



HOUSE OF COMMONS

House of Commons | Members

**Annual Accounts & Audit Committee**

**Annual Report 2017-18**





***The* HOUSE of  
COMMONS:  
Members**

**Annual Accounts &  
Audit Committee Annual Report**

**2017-18**

***(for the year ended 31 March 2018)***

Presented to the House of Commons pursuant to  
section 6(4) of the Government Resources and Accounts Act 2000

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# House of Commons: Members

## Annual Accounts

**2017-18**

*(for the year ended 31 March 2018)*

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## Foreword to the Accounts

As at 31 March 2018

### Scope of the Estimate

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This Estimate covers expenditure arising from the Exchequer contribution to the Parliamentary Contribution Fund (PCPF); payroll costs of Members appointed to specific parliamentary duties, financial assistance to Opposition parties to support them in the discharge of their Parliamentary or representative functions, grants and grants-in-aid to organisations who promote the House of Commons' objectives, other general costs and non-cash items.

The cost of running House services and the Parliamentary Estate is borne by the House of Commons Administration Estimate. From 1 April 2018, a number of items of expenditure that were previously borne by the Members Estimate were transferred to the Administration Estimate, namely the provision of ICT equipment to Members, Members' stationery and postage, provision of training for Members and their staff, and insurance. Further information is provided in the Management Commentary on page 7.

### Strategic Report

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#### Oversight of the Estimate

All monies paid to Members of Parliament through the Estimate are governed by Resolutions of the House. Oversight of the Estimate is undertaken by the Members Estimate Committee (MEC). The functions of the Committee are:

- agreeing the size of the Members Estimate before it is laid before the House by the HM Treasury;
- to codify and keep under review the provisions of the Resolutions of the House relating to expenditure charged to the Members Estimate;
- to modify those provisions from time to time as the Committee may think necessary or desirable in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances;
- to provide advice, when requested by the Speaker, on the application of those provisions in individual cases; and
- to carry out the responsibilities conferred on the Speaker by the Resolution of the House of 5 July 2001, in relation to directions as to the application of the provisions of that Resolution, and authorisation of expenditure not otherwise specified in the ambit of the Members Estimate.

The Committee is not empowered to create a new form of charge on the Estimate, or to increase any rate of charge or payment determined by Resolution of the House. A consolidated list of the Resolutions of the House relating to expenditure charged to the Estimate was published by the MEC on 21 July 2016 (HC 591).

Membership of the MEC at the start of the year was:

The Rt Hon John Bercow MP: Speaker (Chairman, by virtue of office)

The Rt Hon David Lidington MP: Leader of the House of Commons (by virtue of office)

Valerie Vaz MP: Shadow Leader of the House of Commons

Sir Paul Beresford MP: Chairman of the Administration Committee

The Rt Hon Dame Rosie Winterton MP

The Rt Hon Tom Brake MP

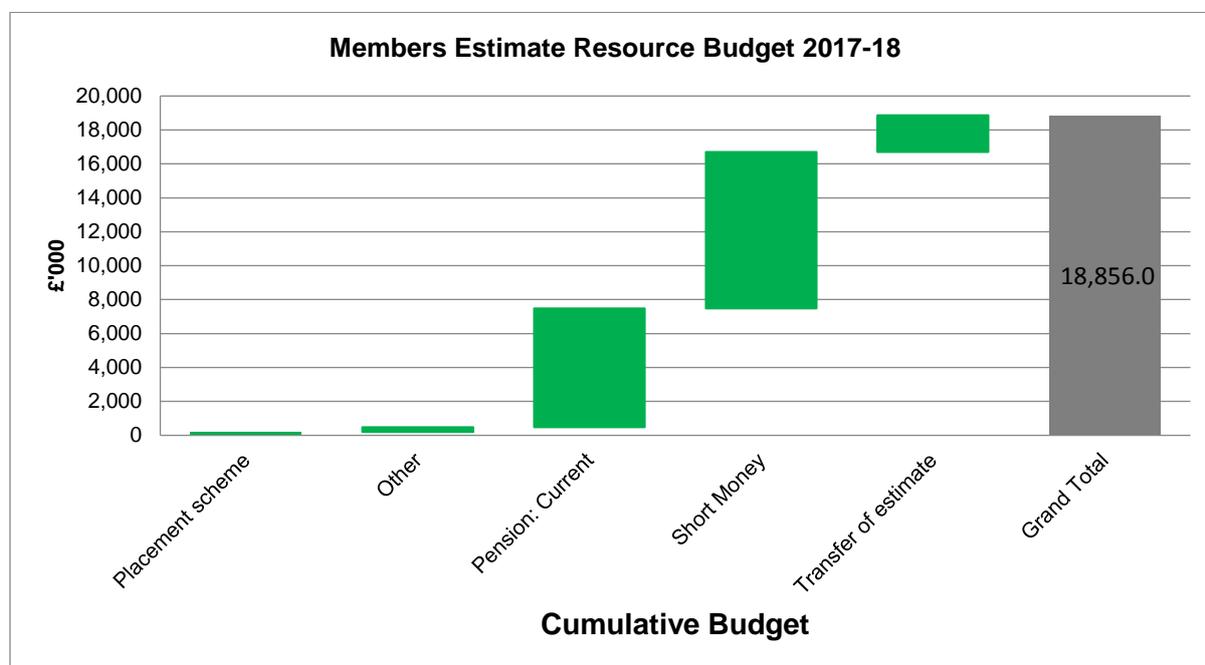
Stewart Hosie MP

Following the General Election in June 2017, the membership of the committee changed with the Rt Hon David Lidington being replaced as Leader of the House by the Rt Hon Andrea Leadsom.

The Clerk of the House is the Accounting Officer for the Estimate. Although the House of Commons Executive Board receives monthly updates on financial performance against the Estimate, it does not have any formal responsibility for the Estimate because the Board takes its authority from the House of Commons (Administration) Act 1978.

### 2017-18 Supply Estimate

An Estimate consisting of £18.9 million resource was agreed by the MEC and published as part of the Central Government Supply Estimates 2017-18 (HC 808) in February 2018. This represented a reduction of £2.8 million in resource and £0.2 million in capital when compared to the prior year representing the transfer of expenditure from the Estimate to the Administration Estimate.



