



ANNUAL REPORT

OF THE

BRITISH GROUP
INTER-PARLIAMENTARY
UNION

2012

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The BGIPU Honorary Presidents, the Rt Hon John Bercow MP, Speaker of the House of Commons and Rt Hon Baroness D'Souza CMG, The Lord Speaker with the bust of the IPU co-founder Sir William Randal Cremer

ACTIVITIES OF THE GROUP

Chairman's Report



Robert Walter MP
Chairman, BGIPU

Looking back on a very busy year for the Group, I would like to start by thanking all my parliamentary colleagues who have served on the Executive Committee during the past year, in particular the Officers of the Group. I also want to express gratitude to all those members who have supported our work through the year by participating in events here at the Palace of Westminster, by meeting visiting delegations or in outward visits to counterpart parliaments or as part of our delegations for Inter-Parliamentary Union (IPU) Assemblies and other international meetings abroad.

I would also like to register our appreciation to Ministers and Government officials, most notably at the Foreign and Commonwealth Office, for the time they have devoted to meeting our visiting delegations here in London and elsewhere. I should also highlight the vitally important role of the London-based diplomatic community and our own UK missions overseas which have provided guidance and support for our activities over the course of the year.

Reviewing a year in which the Group has faced new challenges in the way it operates, I wish to pay tribute to the staff of the BGIPU Secretariat for continuing to provide us with highly professional and efficient service in carrying out the work of the Group. In particular, on behalf of the Executive Committee and all members, I want to express our gratitude to Ms Dominique Rees who acted in the position of General Secretary for a long period while the future of the Group was under great uncertainty through much of 2011 and into 2012 until the appointment of a Director of the British Group in May this year. Her leadership abilities, expert knowledge of inter-parliamentary matters and commitment to the objectives of the Group guided the Secretariat through a very difficult period and we owe her a debt of gratitude for stepping up to the mark when it was most required by us all.

In the year since the 2011 Annual report, the Group has received delegations from Vietnam, Uzbekistan, Serbia, Bosnia-Herzegovina and Kosovo while a number of other incoming visits are also in the

pipeline to occur before the end of this current financial year. In addition, the BGIPU hosted parliamentarians and officials in short programmes arranged here at the Palace of Westminster from a wide array of countries, including Belgium, Panama, Morocco, Brazil, Burma, Chile and Uruguay. Since November 2011, we have also sent BGIPU delegations to a diverse range of countries such as Kosovo, Cuba, Mexico, Morocco, Indonesia and Colombia.

In a departure from past practice, and consistent with the recommendations of the Group's Modernisation Committee, detailed reports of these activities are published on the BGIPU website (www.bgipu.org) rather than being reproduced in full here in the Annual Report making this year's volume a slimmer, more streamlined publication than in past years.

In carrying out these bilateral activities, a key part of our dialogue is to compare and contrast parliamentary practice and where counterpart needs are identified, explore whether the BGIPU can provide appropriate targeted capacity building assistance. While our work in this area is still under development, we have already been actively engaged in determining possible UK and broader IPU assistance to Burma as well as seeking opportunities to support democratic strengthening in other places.

I had the honour to lead UK delegations to the 126th IPU Assembly in Kampala in March/April 2012 and the 127th IPU Assembly in Quebec City in October 2012. Through participation in these Assemblies, we engaged with delegations from over 120 other parliaments, in debating a wide range of global issues of concern to us all. We were grateful for the hospitality shown by both Uganda and Canada in making excellent arrangements for both meetings. Outcomes of these Assemblies included substantive resolutions on key global concerns such as the deeply worrying situations in Syria and Mali but also important normative work on the relationship between people and parliament through the launch of the landmark UNDP/IPU Global Parliamentary Report. Our partnership with other members of our regional 12+ Group has also played a key part in our effective engagement in IPU Assemblies and we enjoy excellent cooperation with our French colleagues who currently provide the Chair of the 12 + Group.

Thematic discussions at IPU Assemblies during the year have

focused on emerging issues such as the impact of social media on democracy, cultural diversity and the Arab Spring but also long-standing priorities such as the need for gender-sensitive parliaments, the protection of the human rights of parliamentarians and the need for parliamentary engagement in multilateral trade and economic matters. With the global debate on the post-2015 development agenda also a key consideration, there have been detailed exchanges on major development policy issues like disaster risk reduction, economic sustainability, health, education and access to global finance. The BGIPU has also taken the opportunity during the course of these Assemblies to hold bilateral meetings with some 20 counterpart delegations to discuss matters of mutual interest and to help identify opportunities for inter-parliamentary exchanges.

