
National Audit Office

Supply Estimate

2002–2003

National Audit Office
Supply Estimate
2002–2003

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Introduction

This Estimate covers the administrative expenditure and non-cash costs incurred by the National Audit Office in providing independent assurance, information and advice to Parliament on the proper accounting for central government expenditure, revenue and assets, including compliance with laws and regulations, and on the economy, efficiency and effectiveness with which central government resources have been used. The National Audit Office also provides independent assurance, information and advice to a wide range of other public, international and overseas bodies.

The National Audit Office is an independent body reporting to Parliament. The National Audit Office's funding is provided through a Supply Estimate approved by the Public Accounts Commission of the House of Commons and is presented to Parliament at the same time as the Treasury's Main Estimate.

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.

The resource-based Supply arrangements; the relationship between Supply Estimates and the administrative control arrangements; and the way in which Parliament considers the Supply Estimates are described in detail in the **Central Government Supply Estimates 2002–03** booklet (HC 795) and the **Supplementary Budgetary Information Booklet**, which are published today. A summary of these details is included below.

The total net resource expenditure for which authority is sought in the National Audit Office Supply Estimate for 2002–03 is £51.629 million. This expenditure is also shown in the resource plans tables in the **Departmental Report of the Cabinet Office for 2002 (Cm 5429)**.

The total net forecast outturn for Supply expenditure on a resource basis in 2001–02 for the National Audit Office is about £48.75 million. The net resources sought by the National Audit Office through Supply for 2002–03 are about £2.9 million higher than the forecast outturn for 2001–02.

The National Audit Office is required under Section 4 of the National Audit Act 1983, as amended by the Government Resources and Accounts Act 2000 to present its Supply Estimate in resource terms. This fully reflects the resources required by the National Audit Office to undertake its activities in 2002–2003. In cash terms this equates to:

	2002–03	2001–02
Supply Estimate in cash terms	£ million	£ million
Gross total	62.5	58.4
Less Appropriations in Aid	12.5	10.8
Net total	<u>50.0</u>	<u>47.6</u>

Resource-based Supply arrangements

Under Section 4 of the National Audit Act 1983, as amended by the Government Resources and Accounts Act 2000, the National Audit Office is required to produce a resource-based Supply Estimate for 2002–03.

Structure The National Audit Office Supply Estimate for 2002–03 is accompanied by explanatory notes containing basic information intended to put the Estimate into context; including a general description of the expenditure involved; a statement of the Accounting Officer responsibilities for the Estimate; and an indication of any important features.

The core elements which consist of the sums and services to be voted in the resource-based Supply Estimate are produced in a standard format.

Part I Part I of the Estimate contains the net provision sought in resource and cash terms; a formal description of the services to be financed from the Estimate, known as its *Ambit*; details of who will account for the Estimate; and any amounts, resources and cash, which have already been allocated to it in the Vote on Account.

The resources required, appropriations in aid totals and the *Ambit* will be reproduced in the Appropriation Act and together provide the statutory authority for the expenditure.

Part II The first section of **Part II** of the Estimate provides a breakdown of the expenditure for which approval is sought.

The different types of expenditure and income within the Estimate are shown in the matrix at the top of page 5. Each of the columns numbered 1 to 10 is expressed in accruals terms. Columns 1 to 6 fall within the Resource Budget and show the components of the net resource requirement on an accruals basis. Column 1 shows direct expenditure by the National Audit Office within the resource accounting boundary. It includes amounts in respect of the current consumption of assets but does not include amounts associated with the acquisition of capital items

Appropriations in aid (income) within the Resource Budget are shown in column 5 and are subject to Parliamentary control. Appropriations in aid are deducted from the gross resource total shown in column 4 to give a net total amount (Column 6). This amount is also subject to Parliamentary control.

Columns 7 and 8 show the non-Resource Budget elements of the Estimate. Column 7 shows forecast capital expenditure on an accruals basis

Columns 9 and 10 show the net total resource figures for the two prior years.

The figures immediately below the matrix show the aggregate adjustment made to the net resource requirement to arrive at the net cash requirement. The adjustment is analysed in the reconciliation box. The net cash requirement represents the total cash required from the Consolidated Fund by the National Audit Office to carry out its functions and is also subject to Parliamentary control.

Part III **Part III** of the Estimate shows any extra receipts payable to the Consolidated Fund.

Other statements and notes The Resource Estimate is accompanied by a **Forecast Operating Cost Statement** and a **Reconciliation Table** showing the reconciliation of the Resource Estimate, to the Accounts and to Budgets. The Statements are accompanied by notes providing additional information to Parliament about the specific nature of the National Audit Office's plans.

Appropriations in Aid A Treasury Minute under the Government Resources and Accounts Act 2000 has today been laid before Parliament directing the use as appropriations in aid of such sums shown in the Estimate as would otherwise have been required to be surrendered to the Consolidated Fund. The source of all types of income to be appropriated in aid is explained in a Note to the Estimate (see page 9).

