



NAO STRATEGY 2025-2030
TRUST • VALUE • IMPACT



National Audit Office



The NAO's AI Strategy

The future of Artificial Intelligence in our work

CORPORATE

Our AI strategy

Informing trust in the use of artificial intelligence (AI) in public services is central to the National Audit Office's future role. As the government advances its AI ambitions, AI offers significant potential to improve productivity, transform public services and strengthen decision-making - but also introduces new and, in some cases, heightened risks. In line with our organisational strategy, we will support well-managed AI innovation by highlighting effective practice, challenging poor value for money, and helping ensure that AI is adopted and used safely, ethically and transparently across the public sector.

This AI Strategy sets out how we will respond to the growing use of AI across the public sector. We will provide independent assurance over how AI is used by the bodies we audit, while leading by example through its trusted and responsible adoption within the NAO.

Our dual role - as both an auditor of AI-enabled public services and a responsible user of AI - places us in a unique position to shape good practice, supporting our ambitions to increase our impact on the productivity and resilience of public services and the quality of financial management and reporting in government.

We will harness AI within the NAO to improve efficiency, productivity and impact, while maintaining - and enhancing - audit quality and professional judgement. As AI reshapes not just how insight is produced but how it is accessed and used, we will ensure our work remains accessible, interpretable and usable within AI-mediated channels, so it continues to deliver impact in a changing environment.

Our people are central to the successful delivery of our ambition. The strategy focuses on developing the capabilities, foundations and working environment needed for teams to work confidently alongside AI, using AI-enabled tools to augment - not replace - professional expertise. It also sets out the controls, guardrails and governance we will put in place to ensure ethical use, quality, regulatory compliance and public trust, as AI becomes increasingly embedded across government and the audit profession.

What is artificial Intelligence (AI)?

AI is human-made digital systems designed to perform tasks that typically require human intelligence. These systems learn from data to achieve specific goals and can improve their performance over time.

AI includes techniques such as machine learning, natural language processing and computer vision, which enable capabilities such as perception, reasoning, prediction, decision-making and problem-solving.

Key types of AI used in practice include:

- predictive AI – uses data to identify patterns and predict outcomes, such as classification or risk scoring;
- generative AI – creates new content such as text, images, audio or video; and
- AI for interpreting unstructured data – extracts and understands information from images, documents, audio or video (e.g. computer vision or speech recognition)

Many modern AI applications are powered by foundation models – large, general-purpose models that can be adapted to a wide range of tasks. This includes large language models (LLMs) for text-based tasks, and multimodal models that work across text, image and audio. Some LLM-based applications use retrieval-augmented generation (RAG), which connects the model to trusted external sources to improve the relevance and grounding of responses.



AI principles

Our AI Strategy is underpinned by a set of principles that will support its safe, responsible and consistent use across the organisation. These set clear expectations for how AI will be designed, deployed, used and governed while maintaining appropriate human oversight and ownership of judgement.

We use AI ethically and responsibly, respecting human rights, fairness and privacy. We apply appropriate safeguards and human oversight, proportionate to the risks and impacts of each use.

Ethical



We adopt AI in ways that are secure and resilient by design, protecting data and systems from unauthorised access, exploitation and cyber threats.

Secure



We use AI in ways that are explainable, so that outputs can be understood, tested and challenged where necessary. We ensure explanations are appropriate to the context, and support effective oversight, assurance and accountability.

Explainable



We will prioritise the use of AI where it delivers clear, long-term value to the NAO and the public we serve. We will focus on purposeful, high-impact applications, while taking into account environmental and resource impacts to ensure our use is responsible and proportionate.

Valuable



We are open about when and how AI is used, and we provide clear, proportionate and meaningful information about how AI systems operate. We tailor transparency to the needs of different stakeholders, supporting trust, scrutiny and appropriate use of our outputs.

Transparent



We use AI in ways that are reliable and accurate, with appropriate validation, testing and human oversight to ensure outputs are fit for purpose and high-quality. We recognise limitations and manage the risk of error, bias or misuse.

High-quality



We use AI in ways that protect personal and sensitive data from inappropriate access or misuse and meet our legal and regulatory data protection obligations. We apply safeguards and oversight proportionate to the sensitivity, risk and impact of each use.

