



National Audit Office

Departmental Overview

The performance of the Foreign &
Commonwealth Office 2013-14

NOVEMBER 2014

Our vision is to help the nation spend wisely.

Our public audit perspective helps Parliament hold government to account and improve public services.

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO, which employs some 820 employees. 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 £1.1 billion in 2013.

Contents

Introduction

Aim and scope of this briefing 4

Part One

About the Department 5

Part Two

Developments in this Parliament 17

Part Three

Recent NAO findings on the
Department 29

Appendix One

The Department's sponsored
bodies at 1 April 2014 35

Appendix Two

Results of the Civil Service
People Survey 2013 36

Appendix Three

Publications by the NAO on the
Department since April 2013 38

Appendix Four

Cross-government reports of
relevance to the Department 39

Introduction

Aim and scope of this briefing

- 1** The primary purpose of this report is to provide the Foreign Affairs Select Committee with a summary of the Foreign & Commonwealth Office's activity and performance since September 2013, based primarily on published sources, including the Department's own accounts and the work of the National Audit Office (NAO).
- 2** Part One focuses on the Department's activity over the past year. Part Two examines developments in this Parliament. Part Three concentrates on NAO analyses of activity over the last year.
- 3** 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

1.1 The Foreign & Commonwealth Office (the Department) aims to promote the United Kingdom's interests overseas, supporting our citizens and businesses around the globe.¹

1.2 Since 2010, the Department's foreign policy priorities, against which its performance is measured, are to:

- **safeguard Britain's national security** by countering terrorism and weapons proliferation, and working to reduce conflict;
- **build Britain's prosperity** by increasing exports and investment, opening markets, ensuring access to resources, and promoting sustainable global growth; and
- **support British nationals around the world** through modern and efficient consular services.

1.3 Following his appointment in July 2014, Foreign Secretary, Philip Hammond, set out his personal priorities as:

- countering threats to Britain's national security;
- promoting Britain's economic growth and prosperity;
- projecting Britain's values and interests internationally; and
- protecting British nationals abroad.

¹ Foreign & Commonwealth Office, *What we do*, available at: www.gov.uk/government/organisations/foreign-commonwealth-office

How the Department is organised

1.4 The Department delivers primarily through its global network of offices, its central policymaking functions in London and its corporate services centres in Milton Keynes and Manila. In addition, the Department is developing regional hubs to deliver some finance, procurement, and human resources functions.²

1.5 To undertake its work, the Department uses its global network of nearly 270 overseas posts.³ As at 31 March 2014, the Department employed approximately 13,800 staff, consisting of around 4,600 UK-based civil servants and 9,200 locally-engaged staff. This is an increase of around 400 staff compared to 31 March 2013. The overall increase mainly relates to UK staff. Of the UK-based civil servants, 38% were deployed in overseas posts.⁴ The global distribution of the Department's staff is shown in **Figure 1**.

1.6 As well as working to achieve its own objectives and activities, the Department also supports and finances a number of other bodies, namely:

- BBC World Service;
- British Council;
- Westminster Foundation for Democracy;
- Marshall Aid Commemoration Commission;
- Wilton Park Executive Agency; and
- Great Britain – China Centre.

1.7 As set out in the 2010 spending review, BBC World Service has been funded from the BBC licence fee from 1 April 2014 rather than through grant-in-aid from the Department. Although the direct financial relationship between the Department and BBC World Service has now ceased, the objectives, priorities and targets of the Service were agreed between the Foreign Secretary and the BBC and will be reported against annually. The languages in which the service is provided also require agreement with the Foreign Secretary.⁵

1.8 In addition, the Department is the owner of FCO Services which operates as a trading fund. FCO Services designs and delivers security services, such as security vetting, secure logistics and estates management to the Department, other government departments including the Ministry of Defence, and other customers such as foreign governments.

1.9 The Department is also jointly responsible for UK Trade & Investment (UKTI), along with the Department for Business, Innovation & Skills. The Department provides the majority of UKTI's staff overseas.

² Foreign & Commonwealth Office, *Foreign and Commonwealth Office 2014 Improvement Plan*, July 2014, p. 13.

³ Posts are locations where the Department has a presence such as an embassy, high commission or consulate.

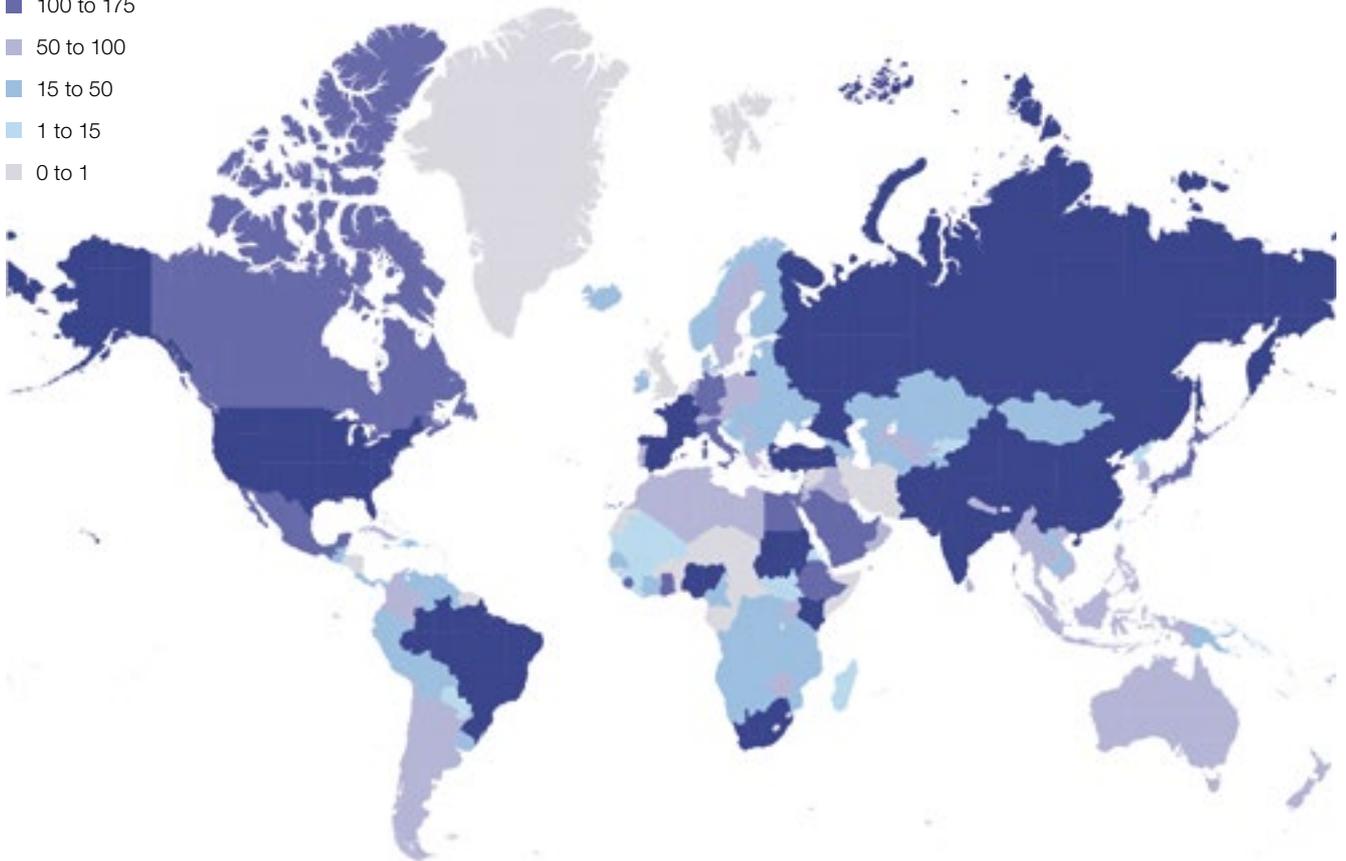
⁴ Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, pp. 43, 44 and 46.

⁵ BBC Trust, *Operating Licence: BBC World Service*, January 2014, p. 8.

Figure 1
The Department's staff in posts overseas

Numbers of FCO staff

- 175 to 635
- 100 to 175
- 50 to 100
- 15 to 50
- 1 to 15
- 0 to 1



Notes

- 1 Numbers include both UK-based and locally employed staff as at 30 September 2013.
- 2 There are no staff in Syria or Iran as the embassies in these countries are closed at present.

