



National Audit Office

DEPARTMENTAL OVERVIEW

A summary of the NAO's work on the Department for International Development 2011-12

NOVEMBER 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 for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Amyas Morse, is an Officer of the House of Commons and leads the NAO, which employs some 860 staff. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of more than £1 billion in 2011.



National Audit Office

Contents

Introduction 4

Part One

About the Department **5**

Part Two

Financial management **13**

Part Three

Reported performance **17**

Appendix One

The Department's sponsored bodies **23**

Appendix Two

Results of the Civil Service People Survey 2011 **24**

Appendix Three

Publications by the NAO on the Department since 2010-11 **26**

Appendix Four

Recent cross-government NAO reports of relevance to the Department **27**

Appendix Five

Other sources of information **28**

Introduction

Aim and scope of this briefing

The primary purpose of this report is to provide the International Development Select Committee with a summary of the Department for International Development's performance since September 2011 based primarily on the Department's Accounts and National Audit Office work. The content of the report has been shared with the Department to ensure that the evidence presented is factually accurate.

Part One

About the Department

The Department's responsibilities

1 The Department for International Development (the Department) leads the Government's efforts to fight global poverty.¹ Its overall aim is to reduce poverty in poorer countries, in particular through achieving the Millennium Development Goals, as agreed by all United Nations member states.² The Department's priorities, as set out in its Business Plan, are to:

- honour international commitments;
- drive transparency, value for money and open government;
- boost wealth creation;
- strengthen governance and security in fragile and conflict-affected countries and make UK humanitarian response more effective;
- lead international action to improve the lives of women and girls; and
- combat climate change.³

Its other major responsibilities are to: respond to humanitarian disasters; deliver on obligations to the Overseas Territories; and influence the global development system.⁴

2 The Department has lead responsibility for the UK's commitment to spend 0.7 per cent of Gross National Income as Official Development Assistance from 2013.⁵ The Government is planning to enshrine this commitment in law as soon as parliamentary time allows, and by March 2015.⁶ The definition and detailed criteria for reporting aid as Official Development Assistance are set by the Development Assistance Committee of the Organisation for Economic Cooperation and Development.⁷

How the Department is organised

3 The Department had more than 2,400 (full time equivalent) staff in 2011-12, around half of whom worked in developing countries. The Department has two UK headquarters, in London and East Kilbride, and offices in 33 countries overseas.⁸

4 The Ministerial Board meets quarterly. It is chaired by the Secretary of State, and membership includes the Minister of State, the Parliamentary Under-Secretary of State, the House of Lords Spokesperson for International Development, the Permanent Secretary and the four Director General. It sets strategic direction and monitors progress, results and risks (including oversight of the implementation of the Department's Business Plan).⁹ The annual effectiveness review of the Ministerial Board (carried out in March 2012 by the lead non-executive board member) reported that it contributed to the Department's direction, focus on delivery and ways of working.¹⁰ There is also a Secretary of State's Ministerial Advisory Group, which brings together external participants to offer ideas and advice to the Department. The Ministerial Advisory Group met three times in 2011-12 and the two non-executive directors are invited to attend.¹¹

1 Department for International Development, *Annual Report and Accounts 2011-12*, p 7.

2 The Millennium Development Goals are a series of targets for addressing extreme poverty in its many dimensions. The internationally agreed framework of eight goals and 18 targets (complemented by 48 technical indicators) aims to halve poverty by 2015.

3 Department for International Development, *Business Plan 2012-2015*, May 2012, p 2.

4 British Overseas Territories are self-governed but are under British jurisdiction and have the Queen as head of state.

5 Official Development Assistance is reported in calendar years.

6 Structural Reform Plan priority 1.1, Department for International Development, *Business Plan 2012-2015*, May 2012, p 4.

7 Conditions include that the assistance is provided by official agencies, is administered with the promotion of economic development and welfare in developing countries as its main objective, and is concessional in character with a grant element of at least 25 per cent. For an overview see: Is it ODA? OECD Factsheet, November 2008. Available at: www.oecd.org/investment/aidstatistics/34086975.pdf

8 The Department's Annual Report and Accounts 2011-12 indicates that, as at March 2012, the Department employed 1,562 full-time equivalent civil service staff in the UK and overseas (Table B5, p197), and, including locally employed staff, had 2,413 full-time equivalent permanently employed staff (Table 8, p154). The Department has confirmed to us that the number of country offices in 2011-12 was 33.

9 Department for International Development, *Annual Report and Accounts 2011-12*, pp 118-9.

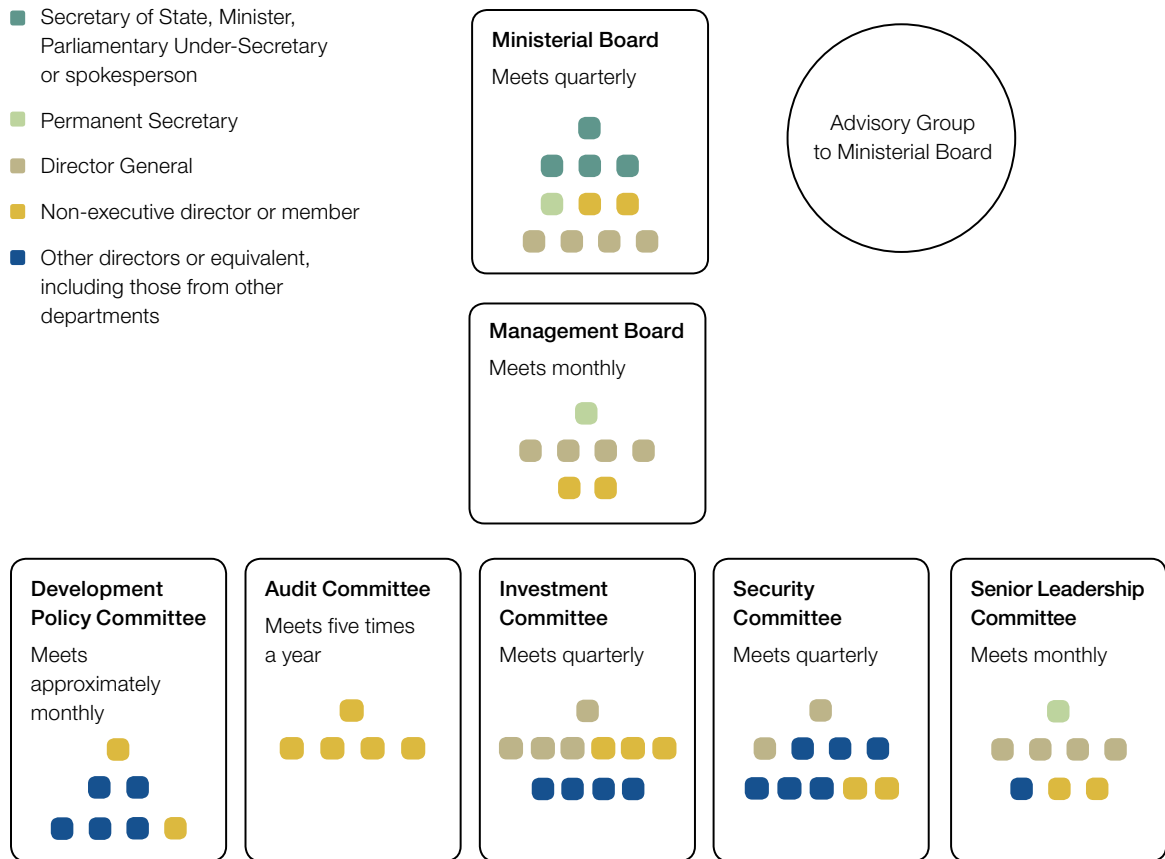
10 Department for International Development, *Annual Report and Accounts 2011-12*, p 120.

11 Department for International Development, *Annual Report and Accounts 2011-12*, p 5.

5 The Department's Management Board, chaired by the Permanent Secretary, meets monthly and its purpose is to provide strategic direction to the management of the Department's operations, staff and financial resources. In July 2012 it comprised four Directors General and two non-executive directors. The Management Board is supported by five sub-committees; the Development Policy Committee, Audit Committee, Investment Committee, Security Committee and Senior Leadership Committee. The structure of the Ministerial and Management Boards, along with their sub-committees is set out in **Figure 1**.

6 The Department has one executive non-departmental public body, the Commonwealth Scholarship Commission, and one advisory non-departmental public body, the Independent Commission for Aid Impact. The Department provides the Commonwealth Scholarship Commission with around £20 million per annum to fund scholarships and fellowships to citizens of Commonwealth and developing countries to attend university in the UK and abroad. The Independent Commission for Aid Impact focuses on maximising the impact and effectiveness of the UK aid budget for intended beneficiaries and the delivery of value for money for the UK taxpayer. It submits its reports directly to the International Development Select Committee. The Commission had a budget of £2.6 million in 2011-12.¹²

Figure 1
The Department's Ministerial and Management Boards



Source: National Audit Office analysis of information on Department's website. Available at: www.dfid.gov.uk/About-us/Our-organisation/Governance

¹² Department for International Development, *Annual Report and Accounts 2011-12*, p 147. The Department's Annual Report shows outturn of £2.116 million against an estimate of £2.635 million.

7 The Department also wholly owns CDC Group plc, formerly the Commonwealth Development Corporation. CDC Group plc is the UK's development finance institution¹³ and makes commercial investments in private firms in developing countries. It has not received any new government funding since 1995 and finances its activities by recycling its portfolio of investments. The Department worked with the CDC Group plc to produce a new strategy, which was published in May 2012.¹⁴ The strategy aims to increase development impact over the period to 2015 with emphasis on building businesses in the poorest countries. The Ministerial Board has stated that it plans to improve its oversight of the strategy and performance of the CDC Group plc.¹⁵

8 During 2011-12 the Department had a 40 per cent shareholding in a fund management limited liability partnership, Actis LLP. The Department completed the planned disposal of this shareholding on 30 April 2012.

Where the Department spends its money

9 In 2011-12, the Department's total expenditure was £7.9 billion, which includes administration and Annually Managed Expenditure as well as programme expenditure.¹⁶ Its programme expenditure was £7.7 billion,¹⁷ an increase from £7.6 billion in 2010-11.¹⁸

Figure 2 overleaf sets out the Department's main areas of spending (by division) in the financial year 2011-12.

10 Within programme expenditure, £3,416 million was spent directly on country and regional programmes. More than half of country and regional programme expenditure (£1,838 million, or 53 per cent) was spent in Africa. The Department's largest single country programme was Ethiopia where the Department's total country programme expenditure was £324 million. Expenditure on the five largest country programmes is shown in **Figure 3** on page 9.

11 In 2011-12 the Department provided nearly £600 million of aid direct to 13 governments in support of their poverty reduction strategies. This included both general and sector-specific budget support to finance the countries' own programmes to reduce poverty. The countries who received the most aid of this kind were Ethiopia and Tanzania, with £130 million and £80 million respectively.¹⁹

12 The Department's multilateral expenditure was primarily spent through its International Finance and International Relations divisions (Figure 2). Forty-four per cent of the Department's programme expenditure in 2011-12 was through core funding²⁰ to multilateral organisations (£3.4 billion out of a total programme spend of £7.7 billion).²¹

13 The Department has one 'major project' as defined by the Cabinet Office: building an airport in St Helena, a small island in the South Atlantic.²² The 'St Helena Access Project' is the UK's largest single investment in an overseas territory with a whole-life cost of £246 million.

13 Department for International Development, *Annual Report and Accounts 2011-12*, p 92.

14 CDC Group, *CDC strategy*, May 2012. Available at: www.cdcgroup.com/uploads/cdcstrategypresentation_20120531.pdf

15 Department for International Development, *Annual Report and Accounts 2011-12*, p 120.

16 Department for International Development's *Annual Report and Accounts 2011-12*, p 35. Administration expenditure in 2011-12 was £123 million, admin capital was (£9) million and Annually Managed Expenditure (which includes expenditure which is hard to predict) was £44 million. This explains the difference between the total expenditure (£7,873 million) and total programme expenditure (£7,716 million). Note: total programme expenditure includes £29.7 million of funds which the Department received back from investments (returned funds), meaning that the total understates the actual amount spent by this amount.

17 Department for International Development, *Annual Report and Accounts 2011-12*, p 36. This includes resource programme, programme capital and Front Line Delivery (staff that support the delivery of programmes, including evaluation) but excludes resource administration, administration capital and Annually Managed Expenditure.

18 Department for International Development's *Annual Report and Accounts 2010-11*, p 14.

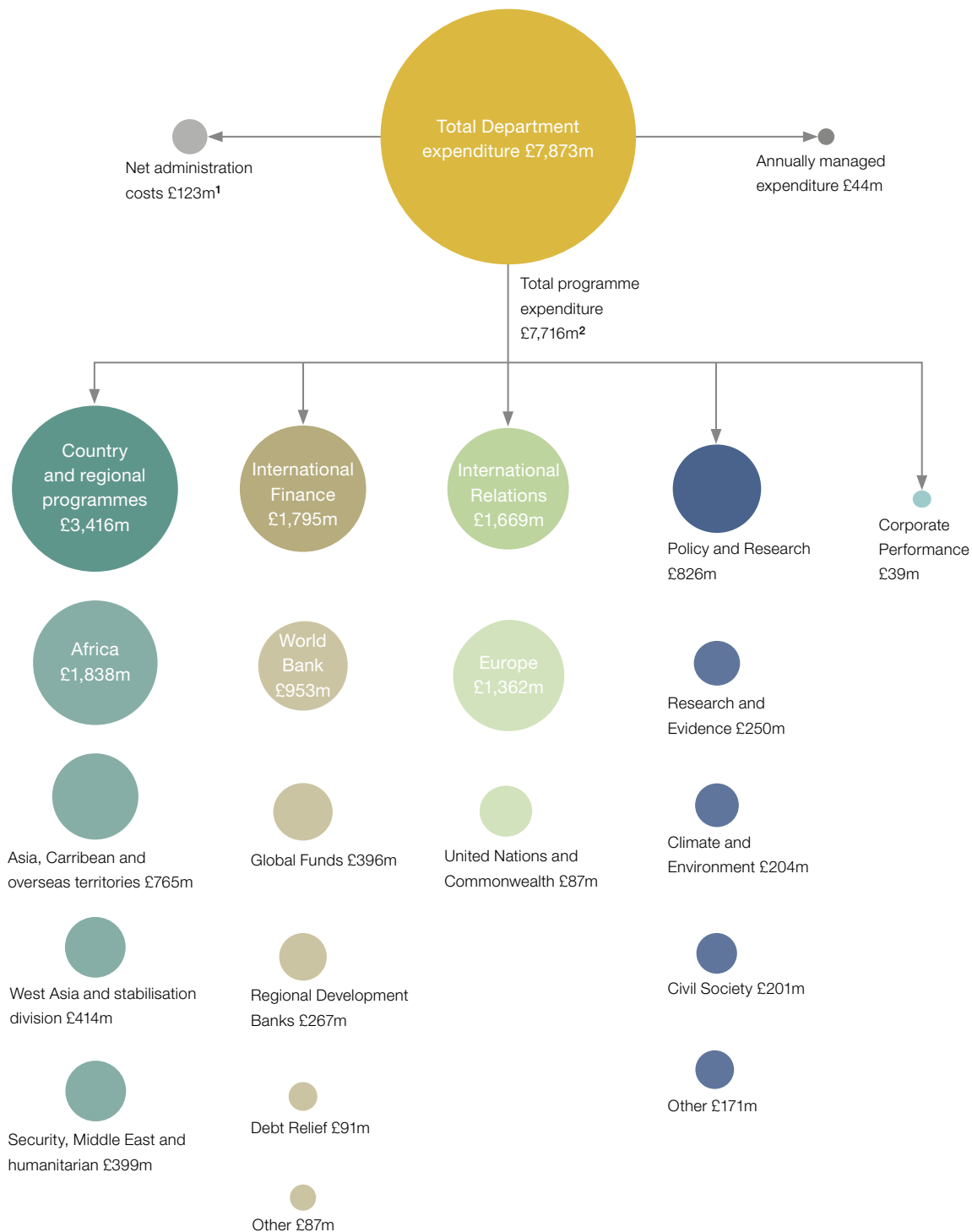
19 Department for International Development, *Annual Report and Accounts 2011-12*, p 90.

