



Registrar of Consultant Lobbyists Statement of Accounts 2016-17

The Registrar of Consultant Lobbyists

Statement of Accounts 2016-17

(for the year ended 31 March 2017)

*Accounts presented to Parliament pursuant to Schedule 2 (9) of the
Transparency of Lobbying, Non-Party Campaigning and Trade Union
Administration Act 2014*

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PERFORMANCE REPORT

Introduction

My role as Registrar is set out in the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 (“the Act”). I am an independent statutory office holder, established to keep and publish the Register of Consultant Lobbyists, in which those who lobby on behalf of a third party will be required to declare the names of their clients and whether or not they subscribe to a relevant code of conduct.

I have a duty to monitor compliance with the requirement to register and a power to undertake enforcement action in instances of non-compliance. I have already and will continue where appropriate, to develop and publish guidance for consultant lobbyists under the relevant provisions of the Act.

This is my third annual statement of accounts covering the period from 1 April 2016 to 31 March 2017.

My objectives

During the second year of operation since the Register opened in March 2015, my focus has been on providing a professional and efficient service, ensuring that statutory obligations are met. The Register grew slightly in number from 115 consultant lobbyists at the start of the year to 123 by the end of it; a reflection of my compliance work as well as some consolidation within the sector and some changes in the nature of services provided by consultant lobbyists to their clients, thus necessitating their registration.

The nature of the definition of “consultant lobbying” (in summary, direct communications with Ministers or Permanent Secretaries, or equivalents, by third parties about government business in return for payment) has brought lawyers, accountants, management consultants, think tanks and providers of support services for All-Party Parliamentary Groups onto the Register, alongside public affairs organisations.

In order to ensure that my statutory obligations were achieved, during the year I set my Office the following objectives:

- Administer an accessible, up-to-date and accurate Register of Consultant Lobbyists;
- Ensure that all those who are required to register do so, by making potential registrants aware of their obligations under the Act;
- Provide clear accessible guidance on the requirements for registration and compliance;
- Monitor and enforce compliance with the Act’s legal requirements; and
- Operate the Register and the Office in a way that demonstrates good governance through delivery of my statutory obligations in a cost effective and accountable manner.

More detailed information about these objectives can be found in my 2016-17 Business Plan, available on my website.

Performance in 2016-17

Now that the challenges of establishing the Register have been addressed, the past year has given me the opportunity to focus on ensuring that all those that need to register do so. This includes non-traditional lobbyists where it has been necessary to conduct more detailed work and subsequently issue specialist guidance. In terms of the objectives that I set, my performance has been as follows:

Administer an accessible, up-to-date and accurate Register

My experience has been that consultant lobbyists approach the need for registration in a professional manner and try their hardest to comply properly and in a timely fashion. Where the Office finds inaccuracies, it identifies the changes made on the face of the Register in a transparent manner. All statutory deadlines have been met, in terms of publication of registration information and client returns.

Accessibility implies building open and effective relationships with stakeholders including representative and transparency organisations. I have worked hard during the past year to communicate and engage actively, culminating in a successful conference attended by over sixty stakeholders. The conference was an opportunity to present to the audience some technical changes to the Register and website, designed to enhance the user experience.

Ensuring that all those that need to register do so

During the past year, I have conducted a series of investigations about the potential requirement for registration of law firms and providers of support services to All-Party Parliamentary Groups. I have used information provided to me by whistle-blowing, review of Ministerial diaries and other sources, to enhance the quality of my investigations. As a result, I have satisfied myself that evidence of unregistered consultant lobbying taking place is rare, and that the information contained in the Register can be relied upon.

Providing clear, accessible, guidance

I keep all my guidance under review, but my focus this year has been on the provision of specialist guidance for organisations such as the providers of support services to All-Party Parliamentary Groups. I have also invested significant personal time in communicating with registrants and stakeholders to enhance their understanding of the requirements for registration and client declaration, and this has undoubtedly had a positive effect on the quality and accuracy of the information in the Register.

In response to sectoral feedback, I conducted a consultation about what constitutes a relevant code of conduct. Having taken a range of diverse views into account, I arrived at a balanced viewpoint which does not seek to further interpret the legislation beyond what it currently states, but to ensure that the Register properly fulfils its role to provide the fullest possible information to enable users to make up their own mind. The conclusions from my consultation will be incorporated into an update of my registration guidance in due course.

