



National Audit Office

NAO Board Minutes
Meeting held on 30 July 2020 from 14:00 to 16:30
via digital platform

Members		
Michael Bichard	MB	Chair
Janet Eilbeck	JE	Non-Executive Member
Ray Shostak	RSh	Non-Executive Member
Rob Skyes	RS	Non-Executive Member
Dame Clare Tickell	CT	Non-Executive Member
Gareth Davies	C&AG	Comptroller and Auditor General (C&AG)
Daniel Lambauer	DL	Executive Director, Strategy and Operations
Rebecca Sheeran	RS	Executive Director responsible for Value for Money service line
Kate Mathers	KM	Executive Director responsible for Financial Audit service line
Rebecca Sheeran	RS	Executive Director responsible for Value for Money service line
Attendees		
Abdool Kara	AK	Executive Director responsible for People
Elaine Lewis	EL	Executive Director responsible for Financial Audit Quality Assurance
Max Tse	MT	Executive Director responsible for Knowledge
George Crockford	GC	Head of Reporting (item 4.1)
Chloe Forbes	CF	Head of Strategy and Corporate Affairs
Catherine Hepburn	CH	Director (item 3.2)
Adrian Jenner	AJ	Director Parliamentary Relations (items 1.8)
Tania Khan	TK	Deputy Head of Procurement (item 3.2)
Sade Philips	SP	Head of Finance and Procurement (item 3.2)
Helen Smith	HS	Contractor (item 3.2)
Tim Valentine	TV	Director Finance (items 3.2 and 4.1)
Angus Waugh	AW	Director Digital Services (item 3.1)
Helene Morpeth	HM	Head of Governance and Risk

Transactional Business

Welcome

- 1.1 Michael Bichard (MB) welcomed members and attendees to the meeting. He congratulated the C&AG and the management team on the remarkable performance achieved by the NAO both internally and externally since March despite the government restrictions as demonstrated by increased marks in the pulse surveys, number of certifications to date and delivery of key outputs from the work programme.

Apologies for absence

- 1.2 There were no apologies for absence to report.

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 9 June 2020 as an accurate record including their publication on the NAO's external website.

Matters arising

- 1.5 The Board noted the approval of the motion in Parliament on 1 July 2020 to appoint Dame Fiona Reynolds as the next Chair from 10 January 2021. The Board noted that the NAO Annual Report and Accounts was laid in Parliament on 22 June 2020 and published on NAO's external website on 23 June 2020. Furthermore, the Board noted the publication on the NAO's external website of the following publications: 2019-20 Diversity & Inclusion Annual Report on 30 July; and 2019-20 Transparency Report on 30 July.

Action Log

- 1.6 The Board noted there were twelve actions on the log of which five were complete and they agreed their deletion from the log. The Board noted the remaining actions were in hand for completion by their due dates.

General (C&AG) Update

- 1.7 The Board received the C&AG's update since the meeting held on 9 June. The C&AG reported on the Covid 19 (internal impact) noting there had been a welcome increase in staff completion of the pulse survey driven by varying survey questions. In the light of the recent government guidance views from colleagues on their preferred working patterns are being sought both from short- and longer-term perspectives. The offices in BPR and Newcastle have been open since early June to staff who are unable to work safely and/ or productively from home. From 10th July the option of working in the office will be extended to anyone who would prefer this option subject to the reduced capacity necessitating from social distancing. The future working project is considering how we can develop new working arrangements that support quality, impact, personal development, diversity and inclusion, team working efficiency and sustainability.
- 1.8 Despite the pandemic the NAO has continued to deliver a substantial programme of work with certifications to date of 159 accounts including attendance at twelve virtual public and private Committee of Public Accounts (PAC) evidence sessions. In addition we have published 13 new reports since the last Board meeting. Thanks to continued effective use of social media and short videos produced in-house the press office has done an excellent job securing strong coverage of important reports despite the overwhelming media focus on Covid-19.

Update on latest developments with PAC and Parliament

- 1.9 Adrian Janner provided a verbal update on the latest developments relating to the PAC. From 7th September 2020, the Committee will be going back to running two evidence sessions per week.

