National Audit Office

The UK's independent public spending watchdog

Switchboard +44 (0)207 798 7000
Direct Line +44 (0)207 798 7264
Email FOI@nao.org.uk

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PUBLIC ACCOUNTS COMMITTEE AND OVERSIGHT OF THE NAO

Thank you for your request of 27 May 2025 regarding the Public Accounts Committee and oversight of the National Audit Office (NAO). We have considered your request under the terms of the Freedom of Information Act 2000 (FOIA).

Your specific request is set out below, along with our response.

We hope this information is useful. If you are not happy with this response, you can ask for an internal review within 40 working days by writing to the NAO FOI Team at FOI@nao.org.uk. If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The primary way of escalating your concerns to the Information Commissioner is at: https://ico.org.uk/foicomplaints.

Yours sincerely,

FOI and Correspondence Officer

Request for information PAC Oversight of the NAO:

"I am currently working on a research project coordinated by Professor Eduardo Jordão, which focuses on the oversight of the accounts of audit institutions themselves from a comparative law perspective. Our focus is not on the exercise of external oversight by the national audit office over other branches of government, but rather on the political and financial accountability mechanisms that apply to the audit institutions themselves in the performance of their functions, as provided for in [insert applicable constitutional or legal provision, if available]. In this context, I respectfully request any information and institutional documents that may clarify the role of the Public Accounts Committee (PAC) in exercising political and financial oversight over the National Audit Office (NAO), particularly with regard to:

1. *Processes for reviewing reports, annual accounts or technical opinions issued by the audit institution;*
2. *Formal mechanisms of scrutiny, deliberation or administrative accountability in relation to the accounts rendered by the [name of the audit institution];*
3. *Applicable legislation and internal regulations governing this institutional relationship;*
4. *Minutes, reports or opinions from parliamentary committees responsible for matters of public finance and external oversight, if available.*

Any information and documents provided will be used exclusively for academic purposes, with full acknowledgement of the source in research publications and reports.
I would like to thank you in advance for your attention and any assistance you may be able to provide. I remain at your disposal for any further information you may require and, if necessary, I can submit a formal letter from my academic institution to provide institutional support for this request."

NAO response:

The Public Accounts Committee (PAC) is a parliamentary committee established to examine the value for money of Government projects, programmes, and service delivery. Drawing on the work of the National Audit Office (NAO) the Committee holds government officials to account for the economy, efficiency, and effectiveness of public spending. The Committee does not have formal oversight responsibilities relating to the NAO's work. Further information about the PAC's role and work (including the Committee's published reports) can be found at the following link - Public Accounts Committee - Summary - Committees - UK Parliament. Details about the activities of other Parliamentary Committees can be found here - Committees - UK Parliament.

The Public Accounts Commission (TPAC) has oversight responsibilities for the NAO. The Commission is a statutory entity established by the National Audit Act 1983 with various responsibilities as specified in the Budget Responsibility and National Audit Act 2011. These include:

- reviewing, approving and laying in Parliament the NAO's strategy and annual resource estimate
- appointing the NAO's non-executive members (except for the NAO Chair who is appointed by the Sovereign)
- approving the appointment of the NAO's external auditor
- receiving and laying in Parliament the NAO's annual report and accounts
- approving a Code of Practice setting out the relationship between the NAO and the Comptroller & Auditor General

Further details about TPAC and its work can be found on the Commission's website at the following link - Public Accounts Commission - Summary - Committees - UK Parliament.

The NAO's audit work can be divided into two broad categories:

- Examinations into the economy, efficiency, and effectiveness with which central government entities have used their resources. Generally referred to as “value for money examinations” these are performed at the C&AG’s discretion under powers provided by the National Audit Act 1983.

- Financial audit of the annual accounts of central government entities. These are performed as required by numerous pieces of legislation. These include the Government Resources and Accounts Act 2000 (which sets out the accounts preparation and auditing requirements in respect of government departments and the Whole of Government Accounts) and the Companies Act 2006 (which provides for the audit of government companies by Auditors General). The NAO’s financial audits are conducted in accordance with professional auditing standards set by the Financial Reporting Council (Home - Financial Reporting Council).

Detailed information on the oversight and quality assurance arrangements applied to the above workstreams is provided in the NAO’s annual Transparency Report. This includes information on the different measures that operate to ensure high quality work, together with details of the outcome of both internal and external inspection processes. Our latest Transparency Report can be found at the following link - Transparency Report 2023-24.