The BGIPU has also sent delegations to a number of IPU meetings over the year concerning gender equality, UN issues including youth matters and improved governance and accountability, HIV/AIDS, multilateral trade and the WTO, climate change and global efforts to improve aid effectiveness. Reports on these activities are also provided on the BGIPU website.

In undertaking our work, we remain guided by an abiding commitment to the importance of parliamentary diplomacy and to the vital need to strengthen dialogue between parliamentarians throughout the world. Strengthening our ties with fellow parliamentarians remains the *raison d'être* of the BGIPU as it is through this that we advance Britain's interests abroad to benefit our respective constituencies at home be it through more jobs created by trade and investment or the guarantee of a safer world for all. In addition to building these connections, in a world where the expectations of all citizens are growing and the need for democratic reform is to the fore, the relevance of the IPU, as a global body promoting and strengthening representative governance, should be self-evident to us all.

The key challenge for us, however, not least as a founding member Group of the IPU, is to ensure the IPU continues to serve its essential role as a global body for parliamentary exchange and promotion of best practice, focused and effective in helping the world address the many governance challenges and demands of the 21st century. These efforts must always be founded on the IPU's key principle of promoting peace and democracy through parliamentary dialogue and

draw on its unique expertise in creating norms and promoting models to strengthen representative governance.

Through opportunities to meet foreign counterparts, attend lectures by expert speakers and participate in other policy-related events, I want to see the BGIPU make a strong contribution to these objectives. I am also committed to enhancing the UK Parliament's constructive engagement on the widest possible range of foreign policy issues which makes it important that the BGIPU is increasingly coordinating and working together with All Party Parliamentary Groups engaged in international issues as well as in engaging with key external stakeholders such as the FCO, DFID and UKTI, like-minded organisations such as the UK Branch of the Commonwealth Parliamentary Association, the Westminster Foundation for Democracy and with relevant non-government bodies. I hope this will enhance the benefits and services members receive from the Group and provide greater scope for ensuring our activities have a real and demonstrative impact on the world outside of Westminster.

I strongly believe that Parliament must be effectively represented in global affairs and make a strong contribution to the promotion of good parliamentary practice, particularly to consolidate new democracies where the needs are the greatest. While the ever-changing nature of the international landscape will always require us to be flexible in our planning, my aim is to ensure that all BGIPU members are given relevant and unique opportunities for meaningful inter-parliamentary engagement. We very much welcome your contributions to establishing our work priorities and I hope you see ample scope to influence the shape of our forward agenda in the countries we engage, the events we convene and the issues we discuss.

Through my efforts as Chairman, the work of the other Officers, the guidance of the Executive Committee and the energy and enthusiasm of the Secretariat, the aim of the Group is to offer you experiences that are always current and relevant to the ebb and flow of global events but, most importantly, reflective of the main strategic priorities for Britain in the world. An association like ours can only ever be as good as the sum of all its parts. The one thing that will make us a better and stronger Group is that you take any and all opportunities to participate in our work in the year ahead.

Robert Walter MP
Chairman, British Group IPU, November 2012

Director's Report



Mr Rick Nimmo
Director, BGIPU

In this report, I will address key organisational issues and report on the functional activities facilitated by the Secretariat in support of the work of the British Group Inter-Parliamentary Union (BGIPU).

Since taking up the post in May 2012, I have undertaken detailed reviews of BGIPU objectives and operations and undertaken a range of measures to improve our effectiveness and sharpen our strategic priorities to meet our primary aim of advancing the parliamentary dimension of Britain's foreign relations, as mandated by the Executive Committee, Audit Committee and Modernisation Committee to ensure compliance with the Financial Memorandum agreed with the House of Commons and the House of Lords in April 2012.

