

SCHEDULES

SCHEDULE 2

NATIONAL AUDIT OFFICE

PART 2

NON-EXECUTIVE MEMBERS

Member to chair NAO

- 3 (1) One of the persons who is a non-executive member of NAO is to chair it.
- (2) It is for Her Majesty by Letters Patent to appoint that person.
- (3) Her Majesty's power is exercisable on an address of the House of Commons.
- (4) It is for the Prime Minister to move the motion for the address.
- (5) To do so the Prime Minister must have the agreement of the person who chairs the Committee of Public Accounts.
- (6) Her Majesty may by Letters Patent extend an appointment under this paragraph on the recommendation of the Prime Minister.
- (7) To make a recommendation the Prime Minister must have the agreement of the person who chairs the Committee of Public Accounts.
- (8) An extension of an appointment counts as a separate appointment for the purposes of paragraphs 5 to 7.

Appointment of other non-executive members

- 4 (1) The other non-executive members are to be appointed by the Public Accounts Commission as follows.
- (2) If there is a vacancy, the person who chairs NAO must recommend a person to the Commission for appointment.
- (3) The Commission may—
- (a) appoint the person who has been so recommended, or
 - (b) require the person who chairs NAO to recommend another person (in which event this sub-paragraph applies again and so on until someone is appointed).

Period of appointment and re-appointment

- 5 (1) An appointment under this Part of this Schedule is to be for a period of no more than 3 years.

- (2) A person may not be appointed under this Part of this Schedule more than twice.

Remuneration arrangements

- 6 (1) The Prime Minister and the person who chairs the Committee of Public Accounts may jointly make remuneration arrangements in relation to the person who chairs NAO.
- (2) Amounts payable by virtue of sub-paragraph (1) are to be charged on, and paid out of, the Consolidated Fund.
- (3) The Public Accounts Commission may make remuneration arrangements in relation to any other non-executive member.
- (4) Amounts payable by virtue of sub-paragraph (3) are to be paid by NAO.
- (5) Remuneration arrangements under this paragraph—
- (a) may make provision for a salary, allowances and other benefits but not for a pension, and
 - (b) may include a formula or other mechanism for adjusting one or more of those elements from time to time.

Other terms of appointment

- 7 (1) The Public Accounts Commission may determine other terms for an appointment under this Part of this Schedule.
- (2) These terms may include restrictions on—
- (a) the offices or positions (including offices and positions to which persons may be appointed, or recommended for appointment, by or on behalf of the Crown) that the non-executive member may hold while, or after ceasing to be, a member, and
 - (b) the agreements or other arrangements (including agreements and arrangements with the Crown or bodies or other persons acting on behalf of the Crown) to which the non-executive member may be a party while, or after ceasing to be, a member.

Consultation

- 8 Before making any arrangements under paragraph 6 or a determination under paragraph 7, the Commission must consult any person with oversight of public appointments whom the Commission thinks it is appropriate to consult.

Termination of appointments

- 9 (1) The person who chairs NAO may resign by giving written notice to the Prime Minister.
- (2) Any other non-executive member may resign by giving written notice to the Public Accounts Commission.
- 10 (1) Her Majesty may terminate the appointment of the person who chairs NAO on an address of both Houses of Parliament.

Status: This is the original version (as it was originally enacted).

- (2) The Public Accounts Commission may terminate the appointment of any other non-executive member by giving the member written notice if—
- (a) the member has been absent from meetings of NAO without NAO's permission for a period of more than 3 months,
 - (b) the member has become bankrupt or has made an arrangement with creditors,
 - (c) the member's estate has been sequestrated in Scotland or the member has entered into a debt arrangement programme under Part 1 of the Debt Arrangement and Attachment (Scotland) Act 2002 ([asp 17](#)) as the debtor or has, under Scots law, made a composition or arrangement with, or granted a trust deed for, the member's creditors,
 - (d) the member is unfit to continue the appointment because of misconduct,
 - (e) the member has failed to comply with the terms of the appointment, or
 - (f) the member is otherwise unable, unfit or unwilling to carry out the member's functions.