### Parliamentary Contributory Pension Fund

The Parliamentary Contributory Pension Fund (PCPF) is a pension scheme for MPs and Ministers which is funded by the Exchequer via contributions voted annually via the House of Commons: Members Estimate. The PCPF has its own accounts but contributions to the scheme still flow from this Estimate. The 2017-18 budget for this contribution was £7.0 million (£7.05 million in 2016-17).

The accounts of the PCPF are expected to be available in autumn 2018 and will be made available here <https://mypcpfpension.co.uk/>

### Short Money

Financial assistance to Opposition parties (Short Money and Representative money) is available to help Opposition parties to carry out their parliamentary or representative business. This was budgeted at £9.2 million (£9.2 million for 2016-17) which, together with the pension scheme costs, made up 86% of the total funding made available through the Estimate.

### Supply Estimate for 2018-19

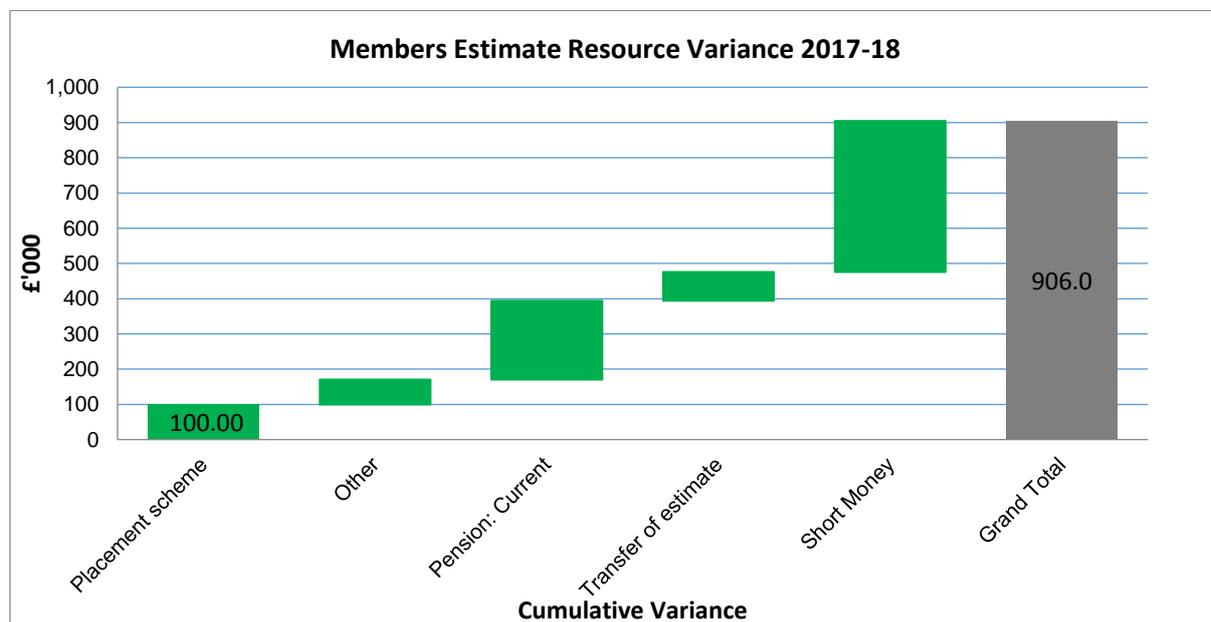
The MEC has agreed a resource only Estimate for 2018-19 of £17.1 million (HC 957) which is £1.8 million less than 2017-18.

### Management Commentary

#### Resources

The Statement of Parliamentary Supply shows an outturn of £18.0 million against an Estimate of £18.9 million, representing an underspend of £0.9 million, predominately in short money as a consequence of the General Election (£0.4 million) and contributions to the PCPF (£0.2 million).

Allowance	Planned £000s	Outturn £000s	Variance £000s
Grants	200	100	100
Other	277	206	71
PCPF Exchequer Contribution ('Pension: Current')	7,000	6,776	224
Transfer of estimate	2,150	2,068	82
Short Money	9,229	8,800	429
<b>Operating Subtotal</b>	<b>18,856</b>	<b>17,950</b>	<b>906</b>



#### Pensions

The PCPF's triennial valuation in April 2017 was expected to have an impact on the Exchequer contribution that would be payable, consequently at the time that the Estimate was laid, the budget was increased slightly to accommodate this change. When the revaluation was undertaken in April 2017, no change was required so the budget increase was not required either. The contribution rate will now remain fixed for three years.

**Short Money**

Payments received by Opposition parties through Short Money are fixed by Resolution of the House of Commons and therefore easier to manage during a Parliament than the year following a General Election. The unforeseen General Election in June 2017 meant that that this area would be subject to amendment.

**Cash**

A net cash outturn of £15.3 million arose against the Estimate of £16.8 million. This represents an underspend of £1.5 million (8.8%), the majority of which is due to the underspend on the resource budget, however there was also significant movement in trade receivables (£0.5 million) due to the transfer of prepayments to the Administration Estimate.

**Transfer of expenditure to House of Commons Administration Estimate**

In April 2017, a number of budgets were transferred from the Members Estimate to the Administration Estimate to:

- remove any ambiguity between the two Estimates;
- enable closer monitoring and reporting of expenditure;
- to allow for the consistent application of rules, procedures and governance structures;
- remove hidden overhead costs through the removal of back office transfers and cross-charges; and
- simplify the reporting process.

The items transferred were Members' ICT equipment and support, postage and stationery, insurances and training for Members and their staff and amount to a resource budget of around £4.5 million:

- Members have the ability to purchase equipment from an ICT allowance which spreads across the life of a Parliament. Costs incurred each year vary depending on whether there is a General Election and how Members' choose to manage their budget. In 2016-17 the capital cost of Members ICT was £617,000 (included in Members Accounts) but in 2017-18 it was £730,000 (included in Administration Accounts) with a charge for depreciation of £1 million per year (resource costs);
- Postage and stationery costs account for around £2.8 million;
- Insurance and training account for the remaining £0.7 million,

As part of the transfer, any balances held in the Members Annual Accounts as at 31 March 2017 such as prepayments, accruals and the value of Members ICT equipment, also had to be moved to the Administration Annual Accounts. This has resulted in a one-off charge to the Members Annual Accounts of £2.1 million with the corresponding credit in the Administration Annual Accounts.

