

FINAL

PRESS RECOGNITION PANEL

**Minutes of the 13th meeting of the Press Recognition Panel Board
held on 18 November 2015 at Mappin House, 4 Winsley Street, London W1W 8HF**

Present: Dr David Wolfe QC (Chair), Emma Gilpin-Jacobs, Carolyn Regan, Harry Rich and Tim Suter

In attendance: Susie Uppal (Executive Director), Holly Perry (Head of Governance), Kathryn Cearns (Audit and Risk Committee independent member) (paragraphs 1 to 10), Paul Nezandonyi (Communications and Stakeholder Manager) (paragraphs 1 to 13), John Speed (JS2 Ltd) and Megan Archer (JS2 Ltd)

Apologies: Harry Cayton

BOARD MEETING – PUBLIC SESSION

Welcome

1. The Chair **welcomed** Members and attendees to the thirteenth meeting of the Press Recognition Panel Board, and extended a warm welcome to the Audit and Risk Committee independent member, Kathryn Cearns FCA FCCA, to her first meeting of the Board.
2. The Chair also **welcomed** the members of the public who were in attendance, who confirmed that they were happy to be named as having been present:
 - James Connal, Capital PR; and
 - Brigit Morris, IMPRESS.

Declaration of members' interests

3. In his absence, the Board **recorded** that Harry Cayton had recently been appointed to the role of Chair of the Comic Relief Grants Committee. There were no other new declarations.

Minutes of the meeting held on 20 October 2015, outstanding actions and matters arising

4. The minutes of the meeting held on 20 October 2015 were **approved**. The Chair would sign a copy of the minutes as a correct record.
5. The log of outstanding Board actions was **noted** and **agreed**.
6. The Board **noted** that there were no matters arising that were not covered elsewhere on the agenda.

Draft Annual Report & Accounts 2014/15 – Paper PRP62(15)

7. The Board received a paper which presented the National Audit Office's (NAO) Audit Completion Report, the final PRP Annual Report and Accounts (ARA) for the period 3 November 2014 to 31 March 2015, and the NAO's draft letter of representation.
8. The following points were raised in discussion:

Audit Completion Report

- the Board **noted** that the NAO and the PRP had not come to an agreement in relation to the definition of 'related party transactions' as these applied to the PRP, in particular in relation to the definition of 'joint control' and whether or not Board Members could be said to have joint control of the PRP. While this did not impact on the disclosures for 2014/15, and the PRP was likely to adopt a prudent approach to disclosure in future years, it was nevertheless important for the NAO and PRP to come to an agreement in relation to the principles at play. It was **noted** that the independent member of the Audit and Risk Committee, Kathryn Cearns, had offered to assist in the discussions with NAO;
- the Board **noted** the unadjusted misstatements set out on page 10 of the NAO's report, and an additional misstatement that had been identified by the NAO since the Board papers had been dispatched – an accrual should have been made in relation to annual leave accrued but not taken as at 31 March 2015. The Board and ARC agreed that this misstatement should not be adjusted for in the accounts, (on the basis that it would be reversed out in 2015/16), and details would be added to the letter of representation;
- in relation to control issues, the Board **noted** that the errors in relation to over- and under-payment of professional support and contractors expenditure had been corrected, and that segregation of duties since 1

- April 2015 meant that such errors were less likely to recur in future;
- the Board noted the internal control recommendations and management's response as set out on page 11, covering the preparation of annual budgets and the engagement of an internal audit function.

Annual Report and Accounts 2014/15

The following text amendments were agreed:

- Contents page – capitalisation of Comptroller and Auditor General;
- Chair's introduction – deletion of the wording, 'We made considerable progress during this period and have continued to build on this in recent months';
- Highlights of our Work in 2014/15 – addition of the wording 'and our meetings are open to the public' in relation to Board meetings;
- Management Commentary, page 13 – replacement of 'central to the way the recognition system was designed to work' with 'part of the context in which the recognition system was designed to work';
- Governance Statement – addition of a footnote in the table of principal emerging risks facing the PRP as follows, 'See also the going concern disclosure at note 2 of the financial statements'; and
- Remuneration Report – correction of the appointment date of Board Members from 3 October to 3 November 2015.

Letter of representation

- to reflect the issue relating to the accrual of annual leave by the Executive Director at the year end, the Board **agreed** that a fourth bullet would be added to the section headed 'Unadjusted errors':
'The annual leave accrued but not taken by the Executive Director as at 31 March 2015 totalling £2,364 had not been included in the accounts'.

Other issues

- in relation to timing, the Board **agreed** that while there was no deadline set out in the Royal Charter, a self-imposed deadline for laying the ARA would be helpful in future years. JS2 Ltd reported that it would be possible to produce the figures within a space of four weeks of the financial year end. The ARC would consider the matter further at its March 2016 meeting;
- in relation to the publication of the ARA on gov.uk, the Board **noted** that this was a requirement on the basis that the ARA was being laid as an unnumbered Command Paper. The text of the web page on gov.uk would be minimal, emphasise the PRP's independence and re-direct users to the PRP's own website.

