



National Audit Office

REVIEW

Central government's implementation of the national Compact

January 2012

Our vision is to help the nation spend wisely.

We apply the unique perspective of public audit to help Parliament and government drive lasting improvement in public services.

The National Audit Office scrutinises public spending on behalf of Parliament. The Comptroller and Auditor General, Amyas Morse, is an Officer of the House of Commons. He is the head of the NAO, which employs some 880 staff. He and the NAO are totally independent of government. He certifies the accounts of all government departments and a wide range of other public sector bodies; and he has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources. Our work led to savings and other efficiency gains worth more than £1 billion in 2010-11.



National Audit Office

Contents

Summary

Key findings **4**

Part One

The Compact **9**

Part Two

Departments and the Compact **14**

Part Three

Central oversight of the Compact **20**

Appendix One

Methodology **27**

Appendix Two

Suggested tools and their effects **30**

Summary

- 1** In 1998, the Compact was introduced to help enhance the relationship between central government and civil society organisations. The Compact is a voluntary agreement that sets out shared principles for effective partnership working between the Government (and their associated Non-Departmental Public Bodies, arm's length bodies and Executive Agencies) and voluntary and civil society organisations in England. All central government departments and Non-Departmental Public Bodies are signed up to implementing the Compact. Responsibility for the Compact within government sits with the Office for Civil Society, part of the Cabinet Office.
- 2** In December 2010, the Government renewed and re-launched the Compact. The aim of the renewal was to make the Compact easier to use and understand, provide more effective accountability, and align it to the Coalition Government's 'Big Society' agenda. As part of the renewal, the Cabinet Office published *The Compact Accountability and Transparency Guide*. It sets out measures to strengthen the Compact's implementation and to hold government departments to account for their implementation of the Compact.
- 3** This report examines the implementation of the national Compact by central government departments following its renewal in December 2010. Our findings are based on work at nine departments, representing 98 per cent of central government's expenditure with the civil society. We also consulted the civil society sector. Appendix One sets out the detailed methodology for our work.

Key findings

On the importance of the Compact

- 4 The civil society is important to the delivery of public services.** In 2009-10, civil society organisations received income of some £1.9 billion from central government. The Government views the civil society as a key partner in delivering its planned reforms in public service delivery, providing an informed and responsive view across a range of issues. The Coalition Agreement emphasised the role for the civil society across social and economic issues. The sector can add value in these areas through, for example, its perspectives on support for hard-to-reach groups in society.
- 5 The Compact is important in helping to encourage effective partnerships between central government and the civil society.** The Compact establishes a range of outcomes – for example, improved policy and programme development and better management of change – that can help to shape the partnership. It also provides a framework for ensuring the independence of all organisations in the sector, regardless of their size, and for the oversight of the partnership. Following the Compact principles can help departments to deliver better outcomes and help civil society organisations, regardless of their size, during periods of change in the delivery of public services. Implementing the Compact should help departments achieve value for money in their relationships with civil society organisations. The renewed Compact is supported by measures intended to make government's delivery and implementation of the Compact more accountable.

On the implementation of the Compact by departments

6 Departments were supportive of the Compact and there were good examples of it being applied. They saw value in the Compact's principles and how partnership working with the civil society could be improved through their application – for example, by acting as a guide, or by reminding staff of how, they should work with the sector. Departments had taken steps to engage with the sector – for example, through advisory boards and more generally on specific programmes. Departments had also looked to embed the Compact in, for example, guidance on procurement.

7 Departments faced a challenge identifying and monitoring Compact compliance.

The size of central government departments and the scope of their work coupled with the number and variability of their interactions with civil society organisations made it difficult for departments to identify and monitor activities for Compact compliance. Central teams that deal with Compact issues were small, often dealing with other civil society related issues, and have limited resources to ensure that colleagues are implementing the Compact fully.

8 Overall departments did not have arrangements to gain a broad level of assurance that the Compact was being implemented.

Departments told us that implementation of the Compact was embedded in the way they worked. In the absence of arrangements to collect definitive evidence on the Compact's implementation, departments, and ourselves, are not in a position to verify that this is the case. Whilst we identified examples of good practice in monitoring, reporting, evaluating and supporting the Compact's implementation, these were patchy and departments could do more. A one size fits all approach to oversight would not be appropriate. But there are a range of actions that departments could take to embed the Compact in their day-to-day working more systematically and gain assurance over its implementation. These are set out in Appendix Two.

9 Our analysis of complaints about the Compact's implementation indicates that there is scope for improvement.

Over the last six years Compact Advocacy has recorded 130 complaints by civil society organisations that the Compact has not been followed. This is a relatively small number when compared to the many thousands of interactions departments have with the sector each year. But it does indicate that Compact compliance is, perhaps, not as embedded as departments believe. One department told us that, since the Compact was renewed in December 2010, it had received one complaint about its implementation of the Compact. The Compact Advocacy Programme has seven recorded complaints for the same period. Understanding and recording of complaints is inconsistent therefore, and greater clarity here could help improve the Compact's implementation.

10 Complaints received are departments' main way of identifying issues of concern with their implementation of the Compact. Whilst this is one measure of how well the Compact is being implemented, it has a number of weaknesses. For example, civil society organisations may decide not to report potential non-compliance and records of complaints may not therefore give a complete picture of the quality. It should not, on its own, be seen as an indicator of successful implementation.

11 Leadership within departments on Compact issues is not always visible. All departments have a senior responsible officer for the Compact responsible for promoting the Compact within departments and with stakeholders. Some champions in departments did not know who their counterparts in other departments were and neither did stakeholders in the civil society sector. Respondents to our consultation with the civil society told us that to improve implementation of the Compact departments need strong leadership to emphasise the importance of the Compact and working with the sector to deliver department objectives. Visible promotion and oversight of the Compact by senior department officials provides a signal to staff and stakeholders as to the departments' commitment to the Compact and a clear point of contact for other departments and civil society stakeholders. The Office for Civil Society used to, but no longer, coordinates regular meetings of the departmental civil society champions which covered regular discussion on the Compact.

12 The Compact benchmark that departments should allow 12 weeks for responding to consultations is often not met. Across the departments we reviewed, 40 per cent of consultations since the Compact was renewed asked for responses in under 12 weeks. In 54 per cent of these cases, an explanation was not provided as to why the consultation period had been shortened. We recognise that not all of the consultations may be relevant to the civil society. However, the analysis indicates that departments could improve their implementation of the Compact in relation to consultations.

13 Over the last six years funding was the most common reason for civil society organisations notifying the Compact Advocacy Programme of potential non-compliance with the Compact. Whilst it is not possible to identify whether these allegations have been proven it does provide some evidence as to one area on which departments may wish to focus.

14 Departments are not in a position to provide a meaningful statement on Compact implementation in their 2012-13 Business Plans. *The Compact Accountability and Transparency Guide* requires departments, from 2012-13, to include in their Business Plans a statement on how they are implementing the Compact. All but two of the nine departments we spoke to were aware of these new requirements. In the absence of departmental information to underpin assurance that the Compact is being implemented, Departments will find it difficult to fulfil this reporting requirement in a meaningful way.

