

PRP

INDEPENDENTLY
OVERSEEING
PRESS REGULATION

PRESS RECOGNITION PANEL

Annual Report and Financial Statements

For the year ended 31 March 2023

Press Recognition Panel

Annual Report and Financial Statements

For the year ended 31 March 2023

Presented to Parliament pursuant to Article 12.4
of the Royal Charter on Self Regulation of the Press

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Legal and administrative information

Press Recognition Panel

The Press Recognition Panel (PRP) is the independent body set up by the Royal Charter on Self-Regulation of the Press (“the Charter”) to ensure that regulators of the UK press are independent, properly funded and able to protect the public.

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Board Members

Kathryn Cearn's OBE FCA FCCA
Annie Mullins OBE
Dr Zahera Harb
Professor Suzanne Rab
Mark Williams

Chief Executive

Susie Uppal

PERFORMANCE REPORT

1. Overview

1.1 Chair's foreword

This is the eighth annual report and accounts for the Press Recognition Panel (PRP), and it covers the period from 1 April 2022 to 31 March 2023.

During the year under review, we achieved all that we set out to do in our published Business Plan for 2022/23 to meet our Royal Charter obligations. The Charter gives us a unique independence as an oversight body, and we operate transparently as part of the system agreed by Parliament to balance the public interest and the freedom of the press.

In February 2023, we published our seventh report on the recognition system. We reported that concerns about the ethics and behaviour of the press that led to the Leveson Inquiry being established had not gone away. Although the establishment and recognition of Impress have led to an increase in standards and public protection, the recognition system still does not cover all significant relevant publishers. This means that the system is failing.

The cause of this failure is that the Government has not enacted Section 40 of the Crime and Courts Act 2013. The legislation was agreed by Parliament and would provide affordable access to justice to the public when the press has harmed them, whilst also protecting publishers from high legal costs. That legislation would incentivise publishers to join or form an approved regulator. The Government also announced on 10 May 2022 that it intends to repeal Section 40 in the forthcoming Media Bill. Our seventh report on the recognition system urged the Government to reconsider this approach.

During July of 2023 the Online Safety Bill returned to Parliament. The Online Safety Bill is intended to protect children and adults online by strengthening Ofcom's regulatory powers in this area. To protect freedom of speech, the Bill includes a clause exempting content generated by online news publishers from the safety duties for online platforms overseen by Ofcom. We reported in our seventh report on the recognition system that the definition of 'news publisher' contained in this clause was so broad it added significant complexity and confusion. The potential consequences of this broad definition include enabling malicious actors to masquerade as news publishers to evade regulatory scrutiny on the one hand and, on the other, inadvertently capturing genuine news publishers in Ofcom's statutory regulatory scheme.

Impress continued to be scrutinised against the Charter requirements. We undertook the second Cyclical Review of Impress and concluded that Impress continues to demonstrate compliance against the requirements of the Charter.

Under the Royal Charter, the Board is responsible for reappointing and appointing future Board members, including the Chair. This helps to ensure our ongoing independence.

In June 2022, David Wolfe left the PRP after his second term as Chair of the PRP. The recruitment campaign for a successor started in January 2022 and following a fair, open and merit-based process Gerard Lemos was appointed as the second Chair of the PRP and took up the position on the 17 June 2022.

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In February 2022 the Board also started the process for recruiting two new Board members ahead of Harry Cayton and Harry Rich's terms of office ending in November 2022. In September 2022 the PRP appointed two new Board members, Professor Suzanne Rab and Dr Zahera Harb.

They were appointed by the PRPs existing Board members in line with the Royal Charter. They took up the positions on the 1 September 2022 following an open recruitment process.

Harry Cayton and Harry Rich stepped down from the Board on the 2 November 2022 when their terms of office ended. In September the Board decided to recruit an additional Board member with financial expertise.

Gerard Lemos stepped down as Chair of the Board on the 29 January 2023 due to personal and family reasons. On the 23 February 2023 the recruitment campaign commenced to recruit a successor. We appointed Green Park Interim and Executive Ltd to lead the search of a new Chair. The campaign ran from 23 February 2023 to 2 April 2023.

I am very pleased to have been appointed as Chair of the PRP following that process and took up tenure as of the 6 June 2023.

I would like to thank our Chief Executive, Susie Uppal, and the Executive team for their hard work and dedication, and my Board colleagues for their commitment and support.

The PRP will continue to work in the public interest to promote a free press in a free and fair society and is committed to independently overseeing an effective system of press self-regulation in the UK.



Kathryn Cearns
Chair
12 September 2023

PERFORMANCE REPORT

1.2 Chief Executive's introduction

This annual report describes the work undertaken in 2022/23, provides a picture of the overall organisational position of the PRP, accounts for our income and expenditure and looks forward to our future plans.

The PRP's Business Plan for 2022/23 built on the work we had done in previous years to establish an effective organisational framework with robust regulatory oversight systems to meet our Royal Charter obligations.

This has included monitoring the performance of Impress and completing the second period Cyclical Review to ensure that they continue to demonstrate compliance against the 29 Criteria in Schedule 3 of the Royal Charter on the Self-Regulation of the Press. Following consideration of the evidence submitted by Impress, a public call for information, review of information in the public domain and two audit visits to Impress' office to review sample case files, we assessed that Impress were able to demonstrate ongoing compliance.

Impress remains the only recognised Approved Regulator. While its membership is growing, many news publishers remain outside of the system of independent press self-regulation as was envisaged by Parliament following the Leveson Inquiry into the Culture, Practices and Ethics of the Press. During the year, we have continued to advocate to news publishers to either join the Approved Regulator or establish a new self-regulatory body which could then seek recognition.

We have also continued to encourage the Independent Press Standards Organisation (IPSO) to consider what structural changes might be necessary to enable them to seek recognition. In our seventh annual report on the recognition system, we highlighted that to meet the minimum standards set out in the Royal Charter, IPSO would need to achieve independence from the industry, develop its own Standards Code and strengthen its complaints handling and arbitration processes before it would be in a position to make an application for recognition with confidence.

The PRP remains ready to consider new applications for recognition.

Over the last year, our engagement work more broadly has centred around two pieces of legislation:

- Section 40 of the Crime and Courts Act 2013
- Clause 50 of the Online Safety Bill

We have continued to make the case that Section 40 of the Crime and Courts Act 2013 is a key underpinning of the recognition system. Without it, there is currently no commercial advantage for news publishers to join a recognised self-regulatory scheme or penalty for not doing so. Section 40 was designed to both incentivise membership by protecting news publishers from the award of costs, should they be a member of an Approved Regulator, if a relevant claim (e.g., libel) were made against them which could otherwise have been resolved by the Approved Regulator's arbitration process (subject to exceptions).

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This is a powerful tool protecting news publishers' freedom of speech in the event that a wealthy organisation or individual were to misuse the courts to bring a claim with the objective of stifling investigative journalism (known as Strategic Litigations against Public Participation or 'SLAPPS').

Equally, Section 40 requires costs to be awarded against news publishers who are not members of an Approved Regulator removing a significant obstacle for members of the public who have experienced press harm in accessing justice. In this way, the legislation seeks to achieve balance between public protection and freedom of speech.

During the Online Safety Bill's progress through Parliament, an amendment was proposed to more tightly define news publishers qualifying for the exemption from Ofcom oversight. This amendment proposed a simple binary test that a news publisher must be a member of an Approved Regulator under the recognition system in order to qualify for the exemption from the safety duties placed on online platforms by Ofcom. This was a welcome and necessary amendment to remove the confusion and complexity created by the current drafting. This amendment has not been moved to a vote and without this amendment, a lacuna is created in legislation.