Monitoring and enforcing compliance

Generally speaking, registrants approach their statutory obligations with professionalism. Throughout the year, there have been minor breaches which include late payments, late submissions and inaccurate declarations. I deal with most of these as administrative errors, though there have been three instances of serious non-compliance this year where I have used the mechanism of civil penalties available to me.

Good governance and cost effectiveness

There have been some back-office challenges during the year associated with staff continuity and financial support, which have contributed to the eventual overspend position. My team has worked very hard to minimise costs and optimise value for money and to achieve all the targets set out in the legislation for operational processing, whilst striving to provide a responsive and helpful service for customers and stakeholders.

Financial position

I take my responsibilities to operate the Register in an efficient manner, which demonstrates value for money, very seriously. In a year of business as usual, without the requirement for technical set-up costs, the gross budget requirement reduced from £320,000 (the original budget approved in 2015-16), to £265,200, against which there was an over-spend of £2,882 (1.08%).

Working with such a small budget, the majority of which covers staff costs, has required careful planning and decision-making and constant focus on ensuring efficient and effective use of resources. During the course of the year, it proved to be a continuing challenge to improve standards of financial processing and reporting, and it is clear some challenges still remain.

It is the role of Ministers to set the charges for the Register and to seek to ensure that the total paid in charges is sufficient to offset the total of the costs. It continues to be the case that staffing and shared services costs are paid for by Cabinet Office budgets. This year income collected was £128,104, an increase of £48,011 from the previous year; see note 3 to Accounts. It is the role of the Registrar to collect and account for all fees and pay them into the Consolidated Fund.

Future look

As we enter the third full year of operation of the Register, I anticipate a year of business as usual, which will continue to require maintaining focus on achieving business plan commitments and a professional customer service, and attention to detail in all aspects of operations. I intend to continue to operate a transparent, professional and efficient service for registrants and other stakeholders, so that they can retain confidence in the Register and in the value for money of the service can remain at a high level.

During the year ahead, I anticipate the continuing need for reviewing and refreshing guidance; for further modest investment in the technical development of the Register and website; and to enhance my programme of education and communication, with a particular focus on the improved use of social media. Where necessary, I will use the enforcement powers available to me where I identify situations of serious non-compliance.

Further information on my priorities for 2017-18 can be found in my Business Plan for that same period which is available on my website¹.



Alison J White
Registrar of Consultant Lobbyists and Accounting Officer

11th July 2017

¹ <http://registrarofconsultantlobbyists.org.uk/>

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ACCOUNTABILITY REPORT

Governance Report

Statement of Accounting Officer's Responsibilities

Under the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, the Cabinet Office has directed the Registrar of Consultant Lobbyists to prepare for each financial year, a Statement of Accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Registrar of Consultant Lobbyists and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Cabinet Office, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Cabinet Office has appointed the Registrar of Consultant Lobbyists as the Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Registrar of Consultant Lobbyist's assets, are set out in *Managing Public Money*, published by HM Treasury.

Statement on the Disclosure of Relevant Audit Information

The Registrar of Consultant Lobbyists' Statement of Accounts has been prepared on a statutory basis, in accordance with the requirements of HM Treasury and is designed to comply with the Accounts Direction issued by the Cabinet Office, with reference to the Act.

The financial statements are audited by the Comptroller and Auditor General, who is appointed under statute and reports to Parliament on the audit examination. Auditor's remuneration and expenses are disclosed at Note 2 to the Accounts. During the reporting year, no payment was made to the auditors for non-audit work.

I hereby confirm that so far as I am aware, there is no relevant audit information of which the auditors are unaware and that I have taken all reasonable steps to ensure that I am aware of any relevant audit information and to establish that the auditors are aware of that information. I also

confirm that the Statement of Accounts as a whole is fair, balanced and understandable, and that I take personal responsibility for it and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Introduction

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Office's policies, aims and objectives, whilst safeguarding public funds and the assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The Office of the Registrar of Consultant Lobbyists exists only to implement the provisions in the Act, as a corporation sole. I am independent of both consultant lobbyists and Government, and report directly to Parliament. The Office of the Registrar of Consultant Lobbyists has been designated for consolidation into the Cabinet Office Estimate and Accounts. The regime of corporate governance needs to be proportionate to the size and risk profile of the organisation. There is no requirement in the Act for a Board of Directors or a separate Audit Committee, although I maintain a relationship with the Cabinet Office Audit and Risk Assurance Committee.

