



HM TREASURY

Financial Reporting Advisory Board Paper

DISCLOSURE OF SALARY AND PENSION ENTITLEMENTS - SUMMARY OF POSITION IN 2005-06

Issue:	Advising the FRAB on the extent of disclosures of salary and pension entitlements in the accounts of NDPBs in 2005-06.
Impact on guidance:	No changes to the guidance are proposed – this paper is for information only.
IAS/IFRS adaptation?	N/A
IPSAS compliant?	N/A
Interpretation for the public sector context?	N/A
Impact on budgetary regime?	N/A
Alignment with National Accounts	N/A
Impact on Estimates?	N/A
Recommendation:	The FRAB is invited to note the position on the disclosure of the salary and pension entitlements of key managers in 2005-06.
Timing:	N/A

DETAIL

Background

1. At its meeting on 20 March 2006, the FRAB considered a note by the Cabinet Office summarising the results of its study into disclosures following a letter from Alice Perkins to

departments (FRAB (78) 06). The study covered departments and agencies, and the FRAB asked if the position for 2005-06 could be established in respect of NDPBs.

2. A summary of the level of disclosures is given in Annex A. It shows that out of 42 departments:

- 29 departments have no NDPBs;
- 5 reported full disclosures;
- 2 did not provide information; and
- 6 reported varying degrees of compliance.

In addition, the National Assembly of Wales and Northern Ireland Assembly noted examples of consent being withheld as follows:

- National Assembly of Wales: 4 of its NDPBs have withheld consent and high levels of non-disclosure amongst its Health bodies;
- Northern Ireland Assembly: 10 of its NDPBs and 12 Health Trusts had various degrees of non-disclosure.

3. Of the departments reporting varying degrees of compliance:

- DCMS has 58 NDPBs. 25 had full disclosures; no information was yet available for 21; 9 follow the disclosure requirements of the Charities SORP rather than the FReM; and in 3, some individuals withheld consent.
- DfES noted that only one of its NDPBs did not have full disclosure.
- Dept of Health has 5 NDPBs – in two, some individuals withheld consent, and information was not available in one other: full disclosure elsewhere.
- Home Office noted that some individuals in 2 of its 13 NDPBs had withheld consent.
- MOD's has 6 NDPBs – all with charitable status – which follow the disclosure requirements of the Charities SORP.
- Northern Ireland Office did not distinguish between NDPBs but noted that only 2 (out of 62) officials had withheld consent.

4. There seems to be a problem with the requirements relating to charities. The FReM (1.2.6) notes that charities should follow the requirements of the Charities SORP, but "... provide the additional disclosures required by the Manual (for example ... disclosures on salary and pension entitlements) where these go beyond the ... SORP". However, there have been arguments that Charities need not prepare a Remuneration Report as the section in the FReM on Annual Reports (which include the Remuneration Report) does not apply to charities (7.2.1) and it appears that some charitable NDPBs are following the requirements of the SORP rather than those of the FReM. We will consider amendments to the FReM to clarify that charitable NDPBs are required to follow the requirements of the FReM as they apply to the preparation of a Remuneration Report.

5. Although not requested by the FRAB, a review of the extent of disclosure within departments for 2005-06 shows that there was full disclosure in all but 4 departments (Annex B). In two of these cases, the non-disclosures were limited to one individual; in one case to two individuals and in the fourth, two individuals had retired or resigned and could not be contacted to give their consent.

6. Annex C shows the position regarding executive agencies. Although there are still some examples of individuals withholding consent – interestingly some as regards pensions rather than salaries – the position is much improved over 2004-05, especially in respect of MOD.

Impact on disclosures in resource and other accounts

7. As noted in FRAB (81) 08, a decision by the Information Commissioner in June 2006 will mean that – other than in Scotland - departments and other entities will **not** have to obtain the prior consent of key managers and hence there should be full disclosures in 2006-07.