On both these subjects we have engaged with Parliamentarians and other stakeholders to explain how the recognition system was intended to work and our role. As in previous years, we have also responded to and addressed public misinformation about the PRP, our work and our role. We issued media corrections, prepared briefings for meetings with stakeholders, and publicly wrote to those who had shared misinformation, including politicians. We published all relevant correspondence on our website.

We remain committed to delivering an effective oversight system of press self-regulation that protects the public. We will ensure that we continue to have the resources in place to be able to receive and determine any further applications for recognition and to maintain proportionate monitoring of the regulator.



Susie Uppal
Chief Executive, Press Recognition Panel
12 September 2023

PERFORMANCE REPORT

1.3 About us

Background – the PRP’s purpose and activities

Following the exposure of criminal activity and growing complaints about the behaviour of the press in the UK in 2011, the Leveson Inquiry made a series of recommendations for a new, more effective regulatory system. The PRP is a key component in the recognition system. On 30 October 2013, our Charter was granted and on 3 November 2014 the PRP came into legal existence.

The PRP is entirely independent of the government, Parliament, the press or any other such interest. Independence and transparency are fundamental to the way in which we operate.

Our role

Our role is to consider whether independent press self-regulators meet, and continue to meet, the recognition criteria in the Charter. We do this by:

- determining applications for recognition from regulators;
- undertaking reviews of those regulators to determine whether they should continue to be recognised;
- removing recognition if a regulator no longer meets the criteria; and
- reporting publicly on any successes or failures of the recognition system.

Our values

We are committed to performing our duties:

- **Independently** - using to the full the complete freedom we have from the state, government or any other interest, and expressing our views honestly and courageously.
- **Fairly** - guided by the principle of understanding the public interest and always putting it first.
- **Openly** - asking questions, using the widest possible range of evidence available to us to make our decisions, and explaining them clearly.
- **Transparently** - wherever possible holding our meetings in public, publishing our papers, and making our meetings formal and documented – ensuring that the public and those we serve can see how we are putting our principles into practice.
- **Inclusively** – guided by the principles of equality and diversity as an employer, and in the way we work with colleagues and stakeholders, and in the way we conduct our business.

PERFORMANCE REPORT

Key issues and risks

Details of the key issues and risks facing the PRP that could affect delivery of our objectives as required by the Charter are set out in the Governance Statement (Section 3.3).

2. PERFORMANCE ANALYSIS

2.1 Highlights of our work in 2022/23

The PRP's Business Plan for the year to 31 March 2023 was published in April 2022 and is available on our website.

Our objectives for 2022/23 were as follows and we comment on them below:

1. Oversee approved regulators
2. Meet our ongoing reporting requirements
3. Receive applications for recognition
4. Use insight from those who have an interest in our work to inform what we do
5. Ensure that our systems and processes are effective and provide value for money
6. Develop a highly motivated, diverse and professional Executive
7. Appointing and inducting a Chair and two new Board members

1. Oversee approved regulators

Our complaints and feedback systems enable us to maintain a proportionate awareness of the regulatory landscape and of issues related to our work. The PRP continues to maintain periodic review of the currently only Approved Regulator, Impress, to ensure continued compliance with the Royal Charter criteria.

In February 2022 we commenced the second Cyclical Review of Impress as required under the Royal Charter. This process is designed to ensure that Impress continues to meet the minimum standards set out in Schedule 3 of the Royal Charter on Self-Regulation of the Press. The PRP Board's Decision Report was published on 21 July 2022 and concluded that Impress was independent, well-funded and had effective systems in place to protect the public and therefore continued to meet the minimum standards to be recognised as an Approved Regulator of the Press.

2. Meet our ongoing reporting requirements

Annual report and financial statements for the year ended 31 March 2022.

In accordance with Articles 12 and 13 of the Charter, the PRP prepared and published its audited annual report and financial statements for the year ended 31 March 22, as certified by the Comptroller and Auditor General. The report was laid in the Houses of Parliament and before the Scottish Parliament on 20 June 2022. Copies of the annual report were provided to the National Assembly for Wales and the Northern Ireland Assembly for information. This report, alongside past reports, is available on the PRP website.

PERFORMANCE REPORT

Annual report on the recognition system

In accordance with Article 4.1(d) of the Charter, our seventh annual report on the recognition system was laid in the Houses of Parliament and before the Scottish Parliament on 21 February 2023. Copies of the report were also provided to the Welsh Parliament and the Northern Ireland Assembly for information. The report was published on the PRP website.

In preparing the report, we met with stakeholders to discuss our work and receive their views, which helped inform our thinking. Between 8 November 2022 and 26 January 2023, we conducted a call for information that invited views on issues related to our work. The responses and correspondence have been published on our website, where we had permission to do so.

Our report had three main findings. The first that, despite progress with a growing number of news publishers becoming members of Impress' regulatory scheme, the recognition system is failing due to the failure of the Government to commence Section 40 of the Crime and Courts Act 2013. Second, because the majority of news publishers remain outside of the recognition system, systems for dealing with complaints across the industry are arbitrary leaving the public at risk of harm. Finally, that the Online Safety Bill creates a regulatory gap which needs to be addressed to avoid adding confusion and complexity

3. Receive applications for recognition

The PRP has in place effective systems and resources needed to assess future applications for recognition from regulators. During the financial year to 31 March 2023, no applications for recognition were received.

4. Use insight from those who have an interest in our work to inform what we do

The PRP continued to proactively and reactively engage with stakeholders during 2022/23 to provide information about the recognition system and to address any misinformation about it and the PRP's role. Details of the PRP's engagement and letters are published on our website in line with our commitment to openness and transparency.



PERFORMANCE REPORT

5. Ensuring our systems and processes are effective and provide value for money

The PRP's Business Plan for 2022/23 included objectives for the year and framed the organisation's work plan. The Chief Executive reported to the Board each month on performance against those objectives with supporting financial management information. The PRPs communication strategy was agreed by the Board in September 2022.

The Board and the Audit and Risk Committee critically reviewed policies and procedures for the way the PRP operates and is governed between September 2022 and March 2023. The review ensured that the PRP's framework continues to be fit for purpose, provides value for money and makes the best use of the PRP's limited resources. The updated policies and procedures are available on our website. We strived to achieve value for money on all goods and services purchased throughout the year.

6. Develop a highly motivated, diverse and professional Executive team

The Chief Executive is responsible for the resourcing requirements of the Executive team and continues to ensure that the Board is supported to meet its obligations under the Charter. The PRP has implemented a flexible organisation design to make best use of its limited resources. The Executive team works collaboratively with its contractors to ensure that the organisation benefits from the right combination of skills and experience to support efficient and timely delivery. Further details are provided in Section 3.1 below.

7. Succession planning for a Chair and Board members

The Board are committed to ensuring the orderly succession of appointments to the Board so as to maintain an appropriate balance of skills and experience to meet the Charter obligations.

During 2022 we worked with a specialist recruiter to ensure the process attracted a diverse range of candidates and was open and transparent. Further detailed information is provided under Section 3.3 below.

PERFORMANCE REPORT

2.2 Forward look

The PRP published its Business Plan for 2023/24 in April 2023. This sets out our objectives and plans for the year which reflect our focus on ensuring we have the systems and processes in place to operate effectively and meet our Charter obligations.

Our objectives

We will:

1. Oversee approved regulators;
2. Meet our ongoing reporting requirements
3. Remain prepared to receive applications for recognition and
4. Use insight from those who have an interest in our work to inform what we do

We will do this by:

5. Ensuring our systems and processes are effective and continue to provide value for money
6. Retaining a highly motivated, diverse and professional Executive team

Our plans for 2023/24

Our plans, include the following:

1. Oversee approved regulators

We will continue to oversee Impress. We will maintain a proportionate level of active awareness of the press landscape and gather necessary information for effective and proportionate oversight.