I have on-going dialogue with the National Audit Office to ensure proportionate governance arrangements are in place. To ensure a robust financial control regime, my Office manages my financial arrangements in accordance with the Cabinet Office's best practice, systems and resources, and I conduct regular reviews. The work of my Office is conducted strictly in accordance with the requirements in the Act.

Risk Management

I have established a proportionate regime for the management of risk, where the risk environment and the specific risks associated with the delivery of my statutory objectives are reviewed on a quarterly basis, and any new mitigating actions required are carefully implemented.

There is no evidence of risk that the Register is not complete or that all appropriate revenues are not being collected. The risk environment remains neutral to benign, but during the past year operational risks have arisen which required careful management.

The primary risk which emerged was in the provision of continuity of staff resources and financial support. As a small organisation, even the slightest reduction in staff causes problems and the potential for mistakes and in order to mitigate this risk, I increased the number of days I work and escalated issues to the Cabinet Office to provide interim staff resource and improve the quality of financial processing and reporting.

It became apparent after the financial year concluded, that this risk had materialised in an overspend to the budget. The risk of errors and delays from financial processing and support has been a key risk for the past two years, and one which was highlighted by both the National Audit Office

(NAO) and Cabinet Office Audit Committee last year. There is no doubt that the risk has been partially mitigated, but it appears that further mitigation in the form of enhancing direct controls by me personally will be required in future. These controls are in the process of being implemented.

Recent stakeholder feedback continues to be fairly positive, although some industry feedback surfaced during the year about the use of individual organisational codes of conduct. The response to the consultation on this issue was felt to be balanced and sensible, and broadly well-received.

During the year ahead, the Scottish Government will be introducing lobbying regulation (probably in early 2018). Additionally, the Welsh Government is considering its own approach to lobbying regulation (as Registrar, I recently gave evidence to the enquiry which its Standards Committee is conducting). These developments will impact on many registrants, causing possible confusion and increased costs of compliance due to the challenge of collecting different information for different jurisdictions, and will need to be kept under close attention.

Information Security

During the past year, there have been no reportable breaches of information security. To ensure the integrity of information in the Register, presentation is made in accordance with my policy on publication of information.

Review of Effectiveness

I follow the Cabinet Office's guidelines and procedures for internal control. During the past year, there have been no instances of fraud or irregularity.

Public Interest

The Office of the Registrar of Consultant Lobbyists maintains a register of my interests. Copies of the register are available on my website².



Alison J White

Registrar of Consultant Lobbyists and Accounting Officer

11th July 2017

² <http://registrarofconsultantlobbyists.org.uk/wp-content/uploads/2017/02/Alison-Joy-White-Public-Appointments-Jan-2017.pdf>

Remuneration and Staff Report

This report sets out details on remuneration and staff that Parliament consider key to accountability. This section is subject to audit.

1. Staff numbers and related costs

1.1 Staff costs comprise:

| £ | Registrar | Others | 2016-17 Total | 2015-16 Total |
|----------------------|---------------|---------------|---------------------|------------------|
| Registrar's fees | 30,242 | - | 30,242 ¹ | 26,900 |
| Registrar's expenses | 1,258 | - | 1,258 | 1,470 |
| Inward secondments | - | 96,400 | 96,400 ² | 90,069 |
| Total | 31,500 | 96,400 | 127,900 | 118,439 |

¹ Due to staff vacancies ORCL experienced a period of six months of under resourcing. In order to ensure delivery of strategic objectives the Registrar increased the number of days worked accounting for an increase in her fees.

² ORCL recruited staff whose cost to the department month on month was higher than in previous years. Additionally when at full complement, the average staff complement increased by 0.4.

The Cabinet Office Annual Report and Accounts 2016-17 (HC 2) discloses fair pay at Note 1.9 'Fair Pay Disclosure' on page 37.

