



National Audit Office

The UK's independent public spending
watchdog

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AUDITS ON MOD PROJECTS IN SAUDI ARABIA SINCE 2007

Thank you for your letter of 26 March 2024 in which you have asked for the following:

“1. Confirmation that the NAO will undertake and publish an investigation into MOD bank accounts and contracting arrangements relating to Saudi Arabia from 2007, and the risks of corruption in those arrangements, in accordance with the investigation proposal set out above.

2. A full account of the NAO's audits on MOD projects in Saudi Arabia since 2007, including but not limited to the projects summarised in our enclosed briefing. Please include dates, project names, and the scope and outcome of each audit.”

Firstly, perhaps it would be helpful to clarify the role and responsibilities of the National Audit Office (NAO). The NAO is independent of government and reports the results of its work to Parliament. We have two main audit functions. The first is the audit of the annual accounts of government departments and other public bodies. The second is to carry out examinations into the economy, efficiency and effectiveness with which government departments and other public bodies have used their resources.

The Comptroller and Auditor General (C&AG) has complete discretion in the choice of examinations he chooses to undertake, subject to having regard to the views of Parliament's Public Accounts Committee. In conducting such examinations, the NAO is statutorily prohibited from questioning the merits of government policy and we do not have the power to impose any recommendations on government.

Turning to part 1 of your request. Following the recent conclusion of a number of legal cases, we are considering the need for additional audit work on MoD contracting arrangements. If we decide to move ahead, we will update the [work in progress](#) page on our website with details as appropriate.

We have treated your request at point 2 above as a request under the Freedom of Information Act 2000. I can confirm that we have conducted a thorough search of our records and have not identified information within the scope of your request. The following points are relevant when reflecting on this outcome:

- MOD projects in Saudi Arabia – in the context of our audit of the MoD's annual resource accounts, our work does not extend to examining individual transactions passing through bank accounts relating to Saudi Arabian projects. This is because such transactions are not accounted for within the Department's annual accounts as they constitute expenditure of Saudi Arabian funds rather than spend by the Department itself. Consequently, MoD's resource accounts only disclose the amount

held in relevant bank accounts at the financial year-end, together with a corresponding liability to Saudi Arabia. We obtain external confirmations about these year-end bank balances to confirm the accuracy of the amounts disclosed.

- retention periods – we operate retention periods and dispose of information we hold in accordance with these. Information relating to financial audits and statutory examinations is retained for six years unless there is a particular reason to continue to hold specific documents.

Annex B sets out the steps you may wish to take if you are not satisfied with the way we have handled your request for information under FOIA.

I hope the above is helpful and thank you again for taking the time to contact the NAO.

Yours sincerely,

Director

Annex B

Statement of Policy

Our policy is to respond to requests made under the Freedom of Information Act 2000 as helpfully and promptly as possible, having regard to the principles set out in the Act. I therefore hope you are happy with the way we have handled your request. If you are not, then you should take the following steps.

In the first instance, within 40 working days, write to the National Audit Office Freedom of Information (FOI) Team at FOI@nao.org.uk or by post to:

FOI Team, Green 2, National Audit Office, 157-197 Buckingham Palace Road, London, SW1W 9SP

The FOI & Correspondence Manager will arrange a review, which will be conducted by a senior member of staff who was not involved in decisions relating to your original request. Once the review has been completed, we will write informing you of the outcome.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The primary way of escalating your concerns to the Information Commissioner is at: <https://ico.org.uk/foicomplaints>

Alternatively, you can contact the ICO at <https://ico.org.uk/> or Information Commissioner's Office Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF.