National Audit Office

The UK's independent public spending watchdog

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CORPORATE PUBLIC SECTOR FRAUD

Thank you for your request of 2 July 2025 asking for information about public sector fraud. We have considered your request under the terms of the Freedom of Information Act 2000 (FOIA).

Your specific request is set out in **Annex A** together with our response to each of your questions.

We hope this response is helpful and you are happy with the way we have handled your request. 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,

NAO FOI Team

Annex A

Corporate public sector fraud:

1. **Does the NAO conduct counter-fraud investigations of Government departments or Local authorities within its jurisdictions?**

Through our work we may encounter fraud or audit how government bodies manage the risk of fraud, but it is not our role to conduct investigations on specific fraud cases.

Our role, as set out in the National Audit Act 1983 and other legislation, is to audit and express an opinion on the accounts of government departments and other central government bodies, and to carry out examinations into the economy, efficiency and effectiveness with which government departments and certain other public bodies have used their resources. Some of these examinations may be titled 'investigations', and may include disclosures around fraud, but they are not counter-fraud investigations in the sense of preparing evidence for prosecution or civil legal proceedings. Details of our work can be found here.

2. **Does the NAO have audit members or team members trained through and registered with the**
   a) **Association of Certified Fraud Examiners (ACFE)?**
   b) **Fraud Professional Accreditation Board (CFPAB)?**
   c) **Government Counter Fraud Profession (GCFP)?**
   d) **Chartered Institute for Public Finance and Accounting (CIPFA)?**

There are a minimum 32 Chartered Institute for Public Finance and Accounting (CIPFA) members employed by the NAO. This is the number of people for whom the NAO pays their subscription directly; there may be other members employed by the NAO who pay their own subscription directly. These CIPFA staff are mainly working on financial audit work. Our financial audit staff are chartered accountants trained with accountancy bodies in the Consultative Committee of Accountancy Bodies (CCAB), which includes CIPFA and the Institute of Chartered Accountants in England and Wales, or are in training to achieve this.

We would not expect to have any staff who are registered with the Government Counter Fraud Profession, as this is a body for civil servants, and the NAO is independent of government.

We have at least one employee who is a member of the Association of Certified Fraud Examiners and the Counter Fraud Professional Awards Board, although they do not investigate any external fraud activity on behalf of the NAO.

Some staff may have trained with and may be independently registered with the bodies listed, but this is not information we hold.

3. **Approximately how many NAO officers are trained and commissioned to investigate Fraud?**

No NAO staff are commissioned to investigate fraud cases. Please see question 2 response for information about training, and question 1 response for context that helps to explain this.

4. **What government authorities instruct the NAO to conduct fraud investigations or fraud risk analysis on government departments or local authorities?**

The NAO is independent of government and, as set out in the National Audit Act 1983 and the Budget Responsibility and National Audit Act 2011, the Comptroller and Auditor General, the head of the NAO, has complete discretion in determining whether to carry out any examination. This work may include consideration of fraud risk but would not include investigations on specific fraud cases. No government authorities can instruct the NAO on activities to conduct.

5. **What legislation provides NAO the authority to conduct fraud investigations or fraud risk analysis on government departments or local authorities?**

As stated in response to question 1, It is not the role of the NAO to conduct counter-fraud investigations on central or local government. Our role, as legislated in the National Audit Act 1983, includes carrying out examinations into the economy, efficiency and effectiveness with which government departments and certain other public bodies have used their resources. This may include how bodies are managing risks, including fraud.

6. **Does the NAO act independently in the investigation of fraud or potential fraud risk from whistle-blower reporting and or through disclosure of evidence?**

The Public Interest Disclosure Act (PIDA) prescribes the Comptroller & Auditor General (C&AG) as someone to whom people can make a protected disclosure about "the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services". The PIDA does not give the C&AG any additional powers nor does it require the C&AG to investigate every disclosure he receives; the decision whether to investigate is based on the matters raised and the C&AG's remit and powers.

The NAO is independent of government and, as set out in the National Audit Act 1983 and the Budget Responsibility and National Audit Act 2011, the Comptroller and Auditor General, the head of the NAO, has complete discretion in determining whether to carry out any examination. This work may include consideration of fraud risk but would not include investigations on specific fraud cases.

