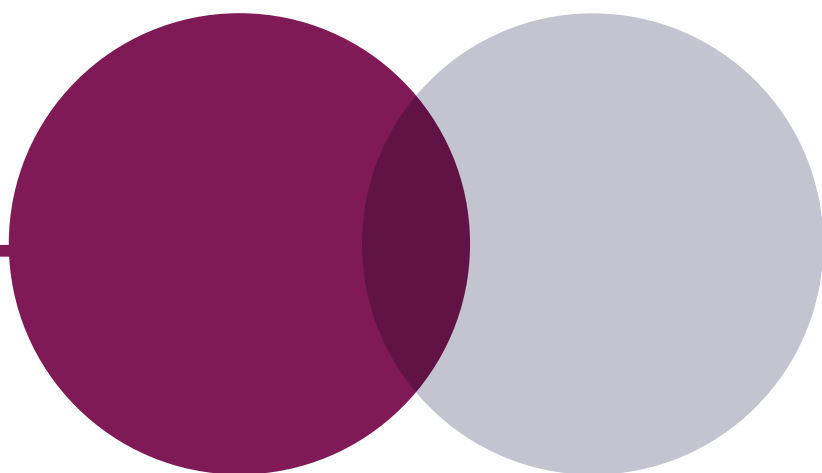




National Audit Office




National Audit Office Whistleblowing Annual Report

1 April 2020 to 31 March 2021

REPORT

by the
National Audit Office

SEPTEMBER 2021



**We are the UK's
independent
public spending
watchdog.**

**We support Parliament
in holding government
to account and we
help improve public
services through our
high-quality audits.**

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2020, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £926 million.

National Audit Office Whistleblowing Annual Report

This is our fourth annual report on whistleblowing disclosures we have received. The Comptroller and Auditor General (C&AG) who leads the National Audit Office (NAO) is a prescribed person listed in the Public Interest Disclosure (Prescribed Persons) Order 2014, to whom external persons can make disclosures relating to “the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services”.

The Public Interest Disclosure Act 1998 (the Act) created a right to redress in the event of being dismissed or subjected to a detriment by one’s employer, or other responsible third party, because of ‘whistleblowing’ (making a disclosure in the public interest).

The Act was introduced in response to the major corporate failures of the 1980s and 1990s, where workers had known of the dangers that led to disaster but were unwilling or unable to warn of them effectively.

The Act aims to help prevent such disasters and corporate malpractice in general by encouraging workers with relevant information to come forward responsibly. The Act seeks to achieve this by offering a right to redress in the event of victimisation or dismissal if workers raise their concerns in the ways specified in the legislation.

The Comptroller and Auditor General

The C&AG, who leads the NAO, scrutinises public spending for Parliament and is independent of government and the civil service. The NAO supports Parliament in holding government to account and helps improve public services through high-quality audits. Our other work comprises value-for-money studies, local audit, investigations, support to Parliament and international activities, and we regularly share insights on important cross-cutting issues. You can read more about the C&AG and the NAO on our [website](#) and in our [five-year strategy](#).

Role of the C&AG with reference to the Act

The Public Interest Disclosure (Prescribed Persons) Order 2014 prescribes the C&AG as someone to whom people can make a protected disclosure relating to “the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services”.

The whistleblowing legislation does not give the C&AG any additional powers nor does it require the C&AG to investigate every disclosure they receive; the decision whether to investigate is based on the matters raised and the C&AG’s remit and powers.

People must approach the correct prescribed person. If the C&AG does not appear to be the most appropriate person then whistleblowers can refer to the list published by the Department for Business, Energy & Industrial Strategy (BEIS): [list of prescribed persons](#). This list is based on the [Public Interest Disclosure \(Prescribed Persons\) Order 2014](#).

Correspondence at the NAO

Receiving, investigating and replying to correspondence is part of our core work. It is one of our direct contact points with members of Parliament and the public. It is a rich and invaluable source of information for our audit work. Correspondence gives us an opportunity to explain and inform people about our work. It also helps us focus our questions to public bodies to probe concerns of interest to the public, for example through the identification of issues that merit further investigation.