1.2. Average number of persons employed

The Registrar is a part-time appointment and is expected to commit to around 30-50 days per year. The Registrar is paid a daily rate of £420 and worked 65.5 days and was paid for 65.5 days during the financial year. In 2015-16 the Registrar worked 57.5 days and was paid for 58.5 days. The appointment is taxable under Schedule E and subject to Class I National Insurance contributions and does not receive a pension.

'Others' relates to three inward secondees from the Cabinet Office, which equate to the equivalent of 2.3 full time members of staff (2015-16: 1.9).

| | 2016-17 | 2015-16 |
|--------------|------------|------------|
| Registrar | 0.3 | 0.3 |
| Others | 2.3 | 1.9 |
| Total | 2.6 | 2.2 |

Parliamentary Accountability and Audit Report

This section presents key documents which contribute to the organisation's accountability to Parliament. Regularity of expenditure reports losses and special payments.

Regularity refers to the principle that all consumption of resources should be made in accordance with the legislation authorising them, and applicable delegated authority and the principles set out in *Managing Public Money*. Disclosures on fees and charges, are required by *Managing Public Money*.

In his certificate and report, the Comptroller and Auditor General to the Houses of Parliament provides his opinion on regularity and whether the Remuneration and Staff Report and Parliamentary Accountability disclosures have been properly prepared and are consistent with the financial statements, and whether the information given in the Performance Report and Accountability Report is consistent with the financial statements.

Parliamentary Accountability Disclosures

This section is subject to audit

1. Analysis of cash surrenderable to the Consolidated Fund

| £ | Note to Accounts | 2016-17 | | 2015-16 | |
|--|------------------|----------------|----------------------------|---------------|----------------------------|
| | | Income | Outturn <i>Receipts</i> | Income | Outturn <i>Receipts</i> |
| Registration fees from consultant lobbyists | 3, 7 | 128,104 | 129,100 | 80,093 | 157,772 |
| Civil penalties from consultant lobbyists | 7 | - | 900 | - | 2,000 |
| Total amount payable to the Consolidated Fund | | 128,104 | 130,000 | 80,093 | 159,772 |

1.1 Income payable to the Consolidated Fund

Registration fees from consultant lobbyists

In accordance with part 1 section 22 (5) of the Act, the Registrar must pay into the Consolidated Fund any sums received in respect of charges. The cash received by the Registrar from the charge for registration is paid to HM Treasury's Consolidated Fund. The Registrar has no separate bank account and banking arrangements are provided by the Cabinet Office which collects fees from registrants and in due course will surrender cash receipts to the Consolidated Fund; see Note 7 to the Accounts.

Although this income is payable to HM Treasury's Consolidated Fund, the Chief Secretary to the Treasury has agreed to a netting off arrangement whereby the Registrar may retain the income and offset it against expenditure for budget and outturn purposes.

1.2 Consolidated Fund Income

Civil penalties applied to consultant lobbyists

The Registrar of Consultant Lobbyists acts as a collecting agent of the Consolidated Fund in respect of civil penalties applied to consultant lobbyists. The income collected was £900 (2015-16: £2,000). The netting off arrangement described above does not apply to civil penalties charged upon consultant lobbyists.

On 28 and 29 April 2016 Civil Penalty Notices were issued to MWW Communications UK Ltd, PHA Media and Rohde Public Policy UK. The Notices were issued due to the undertaking of consultant lobbying during the January – March 2016 quarter despite late payment of the 2016 registration renewal fee. The deadline for payment of the annual fee for the Register of Consultant Lobbyists was 21 January 2016.

2. Regularity of expenditure

There are no losses nor special payments to disclose.

3. Fees and charges

| £ | | Full cost recovery | Cost borne by Cabinet Office | 2016-17 Total | 2015-16 Total |
|---|-----------------------------|-----------------------|---------------------------------------|------------------|------------------|
| | Note to Accounts | | | | |
| Registrar's fees and expenses | | 31,500 | - | 31,500 | 28,370 |
| Inward secondments | | - | 96,400 | 96,400 | 90,069 |
| Costs of providing the Register | | 53,172 | - | 53,172 | 60,086 |
| Establishment of right of appeal ¹ | 2 | - | - | - | 34,371 |
| Notional corporate services recharge | | - | 46,000 | 46,000 | 47,764 |
| Other expenditure | | 4,988 | 36,022 | 41,010 | 34,557 |
| Full cost of service | 2 | 89,660 | 178,422 | 268,082 | 295,217 |
| Registration fees from Consultant Lobbyists | 3 | (128,104) | - | (128,104) | (80,093) |
| Net expenditure for the year | | (38,444) | 178,422 | 139,978 | 215,124 |
| Notional corporate services recharge | | - | (46,000) | (46,000) | (47,764) |
| Net outturn | | (38,444) | 132,422 | 93,978 | 167,360 |