Data protected



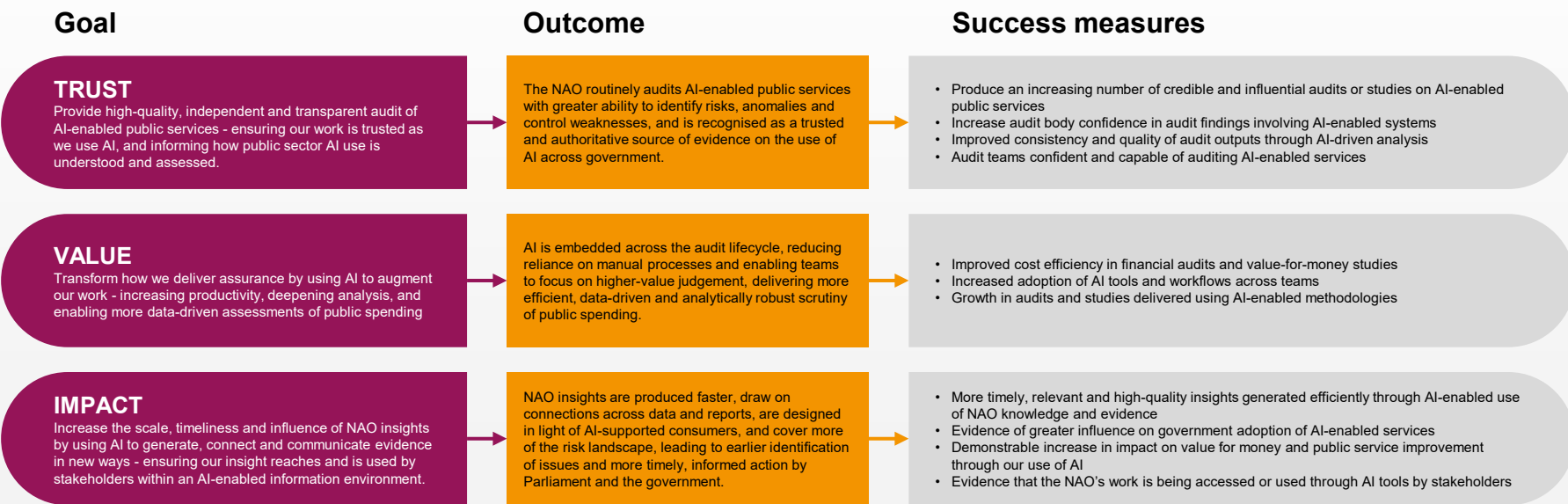
Our vision

The NAO providing trusted, independent scrutiny of AI-enabled public services for Parliament - informing trust in public services, while using AI responsibly to deliver high-quality audits and greater impact and value for the taxpayer.



Our AI goals

We have developed three AI goals that underpin our vision and describe what we are aiming to achieve. Fulfilment of these goals is designed to support delivery of our overall organisation ambitions to increase our impact on the productivity and resilience of public services and the quality of financial management and reporting in government.



