3 Assumed role of Interim Chair 01/01/2025,
4 Joined NHSCFA 01/01/2025, 5 Joined NHSCFA 01/02/2025

Fair pay disclosure

The Authority discloses the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Subject to Audit

Table 1: Remuneration balance	2025 to 2026	2024 to 2025
Band of highest paid director's total remuneration (£000)	150 - 155	135 - 140
Median total (£)	50,793	53,329
Remuneration ratio	3.0	2.6

Subject to Audit

Table 2: Percentage change in total salary for the highest paid director and the staff average	Total Salary and allowances	
	2025 to 2026	2024 to 2025
Staff Average	-4.8%	5.4%
Highest Paid Director	8.3%	15.4%

Subject to Audit

Table 3: Ratio between the highest paid directors' total remuneration and the lower quartile, median and upper quartile for staff pay	Lower quartile	Median	Upper quartile
2025 to 2026	3.7: 1	3.0: 1	2.4: 1
2024 to 2025	3.3: 1	2.6: 1	2.3: 1

Subject to Audit

Table 4: lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits	Lower quartile		Median		Upper quartile	
	2025 to 2026	2024 to 2025	2025 to 2026	2024 to 2025	2025 to 2026	2024 to 2025
Salary	41,343	41,838	50,793	53,329	63,176	60,992
Total Pay and Benefits	41,343	41,838	50,793	53,329	63,176	60,992

The banded remuneration of the highest paid director in the financial year 2025 to 2026 was £150,000 - £155,000. This was 3.0 times the median remuneration of the workforce, which was £50,793. In comparison, the remuneration of the highest paid director in the financial year 2024 to 2025 was £135,000 - £140,000. This was 2.6 times the median remuneration of the workforce, which was £53,329.

Performance-related pay was awarded to the highest paid director in 2025 to 2026 (2024 to 2025: nil), reflecting stronger delivery against agreed corporate objectives under the organisation's performance framework. No performance-related pay or bonuses are payable to other employees, and this position remains unchanged from the prior year.

The impact of the Very Senior Manager and Agenda for Change pay awards are reflected in the above tables. The reduction in median salary relates to changes in workforce mix and organisational structure during the financial year.

The range of staff remuneration in 2025 to 2026 was £25,000 - £30,000 to £150,000 - £155,000. Compared to the range of £25,000 - £30,000 to £135,000 - £140,000 for 2024 to 2025.

In 2025 to 2026, no employees received remuneration in excess of the highest paid director.

Total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pension benefits

The table below sets out the pension benefits of the Chief Executive Officer and senior managers of the NHSCFA.

Subject to Audit

Pension benefits of senior managers								
Name	Title	Real increase in pension at age (bands of £2500)	Real increase in pension sum at age (bands of £2500)	Total accrued pension at age March 2026 (bands of £5000)	Lump sum at age 60 related to accrued pension at 31 March 2026 (bands of £5000)	Cash equivalent transfer value at 31 March 2026 (£000)	Cash equivalent transfer value at 31 March 2025 (£000)	Real increase in Cash equivalent transfer value (£000)
Alex Rothwell	Chief Executive Officer	2.5 - 5	0 - 2.5	10 - 15	0 - 5	161	118	24
Matthew Jordan-Boyd	Executive Director of Finance and Corporate Resources	0 - 2.5	0 - 2.5	30 - 35	70 - 75	629	604	1
Tricia Morrison	Director of Performance	0 - 2.5	0 - 2.5	10 - 15	0 - 5	234	189	26

Accrued pension benefits included in this table for any individual affected by the public service pensions remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 to 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 to 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the NHS Pension scheme for the period from 1 April 2015 to 31 March 2022.

Cash equivalent transfer value

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme, and chooses to transfer the benefit accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figure and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of period.

Staff numbers and costs

Subject to Audit

Staff numbers and related costs – executive members and staff costs			
	Total 2025 to 2026 £'000	Permanently employed £'000	Other £'000
Salaries and wages	12,059	12,002	57
Social security costs	1,598	1,598	-
Employer contributions to NHS Pensions	2,490	2,490	-
Other pension costs	-	-	-
Apprenticeship levy	44	44	-
Total	16,191	16,134	57
Recoveries in respect of secondments	-43	-43	-
Capitalised staff costs	-116	-116	-
Total	16,032	15,975	57

Subject to Audit

Average number of persons employed		
Total	Permanently employed	Other
231	229	2

The Authority capitalised two whole time equivalents (WTE) during 2025 to 2026. All capitalised staff costs relate to internally developed IT software.

2024 to 2025 comparison

Subject to Audit

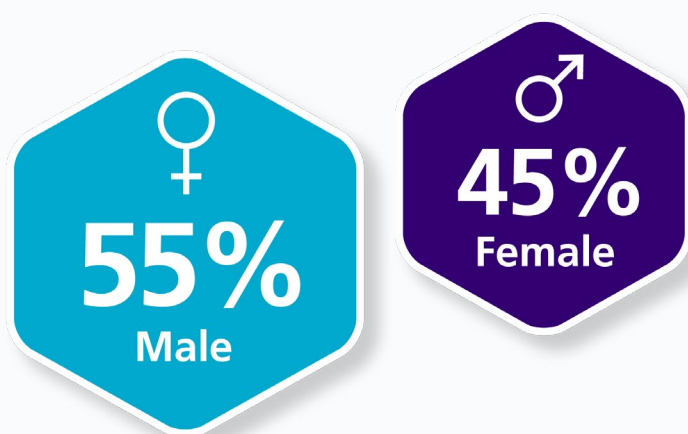
Staff numbers and related costs – executive members and staff costs			
	Total 2024 to 2025 £'000	Permanently employed £'000	Other £'000
Salaries and wages	10,891	10,462	429
Social security costs	1,173	1,173	-
Employer contributions to NHS Pensions	2,155	2,155	-
Other pension costs	0	0	-
Apprenticeship levy	36	36	-
Total	14,255	13,826	429
Recoveries in respect of secondments	-86	-86	-
Capitalised staff costs	-108	-108	-
Total	14,061	13,632	429