In accordance with these new financial arrangements, the Executive Committee adopted a 3-year Strategic Business Plan and submitted a forward planning budget in support of our 2013-14 Request for Funding. This the first multi-year business plan prepared by the Group and it is intended to provide a more strategic focus on the rationale for our inter-parliamentary exchanges and international relations work. In preparation for the Annual General Meeting, the Executive Committee reviewed BGIPU Rules to remove inconsistencies and ambiguities and submitted its recommended changes for consideration by the full membership

To ensure we meet fully our staffing obligations, the Secretariat has placed under contract a specialist human resources expert to review staffing structures and conditions of service, including producing a revised Staff Handbook. Aiming to achieve equity and consistency of employment conditions, as agreed by the Executive Committee in late 2011, all members of staff previously employed on fixed-term contracts are being transferred to permanent contracts. Parallel to that, all Secretariat positions are also being subjected to a job-sizing review and other conditions of employment are being assessed to ensure we meet our funding obligations to employ staff broadly in

line with House of Commons practice.

Following adoption of the recommendations of the report of the Modernisation Committee by the Executive Committee, the BGIPU completed a major communications project to create and launch a new rebranded BGIPU website, including increased use of social media and other electronic means to make our work more accessible and to keep members better informed of our activities. We are also hoping this will promote greater interest in our activities from external stakeholders, including among counterpart parliaments and relevant multilateral agencies. We are also using the website and regular e-bulletins to promote the work of the Group and distribute reports of delegations and information on events held in Westminster cutting back on publication and stationery costs and reaching a larger audience through more effective use of our online presence and a more modern approach to the public affairs/communications activities of the Group.

In terms of policy-related membership activities, we have convened a number of thematic lectures and hosted policy events, including discussions on the FCO's focus on key emerging powers, conflict and gender issues in Afghanistan, the human rights of parliamentarians and discussion of the multilateral gender equity agenda. A key purpose of these events has been to encourage interactive debate among members and to build the Group's cooperation with government and non-government partners outside of Parliament.

In the lead-up to the International Day of Democracy on 15 September, the BGIPU promoted its activities through a series of well-attended BGIPU Week events. The BGIPU is also increased levels of engagement with other inter-parliamentary bodies, particularly the UK Branch of the Commonwealth Parliamentary Association, including a joint diplomatic function for the State Opening of Parliament in May and co-hosting an International Parliamentary Conference on Gender and Politics in early November which was attended by representatives of over 50 parliaments. The Group also seeking to be more pro-active in engaging All Party Parliamentary Groups in the work of the organisation to better promote itself with parliamentarians interested in specific country areas or key or thematic issues.

With much of this ambitious agenda of work completed or well underway, my objective as an incoming Director has been to place the Group on more solid footing, using recent changes and new requirements as an opportunity to improve the way we operate and the services the Secretariat delivers to members. I aim to achieve this by providing a strategically focused programme of activities for members, consolidating our administrative and financial credibility with our funding bodies in the Parliament and building our reputation with key partners both in the UK and abroad.

By addressing the matters required for us to modernise and streamline the operations of the Group, I am seeking to ensure that BGIPU members are able to derive maximum benefit from the opportunities the Group provides for inter-parliamentary exchange and dialogue. I also want to ensure that the Secretariat is accessible and increasingly seen as a reliable and effective resource for all UK Parliamentarians in handling the wide range of international issues which arise in your parliamentary work. Guided by the key elements and requirements of our Strategic Business Plan, the Secretariat is already well advanced in preparing a cohesive and comprehensive set of plans for 2013-14 which will be submitted to the incoming Executive Committee as an early item of business after its election.

Acknowledgements

I offer my sincere thanks to the Chairman, Officers and Executive Committee of the British Group for the support and understanding they have given me since I took up this post. I am very appreciative to the entire BGIPU membership for their participation in the activities we have undertaken both overseas and here in the Palace of Westminster and their assistance to me in taking up this entirely new and challenging role. The experiences and opportunities I have enjoyed already in my short time as Director have shown me just how relevant the work of the British Group of the IPU can be to making sure Parliament plays a key role in assisting Britain's way forward in the world and I am very grateful for the opportunity to play a part in this endeavour.

Prior to my arrival the British Group faced significant uncertainty while discussions regarding the future of inter-parliamentary groups was under consideration within the Parliament. If that were not

enough, the Secretariat was also dealing with loss of my long-standing and respected predecessor, Mr Kenneth Courtenay, who retired in May 2011. It is a credit to the professionalism and abilities of all members of the Secretariat, under the leadership and guidance of Ms Dominique Rees as acting General Secretary, that the team I joined in May had maintained, if not enhanced, its reputation as an effective inter-parliamentary body, widely appreciated for the quality of its work and the value of its activities, despite these challenges.

