

# **BUDGET RESPONSIBILITY AND NATIONAL AUDIT ACT 2011**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS AND SCHEDULES**

#### ***Schedule 3: Relationship between NAO and Comptroller and Auditor General***

##### ***Paragraph 1: Strategy***

181. *Paragraph 1* provides for the preparation and approval of a strategy for the exercise of the national audit functions. The strategy will serve as the business plan for the NAO and the C&AG. Under *sub-paragraph (1)*, the NAO and C&AG must jointly prepare a strategy for the national audit functions. Those functions consist of the NAO's functions and those of the C&AG. The strategy must be reviewed and (if appropriate) revised at least once every 12 months.
182. *Sub-paragraph (2)* provides that the strategy is to include a plan for the use of resources. In particular, for each financial year covered by the strategy, it must specify a maximum amount of resources which the NAO is to provide to the C&AG.
183. *Sub-paragraphs (3) to (6)* require the strategy to be approved by the Public Accounts Commission. The process for achieving that is for the NAO chair and the C&AG jointly to submit the strategy to the Commission. Before approving the strategy, the Commission must review it and may modify it. In doing so, the Public Accounts Commission must have regard to any advice given by the Treasury.
184. *Sub-paragraph (7)* requires the NAO and the C&AG each to carry out the strategy.