

An introduction to the National Audit Office

“During a year marked by great uncertainty and tremendous challenge for the public sector, the role of the NAO, including its independent voice, has never been more important.”

Lord Bichard, Chair, National Audit Office
Annual Report and Accounts, 2018-19



Our role

We audit all of government spending

The National Audit Office (NAO) helps Parliament hold government to account for the way it spends public money. We do this by auditing the finances of public bodies and scrutinising public spending to assess facts and value for the taxpayer.

We are independent of government and the civil service. The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO.

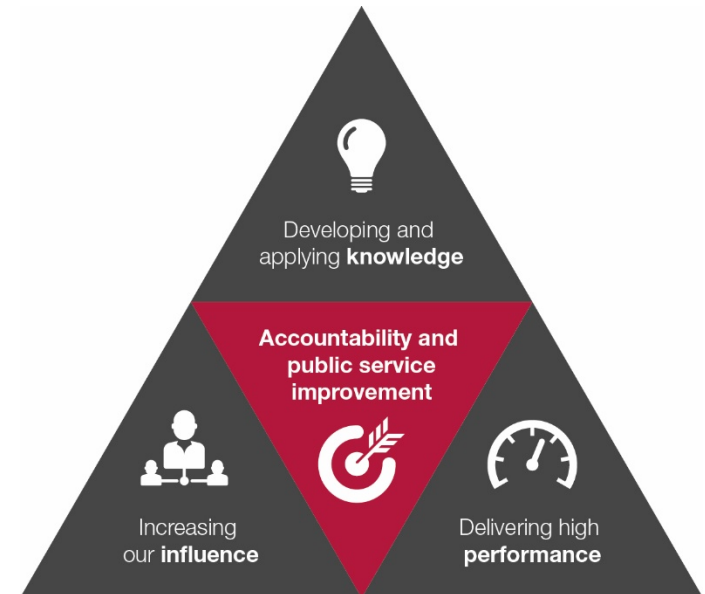
The C&AG certifies the accounts of all government departments and many other public sector bodies, supporting Parliament by providing system-wide, integrated and independent public audit.

The C&AG also has statutory authority to examine and report to Parliament on whether government is delivering value for money on behalf of the public. We don't question the merits of government policies, but assess whether resources have been used efficiently, effectively and with economy.

As Comptroller, the C&AG is responsible for approving the issue of all public funds to central government departments.

Through all our work, the NAO identifies ways government can make better use of public money to improve people's lives.

We have three key strategic objectives to ensure we achieve our vision:



Our values

Our values underpin everything we do. We are:

INDEPENDENT

And objective, observing the highest professional and personal standards



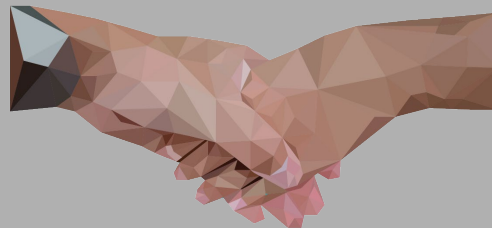
AUTHORITATIVE

In delivering work of the highest quality, drawing comprehensively on robust evidence and practice



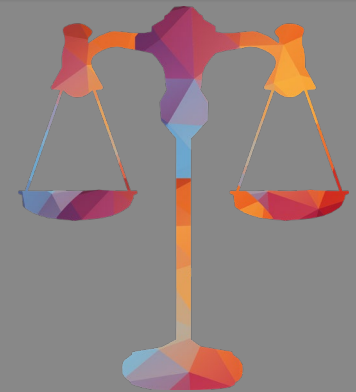
COLLABORATIVE

In our work with colleagues and stakeholders, to achieve our goals



FAIR

And just in our work and the way that we treat people



Our work

We are an independent voice

Financial Audit

We audit public sector accounts, including all central departments, agencies and other public bodies, from charities to big commercial entities such as Network Rail. We report the results to Parliament.

Value for Money (VfM)

We report on the value for money (the effectiveness, efficiency and economy) of government spending. We make recommendations and highlight lessons for the bodies we audit and for government more widely.

Investigations

We conduct investigations to establish the facts quickly where there are concerns about public spending, such as service failures or financial irregularities. These concerns may be raised by MPs, the media or the public, or be identified through our work.

In 2018-19...