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Part 1	£
RfR 1: Providing independent assurance to Parliament and other organisations on the management of public resources	51,629,000
Net cash requirement	50,000,000

Amounts required in the year ending 31 March 2003 for expenditure by the National Audit Office on:

RfR 1: Providing independent assurance to Parliament and other organisations on the management of public resources

Administrative expenditure and associated non-cash items incurred in the provision of independent assurance, information and advice to Parliament on the proper accounting for central government expenditure revenue and assets, 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, information and advice to a wide range of other public, international, and overseas bodies.

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

	Net Total £	Allocated in Vote on Account (HC 394) £	Balance to Complete £
RfR1	51,629,000	21,937,000	29,692,000
Net Cash Requirement	50,000,000	21,420,000	28,580,000

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Part II: Subhead detail

	1	2	Resources		5	6	7	8	2001–2002	2000–2001
			3	4					9	10
	Admin £000	Other Current £000	Grants £000	Gross Total £000	AinA £000	Net Total £000	Capital £000	Non- operating AinA £000	Provision Net Total Resources £000	Outturn Net Total Resources £000
RfR 1: Providing independent assurance to Parliament and other organisations on the management of public resources	64,329	–	–	64,329	12,700	51,629	1,000	–	48,750	45,256
							£000		£000	£000
Resource to cash reconciliation:										
Net total resources						51,629			48,750	45,256
Voted capital items:										
Capital						1,000			1,000	1,314
							1,000		1,000	1,314
Accruals to cash adjustments:										
Capital charges						(1,454)			(1,400)	(1,166)
Depreciation						(1,150)			(800)	(497)
New provisions and adjustments						(1,000)			(1,211)	(749)
Increase(+)/decrease(–) in debtors						216			100	(492)
Increase(–)/decrease(+) in creditors						(236)			228	(288)
Use of provisions						995			933	724
Total accruals to cash adjustments							(2,629)		(2,150)	(2,468)
Net cash required							50,000		47,600	44,102

PART III: Extra Receipts payable to the Consolidated Fund

	2002–2003		2001–2002		2000–2001	
	Income £000	Receipts £000	Income £000	Receipts £000	Income £000	Receipts £000
Operating Income not classified as AinA	–	–	–	–	334	334
Non-operating Income not classified as AinA	–	–	–	–	–	–
Other income not classified as AinA	–	–	–	–	–	–

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Forecast Operating Cost Statement

for the year ending 31 March 2003

	Forecast 2002–2003		Forecast 2001–2002		Outturn 2000–2001	
	£000	£000	£000	£000	£000	£000
Administration Costs						
RfR 1						
Staff Costs	37,741		36,516		34,014	
Other Administration costs	<u>26,741</u>		<u>23,284</u>		<u>20,914</u>	
Gross Administration costs		64,482		59,800		54,928
Operating income		<u>(12,700)</u>		<u>(10,900)</u>		<u>(9,529)</u>
Net Administration costs		<u>51,782</u>		<u>48,900</u>		<u>45,399</u>
Net Operating Cost		<u>51,782</u>		<u>48,900</u>		<u>45,399</u>
Net Resource Outturn		<u>51,629</u>		<u>48,750</u>		<u>45,256</u>
Resource Budget Outturn		<u>51,629</u>		<u>48,750</u>		<u>45,256</u>

National Audit Officer

Explanation of Accounting Officer Responsibilities

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 National Audit Office with responsibility for preparing the National Audit Office's Estimate.

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.

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Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2002-2003 Forecast £000	2001-2002 Forecast £000	2000-2001 Outturn £00
Net Operating Cost	51,782	48,900	45,391
less Consolidated Fund standing services	153	150	142
Net Resource Outturn	51,629	48,750	45,256
Resource Budget Outturn	51,629	48,750	45,256

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Appropriations in Aid

Detail	£000s					
	2002–2003 Provision		2001–2002 Provision		2000–2001 Outturn	
	AinA	Non-op. AinA	AinA	Non-op. AinA	AinA	Non-op. AinA
RfR1: Providing independent assurance to Parliament and other organisations on the management of public resources						
*Appropriations in Aid	12,700	—	10,900	—	9,529	—

*Amount that may be applied as appropriations in aid in addition to net total, arising from income for audit services, provision of services to the Auditor General for Wales and other organisations, including international and overseas bodies, conferences, training courses and programmes, disposal of assets, compensatory payments and rebates from third parties.

National Audit Office

Explanatory Notes

Comparison of provision sought for 2002–03 with provision for 2001–02

The net provision sought for 2002–03 is 5.9 per cent higher than the net provision for 2001–02 of £48,750,000.

Cash which may be retained to offset expenditure

Cash which may be retained by the Office to offset expenditure in the year due to its relationship with income which has been or will be appropriated in aid for:

2002–2003 Provision £000	2001–2002 Provision £000	2000–2001 Outturn £000
12,500	10,800	10,600

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