



National Audit Office

NAO Whistleblowing Annual Report

1 April 2019 to 31 March 2020



Speak up
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This is our third annual report on whistleblowing disclosures we have received. In the period 1 April 2019 to 31 March 2020 inclusive the C&AG received 41 whistleblowing disclosures.

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 2019, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.1 billion.

Introduction

1 This is our third annual report on whistleblowing disclosures we have received. The Comptroller and Auditor General (C&AG) who leads the National Audit Office (NAO) is a prescribed person listed in the Public Interest Disclosure (Prescribed Persons) Order 2014, to whom external persons can make disclosures relating to “the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services”.

2 The Public Interest Disclosure Act 1998 (the Act) created a right to redress in the event of being dismissed or subjected to a detriment by one’s employer, or other responsible third party, because of ‘whistleblowing’ (making a disclosure in the public interest).

3 The Act was introduced in response to the major corporate failures of the 1980s and 1990s, where workers had known of the dangers that led to disaster but were unwilling or unable to warn of them effectively.

4 The Act aims to help prevent such disasters and corporate malpractice in general by encouraging workers with relevant information to come forward responsibly. The Act seeks to achieve this by offering a right to redress in the event of victimisation or dismissal if workers raise their concerns in the ways specified in the legislation.

The Comptroller and Auditor General (C&AG)

5 The C&AG, who leads the National Audit Office (NAO), scrutinises public spending for Parliament and is independent of government and the civil service. They support Parliament in holding government to account and help improve public services through high-quality audits. Our other work comprises value for money studies, local audit, investigations, support to Parliament and international activities. You can read more about the C&AG and the NAO on our [website](#) and in our new [five-year strategy](#).^{1,2}

Role of the C&AG with reference to the Act

6 The Public Interest Disclosure (Prescribed Persons) Order 2014 prescribes the C&AG as someone to whom people can make a protected disclosure relating to “the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services”.

7 The whistleblowing legislation does not give the C&AG any additional powers nor does it require the C&AG to investigate every disclosure they receive; the decision whether to investigate is based on the matters raised and the C&AG’s remit and powers.

¹ Available at: www.nao.org.uk/about-us/our-work/

² Available at: www.nao.org.uk/about-us/our-strategy/

8 People must approach the correct prescribed person. If the C&AG does not appear to be the most appropriate person then they can refer to the list published by the Department for Business, Energy and Industrial Strategy [BEIS: list of prescribed persons](#).³ This list is based on the [Public Interest Disclosure \(Prescribed Persons\) Order 2014](#).⁴

Correspondence at the NAO

9 Receiving, investigating and replying to correspondence is part of our core work. It is one of our direct contact points with Members of Parliament and the public. It is a rich and invaluable source of information for our audit work. Correspondence gives us an opportunity to explain and inform people about our work and helps us focus our questions to public bodies to probe issues and concerns of interest to the public. For example, through the identification of individual or systemic issues that merit further investigation.

10 The C&AG and the NAO typically receive around 1,000 letters from the public and 100 letters from MPs each year telling us about their experiences or concerns with public bodies. The NAO's objective when handling correspondence is to deliver timely, proportionate and high-quality responses; all correspondence received is logged so that those who communicate with us know that their concerns are taken seriously and handled appropriately.

11 Within the 1,000 items of correspondence we receive concerns raised by workers about their employer. These whistleblowing disclosures are detailed below.

³ Available at: www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies

⁴ Available at: www.legislation.gov.uk/uksi/2014/2418/contents/made

Whistleblowing disclosures received from 1 April 2019 to 31 March 2020

12 In the period 1 April 2019 to 31 March 2020 inclusive the C&AG received 41 whistleblowing disclosures.

Outcomes

Response to disclosures	Number of disclosures	Summary of the action taken
Work performed by the National Audit Office	20	In these cases we investigated the concerns as part of our audit work or as a specific enquiry.
Referred to alternative body	14	In these cases we referred the disclosure to other bodies that were better placed to investigate the concerns; these bodies included the relevant government Department or its Internal Audit function, the Government Internal Audit Agency or a devolved authority.
Referred to local auditor	7	In these cases we referred the disclosure to the local auditor for the relevant local authority. The local auditor is a prescribed person where concerns relate to a local authority.