AI adoption pathway

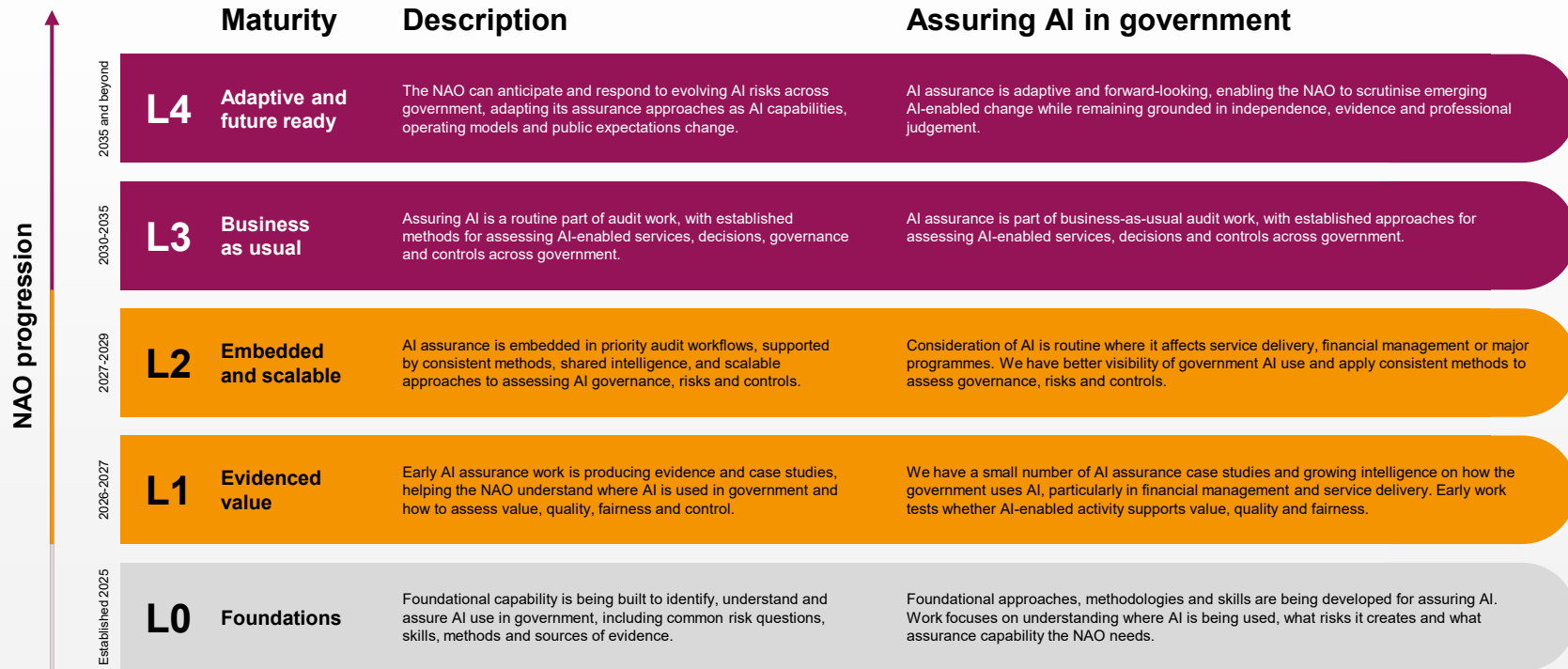
AI has the potential to transform fundamentally the nature and delivery of the NAO's remit over the coming decade. This strategy covers a transitional phase: we will integrate AI into how we deliver our work, deepen our focus on AI in our audit approach and studies, and build the capabilities needed to support more fundamental change in the next NAO Strategy period (2030–2035).

To achieve this, we will increase our AI maturity from a foundation level to one where AI is a core organisational capability. This progression will reflect both the increasing sophistication of the tools we use and audit, and how embedded AI is in our operations.

