



**Information in relation to delegated powers and  
related documents in  
Parts 1, 7 and 8 of the Constitutional Reform and  
Governance Bill**

**Constitutional Reform and Governance Bill**  
**Information in relation to delegated powers and related documents in Parts 1, 7 and 8**

Parts 1 (*The Civil Service*), 5 (*Human Rights claims against the Devolved Administrations*), 6 (*Courts and Tribunals*), 7 (*National Audit*) and 8 (*Transparency of Government Financial Reporting to Parliament*) of the Constitutional Reform and Governance Bill are to be considered by a Committee of the Whole House on 3<sup>rd</sup> and 4<sup>th</sup> November. This paper has been produced to assist the Committee in discussion of the delegated powers and requirements to produce other documents (codes, principles and strategy documents) that arise under clauses of the Bill being considered on those dates.

The information within this paper relates to the following areas of the Bill:

**Part 1**

**Clause 5: civil service code**

- Power conferred on: the Minister for the Civil Service
- Power exercised by: code of conduct
- Parliamentary procedure: the Minister must lay any code before Parliament
- Information for consideration: current version of the Statement of Civil Service Values, June 2006

*See page 4*

**Clause 6: diplomatic service code**

- Power conferred on: the Secretary of State
- Power exercised by: code of conduct
- Parliamentary procedure: the Secretary of State must lay the code before Parliament
- Information for consideration: current version of the Diplomatic Service Code of Ethics, 31 January 2008

*See page 8*

**Clause 8: special advisers code**

- Power conferred on: the Minister for the Civil Service
- Power exercised by: code of conduct
- Parliamentary procedure: the Minister must lay the code before Parliament
- Information for consideration: current version of the Code of Conduct for Special Advisers, November 2007 (as amended April 2009)

*See page 11*

**Clause 11: recruitment principles and approvals for selections and exceptions**

- Power conferred on: the Civil Service Commission
- Power exercised by: publication of recruitment principles
- Parliamentary procedure: none
- Information for consideration: current version of the Civil Service Commissioners' Recruitment Principles, April 2009

*See page 17*

## Part 7

### **Paragraph 1(1) of Schedule 7: strategy**

- Power conferred on: the National Audit Office (NAO) and Comptroller and Auditor General
- Power exercised by: strategy document
- Parliamentary procedure: approval by Public Accounts Commission
- Information for consideration: draft NAO Strategy for the national audit functions, 2010-2011 to 2012-2013

*See page 25*

### **Paragraph 10(1) of Schedule 7: code of practice**

- Power conferred on: the NAO and Comptroller and Auditor General
- Power exercised by: code of practice
- Parliamentary procedure: requires approval of Public Accounts Commission
- Information for consideration: draft code of practice dealing with the relationship between the NAO and the Comptroller and Auditor General, 6 July 2009

*See page 44*

## Part 8

### **Clause 51: new section 4A(3) of the Government Resources and Accounts Act 2000 – inclusion in departmental estimates of resources used by designated bodies**

- Power conferred on: the Treasury
- Power exercised by: order made by statutory instrument
- Parliamentary procedure: negative
- Information for consideration: list of central government bodies that are currently expected to be included in any Statutory Instrument laid by the Treasury in accordance with clause 51 of the Bill (see the note accompanying this document for further information on the status of this list)

*See page 51*

### **Clause 52(1): corresponding provision in relation to Wales**

- Power conferred on: the Welsh Ministers
- Power exercised by: order made by statutory instrument
- Parliamentary procedure: choice of negative or draft affirmative procedure in the National Assembly for Wales
- Information for consideration: list of Welsh bodies which may be covered by designation

*See page 61*

## Document 1-Current version of the Statement of Civil Service Values

1. The Civil Service is an integral and key part of the government of the United Kingdom<sup>1</sup>. It supports the Government of the day in developing and implementing its policies, and in delivering public services. Civil servants are accountable to Ministers, who in turn are accountable to Parliament<sup>2</sup>.
2. As a civil servant, you are appointed on merit on the basis of fair and open competition and are expected to carry out your role with dedication and a commitment to the Civil Service and its core values: integrity, honesty, objectivity and impartiality. In this Code:
  - ‘integrity’ is putting the obligations of public service above your own personal interests;
  - ‘honesty’ is being truthful and open;
  - ‘objectivity’ is basing your advice and decisions on rigorous analysis of the evidence; and
  - ‘impartiality’ is acting solely according to the merits of the case and serving equally well Governments of different political persuasions.
3. These core values support good government and ensure the achievement of the highest possible standards in all that the Civil Service does. This in turn helps the Civil Service to gain and retain the respect of Ministers, Parliament, the public and its customers.
4. This Code<sup>3</sup> sets out the standards of behaviour expected of you and all other civil servants. These are based on the core values. Individual departments may also have their own separate mission and values statements based on the core values, including the standards of behaviour expected of you when you deal with your colleagues.

### Standards of behaviour

#### *Integrity*

5. You must:
  - fulfil your duties and obligations responsibly;
  - always act in a way that is professional<sup>4</sup> and that deserves and retains the confidence of all those with whom you have dealings;
  - make sure public money and other resources are used properly and efficiently;

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<sup>1</sup> This Code applies to all Home civil servants. Those working in the Scottish Executive and the National Assembly for Wales, and their Agencies, have their own versions of the Code. Similar Codes apply to the Northern Ireland Civil Service and the Diplomatic Service.

<sup>2</sup> Constitutionally, civil servants are servants of the Crown. The Crown's executive powers are exercised by the Government.

<sup>3</sup> The respective responsibilities placed on Ministers and special advisers in relation to the Civil Service are set out in their Codes of Conduct: [www.cabinetoffice.gov.uk/propriety\\_and\\_ethics](http://www.cabinetoffice.gov.uk/propriety_and_ethics).

<sup>4</sup> Including taking account of ethical standards governing particular professions.

- deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability;
- handle information as openly as possible within the legal framework; and
- comply with the law and uphold the administration of justice.

6. You must not:

- misuse your official position, for example by using information acquired in the course of your official duties to further your private interests or those of others;
- accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise your personal judgement or integrity; or
- disclose official information without authority. This duty continues to apply after you leave the Civil Service.

### ***Honesty***

7. You must:

- set out the facts and relevant issues truthfully, and correct any errors as soon as possible; and
- use resources only for the authorised public purposes for which they are provided.

8. You must not:

- deceive or knowingly mislead Ministers, Parliament or others; or
- be influenced by improper pressures from others or the prospect of personal gain.

### ***Objectivity***

9. You must:

- provide information and advice, including advice to Ministers, on the basis of the evidence, and accurately present the options and facts;
- take decisions on the merits of the case; and
- take due account of expert and professional advice.

10. You must not:

- ignore inconvenient facts or relevant considerations when providing advice or making decisions; or
- frustrate the implementation of policies once decisions are taken by declining to take, or abstaining from, action which flows from those decisions.

## ***Impartiality***

11. You must:

- carry out your responsibilities in a way that is fair, just and equitable and reflects the Civil Service commitment to equality and diversity.

12. You must not:

- act in a way that unjustifiably favours or discriminates against particular individuals or interests.

## ***Political Impartiality***

13. You must:

- serve the Government, whatever its political persuasion, to the best of your ability in a way which maintains political impartiality and is in line with the requirements of this Code, no matter what your own political beliefs are;
- act in a way which deserves and retains the confidence of Ministers, while at the same time ensuring that you will be able to establish the same relationship with those whom you may be required to serve in some future Government; and
- comply with any restrictions that have been laid down on your political activities.

14. You must not:

- act in a way that is determined by party political considerations, or use official resources for party political purposes; or
- allow your personal political views to determine any advice you give or your actions.

## **Rights and responsibilities**

15. Your department or agency has a duty to make you aware of this Code and its values. If you believe that you are being required to act in a way which conflicts with this Code, your department or agency must consider your concern, and make sure that you are not penalised for raising it.

16. If you have a concern, you should start by talking to your line manager or someone else in your line management chain. If for any reason you would find this difficult, you should raise the matter with your department's nominated officers who have been appointed to advise staff on the Code.

17. If you become aware of actions by others which you believe conflict with this Code you should report this to your line manager or someone else in your line management chain; alternatively you may wish to seek advice from your nominated officer. You should report evidence of criminal or unlawful activity to the police or other appropriate authorities.

18. If you have raised a matter covered in paragraphs 15 to 17, in accordance with the relevant procedures<sup>5</sup>, and do not receive what you consider to be a reasonable response, you may report the matter to the Civil Service Commissioners<sup>6</sup>. The Commissioners will also consider taking a complaint direct. Their address is:

3rd Floor, 35 Great Smith Street, London SW1P 3BQ.

Tel: 020 7276 2613

email: [ocsc@civilservicecommissioners.gov.uk](mailto:ocsc@civilservicecommissioners.gov.uk)

If the matter cannot be resolved using the procedures set out above, and you feel you cannot carry out the instructions you have been given, you will have to resign from the Civil Service.

19. This Code is part of the contractual relationship between you and your employer. It sets out the high standards of behaviour expected of you which follow from your position in public and national life as a civil servant. You can take pride in living up to these values.

June 2006

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<sup>5</sup>The whistleblowing legislation (the Public Interest Disclosure Act 1998) may also apply in some circumstances. The Directory of Civil Service Guidance gives more information: [www.cabinetoffice.gov.uk/propriety\\_and\\_ethics](http://www.cabinetoffice.gov.uk/propriety_and_ethics).

<sup>6</sup>The Civil Service Commissioners' Appeals leaflet gives more information: [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk). This Code does not cover HR management issues.

## Document 2- current version of the Diplomatic Service Code of Ethics

1. The Diplomatic Service is an integral and key part of the government of the United Kingdom. It supports the Government of the day in developing and implementing its policies, and in delivering public services. Members of the Diplomatic Service, like all civil servants, are accountable to Ministers, who in turn are accountable to Parliament. (Constitutionally, civil servants are servants of the Crown. The Crown's executive powers are exercised by the Government.)
2. As a civil servant, you are appointed on merit on the basis of fair and open competition and are expected to carry out your role with dedication and a commitment to the Diplomatic Service and its core values: integrity, honesty, objectivity and impartiality. In this Code:
  - 'integrity' is putting the obligations of public service above your own personal interests;
  - 'honesty' is being truthful and open;
  - 'objectivity' is basing your advice and decisions on rigorous analysis of the evidence; and
  - 'impartiality' is acting solely according to the merits of the case and serving equally well Governments of different political persuasions.
3. These core values support good government and ensure the achievement of the highest possible standards in all that the Diplomatic Service does. This in turn helps the Diplomatic Service to gain and retain the respect of Ministers, Parliament, the public and its customers.
4. This Code sets out the standards of behaviour expected of you. (The respective responsibilities placed on Ministers and special advisers in relation to the Civil Service are set out in their Codes of Conduct: [www.cabinetoffice.gov.uk/propriety\\_and\\_ethics](http://www.cabinetoffice.gov.uk/propriety_and_ethics). These are based on the core values.

### Standards of behaviour

#### *Integrity*

5. You must:
  - fulfil your duties and obligations responsibly;
  - always act in a way that is professional (including taking account of ethical standards governing particular professions) and that deserves and retains the confidence of all those with whom you have dealings;
  - make sure public money and other resources are used properly and efficiently;
  - deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability;
  - handle information as openly as possible within the legal framework; and
  - comply with the law and uphold the administration of justice.
6. You must not:
  - misuse your official position, for example by using information acquired in the course of your official duties to further your private interests or those of others;
  - accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise your personal judgement or integrity; or
  - disclose official information without authority. This duty continues to apply after you leave the Civil Service.



### *Honesty*

7. You must:

- set out the facts and relevant issues truthfully, and correct any errors as soon as possible; and
- use resources only for the authorised public purposes for which they are provided.

8. You must not:

- deceive or knowingly mislead Ministers, Parliament or others; or
- be influenced by improper pressures from others or the prospect of personal gain.

### *Objectivity*

9. You must:

- provide information and advice, including advice to Ministers, on the basis of the evidence, and accurately present the options and facts;
- take decisions on the merits of the case; and
- take due account of expert and professional advice.

10. You must not:

- ignore inconvenient facts or relevant considerations when providing advice or making decisions; or
- frustrate the implementation of policies once decisions are taken by declining to take, or abstaining from, action which flows from those decisions.

### *Impartiality*

11. You must:

- carry out your responsibilities in a way that is fair, just and equitable and reflects the Diplomatic Service commitment to equality and diversity.

12. You must not:

- act in a way that unjustifiably favours or discriminates against particular individuals or interests.

### *Political Impartiality*

13. You must:

- serve the Government, whatever its political persuasion, to the best of your ability in a way which maintains political impartiality and is in line with the requirements of this Code, no matter what your own political beliefs are;
- act in a way which deserves and retains the confidence of Ministers, while at the same time ensuring that you will be able to establish the same relationship with those whom you may be required to serve in some future Government; and
- comply with any restrictions that have been laid down on your political activities.

