



National Audit Office

Board Minutes

Meeting held on 21 April 2026 from 10:00 to 12:00

157-197 Buckingham Palace Road, London SW1W 9SP

Board members		
Dame Fiona Reynolds	FR	Chair
Gaenor Bagley	GB	Non-Executive Member
Alistair Conner	AC	Non-Executive Member
Sir Martin Donnelly	MD	Non-Executive Member
Hetan Shah	HS	Non-Executive Member
Gareth Davies	GD	Comptroller and Auditor General
Catherine Hope-MacLellan	CHM	Chief People Officer
Rebecca Sheeran	RS	Chief Operating Officer
Max Tse	MT	Executive Director Value for Money Service Line
Attendees		
Abdool Kara	AK	Executive Director Local Services
Kate Mathers	KM	Executive Director of Financial Audit
Verity Prime	VP	Executive Director Infrastructure (job share)
Adrian Jenner	AJ	Director Parliamentary Relations (item 4)
Hannah McNicholl	HMcN	Director External Communications (item 4)
Sadeep Shah	SS	Senior Communications Manager (item 4)
Sadie Smith	SS	Parliamentary Relations Manager (item 4)
Nigel Terrington	NT	Director Strategy
Angus Waugh	AW	Director Digital Services (item 4)
Helene Morpeth	HM	Head of Governance and Risk

1. Welcome / regular items

Welcome

- 1.1 Dame Fiona Reynolds (FR), NAO Chair, opened the meeting and welcomed members and attendees. She thanked colleagues for agreeing to start earlier than planned to allow herself, Gareth Davies and Rebecca Sheeran to attend the Public Accounts Commission evidence session on the NAO's 2026-27 Estimate later that day. She also thanked members for providing comments on the outline 2025–26 corporate reports by correspondence, given the shortened meeting.

Apologies for absence

1.2 There were no apologies for absence.

Declarations of interest

1.3 There were no changes or additions to declarations of interest.

Approval of minutes

1.4 The Board approved the minutes of the meeting held on 28 January 2026 as an accurate record.

Action log

1.5 The Board reviewed the six actions on the log. They agreed to close three completed actions, noted that one action was on track for delivery by its due date and that two actions were partially completed or yet to be implemented.

2. C&AG update / horizon scanning

2.1 The C&AG (GD) updated the Board on recent strategic and operational matters. The Board's discussion covered, among other matters:

- accountability for small government bodies and related engagement with HM Treasury
- progress on the financial audit certification target with delivery supported by stronger operational oversight and planning than in the prior year
- expected external inspection scores for selected financial audits

2.2 FR invited further items of strategic interest. The Board discussed the ongoing publicly reported issues affecting the civil service including scrutiny of capability, accountability and the relationship between ministers and officials.

3. Strategic discussion

Transition to the next NAO Chair

3.1 Helene Morpeth (HM) presented the proposed arrangements for the transition between Chairs, from the public announcement of the incoming Chair to their full induction. The aim is to maintain continuity of governance, clear leadership and accountability during the transition while enabling the incoming Chair to be effective from day one. The arrangements mirror those used for FR's transition in 2020.

3.2 HM noted that the transition plans include recognising and celebrating the contribution and legacy of Dame Fiona Reynolds, Gaenor Bagley (GB) and Sir Martin Donnelly (MD). Rebecca Sheeran (RS) would act as Senior Responsible Owner for the transition, supported by HM.

3.3 The Board endorsed the proposed arrangements and priorities. They agreed that engagement with the incoming Chair should be phased, with a focus on:

- successor appointments for the upcoming non-executive vacancies
- early familiarisation with the organisation without undermining leadership authority

3.4 The Board supported plans for:

- initial meetings with non-executive and executive members (expected late spring / early summer)
- observation of a future Board meeting
- a consolidated induction programme for the Chair and the two new non-executives in the new year

Skills and experience for upcoming Board vacancies

3.5 HM introduced a paper setting out the skills and experience that would be lost following the departures of FR, GB and MD and invited the Board to consider implications for the upcoming future appointments. This includes behaviours and attributes, alongside diversity of background.

3.6 The Board agreed that the recruitment should focus on the collective strategic capability of the Board rather than individual, standalone skill sets. They identified the following mix of skills and experience as important:

- senior Whitehall leadership / cross-government policy delivery
- senior audit, risk and assurance expertise demonstrated in the context of leadership of a regulated practice
- understanding of organisational culture, behaviours and leadership
- experience of leading and overseeing organisational transformation

3.7 The Board also emphasised the importance of:

- maintaining an appropriate gender balance
- diversity of background, geography and professional experience
- Board cohesion and open style avoiding unnecessary disruption while encouraging constructive challenge

3.8 The Board agreed that the incoming Chair's input would be essential before finalising the role specification. HM confirmed next steps including progressing the head-hunter procurement with a view to launching the campaign in early autumn.

3.9 The Board also commented that the upcoming campaign should be open to exploring candidates who may be interested in serving a single term to improve the overall sequencing of appointments to the Board.

- 3.10 GB noted the importance of coordinating and taking into account the independent external appointments to AQB and ARAC, as part of the broader non-executive succession planning, to ensure overall balance of skills.

