



HM TREASURY

Financial Reporting Advisory Board Paper

UPDATE ON POSITION REGARDING SALARY AND PENSION DISCLOSURES

Issue:	Updating the FRAB on progress towards getting more comprehensive disclosure of salary and pension entitlements in resource and other accounts.
Impact on guidance:	N/A
UK GAAP adaptation?	No
IAS/IFRS compliant?	N/A
IPSAS compliant?	N/A
Impact on budgetary regime	N/A
Recommendation:	The FRAB is invited to comment on the points made in this paper.
Timing:	N/A

DETAIL

Background

1. A note, prepared by the Cabinet Office, of the position on disclosures in 2004-05 and the expected position in 2005-06 is attached (Annex A). This shows that we can expect full disclosures in the departmental resource accounts for 2005-06, and that the position in sponsored bodies is likely to show a considerable improvement, although there remain a few individuals who are likely to withhold their consent to disclosure (in some cases, this approach can be justified on the grounds of either national security or possible danger to the individuals concerned). The list shows only those departments in which there was not full disclosure in 2004-05.

2. As Alice Perkins' letter to the Chairman of the FRAB (28 September 2005) indicated that there was unlikely to be much support for a legislative solution, the Cabinet Office wrote to departments in

the summer/autumn of 2005 urging the full disclosure of the salary and pension entitlements of their senior officials and those in their sponsored bodies. It looks as if these letters came out too late to affect the disclosures in the 2004-05 accounts as there was little change compared with 2003-04 but, as shown in the Cabinet Office's paper, departments have indicated that they will have full disclosures in 2005-06.

UK GAAP compliance

3. The disclosure of salary and pension entitlements of named individuals is a Companies Act requirement for quoted companies.

Summary and recommendation

4. This paper shows that, based on work undertaken by the Cabinet Office in the summer/autumn of 2005, we can expect full disclosure in 2005-06 of salary and pension entitlements of senior officials in departments, and a considerable improvement in the level of disclosure by sponsored bodies. It looks as if the voluntary process is working, which has reduced the need for legislation

5. The FRAB is invited to comment.

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20 March 2006

ANNEX A (Page 1)

DEPARTMENTS

DEPARTMENTAL RESOURCE ACCOUNTS - COMPLIANCE WITH SALARY & PENSION DISCLOSURES

Name	Extent of previous non-compliance Resource Accounts – 2004-05	Expected compliance 2005-06
Assets Recovery Agency	1 x senior manager withheld consent	Full
DEFRA	1 x senior official withheld consent	Full
Department of Health	1 x senior board member withheld consent	Full
Export Credits Guarantee Department	6 x senior managers withheld consent	Full
Food Standards Agency (Westminster Funded)	1 x board member & 1 x director withheld consent	Full 1 x director (left)
Ministry of Defence	1 x senior management board member withheld consent	Full
Northern Ireland Court Service	2 x senior officials withheld consent	Full
Office for National Statistics	1 x senior manager withheld consent	Full
Office of the Rail Regulator	1 x senior staff & 1 non-executive director withheld consent	Full
Postal Services Commission	All 6 of the executive board members withheld consent	Full
Serious Fraud Office	1 x senior staff withheld consent & 1 x senior staff unavailable to give consent	Full Full
The Crown Prosecution Service	1 x senior official unable to contact to get consent 2 x board members (pensions)	Full Full
The National Archives: Public Record Office & Historical Manuscripts Commission	2 x senior officials withheld consent	Full

ANNEX A (Page 2)

SPONSORED BODIES – NDPBs & AGENCIES

COMPLIANCE WITH SALARY & PENSION DISCLOSURES

Name	Extent of previous non-comp Resource Accounts – 2004-0	Expected compliance 2005-06
<i>DCMS</i> Commission for Architecture & the Built Environment Millennium Commission National Museum of Science & Industry Natural History Museum	3 x directors 1 x director number not known number not known	Not known Not known Not known Not known
<i>DEFRA</i> Pesticides Safety Directorate Agency The Rural Payments Agency	1 x senior official 1 x senior official	Full Full
<i>DFES</i> Investors in People UK	1 x senior official	Full
<i>Department for Transport</i> The Vehicle Certification Agency The Driving Standards Agency	2 x board members 2 x board members	consent refused 2 x board members 2 x board members
<i>Department for Work & Pensions</i> Pensions Ombudsman Pension Protection Fund The Pensions Regulator	2 x senior officials all senior officials all senior officials	Full Full Full
<i>HM Treasury</i> Debt Management Office The Royal Mint	1 x senior manager (pension) 1 x senior manager	Full 1 x senior manager refused consent
<i>Home Office</i> GCHQ National Crime Squad National Criminal Intelligence Agency Serious Organised Crime Agency withheld consent for “security reasons “	6 x senior officials (Agencies) 6 x senior officials (NDPBs)	Full Full
<i>Ministry of Defence</i> Army Training & Recruitment Agency Defence Bills Agency Defence Estates Defence Medical Education & Training Agency Defence Transport & Movements Agency Defence Vetting Agency MOD Police & Guarding Agency Service Children’s Education Veterans Agency ABRO DARA Meteorological Office	2 x board members 5 x board members 1 x board member 2 x board members 3 x board members 1 x board member 1 x board member 6 x board members 1 x board member 1 x board member 5 x board members 1 x board member	Not known Not known Not known Not known Not known Not known Not known Not known Not known (deceased) Not known Not known Not known
<i>Northern Ireland Office</i> The Parades Commission NI Prison Service	3 x senior officials 1 x senior manager	consent refused by 3 x senior officials 1 x senior manager