To everyone in the Secretariat who has assisted my transition to this new role, particularly Dominique Rees, I offer my deepest appreciation. I would also like to highlight the assistance I have received from many others in Parliament, in particular the Clerks of the Overseas Offices of both the House of Lords and the House of Commons, Mr Rhodri Walters and Mr Crispin Poyser, respectively, who have been generous and patient in the support and guidance provided to me.

Rick Nimmo
Director, British Group IPU, November 2012

Minutes of the 2011 Annual General Meeting of the British Group Inter-Parliamentary Union

Tuesday 29 November 2011

The Annual General Meeting of the British Group of the Inter-Parliamentary Union was held in the IPU room, Westminster Hall on Tuesday 29 November 2011. The Honorary President, the Rt Hon John Bercow MP, Mr Speaker was in the chair.

Opening Remarks by Mr Speaker

MR SPEAKER:

My Lords, Ladies and Gentlemen, I now call this Annual General Meeting to order. I extend a very warm welcome to everybody. And I would like, just before we get under way, to extend a particularly warm welcome to immediate past colleagues who are with us. It is absolutely splendid to see them, led by Sir Nicholas Winterton who served in the house for almost 39 years I think he came in, in September 1971 and left the house in May, or April if you want to call it that, 2010 and it is great to see John Austin here as well and of course from the other place there are several former members of the House of Commons but still very much Parliamentarians so it is good to see you and thank you.

I hope you have had a chance to look at the 2011 Annual Report. Copies have been placed upon seats.

Please note that there will be no ballot today, as Officers and Members of the Executive Committee will all be elected unopposed. This will be dealt with under item 9.

Apologies for absence

MR SPEAKER:

I shall now move on to Item 2, apologies for absence. Do we have any?

DOMINIQUE REES, ACTING GENERAL SECRETARY:

Yes we have a list of 40 apologies for absence.

Minutes of the Annual General Meeting held on Wednesday 24 November 2010

MR SPEAKER:

We are now required to adopt the Minutes of the Annual General Meeting held on Wednesday 24th November 2010. These are printed on pages 12 to 29 of the 2011 Annual Report. May I have a proposer and seconder that the minutes are adopted as a true record of the meeting? (*Proposed by Viscount Montgomery Alamein CMG OBE and Seconded by Stuart Jackson MP.*)

All those in favour please raise your hands.

Any against?

No. Thank you, carried unanimously.

I shall now sign the Minutes as a true record.

Matters arising from the Minutes

MR SPEAKER:

Are there any matters arising from those Minutes?

ACTING GENERAL SECRETARY:

There are no matters arising from the previous minutes.

Adoption of the Annual Report 2011

MR SPEAKER:

I now invite in relation to the annual report for 2011 the Minister of State at the Department for International Development the Rt Hon Alan Duncan MP to present the 2011 Annual Report.

RT HON ALAN DUNCAN MP:

Thank you Mr Speaker. It gives me great pleasure to be invited – for what is now the second year running - to play an official role in this Annual General Meeting.

As is customary, I will take the opportunity to say a few words before attending to the formalities of the occasion. I can see Sir Nicholas looking slightly alarmed at this prospect but let me assure you I am mindful of the words of Lord Birkett when he remarked:

“I do not object to people looking at their watches when I am

speaking. But I strongly object when they start shaking them to make certain they are still going.”

So, without further ado, let me begin by commending the Group and in particular, its indefatigable Executive and Secretariat for all that you have achieved over the past 12 months. It is evident from this annual report, that you have led and received a great number of delegations.

A couple of those visits stood out for me personally.

I see, for example, that earlier in the year you received a delegation from Tajikistan. It so happens that only a couple of months ago I became the first ever UK Government Minister to visit Tajikistan and DFID will, we do and we will continue to have an office there and we have committed to helping their people to tackle the poverty and deprivation which is endemic in the country. So, for example, British aid has already helped nearly 200 collective peasant farms to secure loans and by 2013 it will have provided similar help to another 5,000 small and medium enterprises.