14. You must not:

- act in a way that is determined by party political considerations, or use official resources for party political purposes; or
- allow your personal political views to determine any advice you give or your actions.

### **Rights and responsibilities**

15. The FCO has a duty to make you aware of this Code and its values. If you believe that you are being required to act in a way which conflicts with this Code, the FCO must consider your concern, and make sure that you are not penalised for raising it.

16. If you have a concern, you should start by talking to your line manager or someone else in your line management chain. If for any reason you would find this difficult, you should raise the matter with one of the FCO's nominated officers who have been appointed to advise staff on the Code.

17. If you become aware of actions by others which you believe conflict with this Code you should report this to your line manager or someone else in your line management chain; alternatively you may wish to seek advice from your nominated officer. You should report evidence of criminal or unlawful activity to the police or other appropriate authorities. The whistleblowing legislation (the Public Interest Disclosure Act 1998) may also apply in some circumstances. Please refer to the guidance below.

18. If you have raised a matter covered in paragraphs 15 to 17, in accordance with the relevant procedures in [FCO Guidance, HR Volume 1, Chapter 21, Annex 21F](#), and do not receive what you consider to be a reasonable response, you may report the matter to the Civil Service Commissioners. The Commissioners will also consider taking a complaint direct. Their address is:

3rd Floor,  
35 Great Smith Street,  
London SW1P 3BQ.

Tel: 020 7276 2613

email: [ocsc@civilservicecommissioners.gov.uk](mailto:ocsc@civilservicecommissioners.gov.uk)

Website: [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

If the matter cannot be resolved using the procedures set out above, and you feel you cannot carry out the instructions you have been given, you will have to resign from the Diplomatic Service.

19. This Code is part of the contractual relationship between you and your employer. It sets out the high standards of behaviour expected of you which follow from your position in public and national life as a civil servant. You can take pride in living up to these values.

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### Document 3- Code of conduct for Special Advisers

1. As set out in the *Ministerial Code*, the employment of special advisers adds a political dimension to the advice and assistance available to Ministers while reinforcing the political impartiality of the permanent Civil Service by distinguishing the source of political advice and support.
2. Special advisers are employed to help Ministers on matters where the work of Government and the work of the Government Party overlap and where it would be inappropriate for permanent civil servants to become involved. They are an additional resource for the Minister providing assistance from a standpoint that is more politically committed and politically aware than would be available to a Minister from the permanent Civil Service.
3. The sorts of work a special adviser may do if their Minister wants it are:
  - i. reviewing papers going to the Minister, drawing attention to any aspect which they think has party political implications, and ensuring that sensitive political points are handled properly. They may give assistance on any aspect of departmental business, and give advice to their Minister when the latter is taking part in party political activities;
  - ii. "devilling" for the Minister, and checking facts and research findings from a party political viewpoint;
  - iii. preparing speculative policy papers which can generate long-term policy thinking within the Department, including policies which reflect the political viewpoint of the Minister's Party;
  - iv. contributing to policy planning within the Department, including ideas which extend the existing range of options available to the Minister with a political viewpoint in mind;
  - v. liaising with the Party, to ensure that the Department's own policy reviews and analysis take full advantage of ideas from the Party, and encouraging presentational activities by the Party which contribute to the Government's and Department's objectives;
  - vi. helping to brief Party MPs and officials on issues of Government policy;
  - vii. liaising with outside interest groups including groups with a political allegiance to assist the Minister's access to their contribution;
  - viii. speechwriting and related research, including adding party political content to material prepared by permanent civil servants;
  - ix. representing the views of their Minister to the media including a Party viewpoint, where they have been authorised by the Minister to do so;
  - x. providing expert advice as a specialist in a particular field;
  - xi. attending Party functions (although they may not speak publicly at the Party Conference) and maintaining contact with Party members;
  - xii. taking part in policy reviews organised by the Party, or officially in conjunction with it, for the purpose of ensuring that those undertaking the review are fully aware of the Government's views and their Minister's thinking and policy.

## Status and conduct as temporary civil servants

4. Special advisers are temporary civil servants appointed under Article 3 of the Civil Service Order in Council 1995. They are exempt from the general requirement that civil servants should be appointed on merit and behave with impartiality and objectivity so that they may retain the confidence of future governments of a different political complexion. They are otherwise required to conduct themselves in accordance with the *Civil Service Code*, attached at Annex A. As set out in the *Ministerial Code*, all appointments of special advisers require the prior written approval of the Prime Minister, and no commitments to make such appointments should be entered into in the absence of such approval. Their appointment ends at the end of the Administration which appointed them or when the appointing Minister leaves the Government or moves to another appointment. The responsibility for the management and conduct of special advisers, including discipline, rests with the Minister who made the appointment. It is, of course, also open to the Prime Minister to terminate employment by withdrawing his consent to an individual appointment.
5. Special advisers should conduct themselves with integrity and honesty. They should not deceive or knowingly mislead Parliament or the public. They should not misuse their official position or information acquired in the course of their official duties to further their private interests or the private interests of others. They should not receive benefits of any kind which others might reasonably see as compromising their personal judgement or integrity. They should not without authority disclose official information which has been communicated in confidence in Government or received in confidence from others. The principles of public life set down by the Committee on Standards in Public Life, at Annex B, provide a framework for all public servants.
6. Special advisers should not use official resources for party political activity. They are employed to serve the objectives of the Government and the Department in which they work. It is this which justifies their being paid from public funds and being able to use public resources, and explains why their participation in party politics is carefully limited. They should act in a way which upholds the political impartiality of civil servants and does not conflict with the Civil Service Code. They should avoid anything which might reasonably lead to the criticism that people paid from public funds are being used for party political purposes. The highest standards of conduct are expected of special advisers and, specifically, the preparation or dissemination of inappropriate material or personal attacks has no part to play in the job of being a special adviser as it has no part to play in the conduct of public life. Any special adviser ever found to be disseminating inappropriate material will automatically be dismissed by their appointing Minister.

## Relations with the Permanent Civil Service

7. In order to provide effective assistance to Ministers, special advisers should work closely with the ministerial team and with permanent civil servants, and establish relationships of confidence and trust. Special advisers may, on behalf of their Ministers:
  - i. convey to officials Ministers' views and work priorities, including on issues of presentation. In doing so, they must take account of civil servants' workloads and any priorities Ministers have set;
  - ii. request officials to prepare and provide information and data, including internal analyses and papers;
  - iii. hold meetings with officials to discuss the advice being put to Ministers.

But special advisers must not:

- iv. ask civil servants to do anything which is inconsistent with their obligations under the *Civil Service Code*;
  - v. behave towards permanent civil servants in a way which would be inconsistent with the standards set by the employing department for conduct generally;
  - vi. have responsibility for budgets or involvement in the award of external contracts;
  - vii. suppress or supplant the advice being prepared for Ministers by permanent civil servants although they may comment on such advice.
8. Where any permanent civil servant has concerns about any request coming from a special adviser, they should discuss that concern with their line manager, the special adviser concerned, the Minister's Principal Private Secretary or their Permanent Secretary. If a civil servant feels for whatever reason that he or she is unable to do this then they may wish to raise the concern with departmental nominated officer(s) within the department or direct with the Head of the Home Civil Service or the Civil Service Commissioners.
  9. In order to enable special advisers to work effectively, departments may allocate permanent civil servants to provide support of a non-political nature. Special advisers should not be involved in issues affecting a permanent civil servant's career such as recruitment, promotion, reward and discipline, though their views may be sought as an input to performance appraisals provided these are written by permanent civil servants.

### **Contacts with the media**

10. Special advisers are able to represent Ministers' views on Government policy to the media with a degree of political commitment that would not be possible for the permanent Civil Service. Briefing on purely party political matters must be handled by the Party machine.
11. All contacts with the news media should be authorised by the appointing Minister and be conducted in accordance with the *Guidance on Government Communications*.
12. Special advisers must not take public part in political controversy whether in speeches or letters to the Press, or in books, articles or leaflets; must observe discretion and express comment with moderation, avoiding personal attacks; and would not normally speak in public for their Minister or the Department.

### **Relations with the Government Party**

13. Special advisers provide assistance to Ministers on the development of Government policy and its presentation. It is in these two areas of activity that Government and Party may overlap.
14. The Civil Service has no monopoly of policy analysis and advice. The Government takes account of views from many sources of which the Government Party is legitimately one. Although public funds and resources must not be used to support the contribution of such views, the Government may need to liaise with the Party, as it does with others, to obtain a full and accurate understanding of the Party's policy analysis and advice.

15. The Government needs to present its policies and achievements to the public in order to aid understanding and so maximise the effectiveness of its policies, and this is a legitimate use of public funds and resources. It would be damaging to the Government's objectives if the Party took a different approach to that of the Government, and the Government therefore needs to liaise with the Party to make sure that Party publicity is factually accurate and consistent with Government policy. To secure this consistency, the Government will also want to make sure that Party MPs and officials are briefed on issues of Government policy.
16. In providing a channel of communication in these areas of overlap, special advisers paid from public funds have a legitimate role in support of the Government's interest, which they can discharge with a degree of party political commitment and association which would not be permissible for a permanent civil servant. In all contacts with the Party, special advisers must observe normal Civil Service rules on confidentiality unless specifically authorised, in a particular instance, by their appointing Minister.
17. Special advisers must not take part in the work of the Party's national organisation. Most special advisers will resign on the announcement of a General Election. Those who remain in office to work on Government business must take special care to ensure that they do not use official resources for Party political purposes or take any active part in the Election campaign.
18. Subject to the rules on involvement in political activities (paragraphs 19 to 23), where a special adviser wishes to undertake work for a political party which does not arise out of Government business they may do this either in their own time, outside office hours, or under a separate contract with the Party, working part-time for the Government (subject to paragraph 17 above). Detailed rules on their involvement in political activities are set out below.

#### **Involvement in politics in a private capacity: national political activities**

19. Special advisers must not take part in national political activities, which are: holding, in a party political organisation, office which impinges wholly or mainly on party politics in the field of Parliament, the Scottish Parliament, the National Assembly for Wales, the Northern Ireland Assembly or the European Parliament; speaking in public on matters of national political controversy; expressing views on such matters in letters to the Press, or in books, articles or leaflets; being announced publicly as a candidate or prospective candidate for Parliament, the Scottish Parliament, the National Assembly for Wales, the Northern Ireland Assembly or the European Parliament; and canvassing on behalf of a candidate for the institutions or on behalf of a political party.
20. In particular:
  - i. before a special adviser is publicly identified as a candidate or prospective candidate for Parliament, the Scottish Parliament, the National Assembly for Wales, the Northern Ireland Assembly or the European Parliament, either by adoption by a political party or in any other way, he/she must first resign their appointment<sup>7</sup>;

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<sup>7</sup> The Servants of the Crown (Parliamentary, European Assembly and Northern Ireland Assembly Candidature) Order 1987, as amended, states that civil servants (apart from those in the "politically free" group) must not issue an address to electors or in any other manner publicly announce themselves or allow themselves to be publicly announced as candidates or prospective candidates for election to Parliament or the European Parliament. Therefore, civil

- ii. if they wish to take part in a General, European or by-election campaign, or to help in a party headquarters or research unit during such a campaign, they must first resign their appointment. If they wish their appointment to carry on during a campaign, they may continue to give assistance to their Minister as before, but they must be careful not to take any active part in the campaign. They should not, for example, take part in public meetings or accompany their Minister to party political engagements which are related to the Election campaign;
- iii. if, with the approval of their Minister, they wish to assist with other party political matters such as a leadership campaign, they may do so while on paid or unpaid leave or at times which do not interfere with their normal duties, for example, out of office hours.

### **Involvement in politics in a private capacity: local political activities**

- 21. With the approval of their Minister, special advisers may undertake, or continue to undertake, all forms of local political activity, but not local activities in support of national politics. They must comply with any conditions laid down by their Department
- 22. Local political activities are: candidature for, or co-option to, local authorities; holding, in a party political organisation, office impinging wholly or mainly on party politics in the local field; speaking in public on matters of local political controversy; expressing views on such matters in letters to the Press, or in books, articles or leaflets; and canvassing on behalf of candidates for election to local authorities or a political organisation.
- 23. If special advisers take part in local political activities, they must at all times observe discretion, take care to express comment with moderation and avoid personal attacks. In particular, if they serve on a local authority they must adhere to the following points:
  - i. they should not speak publicly or in the Council, or vote, on matters for which their Minister has responsibility;
  - ii. they should not serve on any committee considering such matters;
  - iii. they should not take part in deputations or other representations to Ministers;
  - iv. they should declare an interest in relation to any case or application which comes before the Council in which their Department is involved;
  - v. they should observe discretion in relation to policies for which other Ministers are responsible, in order to avoid causing them embarrassment;
  - vi. they should not disclose to the Council privileged information obtained in the course of their duties.