Examples of the type of work we carried out

13 We have not included any information in these examples which could lead to the identification of a whistleblower or the subject of the whistleblowing or compromise the confidentiality of an ongoing investigation.

- Example 1:** We received concerns from a whistleblower regarding misuse of public funds and recruitment practices. We contacted the relevant Department to obtain more information via our financial audit team and reviewed the issue ourselves to confirm further investigation was not required. We concluded there was no risk to our audit of the Department's financial accounts. The Government Internal Audit Agency (GIAA) had also identified similar issues and the Department were already taking steps to improve their controls.

This is an example of how information provided by whistleblowers can help inform our regular audit work. Also, by contacting the relevant department we can ensure concerns are taken up by the most appropriate body, in this case the GIAA.

- **Example 2:** We received correspondence from an anonymous correspondent raising concerns at an academy school trust. Some of the concerns raised fell within the remit of the C&AG as a prescribed person - the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services – but some did not.

We always consider if there is another prescribed person or body, we can pass information onto where we do not have access rights, or they are better placed to consider the concern. In this case the information was provided anonymously so we could not seek permission. However, we judged that any risk to the whistleblower was low compared to the seriousness of the issues raised. Therefore, we shared the concerns raised with our contacts at the Department of Education and provided the information to Ofsted so they could consider the concerns and take any action they judged necessary.

This is an example of how we consider who is best placed to investigate a concern. In this instance as the C&AG is the auditor of the overall academy schools' sector, we also used this correspondence to instigate some enquires at a sector wide level.

- **Example 3:** We received a single contact from an anonymous correspondent who raised concerns about contract management at a government arms' length body (ALB). We raised the concerns with the responsible senior manager at the ALB to obtain more information. Although we did not know the identity of the correspondent, we ensured our enquires continued to protect their identity from people in the ALB. For example, very specific enquiries could identify an individual within an organisation.

The information from the correspondent gave us information to probe contract performance and retendering processes. We identified failings that has led the ALB undertaking its own internal review to identify how they could better manage contracts. We also identified issues that we raised formally at the highest level in the ALB.

This is an example of how a single anonymous contact with a whistleblower should not be ignored as it can provide valuable information to inform our work.

- **Example 4:** We received correspondence regarding mismanagement of a major contract from a whistleblower who was concerned about their identity being released. Because of the concerns raised we decided that we could fold the investigation of the concerns into our annual financial audit in future months. We told the whistleblower this is how we would address their concerns and they were content. In this way the investigation would appear as a routine piece of work. Subsequently, the whistleblower decided to waive anonymity and so we pointed them towards the senior official in their department responsible for the confidential hotline and investigations into wrong-doing. We advised the whistleblower to copy us into any correspondence so that we could ensure that it was followed up by the department and we also spoke to the responsible official.

This is an example of where it is important to manage a whistleblower's expectation by explaining how we will investigate their concerns. By folding the work into our annual audit, we were able to protect the identity of the whistleblower and take the allegations seriously as part of our routine audit work. In this instance, we were also able to direct the correspondent to an appropriate contact in their department once they had changed their mind about anonymity.

Learning from disclosures

14 The National Audit Office can carry out examinations into the economy, efficiency and effectiveness with which government departments and many other public sector bodies have used their resources.

15 We use the experience of people to inform our audits and take the issues raised with us into account as we conduct and plan our programme of work. The disclosures made to us provide insight into areas we may want to investigate and aid the C&AG's ability to perform his functions.

16 You will have read in our examples how the insight gained from whistleblowers enables us to target our audit work and make targeted enquiries of government departments to not only investigate concerns but further our understanding of departmental procedures. This work can also lead to departments learning where they need to make improvements to their processes. In the last year we have updated and improved our internal guidance for our staff on how to handle whistleblowing disclosures. As part of this work we published a [flow chart](#) on our website so people who are looking to raise a concern understand the decisions and action we may take following their contact.⁵ You can find more information [here](#).⁶

⁵ Available at: www.nao.org.uk/contact-us/wp-content/uploads/sites/10/2020/04/Web-graphic.pdf

⁶ Available at: www.nao.org.uk/contact-us/whistleblowing-disclosures/

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