We’re also helping the Government of Tajikistan to improve its public financial management so that budgets can be formulated more effectively and funds can be channelled to their much-needed public services

I note that the Group also received a visit from the Deputy Speaker of the Omani State Council. Oman, as I’m sure many of you are aware, was one of the first Gulf states to extend the right to vote to women and to encourage them to stand for public office. And just this October, Oman’s Consultative Council, the Shura, elected Khaled Bin Hilal Al-Mauli to become its Chairman, and it’s the first time the holder of that office has been chosen by election rather than by appointment. And what’s more, he is only 36.

So it is through these personal interactions with countries such as Tajikistan and Oman, that the Group makes such an important contribution, engaging as it does at a human level, in sharing experiences, creating friendships, breaking down barriers and feeding back vital knowledge about the needs and hopes of individual countries.

Nowhere, I would suggest, is this more important than in those

parts of the world where democracy and governance are still in their infancy or, in some cases, are mere aspirations.

We are fortunate in this country to live in a society where freedoms, rights and responsibilities are enshrined by centuries of statutory and common law. Governments, however powerful, are always accountable through the ballot box. Injustice and disputes can be pursued before the courts and corruption is rooted out and prosecuted. These things are the basic building blocks of democracy and good governance, and the foundations of long-term growth and prosperity.

Without them, no developing country will ever break the cycle of long-term poverty. And that's why DFID places such importance on supporting these countries as they build the institutions that will promote rights and choices for poor people and especially for women.

We have put a particular emphasis on fragile and conflict-affected states, where the absence of democracy is most intensely felt and by 2014, we will focus 30 per cent of British aid on war-torn and unstable countries. In those countries for instance, 13 of them – with more than 300 million voters – we will help them to hold free and fair elections. Our target is to help 10 million women to secure justice through the courts, the police and through legal assistance and we hope to help 40 million people to hold their authorities to account.

The Government is also working with those countries that are emerging from decades of oppression to experience their first taste of democracy. In doing so we recognise that it is those countries themselves that must take the lead in responding to the just needs and aspirations of their people. So, in Libya, for example, we have worked with the National Transitional Council and the UN as the country adapts to economic and political change.

More widely, events across North Africa and the Middle East are moving at great speed. The international community as a whole must stand ready to help those countries that are taking their first tentative steps towards the freedoms that we ourselves enjoy.

The UK is focussing its own efforts on supporting participation, both political and economic. We are using our influence with international partners, including the EU, to ensure that the right support is available throughout this transition stage.

At the same time, through the renewed Arab Partnership Strategy and dedicated fund, we are helping countries to develop and diversify their economies by creating jobs and supporting entrepreneurship.

Mr Speaker, reform does not happen overnight. I am sure that this Group will use its collective skill and wisdom to help those countries – countries that are thirsting for knowledge – to make the transition to functioning democracies as seamlessly as possible.

Mr. Speaker, I promised when I started not to trespass on the good nature of this audience. So I will hold to my word and end my remarks by wishing the Group well in the coming year, particularly as it begins to develop bilateral contacts with Arab Spring countries, an area of work that is especially important at this time.

It therefore now gives me great pleasure to propose the adoption of the 2011 Annual Report.

MR SPEAKER:

Alan, thank you for that speech and for proposing the adoption of the report; what you have said has been much appreciated I am sure by members of the group. I now invite Ms Rushanara Ali MP, Shadow Minister for International Development to second the 2011 Annual Report.

RUSHANARA ALI MP:

Thank you Mr Speaker and Mr Chairman. I am delighted to have been invited to second the adoption of the Annual Report for 2011 and I thank the Minister for his speech

The Minister has already spoken of the achievements of the Inter-Parliamentary Union over the last year which has enabled us to help build bridges and learn from our colleagues overseas. By sending delegations from the UK to visit parliaments around the world including Turkey, Uruguay, Georgia, Chile, Cuba and Kosovo. And by enabling Westminster to host a number of delegations during the past year – including from Tajikistan, Angola, El Salvador and Iraq, Namibia, Montenegro the Oman and even the Chinese People’s Political Consultative Conference.

One of the highlights of the past year was the seminar on Youth Participation in Politics – opened by Mr Speaker. Parliamentarians from across Europe – and from other countries such as Pakistan –

attended this two-day event along with young people from the UK.