Source: Foreign & Commonwealth Office, *The FCO's Performance & Finances 2012-13*, December 2013, available at: www.parliament.uk/documents/commons-committees/foreign-affairs/131210SFfollow-upActual.pdf

1.10 In November 2013, the Foreign Secretary announced that the Department had established a new government-owned company, the British Intergovernment Services Authority Ltd (BISA). This company is intended to be used across Whitehall to assist with the development of government to government contracting opportunities, to help structure these deals, develop and manage the contracts and provide specialist staff.⁶ However, the company, and its wholly-owned subsidiary the Kuwait Development Authority Ltd (KDA) were classified as dormant as they had not yet commenced trading as at 31 March 2014.⁷

1.11 The relationship between the Department and its associated bodies is set out in **Figure 2**.

1.12 The Department works closely with all other UK government bodies that operate overseas. This includes:

- UK Visas and Immigration (part of the Home Office);
- Ministry of Defence;
- National Crime Agency;
- Department for International Development;
- British Council; and
- HM Revenue & Customs.⁸

1.13 The Department's Chief Operating Officer chairs a cross-Whitehall network board which is made up of the chief operating officers or their representatives from the main government departments with staff overseas, as well as HM Treasury and Cabinet Office.⁹ The network board is responsible for overseeing progress on the One HMG Overseas agenda, which "aims to remove barriers to joint working, so that all staff working for [the UK government] overseas can deliver the UK's international objectives more effectively and save money for the British taxpayer".¹⁰ There are 5 areas covered by this initiative:

- collaboration between UK government bodies working overseas, for example through the development of single country business plans;
- co-location in the same buildings;
- consolidation of corporate services;
- regionalisation of corporate services; and
- harmonisation of terms and conditions for staff working overseas.

6 Hansard HC, 25 November 2013, cols 4WS–5WS.

7 Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, p. 54.

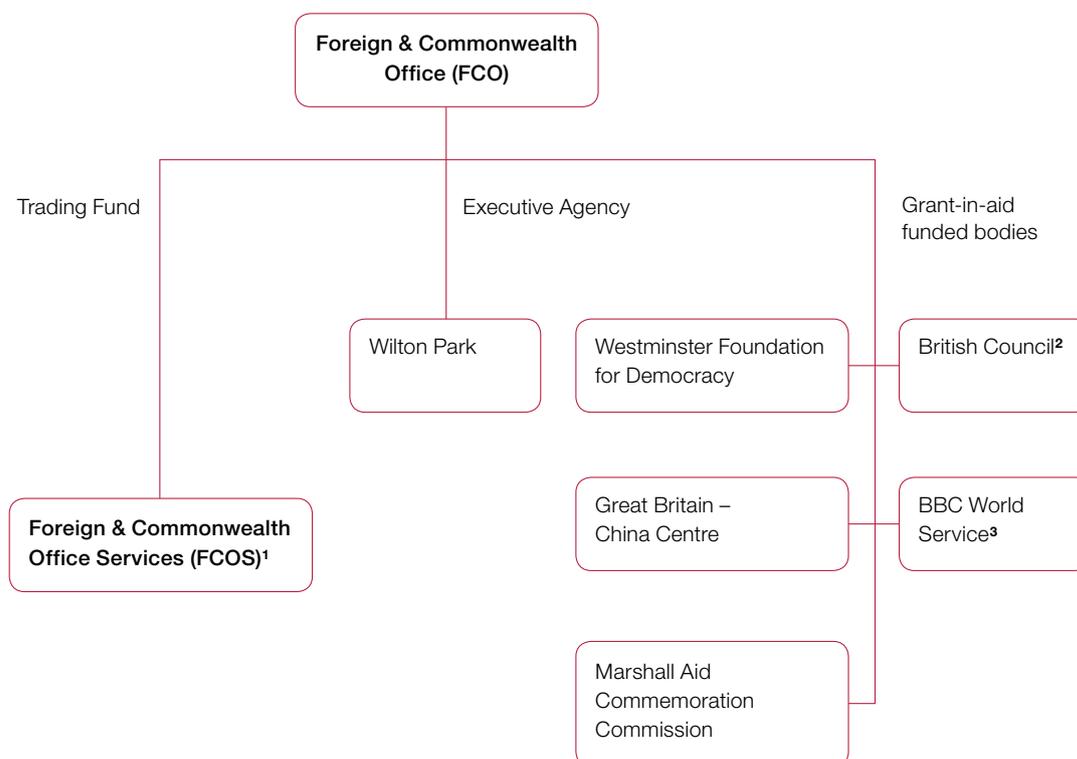
8 Foreign & Commonwealth Office, *The FCO's Performance & Finances 2012-13*, December 2013. Available at: www.parliament.uk/documents/commons-committees/foreign-affairs/131210SFfollow-upActual.pdf

9 Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, p. 71.

10 Foreign & Commonwealth Office, *Foreign and Commonwealth Office 2014 Improvement Plan*, July 2014, p. 13.

Figure 2

The Department and its associated organisations

**Notes**

- 1 FCO Services is an executive agency and has operated as a trading fund since April 2008.
- 2 British Council is also a registered charity and public corporation.
- 3 Grant-in-aid funding to BBC World Service ceased from 1 April 2014.

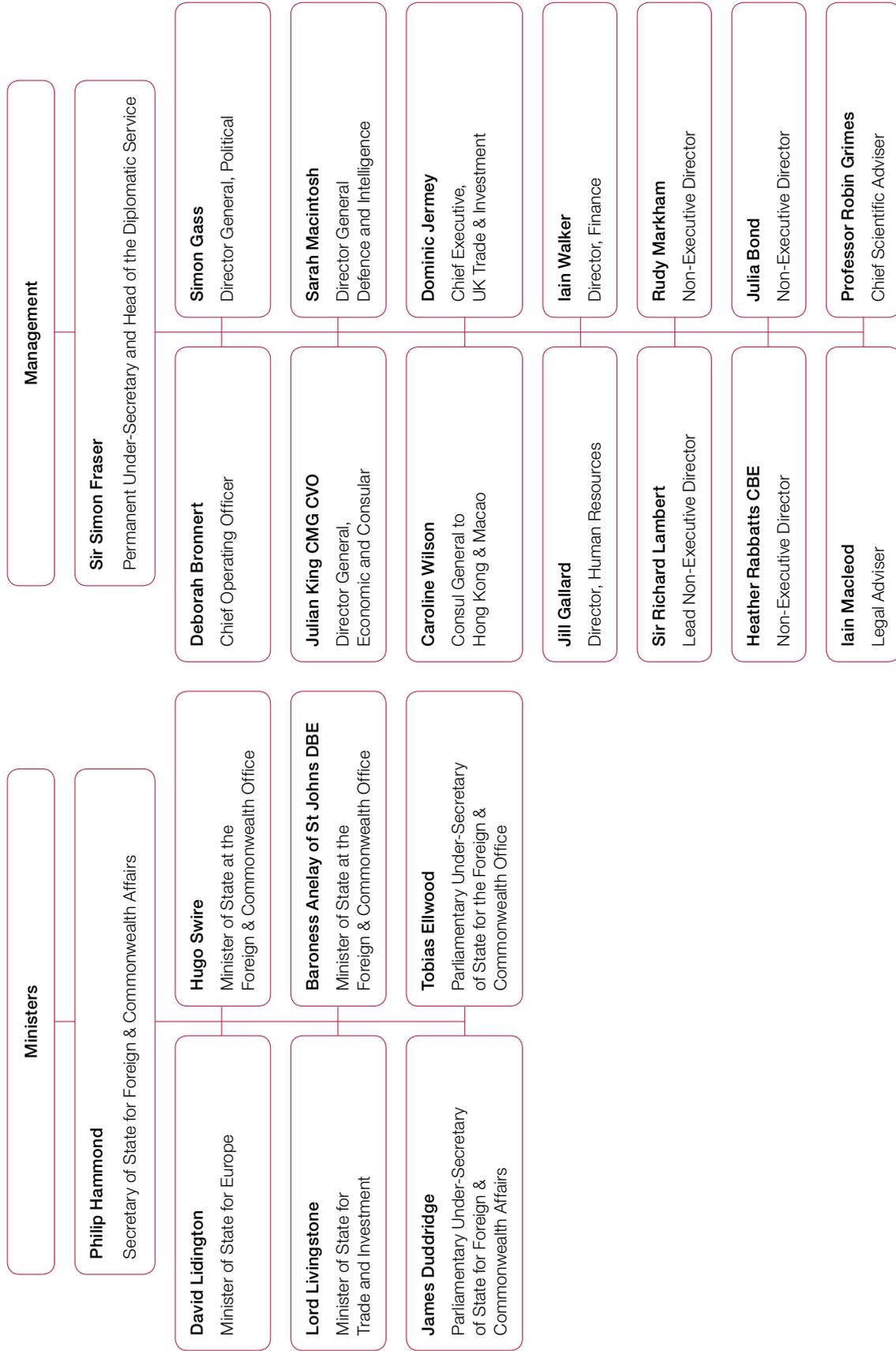
Source: National Audit Office

1.14 The Department is led by the Secretary of State for Foreign and Commonwealth Affairs, who is supported by a team of ministers and senior officials. The current ministerial and management team of the Department is shown in **Figure 3** overleaf. Sir Simon Fraser is the Accounting Officer and is the person Parliament holds to account for the stewardship of resources.

1.15 The Departmental Supervisory Board is staffed by the Department's ministers, senior officials and non-executive members and meets on a quarterly basis. It monitors the impact of the 3 foreign policy objectives and scrutinises and challenges Departmental policies and performance with a view to the Department's long-term health and success. In 2013-14, it focused on performance measurement, capability and reputation, external projection of the Department, overseas platform sharing, the UK estate and oversight of management's top risks.¹¹

¹¹ Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, pp. 69 and 75.