7. **Does the NAO share detected fraud risk threats and fraud intelligence with other public works authorities and/or economic crime authorities not limited to the police?**

The NAO maintains an open dialogue with the Public Sector Fraud Authority and other bodies with a role in counter-fraud activities. We sit on the Audit and Risk Committees of all government bodies, and share lessons from our work and insight into how bodies can protect themselves against fraud risks.

All NAO employees are obliged to report to the NAO Money Laundering Reporting Officer (MLRO) the details of any incident that they come across during their work which gives them evidence or reasonable suspicion that someone has benefited from the proceeds of a crime. The MLRO is responsible for considering any reports made and deciding whether to submit a formal 'Suspicious Activity Report' to the National Crime Agency (NCA). The NAO may also refer crime to other police or law enforcement authorities.

8. **Does the NAO have tactical intelligence, fraud measurement and enforcement instruments or policies in place which partners or parallels with the Government Authority Fraud Profession, standards and disciplines?**

The NAO is independent of government and is not required to follow the counter fraud functional standard. However, the NAO's Director for fraud and propriety team is the NAO's counter fraud champion and leads the team responsible for sharing fraud intelligence with audit service lines and making recommendations about fraud measurement. The NAO has a counter fraud strategy which has been reviewed for alignment with government functional standard 013.

9. **Do NAO counter-fraud officers investigate in line with the Police and Criminal Evidence Act 1984?**

No. As set out in response to question 1, it is not the role of the NAO to conduct specific counter-fraud investigations.

10. **Do NAO counter-fraud officers investigate in line with the Regulation of Investigatory Powers Act 2000?**

No. As set out in response to question 1, it is not the role of the NAO to conduct specific counter-fraud investigations.

11. **Does the NAO provide counter fraud training to any NI government and/or local authority bodies and if so, which bodies?**

The National Audit Office does not provide counter fraud training to any part of the Northern Ireland Executive or civil service. You may wish to redirect your question to the Northern Ireland Audit Office.

Corruption and collusion

12. **Have any NAO fraud or audit investigations in the last 15 years been successful in uncovering procurer and bidder collusion through the discovery of inappropriate gifts, bribery or monetary kickbacks?**

13. **Have any NAO fraud or audit investigations in the last 15 years been successful in uncovering procurer and bidder collusion through contract specification manipulation and/or lack of contract performance auditing?**

14. **Have any NAO fraud or audit investigations in the last 15 years been successful in uncovering procurer and bidder collusion by a contractor been awarded frequent multiple contracts unlawfully or through the discovery of bid rigging?**

15. **Have any NAO fraud or audit investigations in the last 15 years been successful in uncovering bidder collusion through the winning bidder, losing bidder sub-contracting cartel?**

16. **Have any NAO fraud or audit investigations in the last 15 years been successful in uncovering bid and tender manipulation between contractors and public authority officers through non-competitive or non-tendered procurement?**

17. **Have any NAO fraud or audit investigations in the last 15 years procurement been successful in uncovering duplicated tender submissions involving duplicated rates, duplicated schedules and duplicated worksheets records?**

18. **Have any NAO fraud or audit investigations in the last 15 years uncovered any section 2 fraud act offences involving public authority officers?**

19. **Have any NAO fraud or audit investigations in the last 15 years uncovered any section 3 Fraud Act offences involving public authority officers?**

20. **Have any NAO fraud or audit investigations in the last 15 years uncovered any section 4 Fraud Act offences involving public authority officers?**

Answer to questions 12 to 20

Our role, as legislated in the National Audit Act 1983 and relating to central government as opposed to local government, is to audit and express an opinion on the accounts of government departments and other central government bodies, and to carry out examinations into the economy, efficiency and effectiveness with which government departments and certain other public bodies have used their resources.

None of our work is designed to be a criminal investigation but, where we come across evidence or reasonable suspicions that someone has benefited from the proceeds of crime, we will refer it to the National Crime Agency in the manner set out in response to question 7. We may also report on criminal activity, such as that relating to procurement or other fraud offences, where doing so is necessary for the exercise of our statutory function and would not be detrimental to ongoing investigations.

The reports of these examinations are published on our website. Each year we report the financial impact of our work in our Annual Report & Accounts. Since 2018, we have reported financial impacts worth more than £1 billion that are related to our work on fraud and error.