

Public Accounts Committee

Oral evidence: [NAO Main Estimates 2026-27](#), HC 1707

Thursday 12 February 2026

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Members present: Sir Geoffrey Clifton-Brown (Chair); Mr Clive Betts; Anna Dixon; Rupert Lowe; Matt Turmaine.

Edward Pinney, Alternate Treasury Officer of Accounts, HM Treasury, was in attendance.

Questions 1 - 24

Witnesses

I: Gareth Davies, Comptroller and Auditor General, National Audit Office; Rebecca Sheeran, Chief Operating Officer, NAO; and Max Tse, Executive Director, NAO.

Examination of witnesses

Witnesses: Gareth Davies, Rebecca Sheeran and Max Tse.

Q1 Chair: Welcome to the Public Accounts Committee on Thursday 12 February 2026. Today's session is in two parts. The first panel is with witnesses from the National Audit Office to discuss its estimates for 2026-27. The second panel will be with witnesses from Capita for a follow-up session on our inquiry on the administration of the civil service pension scheme. The first business of the day is to consider the NAO's main estimate, which sets out its budget plans for the next financial year, '26-27. We will be looking to scrutinise the NAO's drivers of spending, including its staff numbers, pay awards, additional audit responsibility and contracted-out audits, and property matters. We will also look at productivity, efficiency, the resilience of the NAO, its capital spending and changes to its value for money programme.

Our three witnesses today are very well known to us. Just for the record, C&AG, will you and your fellow directors introduce yourselves, please?

Gareth Davies: Good morning, I am Gareth Davies, Comptroller and Auditor General.

Max Tse: I am Max Tse, executive director with responsibility for the value for money work.

Rebecca Sheeran: I am Rebecca Sheeran, chief operating officer at the National Audit Office.

Chair: A very good morning to you all. Thank you for coming. We will start with Clive.

Q2 Mr Betts: We are looking at your request for funding, and it seems you are asking for a real-terms decrease, Comptroller. When we have audits from you on other Government Departments, we frequently get examples of organisations saying they can do more for less. Are you now putting yourselves in the same position? It has not always gone well in Government Departments, has it?

Gareth Davies: No, although there are good examples as well—hopefully we are one of those. I will just explain the shape of the budget for next year and why it looks as it does.

Essentially, we are starting to see some of the fruits of the investment over the last few years—that is the big picture here. As the Committee knows, we have overhauled our audit software platform and are now using entirely cloud-based modern audit software. We are using increased levels of data analytics, which is automating some previously manual bits of the audit process. That is the start of what will be a significant change process over the next few years. It has started to become possible to do our audits more efficiently, while maintaining the much-improved quality standards we have seen over the last few years. That is point one.



Point two is that we have been working on productivity in the NAO much more than just on technology. We have a people strategy that has us better managing our people. That has very practical implications, including a reduction in sickness absence, which is reflected in these projections for next year as well.

Then, finally, we are sweating our assets in the way that we recommend the rest of the public sector does. We are now efficiently occupying the right amount of space in our building and we are letting out the surplus that has been made available through that process, and we expect to be pretty much fully let for the coming financial year. That has increased our income against the given level of expenditure. Those things together mean that we are able to confidently predict cashable savings for next year and therefore a more efficient overall picture.

Q3 Mr Betts: It is always good to get on the record precisely what has been promised. When we come to look at performance on those promises in future years, will you be an exemplar for Government Departments for how to do things?

Gareth Davies: That is what we are aiming to be—and given who we are, it is really important that we do that. You will have seen a table in our estimate document that sets out our cashable efficiency savings over the next three years. We have only included in there the ones where we are either already contracting for them or we have an incredibly robust plan for delivering them. There are no speculative balancing figures in there; it is everything we know we can deliver. We are actually going to try to overachieve against that, but we are only promising what we are certain about.

Q4 Chair: I am going to come next to you, Rebecca, as the COO, with a question all about staff and doing more for less. Basically, I think the estimate tells us you will have fewer staff than the year before, going down from 1,122 to 1,115 and eventually, in 2028-29, to 1,098. Is this level of staffing realistic to do what you have to do, bearing in mind the increased volume and complexity of your work?