15 Networks for identifying and disseminating good practice in the operation of the Compact are piecemeal. Whilst five departments provided examples of working with other departments, this was on an ad hoc basis. Departments lacked a systematic approach to learning from others.

On central oversight of the Compact

16 Responsibility for promoting Compact compliance, increasing awareness and disseminating good practice lacks clarity. The Office for Civil Society is responsible for the Compact on behalf of government. However, we found its precise role with regard to the Compact was unclear. The Office for Civil Society's roles and responsibilities in relation to the Compact are not set out in Compact guidance or on the Cabinet Office's website. There is no body centrally that identifies and disseminates good practice on the Compact's implementation. The Office for Civil Society used to publish an annual report, until January 2010, on the Compact's implementation that performed this function. It views the annual Compact Voice awards as a means of sharing good practice. Compact Voice does provide examples of good practice on its website but these relate to local rather than national compacts.

17 Information on alleged non-compliance is not analysed centrally to identify priority areas for improvement. The Compact Advocacy Programme is the only body that collects information on alleged non-compliance with the Compact. However, this information is not used to identify and share with departments areas of common weakness.

Conclusion

18 Civil society organisations deliver a wide-range of services to central government departments. The Compact provides a set of principles that look to encourage partnership working. We found that departments were supportive of the Compact and its principles and there were good examples of it being applied. Departments told us that compliance was embedded in the way that they worked.

19 The nature of the Compact and of departments' interactions with the civil society creates a challenge in implementing the Compact and demonstrating it has been implemented. It is difficult, therefore, to find definitive evidence as to whether the Compact was embedded or not. We identified pockets of good practice in departments with regard to their oversight of the Compact. There is evidence to suggest, however, that its implementation could be improved by a more widespread use of good practice, by making better use of the information available, and by making sure that leadership by departments on the Compact is visible.

20 Overall we consider that there is little evidence that the implementation of the Compact in central government is fundamentally flawed. There is a need, however, for departments to strengthen their approach with regard to monitoring, leadership, sharing good practice and consultations. We would not advocate a one size fits all approach to this or an approach that requires significant additional resources. Appendix Two sets out a range of measures that can be taken and which can be applied in a proportionate way. Approaches will vary between departments, taking into account their particular circumstances.

21 The Office for Civil Society was instrumental in launching the renewed Compact. One year on, there is a lack of clarity as to where, centrally, responsibility for promoting Compact compliance, increasing awareness, and disseminating good practice rests. There is scope, therefore, for the Office to do more in these areas, making use of the work of the Compact Voice and the Compact Advocacy Programme where appropriate. As with departments, the Office should consider how it can bring about change using existing approaches, so that any revised approach it takes is proportionate to need.

Recommendations

For departments

- a Departments need to strengthen their implementation of the Compact by taking a more systematic approach to its oversight. Appendix Two to this report sets out examples of approaches that departments could use, tailored to their particular circumstances and priorities. Specific areas on which departments may wish to focus on include making sure:
 - leadership of the Compact is visible internally and externally, in part by making it clear what behaviours it expects of itself;
 - an evidence base for the implementation of the Compact is in place; and
 - implementation is monitored and reported.
- b Departments should be more active in seeking and sharing examples of good practice with each other.
- c Departments should make sure that future consultations either meet the 12 week consultation period, or if they will not, that they provide a clear explanation as to why this is the case.
- d Departments should review their complaints procedures to make sure issues relating to the Compact are sent to the relevant team with oversight of its implementation.
- e Departments should make sure that the rationale for funding decisions is clear to civil society organisations.
- f Departments should consider commissioning periodic reviews of the Compact by, for example, internal audit.

For the Office for Civil Society

- g The Office for Civil Society should set out its areas of responsibility for the Compact. Specifically, it should set out its role with regard to supporting departments and for identifying good practice.
- h The Office for Civil Society should identify scope to convene a forum (for example, through face-to-face meetings or online) of departmental representatives with responsibilities for the Compact in order to identify and share good practice and consider the merit in an annual cross departmental meeting, possibly including ministers.
- i The Office for Civil Society, possibly by commissioning an external organisation such as Compact Voice, should review the Compact relevant elements of the 2012-13 departmental Business Plans to identify and then disseminate areas of good practice.

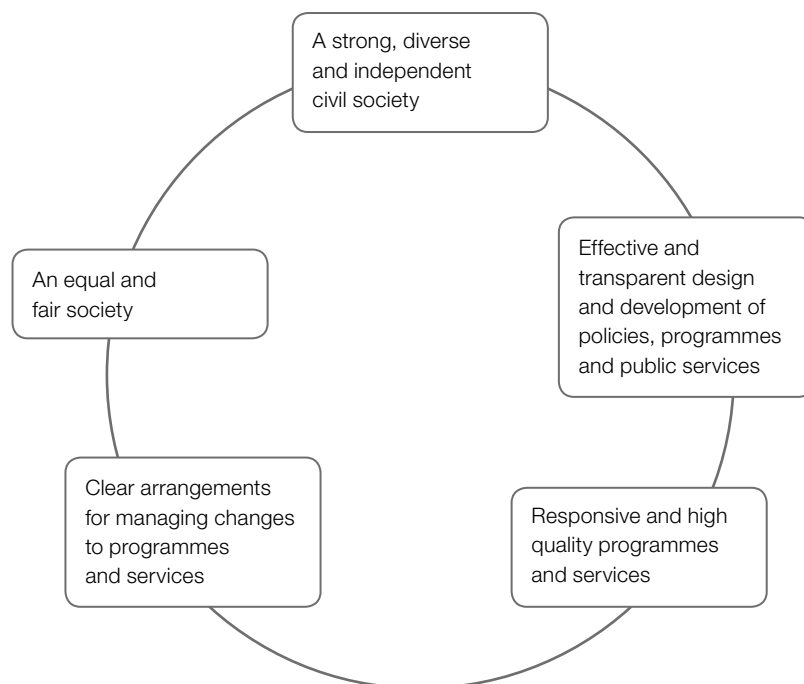
Part One

The Compact

1.1 This part of the report describes the national Compact (the Compact) and the voluntary and civil society's interactions with central government departments.

1.2 The renewed Compact¹ sets out five broad outcomes for effective partnership working between government (and their associated Non-Departmental Public Bodies, arm's length bodies and Executive Agencies²) and voluntary and civil society organisations in England (**Figure 1**). Each outcome includes a number of undertakings for government and civil society.

Figure 1
The Compact's five outcomes



Source: National Audit Office

1.3 The Compact was introduced in 1998 to help enhance the relationship between central government and the civil society. It was based on a set of shared principles: respect; honesty; independence; diversity; equality; citizen empowerment; and volunteering. Over time, it grew to include five Codes of Practice giving detailed guidance on areas such as funding, consultation, and policy. In November 2009, the Compact was refreshed to reflect legal, policy and practice changes.

¹ *The Compact* December 2010 is available on the Cabinet Office's website – <http://www.cabinetoffice.gov.uk/sites/default/files/resources/The%20Compact.pdf>.

