

BUDGET RESPONSIBILITY AND NATIONAL AUDIT ACT 2011

EXPLANATORY NOTES

BACKGROUND AND SUMMARY

Part 2: National Audit

The provisions of Part 2

18. **Part 2** of the Act therefore makes provision for the modernisation of the NAO's governance arrangements. It continues the office of C&AG as an independent officer of Parliament but limits the term of appointment to that office to ten years. It provides for the establishment of a new corporate body, the new NAO, whose functions will include providing resources for the C&AG's functions, monitoring the carrying out of those functions and approving the provision of certain services. The NAO will have a majority of non-executives and be led by a non-executive chair. The C&AG will be the NAO's chief executive but will not be an NAO employee. Within the new governance framework, the C&AG continues to have complete discretion in the carrying out of the C&AG's functions. Part 2 also confers legislative competence on the National Assembly for Wales to pass legislation concerning the governance arrangements of the Auditor General for Wales.
19. When the Commission met on 16 December 2008, it published the Government's draft clauses and (subject to a recommendation that the C&AG's pay should be linked to that of the Lord Chief Justice and that the employment restriction should last for five years) said it was content with the clauses.¹

1 Its recommendations are available at

http://www.parliament.uk/parliamentary_committees/public_accounts_commission/tpacfm161208.cfm