



National Audit Office

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**DEPARTMENTAL OVERVIEW**

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The performance of the  
Ministry of Defence 2012-13

**SEPTEMBER 2013**

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Our vision is to help the nation spend wisely.

Our public audit perspective helps Parliament hold government to account and improve public services.

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Amyas Morse, is an Officer of the House of Commons and leads the NAO, which employs some 860 staff. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of almost £1.2 billion in 2012.

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# Introduction

## Aim and scope of this briefing

- 1** The primary purpose of this report is to provide the Ministry of Defence Select Committee with a summary of the Department's activity and performance since January 2013, based primarily on published sources, including the Department's own accounts and the work of the National Audit Office (NAO).
- 2** A delay in the signing of the 2011-12 accounts meant that the previous Departmental Overview reflected the period up to January 2013. This report covers the period since then. Part One of the report focuses on the Department's activity during this period. Part Two concentrates on NAO analyses of that activity.
- 3** The content of the report has been shared with the Department to ensure that the evidence presented is factually accurate.

# Part One

## About the Department

### **The Department's responsibilities**

**1.1** The Ministry of Defence (the Department) is both a Department of State and a military headquarters, responsible for providing the military capability necessary to deliver the government's objectives and defining future military requirements. The principal activity of the Department is to deliver security for the people of the United Kingdom and the Overseas Territories by defending them, including against terrorism, and to act as a force for good by strengthening international peace and stability.

**1.2** The Defence Vision is to deliver versatile, agile and battle-winning Armed Forces, working effectively with each other, directed and supported by a professional Ministry of Defence, with people ready to lead, accept responsibility and spend wisely, protecting the United Kingdom's security in a changing world.

**1.3** The Department's Business Plan 2012–2015 was released in May 2012. The plan lists the Department's priorities, in line with the Defence Vision, as:

- to succeed in Afghanistan;
- to continue to fulfil our standing commitments;
- to succeed in other operations we are required to undertake; and
- to transform Defence by:
  - restructuring the Armed Forces and their capabilities;
  - implementing the new Defence Operating Model; and
  - delivering Defence in the most effective, efficient and sustainable way.

## **How the Department is organised**

**1.4** Throughout 2012-13, the Department consisted of the three Armed Services, civilian staff, and support and infrastructure functions. The Department's activities were managed through:

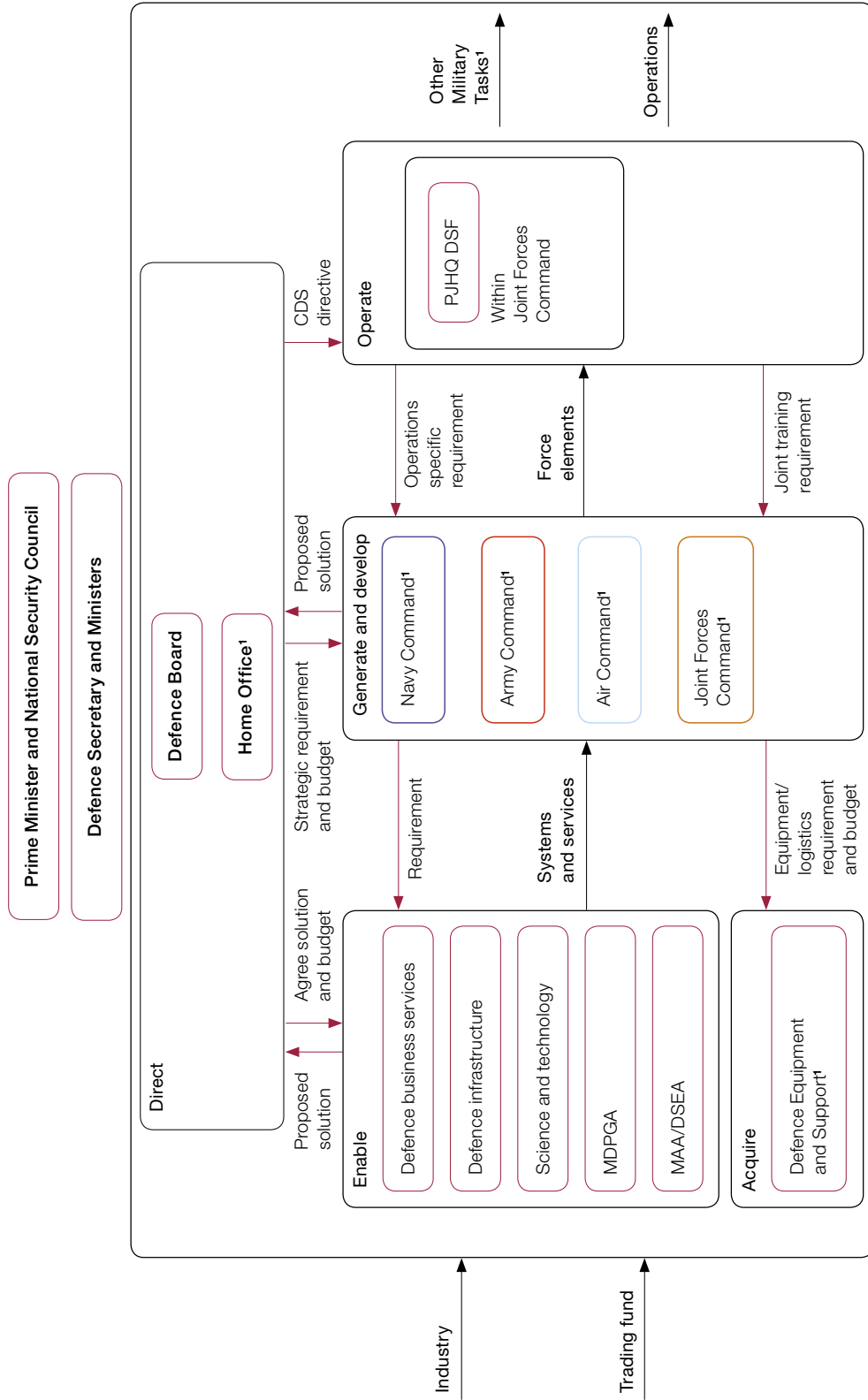
- seven principal bodies, known as Top Level Budgets (Navy Command, Army Command, Air Command, Joint Forces Command, Defence Infrastructure Organisation, Defence Equipment and Support, and Head Office and Corporate Services);
- three Trading Funds (Defence Support Group, the Defence Science and Technology Laboratory and the UK Hydrographic Office); and
- an Agency (Service Children's Education).<sup>1</sup>

**1.5** The Department is headed by the Permanent Under Secretary (the most senior civilian in the Department) and the Chief of the Defence Staff (the professional head of the Armed Forces) (**Figure 1**).

**1.6** The Defence Board is the main corporate board and the highest committee in the Department. Chaired by the Secretary of State, the Defence Board is responsible for the full range of Defence business, except for the conduct of military operations. The current members of the Defence Board are: the Permanent Secretary; the Chief of the Defence Staff; the Vice Chief of Defence Staff; the Chief of Defence Materiel; the Director-General Finance; and three non-executive board members.

<sup>1</sup> The Service Children's Education ceased to be an agency of the MoD as of 31 March 2013 and is now managed by the Department.

**Figure 1**  
How the Department is organised



**Notes**

- 1 Denotes organisations involved in other military tasks.
- 2 CDS = Chief of Defence Staff; MDPGA = MoD Police and Guarding Agency; MAA = Military Aviation Authority; DSEA = Defence Safety and Environment Authority; PJHQ = Permanent Joint Head Quarters; DSF = Directorate of Special Forces.