Figure 3
The Department's ministers and management



1.16 The management board meets monthly and provides the Department's top level leadership, and takes decisions to ensure the Department has the capability to achieve the foreign policy priorities, to motivate and manage staff, and to manage estate and IT. The 2013-14 objectives focused on the diplomatic excellence themes of people, policy and network.¹²

Where the Department spends its money

1.17 As shown in **Figure 4** on page 13, the core Department spent almost £2.5 billion in 2013-14. It also received income of £270 million, primarily from charges to other government departments for using its overseas facilities such as buildings, IT and support services. Of the total income generated, £142 million (53%) was received from the Home Office in relation to UK Visas and Immigration operations overseas.¹³

1.18 Within the Department's budget, a number of areas of expenditure are either non-discretionary or ring-fenced. In 2013-14, this included:

- **Conflict prevention and peacekeeping (£474 million)**

HM Treasury provides a Conflict Resources settlement which funds conflict pool and peacekeeping expenditure within the Department. The Conflict Pool is managed by the Department, the Ministry of Defence and the Department for International Development. This settlement is separate from the Department's main budget and is therefore ring-fenced.

- **Grant-in-aid (£407 million)**

The Department provides grant-in-aid financing to a number of arm's-length bodies (see Appendix One for full details). Funding to the British Council and BBC World Service was set in the Department's settlement with HM Treasury for the 2010 spending review period. Although the agreed funding was ring-fenced, in June 2013, the Foreign Secretary announced that, as a result of the decision in the 2013 budget that all unprotected areas of government spending would be cut by 1%, the Department's funding to these bodies would reduce accordingly.¹⁴ This equated to a £2.2 million reduction for the BBC World Service and a £0.6 million reduction for British Council.

- **Official development assistance (ODA) (target of £273 million)**

The Department's 2010 spending review settlement included a ring-fenced budget for ODA expenditure to help the government dedicate 0.7% of gross national income to ODA. For 2013-14, the Department reported that it had exceeded its £273 million target for ODA expenditure.¹⁵ The final figure will be confirmed once the Organisation for Economic Cooperation and Development has completed its review of ODA-eligible expenditure for the 2014 calendar year (expected in October 2015).

¹² See footnote 11, p. 69.

¹³ Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, p. 106.

¹⁴ Hansard HC, 11 June 2013, cols 4WS-6WS.

¹⁵ See footnote 13, p. 50.

- **Depreciation and impairments (£181 million)**

Depreciation and impairments which fall within the Departmental Expenditure Limit (DEL) are ring-fenced.

- **Subscriptions to international organisations (£156 million)**

The UK is a member of a number of international organisations, such as the United Nations and the Council of Europe, for which the Department pays a share of the running costs in accordance with the UK's membership agreements. These subscriptions are funded from the Department's budget although there is a cost sharing agreement in place whereby 60% of any amounts above an agreed baseline are funded by HM Treasury. In 2013-14, this agreement resulted in a £36.1 million increase to the Department's budget.¹⁶ Further details on subscriptions are in paragraph 1.19.

- **Reimbursement of certain duties, taxes and licence fees (£41 million)**

This relates to reimbursements of certain duties and taxes, including VAT, on diplomatic missions hosted in the UK.¹⁷ This expenditure is demand-led and non-discretionary and is therefore funded from the Department's Annually Managed Expenditure (AME) budget. In 2013-14, the Department received £13.5 million of additional funding following an increase in demand for reimbursements.¹⁸

1.19 In 2013-14, the Department's £156 million expenditure on international subscriptions included contributions to:¹⁹

- United Nations: £85.3 million;
- Council of Europe: £26.6 million;
- North Atlantic Treaty Organisation: £19.7 million;
- Organisation for Economic Cooperation and Development: £11.2 million;
- Commonwealth Secretariat: £5.3 million;
- Organisation for Security and Cooperation in Europe: £4.7 million; and
- others: £3.3 million.²⁰

1.20 In addition, the Department also made a capital contribution of £14.8 million towards the construction of a new NATO headquarters in Brussels and met the cost of the UK's mandatory contributions to multi-lateral peacekeeping from the peacekeeping budget.

¹⁶ Foreign & Commonwealth Office, *Foreign & Commonwealth Office Supplementary Estimate 2013-14 Memorandum for the Foreign Affairs Committee*, February 2014. Available at: www.parliament.uk/documents/commons-committees/foreign-affairs/FCO-Supplementary-Estimates.pdf

¹⁷ Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, p. 51.

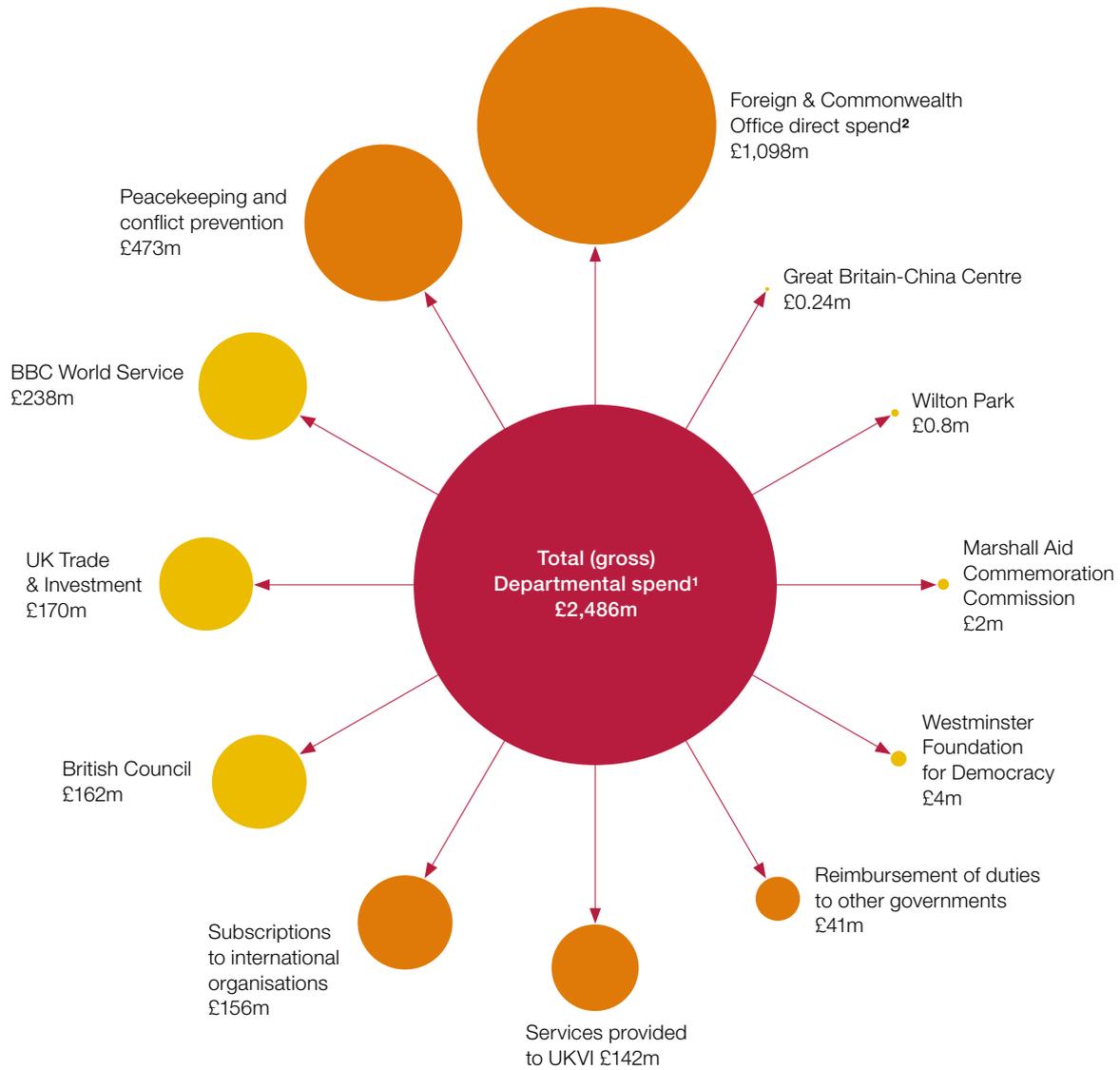
¹⁸ See footnote 16.

¹⁹ See footnote 17, p. 105.

²⁰ 'Other' comprises subscriptions of less than £1 million paid to 7 other international organisations.

Figure 4

Where the Department spent its money in 2013-14



Notes

- 1 This analysis is gross resource expenditure only and excludes capital expenditure and income.
- 2 The Department's direct expenditure mainly comprises of staff and other costs associated with front-line service delivery, expenditure on programmes and consular operations.

Source: Foreign and Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, pp. 89 and 104; *UK Trade & Investment Annual Report and Accounts 2013-14*, June 2014, p. 82; *Wilton Park Annual Report and Accounts 2013-14*, July 2014, p. 41.