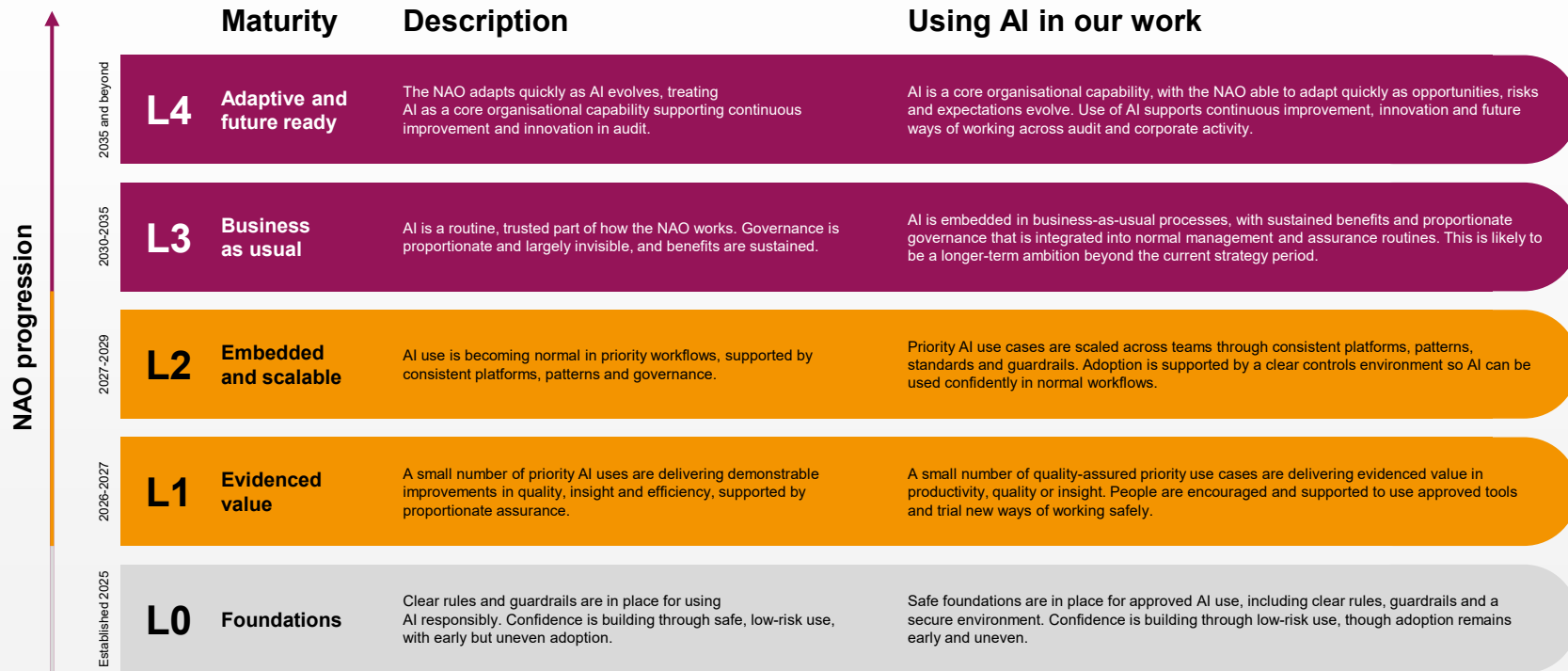
We recognise that this journey will require agility as the technology continues to evolve rapidly.



Assuring AI



Our use of AI



Auditing AI in government

The expected increase in the use of AI within audited bodies will introduce new opportunities and risks across both financial audit and value for money (VFM) work. AI systems are typically data-driven, probabilistic and capable of evolving over time, creating challenges around data quality, model behaviour and the transparency of outputs.

For financial audit, as use of AI in financial systems increases, it will change and enhance the role of the IT audit of systems underpinning the financial statements and will require a broader focus beyond traditional controls. This includes greater attention to data quality and governance, the development and testing of AI models, and how AI systems are used within financially significant processes.

For VFM work, AI will create a wider set of considerations as it is increasingly used by public bodies to support operational decisions, prioritisation and service delivery. This raises new questions about economy, efficiency and effectiveness, including whether AI is improving outcomes, how risks such as bias or poor data are being managed, and whether appropriate governance, transparency and accountability arrangements are in place. We will also consider whether AI opportunities are being missed because the data or system landscape is not of sufficient quality to allow the use of AI.

We are developing and applying our approach to auditing AI use in government, drawing on international good practice and working with partners to build capability. In the short term, we will monitor how AI is being adopted across government, share learning, and test our approach through audit engagements. Over time, we will establish a sustainable capability to audit AI, ensuring we can provide robust, independent assurance where AI is material to public spending and service delivery.

Our people

A confident, capable and forward-looking workforce—using AI to amplify expertise and strengthen the impact of everything we do.

AI is changing how public services operate - and how we deliver our work at the NAO. It brings new possibilities to go further, faster and deeper in how we understand, challenge and improve outcomes. Our response is rooted in our people.

Across audit, value for money and corporate services, it is the judgement, curiosity and integrity of our teams that define our impact.

AI strengthens those qualities - it does not replace them. It gives us new ways to apply our expertise, uncover insight and focus on what matters most.

Our ambition is clear: to enable every member of our team to confidently and responsibly use AI to enhance their work - unlocking their potential, developing their long-term skills and increasing the value they can deliver.

A new way of working

We are building a future where working with AI is part of how we operate.

AI will help our people move more quickly from information to insight - supporting them to explore evidence, test ideas and communicate findings with greater clarity.