Subject to Audit

Average number of persons employed		
Total	Permanently employed	Other
215	179	36

In comparison the Authority capitalised two whole time equivalents (WTE) during 2024 to 2025. All capitalised staff costs relate to internally developed IT software.

Gender balance



Gender breakdown by pay Band		
Pay bands	Male	Female
Bands 3 - 6	29	39
Bands 7 - 8a	76	47
Bands 8b - 8c	18	10
Band 8d	1	2
Band 9	1	1
Director	1	0
Other – associate specialist	1	0
Board Members	2	2

Employee sickness

Employee sickness is based on data provided from the NHS Electronic Staff Record (ESR) Data Warehouse and covers the period January 2025 to December 2025. ESR does not hold details of normal number of days worked by each employee. Data on days available and days recorded sick are based on a 365 day year. Average annual sick days per full-time equivalent (FTE) has been estimated by dividing the estimated number of FTE days sick by the average FTE and multiplying by 225 (the typical number of working days per year).

Figures converted by DHSC to best estimates of required data items		Statistics published by NHS Digital from Electronic Staff Record Data warehouse		
Average FTE 2025	Adjusted FTE days lost to Cabinet Office definitions	FTE-days available	FTE-days lost to sickness absence	Average sick days FTE
219	1,433	79,922	2,325	6.5

Staff turnover

Staff turnover during 2025 to 2026 was an average of 9.4% (2024 to 2025 - 10.1%).

Workforce recruitment, engagement and planning

We have implemented the final year of the People Strategy during 2025 to 2026. This has included continuing to provide a responsive and proactive HR advisory service. During the year nine HR policies and processes that underpin a best practice approach have been reviewed, updated and implemented, including input from the recognised union. Lessons learnt from issues raised are also considered as part of this process and

we continue to operate under Agenda for Change terms and conditions. Each policy review includes an equality impact assessment.

Our recruitment support continues to be administered by the NHSBSA in line with the Disability Confident scheme whereby candidates who have chosen to opt into the scheme who meet the essential criteria of a job description at shortlisting stage are invited to interview. All shortlisted candidates are asked if they require reasonable adjustments for selection interviews and successful candidates are asked to complete an occupational health questionnaire to help identify any reasonable adjustments that may be required to support their employment.

The overall staff engagement score following our annual survey was 83% a 1% increase on the previous year. Staff joining the organisation have been invited to face to face inductions that complement their function based induction led by their line managers. We implemented a staff recognition awards scheme for length of service and for teams in demonstrating our organisational values within an all staff day focused on recognition of our collective achievements in delivering the Strategy.

We continue to develop our workforce and during the year delivered leadership and management training, including a series on leading with purpose through change. In addition, we supported the development of job related skills development through a range of opportunities that were prioritised and assessed as a result of the appraisal process. Organisation-wide initiatives were also rolled to on risk management training, cyber security counter fraud awareness. Additionally, we have redeveloped the appraisal process, running workshops and a pilot. This is ready to roll out and is supported by tools within our online learning platform that streamline and improve the process ready for the 2026 to 2027. We also started a project to carry out an organisation wide skills audit that it expected to complete in 2026 to 2027.

During the year we published our public sector equality duty objectives and published an equality diversity and inclusion policy and increased the richness of our data in this area through our staff survey whereby staff were invited to share data on their protected characteristics in responding so that we could understand better their differing experiences in the workplace to inform work to address any disparities.

Expenditure on temporary staff

The total contingent labour expenditure on temporary staff incurred on the provision of operating services was £57,000, compared to £429,000 in 2024 to 2025.

The Authority had no consultancy expenditure in 2025 to 2026 (2024 to 2025 nil).

The Authority did not capitalise any costs relating to contingent labour or consultancy in 2025 to 2026 (2024 to 2025 nil).

Off-payroll engagements

Table 1: Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater **Number of engagements**

Number of existing engagements as of 31 March 2026	2
Of which...	
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	-
Number that have existed for between three and four years at time of reporting	-
Number that have existed for four or more years at time of reporting	-

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater **Number of engagements**

Number of temporary off-payroll workers engaged during the year ended 31 March 2026	3
Of which...	
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	3
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which: no. of engagements that saw a change to IR35 status following review	-

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026 **Number of engagements**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-
Total number of individuals on payroll and off-payroll that have been deemed "Board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	9

Exit packages (subject to audit)

There were no packages agreed or special severance payments made in 2025 to 2026 (2024 to 2025 nil)

Health and Safety

Health and safety incidents within NHSCFA are recorded and managed through the workplace SHE (Safety, Health and Environment) App. This digital platform supports the timely reporting, monitoring and management of health and safety issues across the organisation.

During the year, two health and safety incidents were reported. Neither met the threshold for reporting under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), and both were managed internally in line with established procedures.

NHSCFA maintains a suite of health and safety policies and guidance, which are accessible to all staff and subject to regular review. Updates are implemented in response to alerts and guidance issued by the Health and Safety Executive, ensuring ongoing compliance with statutory requirements and best practice.