We certified
390 accounts
auditing
£1.7 trillion
of public income
and expenditure

We published
66 major
reports

Our work *continued*

Support for Parliament

We provide evidence and briefings to help the Committee of Public Accounts (PAC), other Select Committees and individual MPs and peers in their scrutiny of public spending and service delivery; including bespoke reports for the Environmental Audit Committee.

Share insight and guidance

We share insight, good practice and the factors that we consider when we are evaluating value for money.

International

We carry out external audits of a small number of international organisations and the C&AG chairs the UN Panel of External Auditors. We also participate in a number of professional standard-setting groups under the umbrella of the International Organisation of Supreme Audit Institutions (INTOSAI).

Correspondence

Correspondence is a key point of direct contact and, coupled with intelligence from our work, is useful for bringing issues to our attention and can lead to investigations or value-for-money studies.

We are an independent voice

In 2018-19...



Our priorities

We make a difference to people's lives

Our four main priorities in 2018-19 have been to serve Parliament by:

- 1) prioritising our work to focus on the issues that matter to government and Parliament in the current environment, particularly in light of the decision to leave the EU;
- 2) innovating and adapting to developments in the audit industry so that we continue to deliver audits of the highest quality;
- 3) responding to feedback from public bodies for further cross-government insights and deepening our engagement with those we audit; and
- 4) continuing to be a professional, innovative and data-led organisation that uses management information well and embeds new technology in our ways of working.

In 2018-19...

We published
11
pieces of work on EU exit
to support Parliament's
understanding of EU
exit issues, looking
across the whole
of government

Our impact

We make a difference to people's lives

We identify cases where our work, recommendations or influence has contributed to better public services or a financially quantifiable net benefit, achieved through reduced costs, improved service delivery, or other benefits to citizens. We refer to this as our 'impact'.

An important part of our work is to drive positive change in the way public services are delivered to make a real difference to people's lives. Our 2018-19 Annual Report details examples of past studies where we can now identify the impact.

These include:

Mental Health in Prisons (2017) Following the recommendations in our report, a new Partnership Agreement has set out the approach to improving healthcare in prisons, including data, workplans and timeframes.

Reducing Modern Slavery (2017) and our subsequent consultant role have been cited as drivers for the new standards for inspecting safe houses for victims.

Packaging recycling obligations (2018) found inadequate checks to ensure the intended recycling of materials happened. The Environment Agency has since published new plans and there is a consultation on wholesale reforms to the system, highlighting our criticisms of the current system.

Investigation into NHS continuing healthcare funding (CHC) (2017) found that many people were not receiving timely decisions about whether they were eligible for CHC. Because of our work, NHS England has further improved the data it collects on CHC, which has allowed better oversight and led to improvements in waiting times.

Our work led to a positive financial impact of
£539 million
in 2018

94% of the NAO's
791
recommendations discussed with departments since April 2014 have been accepted

Our people

We care about what our people think and run an annual People Survey with high response rates (77% in 2018). Our people have strong levels of engagement, which compare favourably with the organisations we benchmark against.

We have worked hard to improve how we support our people, including by re-organising the office and introducing new technology enabling more flexible work patterns. We will continue to focus on issues such as peak workload management and the way the leadership team engages NAO people.

Our [Diversity and Inclusion strategy 2018-2021](#) focuses on gender, race and disability to enable us to make a sustained and accelerated change over the next three years.

We are a recognised provider of the ACA professional training scheme and our pass rates are at or above the national averages.

Our people are our greatest asset

In 2018-19...

806 staff
(full-time equivalent)

83.4%

of our trainees passed the Professional Stage examination at the first attempt, in line with the national average

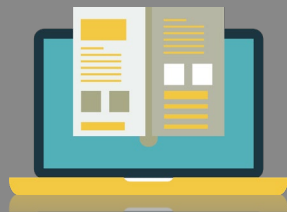
94.3%

passed the Advanced Stage examination at the first attempt, which is significantly above the national average of 85.2%

Further information



All reports are available at www.nao.org.uk



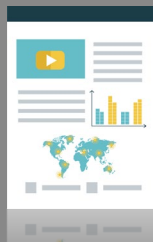
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Read the [NAO Annual Report and Accounts 2018-19](#)



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If you are interested in the NAO's work and support for Parliament please contact parliament@nao.org.uk