

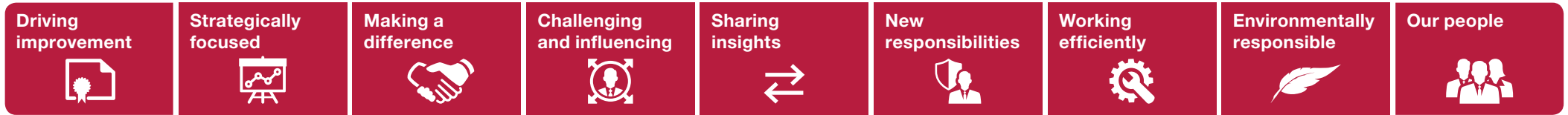


National Audit Office

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 Interactive


Annual Report and Accounts 2014-15 Summary




Explore this interactive PDF for highlights of our Annual Report and Accounts 2014-15

The NAO helps Parliament hold government to account for the way public money is spent and supports the drive to improve public services. We are independent of government.

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www.nao.org.uk



Driving improvement

Our strategic objectives are focused on supporting the drive to improve public services.

“Over the last Parliament, there has been unprecedented pressure to reduce public spending and deliver more with less. The National Audit Office has played a vital role supporting Parliament to hold government to account for the value for money of public spending and the services it provides.”

Sir Amyas C E Morse KCB
Comptroller and Auditor General



Strategically focused

Our insight and cross-government work is focused on the key issues government faces.

We can more easily identify and promote best practice as a result of grouping our teams around departments facing similar strategic issues.

We will increase our cross-government work and focus where we can have most impact in helping government address these issues.

Effective strategic centre

Cabinet Office, HM Treasury, private and third-sector delivery and Parliamentary Audit Team

Securing an effective centre of government that facilitates the best use of public money

Influencing and regulating

Department for Business, Innovation & Skills, Department for Environment, Food & Rural Affairs, Foreign & Commonwealth Office, and Department for International Development

Strengthening influence and regulation to make markets work effectively

Local service delivery and user experience

Department of Health, and Department for Communities and Local Government

Maintaining effective local services under financial constraint

Mass market operations

Department for Work & Pensions, HM Revenue & Customs, international work

Improving the accuracy and effectiveness of high-volume services to the public

Delivery through networks

Department for Education, Ministry of Justice, Home Office and Department for Culture, Media & Sport

Improving outcomes from a diverse range of providers, with effective oversight and intervention

Delivering major programmes

Ministry of Defence, Department for Transport, and Department of Energy & Climate Change

Improving the effective delivery of major programmes and projects

Cross-NAO working

Working with parliamentary committees, ensuring quality of our work and senior management

Making a difference

Our expertise and knowledge are key to achieving savings and impact.

We have improved our support for public bodies through:

- Value for money studies that are faster and more focused on areas of greatest risk
- Helping the bodies we audit address risks earlier
- Using our insight from working across government to share more good practice and lessons learnt
- Producing comparative studies, investigations and ad hoc briefings for MPs
- Seconding more staff to Select Committees

We helped achieve £1.15 billion in savings across the public sector in 2014.

Savings to government over £25 million

Reducing defence inventory	£354m
Increasing tax yield through tax compliance	£230m
Controlling government use of consultants & interims	£165m
Improving efficiency in stroke care	£136m
Procurement savings in the NHS	£41m
Improving Social Fund debt management	£36m
Removing unintended funding for childcare	£29m
Reducing over-billing of Ministry of Justice	£26m
Achieving rights from sale of Northern Rock	£25m

Challenging and influencing

Our ability to influence Parliament and public bodies is crucial to achieve change.

“In reflecting on our achievements, I always remember that the source of our authority is Parliament and our independence of government. This is what empowers us to break new ground and challenge departments when necessary.”

Sir Amyas C E Morse KCB
Comptroller and Auditor General

“They are independent, they would equally give us a kicking if we were in government, they are non-biased, bi-partisan in their critiques.”

Labour shadow minister

“They produce something that is of a quality gold standard; you can rely on what they are telling you.”

Conservative backbencher

“They are a credible source of information about the way that public institutions behave and they have accessible information which is valuable to MPs.”

Liberal Democrat minister

Key facts

6

references to the NAO in Parliament per sitting day (5 in 2013-14)

Sharing insights

Our reports support government by sharing insights and good practice.

“My ambition is to see the NAO’s investigations and reports used in Whitehall as case studies to drive change more widely and build a convincing management culture across the civil service.”

Lord Bichard
Chairman, National Audit Office

Outputs over the last 5 years

● NAO ● Committee of Public Accounts¹



2,217

financial audit certifications



298

value-for-money studies completed



38

completed investigations



3,259

pieces of correspondence responded to



23%

reduction in resource allowing for inflation



276

Committee of Public Accounts evidence sessions supported



More than 1,330

Committee of Public Accounts recommendations responded to in Treasury Minutes



88%

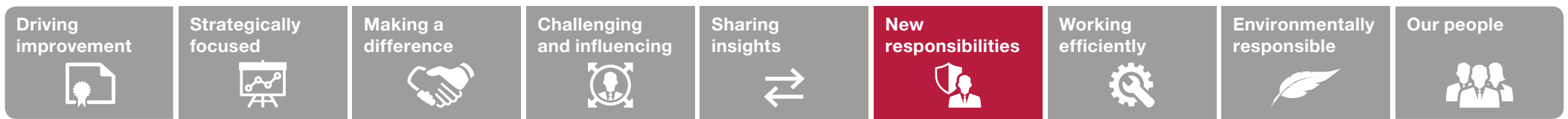
of Committee of Public Accounts recommendations accepted by government



636

Committee of Public Accounts recommendations reported by government as implemented

¹ The Committee of Public Accounts uses our reports and evidence as the basis for its evidence sessions and recommendations to government departments.



