

Statement of Accounts

Annual report and accounts 2022 to 2023

For the period 1 April 2022 to 31 March 2023.

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

The role of Registrar of Consultant Lobbyists was established by the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 ('the Act'), under which those who lobby on behalf of a paying third party are required to register, declare the names of their clients and state whether they subscribe to a relevant code of conduct.

I am a statutory office holder, independent of Government and the public affairs sector and I account to Parliament for implementation of the provisions of the Act. I have a duty to monitor compliance with the requirements of the Act, a power to conduct formal investigations, require the supply of information and, in the event of non-compliance, to undertake enforcement action.

Transparent, ethical lobbying can be an important part of effective public policy-making. The work of my Office supports that process by putting the activities of consultant lobbyists into the public domain. To complement this, policy-makers have a responsibility actively to consider a range of policy inputs, not only those from the most organised, well-connected or well-funded parties.

On 22 September 2022, I was reappointed as Registrar of Consultant Lobbyists for a further term of three years, following my initial appointment in 2018.

This is the Registrar's ninth annual Statement of Accounts, covering the period from 1 April 2022 to 31 March 2023.

Objectives and performance in 2022-2023

This review of the year to 31 March 2023 is set against the objectives that I published for the Office of the Registrar in the 2022-23 business plan.

At 31 March 2023 the Register had 209 registrants, compared to 194 at the end of March 2022. Last year's significant increase in registrants started to level off at the end of 2022. This followed more than a year of active awareness raising and may indicate that awareness is now high and stable. There is naturally some churn in new registrants and leavers.

Following my public consultation in Spring 2022, I updated my formal guidance in May 2022. The key changes were to guidance on the incidental exception and clearer advice for secretariats of All-Party Parliamentary Groups.

My aim and that of my Office is to ensure that those who should register are aware of and comply with their obligations. Awareness raising activity this year included continuing to write to potential consultant lobbyists across a range of sectors and to Chairs and secretariats of All-Party Parliamentary Groups. My team reviewed and updated the website for easier navigation and refreshed the site's feedback form for future user-led improvements.

I first engaged with the Cabinet Office's Post Legislative Scrutiny of the Act in January 2021 and look forward to a conclusion in relation to a number of key areas of potential change in the coming year. I gave written and oral evidence to the Public Administration and Constitutional Affairs Committee in response to their inquiry 'Lobbying and Influence: post-legislative scrutiny of the Lobbying Act 2014 and related matters.'

During the year I worked with the OECD's Working Party of Senior Public Integrity Officials and with the European Lobbying Registrars' Network to exchange information about good practice in lobbying transparency. I gave evidence to the Senedd Standards of Conduct Committee as part of their consideration of lobbying registration in Wales and met Lord Lansley to discuss lobbying transparency.

Objective 1: Operate an accurate and accessible Register

Maintain the accuracy and timeliness of information contained in the Register and ensure that systems are accessible and meet user needs.

Objective 1: Activity 1

Support new registrants and check data to ensure accurate and timely registration and compliance.

Update: New registrants actively supported and registration information checked for accuracy. All new registrations published within four working days of complete registration application.

Objective 1: Activity 2

Support and enforce the timely submission of Quarterly Information Returns and updating of registration and code of conduct data by registrants.

Update: QIRs generally submitted on time and continued rigour in enforcement of compliance. Webinar induction sessions offered to registrants quarterly. Registrants with more than two consecutive quarterly nil returns contacted to check accuracy. Checks conducted on 2023 Register code of conduct declarations and consistent naming of clients, for accuracy.

Objective 1: Activity 3

Continue to improve user experience, ease of access, minimise the administrative burden and seek feedback from registrants on potential improvements.

Update: Feedback survey sent to new registrants and quarterly to all registrants, for suggested system improvements. Office will now receive automated alerts if system goes down. All-Party Parliamentary Group secretariat declarations simplified, to coincide with the Registrar's May 2022 guidance update.

Objective 1: Activity 4

Provide access to download the Register with registrant and client data quarterly.

Update: Register now available to download quarterly.