There is perhaps little that is more important than encouraging young people to be involved in politics – both here at home and abroad. This is an issue very close to my heart as someone who co-founded a Youth Leadership programme in 2008 for talented young adults from diverse backgrounds - to plug them into positions of power and foster the next group of British politicians and public leaders here in the UK.

Although, I named that project Uprising, I am pleased to say that the leaders of our three main political parties have provided strong backing to it - despite the real possibility that these future leaders will almost certainly be after their jobs in the not too distant future.

In addition to the many delegations, parliamentary colleagues from all parties have shown Britain's commitment to international development and political engagement.

By visiting countries and parliaments all over the world to learn from their experiences and offer up some of our own insights, we are all better placed to forge strong partnerships with fellow parliamentarians. This is vitally important in an increasingly inter-dependent global political and economic environment.

As Shadow Minister for International Development, I had the opportunity to visit the West Bank earlier this year where I met with politicians, civil society organisations and NGOs and learnt first-hand how the conflict was affecting people's lives on both sides. Last month, I also visited Bangladesh to look at the impact of climate change there. I met politicians there but also the people who are already suffering from the effects of climate change, many of whom have lost their homes and livelihoods to rising sea levels. Such visits have been critical in informing my work in campaigning here in the UK to mobilise awareness and support for countries like Bangladesh where millions of people's will be devastated by the effects of climate change if we don't act now.

The Arab Spring uprising dominated the global political landscape this year and as voters go to the polls in Egypt for the first time since the uprising, we remember the importance of parliamentary democracy and freedom.

Citizens from all the countries who make up the Arab Spring have

responded to the abuse of power by, and the lack of legitimacy in, their Governments. People have taken to the streets in their millions to bring about badly needed change.

Few of us could have imagined just how much a few short months would change the world, as the self-immolation of one man led to a chain of unstoppable events around the Arab world.

The events we have watched on our TV screens have been a cry for freedom, democracy and transparency after decades of repression and abuse of power by those in positions of authority and responsibility; they have been about the need to be treated with dignity and fairness, and the opportunity to have jobs and decent chances in life.

In these extraordinary times, the IPU is more important than ever before.

The famine in East Africa and Somalia in particular is a stark reminder of the importance of democracy to development. Ordinary Somalis today find themselves in an even worse struggle to survive than before, with famine affecting an estimated four million people.

At the heart of the problem is the fragility of the states where the crisis is taking place which has long been exacerbated by the conflict there with Al-Shabaab. The prevention of access to, and sometimes capture of, humanitarian aid by extremist militants with no more claim to government than what they can force at gunpoint is a terrible example of the very real human cost of a lack of stable and legitimate government.

In the years ahead, we must all – in Britain and abroad – play our part as parliamentarians in helping to resolve such conflicts.

The events of this year highlight why it is so important for us to engage with other Parliaments and sustain good relations with our parliamentary colleagues from other countries.

The Inter-Parliamentary Union plays a vital role in maintaining a dialogue between our parliamentary colleagues across the world and provides support to parliamentarians from other countries who do not have the same freedom of speech that we do in Britain.

And in the 21st century, IPU will I'm sure want to also consider the importance of technology as a tool for engagement, building on its great work over the last century.

It is against the dynamic background of the events that have taken place this year, that the media and technology are now all increasingly recognised as critical in shaping public perceptions and helping to drive political change.

For ordinary people, the power of media and technology can inspire a vision of social change.

For Parliamentarians and political leaders, technology also plays a vital role – ensuring we serve our democracy well by providing new and better ways of communicating with both our citizens and each other.

It is right that today we have representatives from both sides of the House on International Development. And Britain's achievements on international development are rightly a great source of pride

But we must continue to ensure that despite these tough economic times, we do not waver in our commitments to the poorest people in the world.

The advances made in the last decades - more children getting an education, untying aid from self-interest, global reductions in poverty – are proof that we can succeed.

A key part of these development successes has been the growth of good, stable and resilient government – and there is a continuing place and need for the IPU to help foster this now more than ever before.

That is I am delighted to be here to Second the Adoption of the Annual Report this afternoon. Thank you.

MR SPEAKER:

Thank you very much indeed Rushanara again, for your contribution and for seconding the report which has now been duly proposed and seconded.

