



REPORT

Accountability in small government bodies

Cross-government

REPORT
by the Comptroller
and Auditor General

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NAO report: Accountability in small government bodies

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User and Preparer Advisory Group meeting
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Report background

In response to concerns raised by small bodies about the proportionality of the requirements placed upon them, we published a factual report to:

- provide a landscape view of the requirements set out by central government for small public bodies;
- explore the experiences of central government, departments and smaller bodies to identify the benefits and challenges of compliance with requirements; and
- make recommendations to help the government achieve more meaningful and proportionate accountability and compliance with requirements.

This report considers how a proportionate approach to compliance with requirements can improve efficiency and effectiveness, whilst delivering accountability across small central government bodies.

Report scope

For this study, we defined central government or Parliamentary bodies that spent up to £30 million in 2022-23 or had up to 50 full-time equivalent (FTE) employees on 31 March 2023 as small.

There were at least 48 such organisations in 2022-23 (excluding companies, charities, funds and devolved administrations bodies, which were out of our study scope).

Key findings (1)

Small central government bodies are largely subject to the same requirements as larger ones, unlike UK companies and charities and smaller government bodies in countries such as New Zealand and Portugal.

Key findings (2)

The number and complexity of the disclosures required has increased in recent years, and longer more complex ARAs and updates to the auditing standards have increased the scale and cost of external audits.

Key findings (3)

Smaller bodies told us that the preparation and audit of their annual reports and accounts can be time-consuming and, while this can also be the case in larger departments, it has a greater impact on small bodies as their resources are often more constrained.

HM Treasury should:

- explore issuing streamlined reporting and disclosure requirements for annual reports and accounts, to be applied to organisations with simple operations and low risk; and
- work with departments to develop a consistent approach to deciding which organisations may be eligible for a small body reporting regime.



National Audit Office

The report is available at
<https://www.nao.org.uk/reports/accountability-in-small-government-bodies/>

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