People

Gender pay gap

- 2.1 The Board received Abdool Kara's (AK) paper on narrowing the Gender Pay Gap. A short discussion took place. The Board noted a range of measures have been implemented through the Organisational Development Plan (ODP) relating to gender diversity in recruitment and the progression of women to senior roles.

Staff survey

- 2.2 Daniel Lambauer (DL) presented a paper proposing improvements to how the office measures employee engagement by moving to a year-round monitoring approach rather than an annual survey. Since 2010 the NAO has conducted an annual survey closely mirrored to that of the Civil Service People survey. The NAO would now like to move to a more flexible approach to measure engagement and progress against the ODP which will enable more granular data and better benchmarking. The Board endorsed the proposed new approach.

Finance and Natural Resources

Digital Plan 2020 – 2022

- 3.1 The Board received the revised digital plan 2020 including the external validation of the plan and considered the points raised. DL reported the updated version of the plan reflects the new NAO strategy and ODP and incorporates the revised priorities following Covid-19, including remote working. A short discussion took place. The Board asked for assurance on how Cyber Security was being dealt with and how management intended to take forward the recommendations in the external validation report. It was agreed the plan would return to the Board later in the financial year with a further iteration.

Action: The Board to receive a further iteration of the digital plan later in the financial year incorporating enhanced cyber security arrangements and follow up from external validation of the plan

Framework for contract approval

- 3.2 DL presented a new contract framework setting out new thresholds and processes for tender initiation and contract governance to be implemented across the office. Informed by the new framework the Board:
- i. approved the strategic outline business case for the Audit Transformation Programme (ATP).
 - ii. approved the procurement of the legal services tender to secure the provision of ongoing legal services from 1 April 2021.
- 3.3 The Board received and noted the outcome of the following tenders:
- iii. the HR tender contract recommendation report following the Board's approval of the tender at its meeting on 26 March 2020.
 - iv. the procurement of professional support for the ATP following the Board's endorsement of the ATP approach in November 2019.

Good Governance

Balanced scorecard and risk register

- 4.1 The Board received and noted the follow up paper on the approach to the balanced scorecard including the balanced scorecard results to end June. DL thanked the Board for their input noting

that the scorecard is still a work in progress document. Further work is required with mapping out the strategic framework to track all relevant metrics. The C&GA noted the scorecard was going in the right direction and would take time to completely align to the new set of strategic objectives. Further targeted communications are planned later in the year to explain how the scorecard works to the various teams.

4.2 The Board received the risk register to end of June.

NED succession planning/next Chair induction arrangements

5.1 Helene Morpeth (HM) provided an update on the new Chair's transition and induction plan which would build on the successful induction framework provided to the C&AG in 2019. The Board noted the plan commenting they would support the new Chair in her transition in any way they could. The plan will be delivered in a three phased approach to recognise the constraints of the in-coming Chair's capacity in the first six months in post given her full time role as Master of Emmanuel College till July 2021. It was noted that the Dame Fiona would attend an introductory evidence session with the Public Accounts Commission on 1st December 2020.

5.2 HM gave an update on the NED succession campaign in light of the two vacancies on the Board from 1 January 2021 including the tendering for an executive search firm to assist the selection panel.

Board Forward Programme

6.1 The Board received the outline Board programme for 2020-21 and noted there will be a need to reschedule current meetings in the diary for 29 October and 26 November due to changes in PAC evidence sessions and Dame Fiona's diary commitments from January 2021.

6.2 The Board endorsed the agenda for the Board strategy day on 8th September. The Board noted that Zoom would be a better application to use for this meeting. The agenda would be amended slightly to allow additional breaks to take into account the virtual meeting set up.

Any other Business

Feed-back

7.1 The Board provided excellent feed-back on the informative lunch time briefing on the ATP. It was agreed that whenever possible papers covering plans and project reviews with large attachments should be sent as early as possible in advance of the next meeting date.

Date and time of next meeting

7.2 The Board noted the strategy day would take place on 8 September. The Board noted the next formal business meeting would take place in October (date to be confirmed due to change of PAC evidence sessions).