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## Summary

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5 I began an inquiry on my own initiative, into whether the All Party Parliamentary Group for Golf had acted in breach of the Guide to the Rules on APPGs, after I became aware of the late registration of 6 donations received by the Group between 30 August 2019 and 17 January 2020.

10 In the course of my inquiry I found the Group had not been compliant with the rules on the registration of donations, publication of minutes and financial statements, and the inclusion of disclaimers on the Group's website and social media feeds. When these breaches were brought to his attention, the Chair cooperated fully with my investigation, and took prompt action to rectify the omissions.

15 The Chair acknowledged and apologised for the errors and has assured me the register entry for the APPG for Golf is now up to date. He has agreed to meet with the Registrar, along with a representative of the secretariat, for a briefing on the relevant rules, and that this should be followed-up with a formal review of the Group's financial arrangements by March 2021.

While I identified breaches of four of the rules for APPGs, I found they were at the less serious end of the spectrum and I concluded the matter using the rectification procedure available to me through Standing Order 150.

## Mr Craig Tracey: Resolution letter

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### Letter from the Commissioner to Mr Craig Tracey MP, 22 December 2020

5 Thank you for your email of 16 December 2020, agreeing to the proposal to conclude my inquiry by way of the rectification procedure, and your wholehearted apology on behalf of the APPG for Golf.

I note your willingness to arrange a meeting with the Registrar in the New Year, for yourself and a representative of the secretariat. Please let my office know when you have organised a date for this and, in due course, the date of the subsequent review meeting.

10 I will publish the enclosed evidence pack here shortly;

<https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary-commissioner-for-standards/complaints-and-investigations/allegations-the-commissioner-has-rectified/>, and I will inform the Committee on Standards of the outcome in due course.

15 Thank you for your full co-operation with this inquiry and your prompt and helpful replies. I confirm that the matter is now closed.

*22 December 2020*

## Written evidence

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### 1. Letter from the Commissioner to Mr Craig Tracey MP, 24 June 2020

5 I am writing to you as Chair of the APPG for Golf, to seek your help with an inquiry I have initiated into potential breaches to the rules for APPGs, by the group and by the group's secretariat.

10 Before explaining the scope of my inquiry, I should first say that I am beginning this inquiry on my own initiative, in accordance with the authority given to me through Standing Order No 150. The concerns I raise below first came to my attention in March 2020, as a result of an email exchange between [name redacted], secretariat for the Group, and the Assistant Registrar, in which he identified a number of late registrations. Due to the complications presented by the Covid-19 pandemic, and the requirement for my office to work remotely, I decided to delay initiating this inquiry until now.

15 My inquiry will consider whether the group has breached rules 17, 21, 24 and 28 of the *Guide to the Rules for All Party Parliamentary Groups* (the Guide to the Rules).

20 **Paragraph 3** of the Guide to the Rules says that "*Each Group's Chair and Registered Contact, who must be a Member of the House of Commons, is responsible for ensuring that the group complies with the rules of the House, and that if any person or organisation provides a secretariat or support services, that person or organisation is aware of and complies with those rules.*"

#### The scope of my inquiry

My inquiry will focus on whether the group failed to register receipt of five payments of £6,000 each and one payment of £12,000, within 28 days of receipt as required,

25 Having also looked at the APPG Golf's website, I am concerned that the group may not have followed the House's rules on maintaining transparency, and the rules regarding the operation of the group's website more generally.

#### The relevant rules of the House

30 **Paragraph 17** of the Guide to the Rules for APPGs lists the information which each group must provide in order to be included in the Register of APPGs. Among other items, the following is required:

(a) ...

(m) *Details of any benefits (whether financial or in kind) which the group has received from any source other than Parliament, or from the*

*Independent Parliamentary Standards Authority, if the total value of the benefits from that source exceeded £1,500 in the calendar year.”*

Paragraph 6 of Appendix 1<sup>1</sup> to the Guide to the rules says that:

*Benefits in kind may include:*

- 5           • *one-off benefits such as overseas visits, hospitality, event or travel tickets, receptions or other events...*

**Paragraph 21** of the Guide to the Rules for APPGs says;

10           *“Groups must be transparent about their nature, membership and funding. In particular, they must avoid presenting themselves in a way which could lead to confusion with Select Committees. They must make full disclosures of any support received for their publications. An APPG must:*

15           *a) use the group’s full registered name, including the term ‘All-Party Parliamentary Group’,<sup>2</sup> in all its communications. This helps distinguish registered groups from unregistered groups and from other bodies such as select committees;*

*b) ...*

*c) Publish on its website (or provide on request) the following information*

*i) ...*

20           *ii) Dates of meetings, both past and future;*

*iii) Minutes of past formal meetings (which should record both attendance and decisions”;*

*iv) ...*

25           *v) Income and expenditure statements (if required: see paragraphs 28 and 29)*

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<sup>1</sup> <https://www.parliament.uk/globalassets/documents/pcfs/all-party-groups/guide-to-the-rules-on-appgs.pdf>

<sup>2</sup> Groups which existed before the 2015 General Election may, exceptionally, retain earlier titles which do not meet these conditions.