Staff attitudes

1.21 The government has conducted its Civil Service People Survey annually for the past 5 years. The most recent survey was carried out during October 2013. Continuing our practice in past briefings, we summarise here the views of the Department's staff on a number of key issues, and compare them to benchmarks for the civil service as a whole. Detailed results for all departments are reproduced at Appendix Two.

1.22 The Department continued to perform above the civil service benchmark in all 9 themes used in the survey and in the employee engagement index. Consistent with the 2012 survey, the Department was comparatively strong in overall employee engagement, leadership and managing change, and learning and development. As shown in **Figure 5**, the year on year results for the Department remain fairly consistent with only small percentage changes.

1.23 In our Departmental Overview 2013, we identified that the amount by which the Department outperformed the civil service benchmark reduced across the majority of themes and the employee engagement index between 2011 and 2012.²¹ The results for 2013 when compared to the civil service benchmark were more mixed with relative improvements compared to the benchmark in some themes, but relative decreases in others. The most significant change in performance, relative to the civil service average, was in the learning and development theme, where the Department saw the amount by which it outperformed the benchmark reduce by 4%.

1.24 Pay and benefits continues to be the area of least satisfaction for Departmental staff, with the overall score for this theme declining by 1% compared to the prior year. This was a trend across the civil service as a whole, with the benchmark falling by the same amount.

1.25 The Department continues to recognise that dissatisfaction with pay poses a risk to its performance due to the impact on staff morale. The pay award implemented in 2013 resulted in an increase to the London location allowance and the introduction of outside London location allowance. The Department considered these pay awards to be "well received by staff, although staff survey data suggests it stemmed rather than reversed the decline in perceptions of staff pay".²² The Department recognises that it has limited flexibility on pay awards due to civil service-wide pay controls, but has nonetheless identified "align[ing] pay more closely with other Whitehall departments and comparator employers" as one of its 2014 improvement plan actions.²³

21 National Audit Office, *Departmental Overview: The performance of the Foreign & Commonwealth Office 2012-13*, November 2013, p. 22.

22 Foreign & Commonwealth Office, *Foreign and Commonwealth Office 2014 Improvement Plan*, July 2014, p. 49.

23 See footnote 22, pp. 22, 48 and 49.

Diversity and inclusion

1.26 The Department considers that improving its record on diversity, equality and inclusion is fundamental to its aim of becoming the best diplomatic service in the world.

Figure 5
Civil Service People Survey 2013

	2013 survey ¹	Difference from 2012 survey	Difference from civil service benchmark 2013 ²
Engagement index (%)	68	+1	+10
Theme scores (%)			
Organisational objectives and purpose	83	+1	+1
My team	81	0	+2
My work	79	+1	+5
Inclusion and fair treatment	78	0	+4
Resources and workload	77	-1	+3
My manager	70	-1	+3
Learning and development	56	-1	+9
Leadership and managing change	51	+1	+9
Pay and benefits	30	-1	+1

Notes

- 1 Reported percentage is the proportion of respondents who selected either 'agree' or 'strongly agree' for a question.
- 2 The 2013 benchmark is the media percentage positive across all organisations that participated in the *Civil Service People Survey 2013*.

Source: *Civil Service People Survey 2013*

1.27 In April 2014, the Department published its Diversity and Equality Report 2014.²⁴ Its main findings were:

- The Department has not met its representation targets for women, black and ethnic minority (BME) staff and staff with disabilities in the senior management grades (**Figure 6**). The Department's management board has re-committed to working towards these targets and set new targets to appoint 24 additional female Heads of Mission overseas (a 62% increase) over the next 4 years and for women to make up 50% of the Department's external recruitment into the senior management grades.
- The 2013 staff survey results suggest that while there is still some way to go on feelings on discrimination amongst BME staff, they are now feeling more positive about their opportunities for progression.
- Staff with a disability reported significantly higher experiences of discrimination and bullying or harassment than overall averages. Twenty-nine per cent of staff with disabilities reported that they had experienced discrimination (16% higher than the overall average) and 23% reported that they had experienced bullying or harassment (11% higher than the overall average).
- Salaries for male staff at the Department exceeds those of female staff by almost 11% at the most senior grades (SMS3 and SMS4). An equal pay review has been conducted during 2014 and the Department considers it likely that this gap reflects the fact that no women currently hold any of the 3 most senior posts (SMS 4).

Figure 6
Diversity targets for senior management (SMS grades)

Group	Target	November 2008 (baseline) ¹	December 2013 ²
	(%)	(%)	(%)
Women	28	20.1	25.4
Black and ethnic minority staff	5	3.9	4.4
Staff with disabilities	5	2.2	Not reported ³

Notes

- 1 As reported in: Foreign & Commonwealth Office, *Fairness For All The FCO's Inclusion & Diversity Strategy 2008–13*, January 2009, available at: www.gov.uk/government/publications/fco-s-inclusion-diversity-strategy-2008-13
- 2 As reported in: Foreign & Commonwealth Office, *Foreign and Commonwealth Office (FCO) Diversity and Equality Report 2014 in response to the Equality Act 2010*, April 2014, available at: www.gov.uk/government/publications/diversity-and-equality-report-2014
- 3 December 2013 figure for staff in senior management grades with disabilities not reported due to a low response rate.

Source: Foreign & Commonwealth Office

²⁴ Foreign & Commonwealth Office, *Foreign and Commonwealth Office (FCO) Diversity and Equality Report 2014 in response to the Equality Act 2010*, April 2014. Available at: www.gov.uk/government/publications/diversity-and-equality-report-2014

Part Two

Developments in this Parliament

Changes to the Department's spending since 2010

The 2010 spending review

2.1 The 2010 spending review was published in October 2010 and set out Departmental spending plans up to the 2014-15 financial year. The main points from the Foreign & Commonwealth Office's (the Department's) settlement are:

- a 24% reduction in the resource budget;
- a 55% reduction in the capital budget;
- the introduction of the Foreign Currency Mechanism to help the Department manage exchange rate risks;
- a requirement for the Department to spend at least £273 million on Official Development Assistance (ODA) each year;
- the transfer to the BBC for funding responsibilities for the BBC World Service from 1 April 2014; and
- a separate settlement from HM Treasury for peacekeeping and conflict prevention expenditure.

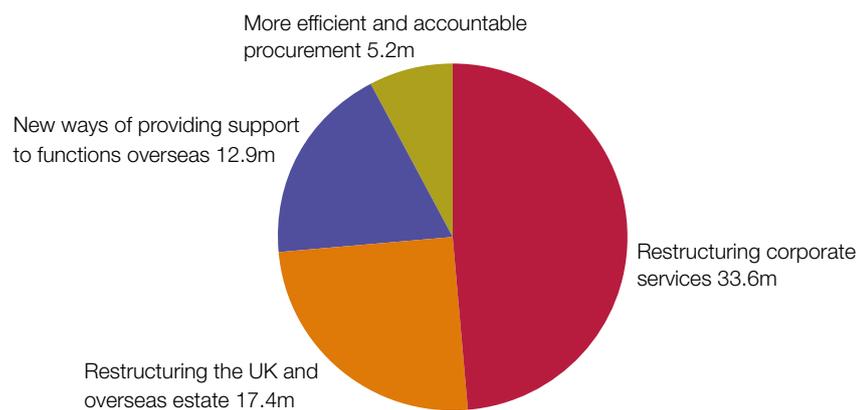
2.2 The 24% reduction in the resource budget takes into account the transfer of funding responsibility for the BBC World Service. Once this is accounted for, the underlying settlement was a 10% real reduction. Following the 2010 spending review settlement, further reductions in the Department's budget were announced in the 2011, 2012 and 2013 autumn statements as well as the 2013 budget.

2.3 In order to deliver the required savings, the Department is planning to reduce its annual administrative costs by £100 million and reduce its IT and programme costs. By the end of 2013-14, the Department reported that it had delivered £69.1 million of the planned administrative savings and was on track to deliver against the target by 2015. **Figure 7** provides a breakdown of how the Department reports that these savings have been realised and further details are provided below:

- **New ways of providing support to functions overseas:** This has meant a reshaping of the workforce by reducing the number of UK-based staff who are posted overseas and instead recruiting staff locally to perform administrative work where possible.²⁵
- **Restructuring the UK and overseas estate:** This has reduced the costs of office and residential accommodation.²⁶
- **More efficient and accountable procurement:** This has included increased use of central government buying arrangements where appropriate and implementation of a central Procurement Strategy Approval Board for all contracts and tenders over £80,000.²⁷
- **Restructuring corporate services:** This has involved consolidating some finance, human resources and procurement functions into global or regional hubs and replacing UK-based staff with local staff where cost-effective.²⁸

Figure 7
Efficiency savings delivered

Savings (£m)



Source: Foreign & Commonwealth Office, *Foreign and Commonwealth Office 2014 Improvement Plan*, July 2014, p. 12

²⁵ Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, p. 50.

²⁶ Foreign & Commonwealth Office, *Foreign and Commonwealth Office 2014 Improvement Plan*, July 2014, p. 12.

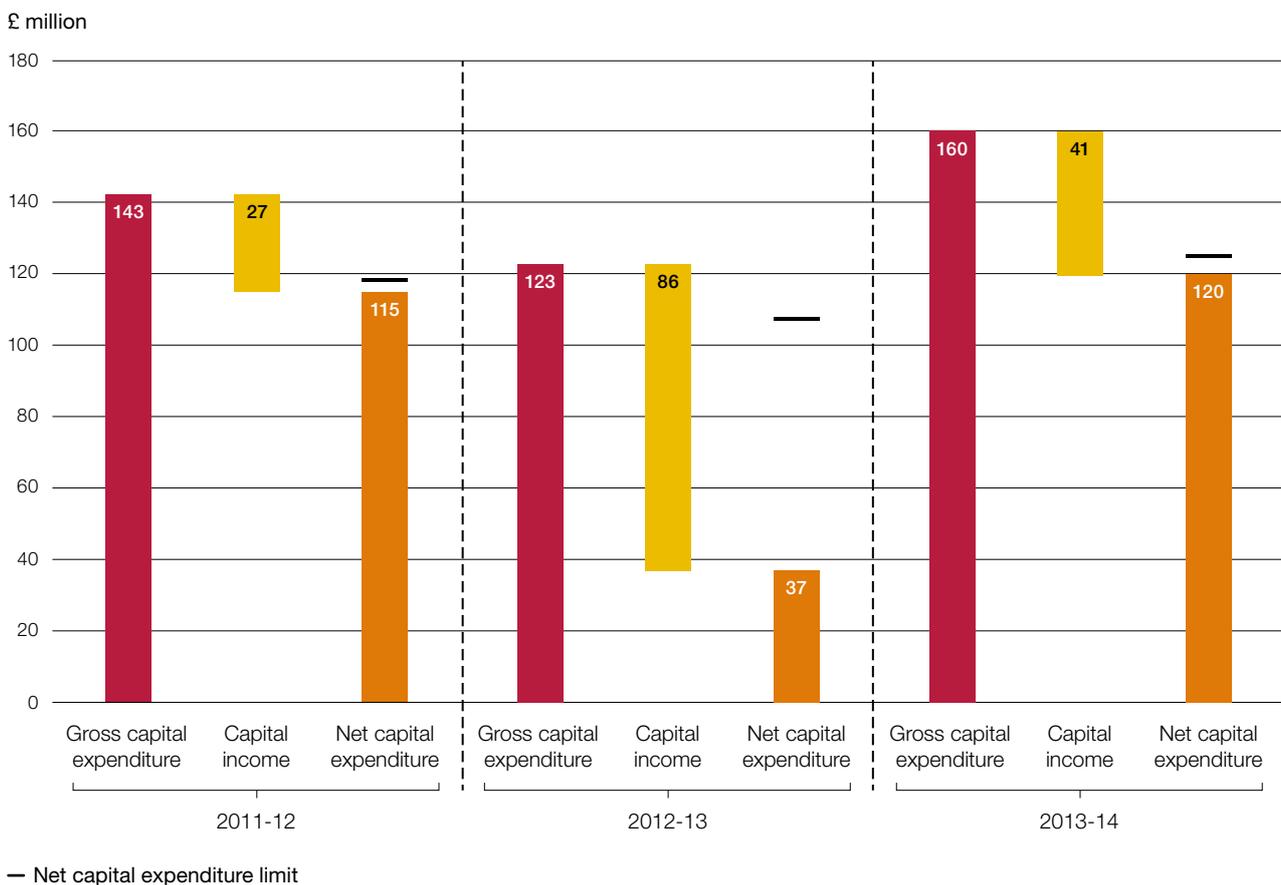
²⁷ See footnote 25.

²⁸ See footnote 26.

2.4 The 2010 spending review settlement allows the Department to retain up to £100 million of proceeds from asset sales each year to be used to meet additional capital funding requirements. **Figure 8** shows that, between 2011-12 and 2013-14, the Department generated £154 million in capital income. This included an exceptional receipt for £61.9 million in 2012-13 from the disposal of the British High Commission compound in Kuala Lumpur. Due to the timing of this receipt, the Department was not able to use it to offset capital expenditure within the 2012-13 financial year, however HM Treasury allowed the Department to carry over some of the proceeds by increasing the Department's capital expenditure budget in 2013-14 by £23 million.²⁹

Figure 8

Capital expenditure and income 2011-12 to 2013-14



Source: Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, p. 128

²⁹ HM Treasury, *Central Government Supply Estimates 2013-14 Supplementary Estimates and New Estimates*, February 2014, p. 417.

2.5 The Foreign Currency Mechanism introduced as part of the 2010 spending review has resulted in adjustments being made to the Department's core budget in each of the Supplementary Estimates since 2011-12. This adjustment takes into account movements in the top 20 currencies in which the Department spent money in 2010-11 (used as the baseline). In 2013-14, the Department's budget was reduced by £17.3 million due to appreciation in the value of sterling relative to other currencies since the baseline year.³⁰ This compares to reductions of £1.8 million and £17.6 million in 2011-12 and 2012-13 respectively.³¹

2.6 The Foreign Currency Mechanism does not completely insulate the Department from foreign exchange movements as it does not cover expenditure on British Council, BBC World Service or peacekeeping. In order to minimise budget uncertainty for peacekeeping expenditure, the Department enters into forward purchase contracts to fix the rates of exchange.

2.7 In addition, the Foreign Currency Mechanism adjustment takes into account currency movements from November to October each year (aligned with timing of the Supplementary Estimate process). Therefore, foreign exchange movements in the last 5 months of each financial year are not adjusted for until the following financial year. This arrangement means there is no adverse impact on the Department.³²

The 2013 Spending Round

2.8 In June 2013, the Chancellor announced spending plans for 2015-16. The Department's settlement included:

- a 6.3% real reduction in its total Departmental programme and administration budget from the 2014-15 baseline;³³ and
- a 1.8% real reduction in the Departmental capital budget (a freeze in cash terms) over the same period.

³⁰ Foreign & Commonwealth Office, *Foreign & Commonwealth Office Supplementary Estimate 2013-14 Memorandum for the Foreign Affairs Committee*, February 2014. Available at: www.parliament.uk/documents/commons-committees/foreign-affairs/FCO-Supplementary-Estimates.pdf

³¹ HM Treasury, *Supplementary Estimates, 2011-12*, February 2012, p.361 and HM Treasury, *Supplementary Estimates, 2012-13*, February 2013, p. 387.

³² Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, p. 51.

³³ Resource Departmental Expenditure Limit excluding depreciation.

2.9 The Department is planning to take the following measures in order to generate the required savings:

- implement One HMG Overseas, which is expected to generate up to £5 million in efficiency savings by increasing collaboration and sharing of services such as IT and support services across government departments that are based overseas;
- review the British Council's operating model to encourage greater self-funding and reduce the burden on the taxpayer;
- consolidate London-based staff into the Department's Whitehall base in King Charles Street by 2015; and
- secure better deals by re-tendering contracts for IT services.

2.10 The settlement also includes provision of over £1 billion in 2015-16 for a new Conflict, Stability and Security Fund. This will build on the Conflict Pool and fund a broader range of activity to help prevent conflict and tackle threats to UK interests that arise from instability overseas. This will include actions the UK delivers directly or through third parties and its contribution to multilateral interventions overseas to help prevent conflict and instability, and support post-conflict stabilisation.³⁴

2.11 The triennial review of the British Council was published in July 2014.³⁵ The review concluded that it should be retained as the UK's cultural diplomacy body but it proposed changes to its structure and governance because of concerns about transparency, accountability and clarity of purpose.³⁶

³⁴ HM Treasury, *Spending Round 2013*, Cm 8639, June 2013, pp. 24 and 45.

³⁵ The Cabinet Office's Efficiency and Reform Group announced in 2011 that departments should review their non-departmental public bodies (NDPBs) every 3 years, to determine if they were still needed and should continue to exist in the current format.

³⁶ Foreign & Commonwealth Office, *Triennial Review of the British Council*, July 2014 pp. 3-4. Available at: www.gov.uk/government/publications/triennial-review-of-the-british-council-22-july

2.12 The main findings are:

- **Improvements to commercial activities are needed:** The Council's commercial activities aim to recover full costs and therefore do not generate significant surplus to allow for funding of non-commercial activities. The review did, however, recognise that commercial activity can also create a platform for delivery of other work, for example the promotion of English through English teaching.³⁷
- **Financial performance across the regions was uneven:** A small number of country operations are responsible for generating the £56 million surplus. In addition it was not clear from the accounts, where the surplus earned from commercial activities was spent.³⁸
- **Plans are not linked to strategic objectives:** The Council has not been able to demonstrate that its ambitious growth plan in the exams and teaching business was essential to its objectives nor; how it would lead to an equivalent increase in influence.³⁹
- **The promotion of British culture is viewed as ineffective:** While stakeholders felt that arts should be at the centre of the British Council's operations, around half of the Heads of Missions surveyed found that its promotion of British culture is 'not very effective'.⁴⁰
- **Some of the British Council's roles conflict with each other:** The review noted that "The British Council acts as an advocate and adviser for other UK providers in fields that are also important sources of its own self generated income". As a result there is a potential conflict of interest between the Council's role as supplier of educational services and adviser/advocate to UK competitors.⁴¹

2.13 The review suggested that the conflict of interest could not be resolved with the present operating model. It proposed 3 ways in which the commercial and non-commercial activities could be separated. These ranged from, separate internal governance arrangements, to the establishment of a separate government owned company reporting to the Department or other government body. The review could not make a firm recommendation on which option was preferred, citing the need for expert analysis.⁴²

2.14 The next stage of the review is a second report, which is expected to present preliminary recommendations to departmental ministers in December 2014 and publish conclusions in early 2015. The Department will then decide what action to take.

