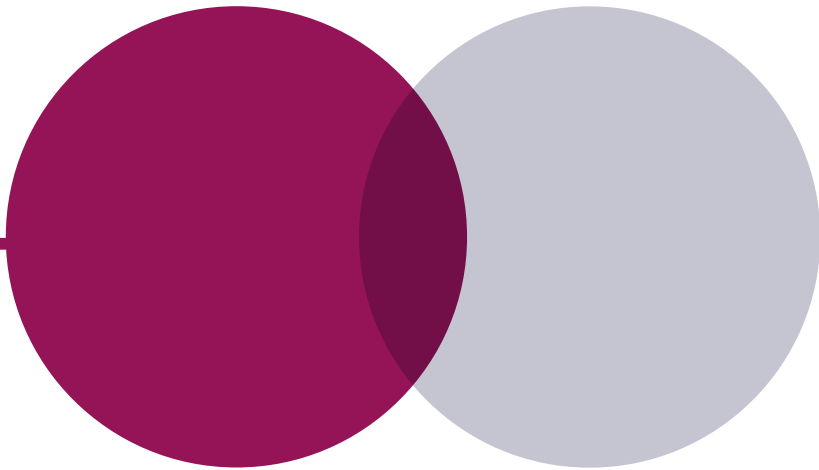




National Audit Office



The National Audit Office modern slavery and human trafficking Statement – 2024-25

REPORT

by the
National Audit Office

JULY 2025



**We are the UK's
independent
public spending
watchdog.**

**We support Parliament
in holding government
to account and we
help improve public
services through our
high-quality audits.**

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2024, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £5.3 billion. This represents around £53 for every pound of our net expenditure.

The National Audit Office (NAO) modern slavery and human trafficking Statement – 2024-25

Introduction

This Statement has been produced in accordance with the Modern Slavery Act 2015. The Statement details the steps that the National Audit Office (NAO) has taken during the 2024-25 financial year to prevent modern slavery and human trafficking in our supply chains or the NAO's business.

Organisation structure, business and supply chains

The NAO is the UK's independent public spending watchdog. Our work supports Parliament in holding government to account for the way public money is spent and to drive improvements in the way public services are delivered. We do this through our high-quality audits of the financial statements and value-for-money studies into the economy, efficiency and effectiveness with which public bodies have used their resources.

We are independent of government. The head of the NAO is the Comptroller and Auditor General (C&AG) – Gareth Davies – who is an Officer of the House of Commons and a Crown appointee.

As well as providing audit assurance on government accounts, the NAO's work leads to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens. Our work also leads to other sustained improvements in the UK's public services which cannot always be directly quantified in financial terms. There are examples of both set out in our Annual Report and Accounts.

The NAO is funded through both a Parliamentary grant and by fees levied on audit bodies for some of the services provided. Parliament agrees our budget, scrutinises our performance, and appoints our external auditors through a House of Commons committee called the Public Accounts Commission. Our governance arrangements were established under the Budget Responsibility and National Audit Act 2011 and reflect our unique statutory position by balancing Parliament's wish for independent oversight of the NAO's operations, while preserving the C&AG's discretion in the performance of his statutory audit responsibilities.

The average number of full-time people employed by the NAO during 2024-25 (including people on temporary and fixed term contracts) was around 1,030. Most NAO employees are engaged on open-ended employment contracts. Employees on fixed-term contracts are eligible for the same benefits as permanent employees. We have robust HR policies and processes, which are applied consistently across our office locations, and which aim to comply with the spirit as well as the letter of relevant legislation.

Around 70% of the NAO's cost base is for the salaries and related costs of staff who perform our audit and assurance work. The NAO recruits a mix of graduates and school-leavers each year and supports them in gaining a professional accountancy qualification.

The remaining 30% of the NAO's budget is mostly spent on the purchase of goods and services. This includes audit services purchased from professional accountancy firms, IT support and training to assist the delivery of audit projects, and the cost of maintaining our London and Newcastle offices. In these instances, we are spending money with organisations or a supply chain we do not directly oversee. Such expenditure is incurred in compliance with our procurement policy, which requires a competitive process and the use of public sector frameworks where these are available.

Modern slavery and human trafficking policy

We have a zero-tolerance policy to modern slavery and human trafficking. We are committed to ensuring that it does not exist in our supply chain or in any part of our business. If we become aware that one of our suppliers is accepting of modern slavery or human trafficking in their business or supply chain, we will exercise our rights to cancel the relevant contract(s) and notify the appropriate authorities.

Due diligence processes, risk assessment and steps taken

As a Parliamentary body providing professional assurance services, we consider the risk of modern slavery and human trafficking in our directly managed business activities and the first line of our supply chain to be low. Each year we assess our operations and our supply chain for areas where practices of modern slavery or human trafficking may occur, and we have concluded we have preventive actions in place. These are summarised in the table below.