² *The Compact* includes undertaking 3.11 for the Government that states that it should: 'ensure all bodies distributing funds on the Government's behalf adhere to the commitments in this Compact. This includes the relationship between prime contractors and their supply chains.'

1.4 In December 2010, the Coalition Government renewed and re-launched the Compact. The purpose of the renewal was to:

- make it easier to use and understand;
- provide more effective accountability; and
- align it to the Coalition Government's 'Big Society' agenda.

1.5 At the same time as publishing the renewed Compact, the Cabinet Office published *The Compact Accountability and Transparency Guide*³ (the Guide). The Guide explains the additional measures the Coalition Government has put in place to strengthen the Compact's implementation and to hold government departments to account for their implementation of the Compact. Additional measures were felt necessary as the Coalition Government concluded that the Compact's operation was not fully supported by arrangements for 'what happens when the Compact is not followed or when things go wrong.' Specifically, the Guide:

- clarified the complaints procedures;
- established a requirement that, from 2012-13, government departments include a statement on how the Compact is being implemented in their Business Plans; and
- established a role for Ministers, through the Informal Ministerial Group on the Big Society and Localism as a means of raising concerns or dealing with departures from the Compact.

1.6 All central government departments and Non-Departmental Public Bodies are signed up to the Compact. The Compact does not have any legal or contractual status and as such is voluntary in nature.

1.7 **Figure 2** sets out the key stakeholders and their responsibility in respect of the Compact.

1.8 Most councils in England have a local Compact aimed at improving their relationship with the sector and other local public bodies. The national Compact encourages local areas to follow its principles. Our review did not cover local Compacts.

The civil society sector

1.9 The Compact defines the civil society as comprising charities, social enterprises and voluntary and community groups. In general, civil society organisations are independent from statutory and private sectors, not for private profit with some form of social aim. There is no generally accepted definition of civil society however, which the Compact recognises. Civil society organisations can add value in helping to address social and economic issues by providing different approaches to difficult problems and by providing support to hard-to-reach groups in society.

1.10 The civil society sector encompasses a diverse range of areas of interest and organisational size and income from small community groups to large national charities. However, the absence of a single definition means there is no definitive number of organisations making up civil society. The 2010 National Survey of Charities and Social Enterprises commissioned by the Office for Civil Society identifies nearly 155,000 civil society organisations in England comprising charities, voluntary groups and social enterprises including, companies limited by guarantee, Industrial and Provident Societies, and Community Interest Companies.

³ *The Compact Accountability and Transparency Guide* December 2010 is available on the Cabinet Office's website – <http://www.cabinetoffice.gov.uk/sites/default/files/resources/The%20Compact%20Accountability%20Guide.pdf>.

Figure 2
Key stakeholders in the Compact

Stakeholder	Role and responsibility
Cabinet Office – Office for Civil Society	Responsible for the Compact on behalf of government.
Central government departments	Signed up to the Compact commitments for effective partnership working.
Civil society organisations	
Compact Voice	A national umbrella organisation that supports the voluntary sector to take forward the Compact. It provides training and advice to the sector on using the Compact, and represents its interests to government. It receives almost all of its funding from the Office for Civil Society.
Compact Advocacy Programme	A grant funded project, based at the National Council for Voluntary Organisations, which investigates and mediates on behalf of the voluntary and community sector on reported non-compliance with the Compact principles. It is 100 per cent funded by the Office for Civil Society via the Big Lottery Fund. Funding for this project has now expired.
Commission for the Compact	A Non-Departmental Public Body, sponsored by the Office for Civil Society until March 2011. It was responsible for overseeing and promoting the Compact's implementation.

Source: National Audit Office

1.11 Civil society organisations are supported by umbrella bodies for example, the National Council for Voluntary Organisations, the largest membership body for the civil society sector in England (representing over 8,000 organisations), and Voice4Change England a national support organisation for the Black and Minority Ethnic voluntary, community and social enterprise sector. Umbrella bodies provide a range of advice, information, and capacity-building services and represent member views to government and policy makers.

Central government and civil society organisations

1.12 The Government states in its Coalition Agreement⁴ that it 'believes that the innovation and enthusiasm of civil society is essential in tackling the social, economic and political challenges that the UK faces today.' The agreement sets out the Government's commitment to develop new opportunities for civil society organisations in public service delivery. For example, by enabling mutuals, co-operatives, charities and social enterprises to have much greater involvement in the running of public services.

1.13 In 2010-11, civil society organisations received income of some £1.9 billion from central government.⁵ Nearly two-thirds of this income was grant-funding, and the remaining third was from contracts. The most recent figures from the National Council for Voluntary Organisations – for 2007-08 – suggest that funding from central government represents almost two-thirds of the sector's income.

⁴ HM Government *The Coalition: our programme for government*, May 2010, p.29.

⁵ Central government departments' *Business Plan Quarterly data summary*, July 2011. Figures are not yet available on sector funding by the Department of Energy and Climate Change, the Department for Environment, Food and Rural Affairs, the Department for Transport, Her Majesty's Treasury and the Ministry of Defence.

1.14 The Government recognises its commitment to and reliance on civil society organisations in delivering public policy. Central government departments rely on the civil society to deliver services to families and individuals, provide support and advice to those in difficulty and carry out a huge range of other roles such as capacity building and engaging hard to reach sections of society. The nature of the sector's interactions with central government are many and varied ranging from, on-going contractual and grant-funding relationships, through formal consultations to more ad hoc input to policy design.

Our review

1.15 The Compact is about partnership working between government and civil society organisations. For the Compact to support effective partnership, each department needs to make sure that it has appropriate systems in place for oversight of its implementation of the Compact. Such systems are a precursor to improved transparency and accountability for the Compact's implementation and can help to embed the Compact in a department's usual ways of working.

1.16 A department's approach to its oversight of Compact implementation should, where possible, make use of existing approaches to oversight and control used by the department in other parts of its business. Arrangements will therefore vary between departments and within departments over time. There are however some key principles that any approach to the oversight of the Compact should seek to embrace and these are set out in **Figure 3**.

Figure 3

Principles to guide arrangements to support the Compact's implementation

- Leadership and ownership of the Compact's implementation should be supported by appropriate arrangements.
- Arrangements should support internal and external reporting on the Compact's implementation.
- Arrangements should support the promotion of the Compact, and the identification and dissemination of good practice to help improve performance.
- Arrangements should support evaluation of the Compact's implementation.
- Arrangements should encourage transparent relations with the civil society.

The principles described above should be:

- supported by relevant, evidence based information;
- proportionate to the circumstances and minimise burden; and
- be assessed periodically to make sure they remain appropriate.

Source: National Audit Office

1.17 In December 2010, the Minister for Civil Society wrote to the Comptroller and Auditor General requesting the National Audit Office explore the potential for completing a review of central government's implementation of the renewed Compact. That same month, the Comptroller and Auditor General wrote to the Minister setting out the scope of our review. The review will not be repeated in subsequent years.

1.18 We have reviewed the implementation by central government of the national Compact since its renewal in December 2010. Our review covers the main departments of State, excluding the Foreign and Commonwealth Office and the Department for International Development both of which have little involvement with domestic civil society organisations. A critique of the Compact is not within the scope of this review.