**Paragraph 24** states; *A group’s website and its social media feed (if any) must give the contact details for the group’s chair, and secretariat and/or public enquiry point (if it has one). All such websites and media feeds must carry a disclaimer as follows:*

5

*“This is not an official website [or feed] of the House of Commons or the House of Lords. It has not been approved by either House or its committees. All-Party Parliamentary Groups are informal groups of Members of both Houses with a common interest in particular issues. The views expressed in these webpages are those of the group.”*

10

**Paragraph 28** states; *A group which has received over £12,500 from outside Parliament, in money or in kind, in its reporting year must undertake the following actions.*

15

a) Complete an income and expenditure statement, in accordance with the requirements at Appendix 2; and

b) Arrange to have this approved at its AGM (or, if not possible, at another General Meeting);

c) Publish the approved statement on the website within 28 days of its approval and within four months of the end of the relevant reporting year; and

20

d) Publish a closing income and expenditure statement, approved by the officers of the group, within four months of the end of a Parliament – or within four months of the group’s decision to cease to exist. Detailed instructions are at Appendix 2;<sup>3</sup>

### Next steps

I would welcome your comments on the following questions regarding possible breaches of the rules for APPGs.

25

1. Whether you were aware of the requirements in paragraphs 17, 21, 24 and 28 above, as set out in the Guide to the Rules which was approved by the Standards Committee on 24 February 2015?

2. Please could you detail the steps you have taken to ensure the secretariat is aware of, and complies with, the Guide to the Rules.

30

3. When [name redacted] emailed the Assistant Registrar on 11 March 2020, he referred to five payments of £6,000 each and one payment of £12,000. Please

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<sup>3</sup> <https://www.parliament.uk/globalassets/documents/pcfs/all-party-groups/guide-to-the-rules-on-appgs.pdf>

explain why these were not registered, as per paragraph 17 of the Guide to the Rules on APPGs?

4. Who approves the content and who maintains the group's website and social media feeds?
- 5 5. Why the information listed in paragraph 21(c) does not appear on the APPG's website, and
  - a. if the information listed in c (ii, iii and v) above is already in the public domain, where it can be found?
- 10 6. Whether the disclaimer set out in paragraph 24 of the Guide to the Rules appears somewhere on the group's website (I cannot find it)?
7. Why the information listed in paragraph 28 (a) to (d) does not appear consistently on the APPG's website and social media feeds, and
  - a. if the information listed in (a) to (d) above is already in the public domain, where it can be found?

15 It would be helpful to receive any evidence to support your responses when you reply to this letter. You can consult the Group's secretariat insofar as is necessary for you to answer the questions above but please do not discuss the matter or my investigation with him, as I may need to write or speak to him myself. Any other points you wish to make to help me with this inquiry would also be welcome.

## 20 **Important information**

My inquiries are conducted in private. Following the decision taken by the House on 19 July 2018, I will not publish the fact that I am conducting an inquiry into an allegation of an alleged breach of the Code of Conduct. My office will not comment on any aspect of the inquiry to third parties. They will answer direct factual questions about the processes I follow and the standards system more generally but will neither confirm nor deny that I have begun an inquiry.

## **Procedure**

I enclose a copy of the *Commissioner's Information Note*, which sets out the procedure for inquiries. Please note that this has not yet been updated to reflect the changes flowing from the decision of 19 July 2018.

This letter and any subsequent correspondence between us in connection with this inquiry is protected by parliamentary privilege. You should not discuss this with any third party except in so far as seeking answers from the group's secretariat, as

outlined above. Our correspondence should be kept confidential until the outcome of my inquiry is published.

5 While I do not, at this stage, know whether it will be necessary to interview you about this matter, it would be open to you to be accompanied at any such interview. I am, of course, very happy to meet with you at any stage if you would find that helpful.

I should say now, as a matter of courtesy, that I may seek the advice of the House authorities and others as part of this inquiry.

### **Potential outcomes**

10 Inquiries are generally concluded in one of three ways. If the evidence does not substantiate the allegation, it will not be upheld. If the evidence demonstrates a breach of the rules, I may – in certain circumstances – uphold the allegation and conclude the inquiry using the rectification procedure, without making a referral to the Committee on Standards. Where an allegation is not upheld or is rectified, the  
15 material is published on the Parliament website, on my webpages.

If I uphold the allegation and it is either unsuitable for the rectification procedure, or you do not accept my decision, I must make a referral to the Committee on Standards. My Memorandum to the Committee would be published, as an appendix to the Committee's own Report.

20 I should make clear that all the relevant evidence, including our correspondence, will be published when this inquiry is concluded. I routinely redact the personal data of third parties unless it is relevant to my decision(s). If you provide sensitive material which you think I should consider redacting, please tell me. I would give careful consideration to any such request.

### **25 Action**

I would be grateful to have your response to this letter as soon as possible and no later than 30 June 2020. If you would prefer me to communicate with you by email or via a different postal address, please give the details when you reply to this letter.

30 It would also be helpful if you were willing to provide a telephone number through which I might contact you. Information provided to me during the course of my inquiry will be retained, and disposed of, in accordance with the House of Commons' Authorised Records Disposal Policy.