Source: Accounts 12-13

## Where the Department spends its money

**1.7 Staff:** In 2012-13, the Department employed around 181,000 Service personnel and a further 64,000 civilian staff (excluding the three trading funds). Staff costs for these two groups were £9.6 billion and £2.4 billion respectively accounting for some 31 per cent of the Department's total resource spending.<sup>2</sup>

**1.8 Equipment Acquisition:** In 2012-13, the Defence Equipment & Support (DE&S) organisation delivered new equipment valued at £7.8 billion. This included £0.5 billion of Urgent Operational Requirements (UOR) – equipment procured urgently for a specific military operation. Such UORs are paid for out of the Treasury Reserve rather than from the Defence budget.<sup>3</sup>

**1.9 Major Projects:** At 31 March 2013, the Department was responsible for delivering major projects with a whole-life cost of £88.1 billion. The four largest approved programmes are: Typhoon Fighter Aircraft including the Future Capability Programme at a cost of £18.3 billion; Joint Combat Aircraft with a cost of £16.0 billion; Nuclear Warhead Capability Sustainment Programme at a cost of £16.0 billion and the Astute Submarine Fleet at a cost of £9.9 billion. The fifth largest programme is the Type 26 Global Combat Ship, but firm projected costs for this will not be finalised until it has been formally approved.<sup>4</sup>

**1.10 Major Operations:** Currently, the Department's most significant activity is the support of military operations in Afghanistan. During 2012-13, the Department spent £2.7 billion on the net additional costs of operations in Afghanistan, for which it received funding in addition to its core budget.<sup>5</sup> Additional costs include operational allowances for staff on deployment, and inventory consumed on operations.

**1.11 Pensions:** The Department also administers and contributes to the Armed Forces Pension Scheme, which paid £4.1 billion, including lump sums on retirement to around 417,000 retired veterans in 2012-13.<sup>6</sup> In 2012-13, the Department's contribution was £2.0 billion, with HM Treasury funding the remainder.<sup>7</sup> The scheme had a total liability of £118 billion as at 31 March 2013, an increase of £12.4 billion on the previous year, of which £9.2 billion related to actuarial losses.<sup>8</sup>

2 Ministry of Defence, *Annual Report and Accounts 2012-13*, HC 35, July 2013, page 117, Note 6.1 and Note 6.2.

3 Ministry of Defence, *Annual Report and Accounts 2012-13*, HC 35, July 2013, page 57.

4 Ministry of Defence, *Annual Report and Accounts 2012-13*, HC 35, July 2013, page 169, Annex F.

5 Ministry of Defence, *Annual Report and Accounts 2012-13*, HC 35, July 2013, page 51, Table 7.1.

6 Armed Forces Pension Scheme 2012-13 Annual Accounts, HC 43, July 2013, page 11 and Note 15.5.

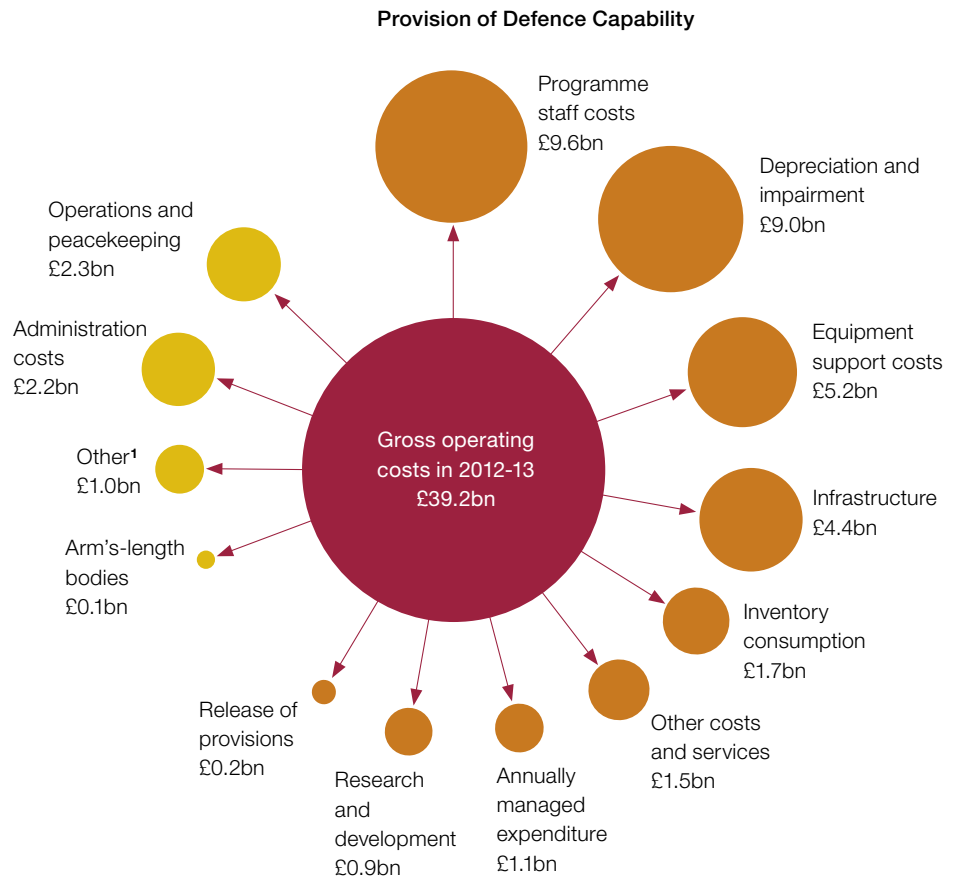
7 Ministry of Defence, *Annual Report and Accounts 2012-13*, HC 35, July 2013, page 119.

8 Armed Forces Pension Scheme 2012-13 Annual Accounts, page 35, Note 15.4.



**Figure 2**

Where the Department spent its resource in 2012-13



**Notes**

- 1 Other includes War Pensions Benefit and Global Pool – Resource, the Department's contribution to global conflict prevention.
- 2 This graph does not include £7.9 billion of capital spend.

Source: Ministry of Defence, Annual Report and Accounts 2012-13, HC 38, July 2013, p.114-115, table 2.1

**1.12** During 2012-13, the Department was forecasting a significant underspend against its budget, comprising a large underspend against its capital budget offset by a forecast overspend against its Resource Departmental Expenditure Limit (DEL) – its revenue budget. In January 2013, the Department obtained a Supplementary Estimate reducing its capital budget by £1.96 billion. £350 million of this reduction has been carried forward to the capital budget for future years and £1.50 billion was transferred to the revenue budget, resulting in an overall reduction in capital investment. Of the £1.50 billion transferred to the revenue budget, £1.24 billion has been carried forward to future years (**Figure 3**).

**1.13** The above changes resulted in a net increase in the Department's 2012-13 revenue budget. Nevertheless, the Department's Annual Accounts reported underspends of £1.28 billion against its final Resource DEL and £117 million against its capital budget. The principal reason was a reduction in the cost of operations as the withdrawal from Afghanistan accelerates (Figure 3). The Department expects to be able to carry forward a portion of this unspent resource to future years.

### **Recent and planned changes to the Department's spending**

#### 2010 Spending Review and Strategic Defence and Security Review

**1.14** In 2010, the Strategic Defence and Security Review (SDSR) and Spending Review jointly determined the Department's priorities for reducing spending and personnel numbers over a five-year period. In the SDSR the Department planned to reduce personnel numbers by 17,000 by 2015 (a reduction of 5,000 to the Royal Navy, 7,000 to the Army, and 5,000 to the RAF).<sup>9</sup> The Department then announced a further reduction of 12,000 to the Army in 2011. As part of this planned cutback a third tranche of military redundancies was announced in January, with 4,480 Army personnel being informed in June. Overall, the number of service personnel has now reduced by 11,400 (5.8 per cent) since April 2010.<sup>10</sup>

**1.15** The SDSR also announced that the number of civilian staff in the Department would decrease by 25,000 by 2015. A subsequent announcement in July 2011 confirmed that between 2015 and 2020, there would be a further reduction of 7,000 civilians. As at 1 April 2013, there were 64,000 civilians in the Department, over 20,500 (24 per cent) fewer than in April 2010.<sup>11</sup>

9 The Strategic Defence and Security Review, October 2010, page 32.

10 National Audit Office analysis of redundancies announced against level of trained army personnel as per 2010-11 annual report and accounts.