Objective 1: Activity 5

Work with our suppliers to monitor and maintain cyber security.

Update: Regular contact and updates maintained.

Objective 1: Activity 6

Respond to the outcomes of the December 2020 post legislative scrutiny of the Act when these are published by Ministers.

Update: Initial engagement late 2020 and await outcomes from Cabinet Office. Gave written and oral evidence to Public Administration and Constitutional Affairs Committee in response to inquiry 'Lobbying and Influence: post-legislative scrutiny of the Lobbying Act 2014 and related matters.' Informed registrants of this.

Objective 2: Provide clear, accessible guidance

Keep published guidance under review and take account of feedback from registrants and other stakeholders.

Objective 2: Activity 1

Review and update guidance as necessary to provide clarity for registrants and others, in particular taking account of the responses to the consultation carried out in March 2022.

Update: Following March 2022 consultation, updated guidance on registration published May 2022.

Objective 2: Activity 2

Following post-legislative scrutiny outcomes, provide guidance to the Private Offices of Ministers and Permanent Secretaries (and equivalents) to aid their understanding of the statutory obligations on consultant lobbyists they engage with.

Update: Not done. Awaiting post-legislative scrutiny outcomes.

Objective 2: Activity 3

Provide guidance to other stakeholders as necessary.

Update: Wrote to All-Party Parliamentary Group (APPG) Chairs and unregistered APPG secretariats following guidance update. Offered webinar for registered secretariats following quarterly information return changes that supported guidance update.

Objective 3: Communicate and engage with stakeholders

Undertake a programme of communication and engagement with registrants, potential registrants, representative bodies and other stakeholders.

Objective 3: Activity 1

Work with public affairs businesses and their representative bodies to understand them and support awareness and compliance by registrants and those who may engage in consultant lobbying in the future.

Update: Wrote to Public Relations and Communications Association (PRCA) and met Chartered Institute of Public Relations (CIPR) regarding their respective codes of conduct. Participated in online CIPR event for interview and Q&A from attendees.

Objective 3: Activity 2

Deliver regular induction and update seminars for new and existing registrants

Update: Delivered well-attended webinars quarterly.

Objective 3: Activity 3

Refresh and deliver our programme of stakeholder engagement to gain audience insight and to support wider awareness and compliance by registrants and those who may engage in consultant lobbying in the future.

Update: Delivered refreshed activities to increase awareness of statutory duties. Wrote to companies in public affairs, legal, accountancy and management consultancy sectors, who may engage in consultant lobbying in the future. Some of those receiving an awareness letter joined within the financial year.

Objective 3: Activity 4

Disseminate information about the Register to relevant audiences.

Update: Information and updates are provided directly to registrants. Awareness activities identify and target those who may engage in consultant lobbying.

Objective 4: Ensure compliance

Ensure that all those who ought to register do so and that the Register is complete and accurate.

Objective 4: Activity 1

Enforce compliance, making use of statutory penalties where appropriate.

Update: 18 notices of intention to issue a civil penalty issued during the year (2021-22: nine), the bulk of which resulted in a penalty being issued. Four information notices issued (2021-22: four).

Objective 4: Activity 2

Review the published diaries of Ministers and Permanent Secretaries against declarations on the Register.

Update: Ministers' and Permanent Secretaries' diaries reviewed, resulting in requests to Private Offices for further information, slow and mixed responses received.

Objective 4: Activity 3

Undertake formal investigations where there is reasonable information suggesting non-compliance.

Update: Registrar concluded 15 formal investigations and published summaries of findings (2021-22: 17).

Objective 5: Ensure administrative effectiveness and transparency

Operate the Office effectively and transparently to deliver against statutory purposes, serving all stakeholders and achieving value for money.

Objective 5: Activity 1

Deliver a proportionate risk management approach and corporate governance arrangements to ensure effective administration of the Office.

Update: Registrar formally reviews strategic risk and takes responsibility for governance.

Objective 5: Activity 2

Fulfil statutory and legal obligations in relation to data protection and freedom of information.

Update: Complied with freedom of information duties and compliant with data protection legislation, working with Cabinet Office as joint data controller.

