

Board Minutes

Meeting held on 2 March 2020 from 12:00 to 14:00
157-197 Buckingham Palace Road, London SW1W 9SP

Members		
Michael Bichard	MB	Chair, Non-Executive Member
Clare Tickell	CT	Non-Executive Member
Gareth Davies	C&AG	Comptroller and Auditor General (C&AG)
Janet Eilbeck	JE	Non-Executive Member
Rob Sykes	RSy	Non-Executive Member
Ray Shostak	RShk	Non-Executive Member
Daniel Lambauer	DL	Executive Director
Max Tse	MT	Executive Director
Stephen Smith	SM	Executive Director
Attendees		
Kate Mathers	KM	Executive Director
Abdool Kara	AK	Executive Director
Elaine Lewis	EL	Executive Director
Rebecca Sheeran	RS	Executive Director
Nigel Terrington	NT	Director Strategy & Performance
Chloe Forbes	CF	Head of Strategy & Corporate Affairs
Jonny Mood	JM	Director Strategy & Innovation
Tim Valentine	TV	Director Finance
Helene Morpeth	HM	Head of Governance and Risk

Transactional Business

Welcome and Apologies for absence

- 1.1 Michael Bichard (MB) welcomed members and attendees to this additional meeting of the Board and reported the main purpose of the meeting was to approve the five-year NAO strategy ahead of submission of the document to the Public Accounts Commission (TPAC).
- 1.2 MB reported apologies for absence had been received from Stephen Smith. Rob Sykes attended the meeting via conference call.

Declaration of Interests

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

Minutes of the last meeting

- 1.4 The Board approved the minutes of the meeting held on 23 January 2020 including their publication on the NAO's external website subject to a minor amendment to the minute on the staff survey results. The Board approved the note of the strategy meeting held on 16 January 2020.

Matters arising

- 1.5 The Board noted the TPAC strategy hearing would take place on 24 March 2020.
- 1.6 The Board noted the campaign for the next NAO Chair had been launched on 10 February 2020 and closing dates for applications would be on 8 March 2020.
- 1.7 The Board noted that the Chair was in the process of completing his feed-back discussion with the non-executive and executive members.

Action Log

- 1.8 The Board noted the log contained nine actions of which three had been completed and six were in hand for completion by their respective due dates. The Board agreed the deletion of the completed actions from the log.

C&AG update

- 1.9 Gareth Davies (GD) provided a brief verbal update of key events and NAO publications since the Board meeting in January. The C&AG reported the Committee of Public Accounts had been constituted following the general election and contained a good mixture of members.

Strategic insight

5-year NAO strategy

- 2.1 Gareth Davies (GD) set the scene for the Board's consideration of the 5- year strategy by reporting that the delay to the TPAC evidence session timetable (following the general election) had enabled completion of the 5-year strategy in time for TPAC's rescheduled evidence session on 24 March. Effectively this meant the 2020-21 strategy document approved by the Board at its meeting in October 2019 had been superseded by events. He invited the Board to consider two papers: the strategy document the NAO would submit to TPAC and a separate strategy document, in slide format, that NAO would publish for external stakeholders. Both documents were aligned, but the TPAC document was prepared specifically for Parliament using the traditional parliamentary template.
- 2.2 Michael Bichard (MB) invited general comments ahead of detailed consideration of the strategy document, page by page. In terms of general feed-back, the Board felt the document read well and provided a good exposition of the strategy. In discussing the detail, the consensus to emerge from the discussion was that:
 - the section on the 'purpose' of the NAO should be bolder and more detailed;
 - the document should emphasise the NAO's ambition to attract high calibre people;
 - justification for the additional investment needed to be more persuasive and focussed on the outcomes the additional expenditure would achieve;
 - there should be stronger emphasis on the efficiency gains the NAO would continue to achieve; and
 - the impact NAO intended to achieve through its knowledge work needed to be more detailed and explicit.
- 2.3 The Board provided several additional drafting changes which were noted.
- 2.4 MB thanked the Board for their constructive comments and challenge. It was agreed an updated version of the document would be circulated to the Board in the coming days, for their approval by written procedure.

Action 1: Strategy team to circulate an updated strategy document to the Board, for Board sign off by week ending 6 March 2020.

Operational insight

Organisational Development Plan

- 3.1 Gareth Davies tabled a paper on the Organisational Development Plan (ODP) setting out the proposed new structure and culture to enable the delivery of the 5-year strategy. He reported the intention was to launch the new group structure on 1 April 2020 with system changes introduced in September following the audit peak. It was agreed the Board would discuss the ODP in more detail at its next meeting.

Action 2: Board to discuss ODP at its meeting on 26 March. In advance of this, Helene Morpeth to circulate the slide pack on the ODP to the non-executives.

Update on NAO's international work

- 3.2 Tim Valentine (TV) updated the Board on NAO's international work including details of a proposed MoU with DFID for 3 years from 1 April 2020. He reported that the MoU, if agreed by the Board, would enable the NAO to deliver the agreed level of technical cooperation work as set out in the 5- year strategy in a way which ensured the NAO was aligned to UK overseas interests, and in a partnership that allowed the office to better control the timing of when and where the work took place thereby minimizing any impact on NAO domestic priorities. He reported the main risk was around the fact that DFID was a body audited by the NAO and there were ethical considerations. The views of the ethics team in the Practice and Quality team had been sought and they have advised that any arrangement entered with DFID would need to be undertaken on an arm's length basis and that the value of such business should not be material to either party.
- 3.3 The Board agreed the proposed MoU on the basis it provided an efficient and effective way of delivering the international strategy and considered the proposed safeguards against any potential breach of ethical standards to be robust.

NAO Corporate Seal

- 4.1 In line with the protocol on the use of the NAO seal, the Board noted the NAO seal had been applied to the lease to sub-let office space in zone Blue 3.

Any other business

- 5.1 Daniel Lambauer (DL) provided a verbal update on contingency planning in light of the outbreak of Covid-19. He reported that a dedicated page had been set up on the NAO's intranet detailing NAO's response on the ongoing situation informed by government advice. The intranet also set out the contingency measures the office was taking to support NAO staff and the wider organisation. He added the office had a robust business continuity plan which would be enacted as and when the government's advice changed.

Date of the next meeting

- 6.1 The Board noted the next meeting would take place on 26 March 2020.