	£000s	£000s
<i>Amounts settled by the Administration Account</i>		
Accruals (postage, stationery etc)	(558)	
Prepayments (ICT maintenance, Insurance)	<u>542</u>	
		(16)
<i>Non-cash movement</i>		
ICT purchase costs	6,354	
Accumulated depreciation	<u>(4,270)</u>	
		2,084
<b>Total value of transfer as at 1 April 2017</b>		<b>2,068</b>

**Net assets**

This transfer of assets from these accounts to the Administration Annual Accounts has resulted in the Statement of Financial Position showing an overall negative balance of £1.2 million (a decrease of £2.5 million with the prior year).

**Auditors**

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The audit of these accounts is undertaken by the Comptroller and Auditor General.

As Accounting Officer I am not aware of any relevant audit information of which the auditors are unaware. I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Sir David Natzler KCB**

**Accounting Officer**

**13 July 2018**

## Accountability Report

### Corporate Governance

#### 1. Statement of Accounting Officer's Responsibilities

Although the Members Estimate is laid by a Government Minister as part of the main Supply Estimates, the accountability arrangements rest with the House of Commons and are approved by the Speaker. The Speaker has appointed the Clerk of the House as Accounting Officer for these accounts.

The annual accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs, the net resource outturn, changes in taxpayers' equity and cash flows for the financial year.

The Accounting Officer is responsible for the House of Commons' financial reporting arrangements. He should ensure that the annual accounts:

- observe the relevant accounting and disclosure requirements, and apply suitable applicable accounting policies on a consistent basis;
- include judgements and estimates made on a reasonable basis;
- state whether applicable accounting standards, as set out in the Financial Reporting Manual (as applied by the House), have been followed, and disclose and explain any material departures in the accounts; and
- have been prepared on a going concern basis.

The responsibilities of an Accounting Officer include:

- responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the organisation's assets, as set out in Managing Public Money published by HM Treasury.
- confirming that as far as he is aware there is no relevant audit information of which the auditors are unaware and that he has taken all the steps he ought to have taken to make himself aware of any relevant audit information, and to establish that the auditors are aware of that information.
- confirm that the Annual Accounts are fair, balanced and understandable and that he takes personal responsibility for the Annual Accounts and the judgements required therein.

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## 2. Annual Governance Statement

### Governance framework

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The governance structure of the House of Commons Members Estimate differs from that of most other public sector Estimates in that it is laid by the Government, but thereafter the governance and accountability are entirely within the House, which is constitutionally separate from the Government of the day.

Two Estimates cover the direct expenditure of the House of Commons: the Administration Estimate and the Members Estimate. The Administration Estimate covers the administrative costs of running the House of Commons as an institution, meeting staff costs of the House Service, the maintenance costs of the Estate, the running costs of the Chamber and associated activities, and travel costs of Members and officers undertaking parliamentary business such as select committee work.

The House of Commons Members Estimate Committee (MEC) was established by a Standing Order of the House in 2004 to have responsibility for oversight of the expenditure under the Members Estimate, which at that time included Members' expenses. In May 2010 Members' expenses were transferred to the Independent Parliamentary Standards Authority (IPSA). The MEC is responsible for agreeing the Members Estimate (and any Supplementary Estimates) each year, on the basis of advice from the Finance Committee. Membership of the MEC comprises the parliamentary members of the House of Commons Commission, who have responsibility for the Administration Estimate. As Clerk of the House and in my role as Accounting Officer I have responsibility for ensuring that the Resolutions of the House and directions from the MEC are properly put into effect.

Together with the MEC, I am supported in this role by the Members Estimate Audit Committee (MEAC). Membership of the Committee is the same as that of the Administration Estimate Audit and Risk Committee and includes Members of Parliament, non-executive Commission members and an external expert. The Chair is currently one of the non-executive external members of the Commission.

The cost of administering the Members Estimate expenditure falls to the House of Commons Administration Estimate. These aspects are governed by both a delegation from the House of Commons Commission to the Executive Board, and the Parliament (Joint Departments) Act 2007 in respect of the Parliamentary Digital Service. A detailed account of the governance of the House of Commons Administration, the work of the Commons Executive Board of the House Administration and the operation of the system of risk management is given in the annual governance statement that accompanies the Administration Estimate Accounts.<sup>1</sup>

### Responsibilities attached to specific areas of expenditure

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In April 2017, a number of items of expenditure that had previously been met by this Estimate were transferred to the Administration Estimate, namely Members ICT equipment, postage and stationery, insurances and training for Members and their staff. The rationale for this transfer has been explained earlier in this annual report but one of the main drivers was to improve monitoring, reporting and accountability of expenditure. The areas remaining in this Estimate are in the Exchequer contribution to the Parliamentary Contributory Pension Fund and Short Money which make up 86% of the expenditure on this Estimate. The remaining costs include payroll costs for specific parliamentary duties, some small grants and other general items.

#### ***Parliamentary Contributory Pension Fund (PCPF)***

The governance of the PCPF is not part of this Estimate, however the secretariat is provided by House staff via the Administration Estimate. The Secretariat is drawn from House of Commons staff employed within the Corporate Services Team. All staff costs associated with these Secretariat duties are reimbursed by the PCPF.

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<sup>1</sup> <http://www.parliament.uk/business/publications/commons/resource-accounts/>

This Estimate only covers the Exchequer contribution to the scheme, where the rate payable is agreed in advance. No other costs are met by this Estimate.

### ***Short Money***

The controls for financial assistance to Opposition parties (Short Money) which accounts for just under half of this Estimate, differs from those for other expenditure in that the money provided is used for party political purposes in connection with Parliament and on representative work. Parties in receipt of financial assistance are required to submit audit certificates, signed by registered auditors, at the end of each financial year certifying that the money paid to the party has been expended exclusively on parliamentary or representative business.

Further provisions were agreed by the House in 2016 that required Opposition parties to provide additional information in relation to the numbers and pay of staff employed using Short Money. As these changes were announced during the reporting year, there were difficulties in adopting the requirements the MEC had agreed during 2016-17. The MEC's requirements for transparency reporting were clarified with all Opposition parties and it has been agreed that the new arrangements will start after the Election in 2017 and cover the remainder of the 2017-18 year.

### ***ICT equipment***

From April 2017 Members ICT equipment does not form part of this Estimate, however, in 2016-17 there was a failure in the processes and control around the procurement and accounting treatment of these assets. One of the reasons for transferring this budget to the Administration Estimate was to improve these controls, I am satisfied that the improvements have been made to this process.

