

The Board
28 January 2016

Minutes

Present

Members

Michael Bichard	MB	Chair - Non-Executive Member
Amyas Morse	AM	Comptroller and Auditor General (C&AG)
Sally Howes	SHo	Executive Leader
Joanne Shaw	JS	Non-executive Member
Ray Shostak	RSh	Non-executive Member
Stephen Smith	SS	Executive Leader (observer)
Robert Sykes	RSy	Non-executive Member
Michael Whitehouse	MW	Chief Operating Officer

Apologies

Sue Higgins	SHi	Executive Leader
John Thorpe	JT	Executive Leader (observer)
Adrian Jenner	AJ	Director, Parliamentary Relations (Item 1)

Attendees

Ruth Brutnall	RB	Head of Governance
Hafsa Khan	HK	Board and Leadership Team Secretary
Mark Allen	MA	Head of Legal and Policy (Item 8)
Tim Valentine	TV	Head of Finance (Item 6)
Tim Wright	TW	Director, Business Improvement Programme (Item 7)

The Minutes record the business of the Board in Agenda order.

Item 1

Good Governance: Minutes, Matters Arising and the C&AG's report

Welcome & apologies for absence

- 1.1 Michael Bichard (MB) welcomed members to the meeting. Apologies had been received from Sue Higgins (SH) and John Thorpe (JT). The Board noted that it was Ruth Brutnall's (RB) last board meeting, and congratulated her on her new role as Head of Corporate Governance at a local Clinical Commissioning Group. They were grateful for all of her hard work and support to both the Board, and the NAO as a whole.

Declarations of Interest

- 1.2 There were none.

Minutes of meetings and action points

- 1.3 The Board approved the minutes of the meeting held on 24 November 2015 subject to a minor amendment in paragraph 10.1, and agreed their publication on the NAO website.
- 1.4 The Board agreed the deletion of those marked as complete. Joanne Shaw (JS) queried whether further action was required of the VFM development plan. Michael Whitehouse (MW) agreed to share this with the Board via email (now tabled for discussion at the March Board Meeting).

C&AG's Update

- 1.5 The C&AG (AM) presented his written report to the Board. He reported that he had been managing the NAO's relationships well with the government departments and ministerial boards. He mentioned that it was important to maintain relationships with our key external stakeholders. AM informed the Board on a staffing issue relating to a conflict of interest by an NAO director.

Update Parliamentary Update

- 1.6 AM reported Adrian Jenner's (AJ) apologies and presented a brief, verbal update of the NAO's work with Parliament. AM noted that there had been good press coverage for the Chair of the Public Accounts Committee, Meg Hillier.

Matters arising

- 1.7 There were none.

Item 2

Appointment of Board Secretary

- 2.1 The Board appointed Hafsa Khan as Board Secretary. She will also serve as secretary to the Leadership Team, and the Remuneration and Nominations Committee.

Item 3

The Public Accounts Commission visit to BPR

- 3.1 The Board received the briefing for the visit from members of the Public Accounts Commission's (TPAC) to the NAO London office on 3 February.

Item 4

Risk Management: Developing the management and reporting framework

- 4.1 The Board agreed that the paper should be further considered by the Audit Committee before returning to the Board for its approval at their next meeting in March.

Item 5

NAO Strategy

- 5.1 The Board discussed the development of the NAO strategy. It was agreed that, as proposed by the C&AG, to develop a medium term framework reflecting a range of possible external scenarios with a clear focus on NAO's future capability requirements. The framework would be an evidenced based (drawing on external data and influence where available) internal document to inform the annual strategy submission to TPAC. The framework would be developed involving the Futures Group and draw on cluster insight. The first Board Strategy day to begin the development of the framework is on 22 April. In advance of this, MW would present a draft outline for the day at the March Board meeting for discussion and agreement.
- 5.2 The Board agreed a clear distinction between audit judgement and strategic judgement. JS emphasised the importance of systematic data capture and analysis. This will inform scenarios and discussions, and how to maximise the NAO's external impact.

Item 6

NAO Estimate 2016-17

- 6.1 The Board approved the NAO Estimate for 2016-17 for submission to Parliament at the TPAC estimate hearing in March. The Board also congratulated Tim Valentine (TV) in his new role as Financial Controller.

Item 7

Business Improvement Programme: Update on Procurement

- 7.1 AM introduced the paper to update the Board on the progress of the Business Improvement Programme (BIP). AM praised Sally Howes (SHo), Tim Wright (TW) and business users on their work with BIP and in negotiating such a competitive deal.
- 7.2 The Board discussed this paper in detail:
- SHo provided assurance and that this represented the right contract and represented a significant reduction in the list price.
 - SHo, TW and business users will continue to test the programme to ensure that it suits business needs so that the NAO does not have to commission extra services.
 - The Board sought further clarification for the proposed budget on the next phase. TW reported that the next phase will have a cash cost of £400K.
 - The Board discussed the benefits and risks to the proposed approach and implementation of the programme. SHo provided assurance to the Board that the proposed approach minimised the risks and assured the Board that these will be managed effectively. She also confirmed that Data Protection issues had been addressed.
 - The Board highlighted the need for consistency and clarity in the way the programme is presented. Any future changes will need to be subject to Board discussion and agreement.
- 7.3 The Board approved the £400k budget and will reconsider the business case at the Board meeting in April, when they will consider approval for the next phase of work.

Item 8

Business and Risk Reporting

- 8.1 Mark Allen (MA) presented the monthly business and risk reports. Performance on the correspondence target had improved and it is important that this is maintained. The financial impacts target is now likely to be met subject to audit. All NAO business targets were likely to be achieved.
- 8.2 The Board discussed how good practice and operational management was being developed in the clusters and across the organisation. Good practice within the office should be more shared, and the Leadership Team had a key role in ensuring this.
- 8.3 The Board received the risk register.

Item 9

Board Programme 2016

- 9.1 RB presented the Board Programme for 2016. The Board received and agreed the programme as presented. Other areas that may be added to the programme would be a discussion on impact, and engaging our stakeholders.

Item 10

Code of Conduct and Register of Members of Interests

- 10.1 The Board approved the 2016 Code of Conduct subject to an amendment that the Chair and the C&AG are the joint arbiters of matters relating to the non-executive members of the Board.
- 10.2 JS raised the question of why contractors had not been asked to sign a declaration form. MW agreed to make this a requirement.
- 10.3 The Board received the register of interests. All board members were asked to provide amendments to the Board Secretary following the discussion.

Date and time of next meeting

17 March 14:30

Hafsa Khan

January 2016