Across the NAO, this will mean:

- more time on **analysis, judgement and insight;**
- stronger, more timely outputs that better support Parliament; and
- greater focus on **areas of highest value and risk.**

Different roles will experience this in different ways - but the outcome is the same: more meaningful and impactful work which is career enhancing.

Our people

Confidence to get started, freedom to explore

We want our people to feel able to try, learn and improve - without needing to be experts from day one.

We will support this by:

- making it **easy to access and use AI tools safely**;
- providing clear examples of how AI can support real work; and
- encouraging experimentation in a **trusted environment**.

Progress will come through practical use—building confidence through doing.

Skills for today - and tomorrow

We will equip our people with the skills they need to use AI effectively and responsibly.

- a strong foundation of **AI literacy for all staff**;
- opportunities to develop **deeper and more specialised expertise**; and
- practical support to help teams **apply AI in their work**.

We will also take a deliberate approach to shaping our workforce:

- **identifying and addressing capability gaps** across the organisation;
- building specialist expertise through **development, recruitment and collaboration**; and
- strengthening our ability to **audit and challenge AI-enabled systems** with confidence.

This ensures we combine **broad capability across all roles** with **deep expertise where it matters most**.



Our people

Growing with change

As AI reshapes how work is delivered, we will actively support our people to adapt and thrive.

We will be clear about how roles and expectations will evolve, and we will invest in ongoing learning, workforce planning and development to match. We will also provide the support employees need to thrive through the transition to an AI-enabled workplace by prioritising wellbeing, confidence and sustainable performance.

We will foster a culture that values:

- **adaptability and continuous learning;**
- **professional curiosity; and**
- **shared responsibility for improvement.**

For our people, AI presents a clear opportunity to spend less time on routine tasks; focus more on insight, challenge and collaboration; and make a greater contribution to improving public services.



Our priority actions

To achieve our growing maturity, and thereby deliver against our goals, we have developed an AI roadmap. The priority actions are set out below.

2026-27	2027-28	2028-29 and beyond
1. Support the evolution of our work, role and remit		
- Establish a working group (AI in audit working group) to explore how we will develop our capabilities and methodologies in light of the increasing use of AI in the bodies we audit. - Identify AI-related audit risks and risks over major government programmes with a large AI element. - Review and adapt how NAO insight is structured and published to ensure it can be effectively accessed, interpreted and used through AI tools.	- In light of the recommendations of the AI in Audit working group, embed assessment of AI-enabled systems and controls in relevant audits. - Create an influence strategy to engage the government in the investment in and use of AI, with our audit experts able to comment across government with credibility. - Begin structured dialogue with Parliament, regulators and government bodies on the impact of AI on the NAO's role and remit.	- Treat AI-enabled services as routine elements of VFM and financial audit. - Maintain ongoing external engagement as AI and regulation evolve.
2. Equip our people with knowledge and confidence		
- Create a change and adoption approach for AI, including support for wellbeing. - Roll out baseline AI training for all staff covering responsible use, risks and professional judgement. - Deliver senior leader training on leading through AI-enabled change. - Develop our skills for critically reviewing AI-assisted outputs.	- Update workforce plans in light of the recommendations of the AI in Audit working group and the results of opportunities to transform delivery. - Update role expectations to reflect use of AI and reinvestment of time saved.	- Embed AI capability into professional development and leadership programmes. - Maintain continuous skills refresh as AI use in government evolves.

Our priority actions

2026-27	2027-28	2028-29 and beyond
3. Develop our processes and workflows in light of AI		
- Prioritise and map processes to identify safe opportunities for AI-enabled steps. - Identify priority audit and corporate workflows where AI could materially improve efficiency, quality, timeliness or consistency. - Pilot AI use in selected workflows, focusing on learning and defensibility.	- In light of developing AI maturity and capability (e.g. agentic AI), identify opportunities to transform delivery. - Update guidance, templates and quality assurance processes to reflect AI-enabled ways of working.	- Deliver and embed transformation opportunities identified. - Review and adapt workflows as AI capability and audit expectations evolve.
4. Build scalable technology and data capabilities		
- Stand up secure enterprise AI and analytics platforms. - Agree minimum data, metadata and structuring standards to support both internal use and external AI-enabled access to NAO insight. - Roll out Copilot and core AI tooling within guardrails.	- Support priority AI use cases with reusable platforms and data. - Expand enterprise metadata, taxonomy and knowledge management. - Begin measuring cost, performance and benefits.	- Scale proven platforms across priority audit and corporate workflows. - Retire duplicated solutions and treat core platforms as business as usual capability. - Ensure platforms remain adaptable to new AI techniques.
5. Establish robust governance with proportionate oversight		
- Move AI governance into business-as-usual operation. - Define and publish AI risk assessment, assurance and decision artefacts. - Map AI principles to policies and sourcing standards.	- Embed AI risk and assurance into routine business and audit decisions. - Refine risk appetite, thresholds and escalation routes based on experience. - Provide transparent information about how we are using AI and other relevant information such as sustainability.	- Ensure proportionate, risk-based governance is operating maturely. - Periodically review governance in line with regulation and professional standards.