20 Core funding is not earmarked for a specific purpose; its use is determined by the management and board of the multilateral organisation within objectives agreed by all members.

21 Department for International Development, *Annual Report and Accounts 2011-12*, p 75.

22 Department for International Development, *Annual Report and Accounts 2011-12*, p 39.

Figure 2
Where the Department's money went in 2011-12



NOTES

- 1 Capital administrative expenditure of £9 million is included in net administration costs, but excluded from total departmental expenditure.
- 2 This includes £30 million of returned funds.

Source: National Audit Office presentation of data taken from the Department for International Development's Annual Report and Accounts 2011-12, pp 35-36

Figure 3
The Department's top five country programmes 2011-12

Country Programme	Expenditure £m
Ethiopia	324
India	268
Pakistan	216
Bangladesh	203
Nigeria	172

Source: Department for International Development, *Annual Report and Accounts 2011-12*, p 35

Recent developments and current challenges

14 In 2011-12, the Department made a number of changes to the way it manages aid programmes. It reported that it continued to implement the findings of the bilateral and multilateral reviews that it carried out in 2010-11, including ending its aid relationship with 12 countries.²³ It also launched a new humanitarian policy in September 2011, based on its June 2011 response²⁴ to the independent Humanitarian Emergency Response Review, published in March 2011. The Department reported that it has strengthened procedures for project investment decisions, requiring all proposed projects to have a business case based on the HM Treasury good practice model, and revised its approach to annual reviews and project scoring.²⁵ All proposals for large-scale projects (£40 million and above) are subject to review through the Department's quality assurance unit. The Department reports that it publishes on its website financial information and project documents for new projects over £500.²⁶ It is piloting projects which use 'payment by results' in Uganda, Rwanda and Ethiopia.²⁷

15 The Independent Commission for Aid Impact (the Commission), which became operational in May 2011, provides additional scrutiny of the Department's spending. The Commission, which submits its reports to the International Development Select Committee, completed 14 reports by September 2012 including one which set out its approach to assessing value for money. The reports use a four-point 'traffic light' scale to assess performance (green, green/amber, amber/red and red) against criteria of objectives, delivery, impact and learning. The Department was awarded the best ratings for its performance in learning and impact but performed least well on delivery. In terms of overall scores for the 13 reports that rate the Department, the Commission gave eight green/amber ratings and five amber/red ratings.²⁸ As at September 2012, the Commission had made 60 recommendations. The Department had accepted 50 of these in full, eight partially and rejected two, which it thought could be better addressed in other ways. The Department has committed itself to 119 actions as a result of those recommendations. As at September 2012, 43 of these actions were complete and 76 were ongoing.²⁹

23 Department for International Development, *Annual Report and Accounts 2011-12*, p 8. The 12 countries are: Angola, Bosnia, Burundi, Cambodia, China, Iraq, Kosovo, Lesotho, Moldova, Niger, Russia and Serbia.

24 Department for International Development, *Humanitarian Emergency Review: UK government response*, June 2011.

25 Department for International Development, *Annual Report and Accounts 2011-12*, p 85.

26 Department for International Development, *Annual Report and Accounts 2011-12*, p 88.

27 Department for International Development, *Annual Report and Accounts 2011-12*, p 85.

28 Source is analysis of reports on the Commission's website: Available at: ica.i.independent.gov.uk/. The Commission's Annual Report (p17) lists the scores from the first 11 reports.

29 Mark Lowcock evidence to International Development Select Committee, 26 June 2012. Available at: www.publications.parliament.uk/pa/cm201213/cmselect/cmintdev/c402/c40201.htm

16 The Department is operating with an increasing programme budget. The Spending Review 2010 planned to increase the Department's budget from £8.56 billion in 2012-13 to £11.03 billion in 2013-14, to meet the government's commitment for Official Development Assistance to represent 0.7 per cent of Gross National Income from 2013. HM Treasury revised the Department's budget allocations in the November 2011 Autumn Statement to reflect revised lower economic growth forecasts. **Figure 4** shows the impact of these changes on the annual budgets in the Department's business plans.

17 The Department has taken an active role in international development issues by contributing to a number of international events in 2011-12. The UK also hosted several conferences which include a pledging conference for the GAVI Alliance³⁰ in June 2011, which was opened by the UK Prime Minister. At this event, international leaders committed to immunise more than 250 million children and pledged \$4.3 billion of additional funding against the initial target of US\$3.7 billion. The Department also hosted a summit on family planning in June 2012.

Capability and leadership

18 In 2006, the Cabinet Office launched a programme of Capability Reviews to assess departments' leadership, strategy and delivery – to improve departmental readiness for future challenges and to enable departments to act on long-term key development areas. Departments are required to conduct and publish self-assessments and resultant action plans against standard criteria set out in the Cabinet Office model of capability, which was updated in July 2009.³¹ Departments must rate their capability against ten criteria under three themes:

- **Leadership criteria** – 'set direction'; 'ignite passion, pace and drive'; and 'develop people'.
- **Strategy criteria** – 'set strategy and focus on outcomes'; 'base choices on evidence and customer insight'; and 'collaborate and build common purpose'.
- **Delivery criteria** – 'innovate and improve delivery'; 'plan, resource and prioritise'; 'develop clear roles, responsibilities and delivery models'; and 'manage performance and value for money'.

19 The Department conducted its capability self-assessment (undertaken by two non-executive directors on the Department's management board) and published its latest capability action plan in April 2012. This rated the Department's performance as green against two of the ten criteria and amber/green against the remaining eight criteria. **Figure 5** summarises the findings.

20 The Civil Service People Survey aims to provide consistent and robust metrics to help government understand the key drivers of engagement, so that it can build upon strengths and tackle weaknesses across the civil service. The survey of civil servants across all participating organisations includes a range of questions across nine themes which seek to measure their experiences at work. We present here the results of the third annual people survey for the Department – undertaken between mid-September 2011 and mid-October 2011 – covering the themes of leadership and managing change, and understanding of organisational objectives and purpose (**Figure 6** on page 12). The results of 17 major departments are in Appendix Two.

21 As part of the annual survey, each Department receives an engagement index, assessing the level of staff engagement determined by: the extent to which staff speak positively of the organisation, are emotionally attached and committed to it, and are motivated to do the best for the organisation. In 2011, the Department, excluding its sponsored bodies, achieved an engagement index of 70 per cent, one point lower than the 2010 survey recorded, but 14 percentage points above the 2011 civil service average, and the highest among the government departments. There has been a 9 per cent increase in the numbers of staff who believe that the Management Board has a clear vision for the future of the Department, which is 21 per cent above that of the civil service average. The Department's overall response rate, including locally employed staff, was 89 per cent, compared with the average response rate across the civil service of 60 per cent.

30 The GAVI Alliance (formerly the Global Alliance for Vaccinations and Immunisation) is a private-public partnership that works to save lives by vaccinating children in developing countries.

31 Available at: www.civilservice.gov.uk/about/improving/capability/model

Figure 4


The original and revised departmental budgets for 2012-13 to 2014-15

Year	Original budget – May 2011 (£bn)	Revised budget – May 2012 (£bn)
2012-13	8.56	8.16
2013-14	11.03	10.76
2014-15	11.15	10.62


Source: Original budget from DFID Business Plan 2011–15, May 2011, p 20. Revised budget from DFID Business Plan 2012–15, May 2012, p 14. This shows Total Departmental Expenditure Limits, and excludes Annually Managed Expenditure and depreciation

Figure 5




Results of Department's capability action plan/self-assessment

Leadership**Assessment**Set direction Ignite passion, pace and drive Develop people 

Narrative: The Department assessed that it has a clear direction and senior leaders are harnessing the passion of staff. It should strengthen leadership and management skills and make them more consistent across the organisation.