We will continue to operate the systems that we have put in place to receive feedback from third parties about the Approved Regulator. We will determine the Regulator's compliance with the Charter's recognition criteria in light of any changes that they make to operations, or as a consequence of any concerns raised by third parties.

2. Meet our ongoing reporting requirements

We anticipate publishing our eighth report on any success or failure of the recognition system in February 2024.

Throughout the year we will publish reports on any ad hoc reviews carried out. We will regularly meet with stakeholders and provide written information on both a reactive and proactive basis. We will reactively correct misinformation about the PRP and circulate our myth-busting document.

3. Receive applications for recognition

The PRP has in place effective systems and resources needed to assess future applications for recognition from regulators. We remain ready to assess any applications for recognition.

PERFORMANCE REPORT

4. Use insight from those who have an interest in our work to inform what we do

The PRP will continue to proactively and reactively engage with stakeholders during 2023/24 to provide information about the recognition system and to address any misinformation about it and the PRP's role. Details of the PRP's engagement and letters are published on our website in line with our commitment to openness and transparency.

We will also continue to engage with Parliamentarians and other interested parties as the Online Safety Bill progresses through Parliament as well as providing information on the impact of the Government's proposed repeal of Section 40 of the Crime and Courts Act 2013 in the draft Media Bill.

5. Ensuring our systems and processes are effective and provide value for money

The PRP's Business Plan for 2023/24 includes objectives for the year and frames the organisation's work plan. The Chief Executive reports to the Board each month on performance against those objectives with supporting financial management information. The PRP's communication strategy was agreed by the Board in September 2022 and updated in April 2023.

The Board and the Audit and Risk Committee critically reviews policies and procedures for the way the PRP operates and is governed. The review ensured that the PRP's framework continues to be fit for purpose, provides value for money and makes the best use of the PRP's limited resources. We strive to achieve value for money on all goods and services purchased throughout the year.

6. Develop a highly motivated, diverse and professional Executive Team

The Chief Executive is responsible for the resourcing requirements of the Executive team and continues to ensure that the Board is supported to meet its obligations under the Charter. The PRP will continue to operate flexibly to make best use of its limited resources. The Executive team works collaboratively with its contractors to ensure that the organisation benefits from the right combination of skills and experience to support efficient and timely delivery. Further details are provided in Section 3.1 below.

7. Succession planning for a Chair and Board members

The Board have appointed a new Chair, Kathryn Cearn, who took up her tenure on the 6 June 2023 following a fair and open recruitment process in accordance with the Charter and all relevant policies, including equality and diversity.



Kathryn Cearn
Chair
12 September 2023



Susie Uppal
Chief Executive
12 September 2023

ACCOUNTABILITY REPORT

3. Corporate governance report

3.1 Directors' report

This Directors' report is a report by the Chair (on behalf of the Board) and Chief Executive (as Accounting Officer) as those with authority and responsibility for directing and controlling the major activities of the PRP during 2022/23. Further details of the Chair, Board members and Chief Executive are provided in Section 4 of this report. Declarations of relevant interests of Board members are available on the PRP's website.

Financial performance measures and results

Fees of £248,930 were charged to Impress in November 2022, relating to recognition for the year ending 3 November 2023.

The PRP's expenditure in the period ended 31 March 2023 was £382,453 including taxation.

The Chief Executive provides a monthly report to the Board with management accounts for scrutiny. The PRP's going concern disclosure can be found in the notes to the financial statements.

The PRP strives for the best value for money in the goods and services it purchases, in line with its procurement and finance policies. The PRP's flexible organisational structure provides a lean framework with minimal permanent staff and the ability to bring in external expertise through outsourcing some functions. Flexible resourcing allows the organisation to better meet peaks in workload whilst efficiently using its funds.

External environment

Information about the role, remit and external environment in which the PRP operates is available in Section 1.3 (About us).

Employees, professional support and contractors

Information about the PRP's staff, professional support and contractors can be found in Section 4 (Remuneration).

Procurement policy

The PRP is committed to achieving value for money, in terms of quality and price, for all of its procurement. To achieve this, the PRP endeavours to communicate clearly its requirements and evaluation criteria, as an informed purchaser, and to establish levels of competition appropriate to the size and complexity of the purchase. The PRP's procurement policy is available on our website.

ACCOUNTABILITY REPORT

Environment, social and community issues

While the PRP is not required to produce a sustainability report, it is committed to working with its suppliers and service providers to ensure that it takes account of the impact of its activities on the environment and community. The Board's policy on corporate social responsibility and environmental sustainability is reviewed annually and most recently was reviewed and updated on 22 March 2023. This is available on our website.

Significant features of the development and performance of the PRP in the financial period

This is summarised in Section 2.1 (Performance analysis).

Future developments and the trends and factors that the PRP considers likely to impact on its work

The PRP has implemented effective processes to enable the independent scrutiny of an application for recognition under the Royal Charter and to monitor continued compliance in accordance with the recognition criteria. The recognition system has been designed to command public confidence.

There remain factors outside the PRP's control or influence that affect the implementation of the recognition system as envisaged by the Leveson Report. Section 40 of the Crime and Courts Act 2013 has not been commenced by the Government, which means public protections intended following the Leveson Inquiry are not in place. Whilst the PRP is operationally viable to fulfil its Charter obligations, we remain disappointed that the continued absence of this key provision has contributed to the current position where the recognition system is failing as it does not yet cover all significant relevant publishers. The inclusion of a clause repealing Section 40 in the draft Media Bill is likely to undermine the recognition system further, reducing the prospect of news publishers joining the Approved Regulator or establishing a new organisation which can then seek recognition.

The Online Safety Bill poses risks and opportunities as we highlight in the February 2023 Annual report on the recognition system. We envisage that the proposed amendment to the Online Safety Bill which would have addressed the inadequate definition of 'recognised news publisher' will not become law on Royal Assent. Consequently, we will continue to work with Ofcom and other stakeholders to identify what other options may be available to mitigate the risks presented by a loose definition of 'recognised news publisher'.

The principal risks and uncertainties facing the PRP and the approach to them

The PRP's risk management policy acknowledges its commitment to maintaining a strong risk management framework. The Board's risk management approach forms an integral part of its decision making and is incorporated within its strategic and operational planning.

ACCOUNTABILITY REPORT

This approach captures and assesses risks in relation to all key strategic, reputational and operational areas. This is considered in more detail in the Governance Statement at section 3.3. The Governance Statement also provides detail in relation to information risk and data security.

Payment of creditors

The PRP's finance policy requires that all properly authorised and approved invoices will be paid within supplier terms or 30 days of receipt unless a longer payment term has been agreed or there is a dispute.

However, the PRP aspires to pay all properly authorised and approved invoices within 10 working days and abides by the provisions of the Prompt Payment Code. In 2022/23, the PRP aimed to pay 90% of invoices within 10 days of approval for payment. The actual figure was 99%.

Pension liabilities

The PRP implemented a pension scheme with National Employment Savings Trust on 1 January 2016. During the year under report, three individuals received employer contributions into their pensions.

Equality, diversity and inclusion

The PRP is committed to eliminating discrimination and encouraging diversity. We believe that for our organisation to be successful, we need to work with the most talented and diverse range of people available. In delivering our legal responsibilities including those relating to the recognition of press regulators, and as an employer, our aim is to reflect all sections of society.

The Board has agreed a policy to provide equality and fairness for all in our legal and employment duties, and not to discriminate on grounds of any of the protected characteristics of age, disability, gender reassignment, race, religion or belief, ethnicity, sex, sexual orientation, marriage and civil partnership, pregnancy, maternity and political belief. The full policy is available on our website. Diversity data for our staff and non-executives is available in Section 4.