37 See footnote 36, p. 4.

38 See footnote 36, pp. 16 and 30.

39 See footnote 36, p. 29.

40 See footnote 36, p. 22.

41 See footnote 36, p. 4.

42 See footnote 36, p. 5.

Policy and delivery: major developments since 2010

Review of the balance of competences

2.15 In July 2012, the Foreign Secretary announced a review of the balance of competences (the power to act in particular areas conferred on it by EU Treaties) between the United Kingdom and the European Union.⁴³ The review will be an audit of what the EU does and how it affects the UK. It will look at where competence lies, how the EU's competences are used, and what that means for national interest. Each area is assigned a lead department who will consult with Parliament, businesses, the devolved administrations, and civil society to look in depth at how the EU's competences work in practice. Britain's European partners and EU institutions also contribute to the review. Government departments then report on areas of competence.

2.16 As stated by the Minister of State for Europe, David Lidington:

"The intention of this review is to provide a mechanism for objective analysis based on evidence from a wide range of sources, rather than to recommend policy outcomes".⁴⁴

2.17 Each area of the review looks to:

- examine how an EU competence in a particular area has developed;
- identify and explain the current balance of competences between the UK and the EU;
- explore how competence is exercised in practise and whether it is working in UK's national interest; and
- explore the EU's direction of travel, and identify future challenges and opportunities for the UK.

2.18 The Department is leading on this review and the Foreign Secretary is responsible for communicating its overall progress to Parliament. Twenty-five of the 32 reports are now complete and have been published. The consultation phase for the final 7 reports is now over and these are expected to be published by the end of 2014. **Figure 9** overleaf sets out the areas which have been covered by the review.

⁴³ Secretary of State for Foreign and Commonwealth Affairs, *Review of the Balance of Competences between the United Kingdom and the European Union*, Cm 8415, July 2012.

⁴⁴ Hansard HC, 15 October 2013, cols 49WS–50WS.

Figure 9

Review of the balance of competences

Lead department	Review areas
Department for Business, Innovation & Skills	Single market report Trade and Investment Research and Development Single Market: Free Movement of Services Cohesion Social And Employment Competition and Consumer Policy
HM Treasury	Taxation report Single Market: Financial Services and the Free Movement of Capital EU Budget Economic and monetary policy ¹
Department for Environment, Food & Rural Affairs	Animal health and welfare and food safety report Environment and Climate Change Agriculture Fisheries
Department of Health	Health report
Department for International Development	Development cooperation and humanitarian aid report
Foreign & Commonwealth Office	Foreign policy report Enlargement ¹ Subsidiarity and proportionality ¹ Voting, consular and statistics ²
HM Revenue & Customs	Single Market: Free movement of goods
Home Office	Asylum and Non-EU migration Single Market: Free movement of persons Police and Criminal Justice ¹
Department for Transport	Transport
Department for Culture, Media & Sport	Culture, Tourism and Sport
Ministry of Justice	Civil Judicial cooperation Fundamental rights Information rights ¹ Voting, consular and statistics ²
Department of Energy & Climate Change	Energy
Department for Education	Education, vocational training and youth ¹
Cabinet Office	Voting, consular and statistics ²

Notes

1 Report not yet published.

2 The report is being jointly led by the Cabinet Office, FCO and MoJ and has not yet been published.

Source: Foreign & Commonwealth Office, *Review of the balance of competences*. Available at: www.gov.uk/review-of-the-balance-of-competences

Preventing sexual violence in conflict

2.19 In May 2012, the *Preventing Sexual Violence in Conflict Initiative* was launched by the former Foreign Secretary, William Hague (now the Prime Minister's Special Representative on Preventing Sexual Violence in Conflict). The Department is responsible developing action plans to increase international acknowledgement and gain agreement that sexual violence in conflict can be brought to an end.

2.20 Progress with the initiative has included the:

- adoption of the *G8 Declaration on Preventing Sexual Violence in Conflict* in April 2013;⁴⁵
- adoption by the UN Security Council of a resolution on sexual violence in June 2013;⁴⁶
- launch of a *Declaration of Commitment to End Sexual Violence in Conflict* at the UN General Assembly in September 2013 and subsequent endorsement by 155 countries;⁴⁷ and
- a Global Summit to End Sexual Violence in Conflict hosted in London in June 2014. The outcomes of this included the launch of the first ever *International Protocol on the Documentation and Investigation of Sexual Violence in Conflict*.⁴⁸

Independent assessments of the Department's performance

2.21 In Part Three of this report, we look at the NAO's assessment of the Department's performance in 2013-14. Alongside our work and that of the Foreign Affairs Select Committee, a number of other bodies regularly produce independent analyses of how the Department is doing and of the challenges it faces. In this section, we look at some of the most notable of these reports published in the last year.

2.22 In March 2014, the House of Lords Select Committee on Soft Power and the UK's Influence published a report on *Persuasion and Power in the Modern World*.⁴⁹ The report examined the use of soft power in furthering the United Kingdom's global influence and interests. Soft power has been defined as "the ability to affect others to obtain the outcomes one wants through attraction rather than coercion or payment".

45 Foreign & Commonwealth Office, *G8 Declaration on Preventing Sexual Violence in Conflict*, April 2013. Available at: www.gov.uk/government/publications/g8-declaration-on-preventing-sexual-violence-in-conflict

46 United Nations Security Council, *Resolution 2106 (2013)*, June 2013. Available at: [www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2106\(2013\)](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2106(2013))

47 Foreign & Commonwealth Office, *A Declaration of Commitment to End Sexual Violence in Conflict*, September 2013. Available at: www.gov.uk/government/publications/a-declaration-of-commitment-to-end-sexual-violence-in-conflict

48 Foreign & Commonwealth Office, *International Protocol on the Documentation and Investigation of Sexual Violence in Conflict*, June 2014. Available at: www.gov.uk/government/publications/international-protocol-on-the-documentation-and-investigation-of-sexual-violence-in-conflict

49 HL Select Committee on Soft Power and the UK's Influence, *Persuasion and Power in the Modern World*, Report of Session 2013-14, HL 150, March 2014.

2.23 The report recognised that the Department “...no longer possesses a soft power monopoly in Whitehall as other government departments expand their global footprints”.⁵⁰ However, it highlighted the key role of the Department’s diplomatic network in enhancing the UK’s soft power and that embassies are becoming more important as “...they act as ‘mini-Whitehalls’, involved in the international dimensions of many departments’ work as well as with travellers, migrants and traders”.⁵¹

2.24 The report also identified the roles of the bodies sponsored by the Department in promoting soft power, including the British Council, BBC World Service, Westminster Foundation for Democracy and Marshall Aid Commemoration Commission.

2.25 The report made a series of recommendations about how the government could preserve and develop the UK’s soft power. Recommendations with particular relevance to the Department included:

- strengthening embassy resources to support better coordination of the UK’s overseas activities;
- ensuring that remuneration and career structures allow the Department to retain the most able staff;
- providing professional training in public diplomacy;
- making use of all methods and technologies to communicate effectively including ensuring UK diplomats are aware of the power of social media, and can use it competently; and
- reviewing how well the Department for International Development, the Ministry of Defence and the Department cooperated in Afghanistan, with a view to identifying lessons for any future post-conflict reconstruction efforts.⁵²

2.26 In December 2013, the House of Commons Committee of Public Accounts published a report on *Supporting UK exporters overseas*.⁵³

2.27 The report welcomed the progress made by UKTI and the Department in supporting UK exporters overseas and noted that both had paid greater attention to encouraging export growth and shifting resources to focus more on emerging markets. However, the report found that, based on current forecasts, the UK is not on track to meet the Chancellor of the Exchequer’s ambition for exports to reach £1 trillion a year by 2020. It also found that UKTI and the Department have not always worked together effectively and that, while it is difficult for the Department to evaluate the impact of its activities, it cannot assess which of its activities are most effective at promoting exports without proper evaluation.

50 See footnote 49, p. 63.

51 See footnote 49, p. 38.

52 See footnote 49, pp. 10–11.

53 HC Committee of Public Accounts, *Supporting UK exporters overseas*, Thirty-seventh Report of Session 2013-14, HC 709, December 2013.

2.28 The report therefore recommended that:

- UKTI and the Department take steps to better understand the reasons why some countries have stronger export growth rates than the UK and then use this research to inform their future planning.
- UKTI and the Department define a joint ‘roadmap’ to support the exports target.
- Joint plans between UKTI, the Department and the Department for Business, Innovation & Skills should be clear on each organisations’ roles and responsibilities. The plans should also set out how the organisations will work together to provide a single action plan for promoting UK exports.
- The Department should develop measures to evaluate the relative impact of its interventions.
- UKTI and the Department should identify the key problems which business travellers face in obtaining UK visas, and the impact of this on export opportunities. They should subsequently work with the Home Office to minimise these barriers, while maintaining UK border security.