StrategySet strategy and focus on outcomes Base choices on evidence and customer insight Collaborate and build common purpose 

Narrative: The Department assessed that it has a well-defined strategy and is regarded as a leader among donors and respected partners in Whitehall. However, further progress is needed to embed the new policy areas across the Department.

DeliveryInnovate and improve delivery Plan, resource and prioritise Develop clear roles, responsibilities
and delivery models Manage performance and value for money 

Narrative: The Department assessed that it has considerably increased its focus on value for money. However, in light of increased challenges, more work is required to embed the culture of value for money throughout the organisation.

Source: Department for International Development: Capability action plan, 2012

Figure 6
2011 Civil Service People Survey: Department for International Development (excluding agencies)

Theme	Theme score (% positive)	Difference from 2010 survey	Difference from civil service average 2011 ²
Leadership and managing change			
I feel that the Department as a whole is managed well	60	0	+20
Senior managers in the Department are sufficiently visible	68	+3	+22
I believe the actions of senior managers are consistent with the Department's values	57	0	+18
I believe that the management board has a clear vision for the future of the Department	60	+9	+21
Overall, I have confidence in the decisions made by the Department's senior managers	53	+3	+17
I feel that change is managed well in the Department	40	0	+13
When changes are made in the Department they are usually for the better	29	-1	+7
The Department keeps me informed about matters that affect me	68	+2	+13
I have the opportunity to contribute my views before decisions are made that affect me	47	+3	+12
I think it is safe to challenge the way things are done in the Department	43	+2	+5
Organisational objectives and purpose			
I have a clear understanding of the Department's purpose	94	0	+11
I have a clear understanding of the Department's objectives	93	+1	+14
I understand how my work contributes to the Department's objectives	90	0	+9

NOTES

- 1 Percentage positive measures the proportion of respondents who selected either "agree" or "strongly agree" for a question.
- 2 The 2011 benchmark is the median per cent positive across all organisations that participated in the 2011 Civil Service People Survey.

Source: *Department of International Development Results 2010, 2011*. Available at: www.dfid.gov.uk/Documents/recruitment/ppi-srvy-dfid-2011.pdf

Part Two

Financial management

22 The ability of departments to control costs and drive out waste requires professional financial management and reporting. In particular, departments need to be better at linking costs to services and benchmarking performance to determine whether costs are justified and value for money can be improved. Organisations also need to move their risk management arrangements from a process-led approach to one which supports the efficient and effective delivery of services. Improvements in these areas of management will help public bodies to deliver cost-effective services as they make difficult financial decisions over the coming years.

23 Departments are required to publish Governance Statements with their Annual Report and Accounts, which describe their arrangements for corporate governance, risk management and oversight of locally delivered responsibilities. Governance Statements replace Statements on Internal Control, which were published in previous years. They are designed to include additional discussion of how governance in the Department works, in line with the Corporate Governance Code.³²

Financial outturn for 2011-12 and comparison with budget

24 In 2011, the Department changed its approach to allocating resources from a geographic approach to one focused on development policy priorities. In accordance with the Business Plan and Structural Reform Plan, resources were allocated to deliver results within five thematic areas, or 'pillars'. During 2011-12 the department developed its processes around forecasting and monitoring spending within these thematic areas. In 2011-12, the Department underspent its £7.2 billion total estimate by £270 million,

an underspend of 3.75 per cent.³³ Within this there were sizeable differences between the estimate and out-turn across the approved categories of expenditure (in particular across the newly introduced thematic areas). The Department spent 165 per cent more than the estimate for Global Partnerships, and 11 per cent more than the estimate on the Conflict Pool. These were offset by spending 29 per cent less than the estimate on Direct Delivery of Millennium Development Goals and 11 per cent less than the estimate on Total Operating Costs. The Department submitted requests to HM Treasury for permission to transfer surpluses to cover deficits.³⁴

25 Provisional figures showed UK Official Development Assistance totalled £8.6 billion in 2011, equal to 0.56 per cent of UK Gross National Income. The Department's own expenditure accounted for 89 per cent of total UK Official Development Assistance in 2011.³⁵

Progress on cost reduction

26 Departments remain under pressure to reduce costs. The scale of cost reduction required means that departments need to look beyond immediate short-term savings, and think more radically about how to take cost out of the business and how to sustain this in the longer term.

27 In our report *Cost reduction in Central Government: A Summary of Progress*³⁶ published in February 2012, we examined the cost reductions achieved by 12 government departments. We found that departments successfully cut spending by £7.9 billion (2.3 per cent) in 2010-11 compared with 2009-10, but further cuts are needed in most departments over the next four years. We concluded that fundamental changes are needed in government to achieve sustainable reductions on the scale required – departments will achieve long-term value for money only if they identify and implement new ways of delivering their objectives, with a permanently lower cost base.

32 Available at: www.hm-treasury.gov.uk/psr_governance_corporate.htm

33 The total estimate is lower than the total expenditure shown in Figure 2. The total estimate does not include the UK's share of the European Commission's development spending as this is made from the Consolidated Fund, although this is included in its budget and total expenditure.

34 Department for International Development, *Annual Report and Accounts 2011-12*, p 96.

35 Full details of the non-DFID ODA can be found in Table H of the Department for International Development, *Annual Report and Accounts 2011-12*, p37. These include contributions from other government departments, of which the three largest elements are the Conflict Pool (MOD and FCO), Foreign and Commonwealth Office and the Department of Energy and Climate Change.

36 Comptroller and Auditor General, *Cost reduction in central government: summary of progress*, Session 2010-2012, HC 1788, National Audit Office, February 2012.

28 While the Department is operating with an increasing overall budget, it shares the aim of other government departments to improve internal efficiency and reduce administration costs. Accordingly, the Department is required to reduce its administration costs by one-third in real terms between 2010-11 and 2014-15. In 2011-12 the Department reduced its net administration costs by £27.6 million, a reduction of 18.8 per cent on the previous year. This reduction was larger than originally anticipated as outturn was 11 per cent below the estimate of £138 million at £123 million, largely because the Department had not filled vacant staff posts throughout the year.³⁷

29 The Department has contributed to the cross-Whitehall accommodation review, which has sought to make more effective use of government-owned accommodation. In order to reduce its longer-term accommodation costs, the Department will vacate its premises on Palace Street and move to 22/26 Whitehall, a property the government owns freehold.³⁸ As well as reducing costs, the Department believes the move will have operational advantages as it seeks to work more closely with other departments.

NAO reports on financial management

30 Our report on the Department's financial management (April 2011) found that the Department had improved its core financial management and strengthened its focus on value for money, but key gaps in financial management maturity remained, particularly around its approach to fraud and corruption.³⁹ The changes the Department had introduced, such as allocating resources on the basis of results it expects to achieve, are positive and provide a platform to address the challenges that will come with its increased spending. The Committee of Public Accounts welcomed the Department's recognition that it needed to improve its financial management and its focus on value for money.⁴⁰

31 In response to the report from the Committee of Public Accounts,⁴¹ in February 2012 the Department confirmed the publication of its finance improvement plan, which draws on the Financial Management Maturity Model developed by the NAO and recommendations of the Independent Commission for Aid Impact. The plan outlines the Department's approach to improving its financial capability and reporting, and preventing and detecting fraud and corruption.⁴² Other features of the plan are to introduce value for money assessment for all investments and to develop rigorous forecasting.⁴³ The Department also noted a new requirement for its business cases to include an assessment of both financial risk and fraud, and the financial management and accountability systems of partner organisations.

32 In March 2012 we produced a review of the Conflict Pool, which funds discretionary activities that support conflict prevention, stabilisation and contribute to peacekeeping overseas.⁴⁴ The Pool is tri-departmental and is managed by the Foreign and Commonwealth Office, the Ministry of Defence and the Department. Our review focused on governance arrangements; decision-making and allocating resources; monitoring and evaluation; and how effectively the three departments work together. Our review had a number of findings on financial management and efficiency that are specific to the way the Conflict Pool is managed. We found that the establishment of the Building Stability Overseas Strategy,⁴⁵ jointly owned by the three departments, had been a positive move in clarifying high level objectives and that there was good practice in working collaboratively. However, efficient financial management and reporting was constrained by the different reporting systems of each department and a lack of efficiency incentives.