## Leaving the Civil Service

24. All civil servants, including special advisers, are subject to the *Rules on the acceptance of outside appointments by Crown servants* (often known as the Business Appointment Rules) for the first two years after leaving office. They are required, in the circumstances set out in the rules, to obtain prior approval to accept an outside appointment. Decisions on applications submitted by special advisers will be taken by the relevant departmental Permanent Secretary, on advice as appropriate from the Advisory Committee on Business Appointments. Detailed rules are set out in Section 4.3 annexes A and B of the *Civil Service Management Code* (<http://www.civilservice.gov.uk/iam/codes/csmc/index.asp>).
25. Civil servants, including special advisers, must not publish or broadcast personal memoirs reflecting their experience in Government, or enter into commitments to do so, while in Crown employment. The permission of the Head of their Department and the Cabinet Secretary must be sought before entering into a contractual commitment to publish such memoirs after leaving the Service. They must submit any manuscripts for comment to the Cabinet Secretary in good time in advance of publication. Detailed rules are set out in Section 4.2 of the *Civil Service Management Code*.
26. Under the terms of the *Civil Service Code*, special advisers should continue to observe their duties of confidentiality after they have left Crown employment.

November 2007  
(as amended April 2009)



**Document 4-** current version of the Civil Service Commissioners' Recruitment Principles



**CIVIL SERVICE COMMISSIONERS  
RECRUITMENT PRINCIPLES**

## CIVIL SERVICE COMMISSIONERS RECRUITMENT PRINCIPLES

1. The Civil Service Order in Council 1995 (as amended) and the Diplomatic Service Order in Council 1991 (as amended) requires selection for appointment to the Civil Service to be on merit on the basis of fair and open competition (“the requirement”) and that the Civil Service Commissioners (“the Commissioners”) publish Recruitment Principles to be applied for the purposes of the requirement. This document sets out those principles.
  - **Merit** - means the appointment of the best available person: no one should be appointed to a job unless they are competent to do it and the job must be offered to the person who would do it best.
  - **Fair** – means there is no bias in the assessment of candidates. Selection processes must be objective, impartial and applied consistently.
  - **Open** - means that job opportunities must be advertised publicly and potential candidates given reasonable access to information about the job and its requirements, and about the selection process.

### Role of the Commissioners

2. The role of the Commissioners in recruitment is to maintain the principle that appointments to the Civil Service are on merit through fair and open competition. Annex A provides more detail on how the Commissioners interpret the principle.
3. The approval of the Commissioners is required for appointments to the posts listed at Annex B. The Commissioners will decide whether and how it will participate in the selection processes for such posts.
4. The Commissioners except certain appointments from the principle of appointment on merit through fair and open competition. These are described at Annex C.

### Departments and agencies' responsibilities

5. Departments and agencies must comply with the principle of appointment on merit through fair and open competition and these Recruitment Principles, including Annexes A, B and C. Overall responsibility for doing so rests with the permanent secretary or chief executive of each department or agency.

### Ensuring compliance

6. The Commissioners will undertake regular audits of the recruitment policies and practices of departments and agencies in order to ensure compliance with appointment on merit through fair and open competition and these Recruitment Principles. The outcome will be reported in the Commissioners' annual report.

7. The Commissioners will consider complaints that the principle of appointment on merit through fair and open competition and these Recruitment Principles have not been met. It will expect the complainant to raise the matter with the department or agency first. Departments and agencies must ensure that all applicants are made aware of their right to do this.

## SELECTION FOR APPOINTMENT ON MERIT ON THE BASIS OF FAIR AND OPEN COMPETITION

This Annex, which departments and agencies must follow, explains in more detail how the Commissioners interpret the principle of appointment on merit through fair and open competition. The Commissioners do not seek to set out the recruitment policies and practices that departments and agencies must follow: when auditing, though, they will look to see if those policies and practices comply with appointment on merit through fair and open competition and these Recruitment Principles.

***Merit - means the appointment of the best available person: no one should be appointed to a job unless they are competent to do it and the job must be offered to the person who would do it best.***

- If several candidates are competent, the job must be offered to the person who would do it best. It will be rare for a candidate to meet all of the selection criteria exceptionally well; the most meritorious candidate will be the one who is best at the job's critical elements.
- In competitions for a single job, the best candidate must be offered the job. If he or she turns it down, it can then be offered to the other appointable candidates in merit order.
- When a department or agency is running a campaign to recruit a large number of staff, it may be impractical to wait until the end of the competition and offer jobs in a strict merit order. Departments and agencies may offer jobs out of strict merit order, but in doing so must ensure that the individuals appointed are clearly towards the top of the likely merit list. Candidates who are likely to be further down the list or borderline will have to wait until the end of the process before an appointment can be confirmed. This is to ensure that the most meritorious candidates will be appointed by the end of the competition.

***Fair – means there is no bias in the assessment of candidates. Selection processes must be objective, impartial and applied consistently.***

- This does not necessarily mean treating everyone exactly the same; rather it is about applying the same general criteria of assessment to everyone while taking account of the different experience and expertise that candidates bring.

***Open - means that job opportunities must be advertised publicly and potential candidates given reasonable access to information about the job and its requirements, and about the selection process.***

- The media chosen to advertise job opportunities must be suitable for attracting a diverse field of strong potential candidates. Jobs can be advertised in newspapers or job centres, or on the Civil Service or on departmental and other internet sites.
- Advertisements can be job specific or for a number of jobs or for a rolling recruitment programme. Under such a programme, jobs may be advertised continuously and candidates assessed at intervals for particular vacancies.

- Alternatively, expressions of interest may be sought for future vacancies and used to form a competition between the candidates when the vacancy arises.
- Advertisements for a particular post may also include other posts that have been advertised previously without success.

### **Decisions on appointments**

For the majority of posts, decisions on appointments will be taken by permanent civil servants.

However, Ministers may need to give final approval to the most senior appointments. Where a Minister has an interest in an appointment, it is important that they are consulted at the outset to agree the terms on which the post is to be advertised, the job and person specifications, and the criteria for selection, including the composition of the selection panel.

Departments and agencies should then ensure that the Minister is kept in touch with the progress of the competition throughout, including being provided with full information about the expertise, experience and skills of the candidates. Any further views the Minister may have about the balance of expertise, experience and skills required for the post should be conveyed to the selection panel. For the most senior posts the Minister may wish to brief the Commissioner chairing the selection panel, who may then invite the Minister to brief the selection panel and/or each of the shortlisted candidates,

The candidate recommended for appointment must be the one placed first in order of merit by the selection panel. Where a Minister does not feel able to approve the selection panel's recommended candidate, the matter must be referred back to the panel with the Minister's reasons. The panel must decide whether the Minister's observations cause it to revise the order of merit, and if it does so, it must refer the case with its reasons to the Commissioners for their collective approval.

### **Use of recruitment agencies and search consultants**

Where recruitment agencies and/or search consultants are used, the department or agency must satisfy itself that the final recommendations arise from a proper application of the principle of appointment on merit through fair and open competition and these Recruitment Principles.

**POSTS REQUIRING THE COMMISSIONERS' APPROVAL**

The approval of the Commissioners is required for appointments to the Civil Service to the following posts:

- Permanent Secretary
- SCS Pay Band 3
- SCS Pay Band 2

The approval of the Commissioners is also required for all appointments to posts which currently fall within the remit of the Senior Leadership Committee (SLC) i.e. Permanent Secretary and Pay Band 3.

In addition the Commissioners may agree with a department or agency that their approval is needed for specific other appointments.

## EXCEPTIONS TO SELECTION FOR APPOINTMENT ON MERIT ON THE BASIS OF FAIR AND OPEN COMPETITION

The Commissioners except certain appointments from the principle of appointment on merit through fair and open competition where they believe this is justified by the needs of the Civil Service or to enable the Civil Service to participate in a government employment initiative that major employers have been asked to participate in.

Departments and agencies may apply the exceptions listed below **except that the Commissioners' specific approval is required for appointments to the Civil Service made to the posts listed at Annex B.**

The exceptions are:

1. **Short term appointments up to maximum of two years** to provide managers with the flexibility to meet short-term needs, and to enable departments to appoint individuals who are eligible for support under government programmes to assist the unemployed. Any proposal to extend an appointment made under this exception beyond two years requires the approval of the Civil Service Commissioners.
2. **Permanent appointments to administrative (i.e. old style AA and AO) and industrial grades** of individuals who have been appointed through exception 1 at or after 12 months of that appointment on the basis of a fair and objective process approved by the Commissioners and subject to their audit.
3. **Appointments of individuals with highly specialised skills and experience for up to two years** to allow highly specialised people to be brought in without a competition for a particular one-off job on the basis that such a process would be a mere formality. Any proposal for a longer appointment at the outset or to extend an appointment made under this exception beyond two years requires the approval of the Civil Service Commissioners.
4. **Secondments of up to two years** to facilitate interchange between the Civil Service and other employers. Any proposal for a longer secondment at the outset, or to extend the appointment beyond two years or to convert it to a permanent appointment without fair and open competition, requires the approval of the Commissioners.
5. **Re-appointment of former civil servants** to enable individuals who were previously civil servants by virtue of an appointment on merit through fair and open competition or by a process approved by the Commissioners and who meet the competences required for the new post to re-enter the Civil Service.
6. **Transfer of an organisation into the Civil Service** to enable departments and agencies to gain or retain the expertise of its staff. (If the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) apply staff have an automatic right of transfer.)

7. **Transfers of individuals into the Civil Service** to enable departments and agencies to make use of their expertise. Transfers of staff from another civil service in the United Kingdom may take place freely provided they were appointed on merit through fair and open competition. Transfers of staff from other public bodies (e.g. non-departmental public bodies) need the approval of the Commissioners.
8. **The recruitment of disabled people** to enable departments and agencies to recruit participants in the government scheme (currently entitled "WORKSTEP") to promote the employment of disabled people.
9. **Assistance for disabled people** to enable departments and agencies within the framework of appointment on merit through fair and open competition to offer encouragement and assistance which are not available to other candidates. This enables departments and agencies to guarantee an interview or to modify other selection arrangements used for non-disabled candidates.



**Document 5-** current version of the NAO Strategy



National Audit Office

NAO STRATEGY

2010-11 to 2012-13

“Applying the unique perspective of public audit to help Parliament and Government  
drive lasting improvement in public services”

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## **Introduction by the NAO Chairman and Comptroller and Auditor General**

1. On 1 July 2009, the new National Audit Office (NAO) board structure took effect. For the first time in the history of the NAO, we have a Board with a non-executive Chairman and a majority of non-executive members, a Chartered Accountant as C&AG, and a genuine Leadership Team. This strategy is our first joint submission, with the support of the Board, under the new governance arrangements. It sets the strategic objective of carrying out our statutory responsibilities to the full by driving lasting improvements in value for money during this period of challenge for public services.
2. The current pressure on public finances presents significant challenges for departments as they seek to contain and reduce costs while meeting demands for accessible and high quality public services. As a unique resource of accounting and professional skills with the ability to look across the full breadth of government activities, the NAO will focus on the issues which bear most strongly on the use of resources across government, and which therefore drive value for money. This strategy outlines our intention to apply the NAO's knowledge and expertise to help drive change in government and support Parliament.
3. The core activities of the NAO will continue to be the financial audit of government departments and the provision of value for money reports to Parliament. Holding Government to account for its spending and for providing value for money in public services will remain a key focus. As an independent body, the NAO will continue to deliver a quality service to Parliament and audited bodies. We will pursue our strategic ambitions in parallel with a programme of work looking at responses to the economic downturn.
4. The strategy will require real change within the NAO, and we have ambitious expectations. Recognising the pressure on public finances, and the importance of the NAO demonstrating our own efficiency, we will generate the resources necessary to support the strategy through cost reductions and greater productivity. We therefore intend to deliver the strategy without seeking an increase in resources in 2010-11. Beyond 2010-11 our planning assumption is for a one percent increase in each of the remaining two years of the strategy.
5. We will demonstrate greater added value through identifying financial impacts arising from our work equivalent to ten times our running cost. We believe this strategy will ensure that the NAO continues to be a vital institution of which we can be proud, achieving its full potential to serve the public and Parliament by helping government use public money better

**Professor Sir Andrew Likierman**  
**Chair of the NAO Board**

**Amyas C E Morse**  
**Comptroller and Auditor General**

## **1: Public audit in a changing landscape**

### **The economic environment presents significant new challenges for the public sector**

- 1.1 The background of a volatile global economy and fiscal pressure reinforces the importance of external audit scrutinising expenditure and holding Government to account for maximising the value obtained from public spending. The UK continues to experience a challenging economic environment which has presented direct financial and delivery challenges to the public sector as reduced tax revenues and income combine with increased demand for some services.
- 1.2 Government has taken on new responsibilities arising from the provision of financial support to banks and insurance on private company assets. Four financial institutions are now in temporary public ownership and there is substantial public investment in others. The Government has also brought forward £3 billion of public spending from 2010-11 with the aim of reducing the impact of the recession. These interventions present significant, and in some cases new, financial management challenges for government.
- 1.3 The impact of the recession on the wider economy has increased demands on employment and benefit services with implications for public services which will continue through economic recovery. For example, the number of people unemployed and seeking work has risen substantially over the last twelve months and the number of claimants for Jobseeker's Allowance is predicted to rise further<sup>8</sup>. Pressures on other locally delivered services are anticipated as the social effects of economic conditions are felt. Fiscal pressure creates risks and opportunities to value for money, including risks to the interests of those using public services if service quality is compromised in the search for greater efficiency.

