

APPOINTMENTS IN CONFIDENCE



10 DOWNING STREET

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20 DEC 1985	
From the Principal Private Secretary	
TO	Mr Boys
CC	CX MST Sir Peter Middle
	Mr Butler Mr Kemp
	Mr Judd Mr Watson
	Mr Callaghan Mr Morris
	Mr Woodall

19 December 1985

From the Principal Private Secretary

Dear Richard,

SALARY OF THE COMPTROLLER AND AUDITOR GENERAL

Sir Edward du Cann, Chairman of the House of Commons Commission, called upon the Prime Minister, at his request, on 19 December to report to her the views of his Commission on the salary of the Comptroller and Auditor General.

Sir Edward said that since he had been Chairman of the Public Accounts Committee, the National Audit Office, as it was now called, had grown immeasurably in prestige and professionalism. It was now the Government's best ally for getting value for money - indeed, value for money audits comprised one-third of the Office's work (though the aim, if resources permitted, will be to increase this to one half). The value of the Office was diminished, however, because it was 10 per cent below strength, new entrants were often of insufficiently high calibre and there was a 12 per cent wastage. This was a result of inadequate levels of pay and the large accountancy firms drawing on the Office for talent (which in itself was a tribute to the Office).

An especial problem was the salary of the Comptroller and Auditor General, who the Commission believed should be remunerated on the same scale as the Permanent Secretary to the Treasury. The Commission intended to draw attention to this issue in their annual report, pointing out that the salary of the Comptroller was Commission business and that they were in disagreement with the Government about it. He would, however, not want this tactic to be adopted unless the Prime Minister thought it would be helpful. Sir Edward had been instructed to say that the Commission would seek to place a resolution on the Order Paper which would bring the Comptroller's salary to the same level as that of the Treasury Permanent Secretary.

The Prime Minister replied that the tactic outlined by Sir Edward would not in her view be at all helpful, especially in view of the difficulties created for the Government by the recent TSRB report. The Government could not welcome anything which would bring to attention again the recent TSRB salary increases. One possibility would be

to increase the Comptroller's salary to the higher level
the calibre of the present Comptroller's successor warrant
this.

Sir Edward asked the Prime Minister to consider the
views of his Commission as he had explained them. It was
likely that the Commission would make some reference to this
issue in their Annual Report and would indicate that the
Government was still considering the issue. He would seek a
further meeting with the Prime Minister after the
Commission's report had been published. The Prime Minister
agreed that they should discuss the matter again.

I am copying this letter to Michael Stark (Cabinet
Office).

As usual

Nigel Wicks

N L WICKS

Richard Broadbent, Esq.,
Chief Secretary to the Treasury's Office