The annual organisational risk assessment identified the need for manual handling training for all staff. In response, a mandatory training module will be introduced from April 2026.

Throughout the year, the Workplace Team conducted regular site visits to each of NHSCFA's three office locations. These visits included reinforcement of compliance with the TagEvac fire evacuation safety training programme, providing ongoing assurance over fire safety arrangements.

To promote accessibility and engagement, the Workplace Team facilitated staff drop in sessions during site visits, offering employees the opportunity to raise workplace related queries or concerns directly. Complementary virtual drop in sessions were also delivered to support home based staff, while remaining open to all employees.

These virtual sessions were supplemented by presentations on key topics, including sustainability awareness and winter safety. Collectively, these activities support staff awareness of health and safety responsibilities and provide assurance that workplace, estates and sustainability matters are actively managed across the organisation.

Parliamentary Accountability and Audit Report

Disclosure of remote contingent liabilities (subject to audit)

The Authority is aware of its obligation for disclosure of material remote contingent liabilities (FReM) and an estimate of its financial effect. For this accounting period the NHSCFA discloses a nil return in this area (2024 to 2025 nil).

Disclosure of gifts (subject to audit)

The Authority is aware of its obligation to disclose gifts made over the value of £300,000 (as per Managing Public Money, annex 4.12). For this accounting period the NHSCFA discloses a nil return in this area (2024 to 2025 nil).

Losses and special payments (subject to audit)

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature, they are items that ideally should not arise. They are, therefore, subject to special control procedures.

Details of losses and special payments are included in the table below.

		Subject to Audit			
Losses and Special Payments		Total 2025 to 2026		Total 2024 to 2025	
		Number of cases	£000	Number of cases	£000
Losses	Fruitless Payments	-	-	1	11
Special Payments	nil	-	-	-	-
Total		-	-	1	11

During 2025 to 2026 the Authority did not record any losses or special payments.

There were no losses of more than £300,000 during 2025 to 2026.

Fees and charges (subject to audit)

The Authority has not operated any schemes during the year that fall within the definition of fees and charges as set out in HM Treasury's Managing Public Money, whereby entities charge for services on a full cost recovery basis. As such, no income has been recognised under this category in 2025 to 2026 (2024 to 2025: £nil).

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the NHS Counter Fraud Authority for the year ended 31 March 2026 under the National Health Service Act 2006. The financial statements comprise the NHS Counter Fraud Authority's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted international accounting standards as adapted or interpreted for the public sector context. In my opinion, the financial statements:

- give a true and fair view of the state of the NHS Counter Fraud Authority's affairs as at 31 March 2026 and its total net expenditure for the year then ended; and
- have been properly prepared in accordance with the National Health Service Act 2006 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the NHS Counter Fraud Authority in accordance with the ethical requirements that are relevant to my audit

of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the NHS Counter Fraud Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the NHS Counter Fraud Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the NHS Counter Fraud Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Matters on which I report by exception

In the light of the knowledge and understanding of the NHS Counter Fraud Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Statutory Other Information.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the NHS Counter Fraud Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the NHS Counter Fraud Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the National Health Service Act 2006;

- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the National Health Service Act 2006; and
- assessing the NHS Counter Fraud Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the NHS Counter Fraud Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the NHS Counter Fraud Authority's accounting policies.
- inquired of management, the NHS Counter Fraud Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the NHS Counter Fraud Authority's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the NHS Counter Fraud Authority's controls relating to the NHS Counter Fraud Authority's compliance with the National Health Service Act 2006 and Managing Public Money;
- inquired of management, the NHS Counter Fraud Authority's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the NHS Counter Fraud Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the NHS Counter Fraud Authority's framework of authority and other legal and regulatory frameworks in which the NHS Counter Fraud Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the NHS Counter Fraud Authority. The key laws and regulations I considered in this context included the National Health Service Act 2006, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

Date 07/07/2026

National Audit Office
157-197 Buckingham Palace Road
Victoria London
SW1W 9SP

Financial statements and notes to the Accounts



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Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Income from sale of goods and services	2	(294)	(281)
Other operating income	2	(2)	(4)
Total operating income		(296)	(285)
Staff costs	3	16,032	14,061
Purchase of goods and services	4	3,781	3,186
Depreciation and impairment charges	4	1,722	1,910
Other operating expenditure	4	79	58
Total Operating Expenditure		21,614	19,215
Net Operating Expenditure		21,318	18,930
Finance expense	5	50	37
Total Net Expenditure for the year		21,368	18,967
Total Comprehensive Expenditure for the year		21,368	18,967

The notes on pages 82 to 107 form part of these accounts.

Statement of Financial Position as at 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Non-current assets:			
Property, plant and equipment	7	728	796
Right of Use Assets	6	3,281	3,385
Intangible assets	8	1,888	1,771
Other non-current receivables	9	-	193
Total non-current assets		5,897	6,145
Current assets:			
Trade and other receivables	9	915	699
Cash and cash equivalents	10	2,217	1,558
Total current assets		3,132	2,257
Total assets		9,029	8,402
Current liabilities			
Trade and other payables	11	(1,869)	(1,528)
Borrowings	12	(556)	(440)
Total current liabilities		(2,425)	(1,968)
Total assets less current liabilities		6,604	6,434
Non-current liabilities:			
Provisions	13	(178)	(152)
Borrowings	12	(2,689)	(2,877)
Total non-current liabilities		(2,867)	(3,029)
Total Assets less Liabilities		3,737	3,405
Financed by Taxpayers' Equity			
General Fund		3,737	3,405
Total taxpayers' equity		3,737	3,405

The notes on pages 82 to 107 form part of these accounts.