The information is provided for fees and charges purposes, not for the purposes of *IFRS 8 Operating Segments*. It represents costs included in the Statement of Comprehensive Net Expenditure. The financial requirement of the Registrar of Consultant Lobbyists is to ensure that registration charges are collected from registrants, in accordance with the Cabinet Office's regulations.

Full cost recovery

In accordance with section 22 of the Act, the Minister must seek to recoup the costs of implementing and operating the Register from registration charges for using the Register. In 2016-17 a net surplus of £38,444 represents excess income over costs. At 31 March 2017 there is a cumulative net deficit of £173,987 which will be recovered in future years as part of the fee charged to consultant lobbyists.

| | |
|--|-----------------|
| Surplus 2016-17 | £(38,444) |
| Deficit 2015-16 | £52,546 |
| Deficit 2014-15 | £159,885 |
| Cumulative net deficit at 31 March 2017 | £173,987 |

Cost borne by Cabinet Office

In accordance with schedule 2, section 8 (1) of the Act, the Registrar may make arrangements with the Minister or other persons: for staff to be seconded to the Registrar; for accommodation or services to be provided to the Registrar. The Minister has decided not to recover these costs by making a charge upon the consultant lobbyists, and consequently, the Cabinet Office bears these costs in addition to any net deficit from full cost recovery; see Note to Accounts 1.3 Going concern.

¹ Establishment of right to appeal to General Regulatory Chamber: see Note 2 to the Accounts.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Registrar of Consultant Lobbyists for the year ended 31 March 2017 under the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Office of the Registrar of Consultant Lobbyists' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Office of the Registrar of Consultant Lobbyists; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my certificate and report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Office of the Registrar of Consultant Lobbyists' affairs as at 31 March 2017 and of net expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 and Secretary of State directions issued thereunder; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with Secretary of State directions made under the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

**Sir Amyas C E Morse
Comptroller and Auditor General**

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

14th July 2017

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2017

This account summarises the expenditure and income generated and consumed on an accruals basis.

| £ | | 2016-17 | 2015-16 |
|--------------------------------------|-------------|------------------|-----------------|
| | Note | | |
| Total income | 3 | (128,104) | (80,093) |
| Staff costs | 2 | 127,900 | 118,439 |
| Purchase of goods and services | 2 | 94,182 | 129,014 |
| Notional corporate services recharge | 2 | 46,000 | 47,764 |
| Total operating expenditure | 2 | 268,082 | 295,217 |
| Net expenditure for the year | | 139,978 | 215,124 |

Notes 1 to 9 form part of these accounts on pages 26 to 32

Statement of Financial Position

as at 31 March 2017

This statement presents the financial position and comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

| £ | | 2016-17 | 2015-16 |
|--------------------------------------|-------------|------------------|------------------|
| | Note | | |
| Current assets | | | |
| Trade and other receivables | 5 | 13,298 | 4,808 |
| Cash and cash equivalents | 6 | 130,764 | 160,480 |
| Total assets | | 144,062 | 165,288 |
| Current liabilities | | | |
| Trade and other payables | 7 | (236,902) | (294,735) |
| Total liabilities | | (236,902) | (294,735) |
| Total assets less liabilities | | (92,840) | (129,447) |
| Taxpayers' equity | | | |
| General fund | | (92,840) | (129,447) |
| Total taxpayers' equity | | (92,840) | (129,447) |


Alison J White

Registrar of Consultant Lobbyists and Accounting Officer

 11th July 2017

Notes 1 to 9 form part of these accounts on pages 26 to 32

Statement of Cash Flows

for the year ended 31 March 2017

The Statement of Cash Flows shows the changes in cash and cash equivalents during the reporting period. The statement shows how cash and cash equivalents are generated and used by classifying cash flows as operating and financing activities.