1.19 The Compact principles are relatively broad undertakings for departments and for civil society organisations. They do not lend themselves to measurement and assessment. We therefore took an assurance based approach to our review – we looked to see how departments themselves gained assurance as to how they were implementing the Compact. Our methodology was in three parts, set out below and expanded on in Appendix One.

- A review – through interviews and document review – of the approach taken by nine government departments (representing 98 per cent⁶ of departments' spend with the civil society) to gaining assurance around the Compact's implementation.
- Consultation with stakeholders to seek their views of how central government implements the Compact.
- A review of the oversight of the Compact by the Cabinet Office.

1.20 Appendix Two sets out some principles that we would expect departments to have in place for a more organised approach along with some suggested tools departments may wish to use.

⁶ National Audit Office analysis of the Office for Civil Society's three year funding summary 2009-10. The data does not include funding by the Department for Communities and Local Government, the Department for Business, Innovation and Skills and HM Treasury. The analysis does not include funding by Non-Departmental Public Bodies.

Part Two

Departments and the Compact

2.1 This part of the report sets out how departments gain assurance over their implementation of the Compact. Our findings are based on our work at nine departments, representing 98 per cent of central government department's funding to the civil society.

Maintaining oversight of the Compact's implementation

2.2 Departments were supportive of the Compact and saw value in its principles. The Compact could, for example, act as a guide for staff or as a way of reminding staff about how they could work in partnership with the civil society. Departments considered the Compact principles and compliance with them is embedded in the way that they work. Such an approach can be usefully supported by measures which provide the department with assurances about the Compact's implementation. Whilst we identified some aspects of good practice regarding such measures, we found that departments lacked arrangements to demonstrate their embedded way of working.

2.3 We identified four practical areas on which departments could focus their attentions.

- Providing leadership.
- Supporting implementation.
- Raising awareness.
- Monitoring and reporting.

Providing leadership

2.4 Leadership by a senior official or a particular part of a department will assist the promotion and oversight of an initiative such as the Compact. Our consultation responses from the civil society sector confirm that leadership within departments is essential to embed Compact working. Examples of leadership and governance structures we identified are set out below.

- All of the departments we visited had a Senior Responsible Officer for the Compact. The Senior Responsible Officer reported in at least two cases directly to a member of the Departmental Board, in another department, the Senior Responsible Officer informed us that they shared information with other Directors with an interest in this area.
- All departments we interviewed had a team with responsibility for civil society issues and the Compact. Six of the nine teams sat within a strategy, central or Big Society directorate, whilst three placed the team in the policy area that had most contact with the civil society sector. These teams were often small – in six departments, responsibility for the Compact was one part of a portfolio of work for a full-time member of staff. In three departments, we found larger teams of three or four staff with responsibility for the civil society issues and the Compact.
- Each team had a civil society liaison officer responsible for day-to-day promotion and management of Compact implementation. The Departments' civil society liaison officers, until early 2011, used to meet on a quarterly basis to share information.

2.5 Whilst none of the nine departments we visited had a published strategy for the civil society, they did not view its absence as a significant obstacle to implementing and complying with the Compact. One department used informal working documents that provide a framework for how it approaches working with the voluntary sector.

2.6 Departments organised partnership working at a departmental level between senior officials and the civil society in a number of different ways – for example, through advisory boards and strategic partner frameworks. Examples of approaches we found are shown in **Figure 4**. Departmental membership of such committees varied, according to their function. In at least six departments either the Permanent Secretary or ministers were involved in meeting the civil society sector at least on a quarterly basis. A department raised concerns with us that interest from ministers and senior officials can often focus on individual projects, rather than on assisting the sector as a whole. If departments engage only on a project level and do not look across the piece, they risk missing opportunities to benefit from partnership working with the sector and also may give undue weight to large civil society organisations participating in those programmes, when deciding their overall approach to the sector.

Figure 4

Approaches taken by departments to interacting with the civil society

Approach	Advantage to the department and the civil society sector
<p>Strategic partners are contracted to the Department to represent the civil society sector to the Department and feed information to the sector</p>	<p>Feeding concerns up from the front line to ministers</p>
<p>Strategic engagement through joint committees where the civil society informs departments at a strategic level of their concerns. These can be organised in a variety of ways</p>	<p>They facilitate contact at a senior level between the Department and the sector</p>
<ul style="list-style-type: none"> ● A minister nominates experienced individuals who provide a civil society sector perspective to the department 	<p>They allow the sector to input into the Department's strategy and vision for its work and raise strategic issues</p>
<ul style="list-style-type: none"> ● Through a general stakeholder group 	
<ul style="list-style-type: none"> ● Quarterly meetings between senior officials and major civil society sector stakeholders 	
<ul style="list-style-type: none"> ● Policy and strategy meetings for the entire department 	
<p>Engagement in policy areas</p>	
<ul style="list-style-type: none"> ● Meetings between ministers, civil servants and the civil society sector as policy is formulated 	<p>Allows the sector to feed in to policy during its development, but also as it is implemented</p>
<ul style="list-style-type: none"> ● Meetings to review policy during its implementation between the sector and civil servants 	

Source: National Audit Office

2.7 Despite these structures, the civil society sector's responses to our consultation agree that departments could be more visible in their leadership and championing of Compact implementation and clearly publicise their Compact lead. Departments themselves were unclear about who their most appropriate Compact contact was in other departments.

2.8 With regard to Non-Departmental Public Bodies, departments view themselves as supervisors and regulators rather than as active facilitators of Non-Departmental Public Body's Compact compliance. Despite this view there was a variation in the level of engagement across departments.

- One department saw its Non-Departmental Public Bodies as experts on the civil society sector. Consequently it takes a regulatory, hands-off role.
- One department has an internal third sector network which includes their Non-Departmental Public Bodies which have the most contact with the sector.

Supporting implementation

2.9 Departments can support their staff in the implementation of the Compact in a variety of different ways. For example, they can embed the Compact in guidance and training, and share good practice (internally and externally). The approach adopted by each department will vary according to its particular needs and organisational structure, examples of good practice which are set out below.

- Two departments have incorporated the Compact into their own cross departmental guidance on matters like grant funding and procurement and one department maintained an intranet page on the Compact.
- Five departments participated in the National Council for Voluntary Organisations work shadowing scheme 'A day in the life'.
- Two departments seconded small numbers of staff to and from civil society organisations.
- Two departments invited civil society sector representatives to deliver talks to staff.

2.10 We also identified five examples of departments sharing good practice with each other. One department, for example, sought expertise when developing its strategic partner programme from another department with an established programme. We found that departments we interviewed were proactively building links with each other as well and organising exchanges of good practice. However such links were ad hoc and relied on the personal networks of individual staff.

2.11 Departments are required by the Compact to support the civil society organisations in their engagement with government by building capacity. The civil society sector faces a number of issues in engaging with government. For example, the size of organisations, their ability to tender for work, and knowledge of when and where work is available can act as barriers to working in partnership with government. We found some good practice examples, set out below, where departments had taken steps to build capacity in the civil society sector.