9. In summary, the Board:
- **thanked** the NAO, the members of the Audit and Risk Committee, JS2 Ltd and the executive for their hard work in completing the first annual report and accounts for the PRP against the FRS102 standard;
 - **noted** the NAO's Audit Completion Report, in particular, **noted** the control issues raised in relation to the misstatements;
 - **agreed** that in relation to the timing of publication of the ARA in future years, that the PRP should aim for an earlier, and consistent, laying date, to be determined following further advice from the Audit and Risk Committee;
 - **approved** the final draft ARA 2014/15, subject to the points raised in discussion and **delegated authority** to the Chair and Executive Director to sign the Management Commentary, Governance Statement, Remuneration Report and Statement of Financial Position ahead of submission to the Comptroller & Auditor General;
 - **noted** the letter of representation for the Chair's signature, subject to the one amendment agreed in discussion.
10. In relation to next steps, the Board **noted**:
- once the ARA had been signed by the Executive Director, Chair and Comptroller & Auditor General, it would be printed and prepared for laying as a Command Paper on 26 November 2015; and
 - the ARA would be published on the website under the 'news' section.

Executive Director's Report – November 2015 – Paper PRP63(15)

11. The Board received a paper which provided an update to the Board on executive activity since the last Board meeting on 20 October 2015.
12. The following points were raised in discussion:
- the issues relating to research would be considered in the confidential session;
 - the Chair provided a verbal report of his session with Professor Tim Luckhurst and his students at the University of Kent, following a visit on 9 November 2015. A written note of the session was in the process of being finalised; and
 - in relation to recruitment, Simon David Edward had been appointed Regulatory Affairs Manager following interview and would be taking up post in the week commencing 23 November, subject to references.
13. The Board **noted** the contents of the Executive Director's report.

Finance Report November 2015 – Paper PRP64(15)

14. The Board received a paper which updated the Board on the financial position as at 31 October 2015.
15. The following points were raised in discussion:
- the Board **noted** the continuing underspend – which as at 31 October 2015 was £64,098 (expenditure of £527,198 against a budget of £591,296);
 - the Board **noted** that while a full, formal review of Handelsbanken had not been undertaken, the PRP's experience after one year of service had been excellent, with a high level of responsiveness in particular;
 - the Board **noted** that a formal review – involving the Board Member with responsibility for finance – would take place in the latter part of 2016;
 - the Board **noted** that the Executive Director was in the process of finalising the documentation for the opening of a second bank account with Barclays. The Board would discuss a specific sum to be transferred to the Barclays account at the 17 December 2015 meeting.
16. The Board:
- **noted** the latest financial position as at 31 October 2015; and
 - **agreed** the continuation of the PRP's banking with Handelsbanken.

Review of Board Members' remuneration – Paper PRP65(15)

17. The Board received a paper which sought the Board's agreement to remuneration for the Chair and Board Members with effect from 3 November 2015, and to discuss and agree the arrangements for setting the remuneration for Board Members to autumn 2017.
18. The following points were raised in discussion:
- the Board **noted** that on the basis that market rates across the public sector for non-executive chairs and board members were likely to have moved only very marginally if at all, the data commissioned in 2014 to inform the initial remuneration rates had not been updated;
 - the Board **noted** a typographical error in paragraphs 2 and 24 of the paper in that references to 'daily' amounts should have been omitted, as rates were annualised;
 - Board Members **agreed** that in general terms, time allocations of 60 days annually for the Chair, and 20 days annually for Board Members was appropriate; and

- the Board **agreed** that a further review of remuneration rates would take place in autumn 2016, on the basis that by this stage, the Board would have made decisions about the PRP's work plan and future resourcing requirements which would determine the workload and frequency of Board meetings to the end of 2017.

19. The Board:

- **approved** the continued rate payable to the Chair of the Panel of £30,000 per annum, and expected time commitment of 60 days annually, with effect from 3 November 2015;
- **approved** the continued rate payable to Board Members of £6,000 per annum, and expected time commitment of 20 days annually, with effect from 3 November 2015; and
- **approved** the approach to setting the Chair and Board Members' remuneration to autumn 2017, with a review in autumn 2016.

Closing discussion

20. The Chair invited the members of the public who were in attendance to make any observations and to raise any questions. No comments were received.

Any other business

21. It was agreed that Board Members' availability would be canvassed in relation to the Board meetings scheduled for 26 April 2016 and 21 July 2016. There were no other items of business.

Date and time of next meeting

22. The Board **noted** that the next scheduled meeting of the Board would be held on Thursday 17 December 2015 starting in the afternoon (exact start time to be confirmed).