Objective 5: Activity 3

Publish details of the Registrar's formal correspondence and meetings, statutory information notices, notices of intention to impose penalties (and their conclusion) and summaries of investigations.

Update: All published on website of the Office of the Registrar and now includes gifts and hospitality register.

Objective 5: Activity 4

Update Ministers on the work of the Office through business planning and financial reporting systems.

Update: Registrar updated Cabinet Office officials and sponsor Minister at Cabinet Office as required.

Objective 5: Activity 5

Report to Parliament as required.

Update: The Registrar's annual report and accounts for year to 31 March 2022 laid before Parliament 17 October 2022 and copy sent to Public Administration and Constitutional Affairs Committee (PACAC). Registrar gave evidence to PACAC's inquiry 'Lobbying and Influence: post-legislative scrutiny of the Lobbying Act 2014 and related matters.'

Objective 5: Activity 6

Comply with the Memorandum of Understanding with the Cabinet Office.

Update: Memorandum provisions adhered to.

Objective 5: Activity 7

Monitor the Office's financial management systems (including those operated for us by the Cabinet Office), to ensure proportionality, accuracy, effectiveness and value for money.

Update: Worked with Cabinet Office finance team to manage budget, forecasting and monitoring. Minimised costs and optimised value for money, while delivering statutory duties.

Objective 5: Activity 8

Ensure that Business Continuity Plans are understood and reviewed.

Update: Business Continuity Plan in place and reviewed.

Financial position

I am committed to fulfilling my statutory duties effectively and delivering value for money. The cost of running the Office of the Registrar in 2022-23 was £325,677 compared to £285,545 in 2021-22 (see page 33). The increase in costs was mainly due to staff and legal costs. Overall, expenditure in 2022-23 represented an underspend of £32,323 (2021-22: £59,656) against the agreed budget for the year.

Under the terms of the Act, ministers set the annual fees to registrants and seek to ensure that the total paid in fees is sufficient to offset the total costs. The Registrar collects and accounts for all fees and pays them into the Consolidated Fund. Income in 2022-23 was £206,196 (2021-22: £177,430) which is an increase of £28,766 over the previous year (see page 34). Staffing and shared services costs are paid from Cabinet Office budgets.

Plans for 2023 to 2024

During the year ahead, I will review whether my guidance would benefit from further changes. I will continue to build on the stakeholder engagement programme and seek to increase and widen awareness and knowledge of statutory duties. I will continue to monitor the Register, for ease of data entry and access for registrants, staff and the public. I will continue to work with Cabinet Office to prepare for any changes resulting from their post legislative scrutiny of the Act.

Alongside support for stakeholders, I will enforce the requirements of the Act with clarity, using statutory penalties where necessary and investigate where there is reasonable information suggesting non-compliance.

The Business Plan for 2023-24 is available at: www.registrarofconsultantlobbyists.org.uk



Harry Rich
Registrar of Consultant Lobbyists and Accounting Officer

Office of the Registrar of Consultant Lobbyists
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10 July 2023

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 Registrar of Consultant Lobbyists prepares 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 income and expenditure, Statement of Financial Position 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;
- prepare the accounts on a going concern basis; and
- confirm that the Statement of Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Statement of Accounts and the judgements required for determining that it is fair, balanced and understandable.

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.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Registrar of Consultant Lobbyist's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. As Accounting Officer, I take personal responsibility for the Statement of Accounts 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 of the Registrar'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 to implement the provisions in the Act, as a corporation sole. I am independent of consultant lobbyists and Government and report directly to Parliament. The Office of the Registrar 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 provision in the Act for a Board of Directors or a separate Audit Committee, although the Cabinet Office Audit and Risk Committee consider my draft accounts.

I discuss and agree the audit schedule with the National Audit Office. 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 and oversight. The work of my Office is conducted strictly in accordance with the requirements of the Act. These systems have been in place for the year under review and up to the date of approval of the annual report and accounts. No internal audits took place within 2022/23 as the Office of the Registrar of Consultant Lobbyists currently does not fall in scope under the Cabinet Office's Government Internal Audit Agency audit plan. However, as the Office uses the Cabinet Office's finance and payroll system and shared service centre, internal audits of the Cabinet Office's processes and governance will sometimes review services that are used by the Office.

