

Supply Estimate National Audit Office
Supplementary Estimate 2023-24

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Presented to the House of Commons pursuant to section 23(5) of the Budget Responsibility and National Audit Act 2011

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Introduction

- 1 Supply Estimates are the means by which authority is sought from Parliament for spending each year. The Main Estimates start this process and are presented to Parliament around the start of the financial year to which they relate. In addition, there is an opportunity to present a Supplementary Estimate towards the financial year end.
- 2 The National Audit Office is outside of the HM Treasury Spending Review process and receives spending authority through the Public Accounts Commission for resource, capital and cash. For the purposes of alignment the National Audit Office presents all resources as equivalent to resource DEL and capital DEL. Further information on the supply arrangements for 2023-24 is provided in the National Audit Office Main Estimate 2023-24 (HC 1253).
- 3 This Supplementary Estimate is required for the following purposes.

	Increases £	Reductions £	Total £
Changes in budgets, non-budget voted provision and cash			
Other Changes			
i Funding to cover the NAO's work on machinery of government changes announced in February 2023. This includes additional financial audit responsibilities and value for money assessments.	1,000,000	–	–
ii Additional budget required to complete Parliamentary funded financial audits. This is to address issues specific to certain audit bodies which arose during audit fieldwork and is required under international audit standards.	800,000	–	–
iii Budget to enable a £1,500 non-consolidated payment to junior staff consistent with Civil Service pay guidance issued in June 2023 and to conclude the implementation of a new internal pay framework.	1,900,000	–	–
iv Reduction in planned rental income. The NAO has not been able to rent out space in its London office as quickly as planned because of challenges the external property market for office space.	800,000	–	–
v Reduction in budget for business support and IT audit support activities due to reprioritisation of planned work and efficiencies.	–	-800,000	–
Total change in Resource DEL (Voted)	4,500,000	-800,000	3,700,000
Other Changes			
i Reduction in budget to reflect the deferral of some asset purchases until 2024-25.	–	-500,000	–
Total change in Capital DEL (Voted)	–	-500,000	-500,000
Other Changes			
i Revisions to the Net Cash Requirement reflect changes to resources and capital as set out above.	4,500,000	-1,300,000	–
Total change in Net Cash Requirement	4,500,000	-1,300,000	3,200,000

Section 2:

Part I

	Voted £	Non-Voted £	Total £
Departmental Expenditure Limit¹			
Resource	3,700,000	–	3,700,000
Capital	-500,000	–	-500,000
Non-Budget Voted Expenditure	–	–	–
Net cash requirement	3,200,000	–	3,200,000

Supplementary amounts required in the year ending 31 March 2024 for expenditure by National Audit Office on:

Departmental Expenditure Limit:

Expenditure arising from: Expenditure and associated non-cash items incurred in the provision of independent assurance and information to Parliament on the proper accounting for central government expenditure, revenue, assets and liabilities, including compliance with laws and regulations, and in the economy, efficiency and effectiveness with which central government resources have been used; and the provision of independent assurance and information and advice to a wide range of other public, international, and overseas bodies and to members of the public.

Income arising from: the provision of audit and assurance services to a range of organisations, including international and overseas bodies, and income from the rental of surplus office space, income arising from the disposal of assets and miscellaneous receipts.

The **National Audit Office** will account for this Estimate.

¹ All resources equivalent to Resource DEL or Capital DEL used in the Central Government Supply Estimates

Part II: Changes Proposed

	Net Resources										Net Capital			£000
	Present		Changes		Revised		Present		Change		Revised			
	Admin	Prog	Admin	Prog	Admin	Prog	Admin	Prog	Admin	Prog	Admin	Prog		
	1	2	3	4	5	6	7	8	9					
Spending in Departmental Expenditure Limits (DEL)²														
Voted expenditure	-	91,100	-	3,700	-	94,800	3,700	-500	3,200					
<i>Of which:</i>														
A Provision of audit and other assurance services	-	91,100	-	3,700	-	94,800	3,700	-500	3,200					
Non-voted expenditure	-	330	-	-	-	330	-	-	-					
<i>Of which:</i>														
B Comptroller and Auditor General and Chairman Salary (CFSS)	-	330	-	-	-	330	-	-	-					
Total for Estimate:	-	91,430	-	3,700	-	95,130	3,700	-500	3,200					
<i>Of which:</i>														
Voted expenditure	-	91,100	-	3,700	-	94,800	3,700	-500	3,200					
Non-voted expenditure	-	330	-	-	-	330	-	-	-					
	Present Plans	Changes	Revised Plans											
Net cash requirement	91,234	3,200	94,434											

