

APPOINTMENT OF TWO NON-EXECUTIVE MEMBERS OF THE BOARD

APPOINTMENT BRIEF SEPTEMBER 2020

Dear Candidate,

Thank you for your interest in joining the Board of the National Audit Office (NAO) which I shall be leading from January 2021 in succession to Lord Michael Bichard.

We are looking to appoint two new members to join the Board from 1 January 2021. This is an extraordinarily interesting time to be part of NAO, the UK's public spending watchdog. Following the appointment of Gareth Davies as Comptroller and Auditor General (C&AG) in June 2019, the office and the Board embarked on a far-reaching strategic review which culminated in the publication of a new 5-year strategy in June 2020. The new 5-year strategy articulates how the NAO can best support Parliament in scrutinising government's performance and how the NAO will help improve public services through our high quality and independent audits.

Our strategy will respond to the government's public spending priorities and the value for money challenges it faces in responding to the Coronavirus pandemic; climate change; the UK's new relationships outside the EU; demographic pressures on public services; and ambitious infrastructure plans. The NAO plays a crucial part in providing oversight of government activity in all these areas and we occupy a uniquely important place in our Parliamentary democracy.

The NAO Board is jointly responsible with the C&AG for the development of the NAO strategy, our resource estimate and our Annual Report. We also have an important role to support and advise the C&AG in the discharge of his statutory responsibilities.

The NAO is firmly committed to improving the diversity of our people, and this ambition is just as relevant for our Board. We would particularly encourage and welcome applications from individuals from a wide range of backgrounds. The successful candidate will be appointed for a term of three years, renewable once.

The accompanying materials provide information on the role and the areas of expertise and experience that we are looking for.

Dame Fiona Reynolds
In-coming Chair of the National Audit Office
Chair of recruitment Panel

Role of the NAO

The National Audit Office (NAO) scrutinises public spending for Parliament. Our public audit perspective helps Parliament hold government to account and improve public services.

We audit the financial statements of all central government departments, agencies and other public bodies, and report the results to Parliament. Our other work comprises value-for-money studies, local audit, investigations, support to Parliament and international activities. We also share our cross-government insight through guides setting out good practice and the questions we ask when assessing value for money.

Our recommendations and reports help government improve public services. In 2019, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.1 billion.

How we work

The Comptroller and Auditor General (C&AG), Gareth Davies, leads the NAO and is an Officer of the House of Commons. He and the staff of the NAO (about 800 people) are independent of government. They are not civil servants and do not report to a minister.

The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively and with economy.

More information on the role of the NAO is available on our website

<https://www.nao.org.uk/about-us/>

Governance of the NAO

The NAO's governance arrangements are established under the Budget Responsibility and National Audit Act 2011. The Board has a majority of non-executive members and is an effective and established part of the NAO's governance arrangements. The term of office of the current Chair, Lord Michael Bichard, will come to an end on 9 January 2021, and he will be succeeded by Dame Fiona Reynolds from 10 January 2021.

The C&AG has sole responsibility for the NAO's statutory audit work, including all audit judgements. He is responsible for agreeing the programme of audit including all value for money studies and other reports. The Board does not play a role in the NAO's statutory audit work.

The role of the NAO Board is to provide effective support and challenge in improving the NAO's operations, providing additional rigour and discipline in decision making and bringing insight from the wider experience of the non-executives to inform and shape the strategic thinking of the NAO.

The Board is responsible for:

- Promoting the highest standards of governance in the management of the operations of the NAO.
- Agreeing the strategy and budget for the NAO with the C&AG.
- Preparing an annual report on the NAO's activities, jointly with the C&AG.
- Ensuring that the NAO functions effectively, creating an environment in which the C&AG can discharge his statutory responsibilities.

- Providing oversight of the NAO's use of resources, providing challenge and advice to the decision-making process.
- Recommending an external auditor for the NAO for approval by the Public Accounts Commission.
- Ensuring compliance with a Code of Practice dealing with the relationship between the C&AG and the NAO, jointly with the C&AG.

The non-executive members of the Board play an active role in ensuring that the NAO is an effective and efficient organisation. The non-executive members contribute to the Board's strategy development, corporate assurance and governance objectives.

Additional responsibilities of non-executives will include:

- being a member of committees of the Board;
- attending any other meetings as required by the Chair; and
- with the Chair and other non-executive members, appointing the three executive members of the Board on the recommendation of the C&AG.

