

Presented pursuant to Acts 29 and 30 Vict., c.39, s.22, and 11 and 12 Geo. 5, c.52, ss.4 and 6

Appropriation Account 2000–2001

**Class XVIII, B
National Audit Office**

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 18 JULY 2001

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**Class XVIII, B –
National Audit Office**

Class XVIII, B:

Page	No of Vote	Service	Estimated Gross Expenditure	Authorised Appropriations in Aid	Supply Grant
4	1	National Audit Office	£000 55,300	£000 10,600	£000 44,700
Total			55,300	10,600	44,700

National Audit Office

Gross Expenditure	Appropriations in Aid Realised	Net Expenditure	Gross Expenditure compared with Estimate: Saving or (Excess)	Surplus of Appropriations in Aid	Amount to be Surrendered	Extra Receipts Payable to Consolidated Fund	No. of Vote
£000	£000	£000	£000	£000	£000	£000	
55,026	10,600	44,426	274	334		—	1
55,026	10,600	44,426	274	334	274	—	
Total amount to be surrendered					274		
Actual total amount to be surrendered						<u>£274,331.83</u>	

National Audit Office

Summary of Outturn, and the **Account** of the sum expended, in the year ended 31 March 2001, compared with the sum granted, for expenditure of the National Audit Office.

Summary of Outturn

Section	Estimated			Actual		
	Gross Expenditure	Appropriations in Aid	Net Expenditure	Gross Expenditure	Appropriations in Aid	Net Expenditure
	£000	£000	£000	£000	£000	£000
National Audit Office						
A	<u>55,300</u>	<u>10,600</u>	<u>44,700</u>	<u>55,026</u>	<u>10,934</u>	<u>44,092*</u>

*This figure is £334,000 less than the net total of expenditure on the Appropriation Account, being the difference between the Appropriations in Aid realised (£10,934,000) and those authorised to be applied (£10,600,000).

Account

Service	Grant	Expenditure	Expenditure compared with Grant	
			Less than granted	More than granted
National Audit Office: administration	£000	£000	£000	£000
A2 Direct expenditure: other current	53,900	53,686	214	—
A3 Direct expenditure: capital	1,400	1,340	60	—
Gross Total	55,300	55,026	274	—
<i>Deduct</i>	Estimated	Realised	Surplus of Gross Estimate	
	£000	£000	Over Expenditure	
AZ Appropriations in Aid	10,600	10,600	<u>274</u>	
Net Total	44,700	44,426	Surplus	
			<u>274</u>	

Actual surplus to be surrendered

£274,331.83

Explanatory Notes on Expenditure and Receipts

1. Expenditure Items

Section A: National Audit Office [£55,026,000]

	Current £000	Capital £000
Human resources	41,493	—
Other running costs	12,193	—
Capital expenditure	—	1,340
	<u>53,686</u>	<u>1,340</u>

2. Receipts

2a. Details of Receipts

	Estimated £000	Realised £000
Receipts payable to the Consolidated Fund:		
(a) Receipts of classes authorised to be used as Appropriations in Aid	<u>10,600</u>	<u>10,934</u>
Gross Total	10,600	<u>10,934</u>
Appropriated in Aid		<u>10,600</u>
Net Total		<u>334</u>
Actual sums payable separately to the Consolidated Fund		<u>£333,559.01</u>

3. Other Notes

In line with Estimates, expenditure including contracted out services is included gross of VAT.

John Bourn
Accounting Officer

4 July 2001

Statement of Accounting Officer's responsibilities with respect to the Appropriation Account

Section 22 of the Exchequer and Audit Departments Act 1866 requires the National Audit Office to prepare an account of the appropriation of the supply granted for that Office in each year's Appropriation Act. Under the National Audit Act 1983 the Public Accounts Commission have appointed the Comptroller and Auditor General to be responsible as Accounting Officer for the Vote. The account is prepared on a cash basis and in a form prescribed by the Treasury for government departments and must properly present the expenditure and receipts of the National Audit Office in the financial year.

The relevant responsibilities of the Comptroller and Auditor General as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, and for the keeping of proper records, are set out in the Accounting Officer's Memorandum issued by the Public Accounts Commission.

Statement on the System of Internal Financial Control

This statement is given in respect of the appropriation account for Class XVIII, B, Vote 1. As Accounting Officer for this Vote, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed by the Public Accounts Commission;
- setting targets to measure financial and other performance;
- regular reviews by the Principal Finance Officer and the Senior Management Board of reports which indicate financial and other performance;
- clearly defined capital investment control guidelines.

The National Audit Office has an internal audit service, which operates to standards defined in the Government Internal Audit Manual. The work of the internal audit service is informed by an analysis of the risk to which the National Audit Office is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the National Audit Office's Audit Committee and approved by me. At least annually, the Head of Internal Audit (HIA) provides me with a report on internal audit activity in the National Audit Office. The report includes the HIA's independent opinion on the adequacy and effectiveness of the National Audit Office's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

Implementation of the Turnbull Report

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with the Treasury's requirements for a statement on internal control to be prepared for the year ended 31 March 2002, in accordance with DAO (GEN) 13/2000.

Audit Certificate and Report to the House of Commons

We certify that we have audited the financial statements on pages 4 to 6 under the Exchequer and Audit Departments Act 1921 and the National Audit Act 1983.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 7 the Accounting Officer is responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the statement on the system of internal financial control on page 8. Our responsibilities as independent auditors, are established by statute and guided by the United Kingdom Auditing Standards.

We report our opinion as to whether the appropriation account properly presents the expenditure and receipts of Class XVIII, B, Vote 1, and whether in all material respects the expenditure and receipts have been applied to the purposes intended by Parliament and conform to the authorities which govern them. We also report if, in our opinion, proper accounting records have not been kept, or if we have not received all the information and explanations we require for our audit.

We review whether the statement on page 8 reflects compliance with Treasury's guidance "Corporate governance: statement on the system of internal financial control." We report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the judgements made by the Accounting Officer in the preparation of the financial statements.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and receipts have been applied to the purposes intended by Parliament and conform to the authorities which govern them. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the appropriation account properly presents the expenditure and receipts of Class XVIII, B, Vote 1 for the year ended 31 March 2001;
- in all material respects the expenditure and receipts have been applied to the purposes intended by Parliament and conform to the authorities which govern them.

RSM Robson Rhodes
Chartered Accountants and Registered Auditors

186 City Road
London
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4 July 2001

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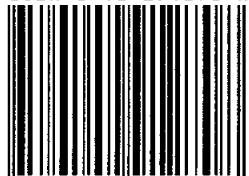
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