- Running events so that the providers for a particular programme, including those from the civil society, could build networks and share good practice.
- Granting money to large organisations to mentor smaller ones.
- Providing 'toolkits' to assist volunteers and small charities in carrying out and administering the work that the department wished them to perform.
- Creating a streamlined process for security clearances, so that volunteers could quickly begin work.

2.12 Departments have to work with a wide variety of organisations. Through our consultation, the civil society expressed concerns about how departments treat smaller organisations, in particular in sub-contracting relationships. One department has devised a national standard with which contractors must comply in their relationships with sub contractors. Another is looking to use its strategic partners programme to enable smaller organisations to contribute to the design of policy.

Raising awareness

2.13 The nature of the Compact and of a department's interactions with the civil society means the Compact can apply to many aspects of a department's business. Raising awareness of the Compact can help to embed its principles through the department's daily operations. An absence of awareness of the Compact could undermine partnership working with the civil society and potentially lead to the Compact principles not being followed. The civil society noted that although there was a high level of awareness of Compact issues within department's civil society teams, general awareness across departments outside these teams was much lower.

2.14 Departments had taken a variety of steps to raise awareness of the Compact.

- Seven of the nine departments we interviewed told us they had undertaken or planned to undertake some form of promotion of the renewed Compact.
- A third of the departments we met during our review took the opportunity to promote the Compact aims and principles during the annual Compact Week, held in November. One department publicised the Compact on their internal television system during Compact week.
- Since the renewal of the Compact, one department we spoke to have emailed all staff to make them aware of the renewal and another department specifically targeted emails at senior responsible officers in policy delivery areas.
- Four of the nine departments used their intranet to promote the renewed Compact – for example, explaining its purpose and potential relevance to the department's work, providing links to the Compact, and providing contact details of the department's team with responsibility for the Compact. One department provided an example of what successful Compact implementation looks like to show how following the Compact can have benefit.

2.15 Externally, the annual Compact Voice awards⁷ publicises good practice. In 2011, the Department for Communities and Local Government won the national award for its Best Value guidance on how councils should engage with the voluntary sector in making cuts to programs as part of the Spending Review. The Department plans to use the award as a means of raising staff awareness about Compact working.

2.16 Of the nine departments we interviewed two maintain an external webpage that provides a brief description of the Compact and directs people to either the Compact or Compact Voice for further information. Of the other seven departments, four had no Compact related webpage and three either referred directly to the Compact through an announcement or indirectly on pages about volunteering for example.

⁷ The Compact Voice awards are an opportunity to highlight and reward outstanding examples of partnership working.

Monitoring and reporting

2.17 Clear arrangements for monitoring and reporting on the Compact's implementation can help:

- assist transparency of and accountability for the Compact's implementation;
- embed Compact principles in department's day-to-day operations;
- support effective decision-making; and
- identify areas of good practice and areas of concern.

2.18 The nine departments we visited as part of our review did not have specific mechanisms for monitoring and reporting on their implementation of the Compact. Nor had departments completed internal or external reviews of Compact implementation. We did however identify some ad hoc reviews. Since the renewed Compact was published one department we interviewed has completed and one department plans to complete, some form of review of how they work with civil society organisations.

- A high level review on how to embed the Compact. The review identified a number of actions, including embedding Compact principles in policy making tools and the Department's grant making framework. The review also considered policy area staffs' understanding and use of the Compact, the arrangements and experiences of other government departments, and the views of the sector.
- One department plans, later in 2011-12, to map its work with the civil society sector, which will include Compact implementation.

2.19 Monitoring and reporting arrangements will also help support a department's submissions to the Business Plan (paragraph 1.5, second bullet). All except two departments were aware of the new requirement. At the time of our interviews departments had not received guidance on what statements should be included in their Business Plan. Recognising the relatively early stage in the timetable for publishing the 2012-13 Business Plans, we found an absence of department arrangements for how they will meet this reporting requirement.

2.20 In the absence of monitoring arrangements departments rely on the civil society organisations complaining when the Compact is not followed to identify issues of concern. All the departments we met rely on their department's complaints procedures directing complaints about the Compact to them. This approach has two weaknesses.

- It relies on departmental officials with responsibilities for handling complaints recognising the issue raised as relevant to the Compact.
- Departments tend to view an absence of complaints about the Compact as an indication that no action is required. However, this does not necessarily indicate partnership working and therefore that Compact principles are fully embedded in departments (paragraph 3.12).

2.21 Many of the Compact's undertakings are difficult to measure. However one undertaking on consultations does clearly set out timeframes to follow where appropriate. The Compact states that 'where it is appropriate, and enables meaningful engagement, conduct 12 week formal written consultations, with clear explanations and rationale for shorter time-frames or a more informal approach.' We reviewed all nine departments' consultations published since the Compact's renewal.⁸ Of the 209 consultations 40 per cent did not meet the 12 week period; of these, 54 per cent did not appear to provide an explanation as to why the consultation period was less than 12 weeks.

⁸ Consultations are not specifically targeted at the civil society, but the civil society could respond to all consultations. The analysis is intended to act as a proxy measure.

Part Three

Central oversight of the Compact

3.1 This part of the report reviews the role of the Cabinet Office in the oversight of the Compact's implementation.

The role of the Office for Civil Society

3.2 The Cabinet Office's overarching purpose is to make government work better. It supports the Prime Minister and the Cabinet, and looks to help ensure effective development, coordination and implementation of policy and operations across all government departments. It also leads work to help ensure that the civil service provides the most effective and efficient support to government to help it meet its objectives.

3.3 The Office for Civil Society, part of the Efficiency and Reform Group in the Cabinet Office, works across government departments to translate the Coalition Government's Big Society agenda into practical policies and to provide support to voluntary and community organisations. More specifically, it is responsible for a number of key initiatives, such as the Big Society Capital, National Citizen Service and Community Organisers.⁹

3.4 The Cabinet Office, through the Office for Civil Society, is responsible for all matters related to the Compact. The Office for Civil Society is split into eight teams, with responsibility for the Compact sitting with the Sector Reform team.¹⁰ The Office estimates that, currently, 0.20 full-time equivalent is applied to work on the Compact.

3.5 The Office for Civil Society's precise role with regard to the Compact is unclear. Whilst the Guide states that 'responsibility for the Compact within government sits with the Office for Civil Society', the nature of these responsibilities are not set out in the Compact itself, in the Guide or on the Cabinet Office's website. One department said that it was unsure who was responsible for the Compact – the Cabinet Office or the Department for Communities and Local Government, and that the relationship between the two was confusing.

Oversight of the Compact's implementation

3.6 For the four year period to March 2011, the Commission for the Compact was the independent body¹¹ with responsibility for overseeing the Compact. The Commission's purpose was to 'promote the voluntary and community sector for the benefit of the public by the strengthening of partnership working between public sector bodies and voluntary and community sector organisations through the operation of the Compact.' The Commission's objectives are set out in **Figure 5**.

9 Community Organiser plans to identify, train and support 5,000 people to help them make a difference to their community.

10 The other seven teams are Bank and Investment Funds, Local intelligence team, Social action, Mutuals and commissioning, Social economy, Behavioural insights and National Citizen Service.