Action: HM to progress next steps taking account of the Board's advice.

4. Substantial operational matters

Digital change: how technology is shaping our audits

- 4.1 RS presented a paper summarising progress the Office has made on digital in the first year of the strategy including proposed next steps to harness technology effectively to transform and modernise the way we work. She added that to deliver the step change required we are establishing a single accountable executive level role to provide strategic leadership for digital, data and AI. Kate Mathers (KM) and Max Tse (MT) set out the vision and operational plans for the respective service lines.
- 4.2 The Board welcomed the NAO's "fast follower" approach, balancing opportunity and risk. Discussion highlighted:
- the accelerating pace and uncertainty of technological change
 - the critical role of data governance as an enabler for all AI activity
 - the need for strong AI governance, cyber security and regulatory alignment including with expectations from the Financial Reporting Council (the latter's guidance shared by KM during the meeting)
- 4.3 The Board supported:
- recruiting a senior digital leader
 - developing a clear, iterative AI strategy
 - continued investment in staff capability and training rather than reliance on external expertise
- 4.4 The Board stressed the importance of individual accountability, professional judgement and quality safeguards when using AI tools. They noted that AI must support, not undermine, the obligation to provide truthful, trustworthy and transparent outputs particularly where it informs decisions, advice or public reporting. And that AI should be seen as a way of enhancing the quality and impact of what we do as well as a means of achieving efficiencies. The Board agreed to remain closely engaged as this work develops.

Strategic feedback programme: findings and actions

- 4.5 Hannah McNicholl and Adrian Jenner presented the latest audited body and Parliamentary survey results, including new questions on perceptions of our performance against strategic ambitions. These scores would act as a baseline for future improvement.

4.6 Overall indicators remained strong with high familiarity and favourability. Areas for further focus included:

- demonstrating impact at organisational and local levels
- tailoring engagement for different stakeholder groups
- strengthening Parliamentary engagement particularly with newer MPs and their staff
- segmentation within groups, recognising that one size does not fit all

4.7 The non-executives supported the proposed actions, including ongoing engagement with ARAC chairs, financial literacy training for MPs and providing locally relevant data for MPs.

Performance and risk updates to end February 2026

4.8 The Board reviewed the summary of emerging impact against our strategic ambitions and commented that we are beginning to see positive traction noting that the amber rating reflected we are still early in the five-year strategy.

4.9 The Board noted that the principal risk relating to quality had moved to target since the Board last reviewed the risk register. The Executive Team would consider, at their upcoming monthly management meeting, whether the information security risk could be brought within tolerance taking into account the strengthened control framework vs the external threat environment. The non-executives emphasised the importance of recognising the impact of improved controls in reducing the probability of the risk while remaining vigilant given the evolving risk landscape.

4.10 The Board also noted the office attendance report.

5. Updates from governance committees

Audit & Risk Assurance Committee (ARAC)

5.1 GB summarised the ARAC meeting held on 3 March. Key items included:

- early engagement in the external audit cycle with no issues arising from the interim audit
- satisfactory internal audit outcomes with no major outstanding recommendations
- approval of the 2026-27 internal audit plan
- consideration of options for the external audit contract
- proposed clarifying changes to ARAC's terms of reference requiring Board approval

Remuneration & Nominations Committee (RemCo)

5.2 MD summarised the RemCo meeting held on 16 March. The Committee:

- considered Board succession planning
- reviewed Peakon survey results and progress on trainee engagement
- agreed with the C&AG's assessment of the Executive Team's positive impact in 2025-26
- approved the C&AG's recommendation on executive director pay for 2026-27

- proposed clarifying updates to RemCo's terms of reference requiring Board approval

5.3 The Board approved the updated terms of reference for ARAC and RemCo and noted the respective minutes.

Audit Quality Board (AQB)

5.4 GB referred to the minutes of the AQB meeting held on 3 March. Key points noted were:

- continued improvement in audit quality and AQB oversight
- confirmation that the System of Quality Management was effective in 2025
- endorsement of the direction of travel for the draft 2026-27 Quality First Plan including its greater focus on culture and behaviours
- assurance on emerging risks including use of AI in financial audit

Future Foundations Board

5.5 GD summarised the Future Foundations Board meeting held in February. The Board's discussion covered:

- findings from the Discovery Phase which has identified the most valuable pathways to decarbonise the London office, balancing carbon reduction, value for money and long-term resilience with indicative costs
- identification of improvement pathways relevant to the building which align future investment with regulatory standards and income generating requirements

5.6 The Board supported the direction of travel and emphasis on long-term stewardship.

Appointment of executive directors to the Board

5.7 The Board noted that the non-executives had approved the C&AG's recommendation to appoint Catherine Hope-McLellan, Rebecca Sheeran and Verity Prime and Laura Lucking (the latter in their job-sharing role) as executive directors for 2026-27.

Newcastle Board visit

5.8 The Board noted the outline programme for the forthcoming visit to the Newcastle office.

6. Conclusion

6.1 There was no other business.

Feedback on the meeting

6.2 FR invited feedback. Members commented positively on the quality and depth of the discussions particularly on digital and AI.

Date of next meeting

6.3 The Board noted that the next meeting would take place on 12 June 2026 in Newcastle.