### **Review of effectiveness**

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#### ***(i) The evidence base***

I have obtained evidence of the organisation's effectiveness, as it relates to expenditure covered by this Estimate, through a variety of means. The most important are: the annual letter of assurance from the Managing Director of Corporate Services (as the Director of Finance); the Director of Internal Audit's annual report and opinion; advice and reports from the MEAC; and external audit undertaken by the Comptroller and Auditor General.

The Head of Internal Audit concluded in his annual report and opinion that the governance, risk management, and control (GRC) processes in place are generally adequate. He is not aware of any significant issues that question the adequacy of design or operation of the GRC framework for this Estimate. However, he notes that the 2017-18 audit plan was not structured to support the production of two separate opinions, for the Administration estimate and the Members estimate; therefore, there has been relatively little focus by internal audit specifically on the GRC framework covering this Estimate. This limits the extent of sources that can be relied upon to support an opinion, consequently the opinion is a Moderate one.

#### ***(ii) Findings on effectiveness***

The Corporate Service Team has led on a number of actions during the year to improve the effectiveness of financial management and processes. I was pleased that a recent audit of the adequacy and effectiveness of key financial processes gave substantial assurance that the key controls are operating effectively, and that in an audit covering approximately forty separate process and specific control points there was only one issue of note. This reflects the efforts made by that Team, and shows that the control environment is strong. Most of this activity is focused on the Administration Estimate rather than this Estimate and further details can be found in the House of Commons Administration Annual Report and Accounts.

**Conclusion**

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Last year I noted that the transfer of some costs to the Administration Estimate would provide the opportunity to simplify processes, improve controls and allow for consistent governance structures. I am satisfied that these benefits will be achieved and any financial risks remaining on the Members Estimate have been mitigated for the remaining areas of expenditure.

**Sir David Natzler KCB**  
**Accounting Officer**

**13 July 2018**

## Parliamentary Accountability and Audit Report Statement of Parliamentary Supply

In addition to the primary financial statements the Financial Reporting Manual (FRoM) requires the House to prepare an additional primary statement, the *Statement of Parliamentary Supply* with supporting Notes, to show outturn against the Supply Estimate in terms of the net resource, net capital and the net cash requirement. It further compares the outturn performance against the Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME) expenditure control limits set by the Estimate. The areas outlined in bold show voted totals or other totals subject to Parliamentary control. All expenditure is classified as Programme expenditure.

### Summary of Resource Outturn and Capital Outturn 2017-18

	Estimate			2017-18 Voted Outturn compared with Estimate: <sup>3</sup> Saving/(excess)			2016-17 Outturn
	Voted £000	Non- Voted £000	Total £000	Voted £000	Non- Voted £000	Total £000	£000
<b>Departmental Expenditure Limit</b>	<b>18,856</b>	-	18,856	<b>17,950</b>	-	17,950	20,589
-Resource	-	-	-	-	-	-	255
-Capital	-	-	-	-	-	-	20,844
<b>Total</b>	<b>18,856</b>	-	18,856	<b>17,950</b>	-	17,950	<b>20,844</b>

The House of Commons: Members Estimate does not have any Annually Managed Expenditure (AME).

<sup>3</sup> An explanation of the variances is provided in the Management Commentary in the Foreword.

## Net Cash Requirement 2017-18

	2017-18			2016-17
	Estimate	Outturn	Outturn compared with Estimate: saving/(excess) <sup>3</sup>	Outturn
	£000	£000	£000	£000
Net cash requirement	16,738	15,272	1,466	20,745

## Reconciliations and other supporting notes to the Statement of Parliamentary Supply (SoPS)

## SoPS1. Financial policies adopted

## SoPS 1.1 Accounting policies and conventions

These are in line with those used in the preparation of the Primary Financial Statements. Further details can be found in Note 1 (see page 25).

## SoPS 1.2 Budgeting policies

The budgeting policies adopted are consistent with the HM Treasury 2017-18 Consolidated Budgeting Guidance and Supply Estimate Guidance Manual where appropriate to the requirements of the House of Commons.

## SoPS2. Net outturn

## SoPS 2.1 Analysis of net programme resource outturn

	Estimate			Outturn			2017-18	2016-17
	Gross	Income	Net	Gross	Income	Net	Net Total compared to Estimate	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Departmental Expenditure Limit</b>								
Members' pensions and other costs	18,856	-	18,856	17,950	-	17,950	906	20,589
<b>Total</b>	<b>18,856</b>	<b>-</b>	<b>18,856</b>	<b>17,950</b>	<b>-</b>	<b>17,950</b>	<b>906</b>	<b>20,589</b>

**SoPS 2.2 Analysis of net capital outturn**

	Estimate			Outturn			2017-18	2016-17
	Gross	Income	Net	Gross	Income	Net	Net Total compared to Estimate	Outturn
	£000	£000	£000	£000	£000	£000		Total
							£000	£000
<b>Departmental Expenditure Limit</b>								
Members' related expenditure	-	-	-	-	-	-	-	(55)
<b>Total</b>	-	-	-	-	-	-	-	<b>(55)</b>

There are no virements within the Members Estimate.

**SoPS3. Reconciliation of resource outturn to net operating cost**

	2017-18	2016-17
	£000	£000
	Outturn	Outturn
Total Resource Outturn in Statement of Parliamentary Supply		
Operating activities	17,950	20,589
Net Operating costs in Statement of Comprehensive Net Expenditure	17,950	20,589

**SoPS4. Reconciliation of net resource outturn to net cash requirement**

	Note	Estimate	Outturn	Net Total outturn compared with Estimate saving/(excess)
		£000	£000	£000
Resource outturn		18,856	17,950	906
<b>Accruals to Cash adjustments:</b>				
Other non-cash items	3	(2,118)	(2,111)	(7)
<b>Adjustments to reflect movements in working balances:</b>				
Increase/(decrease) in trade receivables	6	-	(489)	489
(Increase)/decrease in payables	7	-	(78)	78
<b>Net Cash requirement</b>		<b>16,738</b>	<b>15,272</b>	<b>1,466</b>

**SoPS5. Analysis of income payable to the Consolidated Fund**

The following income relates to the House and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Outturn 2017-18		Outturn 2016-17	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Non-operating income and receipts	(28)	<i>(28)</i>	(1)	<i>(1)</i>
Total income payable to the Consolidated Fund	<b>(28)</b>	<i><b>(28)</b></i>	<b>(1)</b>	<i><b>(1)</b></i>

The non-operating receipts include recoveries from former Members on Additional Cost Allowances payments and income received from hire of IT equipment during the dissolution period. Consolidated Fund income is not accounted for through the Statement of Comprehensive Net Expenditure.