Auditors

The PRP's annual financial statements are audited externally by the Comptroller and Auditor General (C&AG) in accordance with paragraph 12 of the Charter. For the period ended 31 March 2023, a fee of £14,000 will be charged for the audit work. The services provided by the C&AG related only to audit work.

So far as the Chair, each individual Board member and the Chief Executive (as Accounting Officer) are aware, there is no relevant information of which the PRP's auditors are unaware. We have taken all the steps that ought to have been taken to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ACCOUNTABILITY REPORT

3.2 Statement of Board and Accounting Officer's responsibilities

Under paragraph 12 of the Charter, the Board is required to keep proper accounts and proper records in relation to the accounts. The Board is required to prepare a statement of accounts each financial year and must send a copy of the statement to the Comptroller and Auditor General (C&AG) as soon as practicable after the end of the financial year who will examine, certify and report on the statement.

The accounts are prepared under UK Financial Reporting Standard 102 (FRS 102) with additional voluntary disclosure as considered appropriate to the size and remit of the PRP, including, where applicable and appropriate, relevant requirements of the UK government's Financial Reporting Manual.

In preparing the accounts, the Accounting Officer has:

- applied suitable accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent;
- stated where applicable accounting standards have been followed; and
- prepared the financial statements on a going concern basis.

The Chief Executive is the Accounting Officer of the PRP, and her duties include responsibility for the propriety and regularity of the finances (for which the Accounting Officer is answerable), for keeping proper records and for safeguarding the PRP's assets, are set out in the PRP's Finance policy. The PRP is required under the Charter to follow the general principles of HM Treasury's *Managing Public Money* and the Finance policy is based on these general principles and best practice.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

ACCOUNTABILITY REPORT

3.3 Governance statement

Scope of responsibility

As Chair and Chief Executive (and Accounting Officer) of the PRP, together with the Board, we have corporate responsibility for maintaining a sound system of risk management, governance and internal control that support the achievement of the PRP's Charter obligations, policies, aims and objectives, whilst safeguarding the public funds and assets for which we are personally responsible. In particular, we take personal responsibility to ensure that the PRP:

- meets its obligations under, and acts in accordance with, the Charter, including applying a scheme of recognition, and managing the assets of the PRP efficiently and effectively so as to best achieve the PRP's purpose;
- complies with all statutory and administrative requirements on the use of public funds, including the general principles set out in Managing Public Money;
- operates within the limits of its authority; and
- operates in line with the statutory requirements of data protection legislation and in the spirit of the Freedom of Information Act 2000 (FOIA) (the FOIA does not apply to the PRP).

The Chief Executive (and Accounting Officer) is accountable through the Chair to the Board. The Board is responsible for ensuring the efficient discharge of the PRP's Charter functions and that the PRP complies with any statutory or administrative requirements for the use of public funds.

Corporate Governance framework of the PRP

The Board is responsible for the strategy and direction of the PRP. The Board meets at regular bi-monthly intervals, with a quorum of three members (minimum of 50% of the Board members including the Chair appointed at the time). The Board receives monthly reports and management accounts from the Chief Executive for scrutiny. The Audit and Risk Committee minutes are provided to the Board for information following each meeting.

The Charter (para 4.3) determines the functions of the PRP as public functions. As a public body, the PRP is required to establish robust governance arrangements appropriate to its business, scale and culture. The Board and Audit and Risk Committee critically review the PRP's Governance policies and procedures framework, including the terms and conditions of service for the Board and independent members and the terms of reference for its Committees on an annual basis. The policies and procedures were reviewed and updated between February and April 2023 to ensure that they continue to be fit for purpose, reflect best practise and changes in legislation as necessary. The policies and procedures are available on our website.

In addition, our website includes serving Board members' biographies and information about their relevant interests.

ACCOUNTABILITY REPORT

PRP Board

The PRP Board currently comprises five non-executive Board members (including the Chair). The Board met formally on six occasions during the period 1 April 2022 to 31 March 2023. The Chief Executive attends every meeting supported by the PRP's accountants, JS2 Ltd and the PRP's Executive Administration manager and Communications Manager. The meetings were conducted in public and papers for the public session were published on our website in advance. Minutes were published on our website at the earliest opportunity, including details of any decisions taken during the confidential session where possible.

	Meeting Attendance
David Wolfe (Chair, stepped down 16 June 22)	2/2
Harry Rich (Member, stepped down 2 November 22)	4/4
Harry Cayton (Member, stepped down 2 November 22)	3/4
Kathryn Cearn s (Member)	6/6
Annie Mullins (Member)	5/6
Zahera Harb (Member, joined 1 September 22)	4/4
Suzanne Rab (Member, joined 1 September 22)	4/4
Gerard Lemos (Chair, stepped down 29 January 23)	3/3
Mark Williams (Member, joined 23 January 23)	1/1

Senior Independent Board member

Following two terms as Senior Independent Board Member Harry Cayton left the PRP on 2 November 2022. On 2 November 2022 Kathryn Cearn was appointed as Senior Independent Board member for a two-year term. The role serves as a sounding board for the Chair and as an intermediary for other Board members.

Following the resignation of Gerard Lemos, the Board unanimously agreed that Kathryn Cearn should take on additional duties normally carried out by the Chair and should receive remuneration at the same rate as the Chair from 16 January 2023.

Board member with responsibility for financial matters

In accordance with paragraph 11.9 of the Charter, the Chair appointed Board member Mark Williams to take specific responsibility for reporting to the Board on the management of the finances from 23 January 2023. Kathryn Cearn held the role briefly from 3 November 2022 to 23 January 2023.

ACCOUNTABILITY REPORT

Audit and Risk Committee

On the 2 November 2022 Harry Cayton and Harry Rich stepped down as Board members. Harry Rich was appointed Independent Chair of ARC. Senior Independent Board member Kathryn Cearns suspended her Membership of ARC on the 23 January as she took on additional responsibilities as normally carried out by the Chair.

The Board's Audit and Risk Committee (ARC) is chaired by Harry Rich (as Independent Chair of ARC) and consists of Board Members Annie Mullins and Mark Williams.

The ARC's terms of reference are available on the PRP's website. The Committee is responsible, on behalf of the Board, for advising the Accounting Officer on the maintenance of appropriate audit and risk processes and the governance of the external audit. The PRP's accountants, JS2 Ltd, and representatives from the National Audit Office on behalf of the C&AG (the PRP's external auditor) attend all relevant meetings.

The minutes of ARC meetings and supporting paperwork as necessary, are circulated to the Board. The ARC met on three occasions during the period ending 31 March 2023.

	Meeting Attendance
Harry Rich (Chair)	3/3
Harry Cayton (Member, stepped down 2 November 22)	2/3
Kathryn Cearns Cearns (Suspended Membership 23 January 23)	2/2
Annie Mullins (Member, joined 2 November 22)	2/2
Mark Williams (Member, joined 23 January 23)	1/1

Nominations Committee

The Board's Nominations Committee (NomCo) is an advisory Committee of the Board and is made up of the Chair of the PRP and one other member, other than when it is dealing with the matter of succession to the chairmanship of the PRP. In the most recent Chair appointment, NomCo was chaired by Professor Suzanne Rab and consisted of Mark Williams and Independent member, Julie Ferguson. Ms Fergusons term of office is for an initial three-year period from 1 June 2021 to 1 June 2024.

The terms of reference for the Nominations Committee are available on our website.