The C&AG and the NAO typically receive around 1,000 letters from the public and 100 letters from MPs each year telling us about their experiences or concerns with public bodies. The NAO’s objective when handling correspondence is to deliver timely, proportionate and high-quality responses; all correspondence received is logged so that those who communicate with us know that their concerns are taken seriously and handled appropriately.

Within the 1,000 items of correspondence we receive are concerns raised by workers about their employer. These whistleblowing disclosures are detailed in the table opposite.

Whistleblowing disclosures received from 1 April 2020 to 31 March 2021

In the period 1 April 2020 to 31 March 2021 inclusive the C&AG received 33 whistleblowing disclosures.

Response to disclosures	Number of disclosures	Summary of the action taken
Work performed by the National Audit Office	21	In these cases, we investigated the concerns as part of our audit work or as a specific enquiry.
Referred to alternative body	7	In these cases, we referred the disclosure to other bodies that were better placed to investigate the concerns; these bodies included the relevant government department, the Information Commissioner's Office, Action Fraud and the Equality and Human Rights Commission.
Referred to local auditor	5	In these cases, we referred the disclosure to the local auditor for the relevant local authority. The local auditor is a prescribed person where concerns relate to a local authority.

Examples of the type of work we carried out

We have not included any information in these examples which could lead to the identification of a whistleblower or the subject of the whistleblowing, or compromise the confidentiality of an ongoing investigation.

- Example 1:** We received concerns from a whistleblower regarding a non-departmental public body (NDPB)'s management of a third-party contract. We contacted the NDPB and its sponsoring department to obtain more information. While we found no evidence of fraud or misrepresentation, we raised issues of compliance with regulations within the NDPB. This resulted in the department and NDPB implementing corrective actions and training for staff to improve their controls.

This is an example of how information provided by whistleblowers can help to identify areas that may require greater scrutiny and helps government bodies to take action to prevent breach of regulations.

- **Example 2:** We received a single contact from an anonymous whistleblower who raised concerns about a NDPB's compliance with spending controls. We raised these concerns with the relevant audit team, who investigated the concerns as part of our annual financial audit and found instances where the required approvals had not been sought. This allowed us to investigate the scale of the issue and analyse the risk within our audit.

This demonstrates how we can use our programmed audit work to investigate effectively and efficiently and improve the quality of our audits, while at the same time protecting the identity of the whistleblower.

- **Example 3:** We were copied into a whistleblowing correspondence sent to a government department about the oversight of one of its arm's-length bodies. While this was not sent directly to us, we reviewed the matters raised by the correspondent. We concluded that we should make our own enquiries as the issues raised were relevant across the department's oversight of all its arm's-length bodies. We spoke with the correspondent before meeting with the department to understand its oversight arrangements of arm's-length bodies. The department recognised the issues raised by the correspondent and we were content that its response to the issues raised was appropriate.

This is an example of the importance of reviewing all whistleblowing correspondence we receive, regardless of whether it is sent to us directly, as it can provide valuable information to inform our work.

- **Example 4:** We received correspondence from an anonymous source raising concerns over the quality of information technology in a government department. When we investigated this, we found no issues directly related to the concerns that the whistleblower had raised. However, our investigations did identify potential for wider value-for-money concerns in the area and as a result we are planning to undertake additional targeted work in this area.

This demonstrates how insights provided by whistleblowers can provide additional lines of enquiry, which are fed into our continuous planning process, enabling us to investigate issues as they arise and so protect value for money.

Learning from disclosures

The NAO can carry out examinations into the economy, efficiency and effectiveness with which government departments and many other public sector bodies have used their resources.

We use the experience of people to inform our audits and take the issues raised with us into account as we conduct and plan our programme of work. The disclosures made to us provide insight into areas we may want to investigate and aid the C&AG's ability to perform his functions.

You will have read in our examples how the insight gained from whistleblowers enables us to target our audit work and make focused enquiries of government departments to not only investigate concerns but further our understanding of departmental procedures. This work can also lead to departments learning where they need to make improvements to their processes.

Throughout the past year we have developed our correspondence and whistleblowing functions. We now have a cohort of experts embedded within each of our groups to support all staff when they handle whistleblowing correspondence. We are using this group to help draw together and share common themes and knowledge and improve our internal reporting.