### **The projected fiscal position is likely to have significant implications for public service delivery**

- 1.4 The 2009 Budget projected an increase in government spending for 2010-11 from £671.4 billion in 2009-10 to £701.7 billion in 2010-11<sup>9</sup>, an increase of 4.5 per cent in cash terms. Current spending levels and alternative approaches to managing fiscal pressures are the subject of ongoing political debate. Planned efficiency gains of £35 billion for 2010-11 will need to be delivered, but other reductions in public expenditure are expected as government seeks to contain the public borrowing requirement, estimated at £178.1 billion for 2009-10 and £183.3 billion for 2010-11<sup>10</sup>. These challenges will place a higher premium on the ability of government to reach objective, evidence based judgements about the use of public funds, to evaluate & measure results, and to control the use of resources efficiently.

### **Underlying public service trends remain, and continue to have implications for delivery**

- 1.5 In June 2009, the Government announced in *Building Britain's Future* a series of entitlements to specific public services and a delivery plan setting out public service priorities. In addition to these shorter-term priorities, government faces broader challenges such as changing demographics and an ageing population, public health and lifestyle issues, and climate change and sustainability. These challenges are likely to require a range of solutions, including encouraging citizen behaviour change, and government departments will need to work across traditional boundaries, and with a range of local providers. Such approaches have implications for accountability and

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<sup>8</sup> Office for National Statistics (2009) Labour Force Survey and DWP data; <http://www.statistics.gov.uk/pdfdir/lmsbrief0809.pdf>

<sup>9</sup> HM Treasury (2009) Budget 2009: Building Britain's Future.

<sup>10</sup> HM Treasury (2009) Forecasts for the UK Economy: A comparison of independent forecasts, August.

scrutiny, as do the increasing use of delivery chains made up of public, private and third sector providers.

- 1.6 Recent Capability Reviews suggest that central government's capability to deliver has improved. Nonetheless, only 40 per cent of Public Service Agreement targets from the 2005-08 period were met<sup>11</sup>. Improvements to service delivery have been secured alongside sustained increases in overall levels of public expenditure, while public sector productivity has failed to keep up with private sector productivity increases<sup>12</sup>. Encouraging solutions to some of the underlying issues constraining public sector delivery performance and productivity will add value to taxpayers and consumers of public services, in particular given the public expenditure context over the period covered by this strategy.

### **Scrutiny and transparency have important roles in supporting trust in democratic institutions**

- 1.7 Recent developments have underlined the importance of scrutiny of the executive by Parliament. Trust in the system and institutions of government has reduced, both in the UK and internationally, and there is great public interest in public spending and public sector performance stimulated by the implications of economic circumstances. Parliament's role in scrutinising public spending is particularly important, therefore, in the current climate. Based as it is on robust independent public audit, Parliamentary scrutiny can provide assurance to the public and serve as a catalyst for improvement and can help support public trust in democratic institutions and processes.

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<sup>11</sup> Parker, S., Paun, A. and McClory, J. (2009) *The State of the Service: A review of Whitehall's performance and prospects for improvement*. London: Institute for Government.

<sup>12</sup> Office for National Statistics (2009) *Total Public Service Output and Productivity*, 14 August 2009 revision.

## **2: The NAO's strategy and approach**

- 2.1 The National Audit Office will continue to support the Comptroller & Auditor General in working with Parliament to hold the Government to account for public spending within the broader framework of Parliamentary accountability for public finance in the United Kingdom. The core activities of the NAO will continue to be the financial audit of government departments and providing value for money reports to Parliament.

### **Core Activities and Key Dynamics**

- 2.2 The NAO acts as external auditor to all central government departments and many other publicly funded bodies, supporting the C&AG in developing his 'true and fair' opinion on published accounts; assessing whether expenditure was 'regular' and in accordance with parliaments authorisation; and providing assurance on Accounting Officer Statements on Internal Control. The NAO will continue to publish 60 major reports to Parliament each year, examining the economy, efficiency and effectiveness with which public funds have been used and assessing whether or not they represent 'value for money'. Many of these reports will support the activities of the Public Accounts Committee. The NAO will focus its other activities to help improve the performance of government in delivering cost-effective public services, including providing advice to government departments and wider support for Parliamentary scrutiny, as well as work on EU programmes.
- 2.3 The NAO's independence comes with unique access to government bodies and information, and the ability to question, investigate, report and influence. NAO teams build up considerable experience and insight into specific areas and underlying issues affecting government performance and the use of public money. In recent years, NAO reports have increasingly addressed delivery across several bodies, where problems of coordination and control are greater. The NAO's core skill base is that of an accounting organisation, with some 60 per cent of staff members of, or trainees with, the main accountancy institutes, allowing the NAO to meet the professional standards required of all external auditors. This base is supplemented by other staff with relevant professional and research skills and by contractual partnerships with other bodies. The NAO provides a significant concentration of professional expertise which does not exist elsewhere in the central government sector. The current challenges to the public finances mean that the NAO's core disciplines will be particularly important to Government and to Parliament over the period of this strategy and beyond.
- 2.4 The work of the NAO is well-regarded but this strategy sets the ambitious goal of going further to achieve the full potential of the NAO to drive lasting improvement in public services for the benefit of our stakeholders. We will do this by making the most of the NAO's position and professionalism. By focusing on key issues in our areas of core expertise, and maintaining our independence while delivering consistent service and expert insight to Parliament and government departments we will drive change in public services and deliver greater impact

### **NAO strategy**

- 2.5 Our strategy shapes how, in the medium term, we respond to these key dynamics to yield medium and longer term results. Success will require determined implementation over time. The main elements will see us developing and applying our knowledge more effectively, increasing our influence so that government takes action on the issues we raise, and building a high performance professional culture to support our strategic objectives.

## **Developing and applying our knowledge**

- 2.6 The knowledge given through our work is a valuable asset, to be deployed to enrich and strengthen our services to Parliament and government bodies. We will build our knowledge base and apply it effectively to the bodies we audit. We will build knowledge by taking a more holistic view of the issues emerging from what we do. We will apply knowledge effectively by delivering thematic and more standardised programmes of work which address common problems, and by giving a lead to the public sector in prioritised areas.

### *Taking a holistic view of the issues*

- 2.7 Linking understanding from examining individual projects and programmes with the systemic and control issues we examine at departmental level, we will build up a deeper picture of cross-government performance issues and risks. Our knowledge base - built on such a wide and deep work base and on our access to information - will be consistently deployed to enrich the work we provide to Parliament and others, and to better direct and prioritise our own work programmes.

### *Addressing common problems in government across our work programmes*

- 2.8 We have identified three systemic issues where we believe sustained improvement across government is necessary – informed government, financial management & reporting, and service delivery. To provide demonstrable coherence, consistent quality and efficient audit these themes will feature across our work programmes and we will apply standardised approaches to work addressing these common themes. These will be developed by subject experts, and capable of flexible application for local circumstances. We will ensure greater consistency in assessing value for money, considering whether the optimal level of resources was used for the benefits achieved, to help improve comparisons over time and between different programmes.

### *Giving a lead to the public sector*

- 2.9 Beginning with our systemic themes, the NAO will make more strategic and forthright contributions on key issues thus adding to the coherence of our work and giving a lead to the public sector. Objectivity and independence are crucial to the way in which we work and what we say in public will be based on a broad, evidence based analysis of major topics. We will be forthright and expert without being politicised.

## **Increasing our influence to drive change**

- 2.10 To apply our knowledge and drive lasting improvements effectively, we need to deliver consistent quality service, build strong relationships and forge active partnerships so that audited bodies take on board our recommendations. We will be flexible and innovative in choosing the right approach to obtain buy-in and action from audited bodies on the issues we highlight. This means developing new channels of influence as well as enhancing our traditional products.

### *Delivering enhanced service to Parliament and other stakeholders*

- 2.11 We will implement a consistent, structured approach to client and stakeholder engagement across the NAO. Critical to our success is improving the service we offer the PAC and Parliament more broadly so that the outcomes which are jointly achieved from this unique relationship are enhanced. We will also seek to develop effective alliances with other organisations where our objectives intersect and where we share common agendas, including working more closely with the Audit Commission where service delivery is dependent on partnerships between central and local providers. And we will focus our international work on priority areas where we can support UK interests and apply what we learn to our core activities.

### *Taking the right approach to deliver the greatest impact*

- 2.12 To achieve impact we need to do more than publish reports and reach audit opinions. Taking a holistic view of issues and enhancing our client management will help us select the right mix of activities to address underlying issues affecting cost-effective public service delivery. We will coordinate and integrate our approach across work-streams to reinforce important messages on key issues. This will see us delivering professional advice to government, but we will not compromise on our independence or our duties to Parliament.

### **Delivering high performance from the NAO**

- 2.13 Our aim is to become a thriving professional services organisation focused on improving public services. We need to build a high performance, high energy culture that values skills, expertise and professionalism. We will continually develop our competences, and keep them fresh, to remain on the leading edge of international practice in what we do.

### *Building a high performance culture*

- 2.14 The skills and commitment of NAO staff provide a sound base but delivering our strategy will require major cultural change within the organisation. We will create a team-based, professional, efficient and high-performing culture based on a new deal between staff and leadership. Demanding expectations will be set and individuals held to account, but professional judgement will be supported and the best behaviour and talent recognised and rewarded appropriately and swiftly. This change will be led by example by the NAO's Leadership Team and will be carefully managed to safeguard the delivery of our work to Parliament and others.

### *Developing leading edge competences*

- 2.15 We will focus on developing, and keeping fresh, deep skills and specialist knowledge in those issues and areas which naturally fall within our competency as an accountancy-based professional organisation. Our priority will be maintaining our unique concentration of financial and advisory skills to help us remain at the forefront of international practice in our field. Where necessary, we will add to our in-house expertise in high priority areas such as project and programme management, economic and financial modelling, financial markets and IT enabled change.

### **Summary**

- 2.6 Our aim is to fulfil the potential of the NAO to apply the unique perspectives of public audit to help Government and Parliament drive lasting improvement in public services. This strategy outlines how we will make the most of the NAO's position and professionalism for the benefit of our stakeholders, and our intention to develop a thriving professional culture for our staff. By developing and applying our knowledge on focused issues, maintaining our independence and increasing our influence, and building a high performance organisation we will drive change and deliver impact. Our success will ensure that the NAO continues to be a vital institution of which we can be proud, will improve the support we provide for Parliament's scrutiny of government and will, overall, see government work better for those who use public services and for the taxpayers who fund them.



### **3: Delivering the strategy: holding to account and helping to improve**

3.1 Part 2 set out how we intend to respond to the changing public sector landscape and the key objectives of our strategy. This part sets out the key priorities and the outputs we will use to achieve these objectives. First, we will continue to report to Parliament on the actions the Government has taken to address the impact on the UK economy of the recent financial crisis and recession, and the implications this has for the nation's finances. Second, we will focus on the thematic issues introduced in Part 2 which impact on individual departments' performance in achieving value for money and have implications more widely across Government. This part also considers other developments in the public sector where the NAO will respond as necessary to support Parliamentary scrutiny over the use of public funds.

#### **Providing assurance on the Government's response to the recession**

3.2 The recent financial, economic and fiscal downturn has seen:

- Instability in the credit and capital markets;
- A downturn in economic output and increase in unemployment, putting stress on businesses and consumers; and
- A widening gap between Government expenditure and revenues, leading to a need for fiscal retrenchment.

Our objectives, as external auditors working on behalf of Parliament and taxpayers, are to provide transparency around the actions being taken to address these issues; assurance on key value for money risks; and insight into Government's capacity to handle the challenges. As the economy recovers, the assets, liabilities and contingent exposure on the Government's balance sheet will remain significant.

3.3 We are examining specific Government interventions to support the economy, which started with our March 2009 report on the Nationalisation of Northern Rock. Our financial audits will provide assurance on taxpayers' liabilities resulting from the Government's banking liquidity and guarantee schemes, on the valuation of other guarantees and contingent liabilities, and will include thorough consideration of nationalised assets. We will be publishing an overview report setting out the areas of Government intervention in the financial sector. We will also report on the design and implementation of the Government's exit strategies as these take place, for example, on sales of shareholdings in Royal Bank of Scotland and the Lloyds Banking Group.

3.4 Our work will also look at how different parts of government are handling the effects of the recession covering, for example, a report addressing whether the recession has affected the performance of private sector providers working for Jobcentre Plus to help people move into work. With Departments across government being required to make additional value for money savings to respond to the fiscal crisis, we are scrutinising – and will report on – the achievement of these savings. Finally, our work on HM Revenue and Customs' accounts will continue to examine the impact of the economic downturn on aspects of the tax system, in particular, examining performance in the recovery of tax debt and the changing risks to compliance across the tax system.