2.29 The government accepted the Committee’s recommendation and published its response in April 2014.⁵⁴

Major developments for the year ahead

2.30 The Department remains committed to becoming the best diplomatic service in the world by 2015 and identified 8 areas of focus for the year ahead in its *Foreign & Commonwealth Office 2014 Improvement Plan*.⁵⁵

2.31 This includes launching a Diplomatic Academy which is due to formally open in early 2015. This academy will offer staff access to a range of learning materials covering the Department’s work, including:

- international policy;
- Europe;
- multilateral policy; and
- Prosperity and Economic.

⁵⁴ HM Treasury, *Treasury Minutes Government responses on the Thirty Fifth to the Forty Fifth Reports from the Committee of Public Accounts, Session 2013-14*, Cm 8847, April 2014.

⁵⁵ Foreign & Commonwealth Office, *Foreign and Commonwealth Office 2014 Improvement Plan*, July 2014.

2.32 The Department is currently working on 2 major projects:⁵⁶

- **UK Estates Reform Project**

The Department is consolidating its entire London-based staff into its King Charles Street office. This project is expected to save the Department around £5 million a year in running costs and free up the Old Admiralty Building for use by the Department for Education.⁵⁷ Renovation work on the King Charles Street office will be taking place during 2014-15 and is expected to be completed by November 2015.

- **New British high commission office and residence in Abuja**

Construction work on the new British high commission office and residence in Abuja began in February 2014 and will continue through 2014-15. The project is due to be completed in Spring 2016 and will accommodate all the UK government departments working in Abuja.⁵⁸

2.33 In addition, the final phase of the project to provide a new British embassy in Jakarta is expected to complete in 2014-15 with the sale of the current embassy and residence.

⁵⁶ Details of the Department's major projects can be found at: Foreign & Commonwealth Office, *FCO Government Major Projects Portfolio data, 2014*, May 2014, available at: www.gov.uk/government/publications/fco-government-major-projects-portfolio-data-2014

⁵⁷ Foreign & Commonwealth Office, *Foreign and Commonwealth Office 2014 Improvement Plan*, July 2014, p. 20.

⁵⁸ Foreign & Commonwealth Office, 'Minister Breaks New Ground In Nigeria', *GOV.UK*, March 2014. Available at: www.gov.uk

Part Three

Recent NAO findings on the Department

Our audit of the Department's accounts

3.1 The NAO's financial audits of government departments and associated bodies are primarily conducted to allow the Comptroller and Auditor General (C&AG) to form an opinion of the truth and fairness of the public accounts. In the course of these audits, the NAO learns a great deal about government bodies' financial management and sometimes this leads to further targeted pieces of work which examine particular issues. In this section, we look at the outcome of our most recent financial audit on the Foreign & Commonwealth Office (the Department) and its bodies.

3.2 The financial audit of the Department resulted in the C&AG issuing an overall opinion that the financial statements give a true and fair view of the Department and the Departmental group's affairs as at 31 March 2014. The accounts were laid before Parliament on 1 July 2014.

3.3 The expenditure for 2013-14 included £15.4m which the Department paid to HM Revenue & Customs for income tax over a number of years for certain locally engaged staff who have UK as well as local tax liabilities. As disclosed in the losses statement, this included £0.8m of late-payment interest.⁵⁹

3.4 The Department's accounts also set out details of gifts made to other countries in the course of the year in support of conflict prevention. Details of these are set out in **Figure 10** overleaf.

⁵⁹ Foreign & Commonwealth Office, *Annual Report and Accounts 2013-14*, July 2014, pp. 50 and 121.

Figure 10
 Gifts made by the Department in 2013-14

Recipient	Gift	Value (£m)
Syria	Supply of vehicles and equipment to allow the Syrian opposition to deliver support to civilians. (April 2013).	2.9
	Supply of protective equipment to the Syrian opposition against chemical and biological weapons. (July 2013).	0.7
	Supply of non-lethal equipment (vehicles, communication equipment, medical kits, logistic supplies) to the Supreme Military Council of the Syrian National Coalition. (November 2013).	1.0
	Supply of search and rescue equipment to Syrian civil defence teams. (January 2014).	0.7
	Supply of communications equipment, vehicles and uniforms to the Free Syrian Police to help with basic civilian policing in opposition controlled areas. (February 2014).	0.9
Jordan	Supply of non-lethal equipment (helmets, vehicles, night-vision equipment) and training to help the Jordanian Armed Forces manage the humanitarian crisis caused by the ongoing violence in Syria. (May 2013).	0.8
Lebanon	Supply of vehicles and communications, protection and surveillance equipment as well as associated training to the Lebanese Armed Forces to help reinforce the border between Lebanon and Syria. (June 2013).	9.0
	Supply of vehicles, protective equipment and communications equipment to the Land Border Regiments of the Lebanese Armed Forces to help prevent the illegal movement of weapons and personnel across the northern border with Syria. (February 2014).	2.0
Pakistan	Supply of counter improvised explosive device equipment, search equipment, vehicles and associated training to provide the Pakistan Police, Civil Defence and Military with counterterrorism capability.	3.2
Somaliland	Supply of security equipment and vehicles to the Somaliland Ministry of Civil Aviation and Air Transport and Somaliland Department of Immigration for use at airports and border crossings to identify and disrupt threats to aviation and border security.	0.7
	A UK-built headquarters and pre-trial detention facility, office furnishings, equipment and non-military vehicles to assist the Somaliland Police in counterterrorism activity.	0.6
Afghanistan	Supply of 6 logistical support bridges and spares for maintenance to the Government of Afghanistan to provide commercial links, security and basic services to local community in Helmand province.	2.6
Total		25.1

Note

1 All gifts were funded from the Conflict Pool.

Source: Written ministerial statements and Departmental minutes

3.5 The Governance Statement, which accompanies the accounts, sets out how the accounting officer discharges his responsibility for managing and controlling the Department's resources throughout the year. The Governance Statement includes the Department's risk management strategy, alongside identifying the key risks the Department faces. In 2013-14 the risks include:

- the overall security environment and the safety of staff overseas;
- declining staff morale;
- financial and reputational risks from exposure to litigation;
- knowledge and information management;
- changes to information technology; and
- weaknesses identified by internal audit over some aspects of personal data handling, low value contract letting, supplier selection and financial controls overseas.

Our audits of the Department's effectiveness and value for money

Managing and removing foreign national offenders

3.6 This report, published in October 2014, focuses on whether the Home Office, the Ministry of Justice and the Department's approach to managing and removing foreign national offenders delivers value for money, and in particular whether the public bodies involved are maximising removals for the £850 million we estimate they spend each year. This report responds to issues raised by the Committee of Public Accounts on the management of foreign national offenders by the Home Office, the Ministry of Justice and the Department in their hearing in February 2014 on the NAO's report on *Managing the prison estate*.⁶⁰

3.7 The Department works with the Home Office and the Ministry of Justice to remove foreign national offenders:

- The Home Office has overall responsibility for removals.
- The Ministry of Justice and the National Offender Management Service manage offenders in custody and negotiate international agreements on prisoner transfers.
- The Department manages relations with foreign governments to speed up removals.

⁶⁰ Comptroller and Auditor General, *Managing the prison estate*, Session 2013-14, HC 735, National Audit Office, December 2013.

3.8 The main findings from the report are:

- Despite increased resources and tougher powers, progress in reducing the foreign national offender population in the UK has been slower than expected. The number of foreign nationals in the prison estate in England and Wales has remained fairly constant and the number deported from the UK has remained broadly unchanged since 2006.
- Removing foreign national offenders from the UK continues to be inherently difficult and public bodies involved have been hampered in their efforts by a range of barriers, although poor administration has still played a part. The number of failed removals has reduced, but a significant number still fail because of factors within the Home Office's control.
- The Home Office and the Ministry of Justice do not use cost data to manage foreign national offenders, and do not have a good understanding of the costs involved. Without this basic cost data it is difficult for the government to make informed decisions on where it can maximise opportunities for improvement.
- Before December 2012, the government did relatively little to tackle the problem of potential foreign national offenders from entering the UK. Opportunities to facilitate and speed up removals are being missed and there is considerable scope to make more use of early removal schemes which would save the taxpayer money.
- The first cross-government strategy for foreign national offenders was developed in 2013 which aims to deliver greater progress and tackle barriers. While the action plan is relatively new, it has had a galvanising effect on activity, increased joint-working and helped tackle some of the more difficult barriers to removal. But it lacks sufficient coherence and is hindered by over-complicated arrangements in the Home Office.

NAO work in progress

Exploiting the UK brand overseas to promote growth

3.9 We are conducting a review of how effectively the government is exploiting the UK brand and whether it will lead to tangible results, such as increased economic growth. We will assess how these efforts are coordinated across government and how the results are measured. We will be examining the:

- Strategic approaches adopted to exploit the UK brand, mainly using GREAT. The GREAT campaign aims to promote the UK internationally as a GREAT place to visit, study and do business.
- Coordination of departments' efforts to exploit the UK brand and GREAT both across Whitehall and overseas.
- Methods used by departments to measure and report their performance.
- Impact on economic growth.