Rebecca Sheeran: You are quite right: the number of staff that we are budgeting for in the year ahead is 1,122, which is an increase on the number of staff that we had last year, in order for us to continue with the insourcing of work that has historically been contracted out and to take on some of the new responsibilities that we know about now. But as you have said, our current expectation is that we will gradually reduce some of our staff cost numbers in the years that follow that. That will be as part of the productivity and efficiency plan that the C&AG has just talked about, and as we look to take those efficiencies from the investments we have made in improving our audit methodology, our guided workflow system, our training and our investment in our people over recent years.

Of course, our estimate in future years is subject to a very thorough process that we go through every autumn, taking stock of the most recent understanding of responsibilities, including the number of audits we will



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have to undertake, which does change over time, as you know, but also a thorough look at where we see further opportunities to increase our productivity, which we hope there will be, as the C&AG just said. Of course, we also need to stand back through that process each year and consider the skills and the capabilities that we will need as the nature of audit changes and make sure that we have what we need to deliver our strategy. So, at the moment we are setting out the three-year view as we see it right now, but that is subject to that thorough yearly assessment process.

Q5 Chair: Rupert will ask in a minute about efficiencies and the use of technology, but I want to focus my next question on staff. You talk about the reduction in staff from 2027-28. I assume that is of the more junior staff, because it is those simpler tasks that you are going to take out—the lower-trained auditors, or auditors in training. That gives me a worry about the future.

However well AI does—Rupert will come to that in a minute—you will still need experienced auditors to check that the AI is producing the right answers. What are you doing to think about that?

Rebecca Sheeran: Absolutely. We are doing a great deal of thinking about exactly that, as I think all other organisations that are looking at the future of accountancy and the future of audit are.

In this year's estimate, we have slightly reduced the number of trainees that we are budgeting for to 55. That is from a high point a couple of years ago, when we actually increased the number of trainees to build up our pipeline to do that insourcing of audits. We think that 55 is a good number that still sets us up to have the skills that we will need in a few years' time. We are planning for those people qualifying in three years or so.

In terms of those efficiencies in subsequent years, while you are right that a lot of the more routine tasks are the things that will potentially be taken away with increased automation, we are not necessarily assuming that future efficiencies will all come from our trainee cadre. We are very conscious that there is only so far you can go while making sure that we are investing in that pipeline.

We will also be thinking a lot about how we skill all our people for the future to be working differently. That includes thinking about how we train people to really focus on those judgments and those things that only humans can do. While there is great scope from automation, we are really conscious that audit is still a profession that is about judgment. We need to make sure people have the right skills and that everything that is generated through AI is subject to meaningful human review and the very high-quality standards that you expect from us.

Q6 Chair: Gareth, you are at the cutting edge of the discussions on auditing standards. On the subject that we have been talking about in this last set of questions, how are you benchmarking your organisation against other

major auditors to make sure you have the right level of skills and the right mix in your organisation?

Gareth Davies: There is a formal answer to that. As the Committee knows, we are annually assessed in the same way as the big firms by the Financial Reporting Council as our regulator. There are public reports on the quality of our work and of course that is only possible if you have the right people with the right skills to do it.

Increasingly, the focus of the regulator is shifting from just looking at individual audits, which it will continue to do, to moving more to understanding our system of quality management as an organisation delivering audits. That includes everything you have just been talking about: the training programme we have for our staff, our skill mix, whether we have the right mix of expertise on every audit—everything you need in order to guarantee quality. We are using that system of quality management to make sure we are tuned up in all those areas, including the skill mix that we need for the future.

It is not just about the intake of trainees for the future, of course. It is also about how we reskill the entire workforce, from us three through the rest of the organisation, because unless the senior people responsible for the audits understand how the new technology is working, they will not be able to make good judgments on audit findings either. This is a reskilling of the entire organisation.