#### **Focusing on common barriers to improving performance**

3.5 Maximising the impact which the NAO can provide requires focus on the drivers of public sector performance where our unique skills have most relevance and potential to add value through robust judgements about whether departments are achieving value for money and how they need to develop to get a tighter grip on costs and maintain and enhance service quality. This capability is enhanced by our ability, as the auditor of all departments, to look across government. Our strategy is to use this breadth

of view to help ensure that good practice is replicated, greater standardisation is achieved to reduce costs, and systemic barriers to better performance are quickly identified and remedied.

3.6 The three systemic drivers of performance we intend to focus on have been derived from a structured analysis of departments' performance and risks to value for money drawn from our annual assurance work and ongoing value for money assessments. The themes comprise a number of more specific issues which we intend to cover over the next three years, however the key focus will be on:

- **Informed Government.** The life blood of a successful organisation is the quality of information on which it makes decisions and monitors and assesses performance. Poor quality information leads to inefficiency and waste, poor performance, undermines the confidence of key stakeholders, and can result in excess or unnecessary costs. Departments need more reliable information on which to design and deliver services and monitor quality; be confident about their productivity and efficiency; and to drive continuous improvement.

For example, decision makers need a much deeper analysis of the drivers of productivity to make decisions about the cost-effective allocation of resources. We will develop a programme of cross-cutting work on productivity and productivity measurement.

- **Professional financial management and reporting.** While departments have made progress in improving their financial management, the ability to control costs and drive out waste will require further enhancement in all areas of public service delivery. In particular, departments will need to be better at linking costs to services and benchmarking performance to determine whether costs are justified and whether value for money can be improved.

For example, public bodies need to be confident that the resources for which they are responsible are appropriately managed and controlled. To provide assurance that these requirements are being met organisations have to publish statements on internal control with their annual financial statements. We intend to strengthen the work we do on statements of internal control to ensure that they are supported by robust evidence that controls are sufficiently reliable.

- **Service Delivery.** Public services are different in the way they are delivered but their overall quality and cost effectiveness depends on a number of common minimum requirements. For example, service delivery requires sound programme and project management, strong commercial skills, effective IT enabled business change and a real understanding of customer needs. Drawing on the unique perspectives of our work we will focus on potential solutions to these systemic problems.

For example, money is increasingly provided by central departments, through one or more intermediary organisations, to local bodies to deliver services. While there are clear benefits in local organisations having discretion to deliver services which best meet the needs of their communities, appropriate governance is needed to ensure accountability and minimise complexity. We intend to focus more of our work on the effectiveness of delivery and governance arrangements for delegated expenditure.

### **Our core activities will continue to assist Parliament in holding government to account**

3.7 Public reporting is an important principle of public audit. The NAO's activities play a crucial role in the cycle of accountability which begins and ends with Parliament. We will continue to provide independent assurance on the annual financial statements of some 500 public bodies, including government

departments, agencies, non-departmental public bodies and publicly-owned companies, reporting to Parliament on important issues arising from our work.

- 3.8 Our annual programme of 60 major reports to Parliament will continue to support the Public Accounts Committee and will cover all main government departments. Our programme of work will respond to the changing economic and political landscape and cover the three key themes: informed government; financial management and reporting; and service delivery as well as other issues of public and Parliamentary interest.

#### **Developments in financial reporting to Parliament have implications for scrutiny**

- 3.9 Over the period of the strategy, a number of developments in financial reporting will help strengthen scrutiny and assist Parliament in holding Government to account.

- **International Financial Reporting Standards** – Central government financial statements will be prepared on an IFRS basis for the first time in 2009-10. We are supporting departments by carrying out a full audit of restated 2008-09 financial statements by December 2009, which will provide comparative information for the 2009-10 IFRS-based accounts that will be prepared and audited by July 2010. The adoption of IFRS is the most significant development since the introduction of resource accounting in 2001 and will provide clearer comparisons on the use of resources and the financial position of public sector organisations.
- The **'clear line of sight project'** should improve Parliamentary oversight of funding and the timing of the presentation of documents to Parliament. In July 2009, the House of Commons Liaison Committee accepted Government proposals for a better aligned spending framework. We are working with the Treasury on implementing the proposals, under which there will be simplified and more consistent financial reporting to Parliament in line with the fiscal rules at three stages in the spending process – on plans, Estimates and expenditure outturns.
- **Trust accounts** - planned changes to financial statements in 2010-11 include the requirement for 'Trust Accounts' to be used to account for revenue collected by organisations on behalf of the Consolidated Fund. These will require a separate audit opinion. We will also be providing advice in preparation for more substantial changes to 2011-12 accounts. These include major changes to the Statement of Parliamentary Supply, as voted Estimate figures will be on the basis of budgetary amounts, and departments' Estimates and accounts will consolidate non-departmental public bodies.

#### **New opportunities to hold organisations to account for the use of public money will continue to emerge**

- 3.10 The NAO's strategy is to respond positively to requests to use its skills and expertise to provide assurance in areas of concern to Parliament and Government. For example, in 2008 and 2009, we carried out work to assess the performance of some 25 Sector Skills Councils. Over the strategy period we will be developing our work in a number of areas to provide assurance to Parliament, enabling it to hold departments to account.

- The **Operational Efficiency Programme**<sup>13</sup> launched by the Treasury in July 2008 builds on the Comprehensive Spending Review 2004 Efficiency Programme and focuses on delivering greater efficiency in a number of cross-cutting areas - back office operations and IT, collaborative procurement, asset management and sales, property and local incentives and empowerment. In the autumn 2008 Pre-Budget Report, the

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<sup>13</sup> HM Treasury (2009) Operational Efficiency Programme: [http://www.hm-treasury.gov.uk/vfm\\_operational\\_efficiency.htm](http://www.hm-treasury.gov.uk/vfm_operational_efficiency.htm)

Government outlined its intention to increase its Value for Money (VFM) savings target to £35 billion by 2010-11<sup>14</sup>. The NAO is committed to providing assurance on these VFM savings, the final year of which will include savings from the Operational Efficiency Programme. There are likely to be similar opportunities to provide assurance on savings programmes in future spending periods.

- **Sustainability reporting** - the Treasury is consulting on proposals for new reporting requirements on sustainability in departments' annual reports and accounts. The preferred option would lead to the introduction of mandatory sustainability reporting by central government bodies as a dry run in 2010-11 and formally in 2011-12. We are well placed to provide assurance on sustainability reports and plan to develop our capability further. We are currently considering the types of assurance that might be provided.
- **Audit of public service companies** – the provisions of the Companies Act enabling the NAO to audit companies came into force for the 2008-09 accounting period. The Office has so far been appointed auditor of 25 profit making companies and we estimate this number to increase to 50 by the end of the strategy period.
- **Members' expenses** - in response to a request from the House authorities, the NAO will also scrutinise Members' expenses in more detail than we have been asked for to date.

3.11 We will continue to review opportunities to safeguard Parliamentary scrutiny of public money and to support the Committee of Public Accounts in making the case for extending the Comptroller and Auditor General's remit as appropriate. Public organisations which are not currently subject to full scrutiny include the **BBC** and the **Financial Services Authority**, and school **Academies**. While the NAO has carried out some evaluation work on these organisations, Parliament's ability to hold these organisations to account is limited because the Comptroller and Auditor General does not audit the annual financial statements. The absence of full accountability for the FSA is particularly problematic at a time of potential changes to the structure and content of financial services regulation. **Academies** are state schools independent of local authority control. Their accounts are currently audited by private firms, providing assurance at local level but not to Parliament, which provides the bulk of the £1.2 billion academy funding.

### **We will strengthen our support for the Committee of Public Accounts and other Select Committees**

3.12 One of the NAO's key roles is to support the Committee of Public Accounts in its scrutiny of departments. We will work with the Committee to secure sustainable improvements in public service performance through the provision of major reports examining government programmes. We are setting up a dedicated team to develop the support we provide to the Committee with the aim of further improving accountability and value for money in central government.

3.13 While the NAO's priority is to support the Committee of Public Accounts, we will also continue to develop our work with other Select Committees where we can add value to a Committee's inquiries. The NAO supports Committees in a number of ways ranging from formal reviews of aspects of public policy delivery to informal briefings drawing on our core expertise in public sector financial management. We also provide performance briefings on individual

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<sup>14</sup> HM Treasury, (2008), Pre-Budget Report statement to the House of Commons, delivered by the Rt Hon Alistair Darling MP, Chancellor of the Exchequer; [http://www.hm-treasury.gov.uk/prebud\\_pbr08\\_speech.htm](http://www.hm-treasury.gov.uk/prebud_pbr08_speech.htm)

departments and will develop this work with greater focus on our key systemic themes.

**We will work in partnership with others to achieve our objectives**

- 3.14 To be successful, we must influence government to change. As well as working in a closer partnership with the Committee of Public Accounts, we will seek to develop closer working relationships with the Audit Commission, Treasury, Cabinet Office and individual departments to improve public service delivery while maintaining our independence and objectivity.
- 3.15 The strength of our recommendations will continue to be based on our authoritative reporting but we will also seek to provide further guidance and support to departments. We will encourage departments to implement our recommendations and share best practice. We will continue to develop a broader range of outputs and activities to encourage improvements in cost-effective delivery and to highlight our messages in the wider public sector arena. We recognise the power of cross government networks in promoting best practice and will support initiatives which promote better value for money such as the benchmarking of corporate services in the public sector.

## 4: Our resources and performance

### We are committed to demonstrating, and improving, our efficiency

- 4.1 There will be significant pressure on public finances over the strategy period and we are committed to demonstrating that the NAO can lead by example. We have carried out a thorough examination of our cost base and have identified scope to reduce costs without compromising our work in support of Parliamentary scrutiny of public services. Our strategy is ambitious, but following this review we are confident that we can implement the strategy without any increase in resources in 2010-11.
- 4.2 On front-line audit and assurance work we are aiming to reduce input costs by a minimum of two percent a year by streamlining processes and making better use of staff resources. We will similarly reduce the cost of value for money work in 2010-11 through adopting a more thematic approach and by making more targeted use of external expertise. Internal restructuring has reduced the number of senior management posts and driven efficiencies in our corporate services. We have reviewed our use of office space and have decided that we can reduce our space requirements and sublet surplus office accommodation to a suitable tenant. The income will be retained by the NAO in support of its audit and assurance work and will reduce the net resource requirement. We are committed to further cost reductions which will see corporate costs fall by 5 per cent a year.

### NAO can implement its strategy without needing an increase in resources in 2010-11

- 4.3 Following the examination of our cost base, we propose implementing our strategy with no increase in resources in 2010-11. We propose provisional 1 per cent increases in 2011-12 and 2012-13, reflecting the need to respond to significant changes in the public finances which have given rise to new risks which need to be examined. This level of resource supports the continuation of our financial audit and value for money programmes which provide assurance to Parliament while responding to the need to go further to achieve the full potential of the NAO to drive lasting improvements in public services.

**Figure 1: Proposed resource requirement**

	2009-10	2010-11	2011-12	2012-13
	£million	£million	£million	£million
Net resource requirement	79.3	79.3	80.1	80.9
Increase		Nil	0.8	0.8
		Zero per cent	1 per cent	1 per cent

- 4.4 Figure 2 shows how the NAO plans to use its resources over the planning period.

**Figure 2: Proposed use of resources**

	2008-09	2009-10	2010-11	2011-12	2012-13
	Outturn	Plan	Forecast	Forecast	Forecast
	£million	£million	£million	£million	£million
<b>Staff</b>	55.2	58.9	60.0	61.8	63.5
<b>Outsourcing</b>	22.6	23.2	22.8	21.8	21.0
<b>Travel</b>	3.6	3.9	4.0	4.1	4.2
<b>Other cash costs</b>	8.4	9.1	10.0	9.8	9.5
<b>Non-cash costs</b>	4.0	3.9	5.0	5.1	5.2
<b>Transfer to repair and refurbishment</b>	2.2	1.3	-		
<b>Gross resource requirement</b>	<b>96.0</b>	<b>100.3</b>	<b>101.8</b>	<b>102.6</b>	<b>103.4</b>
<b>Income</b>	19.9	21.0	22.5	22.5	22.5
<b>Net resource requirement</b>	<b>76.1</b>	<b>79.3</b>	<b>79.3</b>	<b>80.1</b>	<b>80.9</b>

- 4.5 There will be a significant increase in non-cash costs in 2010-11 reflecting the increased value of our headquarters following the refurbishment, which will be completed later this year. The increased value results in higher capital charges and depreciation. We expect therefore to deliver the strategy without requesting an increase in our cash requirements over the next three years.
- 4.6 Around 60 per cent of the Office's gross resources will be used to meet the salaries and related costs of its staff. We plan to employ about 900 staff, of whom some 60 per cent will be either qualified accountants or training for accountancy qualifications. Their marketable expertise is essential to support the provision of assurance on financial statements and to provide rigour and financial skills in our value for money and other assurance work.
- 4.7 The NAO will continue to recruit up to 80 graduates a year under its professional training scheme leading to an accountancy qualification with the Institute of Chartered Accountants in England and Wales. We will need to ensure that starting salaries keep broadly in line with other employers and that, after qualification, salaries remain within striking distance of its main competitors, whilst also having regard to public service pay guidelines.
- 4.8 In addition to employing staff, we have productive relationships with partner organisations in the private and academic sectors. These partnerships, established following open competition, support both financial audit and value for money assurance work. Looking ahead over the strategy period, there will be a progressive reduction in the proportion of resources used to buy in external support, reflecting the need to prioritise limited resources and the capacity of external suppliers to provide the skills required to deliver value for money work. Our intention is to develop our in-house expertise.
- 4.9 Resources are also required to provide the infrastructure necessary to support the provision of audit and assurance services to Parliament, including accommodation, IT, training and personnel. The completion of the repair and

refurbishment project of the NAO's headquarters in November 2009 will support business improvements and help generate cost reductions. Although the higher valuation of the headquarters following the refurbishment will lead to significantly higher business rates, capital charges and depreciation, we plan to meet this additional expenditure without needing an increase in resources in 2010-11.