Governing AI

We will operate a proportionate, enterprise-wide governance framework that enables the safe, responsible and scalable use of AI across the NAO.

Governance provides the oversight and control framework for the operating model, ensuring that AI use is aligned to our risk appetite, audit standards and public interest responsibilities.

- The Executive Team has overall accountability for AI strategy, risk appetite and key decisions.
- The NAO Board provides oversight through its overall role in shaping strategy and maintaining transparent systems of governance and internal controls consistent with best practice.
- The AI Governance Board provides delegated oversight, reviewing higher-risk and novel use cases, setting assurance expectations, and escalating issues where risks exceed agreed tolerances.
- Service lines and corporate functions apply AI within agreed guardrails and are accountable for adherence to policy and standards.

For financial audit, as a regulated activity, AI-related quality risks are governed through the system of quality management. Governance will explicitly reflect the requirements of financial audit and regulatory expectations, ensuring that AI used in financial audit is subject to existing audit quality, methodology and assurance processes, aligned with relevant standards and guidance.

Governance will be risk-based and proportionate, ensuring that:

- higher-risk uses of AI receive greater scrutiny and assurance; and
- lower-risk, productivity-focused use can scale more rapidly within defined guardrails.

This approach enables the NAO to support innovation while protecting audit quality, data security and public trust, with AI used to augment - rather than replace - professional judgement.

In line with our AI principles of transparency, alongside publication of this strategy, we will share details of our approach to governance and responsible use with those we audit, and we will include an overview in our Transparency Report.

Engaging others

Delivering our AI Strategy requires engaging stakeholders and collaboration beyond the NAO. We will engage closely with those we audit and work with partners to share learning, strengthen standards and accelerate capability, while retaining independence in judgement and assurance.

Engaging the government

We will engage proactively and constructively with government departments and cross-government functions to ensure our insight informs decision-making at the points where it matters most. As the use of AI evolves across public services, we will maintain an ongoing dialogue to share learning, highlight emerging risks and opportunities, and contribute to the development of good practice. Our engagement will also inform the nature and pace of our own adoption of AI so that we draw on relevant use cases and stay in step with the overall risk appetite and approach of the UK public sector.

Working with other Supreme Audit Institutions

We will continue to collaborate with other Supreme Audit Institutions to share insight on the use and audit of AI, including approaches to governance, risk management and assurance of AI-enabled public services. Through international networks and bilateral relationships, we will learn from peers, contribute to emerging good practice, and strengthen our collective ability to audit AI in the public interest.

Working with accountancy and audit firms

We will engage with other accountancy and audit firms to understand how AI is being applied within the profession, including the implications for audit quality, methodology and assurance. This engagement will inform our own development and strengthen our ability to assess and challenge the use of AI by those we audit, while maintaining the NAO's independence and objectivity.

Engaging others

Working with professional and regulatory bodies

We will work closely with the Institute of Chartered Accountants in England and Wales and the Financial Reporting Council to align our approach to AI with evolving professional, regulatory and ethical standards. This includes contributing to discussions on the impact of AI on audit practice, quality management and assurance expectations, and ensuring our own use of AI remains consistent with regulatory requirements.

Working with partners

We will take a clear, value-led approach to build versus buy. Where trusted, secure tools meet our needs, we will adopt and configure them. We will build or partner only where this is necessary to protect audit quality, manage risk, or deliver capabilities not available in the market. All decisions will be governed through our enterprise AI governance framework.