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 and no new significant risks were identified.

Information Security

During the past year, there have been no reportable breaches of information security. The Office of the Registrar has complied with the requirements of the General Data Protection Regulation, sharing some data controller responsibilities, as appropriate, with the Cabinet Office (as providers of relevant corporate services to the Office of the Registrar, including IT, and HR).

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.

Conflicts of Interests

To provide assurance against conflicts of interest and business appointments:

- The Registrar and all staff are required to declare any related-party transactions annually.
- The Civil Service Management Code is applied, including section 4.3 relating to Standards of Propriety and Business Appointment Rules for Civil Servants.
- The Registrar's interests are published on the Office of the Registrar's website and any outside employment held by the Registrar is declared to Cabinet Office and published on the website.

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

Description	Registrar £	Others £	2022-23 Total £	2021-22 Total £
Registrar's fees	20,585	-	20,585	25,293
Registrar's expenses	1,801	-	1,801	199
Inward secondments	-	167,649	167,649	142,744
Total	22,386	167,649	190,035	168,236

1.2 Average number of persons employed

The Registrar is a part-time appointment with an expected commitment of 30-40 days per year. The Registrar was paid a daily rate of £420 to 21 September 2022 and £480 subsequently. This rate is determined by the sponsor Minister in the Cabinet Office and increased from £420 on 22 September 2022, having been unchanged since 2014. During the 2022-23 financial year, the Registrar worked and was paid for 42 days (2021-22: 55.5 days). The appointment is taxable under Schedule E and subject to Class I National Insurance contributions and does not attract a pension.

'Others' relates to inward secondees from the Cabinet Office: these equate to the equivalent of three full-time members of staff (2021-22: 2.5).

Description	2022-23	2021-22
Registrar	0.16	0.2
Others	3	2.50
Total	3.16	2.70

Parliamentary Accountability and Audit Report

This section presents key information which contributes to the organisation's accountability to Parliament.

The Regularity of expenditure section reports on losses and special payments made during the year. 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 to the Houses of Parliament, the Comptroller and Auditor General provides his opinion on regularity, whether the Remuneration and Staff Report and Parliamentary Accountability disclosures have been properly prepared 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

1.0 Analysis of cash surrenderable to the Consolidated Fund

Description	Note to accounts	2022-23	2022-23	2021-22	2021-22
		Outturn Accruals £	Outturn Cash Basis £	Outturn Accruals £	Outturn Cash Basis £
Registration fees from consultant lobbyists	7	219,169	219,169	215,518	215,518
Civil penalties from consultant lobbyists	7	4,523	4,523	3,675	3,675
Total amount payable to the Consolidated Fund		223,692	223,692	219,193	219,193

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 registration fees is paid to HM Treasury's Consolidated Fund.

Although cash is surrenderable to HM Treasury's Consolidated Fund, the Chief Secretary to the Treasury has agreed to a netting off arrangement whereby the Registrar may offset the income

against expenditure for budget and outturn purposes. This does not apply to civil penalties charged on consultant lobbyists. Cash receipts in 2022-23 amounted to £219,169 (2021-22: £215,518).

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 netting off arrangement described above does not apply to civil penalties charged on consultant lobbyists.

The civil penalties collected amounted to £4,523 (2021-22: £3,675) and £0 invoiced as receivable (2021-22: £0). Details of all civil penalties are published on the Office of the Registrar of Consultant Lobbyists website.

2. Regularity of expenditure

There are no losses nor special payments to disclose.

3. Fees and charges

Description	Note to accounts	Full cost recovery	Cost borne by Cabinet Office £	2022-23 Total £	2021-22 Total £
Registrar's fees and expenses		22,386	-	22,386	25,492
Inward secondments		-	167,649	167,649	142,744
Costs of providing the Register		52,927	-	52,927	43,183
Compliance and enforcement		45,656	-	45,656	21,425
Notional corporate services recharge		-	22,410	22,410	41,251
Other expenditure		13,989	660	14,649	11,450
Full cost of service	2	134,958	190,719	325,677	285,545
Registration fees from Consultant Lobbyists	3	(206,196)	-	(206,196)	(177,430)
Net expenditure for the year		(71,238)	190,719	119,481	108,115
Notional corporate services recharge		-	(22,410)	(22,410)	(41,251)
Net outturn		(71,238)	168,309	97,071	66,864

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.