3.10 This review will include case studies on:

- The GREAT campaign.
- Education: Work to attract overseas higher education students to study in the UK.
- Arts and Heritage: How these are used to promote tourism.
- Science and Innovation: How the science and innovation network promotes the 8 great technologies (big data and energy-efficient computing, satellites and commercial applications of space, robotics and autonomous systems, synthetic biology, regenerative medicine, agri-science, advanced materials and nanotechnology and energy and its storage).

One HMG Overseas

3.11 The One HMG Overseas agenda aims to remove barriers to joint working, so that all staff working for HMG overseas can deliver the UK's international objectives more effectively and save money. We will examine how government departments are working in partnership to deliver the vision of One HMG Overseas. We will be looking in particular at the strategy for One HMG Overseas, partner engagement and delivery of expected benefits against schedule and budget. Publication is expected in Spring 2015.

The Department in a cross-government context

3.12 In addition to our work on individual departments, the NAO increasingly looks at performance across government, in order to understand how different departments measure up on important issues. Of the cross-government reports we have published in the last year, two have included important coverage of the Department.⁶¹

Update on the National Cyber Security Programme

3.13 The C&AG's *Update on the National Cyber Security Programme* identified the Department's role in providing guidance and assistance, including financial support, to cyber crime initiatives in the Commonwealth, the United Nations Office on Drugs and Crime and the Council of Europe.⁶² The Department has also participated in activities in the UN General Assembly, the Organisation for Security and Cooperation in Europe, the European Commission and NATO to support its objective of an open, vibrant and stable cyberspace that supports open societies.

3.14 The report found that work to improve benefits realisation is ongoing and highlights that some benefits, such as the influencing work done by the Department are inherently difficult to demonstrate.

⁶¹ For the full list of cross-government reports that reference the Department, see Appendix Four.

⁶² Comptroller and Auditor General, *Update on the National Cyber Security Programme*, Session 2014-15, HC 626, National Audit Office, September 2014.

Government whistleblowing policies

3.15 The NAO investigation *Government whistleblowing policies* provided the context around whistleblowing and examined the procedures in place for employees to whistleblow within government departments.⁶³

3.16 Policies across 39 government organisations were reviewed against 8 criteria on a 5-point scale. **Figure 11** shows the results of this review and the relative performance of the Department's policy.

Figure 11
Evaluation of whistleblowing policies



Source: National Audit Office

63 National Audit Office, *Government whistleblowing policies*, January 2014. Available at: www.nao.org.uk/report/government-whistleblowing-policies/

Appendix One

The Department's sponsored bodies at 1 April 2014

Name	Other sponsoring bodies	Description	Funding (including capital grants) received from the Department in 2013-14 (£m)
BBC World Service ¹	None	International radio broadcaster.	238
UK Trade & Investment	Department for Business, Innovation & Skills	Provides support and assistance to exporters and promotes the UK to foreign investors.	170 ²
British Council	None	UK's international organisation for educational opportunities and cultural relations.	162
Westminster Foundation for Democracy	Department for International Development also provides funding	Aims to help establish and strengthen pluralist democratic institutions and political parties in countries where these are absent, or of recent foundation, or in need of further encouragement and development.	4
Marshall Aid Commemoration Commission	None	Aims to strengthen US-UK relations and to promote British influence in the United States by providing Marshall Scholarships to US Citizens of high academic achievement.	2
Wilton Park	None	Global forum which organises more than 50 events a year in the UK and overseas.	0.8
Great Britain China Centre	None	Promotes closer cultural, social, professional, economic, educational and other contacts between Britain and China and encourages mutual knowledge and understanding.	0.24

Notes

- 1 BBC World Service received grant-in-aid funding from the Department in 2013-14 but ceased to be a sponsored body of the Department from 1 April 2014 when it transferred to licence fee funding.
- 2 This is an estimate of costs incurred by the Department to deliver UKTI activities, as presented in the Memorandum Notes Aggregating Total Resources Used To Deliver UKTI's Services in *UK Trade & Investment Annual Report and Accounts 2013-14*. These costs are reported within the Department's accounts and no funding was directly transferred to UKTI.

Source: National Audit Office

Appendix Two

Results of the Civil Service People Survey 2013

Survey question (% 'strongly agree' or 'agree')	Foreign & Commonwealth Office (excluding agencies)	Civil service benchmark
Leadership and managing change		
I feel that my department as a whole is managed well	57	43
Senior managers in my department are sufficiently visible	60	51
I believe the actions of senior managers are consistent with my department's values	57	43
I believe that the board has a clear vision for the future of my department	53	42
Overall, I have confidence in the decisions made by my department's senior managers	51	41
I feel that change is managed well in my department	40	29
When changes are made in my department they are usually for the better	35	27
My department keeps me informed about matters that affect me	62	58
I have the opportunity to contribute my views before decisions are made that affect me	44	36
I think it is safe to challenge the way things are done in my department	46	38
Organisational objectives and purpose		
I have a clear understanding of my department's purpose	84	85
I have a clear understanding of my department's objectives	81	80
I understand how my work contributes to my department's objectives	84	83

Notes

1 These are summary results of the Civil Service People Survey 2013. Not all question scores have been included.

2 The score for a question is the percentage of respondents who strongly agree or agree to that question.

Source: *Civil Service People Survey 2013*, available at: www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2013, accessed 28 August 2014

Appendix Three

Publications by the NAO on the Department since April 2013

Publication date	Report title	HC number	Parliamentary session
22 October 2014	Managing and removing foreign national offenders	HC 441	2014-15
November 2013	Departmental Overview: The performance of the Foreign & Commonwealth Office 2012-13	www.nao.org.uk/report/departmental-overview-performance-foreign-commonwealth-office-2012-13/	
16 October 2013	Supporting UK exporters overseas	HC 732	2013-14
August 2013	2012-13 review of the data systems for the Foreign & Commonwealth Office	www.nao.org.uk/report/2012-13-review-of-the-data-systems-for-the-foreign-and-commonwealth-office/	

Appendix Four

Cross-government reports of relevance to the Department

Publication date	Report title	HC number	Parliamentary session
October 2014	Delivering value and accountability – CIMA and NAO expert panel report	www.nao.org.uk/report/delivering-value-accountability-cima-nao-expert-panel-report/	
5 September 2014	Update on the National Cyber Security Programme	HC 626	2014-15
4 September 2014	Transforming government's contract management	HC 269	2014-15
16 July 2014	The 2013-14 savings reported by the Efficiency and Reform Group	HC 442	2014-15
3 July 2014	Government grant services	HC 472	2014-15
31 March 2014	Update on the Next Generation Shared Services strategy	HC 1101	2013-14
18 March 2014	Making a whistleblowing policy work	HC 1152	2013-14
14 February 2014	Managing debt owed to central government	HC 967	2013-14
7 February 2014	Progress on public bodies reform	HC 1048	2013-14
31 January 2014	Forecasting in government to achieve value for money	HC 969	2013-14
15 January 2014	Government whistleblowing policies	www.nao.org.uk/wp-content/uploads/2014/01/Government-whistleblowing-policies.pdf	
20 December 2013	Evaluation in government	www.nao.org.uk/wp-content/uploads/2013/12/10331-001-Evaluation-in-government_NEW.pdf	
19 December 2013	Over-optimism in government projects	www.nao.org.uk/wp-content/uploads/2013/12/10320-001-Over-optimism-in-government-projects.pdf	
12 November 2013	Managing government suppliers	HC 811	2013-14
12 November 2013	The role of major contractors in the delivery of public services	HC 810	2013-14
25 October 2013	The DECA: Understanding challenges in delivering project objectives	www.nao.org.uk/wp-content/uploads/2013/10/10251-001-DECA-Guidance_web-final.pdf	

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
Foreign & Commonwealth Office, please contact:

Chris Bedford

Director

020 7798 7281

chris.bedford@nao.gsi.gov.uk

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

Adrian Jenner

Director of Parliamentary Relations

020 7798 7461

adrian.jenner@nao.gsi.gov.uk

Twitter: @NAOorguk

© National Audit Office 2014

The material featured in this document is subject to National Audit Office (NAO) copyright. The material may be copied or reproduced for non-commercial purposes only, namely reproduction for research, private study or for limited internal circulation within an organisation for the purpose of review.

Copying for non-commercial purposes is subject to the material being accompanied by a sufficient acknowledgement, reproduced accurately, and not being used in a misleading context. To reproduce NAO copyright material for any other use, you must contact copyright@nao.gsi.gov.uk. Please tell us who you are, the organisation you represent (if any) and how and why you wish to use our material. Please include your full contact details: name, address, telephone number and email.

Please note that the material featured in this document may not be reproduced for commercial gain without the NAO's express and direct permission and that the NAO reserves its right to pursue copyright infringement proceedings against individuals or companies who reproduce material for commercial gain without our permission.



National Audit Office