Signed:



Alex Rothwell
Chief Executive Officer
Date: 1st July 2026

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

	General Fund £'000	Total Reserves £'000
Balance at 01 April 2025	3,405	3,405
Changes in taxpayers' equity for 2025/26		
Total Net Expenditure for the year	(21,368)	(21,368)
Total recognised income and expense for 2025/26	(21,368)	(21,368)
Net Parliamentary Funding	21,700	21,700
Balance at 31 March 2026	3,737	3,737

	General Fund £'000	Total Reserves £'000
Balance at 01 April 2024	3,622	3,622
Changes in taxpayers' equity for 2024/25		
Total Net Expenditure for the year	(18,967)	(18,967)
Total recognised income and expense for 2024/25	(18,967)	(18,967)
Net Parliamentary Funding	18,750	18,750
Balance at 31 March 2025	3,405	3,405

The notes on pages 82 to 107 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year	2/3/4	(21,318)	(18,930)
Adjustments for non-cash costs			
Depreciation and amortisation	4	1,722	1,910
Increase/(decrease) in provisions	13	24	1
Total adjustments for non-cash costs		1,746	1,911
(Increase)/decrease in trade & other receivables	9	(23)	(164)
Increase/(decrease) in trade & other payables	11	341	(1,809)
Net Cash (Outflow) from Operating Activities		(19,254)	(18,992)
Cash Flows from Investing Activities			
(Payments) for property, plant and equipment	7	(245)	(87)
(Payments) for intangible assets	8	(986)	(418)
Net Cash (Outflow) from Investing Activities		(1,231)	(505)
Net Cash (Outflow) before Financing		(20,485)	(19,497)
Cash Flows from Financing Activities			
Capital element of lease liability repayments	6	(506)	(694)
Interest element of lease liability repayments	5	(50)	(37)
Net Parliamentary Funding		21,700	18,750
Net Cash Inflow from Financing Activities		21,144	18,019
Net Increase / (Decrease) in Cash & Cash Equivalents		659	(1,478)
Cash & Cash Equivalents at the Beginning of the Financial Year		1,558	3,036
Cash & Cash Equivalents at the End of the Financial Year		2,217	1,558

The notes on pages 82 to 107 form part of these accounts.

Notes to the Accounts

1. Accounting Policies

These financial statements have been prepared in a form directed by the Secretary of State and in accordance with the Financial Reporting Manual (FReM) 2025 to 2026, issued by HM Treasury. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of NHS Counter Fraud Authority (NHSCFA) for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going Concern

NHSCFA's Annual Report and Accounts have been prepared on a going concern basis.

The NHSCFA draws its funding from the Department of Health and Social Care (DHSC). Parliament has demonstrated its commitment to fund DHSC for the foreseeable future, and DHSC has demonstrated its commitment to the funding of the NHSCFA. There is no evidence that the services we provide will not continue into the future, and therefore we have applied continuation of service provision in making our decision to use the going concern assumption.

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention, modified where material to account for the revaluation of property, plant and equipment, intangible assets, and certain financial assets and financial liabilities.

1.3 Critical judgements and key sources of estimation uncertainty

In the application of the Authority's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NHSCFA do not consider any judgements or uncertainties to be critical.

1.4 Income

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- NHSCFA does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- NHSCFA is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date,
- The FReM has mandated the exercise of the practical expedient offered in the Standard that requires NHSCFA to reflect the aggregate effect of all contracts modified before the date of initial application.

Income in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer and is measured at the amount of the transaction price allocated to that performance obligation.

Operating income is income which relates directly to the operating activities of the Authority. It principally comprises charges for services provided on a full-cost basis to external customers, as well as public repayment work. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

1.4.1 Revenue from contracts with customers

The Authority's Other Contract Income relates to services provided to UK Devolved Administrations and Crown Dependencies.

1.5 Parliamentary funding

The main source of funding of the Authority is Parliamentary Funding from the Department of Health and Social Care within an approved cash limit, which is credited to the general fund. Parliamentary funding is recognised in the financial period in which it is received.

1.6 Employee benefits

1.6.1 Short-term employee benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.6.2 Retirement benefit costs

Most past and present employees are covered by the provisions of the NHS Pensions Scheme. This scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health and Social Care. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying

scheme assets and liabilities. Therefore, the scheme is accounted for as though it were a defined contribution scheme: the cost to NHSCFA of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time NHSCFA commits itself to the retirement, regardless of the method of payment.

The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year.

1.7 Operating expenses

Operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.7.1 Value added tax

Most of the activities of NHSCFA are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.8 Property, plant and equipment

1.8.1 Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to NHSCFA;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and either
- the item has a cost of £5,000 or more; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- it forms part of the initial setting-up cost of a new building, irrespective of their individual or collective cost.

1.8.2 Measurement

All property, plant and equipment (PPE) are initially measured at cost, comprising expenditure directly attributable to bringing the asset into the location and condition necessary for it to operate as intended by management. Subsequently, assets held for

their service potential and in use are measured at current value in existing use. Assets which are surplus to requirements are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

In line with the 2025–26 FReM updates, non-investment assets (including PPE and intangible assets) are no longer subject to a mandatory annual revaluation or formal valuation assessment. Instead, revaluations are only undertaken where there is an indication that carrying value may be materially misstated, with management applying judgement to ensure that assets are not carried at amounts materially different from their current value at the reporting date.