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 and for accommodation or services to be provided to the Registrar. The Minister has decided not to recover all of these costs by making a charge on registrants, and consequently, the Cabinet Office bears these costs in addition to any net deficit from direct costs/income; see Note to Accounts 1.3 Going concern.



Harry Rich
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10 July 2023

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

Opinion on financial statements

I certify that I have audited the financial statements of the Office of the Registrar of Consultant Lobbyists for the year ended 31 March 2023 under the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014.

The financial statements comprise the Office of the Registrar of Consultant Lobbyists'

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

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 2023 and its net operating expenditure for the year then ended; and
- 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.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure 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.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Office of the Registrar of Consultant Lobbyists in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Office of the Registrar of Consultant Lobbyists' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office of the Registrar of Consultant Lobbyists' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Office of the Registrar of Consultant Lobbyists is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the Performance and Accountability Reports, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit 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 and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Office of the Registrar of Consultant Lobbyists and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 by the Office of the Registrar of Consultant Lobbyists or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Office of the Registrar of Consultant Lobbyists from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the

Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014; and

- assessing the Office of the Registrar of Consultant Lobbyists' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Office of the Registrar of Consultant Lobbyists will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Office of the Registrar of Consultant Lobbyists' accounting policies.
- inquired of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Office of the Registrar of Consultant Lobbyists policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Office of the Registrar of Consultant Lobbyists' controls relating to the Office of the Registrar of Consultant Lobbyists' compliance with the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, and Managing Public Money;
- inquired of management and those charged with governance whether:

- they were aware of any instances of non-compliance with laws and regulations;
- they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Office of the Registrar of Consultant Lobbyists for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Office of the Registrar of Consultant Lobbyists' framework of authority and other legal and regulatory frameworks in which the Office of the Registrar of Consultant Lobbyists operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Office of the Registrar of Consultant Lobbyists. The key laws and regulations I considered in this context included Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, and Managing Public Money.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, and the Cabinet Office Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

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

12 July 2023

Financial statements

Statement of account

Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

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

Description	Note	2022-23 £	2021-22 £
Total income	3	(206,196)	(177,430)
Staff costs	2	190,035	168,236
Purchase of goods and services	1, 2	113,232	76,058
Notional corporate services recharge	2	22,410	41,251
Total operating expenditure	1, 2	325,677	285,545
Net operating expenditure for the year		119,481	108,115

Notes 1 to 9 form part of these accounts on pages 29 to 36

Statement of Financial Position as at 31 March 2023

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.

Description	Note	As at 31 March 2023 £	As at 31 March 2022 £
Current assets			
Trade and other receivables	5	5,542	13,618
Cash and cash equivalents	6	214,610	208,914
Total assets		220,152	222,532
Current liabilities			
Trade and other payables	7	(406,923)	(387,829)
Total liabilities		(406,923)	(387,829)
Total assets less total liabilities		(186,771)	(165,297)
Taxpayers' equity			
General fund		(186,771)	(165,297)
Total taxpayers' equity		(186,771)	(165,297)



Harry Rich
Registrar of Consultant Lobbyists and Accounting Officer

10 July 2023

Notes 1 to 9 form part of these accounts on pages 29 to 36

Statement of Cash Flows for the year ended 31 March 2023

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.