11 Ministry of Defence, *Annual Report and Accounts 2012-13*, HC 35, July 2013, page 45.

**Figure 3**

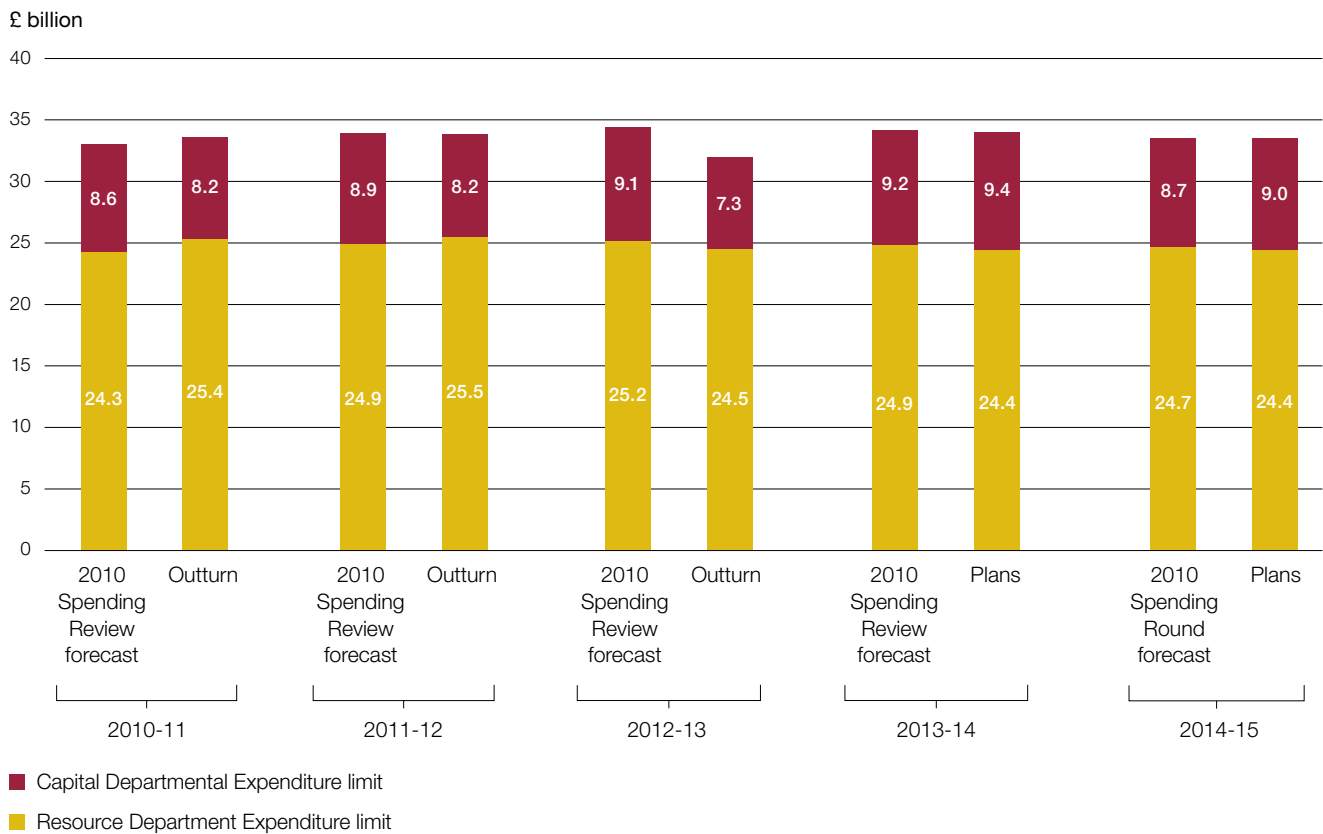
Main and supplementary estimates 2012-13 with an analysis of the Department's 2012-13 underspend

	Resource Departmental Expenditure Limit (RDEL) (£m)	Capital Departmental Expenditure Limit (CDEL) (£m)	Resource Annually Managed Expenditure (AME) (£m)	Capital Annually Managed Expenditure (AME) (£m)
Main estimates <sup>1</sup>	36,759	9,917	3,064	–
Change in supplementary estimates (see below) <sup>2</sup>	398	(1,957)	(685)	35
	37,157	7,960	2,379	35
Change in supplementary estimates include: <sup>2</sup>				
Switch from CDEL to RDEL	1,500	(1,500)		
RDEL budget exchange	(1,240)			
CDEL budget exchange		(350)		
Reduction for operational funding as requirement lower than forecast	(357)	(100)		
Reduction in AME due to lower forecast than Spending Review			(800)	
<b>Spend<sup>3</sup></b>	<b>35,874</b>	<b>7,843</b>	<b>1,867</b>	<b>(35)</b>
<b>Underspend/(Overspend)</b>	<b>1,283</b>	<b>117</b>	<b>512</b>	<b>70</b>
Reasons for underspend include: <sup>4</sup>				
Reduction in the cost of operations (including reduced expenditure on infrastructure and military equipment in Afghanistan)	300	95		
Provision for equipment impairment not required	220			
Civilian personnel costs underspend as staff numbers reduced faster than planned	290			
Contingency not utilised	200			
Change in book values on fuel and foreign currency contracts			435	

Sources: 1. Ministry of Defence Main Estimates 2012-13. 2. Ministry of Defence Supplementary Estimates 2012-13. 3. Ministry of Defence Annual Report and Accounts 2012-13, Note 2. 4. Ministry of Defence Annual Report and Accounts 2012-13 pages 50-51

**1.16** The 2010 Spending Review set out the Department’s budget for the period 2010-11 to 2014-15. **Figure 4** shows actual and planned outturn against the Spending Review forecasts from 2010 and 2013 (for 2014-15). For each of the three years to 2012-13 the Department has transferred budget from capital to resource through the Estimates (2010-11: £250 million; 2011-12: £800 million; 2012-13: £1.5 billion), contributing to capital outturn being lower than the original forecast, and resource outturn being higher than forecast for 2010-11 and 2011-12. As set out at paragraph 12, the Department has agreed to carry forward unused resources from 2012-13 as part of the budget exchange process.

**Figure 4**  
Ministry of Defence 2010 Spending Review



**Notes**

- 1 Outturn and planned outturn Resource DEL figures have been taken from the Defence Capability balances included in the 2012-13 Annual Report and Accounts core tables, excluding depreciation and impairment costs.
- 2 Outturn and planned outturn Capital DEL figures have been taken from the Defence Capability balances included in the 2012-13 Annual Report and Accounts core tables.

Sources: 2010 Spending Review, 2013 Spending Round, Ministry of Defence Annual Report and Accounts 2012-13 core tables pages 52-53

## 2013 Spending Round

**1.17** The 2013 Spending Round, announced in June 2013, sets out the Department's budget settlement for 2015-16. The Department's budget is broadly level in cash terms (a real-terms reduction of 1.9 per cent in Resource DEL and 2.3 per cent in Capital DEL). Across government, the Spending Round announced a reduction of 2.7 per cent in Resource DEL<sup>12</sup> and 1.3 per cent growth in Capital DEL.<sup>13</sup>

**1.18** Through the 2013 Spending Round, the government committed to maintaining the level of armed forces personnel and to a 1 per cent real annual growth in the Equipment Plan budget from 2015-16. As set out in the Equipment Plan 2012, the Department had already factored this 1 per cent annual growth into its plans. However, the baseline for Equipment Plan funding from 2015-16 will be reduced by £350 million. The Department is seeking efficiency savings in the budget for equipment support costs to accommodate this reduction without affecting output.

**1.19** The Spending Round makes provision for the continuing withdrawal of troops from Germany (following announcements made by the Secretary of State in March 2013) and £750 million of expected savings from contract renegotiations, including those targeted on equipment support contracts.

**1.20** This year's Spending Round will also enable the Department to return military equipment from Afghanistan for potential future reuse, with full withdrawal expected by the end of 2014. During 2012-13, the net additional cost of operations in Afghanistan was £2.7 billion, a reduction of 22.8 per cent compared with 2011-12 (net additional cost £3.46 billion). Further information about the withdrawal from Afghanistan is at paragraph 1.25.

## **Policy and delivery: major developments and future challenges**

The Department is experiencing a number of structural and operational changes

### **Transforming Defence**

**1.21** Following the Strategic Defence and Security Review and Lord Levene's Defence Review, the Department launched a range of transformation programmes in response to changing defence priorities, a long track record of spending overruns and tightening government budgets. We set out the main elements of Transformation in our previous overview.<sup>14</sup> These include restructuring the armed forces, implementing a new operating model for the Department as a whole, and specific changes to the operating models of many of the Department's individual business areas.