## Certificate and Report of the Comptroller and Auditor General to the House of Commons

### Opinion on financial statements

I certify that I have audited the financial statements of the House of Commons: Members for the year ended 31 March 2018. The financial statements comprise: the Statement of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes.

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the House of Commons: Members as at 31 March 2018 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Financial Reporting Manual as adapted or interpreted for the House of Commons context.

### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2018 and shows that those totals have not been exceeded; and
- 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.

### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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 2016. I am independent of the House of Commons: Members in accordance with the ethical requirements that are relevant to my audit and 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.

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### 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 ISAs (UK).

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the House of Commons: Members' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the House's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource) and the Net Cash Requirement. I am also 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.

### **Other Information**

The Accounting Officer is responsible for the other information. The other information comprises information included in the Foreword to the Accounts and Accountability Report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, 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, 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 information given in the Foreword to the Accounts and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance

**Report**

I have no observations to make on these financial statements.

**Sir Amyas C E Morse KCB**  
**Comptroller and Auditor General**

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

Date: 16 July 2018

## Primary Financial Statements

### Statement of Comprehensive Net Expenditure

For the Year ended 31 March 2018

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2017-18 £000	2016-17 £000
<b>Programme Costs</b>			
Members' costs	2	138	127
Members' pensions: Exchequer contribution	2, 8	6,776	6,698
Members' stationery and postage	3	-	2,462
Grants	3	8,940	9,359
Other costs	3	28	1,943
<b>Net Operating expenditure before transfer of estimate</b>		<b>15,882</b>	<b>20,589</b>
Transfer of Estimate	3	2,068	-
<b>Net expenditure after transfer of estimate for year ended 31 March 2018</b>		<b>17,950</b>	
<b>Other Comprehensive Net Expenditure</b>		-	-
<b>Total Comprehensive Expenditure for the year ended 31 March 2018</b>		<b>17,950</b>	<b>20,589</b>

**Statement of Financial Position****At 31 March 2018**

This statement presents the financial position of the House. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		31 Mar 2018	31 Mar 2017
	Note	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	4	-	2,084
<b>Total non-current assets</b>		<b>-</b>	<b>2,084</b>
<b>Current assets:</b>			
Trade and other receivables	6	72	561
Cash and cash equivalents	5	788	20
<b>Total current assets</b>		<b>860</b>	<b>581</b>
<b>Total assets</b>		<b>860</b>	<b>2,665</b>
<b>Current liabilities</b>			
Trade and other payables	7	(2,170)	(1,324)
<b>Total current liabilities</b>		<b>(2,170)</b>	<b>(1,324)</b>
<b>Total assets less current liabilities</b>		<b>(1,310)</b>	<b>1,341</b>
<b>Taxpayers' equity and other reserves:</b>			
General fund		(1,310)	1,341
<b>Total equity</b>		<b>(1,310)</b>	<b>1,341</b>

**Sir David Natzler KCB**  
Accounting Officer

**13 July 2018**

## Statement of Cash Flows

For the year ended 31 March 2018

The Statement of Cash Flows shows the changes in cash and cash equivalents of the House during the reporting period. The statement shows how the House generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the House. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the House's future public service delivery. Cash flows arising from financing activities include Parliamentary Supply and other cash flows, including borrowing.

	Note	2017-18 £000	2016-17 £000
<b>Cash flows from operating activities</b>			
Net operating cost		(15,882)	(20,589)
Adjustments for non-cash transactions	3	2,111	809
(Increase)/Decrease in trade and other receivables	6	489	15
Increase/(Decrease) in trade payables	7	846	(766)
<i>Less movements in payables not passing through the SCNE</i>		(768)	41
<i>Transfer of estimate</i>		(2,068)	-
<b>Net cash outflow from operating activities</b>		<b>(15,272)</b>	<b>(20,490)</b>
<b>Cash flows from investing activities</b>			
Purchase of equipment	4	-	(255)
<b>Net cash outflow from investing activities</b>		<b>-</b>	<b>(255)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		16,013	20,751
From Consolidated Fund (Supply) – prior year		-	-
<b>Net Financing</b>		<b>16,013</b>	<b>20,751</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>741</b>	<b>6</b>
Receipts due to the Consolidated Fund	5	28	1
Payments of amounts due to the Consolidated Fund	5	(1)	(48)
		<b>27</b>	<b>(47)</b>
<b>Net increase/(decrease) in cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>768</b>	<b>(41)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>20</b>	<b>61</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>788</b>	<b>20</b>

## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2018

This statement shows the movement in the year on the different reserves held by the House, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. Other earmarked reserves are shown separately where there are statutory restrictions on their use.

	<u>Note</u>	<u>General Fund</u> <u>£000</u>
<b>Balance at 31 March 2016</b>		<b>1,158</b>
Net Parliamentary Funding – drawn down		20,751
Net Parliamentary Funding – deemed		13
Supply (payable)/receivable adjustment	6	(19)
Net Operating Cost		(20,589)
<b>Non-Cash Adjustments</b>		
Non-cash charges – auditor's remuneration	3	27
<b>Movement in Reserves</b>		
Recognised in Statement of Comprehensive Net Expenditure		-
<b>Balance at 31 March 2017</b>		<b>1,341</b>
Net Parliamentary Funding – drawn down		16,013
Net Parliamentary Funding – deemed		19
Supply (payable)/receivable adjustment	5	(760)
Net Operating Cost		(17,950)
<b>Non-Cash Adjustments</b>		
Non-cash charges – auditor's remuneration	3	27
<b>Movement in Reserves</b>		
Recognised in Statement of Comprehensive Net Expenditure		-
<b>Balance at 31 March 2018</b>		<b>(1,310)</b>

## Notes to the Accounts

### 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2017-18 *Financial Reporting Manual* (FReM) as adapted or interpreted for the House of Commons context which applies International Financial Reporting Standards (IFRS). Where the FReM permits a choice of accounting policy then the policy which is judged to be the most appropriate to give a true and fair view has been selected. The particular policies adopted by the House of Commons are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting convention

These accounts have been prepared under the historic cost convention rather than modified historic cost convention (MHCA) used to reflect assets at current values. This policy had been adopted given the asset values mainly comprise ICT equipment which has a short life and low value. These assets have now been transferred to the Administration Annual Accounts.