IAS/IFRS compliance

8. N/A

IPSAS compliance

9. N/A

Proposed text for the IFRS-based Government Financial Reporting Manual

10. N/A

Impact on the budgetary regime

11. N/A

Summary and recommendation

12. The FRAB is invited to note the position in respect of salary and pension disclosures in 2005-06.

**Financial Reporting Policy Team
21 September 2006**

ANNEX A

NDPBs – SALARY AND PENSION DISCLOSURES 2005-06

	Department	Extent of disclosure
01	Assets Recovery Agency	No NDPBs
02	Cabinet Office	No NDPBs
03	Central Office of Information	No NDPBs
04	Charity Commission	No NDPBs
05	Crown Estate Office	No NDPBs
06	DCA	No information provided
07	DCLG (was ODPM)	Full disclosure
08	DCMS	Of 58 NDPBs – 25 have full disclosure; 9 followed the disclosure requirements of the Charities SORP; 21 no information yet; 3 some individuals withheld consent.
09	DfES	In 1 NDPB, all individuals have withheld consent. Otherwise full disclosure in remaining 15 NDPBs.
10	DfID	No NDPBs
11	DEFRA	Full disclosure
12	DfT	Full disclosure
13	DWP	Full disclosure
14	DH	5 board members in one NDPB and 1 in another have withheld consent to disclosure. No information available on 1 other NDPB
15	DTI	No information provided
16	ECGD	No NDPBs
17	Food Standards Agency	No NDPBs
18	FCO	Full disclosure
19	Forestry Commission	No NDPBs
20	GAD	No NDPBs
21	HM Procurator General and Treasury Solicitor	No NDPBs
22	HMRC	No NDPBs
23	HMT	No NDPBs
24	Home Office	Some individuals in 2 (out of 13) NDPBs have withheld consent; no further information
25	MoD	MOD's NDPBs are charities and disclose only details for Chief Executive and not Board members.
26	National Savings and Investments	No NDPBs
27	NI Court Service	No NDPBs
28	NI Office	Only 2 out of 62 officials within the various NDPBs have withheld consent.
29	ONS	No NDPBs
30	OFT	No NDPBs
31	OFGEM	No NDPBs
32	OFSTED	No NDPBs
33	ORR	No NDPBs
34	OFWAT	No NDPBs
35	Postal Services Commission	No NDPBs
36	Privy Council Office	No NDPBs
37	Revenue and Customs Prosecution Service	No NDPBs
38	SFO	No NDPBs
39	CPS	No NDPBs

40	National Archives	No NDPBs
41	UKTI	No NDPBs
42	Security Services	No NDPBs
	National Assembly of Wales	4 of NAW's sponsored bodies have withheld consent. 23 out of 36 health bodies will not be making full disclosures.
	Northern Ireland	10 NDPBs reported some or full non-disclosure, together with 12 Health Trusts.

ANNEX B

DEPARTMENTS – SUMMARY OF DISCLOSURES 2005-06

	DEPARTMENT	COMMENT
01	Assets Recovery Agency	Full disclosure
02	Cabinet Office	Full disclosure
03	Central Office of Information	N/a – no staff
04	Charity Commission	Full disclosure
05	Crown Estate	N/a - no staff
06	DCLG/ODPM	Full disclosure
07	DCA	2005-06 accounts not available
08	DCMS	Full disclosure
09	DfES	Full disclosure
10	DfID	Full disclosure
11	DEFRA	2005-06 accounts not available
12	DfT	Full disclosure
13	DWP	2005-06 accounts not available
14	DoH	2005-06 accounts not available
15	DTI	Full disclosure
16	ECGD	Full disclosure
17	Food Standards Agency (Westminster)	Full disclosure
18	FCO	Full disclosure
19	Forestry Commission GB/England	Full disclosure
20	GAD	Full disclosure
21	HM Procurator General and Tsy Solicitor	Full disclosure
22	HMRC	Full disclosure
23	HMT	Full disclosure
24	Home Office	2005-06 accounts not available
25	MoD	Full disclosure
26	NS&I	Full disclosure
27	NI Court Service	2 officials withheld consent
28	NIO	Full disclosure (names not disclosed)
29	ONS	1 official withheld consent
30	OFT	Full disclosure
31	OFGEM	Full disclosure
32	OFSTED	Full disclosure
33	ORR	Full disclosure
34	OFWAT	Full disclosure
35	Postal Services Commission	Full disclosure
36	Privy Council Office	Full disclosure
37	Revenue and Customs Prosecution Service	2005-06 accounts not available
38	Security Services	No information given – national security
39	SFO	1 official withheld consent
40	CPS	Full disclosure
41	National Archives	2 officials not disclosed – retired and resigned.
42	UKTI	N/A no staff: info limited to independent members of the Board

ANNEX C

AGENCIES –SUMMARY OF DISCLOSURES 2005-06

Department	Name of Agency	Extent of disclosure
DfT	Vehicle Certification Agency	1 official refused for both salary and pension; 5 officials refused pensions
MoD	Defence Bills Agency	5 officials withheld consent
	Defence Transport & Movements Agency	7 officials withheld consent
	MOD Police and Guarding Agency	1 official withheld consent
	DARA	1 board member and 2 executive directors withheld consent

NB: this table lists only the examples where consent was withheld – in all other cases, there was full disclosure.