Operations	Preventative actions
Direct appointment of people	
<p>The NAO directly employs people to carry out audit and assurance work and provide business support services.</p> <p>From time to time, the NAO also has people seconded in from other organisations.</p>	<p>The NAO has a clearly defined set of HR policies and processes which set out the rights and entitlements of our people and are aligned closely to those recommended across the civil service. The NAO consults staff before making any changes to these policies. There is an active trade union, and the NAO works closely with the union in setting policies. All NAO employees are subject to eligibility work checks before commencing employment.</p> <p>The NAO is confident there are no instances of modern slavery or human trafficking among employees, and that there is an adequate set of policies and procedures to prevent this. There are also nominated individuals (Dignity at Work leads) across the organisation who, outside of direct line management responsibilities, provide a confidential support service to people who are experiencing Dignity at Work issues. This provides an additional channel for raising issues of inappropriate behaviour or treatment – for example, if an employee felt uncomfortable raising such matters through the usual central HR procedure. All staff also have access to an Employee Assistance Programme, which operates independently of the NAO and provides support and advice to staff on a wide range of issues, including some unrelated to their employment.</p> <p>Where we have people working for us on inward secondments, we carry out due diligence before these individuals join us, and also provide them when they are with us with the same support and duty of care that we provide to our own employees.</p>
Indirect appointment of people	
<p>The NAO may supplement the number of people directly employed by entering into contracts with third parties for the use of temporary staff and contractors. These are often used for assignments which last for short and fixed periods of time.</p> <p>This could also include engagements with accountancy firms who provide resources to supplement the NAO's staffing needs as necessary by performing audit work on our behalf.</p> <p>The management of our London property also includes activities under contract, such as the provision of personnel for office services who work on site and under NAO supervision.</p>	<p>The NAO operates a formal procurement policy for entering into contracts for goods and services. This includes making use of public sector frameworks, where they are available.</p> <p>Periodically, the NAO supplements the workforce with temporary staff contracted by engaging recruitment agencies currently listed on the NAO's own Recruitment Services contracts, focused on Financial Audit and Corporate Services roles.</p> <p>The NAO Financial Audit Recruitment Services contracts and Corporate Services Recruitment Dynamic Purchasing System ensure that NAO is able to confirm with agencies that the rates of pay received by workers are in line with, or above, the UK minimum wage.</p> <p>The NAO also complies fully with the Agency Workers Regulations 2010 (AWR), which requires that any agency worker who completes a 12-week qualifying period in the same role receives the same basic working and employment conditions as permanent NAO staff.</p> <p>The NAO has significant contracts for the management and provision of security services, engineering, cleaning, catering, gym and other office services. The NAO has specified in the contracts that all people working on NAO contracts must be paid the Living Wage. The pay rates are set out in the contract and, as an open book contract, the NAO verifies that payments to these people are made in line with the agreed rates following the end of each financial year (the last review was in July 2024, with the next one planned for July 2025).</p>

Operations	Preventative actions
Purchase of goods and services from suppliers who employ people in their own supply chain.	<p>We purchase a range of goods and services to run our office and our audit practice – for example, IT-related equipment and services, training activities, and the cost of utilities to run our London and Newcastle offices.</p> <p>Goods and services are often of low value, and it is not practical to investigate all supply chains in detail.</p> <p>However, where these goods and services are of high value, the NAO advertises tenders through Find a Tender Service, a UK government official portal used by potential suppliers to find and apply for Public Contracts.</p> <p>Once contracts have been awarded, the NAO requests that winning suppliers send a copy of their Modern Slavery Statement if they have a turnover of £36 million or more. This is then monitored annually.</p> <p>When contracts are awarded using public sector framework agreements, framework owners are responsible for requesting that suppliers on their framework provide their Modern Slavery Statement. However, the NAO's Central Procurement Team ensures that these statements are recorded on an annual basis as part of the contract management annual checks.</p> <p>The NAO can exclude any supplier where issues around modern slavery or human trafficking are identified as part of a procurement exercise. However, we would give the supplier an opportunity to provide evidence of the circumstances and any remedial action that has since taken place. We would take these factors into account when making our final award decision.</p>

Raising awareness

We have established a Contract Management Group to bring together all staff who are involved in contract management, and the group meets quarterly to share best practice and common issues. This group is a forum through which we are able to raise awareness of the risks associated with modern slavery and human trafficking and how to identify risks within our supply chain. The forum also helps group members to have the confidence to challenge areas of concern.

Based on our assessment, we believe the risks of staff in other staff groups engaging or encountering practices of modern slavery and human trafficking are low. We have therefore deemed it unnecessary to provide training to all our staff. However, we are proactive in drawing the attention of all NAO staff to our published Modern Slavery and Human Trafficking Statement by promoting it on our internal intranet. This reminds staff of our zero-tolerance policy on modern slavery and human trafficking and helps to ensure NAO staff remain constantly vigilant and alert to any poor practices in our suppliers.

Effectiveness in preventing modern slavery and human trafficking

The NAO's strategic and operational risks are reviewed and reported to the Executive Team each month and included as a regular item on the NAO Board meeting agenda. A summary report on our risk management process and associated actions is given in the Governance Statement within our Annual Report and Accounts.

The annual internal audit work programme is designed using a risk-based methodology. Internal audit has completed analytical reviews and limited regularity testing in addition to cyclical reviews of HR and procurement audits. The internal audit work in 2024-25 did not reveal any issues or concerns relating to instances of modern slavery or human trafficking.

The NAO's Central Procurement Team carries out annual checks on our existing supply chain. We identify critical and strategic contracts and check for ongoing assurance that suppliers regularly publish and keep their Modern Slavery Statements up to date. These compliance checks form part of a suite of contract management measures undertaken by contract managers in conjunction with the Central Procurement Team and are recorded in a central area.

We consider that the NAO's risk management process provides a robust mechanism to ensure the prompt escalation of issues relating to modern slavery and human trafficking, should they arise. We believe that the preventive steps we have taken, combined with the other measures described in this Statement, are appropriate and proportionate to the risk we face currently.

This Statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the NAO's Modern Slavery and Human Trafficking Statement for the financial year ending 31 March 2025.

This Statement has been approved by the NAO Board at a meeting on 13 June 2025.



Rebecca Sheeran

Chief Operating Officer

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