ACCOUNTABILITY REPORT

Board terms of office and succession planning

As required by Article 7 of the Charter, the responsibility for selecting and making the appointments lies with the serving members of the Board. The Chair, David Wolfe retired on 16 June 2022, and two board members, Harry Rich and Harry Cayton retired on 2 November 2022; all having completed the maximum two terms allowed under the Royal Charter. Recruitment for a new Chair and two new Board members was staggered to allow a new incoming Chair to take part in the recruitment of two new Board members. Following a rigorous process, the Board agreed to appoint Gerard Lemos as Chair of the PRP from 17 June 2022 and Board members Suzanne Rab and Zahera Harb from 1 September 2022. Board member Mark Williams was appointed from 23 January 2023 following a similarly rigorous process.

Gerard Lemos stepped down from his position as Chair effective from 29 January 2023 and Kathryn Cearn was unanimously asked by the Board to take on additional duties pending the recruitment of a new Chair. Following a comprehensive recruitment campaign Kathryn Cearn was appointed as the new PRP Chair from the 6 June 2023.

Under Article 4.2 of the Royal Charter, prior to appointment, the Commissioner for Public Appointments is required to consider whether the process of appointments was fair, open and merit-based and, if they consider that it was, to confirm that in writing. The Chief Executive of the Civil Service Commission, standing in for the Commissioner for Public Appointments, has provided this assurance for the appointments of Suzanne Rab, Zahera Harb, Mark Williams, Gerard Lemos and Kathryn Cearn before the appointments were finalised. The correspondence between the PRP and the Civil Service Commission is available on our website.

Board performance

The performance of the Board, Committees and its serving members is evaluated on an annual basis. The Board undertook its annual Board evaluation during December 2022 and assessed the responses in its meeting on 13 December 2022.

The Board continues to receive regular reports on key outputs that flow directly from the agreed strategy.

The Board receives reliable and regular budget projections and sufficient information is provided in meeting papers to support Board members in their role as decision makers. The Board continues to maintain paper-free meetings to ensure continued efficient use of resources. Board strategic sessions were held during the year and included review of the ongoing political involvement in the recognition system and the uncertainty that this continues to cause to the implementation of the recognition system as envisaged. Strategic sessions are scheduled as part of the Board meetings for 2023/24.

ACCOUNTABILITY REPORT

Risk and internal control framework

The Board considers the plans and the overall strategic direction of the PRP and provides ongoing challenge to the assumptions and risk classification made by the Executive. Risk is regularly discussed at Board meetings and explicitly identified in Board papers. The Board's tolerance for risk varies depending on the context and nature of individual risks and the Board puts in place suitable mitigation that is evaluated by the ARC and the Board.

At every meeting, the ARC reviews the risk register and considers the way risks, or changes in risks, are identified, evaluated and managed by the PRP with further consideration given to particular high-level risks. The Board receives the agreed minutes of the Committee meetings with a verbal update from the Chair of the Committee as necessary. The Board also reviewed the risk register on a quarterly basis during this financial year.

Together with the Board, the Chief Executive is responsible for identifying the major risks that are set out in the risk register, and for implementing a system of continuous assessment and review. The approach to risk is reviewed by the Board on an annual basis.

Clear roles and responsibilities for managing risks are defined in the PRP's risk management policy which may mean taking appropriate action to mitigate, anticipate or exploit the threats or opportunities that arise.

The PRP's risk profile and capacity to handle risk

The Board is ultimately accountable for the management of risk. The Risk Management policy defines how risks will be identified, assessed and managed to ensure that actual and potential risks are identified; risks are assessed and prioritised; where possible, risks are avoided or risks are reduced to an acceptable level. Assumptions about risk are regularly revisited and reconsidered.

Risks to the PRP fall into one or more of the following categories:

- **Delivery** – failure to deliver activities that meet the Charter objectives, including risks related to the broader environment within which the PRP operates.
- **Reputational** – adverse comment on the credibility of the PRP which diminishes its overall effectiveness.
- **Operational** – the inability of the internal processes of the PRP to function effectively (including financial, staffing and information security).

Assessment of risk management

Through its work in agreeing the PRP's Risk management policy, risk register, and risk appetite, the Board and ARC have evaluated the quality of the PRP's management of risk during 2022/23 and have confirmed their assessment that the PRP's approach identifies the correct risks and that mitigating actions are appropriately focussed and implemented so as to support the PRP's programme of work to deliver the Charter objectives.

ACCOUNTABILITY REPORT

Reporting of risk

As Chair and Chief Executive, we have assessed that there are no significant omissions in relation to risk requiring further disclosure. Our assessment has been endorsed by the Board and ARC.

Principal risks

The Board has identified and assessed the following high impact risks facing the PRP that may affect its ability to achieve its obligations and have an impact on its long-term viability:

Principal emerging risks facing the PRP	Summary of mitigation activity
The Government legislates to repeal section 40 fully which has a negative impact on the success of the recognition system.	Whilst this risk is predominantly outside our influence, the PRP continues to proactively address misinformation associated with section 40 and the recognition system with stakeholders.
Insufficient budget to operate effectively in the long term ¹ .	The PRP's proactive and prudent management of funds and fees continues to provide sufficient mitigation. The Chief Executive and Accounting Officer and the Board continue to monitor expenditure closely and identify savings through efficiency where possible.

¹ See also the going concern statement within the financial statements.

The wider framework of control

As well as a risk and control framework, the PRP exercises a wider system of internal control which is based on: a framework of regular management information; administrative procedures including a formal budgetary control system with segregation of duties; a system of delegation and accountability; project management disciplines; and the outsourcing of finance services to an external supplier providing additional separation of duties. In addition, Board member Mark Williams is designated with specific responsibility, on behalf of the Board, for reporting to the Board on the management of the finances of the PRP.

Role of internal audit

The ARC considered the need for an internal audit in its meeting on 22 March 2023 as part of its annual review of the control and assurance arrangements. The Board agreed with the Committee's recommendation that in view of the size, relative lack of complexity of the work of the PRP and the control measures in place, an internal audit was not required at this stage.

ACCOUNTABILITY REPORT

Information risk, data security and freedom of information

The PRP is a data controller under the Data Protection Act 2018. There were no personal data related incidents in the period 1 April 2022 to 31 March 2023. Following consideration by the ARC, the Board reviewed and ratified its Privacy statement and Data protection legislation policy at its meeting on 22 March 2023.

While it is not subject to the Freedom of Information Act (FOIA), the PRP has agreed that it will follow the spirit of the legislation and act as if FOIA applied to the PRP.

The PRP's Information Technology policy was ratified by the Board on 22 March 2023 and is available on our website. During the period of this report, there were no reported data security incidents at the PRP.

Assessment of fraud risk

As Chair and Chief Executive, we have reviewed the arrangements for the PRP's assessment of the risk that the financial statements may be materially misstated due to fraud, the current processes for identifying and responding to the risks of fraud and any known instances of fraud. We consider that there is a low risk of misstatement due to fraud. The fact that appropriate segmentation of budgetary and authorisation processes are in place and that the organisation does not handle any physical cash, both significantly reduce the risk of fraud within the PRP. Appropriate processes for identifying and responding to the risks of fraud in day-to-day operations are nevertheless in place. There were no known instances of fraud to report during the period.

Compliance with Corporate Governance in central departments: Code of Good Practice 2017

In drawing up the Governance statement, the PRP has assessed its governance arrangements against the requirements outlined in the *Corporate Governance in central departments: Code of Good Practice 2017*. The requirement to "comply or explain" applies to any bodies within the scope of HM Treasury's *Managing Public Money*, and therefore the PRP. Noting the governance arrangements detailed in the Charter, the PRP has adopted the principles of the Code so far as it is relevant and applicable with consideration to wider good practice guidance, such as the UK corporate governance code issued by the Financial Reporting Council. The policies and procedures of the PRP continue to be reviewed annually and ensure that robust governance arrangements are in place.

