

BUDGET RESPONSIBILITY AND NATIONAL AUDIT ACT 2011

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

Schedule 2: National Audit Office

Part 4: Employee members

158. This Part of the Schedule provides for the appointment of the three employee members of the NAO and makes provision about terms of, and termination of, such appointments.
159. *Paragraph 12* provides that NAO employee members are to be appointed by NAO non-executive members, on a recommendation by the C&AG. When there is a vacancy for an employee member, the C&AG is to recommend a person for appointment to the non-executive members. The non-executive members may appoint that person or require the C&AG to recommend someone else. That process can be repeated until an appointment is made.
160. *Paragraph 13* provides that the terms of appointment for the employee members are set by the non-executive members. The terms may provide for an annual salary, allowances and other benefits, but not a new pension. Employee members will have the same pension entitlements as they had as NAO employees; so, for example, if they are members of the Principal Civil Service Pension Scheme they will remain eligible for a pension under that scheme.
161. *Paragraph 14* provides that an employee member's appointment shall terminate either at the end of any period set for the appointment, or in any case when the employee member ceases to be employed by the NAO.
162. *Paragraph 15* provides that an employee member may resign by giving written notice to the non-executive members.
163. *Paragraph 16* sets out the grounds on which the non-executive members may terminate the appointment of employee members of the NAO. They are the same as those on which the Commission can terminate the appointments of non-executive members under *paragraph 10(2)*.