<sup>12</sup> Excluding depreciation.

<sup>13</sup> Spending Round 2013, June 2013, pages 10-11.

<sup>14</sup> Departmental Overview: A summary of the NAO's work on the Ministry of Defence 2011-12, March 2013, page 7.

**1.22** The Department introduced its new operating model on 1 April 2013. The main changes associated with this were:

- A smaller Head Office with responsibility for making policy and setting Defence strategy, providing advice to government and accountability to Parliament, planning and allocating resources, managing defence and directing military operations at the strategic level.
- Delegation of responsibility for the planning, management and delivery of future capability to new command structures for the Royal Navy, Army and RAF.
- Joint Forces Command becoming fully operational, taking responsibility for joint capabilities, such as training and medical services, and support for operations, including the Permanent Joint Headquarters and operating bases.
- A new relationship between DE&S, the four commands and the Head Office with DE&S providing costs for equipment and support elements of the Command Plans.
- Defence Business Services (DBS) being set up, in partnership with Serco, a government services company. (The idea of private sector partnerships is also being developed for the Defence Infrastructure Organisation (DIO)).

**1.23** The Department is also reviewing the configuration of its fighting forces. An initiative called Future Force 2020 aims to change the structure of the armed forces. It also intends to increase the reserve component and improve its integration with regular forces.

**1.24** In July 2013, the Department published a White Paper setting out more detail of how it intended to achieve an increase of reserves to 34,900 (30,000 for the Army, 3,100 for the Maritime Reserves and 1,800 for the Royal Auxiliary Air Force) at a cost of £1.8 billion across the three Services over the next ten years. Based on April 2013 figures, this will require more than a 50 per cent increase in the number of trained reserves, which will be challenging.<sup>15</sup> The White Paper also provides information about the wider role that the Department sees for reserve forces in the future, including its intention that they provide many of the capabilities that require less routine training or where specialist skills can be more readily maintained in the civilian sector, such as cyber, intelligence and medical.<sup>16</sup>

<sup>15</sup> Available at: [www.dasa.mod.uk/publications/people/military/quarterly\\_personnel\\_report/\\_20130401\\_1\\_april\\_2013/Table9.html?PublishTime=08:30:00](http://www.dasa.mod.uk/publications/people/military/quarterly_personnel_report/_20130401_1_april_2013/Table9.html?PublishTime=08:30:00), accessed on 15 August 2013.

<sup>16</sup> Reserves in the Future Force 2020 White Paper, July 2013.

### **Withdrawal from Afghanistan**

**1.25** The redeployment of troops and the return of equipment from Afghanistan are major logistical tasks. The process of handing over responsibility for security to the Afghan National Security Force (ANSF) is now in its final stages and the intention is to reduce the number of military personnel deployed in Afghanistan to 5,200 by the end of 2013.<sup>17</sup> At the peak, some 9,500 British forces were based there. Figures published in August 2013 by NATO confirm that UK troop levels have declined from 9,000 to 7,700 since the beginning of the year.<sup>18</sup> The Department has also started the recovery of approximately £4 billion of inventory.<sup>19</sup> As of 31 May, 625 pieces of major equipment, including vehicles, and 1,080 twenty-foot containers had been redeployed from Afghanistan. This represents approximately 19 per cent of the equipment and materiel the Department expects to be redeployed between May 2013 and the end of 2014.<sup>20</sup>

### **Drawdown from Germany**

**1.26** The Department's overseas estate includes garrisons and training facilities in Germany. On the 5 March 2013, the Department released its basing plan for the regular army, which confirms plans to withdraw around 70 per cent of forces currently based in Germany by the end of 2015. The remaining 4,300 personnel will then return by the end of 2019. To accommodate this move the Department plans to invest £1.8 billion on technical infrastructure and building new accommodation in the United Kingdom.<sup>21</sup>

### **The Department's digital strategy**

**1.27** By December 2012, each government department was required to produce a digital strategy, an indication of the central part that digital communications now play in government business. The Department's digital strategy 'Digital in Defence'<sup>22</sup> is concerned primarily with improving digital communications with citizens and supporting the Government Digital Service's rationalisation of the government's web presence. The Ministry of Defence was one of the first departments to transfer its content to the new gov.uk website. Beyond this, Digital in Defence has the following aims:

- To strengthen the Department's digital leadership (the Department has appointed its Director of Transformation as its 'digital leader').
- To help ensure the success of gov.uk by working with other government departments.
- To develop digital capability by digitising and improving interfaces with citizens, and by looking at new approaches to policymaking and internal business practices.

<sup>17</sup> Ministry of Defence, *Annual Report and Accounts 2012-13*, HC 35, July 2013, page 60.

<sup>18</sup> Available at: [www.nato.int/isaf/docu/epub/pdf/placemat.pdf](http://www.nato.int/isaf/docu/epub/pdf/placemat.pdf), accessed on 15 August 2013.

<sup>19</sup> Available at: [www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130213/wmstext/130213m0001.htm](http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130213/wmstext/130213m0001.htm)

<sup>20</sup> Available at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209312/Afghanistan\\_Monthly\\_Progress\\_Report.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209312/Afghanistan_Monthly_Progress_Report.pdf)

<sup>21</sup> Available at: [www.gov.uk/government/news/army-return-from-germany-to-boost-uk-economy-by-1-8-billion](http://www.gov.uk/government/news/army-return-from-germany-to-boost-uk-economy-by-1-8-billion)

<sup>22</sup> Digital in defence.

**1.28** The Department's transformation programmes require improved information systems. The Department currently has a range of contracts for the supply of commercial IT systems, telecommunications and IT infrastructure. The Defence Core Network Services programme is intended to replace these with more integrated systems over the next decade. The Department plans to upgrade its HR, pay, finance and procurement systems by 31 March 2015 and to merge its contracting, purchasing and finance systems during 2015-16.

**1.29** The Department also has responsibilities to protect the United Kingdom from cyber threats. The SDSR 2010 allocated £650 million over four years to establish a new National Cyber Security Programme to strengthen the UK's cyber capacity. The Department is a key member of the Programme which aims to:<sup>23</sup>

- combat cyber threats, working with the Government Communications Headquarters (GCHQ) to identify and analyse cyberattacks to main networks and services and support the UK's wider cyber security objectives;
- prevent cybercrime and make the UK a safer place to do business;
- make the UK more resilient to cyberattacks;
- cultivate a safe, stable and vibrant cyberspace internationally; and
- develop the knowledge, skills and capabilities needed to defend the UK against cybercrime.

**1.30** In July 2013, the Department created the Defence Cyber Protection Partnership with defence and security suppliers to meet the emerging threat to the UK defence supply chain by increasing awareness of cyber risks, sharing threat intelligence, and setting out how to apply cyber security standards according to levels of risk. The Partnership will identify where security needs to increase in the wider defence supply chain. It also aims to define an approach to implementing cyber security standards across partnership members and their supply chain partners. This model is intended to lead the way in industry collaboration and action on cyber security, and by providing a useful template for commercial sectors to follow, to improve the resilience of UK industry.<sup>24</sup>

## **Independent assessments of the Department's performance**

**1.31** The Major Project Authority (MPA), established in 2011, in order to scrutinise the country's biggest and most high-risk projects, released its first annual report on the Government's Major Project Portfolio (GMPP) in May 2013. This report provided a red/amber/green (RAG) rating against 191 major government projects.<sup>25</sup> The Ministry of Defence has the highest published total spend (£88.1 billion) and the highest number of projects (36) listed in the GMPP. Three of these have been rated as red (Queen Elizabeth Class Aircraft Carriers, the Watchkeeper surveillance system and Defence Core Network Services) (**Figure 5**).

23 Available at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/62482/strategic-defence-security-review.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62482/strategic-defence-security-review.pdf), page 47.

24 Available at: [www.gov.uk/government/news/defence-partnership-tackles-cyber-security-risks](http://www.gov.uk/government/news/defence-partnership-tackles-cyber-security-risks), accessed on 15 August 2013.