11 The Commission for the Compact was a Non-Departmental Public Body, sponsored by the Office for Civil Society as a management unit of the Cabinet Office.

Figure 5**The Commission's objectives**

- Increase awareness and understanding of the Compact by public bodies and by voluntary and community sector organisations.
- Disseminate evidence of the benefits to public bodies and to voluntary and community sector organisations of working in accordance with the Compact.
- Promote adherence to the Compact by public bodies and by organisations in the voluntary and charity sector.
- Maintain the relevance of the Compact by ensuring that its contents keep pace with changes in legislation and developments in policy.

Source: Commission for the Compact Annual Report and Accounts 2010-11

3.7 On 14 October 2010, the Government published the results of its Public Bodies review.¹² The Commission was one of the bodies earmarked for abolition. It ceased to exist on 31 March 2011, and its objectives were not transferred to another organisation when it ceased to operate, although some of Compact Voice's current responsibilities are similar.

Supporting accountability

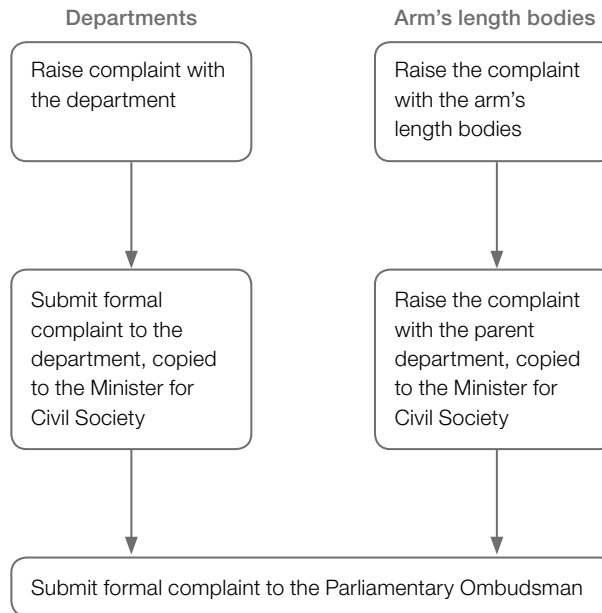
3.8 The Compact is a code of conduct for the relationship between central government departments and civil society organisations. Compliance with the Compact can be judged against compliance with its principles.

3.9 The Cabinet Office used to review the implementation of the Compact across government on an annual basis. This review informed the publication of an annual report on the Compact's implementation. The report focused on steps taken by departments to implement the Compact, providing examples of good practice and future challenges. The last version was published in January 2010, following a decision by the Cabinet Office not to fund this activity.

3.10 The Compact makes it clear that one reason for its renewal was to put in place options for dealing with departures from the Compact. It established a number of steps that civil society organisations can take if they believe that a government department has not upheld the Compact (**Figure 6** overleaf). These procedures are part of a department's more general complaints procedures.

¹² Details of the review are available on Number 10's website – <http://www.number10.gov.uk/wp-content/uploads/2010/10/2010-10-14-Public-bodies-list-FINAL.pdf>.

Figure 6
Complaints about government departments and arm's length bodies



Source: National Audit Office

3.11 Figure 6 shows that organisations should raise any complaint with the Department concerned in the first instance. The Guide directs organisations to the complaints procedures of the central government departments. Figure 6 also highlights the use of a dedicated email address to alert the Minister for Civil Society to potential non compliance. The Office for Civil Society told us that it had not received any emails from civil society alleging non compliance with the Compact. Nor has the Parliamentary Ombudsman recorded any complaints about the implementation of the Compact in the period from the publication of the renewed Compact to November 2011.

3.12 Of the nine departments we interviewed eight told us that they had not received or were not aware of any complaints about their implementation of the Compact since its renewal. Using complaints as an indicator of compliance has its difficulties, however. For example,

- a complaint about the Compact's implementation may have been made but not reached the department's team with responsibility for the Compact;
- a complaint could be made without referencing the Compact specifically;
- the department may depart from the Compact's principles but this may go undetected by the civil society; and
- a civil society organisation may decide not to report what it considers to be non-compliance.

3.13 The Guide identifies Compact Voice as a source of support for the Compact's implementation. Compact Voice is funded by the Cabinet Office – for the financial year 2010-11, Compact Voice received a grant of £308,000. Its remit extends to both national and local compacts. It represents and provides support to the civil society sector on issues related to the Compact, and it provides training and advice to the sector on using the Compact. Whilst Compact Voice exists to represent the sector, the Office for Civil Society also told us that it could refer any query it received from departments on the Compact to Compact Voice.

3.14 Compact Voice works closely with the Compact Advocacy Programme (the Programme), which is part of the National Council for Voluntary Organisations. The Programme can help identify potential instances where the Compact has not been followed and provides support to civil society organisations which consider that this has occurred. It has a role in identifying best practice and sharing this with civil society organisations. The Programme will represent, anonymously, civil society organisations which do not wish to openly challenge a decision made by a central government body.

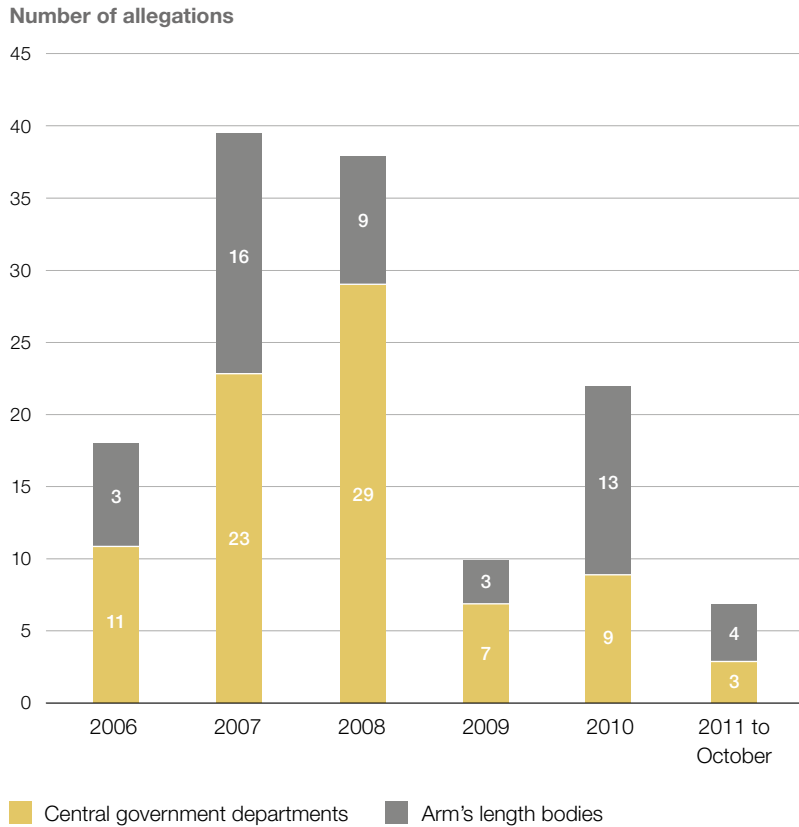
3.15 The Programme is the only central repository of information on potential instances where the Compact has not been followed, reported by the sector. It does not represent a complete picture of potential and actual non-compliance however and the figures from the Programme should not be regarded as a definitive assessment as to the working of central government departments. **Figure 7** overleaf shows the total number of alleged non compliance with the Compact for each year between 2006 and 2011 (to October) and **Figure 8** overleaf analyses alleged non compliance by type.¹³ Together they show that:

- in the period between 2006 to 2011, there has been a total of 130 allegations of non compliance with the Compact;
- the lowest number of allegations of non-compliance was in the period covered by the renewed Compact – seven in total; and
- 58 per cent focused on issues relating to funding and 17 per cent focused on issues related to consultation.