Thank you for your cooperation with this matter.

*24 June 2020*

## 2. Letter from Mr Craig Tracey MP to the Commissioner, 28 June 2020

Many thanks for your letter of 24th June regarding the All-Party Parliamentary Group for Golf and I am very happy to assist with your inquiry in any way that I can.

5 Firstly, I thought it may be useful to briefly give you the background of the APPG so you have a clear picture of its history.

10 The group was started in 2015 and I joined as a member shortly after being elected. During 2017, I was asked to be Co-Chair with [name redacted] being the registered contact. In 2018 due to his front bench responsibilities, [name redacted] asked if I would take over as Chair and assume the role as registered contact, which I was very happy to do.

From inception of the group, the secretariat has always been provided by [name redacted], initially as [name redacted] and then latterly as [name redacted]. Until 2019, [name redacted] had an Associate who assisted with the running of the APPG, [name redacted], but they no longer work together.

15 I have the pleasure of chairing several other APPG's for a number of years and so come at this from the position of being experienced in this respect. Upon being asked to take over as Chair of the Golf APPG, I met with [name redacted] to talk through the group and I was satisfied at this time that he demonstrated the knowledge and capability to provide the secretariat services for the group. He was able to provide  
20 experience of working with several other APPGs alongside the work done with this group, including meeting arrangements, AGMs and annual dinners.

25 I have continued to enjoy a good working relationship with [name redacted] ever since and it came as a great shock to me when on the 10th March, he contacted me to advise that several registrable benefits to the group had not been submitted in the correct timeframe. I immediately instructed him to report the matter to the Parliamentary Standards Commissioner, which I understand he did that day to notify them.

I will now address your individual points in the letter.

1. I was aware of the requirements in Paragraphs 17, 21, 24 and 28 of the rules.
- 30 2. Following the realisation of the omission from the secretariat in March, I have instructed them to undertake a full review the rules referring to APPGs and to confirm back to me that this has been done. I have now been advised that a full audit is underway.

35 I can confirm that the necessary changes have been made to the website and it is compliant with the terms set out in paragraphs 21 & 28.

3. In my discussions with the secretariat about why the amounts in question were not registered at the correct time, [name redacted] provided information regarding his health and a family issue that he had been going through at the time, which I was previously unaware of. He has unreservedly apologised for the oversight.

These complications came on top of the Associate no longer working with him along with the turbulent nature of Parliament at the time ending in the General Election, which exacerbated the problem.

The non-registration was discovered by [name redacted] whilst preparing a financial statement covering the handover between the activities of the group in the previous Parliament and the current one. As I have previously stated, as soon as it was realised, it was reported to both myself and the Assistant Registrar.

4. The Groups Website and Social Media feeds are entirely controlled by the secretariat. I do not hold log in details and, in honesty, don't recall being advised there was a website. I had not visited it until I received your correspondence and it appears that the content is driven by group press releases, which I do have sign off on.

5. On this point I have taken Paragraph 21 (c) to be as on the Website rules rather than your letter which I think accidentally quotes it as 21 (b).

Dates of meetings past and future are published on the Website under the meetings tab. I can confirm that all the Groups meetings are currently listed.

Minutes are included for each of the past meetings, however on review it was found that in a small number of cases they were not included. This has now been rectified.

Income and expenditure statements have always been available and are now attached to the relevant meeting under the Meetings tab on the website.

6. The secretariat have advised me that the disclaimer is set out in the footer of the website.

7. Income and expenditure statements have been prepared in each of the years that the group has existed and all have been approved at an AGM. I understand that historically these were not published but were available on request. I can now confirm that they have been attached to the relevant meeting under the "Meetings" tab on the website.

So, to conclude I trust that this gives you all of the information that you require and demonstrates that I take these matters incredibly seriously.

If you do require anything further, please don't hesitate to contact me either by email [details redacted] or alternatively my contact number is [details redacted].

*28 June 2020*

### **3. Letter from the Commissioner to Mr Craig Tracey MP, 5 August 2020**

5 Thank you for your letter of 30 June 2020, and the information this provided about the APPG for Golf. I'm sorry it has taken longer than usual to reply.

There are a few points I would like to clarify with you and some further information I think it would be useful to have at this time.

- 10 1. I am not clear whether you knew that the six unregistered payments had been received and assumed that they had been registered; or whether you were unaware they had been received at all. Please clarify this for me.
2. Into which bank account were these sums paid, and who controls the account?
- 15 3. Were these donations intended as general support for the group, or were they specifically intended to pay the secretariat for its services?
4. I see that the group's accounts published on the website do not list benefits in kind, even though the group had registered benefits in kind in the APPG Register during previous reporting years.
  - 20 a. Please could you check whether any benefits in kind were received in the group's last complete reporting year, from 12 July 2018 to 11 July 2019. If so, please explain the nature and value of any benefits in kind received in that reporting year.
  - 25 b. Please give the nature and value of any benefits in kind received in the period between the end of that reporting year, and 5 November 2019, and
  - c. The nature and value of any benefits in kind received in the period between 6 November 2019, and the group's inaugural meeting on 29 January 2020.

30 I see from the current Register of APPGs the secretariat will be donating services valued at around £65,000 in the group's current reporting year. This is a considerable benefit compared to, for example, IPSA scales for parliamentary staff.

5. Please forward a copy of your contract with the secretariat for this group, and copies of any other documents which explain the services to be provided.

- a. It would be helpful to know how the value of those services is calculated.
  - b. It would also be helpful for you to set out the financial management procedures the group has in place for money it raised in its name.
- 5 6. I see that the group had a deficit of £1800 at the end of the last Parliament, which is being carried by the secretariat. Please forward a copy of the group's statement of assets and liabilities at the end of the last Parliament, which set this out.
- 10 a. If not obvious from that statement, please explain how the deficit arose, what would have happened if the group had ceased to exist, and how the deficit will be made good.

Any other points you wish to make regarding my questions above would also be welcome at this time.

- 15 I would be grateful to have your email response to this letter as soon as possible and no later than **19 August 2020**. In the meantime, our correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

*5 August 2020*

#### **4. Letter from Mr Craig Tracey MP to the Commissioner, 10 August 2020**

- 20 Thank you for your letter dated 5th August and I am very happy to confirm the points as follows:
1. I was aware that the payments had been invoiced for but had not been advised by [name redacted] that they had been received.
  2. These amounts were paid directly in to the bank account of [name redacted].
  - 25 3. These donations were wholly to pay for the secretariat services.
  4. Previously, the only benefits in kind were from the secretariat to cover the work they did that wasn't covered by the donations raised. When I took over as Chair, I wanted to ensure that they were remunerated for the work done and so a more structured approach was taken, agreeing what work would be carried out and how much that would cost.
  - 30 5. There is no written contract between the secretariat and the group. As it doesn't appear to be covered in the Advisory Notes, we did explore this with the Registrar in October 2019 but we understood that it was not necessary and

there were no template contracts available. At the time we were advised that “APPGs are informal and the House has not defined the role of an APPG’s secretariat. That is a matter of negotiation between the group’s officers and the secretariat and will vary from group to group.”

5 In terms of the £65,000 estimation of costs, this would seem a reasonable amount for the work being undertaken and is considerably less than the amounts that another APPG has declared for similar services. This figure is obviously inclusive of VAT, which IPSA relate salaries do not have to contend with and is based on the time and costs incurred by the secretariat to deliver the required service.

10

a) As per point 4, this was done in consultation with [name redacted] on the basis of anticipated workload in the year ahead.

b) As the group doesn’t hold or handle any money, we do not have any formal financial management plans in place.

15 6. The information requested here is already available on the APPG website where the financial statement from 12th July 2019 (end of previous reporting period) to dissolution of Parliament is displayed and the amount of £1800 is shown as being an expenditure item. The cash position at the end of the year shows a credit balance of £3,144.

20 I trust that this clarifies the points raised, but if you do require anything further, please don’t hesitate to get in touch.

*10 August 2020*

#### **5. Letter from the Commissioner to the Registrar of Members’ Financial Interests, 9 September 2020**

25 I would like to ask for your advice on an investigation I am conducting into the APPG for Golf, the Chair for this group is Mr Craig Tracey MP. As you are aware, I was notified by your office that the Group’s secretariat had contacted the Assistant Registrar about the late registration of six financial benefits, received by the Group, between 30 August 2019 and the 17 January 2020.

30 I enclose a copy of my most recent letter to Mr Tracey, dated 5 August 2020, as well as his reply dated 10 August 2020.

It would be helpful to receive your advice on this matter and specifically the answers provided by Mr Tracey in his most recent letter.

It would be very helpful to have your reply as soon as possible.

9 September 2020

## 6. Letter from the Registrar of Members' Financial Interests to the Commissioner, 15 September 2020

### APPG for Parliamentary Golf

- 5 1. Thank you for your letter dated 9 September, in which you ask for my comments on the information you forwarded.
2. I have read the exchanges of correspondence and consulted this group's website as well as the Registers. I think it would be helpful if I begin with a brief explanation of the rules around APPGs' money, before I comment on the specific concerns you
- 10 have raised about this APPG.

### Managing an APPG's money and the information to be provided about this

3. In order to ensure complete transparency about funding, APPGs are required to record, in the APPG Register, donations they receive, subject to a financial threshold. In addition to this, those with income above a certain level must also list their full
- 15 income and outgoings, including donations in kind, in an income and expenditure statement. They must produce this at the end of the reporting year (and at the end of a parliament, when a statement of assets and liabilities is also needed) and publish it on the group's website if it has one.

### Control of finances

- 20 4. When you asked Mr Tracey about donations which had not been registered at the right time, Mr Tracey tells you that he knew these were due but did not know they had arrived. He said the money would come into the bank account of [name redacted] company. Mr Tracey's letter implies that he had no access to this bank account. If so this is a matter of concern. If external organisations are funding an
- 25 APPG, the money provided should be under the group's control.

### Contract with the secretariat

5. Mr Tracey is right to say that we do not offer template contracts for services for APPGs to use. This is because it is simply not possible to provide a boilerplate document suitable for any APPG. With one or two exceptions, APPGs are not
- 30 established as companies. They are unincorporated associations. Their principal risk is that their members cannot avoid legal liability by sheltering behind the group, because it does not exist separately from them. In consequence, unless an APPG has taken some step to establish a legal identity, for instance by becoming a registered company or charitable incorporated organisation, some or all of its members may
- 35 be liable for breaches of duties owed to third parties. Any contract would need to take account of the situation of that individual APPG and the arrangement with its

members. For this reason, we advise individual APPGs to seek their own tailored legal advice on contractual liabilities. We are not able to provide this advice.

5 6. If an APPG has a secretariat costing as much as £65,000 a year, I would certainly recommend a written contract with that secretariat, even if it is not a specific requirement of the rules. And if that secretariat handles personal data, I would strongly recommend that the contract sets out the secretariat's responsibilities as a data processor (and here we are able to offer templates).

### **Money owed to the secretariat**

10 7. I am surprised to see that this APPG incurred a debt (now repaid) in 2017-18 when it allowed the secretariat to make an advance payment for the 2018 dinner. I would always advise an APPG to avoid knowingly entering into debt. The rules do not spell this out, I assume because it was considered obvious. It is well known that APPGs are impermanent and can cease with very little notice, for example when a  
15 General Election is called, when officers resign or when it does not hold the necessary formal meetings. If an APPG has debt there is a risk that one or more of the officers could become personally liable for the unpaid money.

### **Value for money**

20 8. You have commented that costs of this secretariat appear to be high, at around £65,000 in 2020. I agree. I see that the costs of contractors and freelance staff rose sharply from £24,000 in 2018-19 to £18,000 in the four months from July to November 2019. Mr Tracey has pointed out that the figures include VAT, and it may be that they also include expenditure on dinners (see my final paragraphs below). As far as I can see the APPG has so far met only once in 2020, and (according to the website) no further meetings are planned. I imagine that the projected fee of  
25 £65,000 has been adjusted to take account of the reduced input required from the secretariat in 2020-21. APPGs may not be formal public bodies but I would expect them to consider value for money.

### **Summary**

30 9. Your investigation has exposed a problem in the finances of this group. All incoming money has come to, and is handled by, the secretariat. The secretariat has sole responsibility for holding and disbursing money intended to support the group and even for paying itself out of these funds. It has also been responsible for registering donations. You have been given evidence of few controls.

35 10. In my view this APPG has broken the rules in failing to register the following donations within the 28 days required:

- 30 August 2019: £6,000 from PING to support the Group

- 17 September 2019: £6,000 from UK Golf Federation to support the Group
- 25 September 2019: £6,000 from British Golf Industry Association to support the Group
- 5 November 2019: £6,000 from Syngenta to support the Group
- 5 • 18 December 2019: £12,000 from The R&A to support the Group.
- 17 January 2020: £6,000 from The Belfry to support the Group

11. The APPG, or its secretariat, also should not have accepted donations in December 2019 and January 2020 before it had reregistered. The guidance is very clear that APPGs cease to exist at a General Election; see

10 <https://www.parliament.uk/about/mps-and-lords/members/apg/> and

<https://www.parliament.uk/globalassets/documents/pcfs/all-party-groups/advice-notes/advice-note-6.pdf>.

They do not exist again unless they are reregistered. It follows that no-one must accept or spend money on behalf of a group which has not yet reregistered.

15 12. The APPG did not publish all the required information on its website, which again was under the secretariat's control. It should have published income and expenditure statements for each reporting year when these were required. It should have published lists of all past meetings along with their minutes, and a full current membership list. The required disclaimer should always have been clearly visible,  
20 and the group should have used its correct title.

### **2020-21**

13. Finally, for the year 2020-21 this APPG has been registering benefits differently, I assume in recognition of the secretariat's responsibility for handling money. The Group's current register entry shows all incoming money as paid in support of the  
25 secretariat:

Benefits In Kind				
Source	Description	Value £s In bands of £1,500	Received	Registered
[Secretariat]	[Name redacted] is paid by the following to act as the group's secretariat: The R&A, The PGA, IMG, American Golf, PING  From: 29/01/2020  To: 28/01/2021	64,501-66,000	29/01/2020	06/08/2020

14. It is reasonably common for APPGs to have secretariats who are paid by third parties. This arrangement is appropriate where those third parties are providing funding specifically to meet the costs of the administrative services provided by the secretariat.

15. We were under the impression that the funding listed above was only for secretariat costs. Nevertheless, after reading the information you sent me, I believe that this form of registration is not appropriate in this case. Organisations such as the R & A are listed on the current website as supporting the APPG. I find it hard to believe that their money is given only to fund a secretariat. Mr Tracey may have accidentally misunderstood questions about this.

16. A further issue relates to what should be regarded as secretariat costs. These should include basic administration of the group, such as minute taking, keeping mailing lists, as well as communicating with members and updating the website, if authorised to do so. From looking at the records from previous years, it seems that roughly one third of the group's annual income was spent on dinners. If dinners were included in the figure of £65,000 above, this may have inflated the costs quoted for the secretariat. Hosting or funding a dinner is not part of a secretariat's duties, and should not be included in the secretariat costs. Donations to pay for hospitality should be shown separately.

17. In view of these concerns I suggest that when your investigation is concluded, the Registry team should review with the Chair how the group's current funding ought to be shown in the Register. I hope this is helpful. Please let me know if you need anything else.

*15 September 2020*

### 7. Letter from the Commissioner to Mr Craig Tracey MP, 24 September 2020

Thank you for your letter of 10 August 2020, and the information it provided. In my letter sent on 24 June 2020, I explained I may seek the advice of the Registrar of Members' Financial Interests as part of my investigation. I wrote to the Registrar on 5 9 September, and I enclose a copy of her response, dated 15 September 2020, for your information.

I would welcome your comments on the Registrar's advice. However, I think it might be helpful for us to meet before you reply, to discuss how the relationship between the Group and the secretariat works, as this may help me to understand better your 10 responses to the questions she has posed. I would also invite the Registrar to that meeting so that she might also understand the background.

I am due to take some time away from the office but will return the week commencing 5 October 2020. Please could you contact my PA, [details redacted], to arrange a mutually convenient time for a meeting to be arranged using Microsoft 15 Teams.

In the meantime, our correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

*24 September 2020*

### 20 8. Letter from the Commissioner to Mr Craig Tracey MP, 20 October 2020

Thank you for meeting with me and the Registrar on Tuesday 13 October 2020. The meeting helped me to understand how this APPG is funded and how you work with the secretariat. Please review the key points of our meeting, noted below, and let me know if you believe any corrections or additions are necessary. I will consider 25 carefully any suggested amendments.

- You were previously Co-Chair of this APPG with [name redacted] and took over as Chair and Registered Contact from 2018.
- From the time when you became Chair of the group, in the summer of 2019, any financial support for the group was received through tiered subscription payments from outside organisations, with the secretariat providing some 30 services free of charge if there was a shortfall. This has now changed. You now agree the year's workstreams and the costs of these with the secretariat before approaching industry bodies to ask how much they are willing to give. Both you and the secretariat call the industry bodies to raise the funds.
- APPG officers also approve the work and the payment to the secretariat in 35 advance at the AGM. No other funds are raised above what has been agreed for those services. The officers don't have any further say over expenditure.

- 5 • The work done by the secretariat has also changed in 2020, with fewer formal meetings and more remote meetings taking place. The secretariat has spent two hours each week on remote meetings during lockdown, and is undertaking two industry consultations and preparing a report. You are satisfied that £64,500 to £66,000 is still a fair representation of the value of the services provided by the secretariat.
- 10 • You confirmed that in 2019-20 you were aware how much money had been pledged to the group, but not when these sums were received. You said that some organisations pay on a 60-day invoice, so there can be a delay between invoicing and payment.
- 15 • The supporters listed on the APPG's website are those who participate in its work, and not the organisations who fund the secretariat, although there is some overlap.
- A statement of income and expenditure is produced, which includes the bank account balance. This was done for the last reporting period and is on the APPG website.
- The APPG has its own bank account with a balance of zero. It has not been used in recent times. These banking arrangements have not changed during your time as Chair.
- 20 • You enquired in October 2019 if the Registrar's office provided a template for a contract for secretariat services but was informed there was not. You therefore did not progress a written contract for services.
- 25 • The £1,800 shortfall in funds for the 2018 annual dinner was prior to you being Chair. The group did not raise enough money to cover the cost. The secretariat agreed to underwrite this shortfall if the money was not available the following year. The money came in and this issue was rectified.
- Now the APPG has no income, it will need to raise funds separately if it has future costs outside of secretariat services. The APPG no longer has industry dinners.
- 30 • The Commissioner asked who the secretariat invoices in order to be paid. You said that it invoices organisations such as the R&A directly, and the invoices include an element for VAT. As the Commissioner pointed out, this indicates that these organisations are paying for services provided and not making charitable donations. You understand that this is not against the rules but will be happy to be guided by the Registrar on this.
- 35 • You asked if the APPG needed to produce a statement of assets and liabilities. The Registrar answered that there should have been a statement at the end of

the last parliament, to make sure the financial position was clear for the next Chair.

5 Finally, I said that I would let you have any further questions from me and from the Registrar. I am pleased to see that you have ended some of the practices which caused us concern; for example that the secretariat is now no longer holding money on behalf of the group, and that the debt to the secretariat has been repaid. You also said that the group does not expect to spend money on dinners or indeed anything else in future, and therefore has no funds.

10 In light of this I have only one question, which is about the arrangements you had with the secretariat in 2019-20 at the time when donations to the group were not promptly registered. If I have understood correctly, all donations to the group were paid into a bank account operated by the secretariat. It would be helpful if you could explain what steps you took to ensure that you (and the other officers) had control of the group's money and that it was spent only on the purposes decided by the  
15 group.

The Registrar tells me that she had no other questions outstanding from her earlier letter, so I would be grateful if you would reply to this one point. We would both encourage you to establish a written contract with the secretariat, which ought to cover – among other things – both the services to be provided and how these will be  
20 verified, and its duties as a data processor under data protection law. As you know, this is not mandatory, but we consider it a wise step when so much money is involved. The Registrar does not provide a template, but she can help with general advice. As you may know the Standards Committee is inquiring into the rules for APPGs and it may be that they will recommend some changes to the House.

25 We will let you know if any further action is needed in relation to the loan to this APPG.

I would be grateful to receive your email response to this letter as soon as possible and no later than 30 October 2020. In the meantime, please be aware our  
30 correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

*20 October 2020*

### **9. Email from Mr Craig Tracey MP to the Commissioner, 28 October 2020**

Thank you for your email. I really appreciated the opportunity to discuss this matter further with both yourself and the Registrar.

35 I have reviewed the points in your email and confirm that they are correct. I can also confirm that we are looking at drawing up a formal contract with the secretariat, based on your recommendations.

In respect of the final outstanding point, namely:

5 **"If I have understood correctly, all donations to the group were paid into a bank account operated by the secretariat. It would be helpful if you could explain what steps you took to ensure that you (and the other officers) had control of the group's money and that it was spent only on the purposes decided by the group."**

10 I can advise that it was much as it is now. The main changes implemented as per the points in your letter was to how the funding was raised and that we moved away from a tiered subscription model. With that in mind, the scope of the work and amount was agreed at the AGM. What my concern was that under a subscription model, there was no guarantee of receiving the subscriptions as they could be cancelled at any time, which is why the subsequent changes were made. As I mentioned previously, I wanted to get the group on to a more sustainable footing and not end up in the situation whereby there was another shortfall - both the  
15 funding and the scope of the work would be agreed in advance.

20 During the year, all work to be undertaken was agreed by the Chair, with the feed in from Officers at group meetings, although I would acknowledge, this was not done as formally as the process we subsequently moved to. Activity was then reported and documented in the formal minutes, where appropriate. In terms of managing the finances, ordinarily the secretariat would notify the Chair of the intent to invoice a particular organisation and then when it had been received. The secretariat then assumed the responsibility for notifying the Registrar accordingly. Their support would then be noted in the minutes at the following meeting.

25 The backgrounds of the issue in 2019 which led to the non-reporting largely stemmed due to a series of cancelled meetings following first the proroguing of Parliament followed by the calling of a snap General election. However, this went on to underline the problem of a subscription model, with a greater amount of smaller contributors having their amounts falling due at different points during the year. In essence, I found that an unbalanced portion of the secretariat's time was  
30 being spent simply managing the subscriptions. The new model addresses these issues.

I trust that this clarifies the outstanding matters, but if you do require anything further, please don't hesitate to contact me.

*28 October 2020*

35 **10. Letter from the Commissioner to Mr Craig Tracey MP, 7 December 2020**

Thank you for your letter of 28 October 2020. I'm sorry it has taken longer than usual to respond.

Having considered very carefully all our correspondence and the available evidence shared with my office, I now have sufficient information to make a decision.

### **My decision**

5 While I am satisfied there was no deliberate attempt to mislead, I find that the APPG for Golf acted in breach of paragraphs 17, 21, 24 and 28 of the *Rules on All Party Parliamentary Groups*.

I will address each of the rules, and the reason for my decision, in turn.

### **Paragraph 17 (Register entry)**

10 By failing to register within 28 days of receipt four separate donations (each for £6,000), received between 30 August and 5 November 2019, I find the group was in breach of paragraph 17 of the rules for APPGs.

15 The Registrar has advised me that two further donations (£12,000 received on 18 December 2019, and £6,000 received on 17 January 2020) should not have been accepted by the APPG or its secretariat at that stage. She said, "*The guidance is very clear that APPGs cease to exist at a General Election<sup>4</sup>. They do not exist again unless they are reregistered. It follows that no-one must accept or spend money on behalf of a group which has not yet reregistered.*"

### **Paragraph 21 (Maintaining transparency)**

20 Prior to my investigation, the APPG for Golf's website did not meet all the requirements set out in paragraph 21 of the rules. My investigation revealed the group had not consistently published the dates of formal meetings both past and future, or the minutes of past formal meetings on its website. Although this has now been corrected, these omissions were breaches of paragraph 21(c) ii and iii) of the rules.

### **25 Paragraph 24 (Social Media)**

The rules for APPGs also make it clear that a group's website and social media feed must carry the prescribed disclaimer. When I started my investigation neither the website nor social media feeds for the group included the required wording. This was in breach of paragraph 24 of the APPG rules.

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<sup>4</sup> <https://www.parliament.uk/about/mps-and-lords/members/apg/> and <https://www.parliament.uk/globalassets/documents/pcf/all-party-groups/advice-notes/advice-note-6.pdf>.

### Paragraph 28 (Financial records)

5 APPGs in receipt of over £12,500 from outside Parliament, in money or in kind, are required to complete an income and expenditure statement, which should then be approved at its AGM or another General Meeting. This statement should also be published on its website within 28 days of its approval. Failure to publish an income and expenditure statement on the Group's website led to a breach of paragraph 28 of the rules.

### Other matters

#### *Financial controls*

10 My inquiry has revealed a number of other issues about how the APPG has been operating. In your letter of 10 August 2020, you told me that in the past donations to the Group “...were paid directly into the bank account [of the secretariat]”.

