

Rt Hon Frank Field MP
Chair, Work and Pensions Committee

Rt Hon Nicky Morgan
Chair, Treasury Committee

17 May 2018

Dear Frank Field & Nicky Morgan,

National Audit Office review of Motability

Thank you for your letter dated 30 April 2018.

As you know, I have not been able to reply earlier because the terms of the agreement with a Minister permitting a review under s 6(3)(d) of the National Audit Act 1983 remained under active discussion until now.

However, the boards of the Motability parties, including Motability Operations Group plc, having satisfied themselves that an agreement under section 6(3)(d) – as opposed to one under s 16 of the Budget Responsibility and National Audit Act 2011 – was an acceptable way forward, have each unanimously agreed the terms, and the agreement is being executed with the expectation that this process will be complete on Monday when the Minister signs.

The agreement recognises that none of the Motability parties are public bodies (whether under section 6 or section 7 of the National Audit Act 1983, or otherwise) in respect of which the Comptroller and Auditor General is entitled to carry out an examination without an agreement which satisfies the requirements of section 6(3)(d).

However, the Motability parties also fully recognise the public interest in the operation of the Scheme. As I emphasised at your evidence session on 5 March: “we at Motability **wish**

to have a review and indeed wish it to be fully published so that the issues raised in recent weeks can be put to rest once and for all."

It is of particular importance to us that the review is conducted with complete objectivity and, of course, without bias. We therefore more than welcome a review by the National Audit Office because of the standards of integrity, objectivity and independence which always underpin its work. Indeed, these are set out in the NAO's own 'Standards for Value for Money and other Non-Financial Audit Work' (and the section 6 agreement explicitly recites that each of the Motability parties enters into it having regard to the independence and impartiality of the Comptroller and Auditor General).

We look forward to engaging with the Comptroller and Auditor General directly in order to discuss the scope and timing of his work in carrying out a value for money study, and will of course cooperate fully with him.

*Sincerely yours,
John Stewart*

cc Sir Amyas Morse