Review of the effectiveness of risk, governance framework and significant control issues

The ARC has provided advice to the Board on the adequacy of audit arrangements and on the implications of assurances provided in respect of risk and control in the PRP during 2022/23. This advice has been informed by feedback provided by the external auditor (the NAO) during meetings where relevant in relation to past audits.

The PRP did not experience any significant control issues during the period 1 April 2022 to 31 March 2023 and considers that there are no significant weaknesses to address.



ACCOUNTABILITY REPORT

PRP position in relation to government

HM Treasury designated the PRP within the Ministry of Justice's Departmental Boundary for accounting purposes from 1 April 2018. This was an administrative action on behalf of Government and there is no change to the Lord Chancellor's responsibilities as stated under the Charter.

The Royal Charter ensures that the PRP is entirely independent of government and it has no ultimate controlling entity (no part of government is a related party - see Note 10 to the financial statements). The PRP's published audited accounts and financial statements and budgetary information provide complete transparency of the PRP's accounting position.

ACCOUNTABILITY REPORT

4. Remuneration

Board and Independent members' remuneration policy

The Charter gives the Board the power to set the remuneration of the Chair and Board members. Board remuneration remained unchanged since the PRP came into legal existence on 3 November 2014. The rates continue to be reviewed annually with due regard to any changes in prevailing rates payable to members of boards of public sector bodies. The Board reviewed the remuneration rates and time commitment at its meeting on 13 December 2022. The Board decided that the Board member remuneration would remain at £6,000 per annum for a minimum time commitment of 15 days a year (to be reviewed periodically). The Board decided that the Independent members' remuneration would remain at £400 a day. The Board decided that the Chair remuneration would remain at £30,000 per annum for a minimum commitment of 50 days a year. The Board minutes and supporting papers in relation to remuneration decisions are published on our website.

Board appointments – Terms of office

	Term of office commencement	Term of office conclusion
David Wolfe	17 June 2014	16 June 2022
Harry Cayton	3 November 2014	2 November 2022
Harry Rich	3 November 2014	2 November 2022
Kathryn Cearns	3 November 2020	2 November 2025
Annie Mullins	3 November 2020	2 November 2025
Gerard Lemos	17 June 2022	29 January 2023
Zahera Harb	1 September 2022	31 August 2027
Suzanne Rab	1 September 2022	31 August 2027
Mark Williams	23 January 2023	22 January 2028

There is no compensation payable for loss of office for any Board member who left in the year or before the expiry of their term of office.

ACCOUNTABILITY REPORT

Remuneration of the Chair, Board and Independent members

The remuneration of the Chair and Board members is shown in the table below and has been subject to audit. There were no benefits in kind. In accordance with FRS 102, Board members are included in this report on the basis that they are members of key management personnel.

Remuneration 2022/23 (audited)

	Year to 31 March 2023 £	Year to 31 March 2022 £
David Wolfe (Chair until 16 June 2022)*	£6,333	30,000
Harry Cayton (Member until 2 November 2022)	£3,533	6,000
Kathryn Cearn s (Member until 15 January 2023, Additional duties thereafter)**	£11,062	6,000
Zahera Harb (Member from 1 September 2022)	£3,500	-
Gerard Lemos **(Chair from 17 June 2022 until 29 January 2023)	£18,550	-
Annie Mullins (Member)	£6,000	6,000
Suzanne Rab (Member from 1 September 2022)	£3,500	-
Harry Rich (Member until 2 November 2022)	£3,533	£8,500
Mark Williams (Member from 23 January 2023)	£1,164	-

*The figure for David Wolfe excludes employer pension contributions of 10.0%. These were paid to a defined contribution pension scheme and totalled £633 in the year to 31 March 2023.

** The figure for Gerard Lemos excludes employer pension contributions of 10.0%. These were paid to a defined contribution pension scheme and totalled £1,855 in the year to 31 March 2023.

** The figures included above for Harry Rich relate only to his role as a member of the Board. He received additional remuneration to reflect the additional duties he incurred in the role of Chair of ARC, which he continued to fill after stepping down as a Board Member. The additional remuneration received for that role was £3,281 in the year. The remuneration for that role was £2,500 annually until 2 November 2022, and £4,400 annually thereafter.

*** From 16 January 2023, Kathryn Cearn

s took on additional duties which were akin to those of the Chair role. She was therefore remunerated at the Chair rate from this date onwards.

ACCOUNTABILITY REPORT

The figure for Harry Rich excludes total employer pension contributions of 10.0%. These were paid to a defined contribution pension scheme and totalled £681 in the year to 31 March 2023.

With the exception of the above, no other members received employer pension contributions in the year to 31 March 2023.

The Independent member of the Nominations Committee, Julie Ferguson, was paid £3,000 in the year to 31 March 2023, and did not receive employer pension contributions.

Staff remuneration (audited)

Susie Uppal was appointed as Executive Director on 26 January 2015 on a fixed term contract and was appointed Chief Executive on a permanent basis with effect from 1 December 2015. In the 2022/23 financial year, the Chief Executive worked three days a week (although there is an ability to flex this depending on the needs of the business). The remuneration of the Chief Executive (excluding employer pension contributions) was £90,658 in the year to 31 March 2023 (£126,500 full time equivalent per annum, as set by the Board in February 2022). In the year to 31 March 2022, the remuneration of the Chief Executive (excluding employer pension contributions) was £76,514 (£115,000 full time equivalent per annum, as set by the Board in January 2015).

All permanent staff, including the Chief Executive, were offered a contribution by the PRP to their private pensions of up to 10% of their salaries (to be matched by the employee). Employer pension contributions towards the Chief Executive's pension totalled £9,066 in the year to 31 March 2023 (£7,651 in the year to 31 March 2022).

The total remuneration for Executive staff in the year ending 31 March 2023 was £153,981 as set out in note 5 to the financial statements (£127,263 in the year to 31 March 2022).

No staff received performance pay or bonuses.

Costs of staff are as follows (audited):

- the salary of the highest paid director in the year ending 31 March 2023 was 10% higher than their salary in the year to 31 March 2022 (annualised, FTE). The remuneration for that role had not previously been increased since its inception in 2015.
- total staff salaries increased by 4.4% in the year ending 31 March 2023 compared to the year ending 31 March 2022 (annualised, FTE remuneration of all staff, including temporary staff, but excluding the highest paid director)
- median staff remuneration £45,000 (annualised, FTE remuneration of all staff, including temporary staff) (2021/22: £40,000). The median remuneration of the reporting entity's staff is calculated on the basis of the total remuneration of the staff members, excluding the highest paid director.

ACCOUNTABILITY REPORT

- range of staff remuneration £45,000 to £126,500 (2021/22: £40,000 to £115,000)
- ratio between remuneration of highest paid member of staff and median staff remuneration: 2.81 (2021/22: 2.88). This calculation is identical when comparing the highest paid member of staff to the 25th percentile and 75th percentile paid employee, as there are 2 staff in total.

The PRP staff's average sickness absence was 0 days per full time equivalent (unaudited).

Staff policies

The PRP has an Employee Handbook that is available to staff and includes policies and procedures affecting staff, such as details of salary arrangements, holidays, sickness absence, social networking policy, capability and disciplinary procedures.