37 Department for International Development, *Annual Report and Accounts 2011-12*, pp 94-5.

38 Department for International Development, *Annual Report and Accounts 2011-12*, p 109.

39 Comptroller and Auditor General, *Department for International Development: Financial Management Report*, Session 2010-2012, HC 820, National Audit Office, April 2011.

40 HC Committee of Public Accounts, *Financial Management Report*, Fifty-second Report of Session 2010-2012, HC 1398, October 2011; Comptroller and Auditor General, *Department for International Development, Financial Management Report*, Session 2010-2012, HC 820, National Audit Office, April 2011.

41 HM Treasury, *Government response on the Fifty-second Report*, Session 2010-2012, Cm 8305, February 2012.

42 Available at: www.dfid.gov.uk/Documents/publications1/finance-imp-plan.pdf, p 6.

43 Available at: www.dfid.gov.uk/Documents/publications1/finance-imp-plan.pdf, p 6.

44 National Audit Office, *Review of the Conflict Pool*, March 2012. Available at: www.nao.org.uk/publications/1012/review_of_the_conflict_pool.aspx

45 Department for International Development, Foreign and Commonwealth Office, Ministry of Defence, *Building Stability Overseas Strategy*, July 2011. Available at: www.fco.gov.uk/resources/en/pdf/publications/annual-reports/bsos-july-11

33 Resource allocation and reallocation in the Pool was overly bureaucratic and lengthy owing to the number of people who must approve changes at each level. In addition, decisions made overseas often required sign-off from London-based programme managers for small changes. We found that there was scope to improve the efficiency of this resource allocation process by streamlining and devolving responsibility down where capacity exists.⁴⁶ In addition, we found that project bids lacked a focus on expected outcomes, but we were encouraged by some capacity building in this area.

34 Our report *Transferring cash and assets to the poor* (November 2011) noted that electronic payment can be a more efficient and reliable method for delivering transfers to isolated populations.⁴⁷ We concluded that the Department was successfully using transfers to reach particularly impoverished populations in challenging places. Transfer programmes were demonstrating important characteristics of good value for money in terms of benefits for recipients, such as reducing hunger and raising incomes. However, significantly weaker management of key cost drivers meant that the Department has not optimised value for money. For example, the Department did not know enough about the costs and efficiency of delivering transfers.

35 Our report noted that good financial management in delivery partners gave assurance that funds have been used for their intended purpose. We found that in some cases financial management remained weak and manual payment systems increased inherent risk. For example, the Department was supporting the Government of Ethiopia to improve its financial management. However, audit reports continued to highlight systemic and recurring internal control issues.⁴⁸ Our report noted that even though transfer programmes should be tailored to each country, there was considerable scope for greater standardisation in the Department's approach to considering and using transfers.

NAO financial audit findings

36 The Comptroller and Auditor General audits the main accounts of the Department, and the associated superannuation account. The Department's accounts also cover transactions made by its executive non-departmental public body, the Commonwealth Scholarship Commission.

37 The opinion of the Comptroller and Auditor General was that the Department's 2011-12 financial statements give a true and fair view of the Department's affairs at 31 March 2012 and net operating cost for the year. However, the audit opinion on regularity was qualified. This was because the anticipated capital income of £1.6 million from the sale of the Department's 40 per cent shareholding in Actis LLP was not realised in the financial year, incurring an excess which required reporting to Parliament.⁴⁹ In July 2011, the Department announced that it had entered into negotiation to sell the holding and included the expected income in its 2011-12 supply estimate that it submitted to Parliament as capital Annually Managed Expenditure. Negotiations for the sale continued into 2012 and the agreement was not signed until 30 April 2012, meaning the income could not be reported in 2011-12.

38 The Department has considered the lessons arising from this breach of its parliamentary expenditure limit and has identified that staff had not appreciated that failure to generate income from the sale before 31 March 2012 would result in a breach. Further analysis is being carried out to uncover the implications for parliamentary reporting and project management and to make sure lessons are learned.

39 Apart from this breach, our audit opinion judged that the expenditure and income recorded in the financial statements had been applied to the purposes intended by Parliament.

46 National Audit Office, *Review of the Conflict Pool*, March 2012, p 17.

47 Comptroller and Auditor General, *Department for International Development: Transferring cash and assets to the poor*, Session 2010-2012, HC 1587, National Audit Office, November 2011.

48 Comptroller and Auditor General, *Department for International Development: Transferring cash and assets to the poor*, Session 2010-2012, HC 1587, National Audit Office, November 2011, pp 42-3.

49 Department for International Development, *Annual Report and Accounts 2011-12*, p 131.

Issues raised in Governance Statements

40 We work with the Department and its sponsored bodies to improve the quality and transparency of published Governance Statements. We aim to ensure that the processes by which Statements are produced are robust and that the Statements comply with HM Treasury guidance.

41 The Governance Statement in the Department's 2011-12 accounts outlines the Accounting Officer's responsibility for ensuring an effective governance framework which provides strategic direction and management.⁵⁰ In particular, this means ensuring that the governance systems are designed to oversee the delivery of ministerial strategy and policy priorities, provide value for money, manage risks, ensure accountability and deliver efficient and effective organisational performance.

42 The Governance Statement outlined the Department's approach to risk management. The Department had not added any new risks to the corporate risk register in 2011-12. However, it considered that the emphasis and response to certain risks have changed: in particular, the challenge of operating in an increasing number of fragile states, scaling up departmental spend and tackling the risk of fraud and corruption. The Department believed that it has strengthened its actions to mitigate these risks.

43 The Department noted in the Governance Statement that it had seen the emergence of larger and more complex frauds against its funds and set out its efforts in this area. These included the work of its Counter-Fraud Unit to minimise the losses to UK taxpayers, and a management board-sponsored review of fraud and corruption risk. The Department also detailed the findings of work it commissioned by the Centre for Counter-Fraud Studies at Portsmouth University, which concluded that developing an aggregate measure of fraud loss would be costly, take some years and would produce only a partial picture. Based on these findings, the Department reported that it will focus efforts on ensuring good fraud risk assessment for all of the Department's expenditure and mitigation and safeguards, while keeping its approach to fraud loss measurement under review.

⁵⁰ Department for International Development, *Annual Reports and Accounts 2011-12*, p 118.

Part Three

Reported performance

44 Government needs robust, timely information on its activities, costs, progress against its objectives, and the cost-effectiveness of its activities. It also needs to be able to interpret that information, by reference to trends, benchmarks and other comparisons, to identify problems and opportunities. Departments need reliable information on which to design and deliver services and monitor quality, be confident about their productivity and drive continuous improvement.

45 The government aims to make more government information available to the public to help improve accountability and deliver economic benefits. Our study reviewing early progress of this transparency agenda⁵¹ concluded that while the government has significantly increased the amount and type of public sector information released, it would not maximise the net benefits of transparency without an evaluative framework for measuring the success and value for money of its transparency initiatives.

Reporting performance: annual reports and business plans

46 Each government department reports its performance against the priorities and objectives set out in its Business Plan. A transparency section of the plan includes indicators selected by the Department to reflect its key priorities and demonstrate the cost and effectiveness of the public services for which it is responsible. These indicators fall broadly into three categories:

- input indicators: a subset of the data gathered by the Department on the resources used in delivering services;
- impact indicators: designed to help the public judge whether departmental policies are having the desired effect; and
- efficiency indicators: setting out the cost of common operational areas to allow the public to compare the Department's operations to other organisations.

47 A structural reform section of the plan provides a detailed list of actions and milestones designed to show the steps the Department is taking to implement the Government's reform agenda.

48 Departmental progress against these indicators is published regularly in a Quarterly Data Summary, a standardised tool for reporting selected performance metrics for each government department in a way that facilitates comparison across departments. As well as the indicators described above, the Quarterly Data Summary includes information on overall departmental budgets and workforce statistics, and a wider selection of indicators on common areas of spend such as estates, procurement and ICT. An annual version of this information has been formally laid in Parliament in departments' 2011-12 Annual Reports and Accounts.

