

These notes refer to the Budget Responsibility and National Audit Act 2011 (c.4) which received Royal Assent on 22 March 2011

BUDGET RESPONSIBILITY AND NATIONAL AUDIT ACT 2011

EXPLANATORY NOTES

BACKGROUND AND SUMMARY

Part 2: National Audit

The Commission's Review

16. In July 2007, the Commission initiated a review of the corporate governance arrangements of the NAO to ensure that they conformed to best practice. The Commission's Report was published as HC 402 on 6 March 2008.¹
17. The Commission recommended that the NAO should remain the Government's auditor, independent of Government and answerable directly to Parliament through the Commission. Its audit reports, both financial and value for money, should continue to be laid in Parliament and the Committee of Public Accounts (PAC) would continue to hold scrutiny hearings on some of them. As chief executive of the NAO, the C&AG should continue to lead its audit work and to make professional judgements on its audit reports. However, the Commission said that the NAO should also have a board with a majority of non-executives, including a non-executive chair. The board would be charged with setting the strategic direction for the NAO and supporting the C&AG. The C&AG would have a fixed term of ten years instead of the current unlimited term. The Government accepted the Commission's recommendations, which it sought to implement through the Constitutional Reform and Governance Act (see above).

¹ The Public Accounts Commission 'Corporate Governance of the National Audit Office: Response to John Tiner's Review' 4 March 2008, HC402. Available at:

<http://www.publications.parliament.uk/pa/cm200708/cmselect/compacomm/402/402.pdf>