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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LEGAL COMPLIANCE, PUBLIC RESOURCE OVERSIGHT

Thank you for your FOI request on 7 August 2025 for information in relation to the National Audit Office (NAO) and its work. We have addressed your request under the terms of the Freedom of Information Act 2000 (FOIA). The National Audit Office (NAO) and the Comptroller and Auditor General (C&AG), who is head of the NAO, are both independent of government. We audit and express an opinion on the accounts of government departments and other central government bodies (financial audit). We also undertake discretionary examinations into the economy, efficiency and effectiveness with which these bodies have used their resources (value for money examinations). Section 17 of the Budget Responsibility and National Audit Act 2011 provides that the C&AG has “complete discretion” when carrying out their statutory functions (for example, in the choice and conduct of value for money examinations) although this does not extend to questioning the merits of government policy objectives.

We have reviewed our records in relation to financial audits conducted for 2024-25, including a review of all qualified audit opinions, all published Extended Auditors Reports, and all consultations submitted to our central technical function. We have not identified any information within the scope of your request. We have also conducted appropriate searches of our records relating to value for money examinations since January 2020. Where we have identified published outputs that we believe are in scope we have provided links to them. However, please note that this does not extend to the granular analysis that would be needed to respond to all aspects of your request which would far exceed the cost threshold specified in the FOIA. This is explained further at **Annex A** which provides our response to each of the questions you asked. Having considered your request, we thought it might be helpful to provide some additional contextual information about the NAO's statutory role. This is set out at **Annex B**.

While I hope this response is helpful, if you are unhappy with how we have handled your request 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 Manager

Annex A

Request	**Details**	**NAO Response**
1. Auditing and Legal Compliance with Equality Law	a. Any internal guidance, legal advice, risk assessments, or audit criteria updates discussing the impact of the 2024 UK Supreme Court ruling on Equality Act compliance among audited bodies	We do not hold such information. Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work.
	b. Records of audits, investigations, or reports since January 2024 in which Equality Act 2010 compliance—especially in relation to the protected characteristic of sex—has been reviewed, critiqued, or found non-compliant.	Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work.
	c. If the NAO has not yet taken steps to ensure audited public bodies are complying with the ruling, please explain the legal or strategic basis for this inaction.	Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work.
2. Oversight of Safeguarding, Eligibility, and Resource Misuse	a. Audit reports, findings, or concerns since January 2020 regarding: • The misuse or circumvention of eligibility requirements for public services (e.g. healthcare, housing) by individuals without lawful immigration status. • Use of devolved or national public funds (including HC2 certificates, social housing, student support, or welfare entitlements) by ineligible recipients. • Failures to check lawful presence or immigration status before public resource allocation.	Each financial year, we publish around 60 Value for Money reports and conduct over 400 Financial Audits. Retrospective analysis of these against the specific points raised here would be a significant exercise that far exceeds the cost threshold specified in the FOI Act 2000. We would be happy to consider a narrower, more focussed request should you wish to make one. Notwithstanding the above, we did identify the following information that we concluded was in scope of your request. • NAO published reports on Money & Tax and Fraud & Error (Fraud and error Archives - National Audit Office (NAO))

		• NAO published reports on Benefits (Benefits Archives - National Audit Office (NAO)) • details of residency benefit fraud stats: fraud-and-error-statistics-release-2024-2025-estimates-data-tables.xlsx (See table 3) You can find our full range of published Value for Money and Financial Audit Reports on our website (Reports - National Audit Office) if you would find it helpful to consider these directly.
	b. Any recommendations issued by the NAO to central or devolved authorities on improving eligibility verification or preventing abuse of taxpayer-funded services.	Please see our response to 2a above. Analysing all our recommendations in respect of the work noted above would also constitute a significant exercise that far exceeds the cost threshold specified in the FOI Act 2000. As noted above, we would be happy to consider a narrower, more focussed request should you wish to make one. If you would like to see NAO published recommendations, please consult our Recommendations Tracker (Recommendations tracker - National Audit Office)
3. Safeguarding and Data Integrity Failures	a. Records of any audit findings since January 2020 identifying data processing, safeguarding, or recordkeeping concerns—particularly where: • Biological sex has been conflated with self-declared gender identity; • Accurate sex-based data was not maintained for safeguarding, legal, or clinical reasons;	Please see our response to 2a above.

