



National Audit Office

The Board
8th Meeting
14 May 2010

Minutes

Present

Members

Andrew Likierman	AL	Chair - Non-Executive Member
Ruth Evans	RE	Non-Executive Member
Mary Keegan	MK	Non-Executive Member
Richard Fleck	RF	Non-Executive Member
Paula Hay-Plumb	PHP	Non-executive Member
Amyas Morse	AM	Comptroller and Auditor General (C&AG)
Michael Whitehouse	MW	Chief Operating Officer
Ed Humpherson	EH	Assistant Auditor General

Attendees

Victoria Keilthy	VK	Head of Governance (Board Secretary)
Jim Rickleton	JR	Director General Finance and Commerce (Item 6)
Barry Lester	BL	Head of Media (Item 6)

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

Item 1

Apologies for Absence

- 1.1 Apologies were received from Gaby Cohen.

Item 2

Declarations of Interest

- 2.1 There were none.

Item 3

Minutes of Meetings, Action Points, Matters Arising and C&AG's update

- 3.1 The **Minutes** of the meeting held on 23 March 2010 were approved. Progress on **Action Points** was noted; the Board agreed the deletion of recommended items.

Matters arising

- 3.3 There were none.

Update from C&AG

- 3.4 AM updated the Board on:
- Planned actions following the general election which include contact with members of the new Government and presentation of our Overview Reports to Select Committees once members have been appointed. The C&AG agreed to provide a sample of Overview Reports to non-executive members for information.
Action: Laura Brackwell, Provision of Overview Reports(BM/3.4/05.10a/LB)
 - AM's openness to proposals from the Government for new work for the NAO, although activities which inhibit his independence and ability to report to Parliament would not be taken on.
 - The value of two 'immersion days' AM had recently spent with senior NHS staff.
 - The upcoming team building day for the Leadership Team, and AM's recent series of meetings with NAO Directors.

- The 16th meeting of the INTOSAI Working Group on Privatisation, Economic Regulation and Public-Private Partnerships, hosted by the NAO.

Item 4

Appointments

- 4.1 The Board approved the appointment of Paula Hay-Plumb as a member of both the Audit Committee and the Remuneration Committee.
- 4.2 The Board approved the appointment of Vikki Keilthy as Board secretary.

Item 5

Business Plan

- 5.1 The Board received the final Business Plan and noted its development was a significant step in the management of the business.
- 5.2 Members recognised that the Business Plan will develop over time and agreed to discuss it again at the Board meeting on 23 November 2010.

Action: Vikki Keilthy, Business plan on November agenda (BM/5.2/05.10a/VK)

Item 6

Annual report

- 6.1 Members described the draft annual report as clear, crisp and succinct and one of the best annual reports they had seen. They noted that:
- Financial impacts, referred to in the C&AG's foreword, require some explanation for the uninitiated reader;
 - There are some gaps in examples of achievements reported on pages 8-11;
 - The Board self-assessment exercise (item 7 below) should be referred to;
 - The annual report and the Overview Reports for Select Committees should be checked for consistency with each other.

Members agreed to pass further minor detailed drafting comments by close of play on Monday 17 May directly to Barry Lester.

Action: Barry Lester, Board comments on annual report (BM/6.1/05.10a/BL)

Item 7

Board self-assessment

- 7.1 The Chairman reported a number of elements from his discussions with individual Board members about the operation of the Board. Board members welcomed the self-assessment exercise and noted the challenges in establishing, from scratch, what is an unconventional Board. AM remarked on the value of the positive and supportive relationship he enjoyed with the Board.
- 7.2 The Board agreed that further work was required to ensure members have a shared understanding of:
- The role of the Board;
 - Who the users of NAO reports are;
 - The Board's objectives, in order to determine the degree of Board success.

The non-executive members asked to receive more information and briefing about the operational side of the business in order to better inform their Board contributions. They also expressed a desire to increase their visibility across the business. The latter will be discussed at the next meeting on 25 May.

Action: Vikki Keilthy Identify and meet information/briefing needs of non-executives (BM/7.2/05.10a/VK)

Action: Andrew Likierman Develop draft board objectives (BM/7.2/05.10a/AL)

- 7.3 The Board agreed that it would complete its discussion on the self-assessment process at a later Board meeting.

Item 8

Any other business

- 8.1 The following business was raised:
- The Financial Reporting Council's new corporate governance code will recommend that all Board members' appointments are reconsidered annually. NAO will need to make TPAC aware of this change as it contrasts with the appointments of NAO non-executive board members which are currently for a three-year period.

Action: Gaby Cohen, Inform TPAC of FRC guidance on appointments (BM/8.1/05.10a/GC)

- A list of meeting dates for 2010 and 2011 was circulated to members. All dates are now agreed with the exception of the Board and Audit Committee meetings on 1 March 2011.
- Members said they would like to continue meeting in the new room: Blue Mezzanine 7.

Victoria Keilthy

Head of Governance

17 May 2010

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Chairman