49 The Cabinet Office has reported that the accuracy of the data for all departments needs to dramatically improve and that there may not be common definitions and data collection processes between departments. These caveats mean that data on common areas of spend cannot currently be used to compare performance between departments and may be of limited use to judge individual departmental performance in its own right. Recognising the need to improve use of information across government, the Cabinet Office set out in the Civil Service Reform Plan its intention for departments to provide "good, comparable, accurate and reliable" management information. In addition, improving the quality of data is one of the key priorities within the departmental Open Data Strategies, published in June 2012. The Cabinet Office expects that, with improvements in data quality and timeliness, the public will be able to judge the performance of each department in a meaningful and understandable manner.

⁵¹ Comptroller and Auditor General, *Cross-government review: Implementing Transparency*, Session 2010–2012, HC 1833, National Audit Office, April 2012.

50 In its Quarterly Data Summary,⁵² the Department discloses a range of input, impact and efficiency indicators. These include indicators on expenditure, programme results, personnel, structural reform plan actions and other data, such as UK Official Development Assistance as a percentage of Gross National Income. A summary of the latest information from the structural reform plan indicators as well as the input and impact indicators is described below:

- While structural reform plan actions were specified in the Business Plan, they are not detailed in the Quarterly Data Summary, which simply notes how many are completed, on-going and overdue. The July 2012 Quarterly Data Summary recorded four actions completed in the quarter, 19 actions ongoing and six that had yet to start. The one action overdue was to 'Enshrine in law our commitment to spend 0.7% of national income on official development assistance (ODA) from 2013, as soon as Parliamentary time allows'. The reason why the action was overdue was: 'Parliamentary time still being sought so action has been carried forward into our refreshed Business Plan for 2012–15 with a revised end date of December 2013'.⁵³
- Five of the 10 input indicators measure unit costs (cost per person, or cost per item). In the July 2012 summary, three of these reported reduced unit costs on the previous reporting period, one reported increased unit costs, and one dataset was not available (the cost per person of improving access to financial services). The other five input indicators measure total spend, and showed that the Department's spending on elections fell in the period, while its bilateral spending on climate change increased, but spending on climate change through multilateral organisations fell.

- For the nine impact indicators, there were increases in the levels of impact reported over the previous period⁵⁴ for four indicators (including the number of bed nets distributed), lower levels for four (including the number of children supported in primary education), and no prior period comparison for one (the number of people supported to cope with the impacts of climate change).

Performance reported by the Department

51 The Department's Business Plan⁵⁵ sets out its priorities for 2012–15. Its structural reform priorities included 19 high-level actions (which in turn are underpinned by 74 more detailed and time-bound actions) in support of six coalition priorities: honour international commitments; drive transparency, value for money and more open government; boost wealth creation; strengthen governance and security in fragile and conflict-affected countries and make UK humanitarian response more effective; lead international action to improve the lives of girls and women; and combat climate change.

52 The Department published a new framework for reporting its results in autumn 2011, and used the structure in its Annual Report for 2011-12. The framework expands on the impact and operational indicators that it reports in its Business Plan to cover other important areas, including progress against the Department's public results commitments.⁵⁶ The results framework has four levels: progress on key development outcomes (level one); Departmental results (level two), operational effectiveness (level three); and organisational efficiency (level four). The framework does not expand on the input indicators in the Business Plan. Further details on these four levels of indicator are given in **Figure 7**.

52 Available at: www.dfid.gov.uk/about-us/how-we-measure-progress/business-plan-quarterly-data-summary/

53 Department for International Development, *DFID Business Plan 2011–2015, April 2012 update*. Available at: www.dfid.gov.uk/About-us/How-we-measure-progress/DFID-Business-plan-2011-2015/

54 As this is the first full year of reporting the 'previous period' is not always directly comparable as the data are not available on the same basis as the current reporting method. For example, the data for the number of people who vote in elections come from a 'range of data from 2004-05 to 2008-09'.

55 Department for International Development, *Business Plan 2012–2015*, May 2012. Available at: www.dfid.gov.uk/Documents/DFIDbusiness-plan2012.pdf

56 These include the results outlined within the *UK aid: Changing lives, delivering results* document and *Strategic Vision for Girls and Women*. More detail on the results framework is given in the Department's Annual Report and Accounts 2011-12, p 15-16.

Figure 7**The four levels of indicator in the Department's new results framework¹****Level 1 indicators**

Progress on key development outcomes

'What progress is there on development?'

Indicators monitor progress made by the Department and partners against development goals in different regions and the Department's 28 priority countries. A 'traffic light' system is used, with green indicating the target has been met or is expected to be met by 2015, amber that progress is insufficient to reach the target if trends persist, red that there is no progress or deterioration, and grey that there is insufficient data to make a judgement. The 2011-12 Annual Report displayed progress against 17 goals in nine regions; out of 153 goals, 39 per cent were green, 46 per cent amber, 12 per cent red and 5 per cent grey. At a regional level, progress was mixed, with the best results in North Africa and Eastern Asia.

Level 2 indicators

Departmental specific goals

'What results has the Department for International Development financed?'

(Includes, and expands on, impact indicators from Business Plan)

Indicators consist of outputs and intermediate outcomes that can be directly linked to the Department's development activities. It also separately reports indicators for its Business Plan and, more extensively, for its bilateral and multilateral programmes.

The Department monitors and reports on 25 indicators for its bilateral programme. It reports on 50 indicators across 19 multilateral organisations – depending on their programmes – published alongside the proportion of total funding that is provided to them. The level 2 indicators include the nine impact indicators from its Business Plan, which illustrate key results for its main areas of spend.

Key results achieved in 2011-12 included: two million people gaining sustainable access to an improved sanitation facility as a result of the Department's programmes, 11.8 million people gaining access to financial services as a result of the Department's bilateral programme and 68.3 million people voting in elections supported by the Department.

Level 3 indicators

Operational effectiveness

'How well does the Department manage its operations?'

(Includes structural reform plan progress from Business Plan)

Indicators cover operational effectiveness including how the Department manages its portfolio of projects and its progress in making wider reforms. The Department reported that it had completed 74 per cent of the annual or project completion reviews due in the first quarter of 2012 on time. The Business Plan set milestones and actions for each of the structural reform priorities. The Department reported that all 41 actions intended for completion in 2011-12 had been completed on time, with a further 66 due to be completed in the period to March 2015.

Level 4 indicators

Organisational efficiency

'Does the Department manage itself efficiently?'

(Consists of input indicators and common areas of spend from Business Plan)

Indicators measure the Department's organisational efficiency, including office and programme spend. Indicators show where the Department considers that it has achieved increased efficiency in 2011-12, for example the cost per person of providing a computer, and where costs have increased, such as average staff costs. Programme input indicators include the unit costs of primary education, bed nets and sanitation facilities, which the Department reported had all fallen in the year, and the cost per birth delivered by a skilled attendant, reported as having risen.

NOTE

¹ Department for International Development, Annual Report and Accounts 2011-12, particularly Chapter 1.

Source: National Audit Office summary of the Department's approach, as set out in its 2011-12 Annual Report

Testing the reliability of performance data across government

53 We have begun a three-year programme to examine the data systems underpinning the Departmental Business Plan indicators and other key management information. In August 2012 we published the results of our examination of a sample of departments' indicators and operational data systems used to report performance for the Department.⁵⁷ This involved a detailed review of the processes and controls governing: the selection, collection, processing and analysis of data; the match between the Department's stated objectives and the indicators it has chosen; and the reporting of results.

54 Our review looked at the extent to which the Business Plan indicators aligned with the Department's structural reform priorities. While departments were limited to the number of indicators they could create at this level, not all priorities had indicators attached. For example, there was not a specific indicator which covers 'introducing transparency in aid'. The indicators did not fully cover the priorities of 'strengthening governance and security in fragile and conflict-affected countries' and to 'lead international action to improve the lives of girls and women'. We recommended that the Department look at whether its indicator coverage in these areas could be improved to ensure the coalition priorities are monitored and delivered.