Description	Note	2022-23 £	2021-22 restated* £
Cash flows from operating activities			
Net Operating Expenditure	SOCNE	(119,481)	(108,115)
Adjustment for non-cash transactions	2	22,410	41,251
Decrease/(Increase) in trade and other receivables	5	8,076	(1,558)
Increase/(Decrease) in trade and other payables	7	19,094	89,668
Movement in trade and other payables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Amounts payable to Consolidated Fund	7	(4,499)	(58,302)
Net cash outflow from operating activities		(74,400)	(37,056)
Cash flows from financing activities			
Grant-in-Aid from Cabinet Office	SOCTE	294,766	240,614
Net Financing		294,766	240,614
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		220,366	203,558
Civil penalties received in year from consultant lobbyists payable to the Consolidated Fund	7	4,523	3,675
Amounts paid to the Consolidated Fund in respect of fees from consultant lobbyists	7	(215,518)	(155,836)
Amounts paid to the Consolidated Fund in respect of civil penalties from consultant lobbyists	7	(3,675)	(5,055)
Net increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	6	5,696	46,342
Cash and cash equivalents at the beginning of the period	6	208,914	162,572
Cash and cash equivalents at the end of the period	6	214,610	208,914

*The Consolidated Fund cash flows have been restated to show additional detail separating civil penalties from fees paid by consultant lobbyists.

Notes 1 to 9 form part of these accounts on pages 29 to 36

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

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 operating expenditure for the year and notional charges.

Description	Notes	General Fund £
Balance at 1 April 2021		(123,529)
Grant-in-Aid from Cabinet Office	SOCF	240,614
Extra receipts payable to the Consolidated Fund	7	(215,518)
Net operating expenditure for the year	SOCNE	(108,115)
Non-cash charges – Notional corporate services recharge from Parent Department	2	41,251
Balance at 31 March 2022		(165,297)
Grant-in-Aid from Cabinet Office	SOCF	294,766
Extra receipts payable to the Consolidated Fund	7	(219,169)
Net operating expenditure for the year	SOCNE	(119,481)
Non-cash charges – Notional corporate services recharge from Parent Department	2	22,410
Balance at 31 March 2023		(186,771)

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 1 to 9 form part of these accounts on pages 29 to 36

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 2022-23 Government Financial Reporting Manual (FReM) issued by HM Treasury and under an accounts direction issued by the Cabinet Office in accordance with the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014. 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 offset registrant fees are recognised as income while the deemed Grant in Aid is recognised as funding. As the registrant fees only cover certain costs, ORCL's accounts show net operating expenditure and that liabilities exceed assets resulting in negative equity. However, it is appropriate to account for ORCL as a going concern as Parliament has authorised spending for ORCL GIA for 2023-24 in the Central Government Main Supply Estimates 2023-24 (HC-1134).

1.4 Expenditure

The Registrar purchases a license for the Register software. As the Registrar does not bear the risks and rewards of ownership, the Register is not recognised as a fixed asset and instead the relevant costs are expensed.

The Cabinet Office provides certain corporate functions to the Office of the Registrar of Consultant Lobbyists. These include finance, estates and IT.

These functions are recharged to the Registrar as an apportionment of costs, calculated: a) for corporate services, as a cost per full-time equivalent employee within the Cabinet Office multiplied by the number of full-time equivalent employees in the entity; and b) for estates, the cost per full-time equivalent employee for the provision of the Cabinet Office estate, multiplied by the number of full-time equivalent employees in the entity.

1.5 Revenue from contracts with customers

The *FReM* has made an adaption in applying IFRS 15 for government entities: where, by statute or Treasury consent, an entity is permitted to retain the revenue from taxation, fines and penalties, this revenue shall be treated as arising from a contract and accounted for under IFRS 15 (15a).

Under IFRS 15 (15a) ORCL recognises consideration received as revenue only when it has no remaining obligations to transfer services to the consultant lobbyists and all, or substantially all, of the consideration promised by the consultant lobbyist has been received by ORCL and is non-refundable.

1.6 Revenue – fees from consultant lobbyists

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.

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

Refunds are payable to lobbyists who terminate their registration before the end of the registration period.

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.

Cash receipts from fees are surrenderable to HM Treasury's Consolidated Fund.

1.7 Civil penalties from consultant lobbyists

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.

1.8 Grant-in-aid

The Registrar of Consultant Lobbyists is a corporation sole and 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 Office of the Registrar of Consultant Lobbyists does not hold an expenditure bank account which is attached to the accounting system. Grant-in-aid is recognised at the point of cash receipt and is credited to the General Fund.