Q7 Rupert Lowe: Well, Gareth, it is unusual to find you sitting at the front table rather than to our right, assisting us ably. I would like to thank you, because the depth of information you give us all is fantastic.

When I read this report, I was prompted to ask a general question, first of all. We sit round this table and we hear Government Departments. They come here annually or whatever, they sit there and then they go and disappear for a year before coming back again. I came on to the Committee relatively recently, but I keep hearing of stories of where things haven't improved, haven't changed and haven't got better.

So I thought to myself when I read your outline proposal: is there a case for this Committee, with your help, to do fewer audits, but to do them in greater depth, and for you to help this Committee to focus on taxpayer waste and departmental waste, whether that is asylum contracts or whatever it is? Is there an argument for a smaller, lighter, more aggressive National Audit Office that does fewer audits but goes into huge detail and makes constructive criticisms? From where I sit, I see that the state is less efficient than the private sector, yet nobody is holding it to account. Could we trim this budget and make it more effective by cutting down and laser-focusing our attack? If Government Departments are not performing, there should be consequences—sackings. That sort of thing that happens in the private sector; there is accountability. I think we are not seeing accountability from the state bodies that we are looking at. I wonder whether there is an argument for fewer but more incisive audits.



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Gareth Davies: There is a lot in there. Let me talk about the NAO for a second, because the accountability framework is a bit different, of course. As you know, the bulk of the NAO's work and staffing is focused on the financial audit of Government and public body accounts. That is not something that we choose a discretionary level of; we do the audits that we are required to do by statute. That work has been going up in volume in the last few years, as it has in the private sector. As you will know from private sector experience, the requirements on audits have significantly ratcheted up in the last few years. We have been subject to that, along with everyone else. I am very confident that we are delivering high-quality audits for Parliament's assurance on the accuracy of those accounts.

Rupert Lowe: I don't doubt that at all.

Gareth Davies: That is the bulk of our work—it is two-thirds of our work, our staff and our budget.

The bit that the PAC engages with more frequently is our value for money work, which I think fits your bill of something that is tightly specified and very carefully targeted to have maximum impact. That is about 22% of our budget and work, and it has not increased over the last few years. We have essentially held that fairly level for the last few years, because we think that gives the capacity that the Committee can use to make effective scrutiny of people spending public money.

We work really hard to do exactly what you have described. Maximising the impact of this work is what drives us. We are not just trotting out routine audits—we do not say, "It's this Department's turn to have a VFM review from the NAO." We look carefully to see where the big risks to value for money are and where we can have the most impact.

On your point about staying on the issues to make sure there is change, we do that. The combined effect of the NAO's focus and the Committee's focus has achieved progress in some areas. We have had a relentless focus on poorly performing major projects, such as HS2. I think we have broken through there, and some much better governance arrangements have been implemented for big new projects like Sizewell. They will need to demonstrate that they work in practice, of course, but those big changes wouldn't have happened without our work and the Committee's work. There are other examples of that too.

On your point about whether we stand back and say, "How do we make best use of this scarce resource?", our VFM budget is in the £20 millions. If you think about the trillion pounds of public spending every year that we are scrutinising with that, it is a tiny level of effort. I agree with you that it is important that we make sure it really delivers the maximum that it can deliver, but we do get a lot of value from that.

The asylum work that we did before Christmas was a pretty innovative way of taking an end-to-end look at a system, exposing the well-known blockages and lots of less well-known areas where it can be improved. That has been influential within Government, and is making them look at



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those things a bit differently. We are going to do more of that kind of thing. It is helpful to get the Committee's feedback on what it is finding most useful in doing its job. That is what we try to build into our programme. That is the way we run it.

- Q8 Rupert Lowe:** I thought you might enjoy becoming a Spartan rather than a Persian. I am driven by outcomes and have run private sector businesses. If the statute is loading you with too much work and you think it needs to be changed, it is our job to change the statute; I wouldn't just accept that. What we need to do is deliver value for money for the taxpayer. I just see money disappearing down the drain and then the taxpayer being asked to pay more tax.