55 Of the 11 indicators we assessed, we found that seven, relating to administrative costs, were fit for purpose, while four, relating to programme performance, had some weaknesses which the Department was addressing. We welcomed the Department's efforts to strengthen its indicators and data collection methods, as this will mean that more robust, reliable data will be presented to senior management, allowing them to make better informed decisions.

56 We made a number of recommendations, which included that the Department should review its indicator set to check that relationships are coherent and understandable and coverage is comprehensive. We also recommended that the Department should make clear when publications are based upon old methodologies, and report when it expects data systems to be ready to produce each of its Business Plan indicators using new methodologies and recent data. We considered that the Department should also publish the methodology, and its limitations, for each indicator. The Department has now done this. The Business Plan indicators are included within the set of indicators monitored as part of the Department's results framework. Methodologies have been agreed for most of these indicators and published on the Department's website.⁵⁸

The future of information management

57 Departments released updated versions of their Business Plans in May 2012, which included changes to their priorities and indicators. Departments have aligned their input and impact indicators with the Government's priorities, so that the public can better understand how they are meant to be used for accountability. The changes are a step towards the alignment of costs and results that would allow for assessment of value for money, but they will not improve the data systems underlying published indicators, or the reliability of subsequent data.

⁵⁷ National Audit Office, *Review of the data systems for the Department for International Development*, August 2012.

⁵⁸ Available at: www.dfid.gov.uk/About-us/How-we-measure-progress/DFID-Results-Framework/

Issues identified in NAO reports

58 Our recent report (published September 2012)⁵⁹ into the Department's 2011 Multilateral Aid Review looked at the information the Department gathered to assess the relative value for money for UK aid of 43 multilateral organisations,⁶⁰ to inform funding decisions and its ongoing engagement to promote reforms and effectiveness. The review rated nine organisations as 'very good' value for money for UK aid, 16 as 'good', nine as 'adequate', and nine as 'poor'.⁶¹ We found that the review was a more thorough and comprehensive process for assessing multilateral organisations than previous assessments, and compared well to recognised models for assessing organisations. The Department's assessment framework was logical and covered key factors important to value for money. However, some types of organisation found it difficult to fulfil the evidence requirements and clearer guidance about what constitutes good performance would also make the scoring process more consistent and transparent.

59 We concluded that the review's public rating of organisations' value for money, increased transparency and the improved focus on costs and fit with UK development priorities were important innovations. The review was therefore a significant step towards the Department being able to fully assess the cost-effectiveness of multilateral organisations. As a result, the Department is more likely to get value for money from its core funding in future, but this will depend upon maintaining and building on the progress it has made to date. We expect the Department to:

- further strengthen its assessment framework to better reflect the varying remits of different multilateral organisations and to ensure organisations assessed as 'very good' meet clear absolute standards;
- work to tackle the barriers to making comparisons within and between multilateral and bilateral aid, where they have similar objectives;
- develop its evidence base for future reviews further to increase consistency in the evidence collected for organisations, including:
 - improving the coverage of country visits and local evidence;
 - allowing time to confirm the factual accuracy of assessments with multilateral organisations before publication; and
 - encouraging multilateral organisations to improve the evidence available on costs and results;
- continue to promote a more rigorous shared assessment method between donors as a shared framework would increase the credibility of findings and strengthen international efforts on key areas for multilateral reform; and
- tighten its approach to promoting and monitoring reform with individual agencies, including to planning, tracking and reporting the results of its engagement so that it can support performance improvements and evaluate which activities have the greatest impact.

59 Comptroller and Auditor General, *Department for International Development: The multilateral aid review*, Session 2012-13, HC 594, National Audit Office, September 2012.

60 Multilateral organisations, such as the United Nations and the World Bank, are set up by intergovernmental agreement to enable national governments to work together, including on development and humanitarian issues.

61 The organisations rated by the Department as 'very good' value for money for UK aid were: the Asian Development Fund; the European Union's Humanitarian Aid and Civil Protection; the European Development Fund; the GAVI Alliance; the Global Fund to Fight AIDS, Tuberculosis and Malaria; the International Committee of the Red Cross; the World Bank's International Development Association; the Private Infrastructure Development Group; and the United Nations Children's Fund. The organisations rated as 'poor' value for money for UK aid were: the United Nations Industrial Development Organization; the United Nations Development Fund for Women; the International Organization for Migration; the International Labour Organization; Food and Agriculture Organization; the United Nations International Strategy for Disaster Reduction; United Nations Educational, Scientific and Cultural Organization; the United Nations Human Settlements Programme; and the Commonwealth Secretariat. The United Nations Development Fund for Women no longer exists as a separate body.

60 Our report on *Transferring cash and assets to the poor* (November 2011) found that, where evidence was available, the Department's targeting arrangements were robust, successfully identifying people who met the criteria of need.⁶² The Department had commissioned extensive evaluations of transfer effects, which were robust overall, although some problems with measurement remained, such as a minority of evaluations lacking control groups. The Department was gaining greater assurance that aggregate project benefits outweighed costs, but it remained under-informed on key elements of cost-effectiveness. These included inconsistencies in the comparisons between the Department's proposed transfer approach and other options; and the omission of analysis of whether transfers were set at the appropriate level.

61 The Committee of Public Accounts concluded that the Department had brought real benefit to poor individuals and communities through the use of transfers. It made a number of recommendations on the Department's use of information when transferring cash and assets to the poor in its report published in February 2012.⁶³ In particular, the Committee found that gaps in data on cost and performance were undermining the Department's ability to evaluate value for money. The Committee recommended that the Department obtain sufficient data to compare cost-effectiveness across its portfolio, which would allow it to reduce administrative costs, where there was scope to do so, and improve value for money.

62 The Department responded by highlighting its new guidance for its country offices on how to measure and maximise value for money in cash transfer programmes, which included recommendations on estimating full programme costs. The guidance also recommended how to monitor key costs over time, from set up to steady state, and gave international benchmarks to check costs were not inflated. The Department also stated that it will measure cost efficiency across its transfer programmes.

63 The Committee of Public Accounts also found that the Department had not assessed what level of individual transfer provides the best return on investment. The Department agreed with the recommendation to examine this issue in future and collect data from pilot programmes. The Department intended to recommend country offices to assess the level of transfer values at different stages of programmes.

62 Comptroller and Auditor General, *Department for International Development: Transferring cash and assets to the poor*, Session 2010–2012, HC 1587, National Audit Office, November 2011.

63 HC Committee of Public Accounts, *Transferring cash and assets to the poor*, Sixty-fifth Report of Session 2010–2012, HC 1695, February 2012.

Appendix One

The Department's sponsored bodies

Name	Other sponsoring bodies	Description	Funding received from the Department in 2011-12
Independent Commission for Aid Impact (ICAI)	None	The Independent Commission for Aid Impact focuses on maximising the impact and effectiveness of the UK aid budget for intended beneficiaries and the delivery of value for money for the UK taxpayer.	£2.12 million
Commonwealth Scholarship Commission (CSC)	Foreign and Commonwealth Office and Department for Business, Innovation and Skills also provide funding	The Commonwealth Scholarship Commission in the United Kingdom is responsible for managing Britain's contribution to the Commonwealth Scholarship and Fellowship Plan (CSFP).	Total grant in aid to CSC was £19.54 million, of which the Department provided £18.92 million.
CDC Group plc	None	The Department wholly owns, on behalf of the government, CDC Group plc, formerly the Commonwealth Development Corporation. CDC Group plc is the UK's development finance institution and makes commercial investments in private firms in developing countries.	CDC Group plc has not received any new government funding since 1995 and finances its activities by recycling its portfolio of investments.
Actis LLP (until April 2012)	None	Actis LLP is a fund management limited liability partnership. Actis is a long-term, active investor in private equity, energy and real estate.	The Department disposed of its 40 per cent shareholding in Actis LLP on 30 April 2012.