#### 1.2 Administration and Programme expenditure

All costs incurred on the Members Estimate are treated as programme expenditure. The cost of administering the Members Estimate has been charged against the House of Commons Administration Estimate. From April 2017 direct costs for providing services to Members in relation to the General Election are also charged to the Administration Estimate.

#### 1.3 Operating Income

No operating income is anticipated or collected under the Estimate. Any cash receipts representing repayment of debts arising from previous financial years, or receipts of insurance payments for lost or damaged IT equipment, are surrendered to the Consolidated Fund.

#### 1.4 Members' ICT equipment

Members are provided with ICT equipment to carry out their Parliamentary and representative duties. From April 2017 all ICT equipment has been transferred to the House of Commons Administration Accounts.

#### 1.5 Grants payable

These include financial assistance provided to Opposition parties and an Exchequer contribution to the Speaker's Parliamentary Placement Scheme. All payments are made in accordance with Resolutions of the House of Commons.

#### 1.6 Value Added Tax (VAT)

This account is outside the scope of VAT. Output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

#### 1.7 Going concern

The Members Estimate is expected to continue to receive annual funds voted by Parliament and is therefore considered a going concern.

#### 1.8 Impending application of newly issued accounting standards not yet effective

There are no newly issued accounting standards not yet effective that would have a significant impact on these financial statements.

**2. Members' and related costs**

	Note	2017-18	2016-17
		£000	£000
Members' salaries		127	115
Social security costs		11	12
		138	127
PCPF pension costs	8	6,776	6,698
<b>Total net costs</b>		<b>6,914</b>	<b>6,825</b>

Additional salaries for the Chairman of Ways and Means (£41,981 pro rata) and the two Deputy Chairmen of Ways and Means (£36,896 each pro rata) are paid from the Members Estimate rather than by IPSA. The Speaker also receives an additional salary which is paid directly by the Cabinet Office.

**3. Other costs**

	Note	2017-18		2016-17	
		£000	£000	£000	£000
<b>Cash Items</b>					
Members' stationery & postage		-		2,462	
ICT related		-		577	
Training		-		225	
Central management		1		33	
Insurance		-		299	
Transfer of estimate		(16)		-	
			(15)		3,596
<b>Grants to other bodies</b>					
Financial assistance to Opposition parties:					
Labour Party		6,783		6,434	
Scottish National Party		854		1,222	
Democratic Unionist Party		180		164	
Sinn Fein		150		98	
Plaid Cymru		91		88	
Social Democratic and Labour Party		14		71	
Green Party		129		207	
Ulster Unionist Party		14		73	
Liberal Democrat Party		545		547	
United Kingdom Independence Party		40		215	
Speaker's Placement Scheme*		100		200	
Other		40		40	
<b>Subtotal</b>			<b>8,940</b>		<b>9,359</b>
<b>Non-cash items</b>					
Depreciation of fixed assets		-		782	
Transfer of estimate		2,084		-	
Audit fee <sup>5</sup>		27		27	
<b>Subtotal</b>			<b>2,111</b>		<b>809</b>
<b>Grand Total</b>			<b>11,036</b>		<b>13,764</b>

\* Speaker's Placement Scheme funding was reduced as a consequence of the Scheme receiving funding from other sources.

<sup>5</sup> No non-audit work was undertaken.

**4. Members ICT equipment**

	<b>2017-18</b>	<b>2016-17</b>
	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>		
<b>At 1 April</b>	6,355	6,100
Additions	-	255
Transfer of estimate	(6,355)	-
<b>At 31 March</b>	<b>-</b>	<b>6,355</b>
<b>Depreciation</b>		
<b>At 1 April</b>	4,271	3,489
Charge in year	-	782
Transfer of estimate	(4,271)	-
<b>At 31 March</b>	<b>-</b>	<b>4,271</b>
<b>Carrying amount at 31 March</b>	<b>-</b>	<b>2,084</b>

**5. Cash and cash equivalents**

	<b>2017-18</b>	<b>2016-17</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	20	61
Net change in cash and cash equivalents	768	(41)
<b>Balance at 31 March</b>	<b>788</b>	<b>20</b>
The following balances at 31 March were held at:		
Government Banking Service	788	20
<b>Balance at 31 March</b>	<b>788</b>	<b>20</b>
Amounts issued from the Consolidated Fund but not spent at year end	760	19
Consolidated Fund extra receipts received and due to be paid to the Consolidated Fund	28	1
	<b>788</b>	<b>20</b>

**6. Trade receivables, financial and other assets**

	2017-18	2016-17
	£000	£000
<b>Amounts falling due within one year:</b>		
Members <sup>6</sup>	3	4
Prepayments	18	541
Other receivables	51	16
	<b>72</b>	<b>561</b>
Amounts due from the Consolidated Fund in respect of supply	-	-
	<b>72</b>	<b>561</b>

**7. Trade payables and other current liabilities**

	2017-18	2016-17
	£000	£000
<b>Amounts falling due within one year</b>		
Other taxation and social security	14	14
Other payables	6	7
Accruals and deferred income	1,362	1,283
	<b>1,382</b>	<b>1,304</b>
Amounts issued from the Consolidated Fund for supply but not spent at year end	760	19
Consolidated Fund extra receipts due to be paid to the Consolidated Fund		
- Received	28	1
	<b>2,170</b>	<b>1,324</b>

<sup>6</sup> A single Member repayment contract remains with a balance of £2,914.50 (£4,114.50 at 31 March 2017). No balances arising from Standards and Privileges Committee reports were outstanding at 31 March 2018 (£nil at March 17).

## 8. Pension Liability

The Parliamentary Contributory Pension Fund (PCPF) is a funded pension scheme for MPs and Ministers. The employer's cost of providing benefits earned during the current year is fixed in advance for a three year period (£6.8 million for 2017-18 and 2016-17).

The contribution rate is only revised after a revaluation, which is conducted every three years. A revaluation for the PCPF was completed in April 2017, however this had no impact on the Exchequer contribution which will remain at 12.9% for another three years. The next revaluation is due in 2020-21.

The Accounts of the PCPF are published separately. Further information about the PCPF or a copy of the Annual Accounts can be obtained from the PCPF Secretariat, Corporate Services, House of Commons, London SW1A 0AA or online at- [www.official-documents.gov.uk](http://www.official-documents.gov.uk).

The 2017-18 PCPF Accounts are expected to be published in the autumn 2018.

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## 9. Capital commitments

There were no capital commitments as at 31 March 2018 (nil as at 31 March 2017).

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## 10. Contingent liabilities and contingent assets

There were no contingent liabilities at 31 March 2018 (nil as at 31 March 2017).

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## 11. Losses and special payments

There were no losses or special payments as at 31 March 2018 (nil as at 31 March 2017).

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## 12. Related-party transactions

The House of Commons: Administration Estimate is regarded as a related party. The House of Commons Commission provide resources without charge for the following services to Members and their staff: accommodation, utilities, catering, security, communications and administration. Computer equipment provided to both Houses is being managed by the Parliamentary Digital Service (PDS) (formerly Parliamentary Information and Communications Technology (PICT)). PDS was formally vested (as PICT) as a Joint Department on 1 April 2008 under the Parliament (Joint Departments) Act 2007. Members of Parliament also act as managing trustees for the Parliamentary Contributory Pension Fund and the House of Commons Members' Fund.

The Register of Members' Interests provides information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions, speeches, or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament. The Register is published soon after the beginning of a new Parliament under the authority of the Select Committee on Standards, and annually thereafter. Between publications the Register is regularly updated in a loose leaf form and this is available for public inspection in the Committee Office of the House of Commons. Employment agreements deposited with the Registrar are available for personal inspection only.

The Members Estimate provides financial assistance to Opposition parties to carry out their parliamentary or representative functions. The total payable to each party is linked to a formula based on the number of seats won and the votes cast at the previous General Election.

Members who sit on and form the Members Estimate Committee are considered related parties due to their potential influence on the activities of the Members Estimate and that they could potential benefit from these provisions.

Payroll and other administration services provided to both the Parliamentary Contributory Pension Fund (PCPF) and House of Commons Members' Fund (HCMF) are re-charged to the respective trustees of those Funds.

Penny Young, Librarian, was one of the founding Trustees of the Speaker's Parliamentary Placement Scheme. No other staff member is a trustee of the Scheme.

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### **13. Events after the reporting period**

In accordance with the requirements of IAS 10, post Statement of Financial Position events are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is the date of the Comptroller and Auditor General's Certificate and Report to the Members of the House of Commons. I confirm there are none.

**House of Commons:  
Members Estimate  
Members Estimate Audit Committee  
Annual Report 2017-18**

## Members Estimate Audit Committee Annual Report 2017-18

### Introduction

1. This is the thirteenth annual report of the House of Commons Members Estimate Audit Committee (MEAC), which was established by the House of Commons Members Estimate Committee (MEC) on 14 June 2004, following changes to the governance structure for the Members Estimate agreed by the House in January 2004.
2. This report outlines the MEAC's conclusions in relation to the Members Estimate for the financial year 2017-18. The Committee's findings are set out by reference to the key areas on which it is required to provide assurance to the Accounting Officer under its terms of reference.
3. Details of the MEAC's terms of reference, membership and activity during the year are provided in the Appendix to this report.

### Conclusion for the financial year 2017-18

*The effectiveness of the system of governance, risk management and internal control (the "system of internal control")*

4. Since IPSA took over responsibility for Members' allowances in May 2010, the Members Estimate has become significantly smaller and the scope of the Committee's work in considering the effectiveness of the system of internal control has reduced accordingly. We refer readers to the 'Annual Report of the Administration Estimate Audit and Risk Assurance Committee' for our conclusions on the overall control environment within which the Members Estimate operates.

*The integrity of the Annual Accounts*

5. The Committee have reviewed the Annual Accounts. We consider the Accounts acceptable for signature by the Accounting Officer. We are satisfied with the Annual Governance Statement.
6. The Parliamentary Contributory Pension Fund (PCPF) is the pension scheme for Members of Parliament, Government ministers and other Parliamentary office holders. In line with our past recommendation, the liabilities in relation to the PCPF were transferred to the PCPF's own accounts on 1 April 2015, where the assets are also shown. Funding of the Exchequer contribution towards current service costs remains with the Members Estimate. Approximately 30% of the Members Estimate now relates to the pension scheme.
7. We have previously noted a case for transferring the Exchequer contribution to IPSA and the Minister for the Civil Service. We will continue to monitor closely any developments relating to the future of the Members Estimate.
8. We note that following the adoption of a Motion by the Members Estimate Committee new reporting arrangements for financial assistance to opposition parties (Short Money or Representative Money) were introduced. The resulting reports are audited by an independent professional auditor.

*The work of the internal audit service*

9. We note the Head of Internal Audit's overall opinion on the House's framework of governance, risk management and control for 2017- 2018 as a Moderate opinion. This means that the risk management, control and governance processes in place are generally adequate. We concur with this view. We also note that the opinion is based on an internal audit of key financial controls and processes (which cover expenditure relating to the Members Estimate) and an audit of the Speakers Parliamentary Placement Scheme (which accounts for only approximately 1% of the budget.)

*The external audit by the external auditor*

10. We are satisfied with the scope and nature of the work of the Comptroller and Auditor General (C&AG) and believe that the C&AG has carried out its external audit work with due independence.
11. We have noted the contents of the letter of representation, which is standard, including the required disclosures on fraud and regularity.
12. We are satisfied that the audit opinion was appropriate.

*Other matters as were referred to the Committee by either the Accounting Officer or the Members Estimate Committee*

13. No other matters were referred to the Committee by the Accounting Officer or the Members Estimate Committee in 2017-2018.

**Appendix: Terms of reference, membership and activity of the MEAC****Terms of reference**

1. The Committee has the following terms of reference, which are approved by the Members Estimate Committee:

**REMIT**

The Members Estimate Audit Committee ("The Committee") pursues its objectives and fulfils its responsibilities on behalf of the Members Estimate Committee ("MEC") and, as it deems appropriate, shall draw any matters arising within these terms of reference to the attention of the Members Estimate Committee.

**MEMBERSHIP**

The membership of the Committee shall be:

- 3 MP members, including:
  - A Member of the Members Estimate Committee
  - A Member of the Finance Committee
- 3 external Members, appointed by the MEC

The Chairman shall be appointed by the MEC from amongst the members of the Committee.