² All resources equivalent to Resource DEL or Capital DEL used in the Central Government Supply Estimates

Part II: Revised subhead detail including additional provisions

	Revised Plans										Capital	
	Resources					Programme						Total
	Gross Income	Net	Gross Income	Net	Gross Income	Net	Gross Income	Net	Gross Income	Net		
1	2	3	4	5	6	7	8	9	10			
Departmental Expenditure Limits (DEL)³	-	-	-	121,000	-26,200	94,800	94,800	3,300	-100	3,200		
Voted expenditure												
<i>Of which:</i>												
A Provision of audit and other assurance services	-	-	-	121,000	-26,200	94,800	94,800	3,300	-100	3,200		
Non-voted expenditure				330	-	330	330	-	-	-		
<i>Of which:</i>												
B Comptroller and Auditor General and Chairman Salary (CFSS)	-	-	-	330	-	330	330	-	-	-		
Total for Estimate:	-	-	-	121,330	-26,200	95,130	95,130	3,300	-100	3,200		
<i>Of which:</i>												
Voted expenditure	-	-	-	121,000	-26,200	94,800	94,800	3,300	-100	3,200		
Non-voted expenditure	-	-	-	330	-	330	330	-	-	-		

³ All resources equivalent to Resource DEL or Capital DEL used in the Central Government Supply Estimates

Part II: Resource to cash reconciliation

	Present Plans £000	Changes £000	Revised Plans £000
Net Resource Requirement	91,430	3,700	95,130
Net Capital Requirement	3,700	-500	3,200
Accruals to cash adjustments	-3,566	-	-3,566
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-3,600	-	-3,600
New provisions and adjustments to previous provisions	-1	-	-1
Other Non-Cash Items	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in debtors	-3	-	-3
Increase (-) / Decrease (+) in creditors	38	-	38
Use of provisions	-	-	-
<i>Consolidated Fund Extra Receipts:</i>			
Prior year excess A-in-A paid to the Consolidated Fund	-	-	-
Removal of non-voted budget items	-330	-	-330
<i>Of which:</i>			
Consolidated Fund Standing Services	-330	-	-330
Net Cash Requirement	91,234	3,200	94,434

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

	2023-24 Revised Plans £000
Gross Programme Costs (DEL)	121,330
<i>Less:</i>	
Programme Income (DEL)	-26,200
Net Programme Costs	95,130
Total Comprehensive Net Expenditure	95,130
<i>Of which:</i>	
Resource DEL	95,130
<i>Adjustments</i>	-
Total Resource Budget	95,130
<i>Of which:</i>	
Resource DEL	95,130
Total Resources (Estimate)	95,130

Part III: Note B – Analysis of Income

	2023-24 Revised Plans £000
Voted Resource DEL	-26,200
<i>Of which:</i>	
A Programme – Provision of audit and other assurance services	
Sale of goods and services	-24,800
Other Rentals	-1,400
Total Voted Resource Income	-26,200
Voted Capital DEL	-100
<i>Of which:</i>	
A Programme – Provision of audit and other assurance services	
Sale of assets	-100
Total Voted Capital Income	-100

Part III: Note C – Analysis of Consolidated Fund Extra Receipts

No Consolidated Fund Extra Receipts income or receipts are expected for 2023-24.

Part III: Note D - Explanation of Accounting Officer responsibilities

Under the Budget Responsibility and National Audit Act 2011 the Public Accounts Commission has appointed the Comptroller and Auditor General to be responsible as Accounting Officer for the National Audit Office. The National Audit Office and the Comptroller and Auditor General are required to jointly prepare an Estimate of the National Audit Office's use of resources.

The Comptroller and Auditor General's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the National Audit Office's finances, for keeping of proper records and for safeguarding the National Audit Office's assets, are set out in the Accounting Officer's Memorandum issued by the Public Accounts Commission.

In discharging these responsibilities, particular regard is given to:

- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FRM), or an organisation's version of it, have been followed, and explain any material departures in the resource accounts; and
- the application of appropriate accounting policies on a consistent basis;
- ensuring judgements and estimates on a reasonable basis; and
- preparing the accounts on a going concern basis.

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