Gareth Davies: Sure. Why don't we come back on that? We produced the Report that the Committee has used recently arguing for a reduction in the reporting requirements on small public bodies, because we think they have gone too far and bog down those small teams with things that are actually getting in the way of the core business. Equivalently, we are having to audit things that do not need auditing. Where we spot opportunities like that to streamline what is required and to reduce the work for us, we take them.

- Q9 Rupert Lowe:** I ask the question, because it is a general one about your budget: could we trim it and make it more effective? But I also make the point with regard to AI and the digital revolution, which we are all having to run hard to keep up with. I have been doing a lot of work legally recently, and my barrister tells me that, whereas he previously needed two junior barristers to do a lot of research work for him, he can now do it with AI. As you rightly say, Rebecca, AI is not perfect, but it cuts out a lot of legwork, and he can then use his knowledge to focus on exactly what he needs to. It is the same with Adobe. You can now use Adobe, in effect, to cut through a document and get it to summarise it for you in one A4 page—I am sure everyone knows that. Things are changing. A lot of government hides behind what I call volume of paper, so we have to slim it down somehow. Not all my colleagues on the Committee agree, but personally I would also use the opportunity of social media to shame people who do not deliver for the taxpayer. People who do not deliver need to be outed—they need to be shown not to be delivering, and then they will deliver, because if people can do things in a dirty little dark corner, they do not deliver, whereas in public, they tend to do it. There are a lot of things for us collectively to think about, and those are the questions I wanted to ask you.

Gareth Davies: On AI, we are very clear that the way in which we do our audits will be radically different in just five years' time from now. It is already changing. The reason that you can be confident that this is a real change is what our teams are telling us: we see the need for a different skills mix. When the practitioners are telling you that, this is real. We are working very closely with the firms, because as we are not a direct competitor of theirs, they are very good at talking to us about their own strategies for AI implementation. We will never be at the absolute leading edge compared with those global enterprises, but we see ourselves as a



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fast follower. In other words, which bits of this are delivering benefits? Let's get hold of those and implement them. That is our strategy for the next few years.

The other key point to make as an auditor is that it always takes two to tango. We need the bodies we are auditing to have robust digital systems, good controls and high-quality data. When those conditions exist, the audit can be ultra-efficient, but if we are grappling with legacy systems, poor-quality data and controls that are not operating, we have to go back to testing some of this stuff, to find out whether it is actually being properly accounted for.

- Q10 **Rupert Lowe:** But as you know, in the private sector, Gareth, the incentive is to get your company's data into an efficient format so that your auditors can audit, because that saves you money. You make sure that your systems work, because if you don't, your auditor charges you more. It is very hard to get an auditor now. Where is the incentive for the public sector to do that?

Gareth Davies: Delivering the efficiency savings they have all been required to make. Of course, not only will having high-quality systems with good information help the audit to become more efficient, but they will be delivering better services at less cost to the taxpayer.

Rupert Lowe: Exactly.

Gareth Davies: The incentive is being able to give you a better account of their performance on efficiency and delivery. The audit is a by-product of that.

- Q11 **Chair:** Your answers, C&AG, lead to a very interesting question: without naming names, do you see a difference in the quality of the accounts presented to you across the various Government organisations? If you do, what do you do about it, because we never see any of that?

Gareth Davies: We see some of it. Where we have big problems, we always bring those to you—

Chair: We see your qualification and those high-level things.

Gareth Davies: But I take your point: where does this work smoothly and efficiently, and where does it not? Yes, of course there is a difference, partly because the Government do not have standardised systems across every Department, so they are actually operating slightly different configurations, and partly because the level of expertise and so on varies from Department to Department. We spend a lot of time working with them to agree a plan for addressing controlled weaknesses and on which areas would really speed up the work of the auditor.

The key people we engage with on that outside management are the audit committees for every department and public body. Where there is an effective audit committee, they are an extremely useful ally for us in requiring improvements in modern systems and data quality from



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management of the Department. We use all those levers to help make rapid progress, so that the ones who are further behind catch up with the best.