Right-of-use (ROU) assets arising from leases are recognised in accordance with IFRS 16. These are initially measured at cost, comprising the lease liability, lease payments made at or before commencement, direct costs incurred, less any lease incentives received, and an estimate of restoration costs. Subsequent measurement follows the HM Treasury interpretation for the public sector, with ROU assets measured using a revaluation model where appropriate, unless the cost model is considered a suitable proxy for current value in existing use or fair value, consistent with the policy applied to owned assets. Where consideration is significantly below market value, the cost model is not considered an appropriate proxy.

Fixtures and IT equipment are capitalised at cost and, due to their short useful lives and low individual values, are carried at depreciated historic cost as a proxy for current value in existing use. Depreciation is charged over a useful life that reflects the expected pattern of consumption of economic benefits or service potential.

Revaluation gains are recognised in the revaluation reserve, except where they reverse a previous impairment recognised in expenditure, in which case they are credited to expenditure to that extent. Revaluation losses that do not arise from a loss of economic value or service potential are first offset against any balance in the revaluation reserve and thereafter recognised in expenditure. Gains and losses recognised in the revaluation reserve are reported in other comprehensive net expenditure.

The Authority does not currently hold any revalued assets and therefore does not maintain a revaluation reserve. All fixed assets are held at depreciated historic cost as a proxy for current value in existing use.

1.9 Intangible assets

1.9.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of NHSCFA's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, NHSCFA; where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.9.2 Measurement

Intangible assets are initially measured at cost, comprising expenditure directly attributable to the acquisition, development and preparation of the asset for its intended use. Subsequently, intangible assets held for their service potential are measured at current value in existing use where an active market exists; however, in most cases, due to the absence of active markets, they are carried at amortised historic cost as a proxy for current value in existing use.

In line with the 2025–26 FReM updates, non-investment assets, including intangible assets, are no longer subject to a mandatory annual revaluation or formal valuation assessment. Instead, management applies judgement to ensure that carrying values are not materially misstated, with revaluation or impairment only undertaken where there is an indication of a material change in value.

Amortisation is charged on a systematic basis over the asset's useful economic life, reflecting the pattern in which the asset's future economic benefits or service potential are expected to be consumed. Useful lives and amortisation methods are reviewed annually.

Impairment losses are recognised where the recoverable amount of an asset falls below its carrying value and are charged to expenditure in the Statement of Comprehensive Net Expenditure.

1.10 Depreciation, amortisation and impairments

Depreciation and amortisation is charged to write off the costs or valuation of property, plant and equipment, right of use assets and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which NHSCFA expects to obtain economic benefits or service potential from the asset. This is specific to NHSCFA and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

At each financial year end, NHSCFA checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

1.11 Leases

1.11.1 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The NHS body does not apply lease accounting to new contracts for the use of intangible assets.

The Authority determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Authority is reasonably certain to exercise.

1.11.2 The Authority as lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Authority recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Authority's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each

calendar year. A nominal rate of 4.81% applied to new leases commencing in 2025 and 5.32% to new leases commencing in 2026.

The Authority does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Authority employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Authority subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

1.12 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of NHSCFA's cash management. Cash, bank and overdraft balances are recorded at current values.

1.13 Provisions

Provisions are recognised when NHSCFA has a present legal or constructive obligation as a result of a past event, it is probable that NHSCFA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of negative 2.95% (2024 to 2025: negative 2.40%) in real terms. All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A nominal short-term rate of 3.64% (2024 to 2025: positive 4.03%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 4.22% (2024 to 2025: 4.07%) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.
- A nominal long-term rate of 5.32% (2024 to 2025: 4.81%) for inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.
- A nominal very long-term rate of 5.07% (2024 to 2025: 4.55%) for inflation adjusted expected cash flows exceeding 40 years from the Statement of Financial Position date.

1.14 Contingent liabilities and contingent assets

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NHSCFA; or
- present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation, or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NHSCFA. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

1.15 Financial assets

Financial assets are recognised when NHSCFA becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and NHSCFA has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

1.15.1 Impairment

All of the NHSCFA's financial assets are measured at amortised cost, as they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes all trade and other receivables.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

For all financial assets measured at amortised cost, the NHSCFA recognises a loss allowance representing expected credit losses on the financial instrument.

The NHSCFA adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The NHSCFA therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and NHSCFA does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

1.16 Financial liabilities

Financial liabilities are recognised when NHSCFA becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

1.16.1 Other Financial liabilities

All of NHSCFA's financial liabilities are measured at amortised cost. After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability.

1.17 Foreign Currencies

NHSCFA's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Net Expenditure in the period in which they arise.

1.18 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to operating expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHSCFA not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.19 Standards, amendments and interpretations in issue but not yet effective or adopted

The Government Financial Reporting Manual (FReM) does not yet require the application of the following IFRS Standards for 2025–26. While these standards have received UK endorsement, they have not yet been adopted within the FReM and are therefore not applied in these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

2. Other operating income

	2025/26 £'000	2024/25 £'000
Income from sale of goods and services (contracts)		
Other Contract income	294	281
Total Income from sale of goods and services	294	281
Other operating income		
Other non contract revenue	2	4
Total Other operating income	2	4
Total Operating Income	296	285

Income from contracts all related to services provided to UK Devolved Administrations.

Performance obligations relating to all services provided are satisfied over time and fall entirely within the financial year.