### Analysis of resources by objective

4.10 NAO costs are attributed to the various types of work undertaken. The Figure below shows how total resources, including overheads, are likely to be deployed across the Office's main objectives. It shows that a greater proportion of resources will be focused on improving performance in line with the strategy, and that there will be a reduction in international work, reflecting the decision to focus more of our overseas work on the audit of financial statements of the international bodies for which the C&AG is the appointed auditor.

**Figure 3: Analysis of resource requirement by objective**

	2008-09	2009-10	2010-11	2011-12	2012-13
	Outturn	Plan	Forecast	Forecast	Forecast
	£million	£million	£million	£million	£million
Financial audit	48.4	51.5	53.4	54.1	54.0
Value for money	27.4	27.3	26.1	25.6	25.4
Performance improvement	9.2	10.7	11.6	12.9	13.7
Support for Parliament, the public, international work etc	10.8	10.6	10.5	9.8	10.1
Comptroller function	0.2	0.2	0.2	0.2	0.2
<b>Gross resource requirement</b>	<b>96.0</b>	<b>100.3</b>	<b>101.8</b>	<b>102.6</b>	<b>103.4</b>
Income	19.9	21.0	22.5	22.5	22.5
<b>Net resource requirement</b>	<b>76.1</b>	<b>79.3</b>	<b>79.3</b>	<b>80.1</b>	<b>80.9</b>
Statutory work	69.7	72.0	72.4	71.1	70.9
Non-statutory work	26.3	28.3	29.4	31.5	32.5

**Figure 4: Analysis of resource requirement by objective (percentage)**

	2008-09	2009-10	2010-11	2011-12	2012-13
	Outturn	Plan	Forecast	Forecast	Forecast
Financial audit	51%	51%	53%	53%	52%
Value for money	28%	27%	26%	25%	25%
Performance improvement	10%	11%	11%	12%	13%
Support for Parliament, the public, international work etc	11%	11%	10%	10%	10%
Comptroller function	<1%	<1%	<1%	<1%	<1%
Statutory	73%	72%	71%	70%	69%



Non-statutory 27% 28% 29% 30% 31%

4.11 Figures 3 and 4 include an analysis of our resource requirement for statutory and non-statutory work. Statutory work includes most financial audit and value for money work; non-statutory work includes our work on performance improvement and support to Parliament. The Comptroller and Auditor General decides what resources are needed for statutory work. The non-statutory work programme is carried out with the agreement of the NAO Board, which also approves the resources to be allocated to the programme.

### Capital expenditure

4.12 The net resource requirement includes depreciation relating to the NAO's fixed asset base, which includes its headquarters building and information and communications technology equipment. The Office will complete the repair and refurbishment of its headquarters later this year and has limited further capital requirements over the period of the strategy. It is, however, increasingly dependent on information technology to deliver audit and assurance services efficiently, and will need to continue to invest in its asset base to provide modern and reliable equipment. For example, over the period we will improve the capacity and efficiency of its data storage requirements, and continue to invest in software upgrades, improving audit tools and the efficiency and capacity of remote access arrangements, further enhancing the Office's knowledge sharing and information management.

4.13 Figure 5 below indicates that £1.2 million a year will be needed for capital expenditure over the plan period.

**Figure 5: Capital provision 2008-09 to 2012-13**

	2008-09	2009-10	2010-11	2011-12	2012-13
	Outturn	Plan	Forecast	Forecast	Forecast
	£million	£million	£million	£million	£million
Capital provision	1.1	1.5	1.2	1.2	1.2

### We will demonstrate our success through performance measures covering all aspects of our activities

4.14 NAO performance measures (see appendix) address our use of resources, the speed of delivery and quality of our work, and the outcomes we achieve in terms of financial impact.

4.15 We have developed new performance indicators to assess the outcome of our strategy. We are committed to demonstrating our impact through identifying financial impacts of at least £10 saved for every £1 spent running the office, an increase on the current year target of £9:£1. This financial measure is a clear way of demonstrating the value of the NAO's impact in improving the cost-effectiveness of public service delivery. Our financial impact target will increase to £809 million by the end of the strategy period.

4.16 Our added value is not, however, wholly captured by this indicator and we are developing our reporting of wider, non-financial impacts. Wider impacts will be subject to independent audit for the first time in 2009 and will be reported under two categories: increased accountability and transparency; and improved organisational performance and service delivery.

Examples of work falling under the increased accountability and transparency heading are:

- improvements in financial or performance reporting;
- improvements in the workings and effectiveness of Audit Committees; and
- extensions of our remit into areas not previously examined by the Comptroller and Auditor General and PAC.

Work falling under the category of improved organisational performance and service delivery includes:

- improvements in service standards or outcomes such as reductions in waiting times or deaths from strokes;
- improvements in organisational management and processes, such as better procurement or financial management; or
- strengthened governance, for example, through better risk management.

4.17 Ongoing enhancement of the way in which we demonstrate the performance and added value in of the NAO is a key priority. We will continue to develop the range of indicators which are used to ensure that our resources are deployed cost effectively and to report performance to Parliament.

## Appendix 1: NAO Performance Measures

Resource inputs					
	Achieved	Current Year	Targets for planning period		
	2008-09 Actual	2009-10 Target	2010-11 Target	2011-12 Target	2012-13 Target
1. Resources used on front line activity	75%	75%	78%	79%	80%
2. Efficiency improvements in corporate costs, including staff, consultancy and travel	5.3%	4%	5%	5%	5%
3. Efficiency improvement in financial audit work	-	2%	2%	2%	2%
4. Efficiency improvement in value for money work	2%	2%	2%	2%	2%
Outputs: Speed of delivery and quality					
	2008-09 Actual	2009-10 Target	2010-11 Target	2011-12 Target	2012-13 Target
5. Accounts audited within four months of the year end	74%	74%	77%	80%	83%
6. Independent confirmation of compliance with auditing standards	✓	✓	✓	✓	✓
7. Value for money studies taking 9 months or less	29%	60%	65%	70%	70%
Outcomes					
	2008-09 Actual	2009-10 Target	2010-11 Target	2011-12 Target	2012-13 Target
8. Financial impacts achieved	£768 million	£714 million	£793 million	£801 million	£809 million
9. Improvements in departmental performance – impacts achieved	Significant audited case examples to be reported				
10. Improvements in accountability and transparency – impacts achieved	Significant audited case examples to be reported				

**DRAFT TO BE CONSIDERED FOR APPROVAL BY THE PUBLIC ACCOUNTS COMMISSION**

**CODE OF PRACTICE DEALING WITH THE RELATIONSHIP BETWEEN THE NATIONAL AUDIT OFFICE AND THE COMPTROLLER AND AUDITOR GENERAL**

1. This Code of Practice deals with the relationship between the National Audit Office (NAO) and the Comptroller and Auditor General (C&AG). The NAO Board and the C&AG will comply with the Code of Practice. Details of the role of the Public Accounts Commission, the NAO and the C&AG are set out in Annex 1 to the Code of Practice.

**Setting the strategy**

2. The strategy will be prepared on an annual basis and will cover three financial years. It will form the basis of the NAO's bid for resources to the Public Accounts Commission, and will set out the priorities of the NAO that will guide the work programme and the allocation of resources. It will include a resourcing plan for the three-year period, including estimates of the resources that will be needed and details of the broad balance between work to be performed in-house and that which will be contracted out to third parties. The processes will be as follows.
  - Every 12 months, the C&AG will prepare a draft strategy to cover the next three financial years.
  - The NAO Board will consider the C&AG's draft and approve the strategy, after making any modifications it considers appropriate.
  - The Chair of the NAO Board and the C&AG will jointly submit the strategy to the Public Accounts Commission, and give evidence at any hearing the Commission may hold on the strategy.
  - The Public Accounts Commission will review and approve the strategy, and the bid for resources included within it, after making any modifications it considers appropriate. In doing this, the Commission will have regard to any advice given by the Treasury.
  - The NAO and the C&AG will each give effect to the strategy.

**Agreeing the work programme**

3. The work programme will cover one financial year, and will set out details of the statutory and non-statutory work that the C&AG will carry out. Annex 2 to the Code of Practice provides further information on the distinction between statutory and non-statutory work. The C&AG is required or authorised to carry out statutory work by a provision in statute, but will be able to carry out non-statutory work only with the approval of the NAO Board. The work programme will include financial audits, value for money examinations, and other advice and assurance work. The processes will be as follows.

**Statutory work**

- For each financial year, the C&AG will prepare a draft programme of statutory work, including proposals for value for money examinations. Audits which the C&AG is statutorily obliged to perform will necessarily be included in the work programme.

- The NAO Board will consider the C&AG's draft programme of statutory work. Board members may offer advice on the balance of the programme or on particular proposals, but decisions about the final programme will be taken by the C&AG.
- During the financial year, the C&AG may amend his/her programme of statutory work, for example to reflect changing priorities. The C&AG will notify the NAO Board of any such changes.

### **Non-statutory work**

- For each financial year, the C&AG will make proposals for a programme of non-statutory work, together with associated budgets. Non-statutory work covers a variety of workstreams undertaken voluntarily by the C&AG and the NAO, and approved by Parliament as part of the NAO's strategy rather than through statute.
- The NAO Board will consider the C&AG's proposals for non-statutory work, and may add, remove or amend the proposals before approving the programme and the budgets it considers appropriate to carry out the work. The NAO Board will approve budgets for each workstream rather than for individual projects except where a project is material by value or nature or where a long-term contractual commitment is being made.
- The C&AG will have the discretion to decline to carry particular non-statutory work where he/she considers that the budget approved by the NAO Board is insufficient.
- During the financial year, the C&AG may propose changes to the approved programme of non-statutory work. The NAO Board will consider the C&AG's proposals and may approve, reject or amend them.

### **Agreeing the resource estimate**

4. The resource estimate will cover one financial year, and will provide for the resources required to cover the administrative expenditure and non-cash costs incurred by the NAO. It will provide funding for the C&AG's programme of statutory and non-statutory work. The processes will be as follows.
  - For each financial year, the C&AG will determine the resource budget required for his/her programme of statutory work, as a prior claim on the overall resource envelope approved by the Public Accounts Commission as part of the NAO's strategy. The NAO Board will not be able to amend the budget set by the C&AG for statutory work.
  - For each financial year, the C&AG will make proposals for the resourcing of non-statutory work from within the remaining resource provision.
  - The NAO Board will consider the C&AG's proposals for the resourcing of non-statutory work and approve a budget, after making any modifications it considers appropriate.
  - The Chair of the NAO Board and the C&AG will jointly submit the resource estimate, incorporating the budgets for statutory and non-statutory work, to the Public Accounts Commission, and give evidence at any hearing the Commission may hold on the estimate.
  - The Public Accounts Commission will review the resource estimate and lay it before the House of Commons, with any modifications it considers appropriate. In doing so, the Commission will have regard to any advice given by the Committee of Public Accounts or the Treasury.

## **Monitoring the carrying out of the C&AG's functions**

5. During the course of each financial year, the NAO Board will monitor the carrying of the C&AG's functions in respect of statutory and non-statutory work. The processes will be as follows.
  - During the financial year, the C&AG will provide the NAO Board with regular reports to allow the Board to monitor progress in delivering the approved work programme and outturn against the approved budgets.
  - The NAO Board will consider the C&AG's progress reports and may offer advice on the carrying out of the C&AG's functions, to which the C&AG will have regard.
  - In the event that the C&AG requires more resources to deliver his/her programme of statutory work than was estimated at the start of the financial year, the C&AG will put forward proposals for how the work should be funded, options being to make a compensating reduction to the budget approved by the NAO Board for non-statutory work or to go back to Parliament to seek additional resources. The NAO Board will consider the C&AG's proposals and approve a course of action which provides the C&AG with the resources he/she needs for statutory work.
  - For non-statutory work, in the event that the C&AG requires more resources to deliver a particular workstream than was approved by the NAO Board, the C&AG will propose a course of action. Options will be to reduce the cost of the workstream in question, for example by amending what is to be delivered; to free up resources by making a compensating reduction to one or more of the budgets for other non-statutory workstreams; to recover the additional cost through audit fees; or to go back to Parliament to seek additional resources. The NAO Board will consider the C&AG's proposals and agree a way forward.

