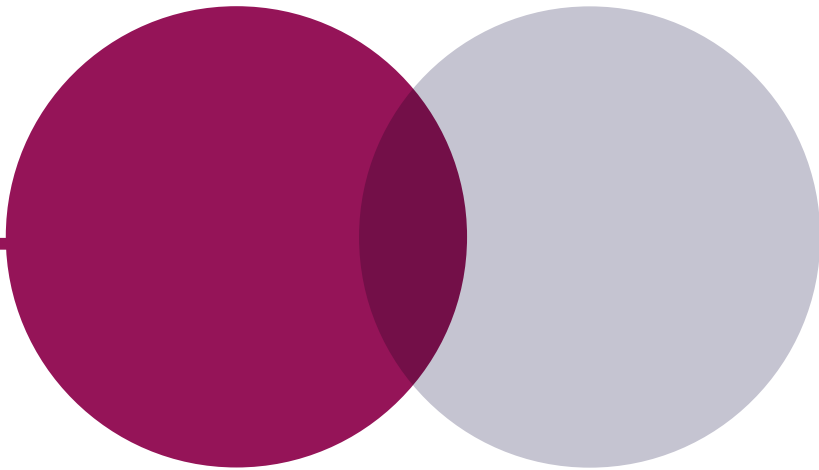




National Audit Office



The National Audit Office modern slavery and human trafficking Statement – 2025-26

REPORT

by the
National Audit Office

JULY 2026



**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 2025, we recognised £2.6 billion of positive financial impacts from our past work through reduced costs, improved service delivery, or other benefits to citizens. This represents about £24 for every pound of net expenditure.

The National Audit Office modern slavery and human trafficking Statement – 2025-26

Introduction

This National Audit Office (NAO) modern slavery and human trafficking Statement (the Statement) has been produced in accordance with the Modern Slavery Act 2015. The Statement details the steps that we have taken during the 2025-26 financial year to prevent modern slavery and human trafficking in our business and supply chain.

About the NAO

We are the UK's independent public spending watchdog. Our work supports Parliament in holding the government to account and helps improve public services. We verify whether public money is properly accounted for; assess whether public spending provides good value for money; and recommend how the government can improve economy, efficiency and effectiveness. We are led by the Comptroller and Auditor General (C&AG), Gareth Davies, who is an Officer of the House of Commons and a Crown appointee.

The NAO Board shapes our strategic thinking, advises the C&AG on meeting his statutory responsibilities and oversees the use of resources. The Executive Team comprises the C&AG, the chief operating officer, chief people officer and executive directors, and supports the C&AG in the exercise of his statutory duties. The Executive Team has collective responsibility for the delivery of our strategy and operational business priorities.

Resources to deliver our business are drawn from the following.

- **Directly employed labour and inward secondments:** This includes staff on open-end or fixed term contracts and staff seconded into the NAO from other organisations. In 2025-26, the NAO employed some 1,084 full-time equivalent staff.
- **Indirect labour** from external suppliers, including temporary or agency workers, and contractors.
- **Goods and services** from external suppliers including contracting out whole audits, IT support, Professional Services, building maintenance, training, etc.

Modern slavery and human trafficking policy

We have a zero-tolerance approach to modern slavery and human trafficking and are committed to ensuring that it does not exist in our business and supply chain. Our lowest salary among our directly employed labour meets the Living Wage Foundation's 'real living wage rate' and our median salary is well above the national average. We therefore consider that the risk of modern slavery and human trafficking among our directly employed labour is low. Our key risk is within our supply chain. If we find that one of our suppliers is accepting of modern slavery or human trafficking in their business or supply chain, we will end their contract(s) and notify the relevant authorities.

Oversight, assurance, and controls

Board and Executive oversight of risks

Our risk management process enables the prompt escalation of issues relating to modern slavery and human trafficking, should they arise. The Executive Team reviews our corporate risk register combining the NAO's principal risks and a number of component risks each month, and the NAO Board considers our principal risks as a standing item at its meetings. The corporate risk register includes a principal risk on 'Failure to comply with relevant legislation and regulatory obligations' and a component risk on 'Compliance with employment law'. At the end of 2025-26, both risks were at target level and therefore adequately mitigated. Our Annual Report and Accounts include more information on our risk management approach and performance.

Our detective controls (outlined in the table below) have not identified any risks relating to modern slavery and human trafficking that should be escalated to the corporate risk register

Independent assurance

The NAO's Internal audit function undertakes risk-based reviews, including on Human Resources and procurement matters. Their work in 2025-26 did not find any issues relating to modern slavery and human trafficking.

Operational controls

We use a combination of preventative and detective controls to manage risks across the three resource categories described above. Our assessment of risk indicates that the highest potential exposure to modern slavery and human trafficking arises through labour intensive services within our supply chain, rather than our directly employed workforce. As a result, our controls are focused primarily on procurement, contract management and supplier assurance activity (see table below).

Operational controls

Operations	Preventative and detective actions
Raising awareness	We have established a quarterly Contract Management Group to bring together all staff involved in contract management to share best practice, build capability and discuss common issues. We use this group to raise awareness of the risks associated with modern slavery and human trafficking and to identify and evaluate risks within our supply chain. The forum also helps group members to have the confidence to challenge areas of concern. We promote our modern slavery and human trafficking Statement on the intranet, reminding staff of our zero tolerance approach and encouraging them to stay alert to supplier poor practice.
Direct employment and inward secondments	We maintain clear HR policies and processes that set out staff rights and entitlements, aligning these closely with Civil Service practice. Staff and our trade union are consulted on changes to our policies and employment terms. We review our salary annually to ensure all salaries are in line with the Living Wage Foundation's 'real living wage rate'. We provide confidential support through Dignity At Work leads as an independent route to raise issues of inappropriate behaviour or treatment. All staff have access to an independent Employee Assistance Programme that gives support and advice on a wide range of issues. We have a whistleblowing policy that gives staff a clear and safe way to report any concerns. We complete due diligence for inward secondments before they join the NAO and provide the same support and duty of care as for NAO employees.
Indirect labour	We undertake responsible hiring of temporary staff. We work closely with recruitment agencies, including those on our NAO Recruitment Dynamic Purchasing System and Financial Audit Recruitment Contract, to confirm that rates of pay align with NAO pay ranges and therefore are at or above the Living Wage Foundation's 'real living wage'. We comply fully with the Agency Workers Regulations 2010, which requires that any agency worker who completes a 12-week qualifying period in the same role receive the same basic working and employment conditions as permanent NAO staff. We specify in contracts for facilities and security management of our London and Newcastle buildings that all people working on NAO contracts must be paid the Living Wage Foundation's 'real living wage rate'. We use 'open book' contract arrangements to confirm that these requirements are fulfilled, with the last review carried out in July 2025.

Operations	Preventative and detective actions
Purchase of goods and services	We run compliant and competitive tenders through Find a Tender (FTS) or public sector frameworks where available, for procurements over £25,000 gross. Where procurement is FTS, we obtain and review the modern slavery statements of prospective suppliers through the Procurement Specific Questionnaire (PSQ), a mandatory document for all bidders. For procurements through public sector frameworks, we receive assurance from framework owners that they undertake modern slavery statements checks at the PSQ stage. We review annually the modern slavery statements of all our suppliers with a turnover of £36 million or more. We may exclude suppliers from bidding for our work where we identify modern slavery concerns, but we allow them to provide evidence and demonstrate any remedial action before we make a final decision. We did not identify any modern slavery or human trafficking concerns from our checks in 2025-26. In our contract terms, we require that third-party suppliers must notify the NAO immediately in writing if they identify or suspect any breach of modern slavery obligations. They must also provide full details of the breach or suspected breach.
NAO tenants	To assure ourselves that our tenants address modern slavery risks appropriately, we review their published modern slavery statements as part of our due diligence process and annual compliance.

We believe that the specific preventative and detective controls that we operate alongside our overall risk management and assurance approach are appropriate and proportionate to the risk that we face.

Looking ahead

While we believe that our current controls are appropriate and proportionate, we recognise that the risk of modern slavery and human trafficking continues to evolve. During 2026-27 we will continue to strengthen our approach by:

- completing the next open-book Living Wage verification review in July 2026;
- keeping our assessment of modern slavery and human trafficking risks under review, particularly in relation to labour intensive services within our supply chain;
- refreshing guidance and awareness for staff involved in procurement, contract management and recruitment to ensure they remain alert to emerging risks; and
- reviewing the effectiveness of our due diligence arrangements and supplier engagement to ensure they remain aligned with good practice and available guidance.

We will report progress through our existing governance, risk and assurance arrangements.

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 2026.

This Statement has been approved by the NAO Board at a meeting on 12 June 2026.



Rebecca Sheeran

Chief Operating Officer

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