

## Annex A - Budget Approval and Financial Reporting Process for the Office of the Registrar of Consultant Lobbyists

1. The Registrar will be the Accounting Officer for the Office of the Registrar ('the Accounting Officer'). The Registrar will be appointed as an Additional Accounting Officer by the Accounting Officer of the Cabinet Office, who will delegate his authority to the Registrar.
2. The Registrar of Consultant Lobbyists is designated as falling within the Cabinet Office departmental boundary and as a consequence, its budget and accounts are consolidated within the Cabinet Office Estimate and Annual Report and Accounts.

### Budget

3. The proposed budget for the Office of the Registrar of Consultant Lobbyists will be developed by the Accounting Officer. This will be based on a business plan developed by the Accounting Officer, which will set out how the Office of the Registrar will fulfil its statutory functions for the next financial year. The budget will be submitted for Ministerial approval, accompanied by the identification of any risks to the budget, by the appropriate date, which will typically be within the last quarter of the financial year.
4. The budget will be developed and managed in accordance with Cabinet Office procedures, and principles set out in *Managing Public Money* and *Consolidated Budgeting Guidance and Supply Estimates Guidance*
5. The Minister will approve the budget in advance of the financial year if satisfied that it is based on a reasonable forecast of the Registrar's direct and indirect costs for the forthcoming financial year, has been developed to ensure value for money and is necessary to allow the Registrar to fulfil her statutory functions as outlined in the business plan. The Minister will then write to the Accounting Officer to delegate the budget to the Accounting Officer for the financial year ahead.
6. The Accounting Officer will delegate the budget to the Head of the Registrar's Secretariat, who will be responsible for the management of the budget and the maintenance of accounting records. The Accounting Officer will be accountable for the satisfactory completion of accounting records in accordance with Schedule 2, Paragraph 9 of the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 ('The Act').

### Forecasting

7. The Accounting Officer will make quarterly reports to the Minister on spend and the Head of the Office of the Registrar will provide regular updates about actual expenditure against expenditure forecast in the budget, which will include the identification of any risks to the budget or the need to incur

expenditure that is not in the approved budget. The Accounting Officer will inform the Minister within an agreed timetable during the relevant financial year if seeking an amendment to the budget during that year at Supplementary Estimate.

8. If there is or is likely to be a need for the Registrar to incur expenditure that is not in the approved budget, the Accounting Officer will inform the Minister. If the Minister is satisfied that this expenditure is necessary and could not have been reasonably foreseen, s/he will make a grant in aid under Schedule 2 Paragraph 10 of the Act.

## **Accounts**

9. In accordance with Schedule 2 of the Act, the Registrar will prepare a statement of Accounts in respect of each financial year and send this within a period of time to be specified by the Minister of State at the Cabinet Office, to the Comptroller and Auditor General. When certified by the Auditor and Comptroller General, the Registrar will present the statement to Parliament.
10. The Registrar must ensure that Accounts are provided to the Cabinet Office Finance Team in accordance with deadlines, which have been agreed by the National Audit Office, and that Accounts are laid in Parliament by the end of June following the relevant financial year.

## **Annex B – Financial framework**

The following is the financial framework within which the Office will operate:

### **Amendment and review**

The financial framework may be changed in accordance with Government Accounting and Treasury requirements, to take account new developments. If either the Cabinet Office (CO) or the Office require changes to be made they shall notify the other in writing.

### **Compliance with guidance**

The Office shall comply with Managing Public Money and all relevant instructions and guidance published by Her Majesty's Government (including, for example, Cabinet Office and Her Majesty's Treasury's guidance), as amended and updated from time to time.

### **Budgeting and charging**

The level of funding required by the Office will be agreed between the CO and the Registrar. The Office will advise the CO of the funding required for both its work and staff. Both parties recognise that the Office must be funded to the amount necessary for it to effectively fulfil its statutory requirements and at the same time secure value for money.

The income the Registrar receives from the charge for registration will be paid directly into the consolidated fund.

### **Grant-in-aid**

The Register is funded via a Grant in Aid from the CO. However, as per the CO regulations, the Office will seek to recoup its costs (excluding its staffing and shared services costs) via the fees charged to registrants for using the Register.

In line with the Act the Registrar will pay into the Consolidated Fund any sums received in respect of charges she makes.

The Cabinet Office will issue the grant-in-aid in arrears at the end of each financial year (by 31st March).

The Office must obtain the approval of the CO, as sponsor Department, if it proposes to:

- (a) make special payments or gifts; or
- (b) write off losses.

At the end of the financial year the Office will return any issued but unexpended balance of Public Funds to the CO. In the event that it becomes apparent during the year that funds are no longer required, the Registrar will surrender that underspend to at the earliest feasible date.

## **Expenditure**

Expenditure of the resources agreed in the budget will be a matter for the Office, subject to the normal requirements of propriety, regularity, audit and value for money, and any conditions imposed by the CO after consultation with the Office.

### **The Office is responsible for:**

- providing returns to the CO as required on actual and forecast resources and cash expenditure during the course of the year;
- ensuring that expenditure remains within the resources provided by the Minister for the Constitution each year; and
- notifying the CO if any additional funding is required.

### **The Cabinet Office is responsible for:**

- maintaining appropriate and regular communication and advice to the Office at appropriate levels on expenditure matters; and
- ensuring that any requests for additional funding are put before the Minister for the Constitution for consideration and approval in a timely way.