Other non-contract revenue relates to training income, employee lease car contributions and recovery of legal costs.

3. Employee benefits

3.1.1 Employee benefits

	2025/26 Total £'000	2024/25 Total £'000
Employee Benefits		
Salaries and wages	12,059	10,891
Social security costs	1,598	1,173
Employer Contributions to NHS Pension scheme	2,490	2,155

Other pension costs	-	-
Apprenticeship Levy	44	36
Gross employee benefits expenditure	16,191	14,255
Less recoveries in respect of secondments	(43)	(86)
Total - Net admin employee benefits including capitalised costs	16,148	14,169
Less: Employee costs capitalised	(116)	(108)
Net employee benefits excluding capitalised costs	16,032	14,061

3.1.2 Retirements due to ill health

The Authority had no compensation payments or additional pension liabilities arising from early retirement or loss of office as at 31st March 2026 (31st March 2025 nil)

3.2 Pension Costs

Most past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

3.2.1 Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2026, is based on valuation data as at 31 March 2023, updated to 31 March 2026 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology

prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

3.2.2 Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

4. Operating expenses

	2025/26 Total £'000	2024/25 Total £'000
Purchase of goods and services		
Establishment	567	512
Transport	50	48
Premises	1,173	576
Software costs	602	667
External audit fees	83	81
Internal audit services	102	99
Legal & professional fees	1,092	1,055
Education, training and conferences	112	148
Total purchase of goods and services	3,781	3,186

Depreciation and impairment charges

Depreciation	853	1,073
Amortisation	869	837
Total depreciation and impairment charges	1,722	1,910
Other Operating Expenditure		
Chair and Non-Executive Members	55	46
Provision expense	24	1
Losses and Special Payments ¹	-	11
Total Other Operating Expenditure	79	58
Total operating expenditure	5,582	5,154

1. Information on Losses and Special Payments can be found within the Parliamentary accountability and audit report.

5. Finance Expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2025/26 Total £'000	2024/25 Total £'000
Interest expense:		
Interest on lease obligations	50	37
Total interest expense	50	37
Unwinding of discount on provisions	-	-
Other finance costs	-	-
Total finance costs	50	37

6. Right of Use Assets

	2025/26 Buildings £'000	Total £'000
Cost		
As at 01 April 2025	4,937	4,937
Additions	554	554

Remeasurements of the lease liability	(120)	(120)
Increases in Provisions for dilapidations	2	2
Disposals / derecognition	(408)	(408)
As at 31 Mar 2026	4,965	4,965

Accumulated Depreciation

As at 01 April 2025	(1,552)	(1,552)
Provided during the year	(540)	(540)
Disposals / derecognition	408	408
As at 31 March 2026	(1,684)	(1,684)
Net Book Value at 31 March 2026	3,281	3,281

The lease for the Citygate property expired on 1 April 2025 and was disposed of at that date.

	2024/25 Buildings £'000	Total £'000
Cost		
As at 01 April 2024	4,594	4,594
Additions	101	101
Remeasurements of the lease liability	420	420
Increases in Provisions for dilapidations	40	40
Disposals / derecognition	(218)	(218)
As at 31 March 2025	4,937	4,937
Accumulated Depreciation		
As at 01 April 2024	(1,138)	(1,138)
Provided during the year	(632)	(632)
Disposals / derecognition	218	218
As at 31 March 2025	(1,552)	(1,552)
Net Book Value at 31 March 2025	3,385	3,385

6.1 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 12.

	2025/26 £'000	2024/25 £'000
Carrying value at 01 April	3,317	3,490
Lease additions	554	101
Lease liability remeasurements	(120)	420
Interest charge arising in year	50	37
Lease payments (cash outflows)	(556)	(731)
Carrying value at 31 March	3,245	3,317

These payments are disclosed in Note 4. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

6.2 Maturity analysis of future lease payments at 31 March

	Total 31 March 2026 £'000	Total 31 March 2025 £'000
Undiscounted future lease payments payable in:		
- not later than one year;	576	471
- later than one year and not later than five years;	2,214	1,884
- later than five years.	603	1,098
Total gross future lease payments	3,393	3,453
Finance charges allocated to future periods	148	136
Net lease liabilities at 31 March	3,245	3,317
Of which:		
- Current	556	440
- Non-Current	2,689	2,877

7. Property, plant and equipment

7.1 2025/26 Property, plant and equipment

	Buildings excluding dwellings £'000	Information technology £'000	Total £'000
Cost at 01 April 2025	331	2,223	2,554
Additions purchased	-	245	245
Disposals	-	-	-
Cost at 31 March 2026	331	2,468	2,799
Depreciation at 01 April 2025	284	1,474	1,758
Charged during the year	6	307	313
Disposals	-	-	-
Depreciation at 31 March 2026	290	1,781	2,071
Net Book Value at 31 March 2026	41	687	728
Asset financing:			
Owned	41	687	728
Total at 31 March 2026	41	687	728

7.2 2024/25 Property, plant and equipment

	Buildings excluding dwellings £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost at 01 April 2024	537	2,285	55	2,877
Additions purchased	28	59	-	87
Disposals	(234)	(121)	(55)	(410)
Cost at 31 March 2025	331	2,223	-	2,554
Depreciation at 01 April 2024	412	1,264	51	1,727
Charged during the year	106	331	4	441
Disposals	(234)	(121)	(55)	(410)

Depreciation at 31 March 2025	284	1,474	-	1,758
Net Book Value at 31 March 2025	47	749	-	796
Asset financing:				
Owned	47	749	-	796
Total at 31 March 2025	47	749	-	796

7.3 Cost or valuation of fully depreciated assets

The cost or valuation of fully depreciated assets still in use was £476k (2024/25: £424k). These primarily relate to digital storage facilities. These assets are expected to be disposed of during 2026-27.