Is it agreed that we adopt the report?

All those in favour please raise your hand.

Any against? No, carried unanimously. Thank you.

Presentation of the Financial Statement for April 2010 to March 2011 by Mike Gapes MP, Honorary Treasurer of the British Group Inter-Parliamentary Union

MIKE GAPES MP:

Thank you Mr Speaker. As the Accounting Officer it is my privilege honour to present Financial Statements and Statement of Internal Control for the year ended 31 March 2011 and these are reproduced at pages 170 to 189 of the Annual Report, towards the back.

The audit was conducted by Reeves & Company (formerly known as Reeves and before that as Reeves+Neylan and I am pleased to say that the audit personnel have remained the same since the original appointment (when the firm was FW Stephens), and I would like to welcome Mike Proctor, the audit partner, and Anne Carter, the audit manager, who are with us today.

On pages 178 to 179 of the Report the auditors state that, in their opinion, the Financial Statements give a true and fair view of the state of the organisation's affairs as at 31 March 2011 and of its results for the year then ended and that they have been properly prepared in accordance with UK Generally Accepted Accounting Practice.

So you can heave a sigh of relief.

The Audit Committee met on 4th July 2011, I am pleased the Chairman is here, and received a report from our auditors and recommended that the Executive Committee approve the Financial Statements and that the Chair and Treasurer of the IPU sign them in due course.

The Income and Expenditure account is on page 180 and I would like to just go through that briefly to highlight, there are lots of complicated issues here and bear with me.

The Group received £978,000 in the financial year ended 31st March 2011 compared to £1,304,000 in the previous year. This reduction of £326,000 or 25% was due to the fourth quarter instalment being withheld because of the high level of our cash reserves. Our bank interest increased - again due to the cash reserves being higher up to December 2010 and the subscription income that previously we had, began to fall away as the membership charges were suspended by the Executive Committee in February 2011 in anticipation of the

possible move towards the International Relations Directorate which at that point was under consideration.

I will turn now to expenditure.

Subscription expenses increased by 12.8% from £387,028 in the year to 2010 to £436,494 in the year to March 2011. The majority of this relates to the IPU subscription paid to Geneva, which is invoiced in Swiss Francs and we suffered a combination of adverse exchange rate movements of sterling against the Swiss Franc and also in addition to a small increase in the Swiss Franc amount of the subscription. The IPU subscription relates to calendar years rather than financial years and so an amount corresponding to three-quarters of each year's payment is included under debtors and prepayments in the balance sheet.

Most areas of expenditure however, in the year, decreased and the activity level was lower due to the General Election in May 2010 as well as the impact of the discussions about the IRD. There was little interest by many Members in participating in delegations during the political campaigning period in the early part of the financial year and many Members of the Group including Officers either stood down at the General Election in 2010 or were defeated at that election; and so after May 2010 it was necessary to direct efforts up to the summer recess towards recruiting new Members, co-opting new Officers and members of the Executive Committee. And a full Executive was not in place until the election at the last Annual General Meeting a year ago, after which much of our focus initially was on the discussions around the IRD.

Conference costs were lower because the 2010 Spring Conference in Bangkok straddled March to April and so a large part of the costs were in the 2009-2010 rather than 2010-2011 financial year. There were also fewer Secretariat staff needed to support delegations, once the Chair of the 12+ Group moved away from the United Kingdom and the funds were transferred. And there was also a change of accounting treatment for seminars run by the Group, such as those on Youth Parliamentarians and Human Trafficking, which we changed the procedure so that aggregating the costs for these with those of inward delegations - rather than with the small seminars run by the IPU. It's a change of heading within the categories. This has necessitated a restatement of the prior year's comparative figures,

which is explained in note 8 on the accounts. Delegates were sent to ten small IPU meetings and there were four outward delegations held during the financial year at a total cost of £70,979. There were two inward delegations, one British Group IPU seminar and five Days in Parliament which took place at a total cost of £75,581 and 12 APPCGs requested and were given funding for a number of events, some of which were jointly organised and the total cost of those came to £18,178.