	• Public services (e.g. education, healthcare, prisons, or social services) failed to maintain sex-separated records or policies contrary to Equality Act requirements.	
	b. Any oversight or correspondence involving concerns about compelled ideological belief or unlawful EDI (Equality, Diversity and Inclusion) training or policies in public bodies.	Our searches have not identified any information of the type requested.
4. Third-Party Influence, Bias, or Conflicted Oversight	a. Any audits or correspondence examining the influence of external lobby groups (e.g. Stonewall, Gendered Intelligence, Mermaids, Scottish Trans, LGBT Youth Scotland) on public sector guidance, policies, or legal interpretations—particularly relating to: • Protected characteristics in the Equality Act; • Conflicts of interest in governance or auditing; • Unlawful ideological capture.	Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work. Our searches have not identified any correspondence of the type requested.
	b. If the NAO is aware of any public body funding such groups without proper scrutiny, provide related audit findings or correspondence.	Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work. Our searches have not identified any correspondence of the type requested.
5. NAO Position and Responsibilities	a. Please confirm whether the NAO has formally updated its audit criteria, legal compliance checks, or internal governance	Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work. Consistent with this,

	following the 2024 UK Supreme Court ruling.	we have not made updates of the type set out in your request.
	b. If not, please provide any legal advice, policy rationale, or correspondence justifying the absence of action—particularly where relevant to the NAO's statutory remit.	Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work.
6. Belief Protections under the Equality Act	a. Has the NAO assessed whether public bodies audited by it may have breached the Equality Act by penalising or excluding individuals for holding or expressing protected beliefs—such as the belief that sex is immutable and binary?	Please see Annex B which addresses how we take account of the Equality Act 2010 in our audit work.
	b. Any related audit findings, complaints received, or commentary by the NAO on the suppression of lawful belief within audited public organisations.	Please see our response to 2a above.

Annex B

Financial audit

The C&AG performs his financial audit work in accordance with relevant professional standards set by the Financial Reporting Council (FRC). These standards are - International Standards on Auditing (UK) (ISAs (UK)) and Practice Note 10: The Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (PN 10).

Professional standards require auditors to consider laws and regulations in the context of an audit of financial statements. They specify what the auditor should do in respect of laws and regulations which have a direct effect and those that have an indirect effect on the determination of material amounts and disclosures in the financial statements. The requirements of the Equality Act 2010 (and any associated Court judgements) will usually fall into the latter of these.

Our existing audit procedures and guidance to audit teams support compliance with professional standards. They do not usually need updating in response to individual Court judgements and we consider that this is the case for the Supreme Court's 2024 ruling on the Equality Act 2010 i.e. the ruling has not resulted in amended professional auditing standards that would require an update to our own procedures and guidance to audit teams.

Value for money examinations

As noted in the covering letter the C&AG has "complete discretion" over the choice, scope and conduct of value for money examinations. Our reports support the work of Parliament's Committee of Public Accounts in holding government to account and cover significant areas of public spending. To maximise the practical improvement value of our work, we also publish lessons learned reports and good practice guides.

We do not routinely audit compliance against rulings unless that forms part of how we define the scope of an examination. Each audit team applies a selection of criteria and frameworks based on the scope and objectives of the audit. Our reports contain an appendix that describes the methodological approach for that audit – you can find our value for money reports here: Value for money Archives - National Audit Office (NAO) We have a five-year strategy for 2025 to 2030 and we will be focusing on helping improve the productivity and resilience of public services and better financial management and reporting in government.