| £ | | 2016-17 | 2015-16 |
|---|-------------|------------------|------------------|
| | Note | | |
| Cash flows from operating activities | | | |
| Net expenditure | | (139,978) | (215,124) |
| Adjustment for non-cash transactions | 2 | 46,000 | 47,764 |
| (Increase)/Decrease in trade and other receivables | 5 | (8,490) | 1,581 |
| (Decrease)/Increase in trade and other payables | 7 | (57,833) | 161,671 |
| <i>Movement in trade and other payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i> | | | |
| Amounts payable to Consolidated Fund | 7 | 28,672 | (147,736) |
| Net cash outflow from operating activities | | (131,629) | (151,844) |
| Cash flows from financing activities | | | |
| Grant-in-Aid from Cabinet Office | | 259,685 | 312,204 |
| Net financing | | 259,685 | 312,204 |
| Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund | | 128,056 | 160,360 |
| Payments of amounts due to the Consolidated Fund | 7 | (157,772) | (10,036) |
| Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund | 6 | (29,716) | 150,324 |
| Cash and cash equivalents at the beginning of the period | 6 | 160,480 | 10,156 |
| Cash and cash equivalents at the end of the period | 6 | 130,764 | 160,480 |

Notes 1 to 9 form part of these accounts on pages 26 to 32

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2017

This statement shows the movement in the year on the general fund reflecting any grant from the Parent Department and extra receipts repayable to the Consolidated Fund. It also reflects net expenditure for the year and notional charges.

| £ | | 2016-17 | 2015-16 |
|---|-------------|------------------|------------------|
| | Note | | |
| Balance at 1 April | | (129,447) | (116,519) |
| Grant-in-Aid from Cabinet Office | | 259,685 | 312,204 |
| Extra Receipts payable to the Consolidated Fund | 7 | (129,100) | (157,772) |
| Net expenditure for the year | | (139,978) | (215,124) |
| Non-cash charges – Notional corporate services recharge | 2 | 46,000 | 47,764 |
| Balance at 31 March | | (92,840) | (129,447) |

Negative equity arises from expenditure exceeding income and from the accounting method for grant-in-aid which is sufficient to cover only cash expenditure and excludes accruals. Further explanation is provided at Note 1.3 to the Accounts and in the Fees and Charges Note 3 in the Accountability Report.

Notes to the accounts

1. Statement of accounting policies

1.1 Statement of compliance

This statement of accounts has been prepared in accordance with the 2016-17 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the *FReM* apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Registrar of Consultant Lobbyists for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Registrar of Consultant Lobbyists are described below. They have been applied consistently in dealing with items that are considered material to the statement of accounts.

1.2 Basis of preparation

This statement of accounts has been prepared under the modified historical cost convention.

1.3 Going concern

The statement of accounts has been prepared on a going concern basis, although the Office of the Registrar of Consultant Lobbyists (ORCL) has more liabilities than assets and its retained losses are greater than income resulting in negative equity. Negative equity arises where grant-in-aid provided by the Cabinet Office is sufficient to cover only cash gross expenditure and not accruals and where income from consultant lobbyists is insufficient to cover costs.

ORCL is however able to maintain its operations because the Cabinet Office will continue to provide financing through grant-in-aid. The Spending Review 2015 set out plans for the Cabinet Office for financial years 2016-17 to 2019-20 and Parliament has authorised spending in the Cabinet Office Main Estimate published within *Central Government Main Estimates 2017-18 (HC 1127)*.

1.4 Expenditure

The Register is not of itself an asset, rather the Registrar purchases a service provided by the asset and, as a consequence, the Registrar does not bear the risks and rewards of ownership and relevant costs are expensed.

The Cabinet Office provides a number of corporate functions to the entity which include finance, estates and information communication and technology service delivery. These are recharged on a notional basis. The amount of the recharge is an apportionment of costs, calculated as a cost per full time equivalent employee within the Cabinet Office multiplied by the number of full time equivalent employees in the entity.