1.9 Cash and cash equivalents

Under a memorandum of understanding, payments are made, on behalf of the Office of the Registrar of Consultant Lobbyists (ORCL) by the Cabinet Office, through its central bank account. Receipts are collected by ORCL into their bank account and subsequently these receipts are transferred into the Cabinet Office central bank account.

1.10 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.

1.11 Impairment of Financial Assets

An allowance for expected credit loss is determined for financial assets and recognised when material in the context of forecast future economic conditions. ORCL has a policy of pursuing outstanding debt from consultant lobbyists and, where recovery is in doubt, a provision is made.

1.12 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 refunds due to consultant lobbyists, accruals, deferred income and amounts payable to the Consolidated Fund.

1.13 Value added tax

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

1.14 Impending application of newly issued accounting standards not yet effective

The following standard is expected to be applied in 2025-26; effective 1 April 2025.

IFRS 17 Insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of

financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

Impact

The Office of the Registrar of Consultant Lobbyists will assess the impact of this new standard in advance of the effective date. Currently, there are no insurance contracts within these accounts.

2. Expenditure

Description	2022-23 £	2021-22 £
Staff costs¹		
Registrar's fees	20,585	25,293
Registrar's expenses	1,801	199
Inward secondments	167,649	142,744
Total staff costs	190,035	168,236
Goods and services		
IT costs ²	52,927	43,183
Supplies and services ³	13,033	19,984
Auditors' remuneration and expenses ⁴	11,500	9,100
Enforcement legal advice ⁵	34,447	2,831
Other staff related costs	1,325	960
Total goods and services	113,232	76,058
Non-cash		
Notional corporate services recharge	22,410	41,251
Total	325,677	285,545

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

² IT costs have increased by £9,744 from £43,183 to £52,927. This was due to technical improvements including changes to APPG secretariat declarations.

³ Supplies and services have decreased by £6,951 from £19,984 to £13,033 mainly due to a reduced level of costs of litigation in the current year.

⁴ NAO audit fees increased from £9,100 to £11,500. During the reporting year, no payment was made to the auditors for non-audit work.

⁵ Enforcement legal advice increased by £31,616 from £2,831 to £34,447 due to advice required on non-litigation issues and complex investigations.

3. Income

Description	2022-23 £	2021-22 £
Fees from consultant lobbyists	(206,196)	(177,430)
Total	(206,196)	(177,430)

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 2023 and 2022 was £950. The quarterly information return fee has remained at £12.50 per quarter for both 2023 and 2022.

The fee for consultant lobbyists joining the Register part way through the year is calculated on a pro-rata basis.

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

5. Trade and other receivables

Description	As at 31 March 2023 £	As at 31 March 2022 £
Current – amounts falling due within one year		
Other receivables	-	7,029
Amounts due from consultant lobbyists for fees	3,371	4,167
Prepayments	2,171	2,422
Total	5,542	13,618

6. Cash and cash equivalents

Description	As at 31 March 2023 £	As at 31 March 2022 £
Balance at 1 April	208,914	162,572
Net change in cash and cash equivalent balances	5,696	46,342
Balance at 31 March	214,610	208,914

The following balance at 31 March was held at:

Government Banking Service	214,610	208,914
Balance at 31 March	214,610	208,914

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

7. Trade and other payables

Description	As at 31 March 2023 £	As at 31 March 2022 £
Current – amounts falling due within one year		
Refunds due to consultant lobbyists	1,198	-
Other payables	505	-
Accruals	23,858	23,142
Deferred income ⁶	157,670	145,494
Amounts payable to the Consolidated Fund – received: ⁷		
Fees from consultant lobbyists	219,169	215,518
Civil penalties from consultant lobbyists	4,523	3,675
Total	406,923	387,829

⁶ Deferred income is further explained at Note 3.

⁷ 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 their staff have undertaken any material transaction with registered consultant lobbyists during the year. Compensation due to the Registrar in year has been disclosed in the Remuneration Report.

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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