## **Preparing the resource accounts**

6. The resource accounts will cover one financial year. The Public Accounts Commission will appoint the C&AG or another appropriate person as Accounting Officer with responsibility for preparing the accounts. The processes will be as follows.
  - The Accounting Officer will prepare the resource accounts for each financial year.
  - The resource accounts will be certified by the NAO's auditor, who will send the accounts, together with the auditor's report on them, to the Public Accounts Commission.
  - The Public Accounts Commission will lay the resource accounts and the auditor's report before the House of Commons.

## **Agreeing the annual report**

7. The annual report will cover one financial year, and will provide details of the NAO's performance and impact during the year. The processes will be as follows.
  - As soon as practicable after the end of each financial year, the C&AG will prepare a draft annual report.
  - The NAO Board will consider the C&AG's draft and approve the annual report, after making any modifications it considers appropriate.
  - The Chair of the NAO Board and the C&AG will jointly submit the annual report to the Public Accounts Commission, and give evidence at any hearing that the Commission may hold on the report.

- The Public Accounts Commission will lay the annual report before Parliament.

### **Making public comment**

8. The Chair of the NAO Board and the other non-executive members of the NAO Board may comment publicly on the work of the NAO in general terms and on the governance of the organisation. They will not make public comments about questions of audit opinion and judgement, which will be a matter for the C&AG.

### **Charging fees**

9. The NAO may charge fees for audits and non-statutory work carried out by the C&AG. The processes will be as follows.
  - The C&AG will prepare proposals for a fee charging scheme.
  - The NAO Board will consider the C&AG's proposals and approve the fee charging scheme, after making any modifications it considers appropriate.
  - The NAO will submit the fee charging scheme to the Public Accounts Commission, who will consider and approve the scheme, after making any modifications it considers appropriate.
  - **Maintaining standards of corporate governance**
10. The NAO will maintain systems of governance and internal controls consistent with best practice, monitor that the systems are operating effectively, and report on the systems in its annual report. The NAO will identify and manage risks effectively, and conduct its business in an economic, efficient and effective way. The NAO will be able to set up committees to support its operation.

### **Audit Committee**

11. The NAO Board will establish an Audit Committee and appoint members, all of whom will be non-executive. The Chair of the NAO Board will appoint one of the other non-executive members of the NAO Board as the Chair of the Audit Committee. Other members of the Audit Committee may be appointed from outside the NAO Board.
12. The NAO Board will set terms of reference for the Audit Committee, which will include considering the reports of the external auditor and of the NAO's Director of Internal Audit and Assurance, and the response of the management of the NAO.
13. On the advice of the Audit Committee, the NAO will appoint an external auditor for the NAO for each financial year. The appointment will require the approval of the Public Accounts Commission.

### **Remuneration Committee**

14. The NAO Board will establish a Remuneration Committee and appoint members, all of whom will be non-executive. The Chair of the NAO Board will appoint one of the other non-executive members of the NAO Board as the Chair of the Remuneration Committee. Other members of the Remuneration Committee may be appointed from outside the NAO Board.
15. The NAO Board will set terms of reference for the Remuneration Committee, which will include setting the remuneration of the executive members of the NAO Board, other than the C&AG, and advising on the remuneration of any other NAO staff referred to the Remuneration Committee by the NAO Board.

**ROLE OF THE PUBLIC ACCOUNTS COMMISSION, THE NATIONAL AUDIT OFFICE, AND THE COMPTROLLER AND AUDITOR GENERAL****The Public Accounts Commission**

1. The main functions of the Public Accounts Commission are as follows.
  - To appoint the non-executive members of the NAO Board , other than the Chair, who will be recommended by the Chair of the NAO Board and formally appointed by the C&AG.
  - To receive the resignation of the Chair and other non-executive members of the NAO Board. The Commission must be consulted on the termination of the appointment of the non-executive members, other than the Chair, in the event of, for example, prolonged absence, bankruptcy or misconduct.
  - To appoint a person as the Accounting Officer with responsibility for preparing the NAO's accounts.
  - To review and approve the NAO's strategy.
  - To examine the NAO's estimate and to lay the estimate before the House of Commons, with any modifications the Commission considers appropriate.
  - To approve the appointment by the NAO of an external auditor; to receive from the auditor the NAO's certified accounts and auditor's report, and lay the accounts and report before the House of Commons; and to receive reports by the auditor on the NAO's use of resources, and lay the reports before the House of Commons.
  - To approve the Code of Practice dealing with the relationship between the C&AG and the NAO.

**The National Audit Office Board**

2. The main functions of the NAO Board are as follows.
  - To prepare an estimate of the NAO's use of resources [jointly with the C&AG] for each financial year.
  - To prepare a strategy for the NAO, jointly with the C&AG, and to give effect to the strategy, jointly with the C&AG.
  - To provide resources for the C&AG by employing staff and procuring services.
  - To approve a programme of non-statutory work and the associated budgets.
  - To monitor the carrying out of the C&AG's functions and provide advice to the C&AG.
  - To prepare an annual report on the NAO's activities, jointly with the C&AG.
  - To prepare a Code of Practice dealing with the relationship between the C&AG and the NAO, jointly with the C&AG, and to comply with the code.
  - To prepare a fee charging scheme, for approval by the Public Accounts Commission.
  - To appoint an external auditor for the NAO for each financial year. The approval of the Public Accounts Commission is required for the appointment.



## **The Comptroller and Auditor General**

3. The C&AG has complete discretion in carrying out his/her functions, subject to the provisions of the Code of Practice and any other statutory provisions. Responsibility for all audit opinions and judgements rests with the C&AG alone.
4. The main functions of the C&AG are as follows.
  - To be the Chief Executive of the NAO.
  - To be the Accounting Officer of the NAO, if appointed by the Public Accounts Commission.
  - To approve the release of funds from the Exchequer to government departments.
  - To decide on and deliver a programme of statutory work, which will include the following.
    - Financial audit: to provide independent assurance and advice to Parliament on the proper accounting for central government expenditure, revenue and assets and on regularity, through auditing the annual accounts of public bodies.
    - Value for money audit: to examine and report to Parliament on whether public bodies have used resources economically, efficiently and effectively.
  - To make proposals to the NAO Board for a programme of non-statutory work and the associated budgets.
  - To carry out a programme of non-statutory work, as approved by the National Audit Office Board. Once the C&AG has obtained approval for non-statutory work and the associated budget, he/she will have complete responsibility for the audit judgements reached.
5. In addition, the C&AG has a range of functions which he/she carries out jointly with the NAO, as set out in paragraph 2 above.

## STATUTORY AND NON-STATUTORY WORK

1. The split between statutory and non-statutory work underpins key aspects of the arrangements which govern the relationship between the C&AG and the NAO.
2. The programme of **statutory work** is the work initiated by the C&AG in discharging the statutory functions of his/her office. These functions are:
  - examination of resource accounts, of other accounts prepared under Treasury direction (or direction of the relevant department), of accounts of receivers of money by law payable into the Exchequer, and the making of reports on those accounts; and
  - examinations into the economy, efficiency and effectiveness with which departments and other relevant bodies have used their resources, and the reporting of the results to the House of Commons.

The statutory functions do not include the wider dissemination or promotion of the reports made by the C&AG, or the handling of requests from third parties for elucidation of the reports.

3. In addition to these audit functions, the C&AG also has the statutory responsibility as Comptroller to grant credit on the Consolidated and National Loans Funds at the request of the Treasury.
4. The programme of **non-statutory work** is all work which is not statutory, and covers a range of other workstreams and activities undertaken voluntarily by the C&AG and the NAO.

[Draft of 6<sup>th</sup> July 2009]

**Document 7-** list of central government bodies that are currently expected to be included in any Statutory Instrument laid by the Treasury in accordance with clause 51 of the Bill

<b>CONSTITUTIONAL REFORM &amp; GOVERNANCE BILL</b>	
<b>PART 8: TRANSPARENCY OF GOVERNMENT FINANCIAL REPORTING TO PARLIAMENT</b>	
<p>The table below provides a list of those central government bodies that are currently expected to be included in any Statutory Instrument laid by the Treasury in accordance with clause 51 of the Bill. This list is based on the best information available at the present time but is only a snapshot and is bound to change relatively frequently as new bodies are set-up, existing bodies are wound-up or as bodies change function.</p> <p>As can be seen from the list of central government bodies in the table below, a large number of such bodies are already consolidated within their responsible department's Estimate and accounts. This is because many of these bodies are small (often tribunal or advisory NDPBs) and their costs are funded directly by the responsible department through voted fund. This is different from those NDPBs that receive grant-in-aid, employ their own staff, and may generate their own income and incur their own expenditure directly. This latter group have a greater degree of statutory independence in expenditure terms and legislation is required to give a clear statutory basis for consolidation.</p>	
<b>Department</b>	<b>Designated Body</b>
<b>Business Innovation &amp; Skills</b>	<p><b>Already consolidated:</b></p> <ul style="list-style-type: none"> <li>Advisory, Conciliation and Arbitration Service</li> <li>Capital for Enterprise Ltd</li> <li>Central Arbitration Committee</li> <li>Citizens Advice</li> <li>Citizens Advice Scotland</li> <li>Competition Appeal Tribunal</li> <li>Copyright Tribunal</li> <li>Council for Science and Technology</li> <li>Financial Reporting Council</li> <li>Industrial Development Advisory Board</li> <li>Insolvency Practitioners Tribunal</li> <li>Insolvency Service</li> <li>Low Pay Commission</li> <li>Regional Industrial Development Boards</li> <li>Union Modernisation Fund</li> <li>Waste Electrical &amp; Electronic Equipment Advisory Board</li> </ul> <p><b>To be consolidated:</b></p> <ul style="list-style-type: none"> <li>Advantage - West Midlands</li> <li>Arts and Humanities Research Council</li> <li>Basic Skills Agency</li> <li>Biotechnology and Biological Sciences Research Council (BBSRC)</li> <li>British Antarctic Survey</li> <li>British Geological Survey</li> <li>British Hallmark Council</li> <li>Centre for Ecology and Hydrology</li> <li>Companies House</li> </ul>

Competition Commission  
 Competition Service  
 Construction Industry Training Board (CITB)  
*Construction Skills*  
 Consumer Focus  
 Daresbury Laboratory  
 Design Council  
 Dunstaffnage Marine Laboratory  
 East Midlands Development Agency  
 East of England Development Agency  
 Economic and Social Research Council  
 Energy Technologies Institute  
 Engineering and Physical Sciences Research Council  
 Engineering Construction Industry Training Board (ECITB)  
 FE Improvement Ltd (t/a Learning and Skills Improvement Service)  
 Film Industry Training Board for England and Wales  
 Hearing Aid Council (to be disbanded in 2009/10)  
 Higher Education Funding Council for England (HEFCE)  
 Institute for Animal Health  
 Investors in People UK (IIPUK)  
 Isaac Newton Group of Telescopes  
 Joint Astronomy Centre  
 Learning and Skills Council  
 Local Better Regulation Office (LBRO)  
 Medical Research Council  
 National Endowment for Science, Technology and the Arts  
 National Physical Laboratory NPL  
 Natural Environment Research Council  
 NESTA Endowment Account  
 North West Regional Development Agency  
 Office for Fair Access  
 One NorthEast  
 Plymouth Marine Laboratory  
 Proudman Oceanographic Laboratory  
 Quality Improvement Agency  
 Medical Research Council  
 Research Councils Shared Service Centre  
 Rutherford Appleton Laboratory  
 SITPRO Limited (Simpler Trade Procedures Board)  
 South East England Development Agency  
 South West of England Development Agency  
 Student Loans Company Ltd (SLC)  
 Technology Strategy Board  
 The UK Commission for Employment and Skills  
 UK Atomic Energy Authority  
 Yorkshire Forward

Cabinet Office

**Already consolidated:**

Advisory Committee on Business Appointments  
 Civil Service Commissioners  
 Commissioner for Public Appointments  
 Committee on Standards in Public Life  
 House of Lords Appointments Commission

**To be consolidated:**

Capacitybuilders  
 Commission for the Compact

**Department for  
Communities &  
Local Government**

**Already consolidated:**

Advisory Panel on Standards for the Planning Inspectorate  
Advisory Panel on Beacons Council  
Building Regulations Advisory Committee  
National Community Forum  
National Housing and Planning Advice Unit  
Planning Inspectorate  
Rent Assessment Panels (RAPS)

**To be consolidated:**

Community Development Foundation CDF  
FiReBuy  
Homes and Community Agency  
Independent Housing Ombudsman Limited  
Infrastructure Planning Commission (IPC)  
Leasehold Advisory Service  
London Thames Gateway Development Corporation  
Standards Board for England  
Tenant Services Authority  
Thurrock Urban Development Corporation  
West Northamptonshire Development Corporation  
Valuation Tribunals Service