1.5 Revenue

Part 1, section 22 of the Act stipulates:

- i. The Registrar may impose charges for or in connection with the making, updating and maintenance of entries in the Register.
- ii. The charges are to be determined by or in accordance with regulations.
- iii. In making the regulations, the Minister must seek to ensure that the total paid to the Registrar in charges is sufficient to offset the total of the costs incurred by the Registrar in exercising the functions under this Part (whether or not those costs are directly connected with the keeping of the Register).
- iv. If a charge imposed for making an application or a return to the Registrar is not paid, the Registrar may treat the application or return as not having been made.
- v. The Registrar must pay into the Consolidated Fund any sums received in respect of charges under this section.

Fees, including the charge for the annual maintenance of the Register, from consultant lobbyists are recognised on an accruals basis from the point of application to register over the period to which the fee relates.

The registration period with associated obligations on ORCL and registrants runs from 1 January to 31 December each year with the fee therefore straddling two financial years. Monies collected are split appropriately across the financial year with a portion of the fee retained for the current financial year and, where necessary, the rest deferred to the next financial year.

HM Treasury has agreed that these charges (which are treated as taxes in National Accounts) may be subject to a netting off arrangement whereby they may be netted off against expenditure in budgetary terms and may be recorded as income in the SOCNE.

ORCL also acts as a collecting agent for civil penalties on behalf of HM Treasury's Consolidated Fund. The netting off arrangement does not apply to these fines charged upon consultant lobbyists.

Cash receipts from both fees and civil penalties are surrenderable to HM Treasury's Consolidated Fund.

1.6 Grant-in-aid

The Registrar of Consultant Lobbyists is a corporation sole and it receives financing in the form of grant-in-aid from the Cabinet Office. The level of grant-in-aid is sufficient to cover gross cash expenditure given income is surrenderable to HM Treasury's Consolidated Fund. Grant-in-aid is issued on a deemed basis since the ORCL does not hold a bank account. Grant-in-aid is recognised at the point of cash receipt and is credited to the General Fund.

1.7 Cash and cash equivalents

ORCL does not hold a bank account or cash. Under a memorandum of understanding, payments are made, and receipts collected, on behalf of ORCL by the Cabinet Office, through its central bank account.

1.8 Financial assets

Trade and other receivables are recognised at cost which is deemed to be materially the same as the fair value. Trade and other receivables include registration charges due from consultant lobbyists and prepayments and accrued income and cash collected by the Cabinet Office from consultant lobbyists on behalf of the Registrar.

1.9 Financial liabilities

Trade and other payables are recognised at cost which is deemed to be materially the same as the fair value. Trade and other payables include accruals, deferred income and amounts payable to the Consolidated Fund.

1.10 Value added tax

The Registrar for Consultant Lobbyists is not VAT registered. Irrecoverable VAT is charged to the relevant expenditure category.

1.11 Impending application of newly issued accounting standards not yet effective

ORCL anticipated that the adaptation of these standards is unlikely to have a material impact on the financial statements in the period of application. The following are expected to be applied in 2018-19 following EU adoption and review.

IAS 7 – Statement of Cash Flows (Disclosure Initiative)

These amendments come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IFRS 9 – Financial Instruments (new)

The objective of the new Standard is to provide users with more useful information about an entity's expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date of financial instruments.

2. Expenditure

| £ | 2016-17 | 2015-16 |
|---|----------------|---------------------|
| Staff costs¹ | | |
| Registrar's fees | 30,242 | 26,900 |
| Registrar's expenses | 1,258 | 1,470 |
| Inward secondments | 96,400 | 90,069 |
| Total staff costs | 127,900 | 118,439 |
| Goods and services | | |
| IT costs ² | 41,465 | 57,729 ³ |
| Establishment of right to appeal to General Regulatory Chamber ⁴ | - | 34,371 |
| Supplies and services ⁵ | 41,120 | 27,943 |
| Auditors' remuneration and expenses ⁶ | 8,500 | 8,000 |
| Stakeholder conferences | 2,597 | 885 |
| Other staff related costs | 500 | 86 |
| Total goods and services | 94,182 | 129,014 |
| Non-cash - Notional corporate services recharge | 46,000 | 47,764 |
| Total | 268,082 | 295,217 |

¹ Staff costs are disclosed in the Remuneration and Staff Report within the Accountability Report.

² IT costs have decreased by £16,264 from £57,729 to £41,465 as we continue to see a focus on small scale technical improvements to the Register and maintenance.

