



**Minutes of OGA Board meeting on 19 May 2015
Atholl House, Aberdeen**

Attendees:

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| Andy Samuel | Chief Executive |
| John Ogden | Chief Financial Officer |
| Stephen Speed, DECC | Sponsor Director |
| Eva Zuckschwerdt | PS to Andy Samuel |
| Arantxa Fernandez | Board secretary |

Apologies:

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| Sir Patrick Brown | Chairman |
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The Chairman sent his apologies and asked the Chief Executive to chair the meeting in his absence. The Board was in agreement.

Minutes of previous meeting

The minutes of the 29 April meeting were approved. Progress of outstanding actions was discussed and recorded in the action log.

Health and safety update

The Chief Executive reported that staff have been invited to be health and safety champions in preparation for the OGA's move to new premises in Aberdeen. Health and safety updates and any lessons learned will in future be captured in the Chief Executive's report.

Finance update

The Chief Financial Officer presented highlights of the period 1 financial report. Budget variances were due to misallocation of costs between cost centres, which will be addressed in period 2. A detailed month-end plan would also be available for period 2. Implementation of financial controls is progressing and further controls will be implemented in period 2. The OGA will make contact with internal and external auditors in June. The financial value of risks has yet to be assessed but would be considered as part of the risk management framework work.

The estimated £300k cost of refurbishing BIS offices at 1 Victoria Street for the OGA was a worse-case scenario. The Board agreed that it would be sensible for the Aberdeen and London offices to have a similar look and feel but that the OGA should ensure the fit out was appropriate for a public body.

Sponsor report

The Sponsor Director confirmed that, following the general election, Amber Rudd had been appointed as DECC's Secretary of State, with Andrea Leadsom and Lord Bourne as her junior ministers. He indicated that a formal DECC energy policy statement was not expected until later in the year. He cautioned that the July budget may impact DECC and OGA budgets.

Board sub-committees and appointment of non-executive Directors

The Sponsor Director notified the Board that it would not be possible - as previously proposed by the Chairman - to create a combined Remuneration and Nominations Committee. This is because the Framework Document states that the Sponsor Director should sit on the Remuneration Committee but may not be a member of the Nominations Committee.



Oil & Gas Authority

The Chairman highlighted the importance of appointing the independent non-executive Directors but noted that this would not be possible until a second Ministerial appointment had been made, as this person was required to sit on the interview panel. The second Ministerial appointment is expected to be made in early July. The Board agreed that the recruitment and shortlisting process for the non-executive Directors should nonetheless start. The Sponsor Director had to leave the meeting after his report.

Chief Executive's report

The Chief Executive confirmed the appointment of his leadership team, highlighting the strength and depth of their experience. All senior management roles had now been filled except the Southern North Sea (SNS) area manager.

The OGA made a positive impact at OTC in Houston in April, with industry broadly supportive of the OGA's objectives. There was optimism about the prospects for the UKCS and recognition that significant challenges remain, including reducing costs and improving efficiency.

The Chief Executive highlighted the importance of using MER UK to develop an economic hub in north east Scotland. MER UK would increase investment and economic activity in the North Sea, helping to retain expertise, develop technology, support the supply chain, and exploit the decommissioning opportunity.

The OGA was well placed to lead and coordinate in several areas and work has begun to create workgroups and plans to consolidate other groups to help the industry be more joined up and avoid duplication. The Board noted the Chief Executive's support for a proposed Oil and Gas Technology Institute to harness new and existing technology expertise, but agreed that the OGA should be careful to focus on its core objectives and may not be able to lead this, or other, such ventures.

The Chief Executive proposed adding a horizon scanning item to his monthly report, to be chosen by the Chairman. The Chief Executive suggested a number of emerging issues, including the post-election political landscape. He noted that it would be helpful for the OGA to receive any DECC guidance on managing its dialogue with Scottish parliamentarians.

ACTION: Sponsor Director to inform the OGA of any DECC policy regarding OGA dialogue with Scottish politicians.

Internal audit plan

The Chief Financial Officer presented a proposed internal audit model and a skeleton audit plan, with the function outsourced to the Government Internal Audit Agency (GIAA). The Board agreed that the OGA should follow an internal audit model which resembled DECC's as closely as possible. The Chief Financial Officer reassured the Chief Executive that the GIAA would work flexibly and collaboratively with the OGA, helping it to build fit for purpose systems and controls.

External audit

The Sponsor Director confirmed that, as an Executive Agency, the OGA was expected to use the National Audit Office for its external audit. He noted that the NAO would largely focus on assuring financial activities and controls.

Director presentation

Given the Chairman's absence, this item was postponed to a subsequent meeting.

Future meetings



Oil & Gas Authority

The Chairman underlined the importance of submitting Board papers by agreed deadlines. The Chief Executive proposed holding Board meetings in the last week of each month, after papers had been reviewed by his leadership team at Monthly Performance Review meetings, and asked the Board secretary to explore this suggestion.

ACTION: Board secretary to review future meeting dates with the Chairman and Chief Executive.

There was no other business.

**BOARD SECRETARY
MAY 2015**