

# **BUDGET RESPONSIBILITY AND NATIONAL AUDIT ACT 2011**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS AND SCHEDULES**

#### **Part 2: National Audit**

#### **Comptroller and Auditor General**

#### ***Section 13: Remuneration arrangements***

58. This section provides for the determination of the C&AG's remuneration arrangements.
59. *Subsection (1)* provides that the C&AG's remuneration arrangements are to be made in advance of appointment by the Prime Minister and the Public Accounts Committee chair.
60. *Subsections (2)* and *(3)* provide that the C&AG will have remuneration arrangements that may include an annual salary, allowances, provision for a pension and other benefits.
61. By virtue of *subsection (4)*, the C&AG will continue to be eligible for a pension under the Principal Civil Service Pension Scheme. Alternative pension agreements may also be agreed as part of the remuneration package. These provisions are simplified from the current arrangements under section 13 of the Superannuation Act 1972.
62. Together the powers in this section allow some flexibility over the terms and conditions which may be offered to the C&AG, to suit the requirements of different possible appointees. As happens for the Director of Public Prosecutions and the Director of the Serious Fraud Office, the Act does not specify the level of remuneration itself. The remuneration package may include arrangements for automatic uprating during the term of the C&AG's appointment, for example through a formula or a link to an established uprating mechanism. However, by *subsection (3)*, performance-based incentives are not permitted since they could constrain the operational independence of the C&AG.
63. *Subsection (5)* provides that the remuneration package will be charged on and paid out of the Consolidated Fund, as now, with no need for the resources to be voted annually by Parliament.
64. *Subsections (6)* and *(7)* allow the Treasury to make regulations to give supplementary effect to any agreed pension arrangements under this section by disapplying or modifying other statutory provisions. Such regulations are subject to annulment by the House of Commons (see *subsection (8)*). A similar power currently exists under section 13(10) of the Superannuation Act 1972.