³ This includes £9,915 for the establishment of an independent ORCL website separate to the GOV.UK platform. As with the Register, the website itself is not an asset and has therefore been expensed. See Note 1.4 for more information.

⁴ These costs relate to the administration and judicial costs of setting up the new right for consultant lobbyists to appeal to the First Tier Tribunal - General Regulatory Chamber (GRC) part of HM Courts and Tribunal Service. The GRC can deal with appeals from consultant lobbyists over the Registrar's decisions, such as the issuing of Civil Penalties by the Registrar.

⁵ Supplies and services have increased by £13,177 from £27,943 to £41,120 due to an increase in legal advice sought by the Office on a range of issues including prior to the issuing of consultations and guidance. Also includes an increase in the cost of the annual stakeholder event.

⁶ During the reporting year, no payment was made to the auditors for non-audit work.

3. Income

| £ | 2016 -17 | 2015-16 |
|---|----------------|---------------|
| Registration fees from consultant lobbyists | 128,104 | 80,093 |
| Total | 128,104 | 80,093 |

The Cabinet Office determines the registration fee which includes costs associated with maintaining the Register and processing registration and quarterly information returns. The registration fee runs from 1 January to 31 December. The fee for 2016 and 2017 is £950. The quarterly information return fee has remained at £12.50 per quarter for both 2016 and 2017.

The fee for consultant lobbyists joining the Register part way through the year is calculated on a pro-rata basis¹. The registration period with associated obligations on ORCL and registrants runs from the 1 January to the 31 December each year with the fee therefore covering two financial years. As such in terms of financial handling, monies collected from the fee are split appropriately across the financial year with a portion of the fee retained for the current financial year and where necessary the rest deferred to the next financial year.

4. Financial instruments

Funding for ORCL is received as grant-in-aid from the Cabinet Office. Therefore the Registrar of Consultant Lobbyists is not exposed to significant liquidity or interest rate risk.

¹ The following algorithm for calculating the pro-rata registration fee applies $F = (n / T) \times 700 + 12.5 \times Q$, where n = number of days left in the year from when the registrant posts their registration, T = total number of days in that year and Q = number of quarters left in the year not including the current quarter + the number of current and previous quarters available to be prepared by the consultant lobbyist.

5. Trade receivables, financial and other assets

| £ | 2016 -17 | 2015-16 |
|--|---------------|--------------|
| Current – amounts falling due within one year | | |
| Other receivables | 8 | 63 |
| Amounts due from consultant lobbyists | 3,936 | - |
| Prepayments and accrued income | 9,354 | 4,745 |
| Total | 13,298 | 4,808 |

6. Cash and cash equivalents

| £ | 2016 -17 | 2015-16 |
|---|----------------|----------------|
| Balance at 1 April | 160,480 | 10,156 |
| Net change in cash and cash equivalent balances | (29,716) | 150,324 |
| Balance at 31 March | 130,764 | 160,480 |
| The following balance at 31 March was held at: | | |
| Government Banking Service | 130,764 | 160,480 |
| Balance at 31 March | 130,764 | 160,480 |

The cash will be used to settle amounts payable to the Consolidated Fund.

7. Trade payables and other current liabilities

| £ | 2016-17 | 2015-16 |
|---|----------------|----------------|
| Current – amounts falling due within one year | | |
| Other payables | 2,434 | 22,820 |
| Accruals and deferred income | 104,468 | 112,143 |
| Amounts payable to the Consolidated Fund – received in respect of: | | |
| Fees from consultant lobbyists | 129,100 | 157,772 |
| Civil penalties from consultant lobbyists | 900 | 2,000 |
| Total | 236,902 | 294,735 |

Deferred income is further explained at Note 3. Information on the amounts payable to the Consolidated Fund is provided at Note 1 in the Parliamentary Accountability Disclosures Section.

8. Related party transactions

The Registrar of Consultant Lobbyists is a corporation sole funded by the Cabinet Office. The Registrar has had a number of transactions with the Cabinet Office in relation to staff secondments and corporate services. Neither the Registrar nor her staff have undertaken any material transaction with registered consultant lobbyists during the year.

9. Events after the reporting period

In accordance with the requirements of *IAS 10 Events after the Reporting Period*, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as being the date on the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament. There are no events after the reporting period which affect these accounts.

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