7.4 Economic lives

	Minimum Life (Years)	Maximum Life (Years)
Buildings excluding dwellings	3	10
Plant & machinery	5	5
Information technology	2	7
Furniture & fittings	5	5

Buildings excluding dwellings only include the cost of improvements to leasehold premises, which are written off over the term of the lease; hence the low values for minimum and maximum life.

8. Intangible non-current assets

8.1 2025/26 Intangible non-current assets

	Software Licences	Development Expenditure (internally generated)	Information Technology	Total
	£'000	£'000	£'000	£'000
Cost at 01 April 2025	2,344	1,668	150	4,162
Additions purchased	868	118	-	986
Disposals	(45)	(28)	-	(73)
Cost at 31 March 2026	3,167	1,758	150	5,075

Amortisation at 01 April 2025	974	1,281	136	2,391
Charged during the year	729	132	8	869
Disposals	(45)	(28)	-	(73)
Amortisation at 31 March 2026	1,658	1,385	144	3,187
Net Book Value at 31 March 2026	1,509	373	6	1,888
Asset financing:				
Owned	1,509	373	6	1,888
Total at 31 March 2026	1,509	373	6	1,888

8.2 2024/25 Intangible non-current assets

	Software Licences	Development Expenditure (internally generated)	Information Technology	Total
	£'000	£'000	£'000	£'000
Cost at 01 April 2024	2,213	1,721	150	4,084
Additions purchased	310	108	-	418
Disposals	(179)	(161)	-	(340)
Cost at 31 March 2025	2,344	1,668	150	4,162
Amortisation at 01 April 2024	485	1,290	119	1,894
Charged during the year	668	152	17	837
Disposals	(179)	(161)	-	(340)
Amortisation at 31 March 2025	974	1,281	136	2,391
Net Book Value at 31 March 2025	1,370	387	14	1,771
Asset financing:				
Owned	1,370	387	14	1,771
Total at 31 March 2025	1,370	387	14	1,771

In 2024 to 2025, there was one software licence included above which had a carrying value which was significant to the financial statements. The licence relates to the Authority's data analytics software and had a carrying value of £633k and remaining amortisation period of 21 months.

8.3 Cost or valuation of fully depreciated assets

The cost or valuation of fully amortised assets still in use was £24k (2024/25: £30k). This value relates to internally generated computer software.

8.4 Economic lives

	Minimum Life (Years)	Maximum Life (Years)
Software licences	2	5
Development Expenditure (internally generated)	2	10
Information technology	2	5

9. Trade and other receivables

	Non-current 2025/26 £'000	Current 2025/26 £'000	Non-current 2024/25 £'000	Current 2024/25 £'000
Contract receivables	-	-	-	76
Prepayments	-	687	193	511
VAT Receivable	-	18	-	17
Other receivables	-	210	-	95
Total	-	915	193	699
Total Trade & other receivables	915		892	
Included above:				
NHS receivables		-		75

10. Cash and cash equivalents

	2025/26 £'000	2024/25 £'000
Balance at 01 April	1,558	3,036
Net change in year	659	(1,478)
Balance at 31 March	2,217	1,558
Comprising:		
Cash with the Government Banking Service	2,217	1,558
Cash and cash equivalents as in statement of financial position	2,217	1,558

There were no cash equivalents at 31st March 2026 (2024/25 nil)

11. Trade and other payables

	2025/26 £'000	2024/25 £'000
Contract payables	766	454
Accruals	1,082	905
Other payables	21	169
Total Trade & Other Payables	1,869	1,528
Included above:		
NHS payables	347	418

There were no non-current payables at 31st March 2026 (2024/25 nil).

12. Borrowings

12.1 Current Borrowings

	2025/26 £'000	2024/25 £'000
Lease Liabilities	556	440
Total Current Borrowings	556	440

12.2 Non-Current Borrowings

	2025/26 £'000	2024/25 £'000
Lease Liabilities	2,689	2,877
Total Current Borrowings	2,689	2,877

13. Provisions

	Current 2025/26 £'000	Non-current 2025/26 £'000	Current 2024/25 £'000	Non-current 2024/25 £'000
Dilapidations	-	178	-	152
Total	-	178	-	152
Total current and non-current	178		152	

	Dilapidations £'000	Total £'000
Balance at 01 April 2025	152	152
Arising during the year	26	26
Reversed unused	-	-
Balance at 31 March 2026	178	178
Expected timing of cash flows:		
Within one year	-	-
Between one and five years	178	178
Balance at 31 March 2026	178	178

14. Contingent Liabilities and Contingent Assets

14.1 Contingent liabilities

The Authority is currently subject to two employment tribunal claims arising in the normal course of business. At the balance sheet date, these claims are not considered sufficiently certain to meet the recognition criteria for provisions under IAS 37. Accordingly, no provision has been recognised. The estimated potential financial exposure is £115,000, although the timing and outcome remain uncertain (2024 to 2025 nil).

14.2. Contingent assets

There were no contingent assets at 31 March 2026 (2024 to 2025 nil).

15. Commitments

15.1. Capital commitments

The Authority had no contracted capital commitments at 31st March 2026 (2024 to 2025 nil).

15.2. Other financial commitments

The Authority had no other financial commitments at 31st March 2026 (2024 to 2025 nil).