**Department for  
Culture Media &  
Sport**

**Already consolidated:**

Advisory Committee on the Government Art Collection  
Advisory Council on Libraries  
Horserace Betting Levy Appeals Tribunal for England and  
Wales  
Spoliation Advisory Panel  
The Royal Parks Agency

**To be consolidated:**

Advisory Committee on Historic Wreck Sites  
Advisory Committee on National Historic Ships  
Arts Council of England  
BIG Lottery Fund  
British Library  
British Museum  
Commission for Architecture and the Built Environment  
Design Council  
English Heritage (The Historic Buildings and Monuments  
Commission for England)  
Football Licensing Authority  
Gambling Commission  
Geffrye Museum Trust Ltd  
Horniman Public Museum and Public Park Trust  
Horserace Betting Levy Board  
Imperial War Museum  
Museum of Science and Industry in Manchester  
Museums Libraries and Archives Council  
National Gallery  
National Heritage Memorial Fund  
National Lottery Commission  
National Maritime Museum  
National Museum of Science and Industry  
National Museums Liverpool

National Portrait Gallery  
Natural History Museum  
Olympic Delivery Authority  
Olympic Lottery Distributor  
Public Lending Right and the Public Lending Right Advisory Committee  
Reviewing Committee on the Export of Works of Art  
Royal Armouries Museum  
Sir John Soane's Museum  
Sport England  
Tate Gallery  
Theatre's Trust  
Treasure Valuation Committee  
UK Film Council  
UK Sport  
Victoria and Albert Museum  
Visit Britain  
Visit England  
Wallace Collection  
BBC  
S4C  
UK Anti-Doping

**Department for  
Children, Schools &  
Families**

**Already consolidated:**

Implementation Review Unit  
Independent Advisory Group on Teenage Pregnancy  
School Teachers' Review Body  
School Support Staff Negotiating Body  
Teachers' TV

**To be consolidated:**

British Educational Communications and Technology Agency (BECTA)  
Children and Family Court Advisory and Support Service  
Children's Workforce Development Council  
National College for School Leadership  
Office of the Children's Commissioner (OCC) (also known as 11 Million)  
Partnerships for Schools  
Qualifications and Curriculum Authority (QCA)  
School Food Trust  
Training and Development Agency for Schools (TDA)  
Young People's Learning Agency (YPLA)

**Department of  
Energy & Climate  
Change**

**Already consolidated:**

Advisory Committee on Carbon Abatement Technologies  
Committee on Radioactive Waste Management  
Fuel Poverty Advisory Group  
Nuclear Liability Financing Assurance Board  
Renewables Advisory Board  
UK Chemical Weapons Committee NAAC

**To be consolidated:**

Civil Nuclear Police Authority  
Coal Authority  
Committee on Climate Change

**Department for  
Environment, Food  
& Rural Affairs**

**Already consolidated:**

Advisory Committee on Hazardous Substances  
Advisory Committee on Organic Standards  
Advisory Committee on Packaging  
Advisory Committee on Pesticides  
Advisory Committee on Releases to the Environment  
Agricultural Dwelling House Advisory Committees  
(England) (ADHAC)  
Agricultural Land Tribunals (England)  
Agricultural Wages Board for England and Wales  
Agricultural Wages Committees for England  
Air Quality Expert Group  
Commons Commissioners  
Darwin Initiative  
England Implementation Group of the Animal Health and  
Welfare Strategy for GB  
Expert Panel on Air Quality Standards  
Farm Animal Welfare Council  
Independent Agricultural Appeals Panel  
Inland Waterways Amenity Advisory Council  
National Standing Committee for Farm Animal Genetic  
Resources  
Royal Commission on Environmental Pollution  
Science Advisory Council  
Spongiform Encephalopathy Advisory Committee  
Veterinary Products Committee  
Veterinary Residues Committee  
Zoos Forum

**To be consolidated:**

Agriculture and Horticulture Development Board  
Commission for Rural Communities  
Consumer Council for Water (CCWater)  
Environment Agency  
Gangmasters Licensing Authority  
Joint Nature Conservation Committee (JNCC)  
National Forest Company  
Natural England  
Royal Botanic Gardens, Kew  
Sea Fish Industry Authority  
Sustainable Development Commission  
TB Eradication Group

**Department for  
International  
Development**

**Already consolidated:**

Advisory Committee on Overseas Economic and Social  
Research  
Commonwealth Scholarship Commission in the United  
Kingdom  
Development Awareness Working Group  
Indian Family Pension Funds Body of Commissioners  
Know How Fund Advisory Board  
Overseas Service Pensions Scheme Advisory Board

<p><b>Department for Transport</b></p>	<p><b>Already consolidated:</b>  Commission for Integrated Transport  Disabled Persons Transport Advisory Committee  Highways Agency  Traffic Commissioners/ Licensing Authorities  Maritime and Coastguard Agency  Government and Car Despatch Agency  Vehicle Certification Agency</p> <p><b>To be consolidated:</b>  British Transport Police Authority (sSRA)  Rail Passengers Council  Railway Heritage Committee  Renewable Fuels Agency</p>
<p><b>Department of Health</b></p>	<p><b>Already consolidated:</b>  NHS Institute for Innovation and Improvement  NHS Purchasing and Supply Agency  Strategic Health Authorities  Primary Care Trusts  NHS Business Services Authority  The Information Centre  National Institute for Health and Clinical Excellence  NHS Litigation Authority  National Treatment Agency for Substance Misuse  National Patient Safety Agency</p> <p><b>To be consolidated:</b>  Appointments Commission  Care Quality Commission  Council for the Regulation of Healthcare Professionals  Foundation Trusts  General Social Care Council  Health Protection Agency  Human Fertilisation and Embryology Authority  Human Tissue Authority  Monitor – Independent Regulator of NHS Foundation Trusts  NHS Direct  NHS Trusts (England)</p>
<p><b>Department for Work &amp; Pensions</b></p>	<p><b>Already consolidated:</b>  Advisory Committee for Disabled People in Employment and Training  Child Maintenance and Enforcement Commission  Disability Employment Advisory Committee  Disability Living Allowance Advisory Board  Equality 2025  Health and Safety Executive  Industrial Injuries Advisory Council  Pensions Ombudsman  Pensions Protection and Fund Ombudsman  Social Security Advisory Committee</p> <p><b>To be consolidated:</b>  Independent Living Fund  Pensions Advisory Service  Pensions Regulator  Personal Accounts Delivery Authority</p>



	Adventure Activities Licensing Service
<b>Export Credits Guarantee Department</b>	<b>Already consolidated:</b> Export Guarantees Advisory Council
<b>Foreign &amp; Commonwealth Office</b>	<b>Already consolidated:</b> Diplomatic Service Appeal Board Foreign Compensation Commission Government Hospitality Fund Advisory Committee for the Purchase of Wine Wilton Park Executive Agency  <b>To be consolidated:</b> Marshall Aid Commemoration Commission The Great Britain-China Centre GBCC Westminster Foundation for Democracy
<b>HM Treasury</b>	<b>Already consolidated:</b> Financial Reporting Advisory Board Financial Services and Markets Appeal Tribunal Office of Government Commerce Property Advisors to the Civil Estate (PACE) Royal Household Statistics Commission UK Debt Management Office  <b>To be consolidated:</b> Policyholders' Protection Board Public Services Productivity Panel Unit Public Works Loans Board UK Financial Investments Ltd (UKFI)
<b>Home Office</b>	<b>Already consolidated:</b> Criminal Records Bureau CRB Identity and Passport Service UK Border Agency Her Majesty's Inspectorate of Constabulary Advisory Board on Naturalisation and Integration Advisory Council on Misuse of Drugs Animal Procedures Committee APC Migration Advisory Committee National DNA Database Ethics Board Poison Board Police Advisory Board for England and Wales Police Negotiating Board Technical Advisory Board UKBA Complaints Audit Committee Investigatory Powers Tribunal Office of Surveillance Commissioners Police Appeals Tribunal Police Arbitration Tribunal  <b>To be consolidated:</b> Independent Police Complaints Commission IPCC Independent Safeguarding Authority National Policing Improvement Agency NPIA

Office of the Immigration Services Commissioner OISC  
Security Industry Authority  
Serious Organised Crime Agency SOCA

**Ministry of Defence**

**Already consolidated:**

Advisory Committee on Conscientious Objectors  
Advisory Group on Medical Countermeasures  
Animal Welfare Advisory Committee (MOD)  
Armed Forces Pay Review Body  
Army Benevolent Fund  
Central Advisory Committee on Pensions and Compensation  
Defence Nuclear Safety Committee  
Defence Scientific Advisory Council  
Defence Storage and Distribution Agency  
Defence Vetting Agency  
Independent Board of Visitors for Military Corrective Training Centre (MCTC)  
National Employer Advisory Board  
Nuclear Research Advisory Council  
People, Pay and Pensions Agency  
Review Board for Government Contracts  
Service Children's Education  
War Pensions Committees

**To be consolidated:**

National Army Museum  
Royal Air Force Museum  
Royal Hospital, Chelsea  
Royal Marines Museum  
Royal Naval Museum  
Royal Naval Submarine Museum  
Commonwealth War Graves Commission

**Ministry of Justice**

**Already consolidated:**

Administrative Justice and Tribunal Council  
Advisory Board on Family Law  
Advisory Committee on Juvenile Court Lay Panel (Northern Ireland)  
Advisory Committees on General Commissioners of Income Tax  
Advisory Committees on General Commissioners of Income Tax (Northern Ireland)  
Advisory Committees on Justices of the Peace (Northern Ireland)  
Advisory Committees on Justices of the Peace in England and Wales  
Advisory Council on Public Records  
Advisory Panel on Public Sector Information APPSI  
Asylum Support Tribunal  
Boundary Commission for England  
Boundary Commission for Scotland  
Boundary Commission for Wales  
Care Standards Tribunal  
Civil Justice Council  
Civil Procedure Rule Committee  
Commission for Judicial Appointments  
Correctional Services Accreditation Panel  
Court Service, The  
Crown Court Rule Committee

Employment Appeal Tribunal  
 Employment Tribunals  
 Family Health Review Tribunal  
 Family Health Services Appeal Authority  
 Family Justice Council  
 Family Proceedings Rules Committee  
 General Commissioners of Income Tax (GCIT)  
 Honorary Investment Advisory Committee  
 Immigration Appellate Authorities  
 Immigration Services Tribunal  
 Information Tribunal  
 Insolvency Rules Committee  
 Judicial Studies Board  
 Land Registration Rules Committee  
 Lands Tribunal  
 Law Commission  
 Legal Services Consultative Panel  
 Legal Services Ombudsman  
 Mental Health Review Tribunal  
 Pensions Appeal Tribunal  
 Prison Service Pay Review Board  
 Probation Trusts  
 Public Guardianship Office  
 Sentencing Advisory Panel  
 Sentencing Guidelines Council SGC  
 Social Security and Child Support Appeals  
 Strategic Investment Board  
 Transport Tribunal  
 VAT and Duties Tribunal  
 Victims Advisory Panel  
 Youth and Family Courts Lay Panel Advisory Committee  
 (Northern Ireland)

**To be consolidated:**

Legal Services Commission  
 Office of Legal Complaints  
 Office of the Information Commissioner  
 Criminal Injuries Compensation Appeals Panel  
 Criminal Cases Review Commission CCRC  
 Judicial Appointments Commission (JAC)  
 Legal services board  
 Parole Board for England and Wales  
 Youth Justice Board for England and Wales

**National Savings & Investments**

**To be consolidated:**

Ordinary Deposit Account - National Savings

**Northern Ireland Courts Service**

**Already consolidated:**

Advisory Committees on Justices of the Peace x 8  
 Criminal Injuries Compensation Appeals Panel for Northern Ireland

**To be consolidated:**

Northern Ireland Judicial Appointments Commission  
 Northern Ireland Legal Services Commission

**Northern Ireland  
Office**

**Already consolidated:**

Boundary Commission for Northern Ireland  
Independent Assessor for Police Service in NI Recruitment  
Vetting  
Northern Ireland Law Commission  
Independent Monitoring Board x 3

**To be consolidated:**

Criminal Justice Inspection Northern Ireland  
Northern Ireland Human Rights Commission  
Northern Ireland Police Fund  
Northern Ireland Policing Board  
Office of the Police Ombudsman for Northern Ireland  
Probation Board for Northern Ireland  
Police Service of Northern Ireland  
Royal Ulster Constabulary George Cross Foundation

**Document 8-** list of Welsh bodies which may be covered by designation

Arts Council of Wales

Arts Council of Wales National lottery

Countryside Council for Wales

Care Council for Wales

Higher Education Funding Council for Wales

Local Government Boundary Commission for Wales

National Library of Wales

National Museums and Galleries of Wales

Sports Council for Wales National Lottery

Sports Council for Wales

Welsh Language Board

Wales Centre for Health

Estyn

General Teaching Council for Wales

Children's Commissioner for Wales

Commissioner for Older People in Wales

Welsh Levy Board