Diversity data

As at 31 March 2023, the PRP had two permanent employees, five non-executive Board members, an Independent Chair of ARC and an Independent member of the Nominations Committee. Diversity data for the combined non-executive and staff group as at 31 March 2023 is as follows (based on a response rate of 100%):

Age: 0 aged 30 to 45, 7 aged 45 to 60 2 aged 60 to 65

Disability: no declarations

Gender: 7 female; 2 male

Sexual orientation: 0 bisexual; 2 gay or lesbian; 7 heterosexual

Ethnic origin: 1 Arab; 2 Asian British; 0 Black British; 5 White British; 1 White other

Religion or belief: 0 Muslim, 4 Christian, 1 Jewish; 4 None

Expenditure on consultancy

Some of the PRP's core services are outsourced. During the course of 2022/23, the PRP engaged the services of a range of consultants to assist with accountancy services, regulatory matters, communications, recruitment and IT support and paid £117,383 for these services (£118,033 in the year to 31 March 2022).

ACCOUNTABILITY REPORT

ACCOUNTABILITY REPORT CONTINUED

5. Parliamentary accountability and audit report

5.1 Regularity of expenditure (audited)

The PRP constantly strives for the best value for money on the goods and services it purchases, and in accordance with the Charter's requirement, the PRP's finances are managed in accordance with the general principles of HM Treasury's *Managing Public Money*.

As Accounting Officer of the PRP, the Chief Executive has considered her responsibility to notify the Board of material irregularity, impropriety and non-compliance with the general principles of HM Treasury's *Managing Public Money* and confirms that no instances of material irregularity, impropriety or funding non-compliance were discovered in the year under report. There have been no losses/ special payments made during the year.

5.2 Fees and charges (audited)

The Exchequer granted the PRP £3m at the commencement of its operation and this was received and recognised in full by the PRP in 2014/15. It was anticipated in the framing of the Charter that the PRP would become self-funding through fees charged to recognised regulators. With the recognition system not in place that has not yet happened. As detailed further in Note 2 of the financial statements, the PRP were notified by the Treasury in March 2022 of a forthcoming grant of £430,000 towards the PRPs continuing operations, this grant was received in the 2022/23 year.

We continue to manage the residual grant expenditure in accordance with the general principles of HM Treasury's *Managing Public Money*.

The fee charging scheme guidance, including details of the fees to be charged, is available on our website. Article 11.3 of the Charter states that the aim of the charging scheme is to recover the PRP's full costs of determining applications for recognition and for conducting cyclical reviews. The fee is payable irrespective of the outcome of the Cyclical Review and must cover the PRP's direct and indirect costs. Other than in exceptional circumstances (Article 11.7 of the Charter), the PRP's only means of generating future income is charging Regulators' fees.

Impress' fees were £248,930, including indexation, for the year to 3 November 2023. This is being recognised as income in the accounts on a time pro-rata basis. Accordingly, £147,995 has been deferred to be recognised in the following year.

5.3 Long-term expenditure trends

The Board has held regular strategic discussion about the PRP's future work, the position of the recognition system and the issue of long-term funding. Details about our spending plans are contained in the PRP's Business Plan 2023/24 which is available on our website.



Kathryn Cearns
Chair
12 September 2023



Susie Uppal
Chief Executive
12 September 2023

ACCOUNTABILITY REPORT

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Press Recognition Panel for the year ended 31 March 2023 under the Royal Charter on the Self-Regulation of the Press.

The financial statements comprise: the Press Recognition Panel's

- Statement of Financial Position as at 31 March 2023,
- Statement of Income and Retained Earnings and Statement of Cash Flows 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 accounting standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Press Recognition Panel's affairs as at 31 March 2023 and its net deficit for the year then ended; and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 102; and
- have been properly prepared in accordance with the Royal Charter on Self-Regulation of the Press.

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 Press Recognition Panel 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.

ACCOUNTABILITY REPORT

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Press Recognition Panel's 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 Press Recognition Panel's 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.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and 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 section to be audited has been properly prepared in accordance with the Government Financial Reporting Manual.

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 the Government Financial Reporting Manual.
- 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.

ACCOUNTABILITY REPORT

Matters on which I report by exception

In the light of the knowledge and understanding of the Press Recognition Panel 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 Press Recognition Panel 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
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration section 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 Board and 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 Press Recognition Panel 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 statements 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 UK Generally Accepted Accounting Practice, including FRS 102 and the Royal Charter on Self-Regulation of the Press.
- ensuring that the annual report, which includes the Remuneration section, is prepared in accordance with the Royal Charter on Self-Regulation of the Press and the Government Financial Reporting Manual.
- assessing the Press Recognition Panel's 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 either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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 Royal Charter on Self-Regulation of the Press.

ACCOUNTABILITY REPORT

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, we:

- considered the nature of the sector, control environment and operational performance including the design of the Press Recognition Panel's accounting policies.
- inquired of management, the Audit and Risk Committee and those charged with governance, including obtaining and reviewing supporting documentation relating to the Press Recognition Panel's policies and procedures on:
 - o identifying, evaluating and complying with laws and regulations;
 - o detecting and responding to the risks of fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Press Recognition Panel's controls relating to the Press Recognition Panel's compliance with the Royal Charter on Self-Regulation of the Press and Managing Public Money.
- inquired of management, the Audit and Risk Committee and those charged with governance whether:
 - o they were aware of any instances of non-compliance with laws and regulations;
 - o 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 Press Recognition Panel for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and posting of unusual journals. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Press Recognition Panel's framework of authority and other legal and regulatory frameworks in which the Press Recognition Panel 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 Press Recognition Panel. The key laws and regulations I considered in this context included the Royal Charter on Self-Regulation of the Press, Managing Public Money, the Crime and Courts Act 2013, Employment Law and Tax legislation.

ACCOUNTABILITY REPORT

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 Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; 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 also 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

Date
12 September 2023

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

FINANCIAL STATEMENTS

STATEMENT OF INCOME AND RETAINED EARNINGS

	Notes	Year to 31 March 2023 £	Year to 31 March 2022 £
Income			
Bank interest		2,850	46
Grant income		-	430,000
Fees		243,070	227,734
Total Income		245,920	657,780
Expenditure			
All costs	4	381,911	341,202
Total Expenditure		381,911	341,202
Net (deficit) / surplus for the period before tax		(135,991)	316,578
Taxation	6	(542)	(9)
Net (deficit) / surplus for the period after tax		(136,533)	316,569
Reserves brought forward		957,021	640,452
Reserves Carried Forward		820,488	957,021

There were no recognised gains and losses other than those shown in the above Statement of Income and Retained Earnings.

The notes on pages 42 to 47 form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

	Notes	Year to 31 March 2023	Year to 31 March 2022
Current Assets		£	£
Debtors	7	6,672	435,878
Cash at bank and in hand		1,008,031	697,826
		1,014,703	1,133,704
Current Liabilities			
CREDITORS:			
Amounts falling due within one period	8	(194,215)	(176,683)
Net Current Assets		820,488	957,021
Net Assets		820,488	957,021
Reserves			
Reserves		820,488	957,021
		820,488	957,021

The notes on pages 42 to 47 form part of these financial statements.

Approved and authorised for issue by:



Kathryn Cearns
Chair
12 September 2023



Susie Uppal
Chief Executive
12 September 2023

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

	Year to 31 March 2023 £	Year to 31 March 2022 £
Cash flows from operating activities		
Net (deficit) / surplus for the financial year	(136,533)	316,569
Adjustments for:		
Interest received	(2,850)	(46)
Taxation	542	9
Decrease / (increase) in debtors	429,206	(429,446)
Increase in creditors	17,532	16,396
Cash provided by / (used in) operating activities	307,897	(96,518)
Income taxes paid	(542)	(9)
Net cash provided by / (used in) operating activities	307,355	(96,527)
Cash flows from investing activities		
Interest received	2,850	46
Net increase / (decrease) in cash and cash equivalents	310,205	(96,481)
Cash and cash equivalents at the beginning of the period	697,826	794,307
Cash and cash equivalents at the end of the period	1,008,031	697,826

The notes on pages 42 to 47 form part of these financial statements.