New responsibilities

We have new powers and responsibilities with regard to local government spending.

- The Local Audit and Accountability Act 2014 gives the C&AG and the NAO new responsibilities including preparing and consulting on the Code of Audit Practice.
- We have the power to examine the efficiency and effectiveness of central government expenditure from decision to service provision, including local bodies' use of resources.
- We have a new power to provide evaluation, commentary and advice of a general nature to local bodies.

We have been preparing for this new work since the government announced in 2010 its intention to abolish the Audit Commission.

The Local Audit and Accountability Act 2014 gives responsibility to the Comptroller and Auditor General to prepare and maintain the Code of Audit Practice and supporting guidance.

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the Act 2014.

Guidance, which explains or supplements the Code, aims to facilitate a consistent approach by auditors of the same types of entity. Local Auditors are required to have regard to this guidance.

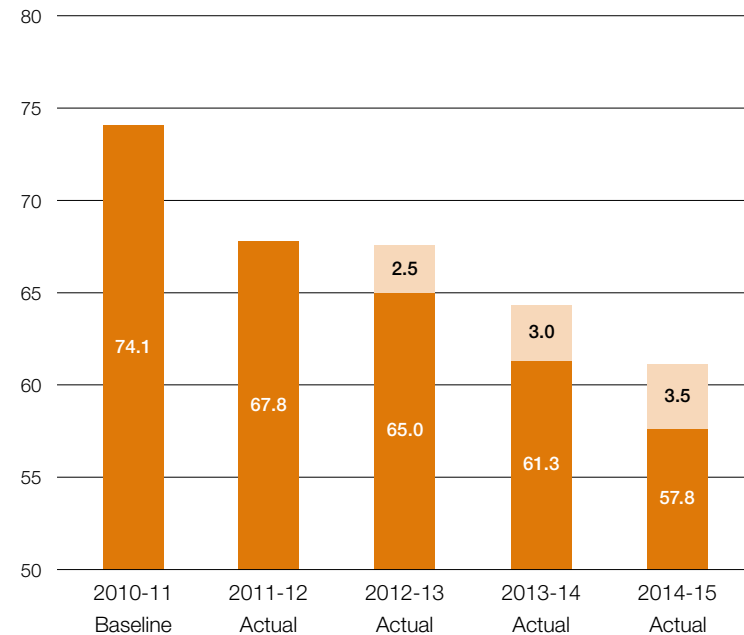
Working efficiently

We practice what we preach to improve our efficiency and effectiveness.

- 23% reduction in our net resource spend since 2010-11 (after allowing for inflation) – which equates to 27% inflation-adjusted savings excluding our new local government responsibilities.
- We achieved efficiencies through better use of IT and smarter ways of working, and will continue to invest in improved equipment.
- We continue to meet our target that business support costs do not exceed 20% of our total costs.
- Looking to 2015-16, our approved budget is £64.5 million, of which our new local government responsibilities account for £5 million.

NAO net resources

£ million



Existing work
New work in local services

Notes

- 1 Our baseline was set at £74.1 million in 2010-11.
- 2 These figures do not include ring-fenced restructuring costs of £4.2 million in 2013-14.

Environmentally responsible

We prioritise environmental sustainability in our own operations and our work.

We have achieved all but one of our challenging sustainability targets and are assisting our tenants to improve their environmental credentials.

We also continue to support government to improve its performance on environmental and sustainability issues.

Achievements against our own operational targets

Plant and equipment

Target	Progress to date
20% reduction of CO ₂ e by 2014-15	22% achieved

Business travel

Target	Progress to date
20% reduction on domestic flights by 2014-15	31% achieved

Waste generation and paper consumption

Target	Progress to date
20% reduction of generated waste by 2014-15	Not achieved
20% reduction of paper by 2014-15	52% achieved

Water usage per FTE

Target	Progress to date
Ratio of 4m ³ to 6m ³ per FTE by 2015	5.2m ³ achieved

Our people

Our people are our main asset and central to all our achievements.

“At the heart of our success is the expertise and passion of our people.”

Sir Amyas C E Morse KCB
Comptroller and Auditor General

- Our staff are mostly qualified or trainee accountants. We also have specialists in fields such as statistics, economics and ICT.
- We have operated below our target complement of 812 full-time equivalent employees, which has reduced the amount of discretionary work we could undertake.
- In 2014-15 we took on 70 graduates and 11 school leavers for ICAEW² training schemes. Our trainees’ pass rates are consistently at or above the national average.
- We have made some progress on achieving our challenging diversity and inclusion agenda, including being placed 82 in the Top 100 Stonewall Equality Index 2015.

Key facts

779
full-time equivalent permanent employees

Diversity

18%
of our people are from an ethnic minority

44%
of our people are women

46%/38%
proportion of white/BAME colleagues achieving an outstanding/strong rating



For our Annual Report and Accounts
2014-15 published on 16 June 2015
and all our publications, please visit
www.nao.org.uk