¹³ Whilst the focus of the review was on the renewed Compact, we examined historical data to provide a general picture of issues relating to the implementation of the Compact.

Figure 7

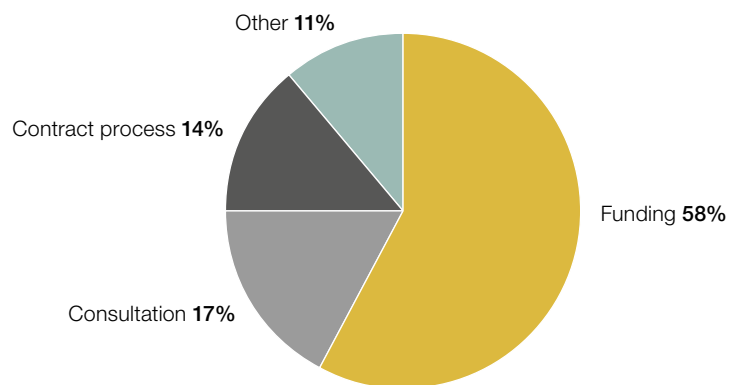
Allegations of non-compliance with the national Compact by type of body



Source: National Audit Office analysis of Compact Advocacy Programme data

Figure 8

Allegations of non-compliance with the national Compact – analysis by cause



Source: National Audit Office analysis of Compact Advocacy Programme data

3.16 The 130 allegations of instances where the Compact may not have been followed should be viewed against the number and diversity of the central government's interactions with civil society organisations. Notwithstanding their status as allegations, the information could be used by departments to focus their attention on particular areas of the Compact's implementation which requires attention.

- **The Office for Civil Society** could use the information to identify poor practice and then use to develop responses to minimise the risk of the non-compliance occurring again. Such information could then be circulated to departments as good practice.
- **Departments** could use this data to understand where improvements in their systems can be made. We found a department had used analysis of potential non-compliance in 2007-08 to inform the reform of its processes in 2008-09. Since the introduction of those reforms (including a Strategic Partners Forum), the department told us that it has not received any complaints regarding its implementation of the Compact.

Supporting transparency

3.17 The Guide states that 'from 2012-13, it is intended that government departments include a statement on how the Compact is being implemented in their Business Plans. This will demonstrate not only commitment but also how the Compact adds value and context at a more practical level.' Business Plans were introduced by the Coalition Government. They focus on priorities in the Coalition Agreement and are intended to provide a basis for accountability for those actions. The Prime Minister's Office is responsible for issuing guidance to departments on Business Plans. Guidance was issued to departments in December 2011.

3.18 Departments will need to have systems in place to gather information on practical examples of how their approach to the implementation of the Compact will add value (see Part 2 of this report).

Support for the Compact's implementation

3.19 Identifying and then disseminating good practice in how government departments implement the Compact is one way that performance can improve. The departments with which we spoke as part of this review considered there was value in such mechanisms. However, there are currently no mechanisms in place for doing this.

- Currently, there is no body centrally that identifies and disseminates good practice on the Compact's implementation. Whilst the Office for Civil Society's annual report on the Compact's implementation performed this function, it is no longer published. It views the annual Compact Voice awards as a means of sharing good practice.
- A cross-departmental Big Society Group was established in July 2010, with membership at Director General level, to provide strategic leadership on the Government's Big Society agenda.¹⁴ This Group has, to date, met ten times, most recently in October 2011. The Office for Civil Society is currently reviewing its arrangements for engaging across government.

¹⁴ The Office for Civil Society and its predecessor previously convened meetings of departmental civil society champions – senior officials with responsibility for promoting the Government's agenda with the civil society.

- The Guide stated the 'Informal Ministerial Group on the Big Society and Localism will be instrumental in monitoring the progress of the renewed Compact as well as being a key forum for raising concerns or dealing with breaches.' The Group has met three times since its creation in 2010 and discussed the Compact renewal process, however, the Compact has not been discussed since it was renewed. The group no longer exists and has temporarily been replaced with existing Cabinet Committee structures whilst the Cabinet Office reviews how it engages across Whitehall on the Big Society agenda.
- Compact Voice does provide examples of good practice on its website. However, the majority of these related to local compacts rather than the national compact. Moreover, their focus is on the voluntary sector's perspective, not on the approach taken by central government.

Appendix One

Methodology

The scope of our work

This report examines the implementation by central government departments of the national Compact since its renewal in December 2010. Specifically, we reviewed:

- the degree to which departments had systems in place to manage and direct their implementation of the Compact;
- the degree to which the Cabinet Office centrally managed and directed the implementation of the Compact; and
- the numbers of alleged complaints received about the Compact from civil society organisations.

We developed questions based on good practice in order to assess how departments were implementing the Compact. We piloted these questions with one department before beginning our fieldwork.

Our review focused on the national Compact in a domestic context. We have not completed any work on local Compacts or on the implementation of the national Compact by departments which have little involvement with domestic civil society organisations.

The review was not part of the National Audit Office's programme of value for money reviews.

The approach to our work

Work at departments and the Office for Civil Society

We conducted structured interviews with the civil society liaison officers at nine departments (see the table below). We selected those departments that have the most engagement with the civil society sector, using departmental spend with the sector as a proxy for the level of engagement. The nine departments we interviewed represent 98 per cent of spend with the civil society. The interviews took place between September 2011 and November 2011.

To supplement the interviews at nine departments we gave five departments we did not visit the opportunity, between November and December 2011, to respond to a short consultation exercise. We received four responses.

Departments interviewed	Departments consulted
Cabinet Office	Department for Business, Innovation and Skills
Department for Communities and Local Government	Department of Energy and Climate Change
Department for Culture, Media and Sport	Department for Transport
Department for Education	HM Revenue & Customs
Department for Environment, Food and Rural Affairs	HM Treasury
Department of Health	
Home Office	
Ministry of Justice	
Department for Work and Pensions	

Interviews with nine departments covered:

- the governance of the Compact within the department and its Non-Departmental Public Bodies;
- awareness of the Compact within the department and its Non-Departmental Public Bodies;
- support arrangements for the civil society sector from the department and its Non-Departmental Public Bodies; and
- the department's and Non-Departmental Public Bodies arrangements to review their implementation of the Compact.