FINANCIAL STATEMENTS

Notes to the financial statements

1. Organisation information

The Press Recognition Panel (PRP) is a body established by Royal Charter.

2. Basis of preparation

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and, as appropriate, the 2022-23 Government Financial Reporting Manual (FReM) where these disclosure requirements go beyond and do not contradict the requirements of FRS 102.

Going concern

In accordance with the requirements of the Charter, the Exchequer initially granted to the PRP such sums of money as were sufficient to commence its operations and thereafter fulfil its purpose for the first three years after the date the Charter became effective.

The PRP Board informed the Ministry of Justice and HM Treasury of its intention to use the funding beyond the initial years as the recognition system was not as yet in place. In addition to the grant, the Charter makes provision for a scheme for charging fees in relation to the functions of recognition and cyclical review. One regulator has been approved and is now paying these fees. Moreover, in the event that the Board considers that its income is likely to be insufficient to meet its expenditure relating to (a) legal or other expenses arising from litigation or threatened litigation, (b) ad hoc reviews or (c) wholly unforeseen events, it has the right to request further reasonable sums from the Exchequer. In response, the Exchequer will grant such sums as the Exchequer considers necessary to ensure the purpose of the PRP is not frustrated by a lack of funding.

On 25 March 2022 HM Treasury confirmed that additional grant funding of £430,000 would be paid in the financial year 2022-23. Funding arrangements for future years will be decided at a later date in the upcoming financial year. The PRP's use of these funds is subject only to the requirements of the Royal Charter.

The overall situation as regard to the recognition system remains uncertain. To date, section 40 of the Crime and Courts Act 2013 has not been implemented and may now not be implemented in view of the Government's inclusion of a clause repealing it in the draft Media Bill.

Press regulation remains a voluntary matter for the industry and, apart from the current approved regulator Impress, there are no regulators seeking recognition under the Charter. The Board has shaped its business model with due consideration of this uncertainty and designed an organisational structure that is flexible, to ensure that costs continue to be completely covered by available resources in the future. The Board has a reasonable expectation that in view of this operational and financial position, the PRP has adequate resources to operate as a going concern for the foreseeable future at least one year following the date of the approval of these Financial Statements. For these reasons, the Board is satisfied that the going concern basis has been adopted appropriately in preparing the financial statements.

FINANCIAL STATEMENTS

Critical judgements and significant estimates

The PRP has analysed its arrangement with Impress and fees received in the context of FRS 102's approach to revenue recognition, in particular as to whether the cyclical review undertaken in respect of an approved regulator constitutes a "significant" act which would require deferral of recognition of revenue. Although the cyclical review is a specific act in relation to the regulation of Impress, the PRP's view is that in substance, the process of regulation involves carrying out an indeterminate number of acts over time, of which the cyclical review is only one, albeit a more formal one, and it is dependent on all the other relevant acts over time. Fees are therefore recognised evenly over the period to which the fee relates.

The other critical judgement is in relation to the going concern, as detailed in the above section.

There are no significant accounting estimates.

3. PRINCIPAL ACCOUNTING POLICIES

The following principal accounting policies have been applied:

Revenue

Government grants are recognised using the performance model. The grants do not impose future performance related conditions on the PRP, and so are recognised in income when the grant proceeds are received or are considered receivable.

As detailed in Note 2, fees are recognised evenly over the period to which the fee relates.

Fixed assets

Items are capitalised where the purchase price exceeds £2,000.

Cash at bank and in hand

All cash is held in bank accounts.

Pensions

Contributions are made to individual personal pension plans which are defined contribution schemes. The pension costs charged to the Statement of Income and Retained Earnings in the year are those actually paid or due to be paid into the pension plans.

VAT

The Press Recognition Panel is not registered for VAT. All expenditure in the accounts is inclusive of VAT where it has been charged by the supplier.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Income and Retained Earnings over the period in which the cost is incurred.

Going Concern

Please see Note 2 for further details.

FINANCIAL STATEMENTS

4. EXPENDITURE

	Year to 31 March 2023 £	Year to 31 March 2022 £
Board remuneration	64,044	63,270
Remuneration to the Independent Committee members	5,062	300
Independent Committee members travel and subsistence	126	56
Consultants and contractors and related costs		
Information technology	6,238	3,559
HR and recruitment	38,758	30,150
Accountancy and finance	23,386	23,232
Monitoring and communications	33,144	32,682
Regulatory affairs	15,857	3,810
Research	-	24,600
Legal	1,518	-
Publications	1,070	790
Website and upgrades	803	1,032
Serviced and virtual office costs	14,236	8,827
Other information technology costs	493	1,595
External audit fees	14,000	13,000
Insurance	4,000	3,345
Printing and stationery	2,306	216
Training and conferences	-	145
Subscriptions	2,406	2,255
Other costs	483	1,075
	227,930	213,939
Staff costs (see Note 5)	153,981	127,263
	381,911	341,202

FINANCIAL STATEMENTS

5. STAFF NUMBERS AND COSTS

	Year to 31 March 2023 Number	Year to 31 March 2022 Number
The average number of employees (full time equivalent) during the period was:	1.5	1.4

As at 31 March 2023 the PRP employed 2 members of staff (31 March 2022: 2).

	Year to 31 March 2023 £	Year to 31 March 2022 £
Wages and salaries	126,352	104,944
Social security costs	15,727	11,873
Employer pension contributions	11,902	10,446
	153,981	127,263

	Year to 31 March 2023 £	Year to 31 March 2022 £
Remuneration in respect of the Board members was as follows:		
Wages and salaries	58,648	56,500
Social security costs	2,407	2,920
Pension contributions	2,989	3,850
	64,044	63,270

FINANCIAL STATEMENTS

6. TAXATION

Bank interest is paid gross. Tax is payable on bank interest and is accrued in the financial statements in the year in which the interest relates.

7. DEBTORS

	Year to 31 March 2023	Year to 31 March 2022
	£	£
Prepayments	6,253	5,479
Accrued income	-	430,000
Other debtors	419	399
	6,672	435,878

8. CREDITORS

	Year to 31 March 2023	Year to 31 March 2022
	£	£
Amounts falling due within one year		
Accruals	31,811	25,671
Taxation and social security	6,396	5,379
Pension contributions	2,523	2,018
Deferred income (see below)	147,995	142,135
Other creditors	5,490	1,480
	194,215	176,683
	Year to 31 March 2023	Year to 31 March 2022
	£	£
Deferred income		
Deferred income brought forward	142,135	130,795
Released in the year	(142,135)	(130,795)
Deferred income in the year: Fees	147,995	142,135
Deferred income carried forward	147,995	142,135

FINANCIAL STATEMENTS

9. LEASING COMMITMENTS

The PRP's future minimum operating lease payments for serviced offices are as follows:

	Year to 31 March 2023 £	Year to 31 March 2022 £
Within one year	4,022	3,830
	4,022	3,830

The lease commitment at 31 March 2023 was 8 months (at 31 March 2022: 8 months).

10. RELATED PARTY TRANSACTIONS

The PRP is governed by Royal Charter and has no ultimate controlling entity.

For the purpose of related party disclosure, members of the Board together with the Chief Executive have been identified as Key Management Personnel.

No transactions were identified as relevant for disclosure in relation to the period under report.

11. FINANCIAL RISK MANAGEMENT

Liquidity risk

The objective of the PRP in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The PRP expects to meet its financial obligations through timely monitoring of costs against budgets and reforecasts.

12. EVENTS AFTER THE REPORTING PERIOD DATE

Post balance sheet event

There have been no post balance sheet events either to disclose or to adjust the accounts. The date the Accounts are authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.



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