25 Available at: [engage.cabinetoffice.gov.uk/major-projects-authority/](http://engage.cabinetoffice.gov.uk/major-projects-authority/), accessed on 15 August 2013.



**Figure 5**

## Major Projects Authority RAG Ratings – Ministry of Defence projects

RAG Rating	Description	Projects
●	Successful delivery of the project appears to be unachievable. There are major issues on project definition, schedule, budget, quality and/or benefits delivery, which at this stage do not appear to be manageable or resolvable. The project may need re-scoping and/or its overall viability reassessed.	3
●●	Successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible.	1
●●●	Successful delivery appears feasible but significant issues already exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.	12
●●●●	Successful delivery appears probable; however, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.	4
●●●●●	Successful delivery of the project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.	8
No rating	No information available.	6

Source: Government Major Projects Portfolio data for MOD 2013, available at: [www.gov.uk/government/publications/government-major-projects-portfolio-data-for-mod-2013](http://www.gov.uk/government/publications/government-major-projects-portfolio-data-for-mod-2013)

**Staff attitudes**

## The Civil Service People Survey

**1.32** The government has conducted its Civil Service People Survey annually for the past four years. The most recent survey was carried out in October 2012, with detailed results available from February 2013. As in past briefings, we have summarised the views of the Department's staff on a number of key issues, and compare them to benchmarks for the civil service as a whole. Detailed results for all departments are reproduced at Appendix Two.

**1.33** As part of the annual survey each department receives an engagement index, assessing the level of staff engagement determined by: the extent to which staff speak positively of the organisation, are emotionally attached and committed to it, and are motivated to do the best for the organisation. In 2012, the Department (excluding agencies) achieved an engagement index of 52 per cent, one percentage point lower than the previous survey and six percentage points below the 2012 civil service average.

**Figure 6**  
2012 Civil Service People Survey: Ministry of Defence

Theme	Theme score (% positive)	Difference from 2011 survey	Difference from civil service average 2012
<b>Leadership and managing change</b>			
I feel that the Department as a whole is managed well	19	-1	-24
Senior managers/leaders in the MoD are sufficiently visible	26	-1	-22
I believe the actions of senior civil service are consistent with the Department's values	24	-3	-18
I believe that the Defence Board has a clear vision for the future of the MoD	22	2	-18
Overall, I have confidence in the decisions made by the Department's senior managers/leaders	16	-1	-23
I feel that change is managed well in the Department	11	-1	-18
When changes are made in the Department they are usually for the better	9	-1	-16
The Department keeps me informed about matters that affect me	41	0	-16
I have the opportunity to contribute my views before decisions are made that affect me	20	1	-16
I think it is safe to challenge the way things are done in the Department	30	-1	-10
<b>Organisational objectives and purpose</b>			
I have a clear understanding of the Department's purpose	80	0	-4
I have a clear understanding of the Department's objectives	72	0	-7
I understand how my work contributes to the Department's objectives	76	0	-5

**Notes**

- 1 Percentage positive measures the proportion of respondents who selected either 'agree' or 'strongly agree' for a question.
- 2 The 2012 benchmark is the median per cent positive across all organisations that participated in the 2011 Civil Service People Survey. The difference between the Department and the civil service (Appendix Two) may differ due to rounding.

Source: Ministry of Defence People Survey Results, Autumn 2012

## Armed Forces Continuous Attitudes Survey

**1.34** In addition to the standard questions asked of civil servants, the Department collects information annually on military personnel – via the Armed Forces Continuous Attitude Survey Report. The report collates information about Service personnel's attitudes on key aspects of service life, such as satisfaction and morale, commitment, demands on the individual, remuneration, and Service living accommodation. The Department states that it uses the information from the survey to focus attention where it is most needed to make further improvements in the future. The latest report was published on 25 July 2013.

**1.35** Some of the key findings were:

- the majority of personnel (81 per cent) continue to report feeling proud to be in the service;
- a strong team ethos at the local level (83 per cent) and confidence in the immediate work team to overcome difficulties (83 per cent) remain high;
- job satisfaction (58 per cent) has decreased 6 per cent since 2012 as has satisfaction with the standard of personal equipment (53 per cent) and major equipment (44 per cent);
- the biggest percentage point decreases since the 2012 survey are for questions concerning reserve forces. Fifty-eight per cent of those who have had working contact believe that the Reserve Forces' contribution to the Service adds value while just 40 per cent believe they are well integrated with regular forces. In each case this represents a nine percentage point decrease since the last survey;
- satisfaction with allowances (43 per cent) has increased since 2012, however, satisfaction with basic pay (39 per cent) and pension benefits (33 per cent) have decreased;
- the high percentage of Service personnel who considered the length (83 per cent) and frequency (67 per cent) of operational deployments to be about right remains at 2012 levels;
- however, the perceived negative impact of Service life on family and/or personal life is the highest factor (58 per cent) associated with an intention to leave the Service; and
- those satisfied with Service life in general has decreased eight percentage points since 2012 to 49 per cent.

## Part Two

### Recent NAO work on the Department

#### **Our audit of the Department's accounts**

**2.1** The NAO's financial audits of government departments and associated bodies are primarily conducted to allow the Comptroller and Auditor General (C&AG) to form an opinion of the truth and fairness of the public accounts. In the course of these audits, the NAO learns a great deal about government bodies' financial management and sometimes this leads to further targeted pieces of work which examine particular issues. In this section, we look at the outcome of our most recent financial audit on the Ministry of Defence and its bodies.

**2.2** The Department's 2012-13 accounts were signed by the C&AG on 11 July 2013, before the Parliamentary recess. This was a significant achievement given the delays and production difficulties there had been in finalising the 2011-12 financial statements. The C&AG qualified his opinion on the 2012-13 Departmental Resource Accounts, however, due to material errors arising from accounting policies which do not fully comply with required accounting standards. He also limited the scope of his opinion due to weaknesses in the Department's accounting for certain non-current assets and inventory. And he further qualified his opinion because of a breach by the Department of the maximum number of people who can be maintained as Special Members of the Reserve Naval Forces. The C&AG also disagreed with the Department over the appropriate accounting treatment for impairments to the defence estate in Germany. Further detail about each of these issues is given below.

#### Accounting for lease-type arrangements

**2.3** For the fourth successive year, the Department did not comply with the accounting requirements for determining whether a contract contains a lease. It therefore omitted a material value of assets and liabilities from its Statement of Financial Position. Contracts may contain leases when they provide the Department with exclusive or near-exclusive use of assets and capability. For example, this might occur where shipyards are used exclusively on defence contracts and the pricing of a particular contract recognises this by allowing for the recovery of fixed costs other than through market rate or unit cost pricing. The Department is undertaking work over the summer period to review the contracts which it feels are affected by this accounting standard, to make an initial assessment of the impact of compliance, and to understand the further work necessary to achieve full compliance.

## Military equipment – Non-current assets and inventory

**2.4** For the fifth successive year, the C&AG has limited the scope of his opinion in relation to certain current and non-current assets recorded within the Statement of Financial Position. This arises from the Department having inadequate evidence to support its valuation of military equipment in the form of inventory worth £3.3 billion and capital spares worth £7.2 billion. The C&AG noted in this year's report that the Department had made significant progress on this long-standing issue, though more needs to be done. Following the work undertaken in 2012-13, the C&AG has made detailed recommendations to enhance the Department's review of these assets. This should enable the Department to address the issue satisfactorily in 2013-14.

## Excess vote on Royal Navy Special Reserves

**2.5** The Department reported that it had breached the limit voted by Parliament in respect of the maximum number of personnel retained in the Special Members of the Reserve Navy Forces (1,950 against a limit of 1,940). Although this represents only a small excess in overall manpower terms, the C&AG has qualified his opinion on this element of the military manpower approvals.