16. Financial instruments

16.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

As the cash requirements of the Authority are met primarily through Parliamentary Funding, financial instruments play a more limited role in creating risk that would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Authority's expected purchase and usage requirements and the Authority is therefore exposed to little credit, liquidity or market risk.

16.1.1 Currency risk

The Authority is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Authority has no overseas operations. The Authority therefore has low exposure to currency rate fluctuations.

16.1.2 Interest rate risk

All of the Authority's financial assets and financial liabilities carry nil or fixed rates of interest. The Authority is not, therefore, exposed to significant interest-rate risk.

16.1.3 Credit risk

Because the majority of the Authority's income come from funds voted by Parliament and from other public bodies the Authority has low exposure to credit risk.

16.1.4 Liquidity risk

The Authority's net operating costs are financed from resources voted annually by Parliament. The Authority largely finances its capital expenditure from funds made available from Government under an agreed capital resource limit. The Authority is not, therefore, exposed to significant liquidity risks.

16.2 Financial assets

	2025/26 At 'amortised cost' £'000	Total £'000
Contract Receivables	-	-
Other receivables	897	897
Cash at bank and in hand	2,217	2,217
Total at 31 March 2026	3,114	3,114

	2024/25 At 'amortised cost' £'000	Total £'000
Contract Receivables	76	76
Other receivables	606	606
Cash at bank and in hand	1,558	1,558
Total at 31 March 2025	2,240	2,240

16.3 Financial liabilities

	2025/26 At 'amortised cost' £'000	Total £'000
Contract payables	766	766
Other payables	1,103	1,103
Total at 31 March 2026	1,869	1,869

All of the above financial liabilities have a maturity date within one year.

	2024/25 At 'amortised cost' £'000	Total £'000
Contract payables	454	454
Other payables	1,074	1,074
Total at 31 March 2025	1,528	1,528

All of the above financial liabilities have a maturity date within one year.

17. Operating Segments

The Authority operates as a single segment, which is counter fraud.

This work is within one main geographical segment, the United Kingdom.

18. Related party transactions

The Authority is a corporate body established by order of the Secretary of State for Health and Social Care.

The Department of Health and Social Care is regarded as a related party. During the year the Authority had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department, including NHSBSA.

In addition, the Authority has had a number of material transactions with one other central government department. All of these transactions have been with HM Revenue and Customs.

During the year none of the Department of Health and Social Care Ministers, Authority board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the NHS Counter Fraud Authority.

The values including closing balances as at 31 March 2026 and prior year comparatives, are provided in the tables below.

2025/26

Name of Organisation	Trade and other receivables	Trade and other payables	Operating revenue	Operating expenditure
	£'000	£'000	£'000	£'000
HM Revenue and Customs ¹	-	-	-	4,186
Department of Health and Social Care ²	-	270	-	1,036
NHS Business Services Authority ³	-	319	-	681
Risk and Management Forum	-	-	-	2
College of Policing	-	-	-	2

1 Expenditure with HM Revenue and Customs relates to payroll deductions.

2 Expenditure with Department of Health and Social Care relates to building lease costs.

3 Expenditure with NHS Business Services Authority relates to contracted services.

2024/25

Name of Organisation	Trade and other receivables	Trade and other payables	Operating revenue	Operating expenditure
	£'000	£'000	£'000	£'000
HM Revenue and Customs ¹	-	-	-	3,366
CriticalEye (Europe) Limited	14	-	-	10
Department of Health and Social Care ²	1	143	1	842
NHS Business Services Authority ³	57	360	-	590
NHS Confederation	-	-	-	4
Risk and Management Forum	-	-	-	2

1 Expenditure with HM Revenue and Customs relates to payroll deductions.

2 Expenditure with Department of Health and Social Care relates to building lease costs.

3 Expenditure with NHS Business Services Authority relates to contracted services.

19. Events after the reporting period

The Accounts were authorised for issue by the NHS Counter Fraud Authority Chief Executive and Accounting Officer on the same date as the C&AG's certificate.

20. Registered Office

The registered office for the NHS Counter Fraud Authority is:

NHS Counter Fraud Authority
7th Floor
HM Government Hub
10 South Colonnade
Canary Wharf
London
E14 4PU

List of acronyms

AFU	Anti-Fraud Unit
ALB	arm's length body
ARAC	Audit Risk and Assurance Committee
BAF	Board Assurance Framework
CFA	(See NHSCFA)
CFFSR	Counter Fraud Functional Standards Return
CSSTCG	Control Strategy and Strategic Tasking and Coordination Group
DFU	Digital Forensics Unit
DHSC	Department of Health and Social Care
DSP	Data Security Protection
EFRA	Enterprise Level Fraud Risk Assessment
FCROL	Online Fraud reporting Tool
FReM	Financial Reporting Manual
GAM	Group Accounting Manual
GIAA	Government Internal Audit Agency
HSWG	Horizon Scanning Working Group
LCFS	Local Counter Fraud Specialist
LPE	Local Proactive Exercise
NED	Non-Executive Director
NHSCFA	National Health Service Counter Fraud Authority
PAP	Performance and Assurance Panel
PES	Public Expenditure System
PIDA	Public Interest Disclosure Act
PREMCO	People Remuneration and Nominations Committee
PSFA	Public Sector Fraud Authority
QTA	Quarterly Threat Assessments
RRRG	Risk Register Review Group
SFI	Standing Financial Instructions
SIA	Strategic Intelligence Assessment
SO	Standing Orders

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