15 I know that it can be administratively difficult for an APPG to set up a bank account. However, I understand from our meeting of 13 October 2020, the APPG has its own bank account but this has not been used in recent times. That being the case, I do find it difficult to understand why donations were not under the direct control of the APPG.

20 Following on from our meeting, in my letter of 20 October 2020, I asked you to explain what steps you had taken in the past to ensure that you (and the other officers) had control of the group's money and that it was spent only on the purposes decided by the group. You subsequently told me that the secretariat would notify the Chair of the intent to invoice a particular organisation, and then again when it had been received. The secretariat then assumed the responsibility for notifying the Registrar of a corresponding donation. In my view this was not an adequate  
25 safeguard for incoming money. I would also have expected more detailed oversight of the way the money was used.

30 I understand that the APPG has now made some changes to its financial arrangements. You told me that it does not now receive any money at all, and financial contributions go direct to the secretariat who invoice other organisations for the cost of the APPG support services they provide (arranging and minuting meetings, maintaining the website, other administrative tasks etc). I would not expect the APPG officers to be involved in invoicing or accounting for these payments; all these arrangements now fall to the secretariat.

35 However, under the new arrangements I would expect the Chair and if appropriate the other officers to approve a costed plan of work by the secretariat at the start of the year and to monitor delivery against that plan.

Under these new arrangements, the only donation the APPG will receive and register will be the donation-in-kind of services from the secretariat. It also means that it

will have no money to spend, and that the organisations which were previously financial supporters of the APPG ought now to be calling themselves financial supporters of the secretariat. The donations to the secretariat will nonetheless still need to be registered by the APPG.

- 5 The Chair and secretariat should meet the registry team to make sure that there is a common understanding about these financial arrangements. If these arrangements change and the group receives any donations other than the donation-in-kind of secretarial services, please consult the registry team.

#### *Contract with the secretariat*

- 10 I agree with the Registrar that if an APPG has a secretariat costing as much as £65,000 a year, it should have a written contract with that secretariat, even if it is not a specific requirement of the rules. I would also strongly recommend the Group obtain legal advice before putting in place such a contract. That contract should cover the handling and use of personal data, as required under data protection regulations.
- 15

#### *Committee inquiry*

- You may be aware that the Committee on Standards recently opened an inquiry into rules for and regulation of All-Party Parliamentary Groups. It is possible that the Committee will ask for information about recent investigations by my office. Even if I do not identify APPGs by name in any evidence I provide, you should be aware that it will probably be possible for readers to identify them through triangulation of information in the public domain, after I have published the outcome of this inquiry.
- 20

#### **Next steps**

- 25 My investigation has identified breaches of four paragraphs of the rules for APPGs. I am grateful for the open and candid discussion that took place during our meeting on 13 October 2020, and I want to acknowledge that you have not attempted to hide anything at all during my inquiry.

- 30 Although these breaches are at the less serious end of the spectrum, they should not have happened. Standing Order No 150 makes provision for me to conclude an inquiry without making a referral to the Committee on Standards in certain circumstances, and I am satisfied that that would be an appropriate outcome on this occasion.

- 35 As chair of the APPG for Golf you are responsible for ensuring the group complies with the rules. In order for me to implement the rectification procedure, it would be necessary for you to accept that the Group was in breach of the *Guide to the Rules on APPGs* and to apologise on the group's behalf. I would also require you, as Chair, and a representative of the secretariat to meet the Registrar for a briefing on the relevant

rules, particularly on the management and registration of money. This should be followed up with a formal review of the new arrangements, scheduled for the end of February/beginning of March 2021.

5 If you agree to this proposal, I would publish the enclosed written evidence pack on my webpages, here: <https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary-commissioner-for-standards/complaints-and-investigations/allegations-the-commissioner-has-rectified/rectifications-latest/> and I would report the outcome to the Committee on Standards in due course.

10 I would be grateful if you would let me know by **18 December 2020**, whether you are content to proceed as outlined above. It would be helpful if you would, at the same time, say whether you are satisfied with the factual accuracy of the enclosed material. Please also let me know if you wish me to consider any further redactions.

15 In the meantime, our correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

*7 December 2020*

#### **11. Email from Mr Craig Tracey MP to the Commissioner, 16 December 2020**

Thank you for your email and I have read your comments accordingly.

20 I am pleased that you recognise that we have co-operated fully at every stage and I would add that as soon as the issue of the non-registration of the payments to the secretariat were found, they were voluntarily referred to you, which prompted the investigation.

25 I wholeheartedly apologise for the oversights which have taken place which were indeed regrettable, albeit most of which were 'inherited' by me when taking over as Chair. Whilst you acknowledge that the breaches were at the less serious end of the spectrum, I fully accept that they should not have happened and the necessary steps are in place to ensure that they are not repeated.

30 In view of this I am happy to accept your findings and welcome the suggestion of a meeting with the registrar followed by a review in the early part of next year. I also accept the factual accuracy of the attached correspondence.

Please can you advise of what the next steps will be and I look forward to hearing from you with any additional action that I would need to undertake.

*16 December 2020*