## **Accounting and reporting**

The Registrar is designated by the Permanent Secretary of the Cabinet Office as the Office's Accounting Officer, and is responsible (as set out in the letter of designation) for:

- regularity and propriety; keeping of proper accounts; prudent and economical administration; avoidance of waste and extravagance; and efficient and effective use of resources;
- ensuring that the Office's systems and processes are subject to proportionate internal controls;
- producing annual Accounts which conform to the standards set out in the Government Financial Reporting Manual and sending a copy of the statement of accounts, within a period specified by the Minister to the Comptroller and Auditor General, who will then examine, certify and report on the Statement ahead of laying a copy of the Statement before Parliament, in accordance with the Act; and
- overseeing and maintaining systems to safeguard financial propriety and regularity.

The Registrar may delegate the day-to-day administration of her responsibilities, including her Accounting Officer and Consolidation Officer responsibilities to another person as appropriate. However, she shall not assign absolutely to any other person any of the responsibilities set out in this Memorandum or the letter of designation.

The Registrar, as Accounting Officer, is responsible for ensuring that resources authorised by Parliament and sums to be paid out of the Consolidated Fund, in respect of the Office, are used for the purposes intended by Parliament.

The Office will be responsible for keeping proper accounts and proper records in relation to the accounts, including details of the income derived from charging for use of the Register. The Registrar must send a copy of the statement of accounts, within a period specified by Minister to the Comptroller and Auditor General, who will then examine, certify and report on the statement ahead of laying a copy of the statement before Parliament, in accordance with the Act.

### **Gifts and hospitality register**

The Office shall maintain a record of gifts and hospitality received. Generally, hospitality is defined as the provision of lunches, dinners and tickets to sporting/social or leisure events.

### **Giving of gifts**

The Office must not purchase any gifts without the prior approval of the COFD. Such approval will only be given in exceptional circumstances.

### **Statement of Financial Responsibility**

The CO will provide the Head of the Office with a clear financial authority to incur expenditure on behalf of the Office.

### **Insurance**

Except where there are statutory requirements, the insurance arrangements as set out in Managing Public Money will be followed.

### **Banking**

The Registrar, as its Accounting Officer, is responsible for ensuring that the Office's banking arrangements are in accordance with the requirements of Managing Public Money and are carried out efficiently, economically and effectively.

### **Procurement**

Procurement by the Office of works, equipment, goods and services shall be based on value for money, i.e. quality (in terms of fitness for purpose) and delivery against price. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

### **Advertising and marketing**

The Office will abide by the conventions of government publicity and advertising, set out at <http://www.comms.gov.uk/guidance/propriety/default.htm>, and will ensure in particular that any publicity they issue is:

- relevant to their responsibilities;
- objective and explanatory, not tendentious or polemical;
- not party political and not liable to misrepresentation as being party political; and
- produced and distributed in an economic and relevant way, having regard to the need to justify the costs as proper expenditure of public funds.

The Registrar will not employ external consultants to lobby Parliament or Government.

The Registrar will seek further advice from the CO where the use of publicity and advertising might be regarded as novel or contentious, and in all cases before employing PR consultants.

### **Assets**

The Office shall maintain an accurate and up-to-date register of its fixed assets. Any interest earned by the Office on its assets will be treated in accordance with the consolidated budgeting guidance issued by Treasury.

The Office shall not enter into any capital expenditure in excess of £5,000 (or the amount recommended in Managing Public Money) without the permission of the CO. The Office shall not dispose of any assets acquired with Public Funds with a net book value in excess of £1,000 (or the amount recommended in Managing Public Money) without the prior written consent of the CO. Use of proceeds of any disposal in excess of this amount shall be at the discretion of the CO.

### **Risk management**

The Office shall identify, and be responsible for ensuring that, the risks which it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall maintain a risk register, in accordance with Treasury guidance.

The Office shall adopt and implement policies and practices to safeguard the Office against fraud and theft, in line with Treasury guidance.

### **Borrowing**

The Office shall not borrow money. For the avoidance of doubt, borrowing includes temporary borrowing, such as through prearranged overdraft facilities.

### **Lending, guarantees, indemnities and contingent liabilities (including letters of comfort)**

The Office shall not, without CO prior written consent, lend money, charge any asset or security, give any guarantee or indemnity or letter of comfort, nor incur any other contingent liability whether or not in a legally binding form.

### **Payroll and related matters**

The arrangements concerning the payroll and associated services such as taxation, National Insurance and pensions of the Office will be administered by the CO following CO terms and conditions.

## **Annex C – Compliance with government wide corporate governance and instructions**

The Office shall comply with the following general guidance and instructions, insofar as these are not in conflict with the Registrar's duties and obligations under the Act:

- This document
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments Code of Good Practice
- Managing Public Money (MPM)
- Government Internal Audit Standards
- Management of Risks, Principles and Concepts
- Managing the Risk of Fraud
- Government Financial Reporting Manual (FReM)
- Fees and Charges Guide, Chapter 6 of MPM
- Departmental Banking: A Manual for Government Departments
- Relevant "Dear Accounting Officer" letters
- Regularity, Propriety and Value for Money
- The Parliamentary Ombudsman's Principles of Good Administration
- Consolidation Officer Memorandum and relevant DCO letters
- Relevant Freedom of Information Act guidance and instructions
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts
- Other relevant instructions and guidance issued by the central Departments
- Specific instructions and guidance issued by the sponsor Department
- Recommendations made by the Public Accounts Committee, other Parliamentary authority that have been accepted by the Government and are relevant to the Office.