**QUORUM**

The quorum of the Committee shall be 3, including 1 MP and 1 external member.

**OBJECTIVES**

The Committee has been established to support the Accounting Officer in discharging his responsibilities under the Members Estimate, particularly with regard to the maintenance of an effective system of internal control. The Members Estimate contains financial assistance to Opposition parties (Short Money and Representative Money); the Members Fund; ICT maintenance and equipment depreciation; training for Members and their staff; disability assistance; insurance and contributions to the Members' pension scheme (the Parliamentary Contributory Pension Fund (PCPF)).

The Committee's objective is to give assurance to the Accounting Officer on:

- The effectiveness of the system of governance, risk management and internal control (referred to collectively as the "system of internal control")
- The integrity of the Annual Accounts
- The work of the internal audit service
- The external audit by the external auditor
- Other matters as may be referred to it by either the Accounting Officer or the Members Estimate Committee

**RESPONSIBILITIES****Governance, Risk Management and Internal Control**

The Committee is responsible for reviewing governance, risk management and internal control ("the system of internal control"). This reviewing will include:

- The effectiveness of the design and operation of the system of internal control;
- The development and operation of the system of risk management, in accordance with the overall risk management policy;
- The level and range of assurances on the management of risks; and
- The adequacy and implementation of proposed management actions to improve the effectiveness of internal controls.

Annual Accounts

The Committee is responsible for reviewing the Annual Accounts before their submission to the Accounting Officer. This review will include:

- Any significant changes in the accounting policies or treatments;
- Major financial reporting judgements or estimates;
- Consistency of the Annual Governance Statement;
- Resolution of any matters raised by the external auditor; and
- Significant adjustments resulting from the audit by the external auditor.

Internal Audit

The Committee is responsible for monitoring the work of the internal audit service. This includes:

- Involvement in the appointment of the Director of Internal Audit and the audit partner;
- Agreement to the annual internal audit plan and monitoring of progress;
- Consideration of the results and findings from internal audit work and the adequacy of management responses; and
- Consideration of the Director of Internal Audit's annual report and opinion.

External Audit

The Committee is responsible for monitoring and reviewing the work of the external audit. This review will include:

- Recommendations on the appointment and scope of work of the external auditor;
- Consideration of the external audit strategy;
- The results of the external audit work, including any reports to those charged with responsibilities for governance, and the adequacy of management responses;
- Representations made by management to the external auditor; and
- Annual review of the external auditor's independence and effectiveness.

**RELATIONSHIP WITH THE ADMINISTRATION ESTIMATE AUDIT AND RISK ASSURANCE COMMITTEE**

The Committee will rely upon the work of the Administration Estimate Audit and Risk Assurance Committee (AEARAC) on matters that relate to the overall governance, risk management and internal control of the House of Commons Administration, and concentrate its own work on those parts of its responsibilities that specifically relate to matters under the Members Estimate. Where relevant, the Committee will take into account the results of the AEARAC's deliberations in drawing conclusions on its own work.

**Membership**

2. The Committee is chaired by an external member, Dame Janet Gaymer DBE, who is also an external member of the House of Commons Commission. Jane McCall and Robert Scruton are the other two external members of the Committee. The MP members of the Committee until December 2017 were Sir Paul Beresford MP, Tom Brake MP and Rt Hon Dame Rosie Winterton MP. Thereafter, Rt Hon Dame Rosie Winterton MP was succeeded by Mr Clive Betts MP. The Membership of the MEAC is the same as that of the AEARAC.
3. The Clerk of the House, the Director General of the House of Commons, the Director of Finance, the Head of Internal Audit and Risk Management and officials from the Comptroller and Auditor General's Office also attend the Committee's meetings. These officials may withdraw for specific items at the Committee's, or their own, request.
4. The Committee's Secretary is the Private Secretary to the Clerk of the House. The Committee is also supported by a Committee Assistant.

### Meetings

5. The Committee met formally six times in the financial year 2017-18: on 26 April, 3 and 5 July, and 1 November 2017, and 23 January and 21 March 2018. Attendance is shown in the table below.

Member	Total number of meetings attended
Dame Janet Gaymer DBE (Chair)	6/6
Sir Paul Beresford MP	3/6
Mr Clive Betts MP	1/2
Tom Brake MP	6/6
Jane McCall	6/6
Robert Scruton	6/6
Dame Rosie Winterton MP	1/4

6. In addition it held an informal joint seminar with the House of Lords Audit Committee to consider audit best practice on 20 March 2018.
7. The external members of the Committee held an informal meeting with the House's finance team and the external auditors to discuss the draft House of Commons Members Estimate accounts on 13 June 2018.

### Internal Audit

8. As set out in the terms of reference above, MEAC relies upon the work of the Administration Estimate Audit Committee (AEARAC) on matters that relate to the overall governance, risk management and internal control of the House of Commons Administration, and concentrates its own work on those parts of its responsibilities that specifically relate to matters under the Members Estimate. Areas of overlap between the Audit Committees, for example in relation to the regular report on the work of Internal Audit, are usually discussed in AEARAC meetings and have therefore not been set out in this report. They are available in the annual report of the AEARAC.
9. Given the size and scope of the Members Estimate for 2017-2018, the Internal Audit Plan did not contain any specific audit work directly related to expenditure under the Members Estimate, although many reports did have findings that are related to management systems that cover both Estimates. The Head of Internal Audit has produced an opinion this year, relying on findings in two of these audit reports.

### External Audit

10. In November 2017 the Committee discussed the Comptroller and Auditor General's (C&AG) planned approach to auditing the House of Commons Members Estimate accounts for 2017/2018. Other than the risks required to be presumed under ISA 240, the external auditors raised no significant risks.
11. As noted above, the external members of the Committee met with staff of the C&AG and finance staff on 13 June 2018 to discuss the draft House of Commons: Members Estimate accounts for 2017/2018. Following this the accounts were discussed by the full Committee on 4 July 2018 prior to being signed off by the Clerk of the House, as Accounting Officer.

**Further information about the Committee**

12. The two Audit Committees publish annual reports and certain papers (agendas, minutes and actions arising) on their page on the parliamentary website <http://www.parliament.uk/business/committees/committees-a-z/other-committees/estimate-audit-committees/>



