



# HM TREASURY

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Dear Accounting Officer

## NAO REPORTS

**This letter reminds Accounting Officers, and those supporting them, of the importance of agreeing the text of value for money reports prepared by the National Audit Office (NAO).**

2. Most hearings of the Public Accounts Committee (PAC) examine NAO reports on the economy, efficiency or effectiveness of particular areas of government business. One or several departments, non-departmental public bodies (NDPBs) or other government organisations may be involved in any particular study. Generally the issue under discussion is whether good value has been achieved for deployment of public money.

3. In the course of their enquiry hearings, the PAC will take it for granted that the text of the NAO report has been agreed with all the public sector organisations involved unless specific reservations are made. It is not sufficient just to agree conclusions or general descriptions. This approach is helpful to the PAC since it means they can work from a clear evidence base.

4. In recent PAC hearings, some witnesses seem not to have been aware of this convention. It is important that all the organisations involved, especially those whose witnesses appear at the hearing, have agreed the relevant part(s) of the text. In particular, departments should contact their spending teams about any discussion of probity or ethics in the use of public funds. Because Parliament looks to the Treasury to respect its interest in this area, the Treasury should be aware of any such issues that may arise.<sup>1</sup>

5. It is not good practice for the need for agreement to be left for discussion until late in the process. It should if possible be settled by the time that finance directors check near final texts before publication.

6. If there are queries about this letter, please contact David Barton on 020 7270 5365 or at [david.barton@hm-treasury.x.gsi.gov.uk](mailto:david.barton@hm-treasury.x.gsi.gov.uk).

*Yours sincerely,  
Paula Diggle*

Paula Diggle  
Treasury Officer of Accounts

<sup>1</sup> See also [paragraph 2.35 of Scrutiny of Public Expenditure](#) on HM Treasury's website.