Role description

Skills and experience

The Board is looking for two new non-executive members who have:

- Held a senior leadership position in a high performing organisation, acknowledged to be at the leading edge of its sector, whether public, private or non-profit.
- Worked effectively within or been closely exposed to a mixed executive/non-executive board or equivalent.
- Hold more than one skill set covering experience in financial management, change management, digital transformation, and delivery / project management.
- Proven ability to shape strategy, apply robust governance arrangements and monitor performance.
- Led change in complex organisations involving significant technology-enabled transformation.
- An understanding of the requirements relating to the use of public funds and the role of public audit in the UK.
- A keen interest in the working and ethics of Parliament, government and the public sector.

For one of the two positions, we are seeking proven senior experience of operating in central and or local government. For the other position, public sector experience is not essential but we would be particularly pleased to see evidence of experience in, or a commitment to develop political sensitivity and an ability to shape strategy in a political environment.

Personal qualities

Candidates should also have the following personal qualities:

- Commitment to the interests of citizens and users of public services.
- Client centred approach to providing services.
- Openness and the ability to build relationships of trust.
- Well-developed communication skills.
- Professionalism and the ability to work effectively in a team.
- Sound and mature judgement.
- Highest level of integrity, impartiality and credibility with the ability to inspire trust and command respect.
- A strategic thinker with an ability to make decisions of major importance with possible legal and financial consequences.
- Willingness to maintain appropriate knowledge of the NAO's business, products and key people.

Terms and Conditions

In line with the Budget Responsibility and National Audit Act 2011, NAO's non-executive members of the Board are appointed by the Public Accounts Commission (TPAC) following a recommendation by the NAO Chair. An appointment hearing with TPAC is scheduled to take place on 1 December 2020. At this hearing the NAO Chair will recommend the appointment of two new non-executive members of the Board and successful candidates will be required to attend the appointment hearing.

The successful candidate will be appointed initially for a three-year term, renewable for a further three years.

Remuneration and time commitment

The remuneration for this appointment is £20,000 per annum. The appointment is not pensionable. Time commitment is approximately two days per month.

The Board normally meets 7/8 times per year. It is advised by the Audit and Risk (ARAC) Committee which meets 4/5 per year and by the Remunerations and Nominations Committee (RemCo) which normally meets 2 times per year. The non-executive members of the Board serve on either the ARAC or RemCo committees depending on their skills and experience. The current chair of ARAC is currently serving her 4th year on the Board and the Panel will look for one of the new non-executives to have recent and relevant financial experience in order to succeed her in this role over time.

Location, Travel and Subsistence

The Board will normally meet at the offices of the National Audit Office in Victoria, London SW1. Reasonable travel expenses will be paid.

Conflicts of Interest

It is essential that the NAO upholds, and is seen to uphold, the highest standards of propriety in its governance. Due to NAO's role as the external auditor of government, it is not possible for anyone with an executive or non-executive role with an organisation which is audited by the NAO to sit on the NAO's Board. If you hold such a role you may apply but would need to resign the conflicted role before joining the NAO Board. In addition, anyone currently working for a firm on the NAO's framework contract will be conflicted.

How to apply

Please apply through the email address nao@moloneysearch.com

Please include:

- a comprehensive CV (maximum three sides A4) setting out your career history and including details of any professional qualifications; and
- a short supporting statement (maximum two sides A4), giving evidence of the strength and depth of your ability to meet the skills requirements and personal qualities for the roles.

All candidates should also complete:

- Equal opportunities monitoring form. This form will not be disclosed to anyone involved in assessing your application.
- Conflict of interest form. Please give details of any business or other interests or any personal connections which, if you are appointed, could be misconstrued or cause embarrassment to the National Audit Office. Any particular conflicts of interest detailed here will not prevent you going forward to interview but may, if appropriate, be explored with you during your interview to establish how you would address the issue(s) should you be successful in your application.
- Political activity declaration. This information will only be provided to the Panel for those applicants selected for interview.
- The names and contact details for two referees. These must be people who know you in a professional capacity to comment on your suitability for the post. They will be expected to have authoritative and personal knowledge of your achievements. Referees will not be contacted without your prior agreement.

The closing date for applications is 11 October 2020 at midnight

The panel will rely only on the information you provide in your covering letter and CV to assess whether you have the experience and personal qualities required at the appropriate level. Please ensure that you provide written evidence to support how you meet all of the relevant criteria for the role.

Further Information

If you have any queries about any aspect of these appointments, or merely wish to have an informal confidential discussion, then please call Francesca Sloan or William Grice at Moloney Search on 02073 685 100.

Key dates in the process are as follows:

- 11 October 2020 (midnight): closing date for applications
- Mid-November 2020: interviews
- 1 December 2020: appointment hearing with the Public Accounts Commission
- 1 January 2021: new non-executive members take up office