Appendix Two

Results of the Civil Service People Survey 2011

Question scores (% strongly agree or agree, or % yes)

Leadership and managing change

I feel that the Department as a whole is managed well	40
Senior civil servants in the Department are sufficiently visible	46
I believe the actions of senior civil servants are consistent with the Department's values	39
I believe that the departmental board has a clear vision for the future of the Department	39
Overall, I have confidence in the decisions made by the Department's senior civil servants	36
I feel that change is managed well in the Department	27
When changes are made in the Department they are usually for the better	23
The Department keeps me informed about matters that affect me	55
I have the opportunity to contribute my views before decisions are made that affect me	36
I think it is safe to challenge the way things are done in the Department	38

Organisational objectives and purpose

I have a clear understanding of the Department's purpose	84
I have a clear understanding of the Department's objectives	79
I understand how my work contributes to the Department's objectives	81

Civil service overall

	Department for Business, Innovation and Skills (excluding agencies)	Cabinet Office (excluding agencies)	Department for Communities and Local Government (excluding agencies)	Department for Culture, Media and Sport (excluding agencies)	Ministry of Defence (excluding agencies)	Department for Education	Department of Energy and Climate Change	Department for Environment, Food and Rural Affairs (excluding agencies)	Foreign and Commonwealth Office (excluding agencies)	Department of Health (excluding agencies)	HM Revenue & Customs	HM Treasury (excluding agencies)	Home Office (excluding agencies)	Department for International Development	Ministry of Justice (excluding agencies)	Department for Transport (excluding agencies)	Department for Work and Pensions
31	38	23	37	20	49	41	31	54	33	18	55	44	60	43	45	23	
46	49	35	47	27	53	62	44	56	53	31	67	50	68	47	59	21	
34	40	24	39	27	46	48	34	52	41	25	52	44	57	42	46	21	
29	33	22	31	20	43	30	21	51	28	22	39	33	60	39	36	20	
28	38	21	32	17	43	43	27	47	33	17	53	41	53	38	42	16	
24	27	20	33	12	32	31	21	40	19	15	42	24	40	31	31	19	
17	22	10	20	9	21	26	16	34	12	13	33	22	29	26	21	14	
59	55	50	60	41	58	64	56	60	53	39	65	62	68	56	64	39	
32	37	28	47	19	37	36	38	39	37	18	47	38	47	36	39	18	
33	41	25	42	31	39	41	40	43	33	27	55	39	43	36	45	27	
77	73	57	73	80	85	90	75	82	69	73	88	85	94	78	79	73	
70	66	53	67	72	81	85	70	79	63	70	78	80	93	72	74	71	
75	71	61	73	76	82	88	76	83	72	73	81	82	90	76	76	73	

Appendix Three

Publications by the NAO on the Department since 2010-11

Publication date	Report title	HC number	Parliamentary session
19 September 2012	Department for International Development: The multilateral aid review	HC 594	2012-13
August 2012	Review of the data systems for the Department for International Development	www.nao.org.uk/publications/1213/review_data_systems_for_dfid.aspx	
19 March 2012	Department for International Development, Foreign and Commonwealth Office, Ministry of Defence: Review of the Conflict Pool	www.nao.org.uk/publications/1012/review_of_the_conflict_pool.aspx	
9 November 2011	Department for International Development: Transferring cash and assets to the poor	HC 1587	2011-12
7 October 2011	Departmental Overview: A summary of the NAO's work on the Department for International Development 2010-11	www.nao.org.uk/publications/1012/departamental_overview_dfid.aspx	
October 2011	Briefing to support the International Development Committee's inquiry into the Department for International Development's Annual Report and Accounts 2010-11 and Business Plan 2011-2015	www.nao.org.uk/publications/1012/dfid_annual_report.aspx	
6 April 2011	Department for International Development: Financial Management Report	HC 820	2011-12
December 2010	NAO work on DFID's oversight of CDC and a summary of CDC's investment approach – Briefing for the International Development Committee	www.nao.org.uk/publications/1011/oversight_of_cdc.aspx	
November 2010	The work of the Department for International Development in 2009-10 and its priorities for reform – Briefing for the International Development Committee	www.nao.org.uk/publications/1011/international_dev_committee.aspx	
30 June 2010	Short guide to the NAO's work on the Department for International Development	www.nao.org.uk/publications/1011/short_guide_dfid.aspx	
18 June 2010	Department for International Development: Bilateral Support to Primary Education	HC 69	2010-11
15 June 2010	Review of the data systems for Public Service Agreement 29 led by the Department for International Development	www.nao.org.uk/publications/1011/review_data_systems_for_psa_29.aspx	

Appendix Four

Recent cross-government NAO reports of relevance to the Department

Publication date	Report title	HC number	Parliamentary session
18 October 2012	Managing budgeting in government	HC 597	2012-13
18 April 2012	Implementing transparency	HC 1833	2010-2012
15 March 2012	Managing early departures in central government	HC 1795	2010-2012
20 January 2012	Re-organising central government bodies	HC 1703	2010-2012
13 July 2011	Identifying and meeting central government's skills requirements	HC 1276	2010-2012
6 June 2011	Managing risks in government	www.nao.org.uk/publications/1012/managing_risks_in_government.aspx	
13 May 2011	Performance frameworks and board reporting II	www.nao.org.uk/publications/1012/performance_frameworks_and_boa.aspx	
3 March 2011	Progress in improving financial management in government	HC 487	2010-11
14 October 2010	Central government's use of consultants and interims	HC 488	2010-11
19 July 2010	Progress with VFM savings and lessons for cost reduction programmes	HC 291	2010-11
13 July 2010	Taking the measure of government performance	HC 284	2010-11

Appendix Five

Other sources of information

Reports from the Committee of Public Accounts since 2008

Publication date	Report title	HC number
23 December 2010	Thirteenth Report of Session 2010-11, The Department for International Development's bilateral support to primary education	HC 69
26 January 2010	Eighth Report of Session 2009-10, Department for International Development: Aid to Malawi	HC 262
30 April 2009	Eighteenth Report of Session 2008-09, Investing for Development: The Department for International Development's oversight of the CDC Group plc	HC 94
2 April 2009	Sixteenth Report of Session 2008-09, Department for International Development: Operating in insecure environments	HC 334
24 June 2008	Twenty-seventh Report of Session 2007-08, Department for International Development: Providing budget support to developing countries	HC 395
10 January 2008	First Report of Session 2007-08, Department for International Development: Tackling rural poverty in developing countries	HC 172

Cabinet Office Capability Reviews

April 2012	Department for International Development: Department for International Development: Capability Action Plan 2012	resources.civilservice.gov.uk/wp-content/uploads/2012/04/DFID-Capability-Action-Plan-2012-final-document.pdf
March 2009	Cabinet Office, Capability Review: Department for International Development: One-year update al Development: Progress and next steps	resources.civilservice.gov.uk/wp-content/uploads/2011/09/DFID-phase2-Mar2009.pdf
March 2008	Cabinet Office, Capability Review: Department for International Development: One-year update al Development: One-year update	www.civilservice.gov.uk/wp-content/uploads/2011/09/DFID-phase1-Mar2008.pdf
March 2007	Cabinet Office: Capability Review of Department for International Development	resources.civilservice.gov.uk/wp-content/uploads/2011/09/DFID-phase1-Mar2007.pdf

Peer Reviews

July 2010	Organisation for Economic Co-operation and Development: Development Assistance Committee: United Kingdom Peer Review	www.oecd.org/dac/peerreviewsofdacmembers/unitedkingdom2010dacpeerreview-mainfindingsandrecommendations.htm
-----------	--	--

Where to find out more

The National Audit Office website is

www.nao.org.uk

If you would like to know more about the NAO's work on the Department for International Development, please contact:

Phil Gibby

Director

0191 269 1886

philip.gibby@nao.gsi.gov.uk

If you are interested in the NAO's work and support for Parliament more widely, please contact:

Ashley McDougall

Director of Parliamentary Relations

020 7798 7689

ashley.mcdougall@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: 009963-001

© National Audit Office | November 2012

Printed by Precision Printing



National Audit Office

www.nao.org.uk