- Q12 **Mr Betts:** I want to follow up on one thing you mentioned there. First, I thought that the asylum Report was absolutely excellent. It was a new way of doing things, which I do not think was very comfortable for some of the officials who had to come and answer questions. Are there more examples where you are taking this different approach to audit?

Gareth Davies: Absolutely. Picking where it is going to have the most impact is the trick, so we are looking very carefully.

There are some big well-known Government priority areas that cannot be dealt with by just one Department. With a whole set of things in the criminal justice system, we know that you need to understand the chain between people committing crimes, going into prison, coming out of prison, not having anywhere to live, not having a job and so on—those well-known chains of causality. We think that there is big scope for more systems thinking in the criminal justice system.

Public health is the other big one. The Committee has looked a lot at, rather than spending more money on treatment, how we can tackle prevention more effectively than we do at the moment. The NHS is not geared up in that way. The only way to tackle that is by looking cross-system, because no one organisation holds all the answers. Those are just two areas where we are looking at application, but the Committee will have other ideas that we will listen to carefully.

- Q13 **Mr Betts:** I think it would be helpful to know that, because we all come across it all the time. We did it with benefits fraud, where as well as the DWP that, local government, health or education may be involved. It was the same when we looked at visas and illegal working. Different company parts do not always work together very effectively, and it might be helpful to have your eye on those with some degree of detail.

The NAO is now taking in house more audits that were previously outsourced. Is there any particular reason for that? Are there criteria you are laying down and outcomes you want to see?

Gareth Davies: It is straightforwardly a value for money question for us; it is a part of our productivity push. We have challenged hard on why we are outsourcing any of our work, and sometimes it is because we just do not have the volume of expertise needed on a topic area. That remains the case for some of our more specialist audits, where we will use a certain firm. A good example is that a banking specialist audit team from a firm is very useful when considering something such as NS&I—an organisation the Committee has recently examined.

We were outsourcing more than just the ultra-specialist areas, but the firms' prices have changed over time, and our quality in house has improved as well, so there is no quality reason for outsourcing more standard audits, and we can do them more cost-effectively. We have a

steady programme, and we are essentially reducing from about 20% outsourced to about 15%. That is still a significant amount, but just that reduction is saving us a significant amount of money each year. That is the main reason for the trend you have spotted.

Q14 Mr Betts: Why have you left some outsourced?

Gareth Davies: For the reason I gave, really: it is where we need specialist expertise. If we have one audit that requires specialist banking or insurance expertise, for example, it is not efficient for us to gear up to the level of specialist staffing you would need for that.

Having said that, we are challenging not just individual audit outsourcing but also the amount of money we have had to spend on external technical advice. We have talked to the Committee before about, for example, needing actuarial advice for our pensions audits, and needing chartered surveyor advice for valuation work. We are actively exploring whether we should hire our first actuary, because the volume of that work is now so significant for us that handing over large fees to very good but very expensive specialists does not feel like the right long-term trend for us. We are being very careful about that, because there are risks around the professional isolation of being the only actuary among hundreds of accountants, but we have looked at good models elsewhere, where this has worked well, so we are pretty encouraged that it is a good step for us to take. Again, that should mean that we spend less on external advice—on actuarial services.

Q15 Mr Betts: Could you give the Committee a list of the audits that you outsource?

Gareth Davies: Yes, of course.

Q16 Chair: Perhaps a question for you, Max, is pay. Are you the right person to talk to about pay or is that—

Max Tse: It depends on the question. Probably Rebecca and Gareth—

Chair: Maybe Rebecca again. You arrived at a pay award of 2.5%, which is generally a little lower than the rest of the civil service. How did you come to that calculation? There is a critical issue here: you have to retain your skilled people and you want to make sure they are as well remunerated as is reasonable. How did you make that decision?