## Accounting for the impairment to the value of the Germany Estate

**2.6** In forming his opinion on the financial statements the C&AG disagreed with the accounting treatment adopted by the Department in respect of 'impairments' to the defence estate in Germany. Impairments are downward revisions of asset valuations. In this case, they arose as a consequence of the March 2013 announcement of phased withdrawals from Germany. Defence estate assets in Germany will now be used for a substantially shorter time than had previously been envisaged by the Department and the C&AG's view was that the Department had not fully met its requirements under the Government Financial Reporting Manual to charge the full value of these impairments to its net operating costs. The Department had charged £597 million of the associated impairments to its net operating costs but the remaining £907 million had been booked to the revaluation reserve. The C&AG concluded that, had the Department accounted for the full value of impairments as he deemed to be appropriate, it would have exceeded its budget for Annual Managed Expenditure by £395 million.

## Progress on previous areas of qualification – Cabinet Office approval for board member remuneration

**2.7** In the 2011-12 financial statements, the C&AG qualified his regularity opinion on the grounds that the Department had not obtained the required approval for the overall remuneration and benefits package of the Chief of Defence Materiel. The Department has now withdrawn its request for the approval of the accommodation allowance retrospectively and the Chief of Defence Materiel has agreed to repay the allowance received since 1 April 2012. The Department has not sought to recover the allowance paid prior to that date (£10,000 net of tax) and the gross amount has been written off as a loss.

## Governance Statement – Significant Control Risks

**2.8** In the 2012-13 Governance Statement, the Ministry of Defence identified a number of significant risks and issues and described how it was dealing with them:

- **Financial Skills in Defence Equipment and Support**

Our 2011-12 and 2012-13 audits of DE&S continue to identify a lack of robust processes in Project Teams and the need for better management review and training on specific areas of weakness such as inventory impairments. The Department has identified skills shortages at DE&S as having contributed to the errors in accounting for accruals in the 2011-12 financial statements. While the Department asserts that improvements have been made in this area for 2012-13, it also recognises that the most recent qualifications are also mainly with DE&S that underlying problems will take time to resolve. The Department's view is that the Materiel Strategy is expected to result in a step change in financial discipline but until that time financial control within DE&S will remain a concern.

- **Transforming Defence**

The Department is going through a period of rapid change. As part of this change, it has created or altered many of the boundaries between its components parts. The Department acknowledges that this is leading to some loss of clarity about roles and responsibilities, particularly in business continuity, but the expectation is that this will improve as the new structure beds in. The Department also highlights the sheer volume of change under way as a risk to delivering 'business as normal'. In particular, it notes that structural changes are taking place as the withdrawal from Afghanistan and the return of the Army from Germany gather pace.

- **Materiel Strategy**

As part of its Materiel Strategy to reform defence acquisition, the Department is assessing two alternative new business models for Defence Equipment and Support – a Government-Owner, Contractor Operated (GOCO) entity and a restructured organisation within the public sector (DE&S+). The Department has identified that this business change has significant risks. To address these risks, a new role for the delivery of Materiel Strategy has been created and all major decisions are being approved by relevant authorities within the Ministry of Defence, the Treasury and the Cabinet Office.

### **Our audit of the other Defence bodies**

**2.9** The C&AG has signed the Annual Report and Accounts for six other Defence bodies including two museums that fall within the departmental boundary, three trading funds and the Armed Forces Pension Scheme. Each of these bodies has received an unqualified audit opinion except for the Royal Air Force Museum which was qualified on regularity because the value of the pay increase awarded to all staff was in excess of the approved pay remit, the irregular element being £66,000.<sup>26</sup>

### **Our audits of the Department's effectiveness and value for money**

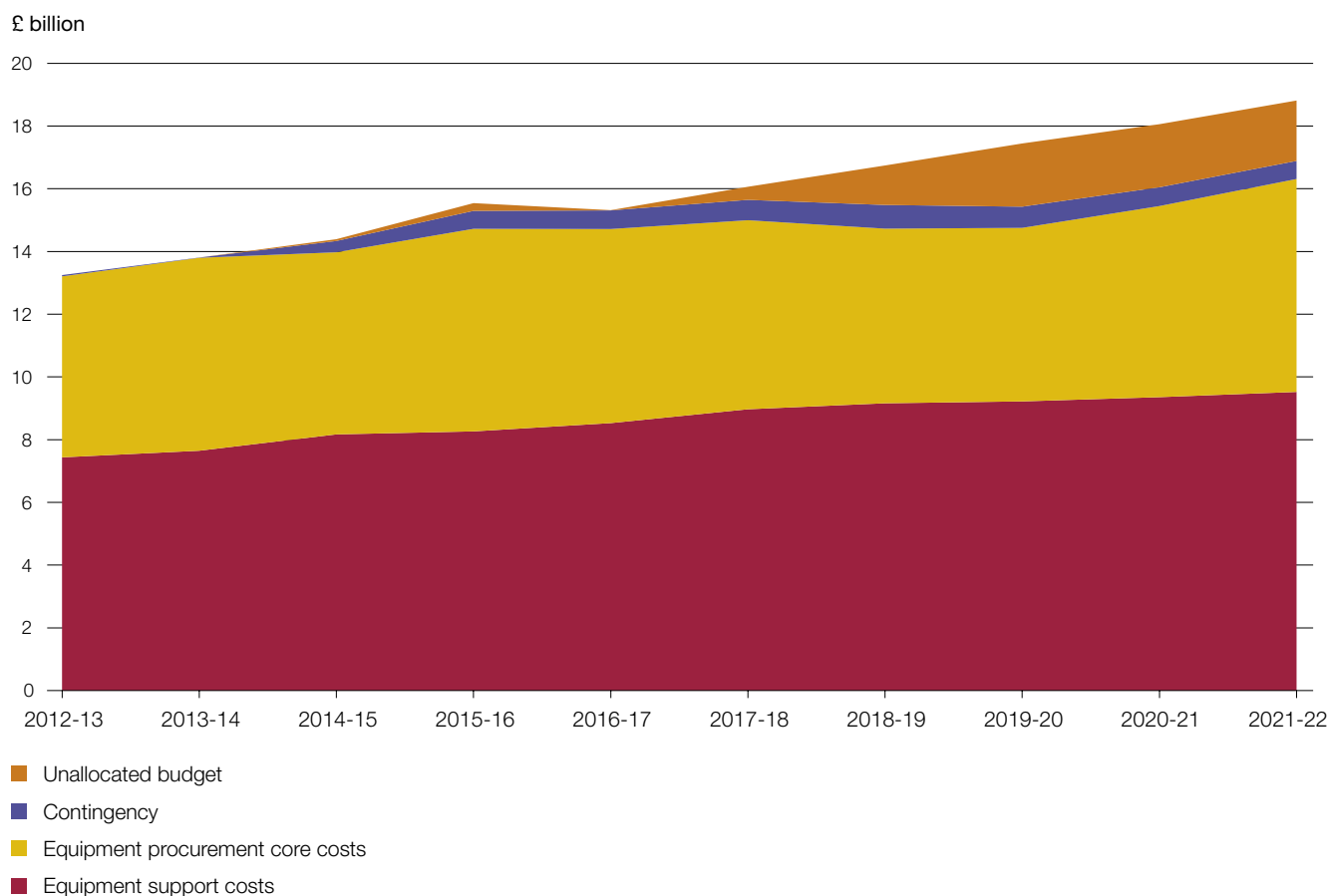
**2.10** The NAO's work to test the effectiveness and value for money of government spending in the period January 2013 to July 2013 included three projects which focused on the Department. The principal findings of these are summarised below.

#### The Equipment Plan 2012–2022

**2.11** The Department's ten-year Equipment Plan sets out its forecast expenditure to deliver and support the equipment that the Armed Forces need in order to meet the objectives of the National Security Strategy. The Plan covers a budget of £159 billion (**Figure 7** overleaf). The Department has committed to publishing an annual statement to Parliament on the cost and affordability of the Equipment Plan and the first such statement was published in January 2013.

<sup>26</sup> *Royal Air Force Museum Account 2012-13*, HC 599, July 2013 page 20.