Interviews were supplemented by document review. Such documents included Board papers, strategy documents, contracts between the sector and departments, action plans, guidance material and other documents. In addition, we examined evaluations of the Compact and other material concerning departments and their relationship with the sector.

We conducted a semi-structured interview with the Office for Civil Society within the Cabinet Office to understand its oversight of the Compact.

At the end of fieldwork, we ran a workshop for departments which was attended by seven out of the nine departments that we had interviewed. The workshop gave departments an opportunity to comment on our emerging findings and potential recommendations. Departments who were unable to attend received a copy of our emerging findings.

Consultation with the civil society

We conducted a consultation with the civil society sector. The consultation was launched on 6 October 2011 and closed on 18 November 2011. We publicised our consultation through:

- our website;
- Compact Voice and its board members; and
- umbrella organisations for the sector which committed to share the consultation with their members.

We received three responses, all of which came from umbrella bodies for the sector. These organisations represent several thousand individual bodies. In one case the response was informed by a survey sent out to over 100 organisations.

We met with the Board of Compact Voice early on in the fieldwork stage of our report to understand the sector's perspective on the Compact's implementation.

Appendix Two

Suggested tools and their effects

Departments have varied interactions with the sector and therefore should use different tools to enable them to implement the Compact. During our review, we identified some of the tools which would or do assist departments in implementing the Compact. The table below sets out these tools and how they could be used to assist in realising the principles laid out in Figure 3 on page 12 of this report.

Departments should choose the most appropriate tools to their circumstances. They should consider whether the tool is proportionate to their engagement with the sector and regularly assess whether the arrangements they have in place are both cost effective and implement the Compact appropriately. In line with Figure 3, departments, when choosing which tools to apply should consider the evidence base, proportionality and they should assess them periodically for appropriateness.

Principles	A. Leadership and ownership of the Compact’s implementation should be supported by proper arrangements	B. Arrangements should support internal and external reporting on the Compact’s implementation	C. Arrangements should support the identification and dissemination of good practice to help improve performance	D. Arrangements should support the evaluation of the Compact’s implementation	E. Arrangements should encourage transparent relationships with Civil Society
Senior Responsible Officer for the Compact	Appointing a responsible member of staff provides a focal point for the department’s governance structures				A senior responsible officer is a visible contact point for civil society
Cross-departmental groups/ cross government groups focusing on the Compact			cross-departmental groups provide a forum to share good practice		These groups can share good practice within or across Departments
Advisory Boards including representatives of the sector	Advisory Boards grant senior management access to the perspectives of the sector		Advisory Boards can allow the sector to raise concerns and feed into policy development inside a department		Advisory Boards enable civil society organisations to request information and publish it

Principles	A. Leadership and ownership of the Compact's implementation should be supported by proper arrangements	B. Arrangements should support internal and external reporting on the Compact's implementation	C. Arrangements should support the identification and dissemination of good practice to help improve performance	D. Arrangements should support the evaluation of the Compact's implementation	E. Arrangements should encourage transparent relationships with Civil Society
Departmental Business Plans	Disclosures from senior management force accountability through the organisation	Business plans report performance to an external audience	Business plans allow departments to understand best practice	Business Plans can stimulate the department to evaluate Compact implementation	Business Plans give an account from departments of their engagement with the sector
Board reporting on the Compact	Allows senior management to gain a perspective on the Compact	Board reporting reports to an internal audience		Scrutiny by the Board will prompt evaluation of the Compact's implementation	Board reporting enables civil society organisations to hold the Board to account
Annual Report disclosures concerning the Compact		Annual Reports report to an external and Parliamentary audience		Annual Reports provide an opportunity for the department to evaluate its processes	Annual Reports give an account from the Department to the sector of its arrangements
Communications with Non-Departmental Public Bodies about the Compact			Email lists including departments and Non-Departmental Public Bodies allow sharing of good practice		Communications with Non-Departmental Public Bodies ensure that departmental information concerning them is accurate and can be given to civil society
Compact Week and associated events			Compact Week events can include speakers on Compact implementation		
Events for supply chain providers about the department's policy agenda and expectations					Events can allow potential providers to better understand department plans and expectations

Principles	A. Leadership and ownership of the Compact's implementation should be supported by proper arrangements	B. Arrangements should support internal and external reporting on the Compact's implementation	C. Arrangements should support the identification and dissemination of good practice to help improve performance	D. Arrangements should support the evaluation of the Compact's implementation	E. Arrangements should encourage transparent relationships with Civil Society
Peer reviews and Internal Audits of Compact implementation	Peer reviews and Internal Audit grant management a perspective on the Compact	Peer reviews and Internal Audits provide third party assurance of the department's approach	Peer reviews allow experts to share good practice they have seen elsewhere	Peer reviews can provide independent analysis of the department's plan to implement the Compact	
Internal events and guidance on Compact working	Sets out for staff senior management's commitment to and expectations about the Compact and identifies the key lines of command relating to the Compact				
Mapping exercise of the departmental interactions with the sector	Identifies projects to senior management and identifies the structure of command for relations with the sector	A mapping exercise supports external and internal reports by identifying department engagement with the sector and its effectiveness			A mapping exercise allows departments to show the sector how they are engaging with it across the piece
Compact Awards			Compact Awards publicise good practice		Compact Awards publicise departmental efforts to implement the Compact

Principles	A. Leadership and ownership of the Compact's implementation should be supported by proper arrangements	B. Arrangements should support internal and external reporting on the Compact's implementation	C. Arrangements should support the identification and dissemination of good practice to help improve performance	D. Arrangements should support the evaluation of the Compact's implementation	E. Arrangements should encourage transparent relationships with Civil Society
Strategic Partners Programme (focusing on the sector)			Strategic partners can share good practice with their government colleagues and feedback concerns through departmental contacts		A strategic partners programme can clearly set out what Departments and Sector organisations can expect from one another
Cabinet Office oversight role of the Compact	Cabinet Office supervises the business of the Compact within government	Cabinet Office can report through its oversight role on the implementation of the entire Compact	Cabinet Office can share good practice across government	The Cabinet Office has a role in providing direction on conducting meaningful evaluations	The Cabinet Office can be a central contact point for the sector
Incorporating the Compact into new policy and guidance			Ensures that the new initiatives are Compact compliant		
Compact kitemark: accredited by Compact Voice or internal self assessment	Branding reinforces leadership messages about the importance of the Compact	External sign that a documented process is Compact compliant: creating confidence in the sector, for example policy consultations	Identifies a measure that is Compact compliant: provides therefore models for sharing		A compact kitemark shows the sector what departments see as Compact compliant and also which policies have been inspected for compliance

Where to find out more

The National Audit Office website is
www.nao.org.uk

David Clarke

Director Civil Society and Commissioning
020 7798 7766
david.clarke@nao.gsi.gov.uk

Twitter: @NAOorguk

This report has been printed on Consort 155 and contains material sourced from responsibly managed and sustainable forests certified in accordance with FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation. This ensures that they have effective procedures in place to manage waste and practices that may affect the environment.

Design & Production by
NAO Communications
DP Ref: 009794-001

© National Audit Office | January 2012

Printed by Precision Printing



National Audit Office

www.nao.org.uk