Rebecca Sheeran: In setting a pay award, we are of course trying to balance a number of different factors, in terms of what we think is a reasonable ask for Parliament on funding, and staff engagement of course. We inform that assessment through the detailed benchmarking that we do—benchmarking that we commission each year and that informs us on where our pay ranges are relative to those of equivalent employers, particularly in the accountancy profession, looking at the regional dimensions, both the London market and the north-east market, where we are recruiting.

We also look quite closely at our turnover rates, as well as our historical pay awards. You may recall that a couple of years ago, we did quite a lot of work around our overall pay and benefits package and introduced a new grade in our audit service line, which brought us more in line with how the firms are structured and created a better career progression structure. That has paid dividends in improving our retention. Our retention has been particularly strong over the last year. We have had turnover of 7% across the whole of the NAO but, crucially, in one of our really key grades, where historically we have seen quite a lot of turnover, which is our newly qualified auditors, and in our senior auditors, who lead the bulk of that financial audit work, our turnover has been at 8% for the 12 months to the end of January. That is a very strong position for us to be in to take on those insourced audits and the additional responsibilities that we have for the year ahead.

Taking all that into very careful consideration, as well as thinking about and recognising that there is a cost of living impact and inflation forecasts that our people will be dealing with, we think that 2.5% strikes the right balance in the context of the pay awards and the pay and grading structuring that we have reviewed in previous years.

Q17 Chair: I am not necessarily expecting you to answer the next question, because it is sensitive, but it would help us in the next part of the hearing. Can you tell us the effects that the problems with Capita running civil service pensions are having on your organisation and your staff?

Rebecca Sheeran: One of the impacts that I am sure everybody is aware of is the impact on recently retired or upcoming retirees, who will be expecting a pension payment. In line with what Government have been doing, we have put in place a small hardship loan scheme to support those colleagues who may need it at this time.

Q18 Chair: That is really helpful; thank you. I have two quick questions that I will roll into one. I think this probably is your field, Max. The London office—is that you?

Max Tse: No.

Gareth Davies: Max does value for money.

Chair: I am not hitting the right target at all this morning. Perhaps I will try you, C&AG. In your London office, you have been very kind and hosted a number of events for this Committee. You have shown us around, and the modifications that you have done at your London office look to be of very high quality. Can you tell us the effect of that expenditure, the payback and how you are getting on with letting out some of the spare bits of your office?

Gareth Davies: In headline terms, we have refurbished the floors that we occupy, so that we are able to use less space in total and let out more, to earn income. But it also now better reflects the way we are working, with a lot more collaboration spaces and places for teams to get together on project topics, rather than just serried ranks of hot desks. It is a better

set-up for the way we are now working. That project will finish at the end of next month—bang on schedule. It has also come in on budget. We are really pleased with the contractor that has worked with us on that. It has done a good job and delivered what we needed bang on time.

Q19 Chair: You have done all the work and have spare space to let out. Are you finding suitable tenants in this quite difficult commercial market?

Rebecca Sheeran: We now have eight floors out of an available 10 fully occupied. Subject to signing the final lease agreements, we are expecting to have all 10 of the currently available floors occupied from 1 April which will generate an additional £1 million of income. That is part of the productivity plan that the C&AG spoke about earlier. We will have an additional floor available early in the next financial year that we will be looking to actively market from April, with the hope that we can further increase that rental income.

Chair: Well done. I am sure a lot of landlords would like to be in your position.

Q20 Mr Betts: Looking at how you operate and achieve value for money, the Committee often likes to ask if that is done better elsewhere—to which the answer can often be yes. Are you able to do more of that work in future and is it something that you are looking to expand? This really helps the Committee to put things in perspective when trying to judge whether things are being delivered as well as they should be.

Max Tse: Absolutely. It is one of the things that we are trying to do more of and have done more of recently. In the last year or so, around a quarter of our Reports have had relatively substantial international comparisons or sometimes private sector examples of good practice built into them. Some good recent examples include when we looked at are emissions trading schemes across different countries, while the asylum Report also had an extensive annexe comparing different asylum schemes across different countries. We have done similar work on various contracts, procurements and so on. The use of consultants is the other recent example where we compared different internal consulting schemes in different countries. For example, in Germany there is a 900-person unit within Government consulting. It is just a way of understanding how people do it differently.