**Figure 7**  
Breakdown of the Department's planned spend on the Equipment Plan



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Unallocated budget (£m)	0	0	57	247	8	417	1,259	2,015	2,011	1,926	7,940
Contingency (£m)	42	8	360	572	594	649	755	676	599	576	4,831
Equipment procurement core costs (£m)	5,769	6,151	5,806	6,458	6,187	6,027	5,567	5,532	6,092	6,788	60,377
Equipment support costs (£m)	7,436	7,647	8,168	8,264	8,528	8,969	9,160	9,220	9,355	9,522	86,269
<b>Total (£m)</b>	<b>13,247</b>	<b>13,806</b>	<b>14,391</b>	<b>15,541</b>	<b>15,317</b>	<b>16,062</b>	<b>16,741</b>	<b>17,443</b>	<b>18,057</b>	<b>18,812</b>	<b>159,417</b>

#### Notes

- 1 The core programme includes the following categories of spend on: contractually committed, publicly announced, nuclear deterrent, policy commitment to proceed and the entire Equipment Support element. The non-core programme includes unallocated budget.
- 2 The Department has planned to spend more than its budget in years 2012-13 (£263 million) and 2013-14 (£65 million).
- 3 All costs are given in cash terms.
- 4 The unallocated budget, contingency and equipment procurement core costs are components of the Equipment Procurement budget as illustrated in Figure 1.

Source: National Audit Office analysis of Ministry of Defence data



**2.12** The Equipment Plan is based on forecasts of costs and funding, representing the position at the end of the Department's year-long planning process, which was known as Planning Round 12. We created an affordability assessment model to test how realistic the assumptions are which underlie the Department's projections. The NAO's report is not intended to offer a definitive view on the affordability of the Equipment Plan.

**2.13** This was the first time the NAO has undertaken this engagement and we were aware of issues which would limit confidence in the Department's Statement. In future years, as the Department's approach to producing the Equipment Plan matures, we intend to extend the scope of our work to cover progressively more elements of, and assumptions included, within the Equipment Plan. Notably, in agreement with the Department, our first review of the Equipment Plan excluded any work on equipment support costs, which make up just over half of the total ten-year plan: £86 billion (54 per cent).

**2.14** The review concluded that the Department has taken significant positive steps designed to deal with the accumulated affordability gap, which the Department estimated to be £74 billion following the outcome of the 2010 Spending Review. This has laid the foundations for stability going forward. The crucial test will be whether the Department is able to deliver the Equipment Plan within planned expenditure limits, supported by the existence of a substantial contingency provision, over the next few years.

**2.15** The NAO review and subsequent PAC report recommended that:

- In preparing the next Equipment Plan, the Department should use specified performance metrics to collect evidence of progress in its cost management and forecasting.
- The Department should proactively address potential weaknesses in its key affordability assumptions, by using scenario planning and developing further options to reduce costs if budget assumptions prove to be over-optimistic.
- The Department should identify and quantify all significant risks to the accuracy of cost projections, at both project and aggregate portfolio level, and use this information to justify the amount of contingency funding held centrally (currently £4.8 billion for the ten-year equipment plan, or 3 per cent of the total budget).
- As part of its contractual arrangements with suppliers, the Department should put in place performance metrics which enable it to monitor project progress and should hold industry to account for delivering to agreed timescales.

## Carrier Strike: The 2012 reversion decision

**2.16** Carrier Strike is an integral part of the Department's plan to restructure the Armed Forces in a way that will allow it to meet the policy objectives set out in the 2010 Strategic Defence and Security Review. Carrier Strike comprises the Queen Elizabeth Class aircraft carriers, the Joint Strike Fighter aircraft that operate from them and a helicopter based radar system (known as 'Crowsnest').

**2.17** The most important factor in determining the ultimate contribution that Carrier Strike will make to defence capability is the choice of aircraft, as this affects much of the carriers' design. Although the Joint Strike Fighter, a US-led collaborative programme, remains the chosen aircraft, the variant of the aircraft to be procured has changed, affecting the design of the aircraft carriers. As part of the 2010 Strategic Defence and Security Review, however, the Department changed its mind and decided to procure what is known as a carrier variant of the Joint Strike Fighter. This would have required the ships to be fitted with launching equipment (catapults), and landing recovery equipment (arrestor gear). We reported on this decision in two reports published in 2011.<sup>27</sup>

**2.18** On 10 May 2012, the Secretary of State for Defence reversed this decision, announcing that the Department would now procure the STOVL variant of Joint Strike Fighter after all. We examined how this decision was taken in our report *Carrier Strike: The 2012 reversion decision*, published in May 2013.<sup>28</sup>

**2.19** We found that the 2010 decision had been underpinned by immature information and false assumptions. When the Department realised this, however, we found that it had acted quickly to provide decision-makers with much better information. This information exposed the fact that the cost of fitting the additional equipment to the carriers would be £2 billion, more than double the original estimate.

**2.20** In total, the Department now estimates that the STOVL variant of the aircraft will be £1.2 billion cheaper to own over the next ten years than the carrier variant. However, it estimated that £74 million will have to be written off as a result of the reversed decision.

**2.21** To realise value from its investment in Carrier Strike capability, the Department will need to bring the second carrier into operation and deliver that capability in full by 2020. Significant affordability and technical challenges remain to achieving this deadline, and the Department has limited control over some of these. In particular, the Department has not yet concluded complicated negotiations with commercial partners and this means that overall costs are likely to increase.

<sup>27</sup> Comptroller and Auditor General, *Carrier strike*, HC 1092 Session 2010–2012, National Audit Office, July 2011; *Carrier Strike: Supplementary Report*, HC 1657, Session 2010–2012, National Audit Office, November 2011

<sup>28</sup> Comptroller and Auditor General, *Carrier Strike: The 2012 reversion decision*, HC 63, Session 2013-14, National Audit Office, May 2013.

## Data Assurance, 2012-13

**2.22** As part of our regular review of the data systems underlying government performance measures, we recently examined the systems that generate the input and impact indicators published in the Department's Business Plan. We also reviewed the performance information provided to the Department's board and the associated controls over this information.

### Our assessment of data systems

**2.23** We reviewed the data systems supporting five indicators and assigned each system a numerical score. The scores are based on the extent to which the Department has put in place and operated internal controls, which are effective and proportionate to the risks involved, over the data system. A summary of the results of our work are at **Figure 8**.

#### Figure 8

A summary of the results of our validation exercise

Score	Meaning	Indicators we reviewed
4	The indicator's data system is fit for purpose.	Indicator 8: Percentage of service personnel that are deployable (Impact).
3	The indicator's data system is fit for purpose but some improvements could be made.	Indicator 7: Number of service and MoD civilian personnel deployed on all operations in a year (Impact).  Indicator 9: Number of force elements showing critical or serious weakness against the total number of force elements for Strategy of Defence priorities (Impact).
2	The indicator's data system has some weaknesses which the Department is addressing.	
1	The indicator's data system has weaknesses which the Department must address.	Indicator 4: Cost of major Force Elements: ship, brigade, aircraft (fixed wing) and helicopter (Input).
0	No system has been established to measure performance against indicator.	Indicator 13: Cost to benefit ratio of the most critical programmes within the Defence Transformation Portfolio that have first business case approval (Other Key Data). <sup>1</sup>

#### Note

<sup>1</sup> The Department decided to drop this indicator during 2012-13, and hence has not sought to collect data.

Source: National Audit Office

**2.24** We also reviewed how the Department's indicators are linked to the priorities set out in its Business Plan. We noted that several indicators did not provide the best insight into the Department's progress against Structural Reform Priorities. The Department could consider developing a better range of measures. In particular, we noted that there were no longer any specific metrics to measure the success of Defence Transformation, following the removal of the sole indicator in this area (Indicator 13, see Figure 8). The House of Commons Defence Committee, in its report on the MoD Annual Report and Accounts 2011-12 (HC 828), also recommended that the Department review its performance reporting to identify more useful information to put before Parliament and the public.

### Reporting to the board

**2.25** We examined the overall coverage of information reported to the Defence Board. The board receives Quarterly Performance and Risk Reports which are based on nine strategic objectives. We noted that while the data reported for the Business Plan Indicators (BPI) are among many sources on which judgements for some strategic objectives are based, the BPIs themselves are not used as the framework for reporting, nor are they explicitly reported to the board. The Department's view is that the BPIs are not intended to capture all of the information required by the board, and that aggregation of information is necessary to enable sensitive information to be placed in the public domain. Since the fieldwork was undertaken for our report, the Department has introduced monthly reporting to the Defence Board. While this does not cover the BPIs specifically, the Department sees it as a further improvement in the quality and frequency of management information seen by the Defence Board.