We are keen to continue to expand in this area. We find it is very helpful in identifying both good practice and suggestions. We had a recent very positive interaction with the Treasury around our work on fees and charges, where we talked to the New Zealand Treasury, which has a slightly different approach to advising different Departments on how they should set charges and fees to the public when recouping costs in that way. That is all useful.

The interesting work we are doing now is looking at whether we can use technology and AI to review reports or documents from audit agencies in other countries or public administrations where there are public



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documents in order to identify good practices. That would be a way of covering that very extensive terrain quickly.

Q21 Mr Betts: Will that affect what we see in terms of the Reports that you produce?

Max Tse: Yes, we hope so. I hope that you are already seeing some of that. We will try and do as much as we can. It depends a bit on the topic we are covering, but wherever it is suitable, we will certainly consider it.

Q22 Mr Betts: One area you might look at international comparisons is IT and data. The Committee is going to Denmark to look at that. It is very frustrating when we see bits of good practice, yet within the same Department you see a different system for a different purpose and the IT is completely different—one has been reformed and reviewed and the other is where it was 30 or 40 years ago.

Max Tse: Yes. We have done some of that in the past. It was quite a long time ago, but when agile developments were brought in, we particularly looked at private sector comparisons and examples. We are doing some work now on digital ID and are interested in how that works in different environments. That is something where the Government are very keen on looking at how comparators do it.

Q23 Chair: Clive, the classic area of your attention is the health service. I had a meeting with my local medical practitioners last week. They complain like mad that with all the different systems they cannot communicate with different bits of the health service, which hinders their task considerably.

I have one final question, C&AG. You said something interesting earlier: your budget for value-for-money Reports is about £20 million compared with the £1 trillion-worth of Government expenditure that you audit. Are you thinking of any changes to your value-for-money Reports to make that spend go a little further? We are very happy with what you do—do not get me wrong—but are you thinking of any changes?

Gareth Davies: Constantly, because we want to make them as impactful as possible. It is not always about the format of the Report itself; it could be about how we make some of our findings available in other ways. We are definitely making greater use of webinars and in-person seminars for people in the field that we have audited, and we are getting really good interest from people wanting to understand not just the headline findings but, “How do I improve the service, which you have looked at nationally, in my organisation?” We are looking very hard at how we make our findings work harder in that way.

On the Report itself, the main thing is making sure that it is accessible through digital means as well. We are finding, in common with lots of organisations, that the old search-engine approach to finding NAO Reports is not working anymore; people are now getting AI summaries when they do a search. We are having to reconfigure our website to make sure that it serves up the right results, because we were finding that some of those AI summaries were not very useful or accurate summaries of the topic that somebody was looking for from the NAO. It is a good example of how new



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technology means that we have to rethink how we design our website to make sure that if somebody searches, "Show me the NAO work on procurement," they get a useful set of results and are accurately sent to the source material rather than a slightly misleading summary of it.

Q24 **Chair:** Clive has already referred to your infographic on the wiring diagram for asylum seekers. You could reference that in your Report, so that if people want to query a particular bit of that wiring diagram, it is readily available for them.

Gareth Davies: Exactly, and in that case, it sits alongside the Report on the website, and we signpost to where to find detail about how system works. There will be more of that, I suspect.

Chair: Gareth, I reiterate Rupert's sincere thanks to you and all of the people who work in your organisation. You are unfailingly helpful to us, not only in the quality of your value for money reports and audits, but with what are, I am sure, some of our pretty simplistic questions sometimes—sometimes they are sophisticated, I hope. You are always very helpful. I would be grateful if you would pass that thanks on to all your staff. We really appreciate what you do. I thank all three of you for coming today.

We will now end this session. To allow a little bit more time for discussion and briefing, the sitting will restart with our next witnesses, Capita, at 11 o'clock.