### NAO work in progress

**2.26 Transforming Defence** – Improving performance through a portfolio of transformation programmes is crucial to the Department increasing the value for money it delivers in future years. The effect of transformation is a key theme of the NAO's audit work on Defence. We will be focusing our attention on the strategic risks to transformation, including the introduction of new delivery models for DE&S and other areas of the Department's business.

**2.27 Equipment Plan 2013–2023** – This report will set out our conclusions on the Equipment Plan 2013 – 2023 and will include an analysis of the accuracy of forecast costs made for 2012-13. This will be the NAO's second review of the Equipment Plan.

**2.28 Major Projects Report 2012-13** – This report will cover 16 of the largest Defence projects (based on total forecast cost over a ten-year period). Of these, the main investment decision has been taken on 11 and we will report on these in detail. The remainder are in either their assessment or concept phases and we will consider these at a high level. The report will include a case study on the Complex Weapons programme, which will examine the Department's approach to pipeline funding and portfolio management.

# Appendix One

## The Department's sponsored bodies at 1 April 2013

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### Executive non-departmental public bodies (NDPBs)

National Museum of the Royal Navy

National Army Museum

Royal Air Force Museum

### Advisory NDPBs

Advisory Committee on Conscientious Objectors

Advisory Group on Military Medicine

Armed Forces Pay Review Body

Central Advisory Committee on Pensions and Compensation

Defence Nuclear Safety Committee

Defence Scientific Advisory Council

National Employer Advisory Board

Nuclear Research Advisory Council

Review Board for Government Contracts

Science Advisory Committee on the Medical Implications of Less Lethal Weapons

Veterans Advisory and Pensions Committees

### Other bodies

ABF The Soldiers' Charity<sup>29</sup>

Council of Reserve Forces and Cadet Associations

Independent Monitoring Board for the Military Corrective Training Centre, Colchester

Royal Hospital, Chelsea

Commonwealth War Graves Commission

### Agencies operating as Trading Funds

Defence Support Group

Defence Science and Technology Laboratory

UK Hydrographic Office

### Note

1 Service Children's Education ceased to be an Executive Agency with effect from 31 March 2013. This was previously an Agency funded through the Ministry of Defence Top Level Budget, but at the year-end 2012-13 was listed as an On Vote Agency.

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<sup>29</sup> ABF The Soldiers' Charity was reclassified from the public sector to the Non-Profit Institutions Serving Households sector by the Office for National Statistics with effect from March 2013. The charity will therefore not be included in the Department's accounting boundary from 2013-14.

# Appendix Two

## Results of the Civil Service People Survey 2012

	Civil Service overall	Department for Business, Innovation & Skills
<b>Question scores (% strongly agree or agree)</b>		
<b>Leadership and managing change</b>		
I feel that the department as a whole is managed well	43	39
Senior civil servants in the Department are sufficiently visible	48	51
I believe the actions of senior civil servants are consistent with the Department's values	42	40
I believe that the departmental board has a clear vision for the future of the Department	40	41
Overall, I have confidence in the decisions made by the Department's senior civil servants	39	37
I feel that change is managed well in the Department	29	26
When changes are made in the Department they are usually for the better	25	19
The Department keeps me informed about matters that affect me	56	59
I have the opportunity to contribute my views before decisions are made that affect me	36	31
I think it is safe to challenge the way things are done in the Department	40	37
<b>Organisational objectives and purpose</b>		
I have a clear understanding of the Department's purpose	84	81
I have a clear understanding of the Department's objectives	79	74
I understand how my work contributes to the Department's objectives	82	79

### Note

1 The score for a question is the percentage of respondents who strongly agree or agree to that question.

Source: Civil Service people survey 2012, available at [www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2012](http://www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2012), accessed 28 August 2013

Cabinet Office	Department for Communities and Local Government	Department for Culture, Media & Sport	Ministry of Defence	Department for Education	Department of Energy & Climate Change	Department for Environment, Food & Rural Affairs	Foreign & Commonwealth Office	Department of Health (excluding agencies)	HM Revenue & Customs	HM Treasury	Home Office	Department for International Development	Ministry of Justice	Department for Transport	Department for Work & Pensions
38	31	23	19	39	39	29	56	31	21	62	39	63	48	43	29
47	45	37	26	46	64	42	59	47	33	71	48	71	56	59	30
40	33	23	24	39	47	34	55	39	27	59	40	62	47	47	29
29	31	29	22	31	27	22	54	24	24	47	28	64	37	35	30
40	30	18	16	35	42	29	50	33	19	57	35	58	43	39	23
28	22	19	11	27	27	19	42	18	17	49	23	44	34	27	24
22	14	12	9	17	25	14	36	14	14	35	18	32	29	19	20
57	54	56	41	55	67	56	62	49	40	72	60	69	61	63	46
34	32	32	20	37	39	31	42	30	20	48	33	50	37	35	23
41	29	32	30	36	43	37	45	31	29	54	38	44	41	43	33
73	67	64	80	83	87	74	83	68	75	86	84	94	79	80	79
63	63	62	72	77	84	70	80	62	72	80	80	92	73	74	77
73	72	70	76	80	86	75	84	69	75	82	81	91	77	79	78

## Appendix Three

### Publications by the NAO on the Department since January 2013

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<b>Publication date</b>	<b>Report title</b>	<b>HC number</b>	<b>Parliamentary Session</b>
9 August 2013	Ministry of Defence Data Assurance 2012-13	N/A	2013-14
16 July 2013	Report of the Comptroller and Auditor General on the 2012-13 Accounts of the Ministry of Defence	HC 30	2013-14
10 May 2013	Carrier Strike: the 2012 reversion decision	HC 63	2013-14
31 January 2013	Ministry of Defence: Equipment Plan 2012–2022	HC 886	2012-13

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# Appendix Four

## Cross-government reports of relevance to the Department

Publication date	Report title	HC number	Parliamentary session
17 July 2013	Certificate and Report of the Comptroller and Auditor General: Whole of Government Accounts 2011-12	HC 531	2013-14
21 June 2013	Confidentiality clauses and special payments	HC 130	2013-14
13 June 2013	Financial Management in government	HC 131	2013-14
27 February 2013	Improving government procurement	HC 996	2012-13
12 February 2013	The UK cyber security strategy: Landscape Review	HC 890	2012-13
31 October 2012	Certificate and Report of the Comptroller and Auditor General: Whole of Government Accounts 2010-11	HC 687	2012-13
25 September 2012	A snapshot of the use of Agile delivery in central government	<a href="http://www.nao.org.uk/publications/1213/use_of_agile_delivery.aspx">www.nao.org.uk/publications/1213/use_of_agile_delivery.aspx</a>	
20 June 2012	The effectiveness of internal audit in central government	HC 23	2012-13
2 May 2012	Assurance for major projects	HC 1698	2010-2012
20 March 2012	The Government Procurement Card	HC 1828	2010-2012
15 March 2012	Managing early departures in central government	HC 1795	2010-2012
2 February 2012	Cost reduction in central government: summary of progress	HC 1788	2010-2012
29 November 2011	Certificate and Report of the Comptroller and Auditor General: Whole of Government Accounts 2009-10	HC 1601	2010-2012
13 July 2011	Identifying and meeting central government's skills requirements	HC 1276	2010-11
14 October 2010	Central government's use of consultants and interims	HC 488	2010-11
19 July 2010	Progress with VFM savings and lessons for cost reduction programmes	HC 291	2010-11
6 November 2009	Commercial skills for complex government projects	HC 962	2008-09
16 October 2009	Government Cash Management	HC 546	2008-09
29 April 2009	Addressing the environmental impacts of government procurement	HC 420	2008-09
26 March 2009	Innovation across central government	HC 12	2008-09
13 February 2009	Recruiting civil servants efficiently	HC 134	2008-09
5 February 2009	Assessment of the Capability Review Programme	HC 123	2008-09
20 February 2008	Managing financial resources to deliver better public services	HC 240	2007-08

# Where to find out more

The National Audit Office website is  
[www.nao.org.uk](http://www.nao.org.uk)

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