Then I turn to salaries - the cost of staff salaries and related expenses has decreased slightly from the previous year; mainly because one post was left vacant for several months before being covered by a secondee from the House of Commons, and the media consultant post was transferred to a salaried appointment, which has a knock on consequence of the public relations costs having fallen. Legal and professional fees of £2,347 were incurred as a result of consultations about potential liabilities under the IRD project and that was absolutely necessary. We purchased no giftware during the year as it was unclear whether it could have been used after the change the IRD and we also had rather a lot of stock.

The aggregate effect overall is a decrease in expenditure costs compared to the previous year of £116,991 but there is a deficit on the year of £37,693, due to the reduced income because our reserves, as I have already explained were deemed to be too high and therefore we didn't get the final quarter's payment. Grant-in-aid is being reduced again this year, in the current year so that the reserves are further reduced to the level permitted by the current Financial Memorandum – and that will remain operative until the end of this financial year.

Finally, on page 182, the balance sheet shows Net Assets as down by £37,693 to £1,632,107.

The value of fixed assets has fallen as none were purchased and some office equipment became fully depreciated. Also, on the advice of our auditors, any fixed assets costing less than £100 were written off in accordance with the new capitalisation limit recommended to us. The Group no longer holds any funds on behalf of the 12+ Group, having relinquished the Chair during the year and as a result the bank balances were handed over in December 2010. This has reduced both cash at bank and creditors. And the creditors have also fallen because in the previous year, the House of Lords paid the first quarter

instalment of grant-in-aid early, in March rather than in April when it was due, and this was not repeated in the following year. Debtors in the columns includes an amount of £12,203, that the Royal Bank of Scotland have subsequently repaid to us as compensation for delays in acting on an IPU subscription bank transfer request, which led to exchange rate losses being incurred. And the debtors' figure of £20,859 also includes amounts owing to delegates and travel agents due to travel cancellations.

And there is a note on page 189, note 9, which refers to uncertainty about 2011-2012 funding, and also the position of the General Secretary being left vacant from May 2011. The Group has subsequently received grant-in-aid of £127,000 and is expected to receive a further £252,000 in 2011-2012 but as I have already explained our reserves will be drawn on to bring them down towards the level in the memorandum of understanding and the Annex was renegotiated on the current Financial Memorandum in June to enable the Secretariat to operate financially without a General Secretary until a successor appointment which has meant that the Treasurer has been signing quite a lot of cheques. I have nothing further to add Mr. Speaker.

MR SPEAKER: Thank you very much indeed, are there any other questions To Mike Gapes? No? We will simply move onto item number 7.

Re-appointment of the Auditors

MR SPEAKER:

We now have to appoint auditors for the current year. It is proposed that Reeves & Co, our auditors, are so appointed. May I have a seconder for that proposition?

Ian Paisley, thank you. All those in favour please raise your hand. Thank you, anybody oppose? No, carried unanimously. Reeves & Co are appointed as the Group's auditors for the current year.

Proposed amendment to Rule 7 'Subscriptions'

The notice circulated to Members on 3 November included a proposed change to the rules as follows. The Original Rule: Rule 7 on the Subscriptions states: Members and Associate Members of the Group shall pay yearly or life membership subscriptions at a rate

to be determined by the Group. The proposed Amended Rule that is before us for consideration, reads: Membership fees will no longer be charged, however there will be no refunds of past Life or Annual subscriptions.

The Executive Committee proposes that Rule 7 be amended. Is it agreed that we adopt this amendment?

It is agreed. Rule 7, can we just have a show of hands? Much mirth and merriment, excellent, anybody opposed? No, Rule 7 is indeed now amended, splendid.

Election of Officers and the Executive Committee for the period of 2011/12

MR SPEAKER:

I now move onto that. And I have to announce that Nigel Dodds MP, Baroness Gardner of Parkes, Chris Heaton-Harris MP, Tony Lloyd MP, Lord Morris of Aberavon and Mark Pritchard MP will be standing down as members of the Executive Committee.

I am sure this meeting would agree to record its appreciation for all of their contributions and commitment to the British Group and the IPU itself.

As I announced at the beginning of this meeting all the Officers and Executive Committee Members who are standing for election are unopposed. These names have already been circulated to members in the letter dated 22 November 2011. Copies of that letter are available today. I hereby declare that they are duly elected. The new list of Officers and Executive Committee members will be placed in the IPU Room, the Noes Division Lobby and on the Group's website.

To the list of Vice-Presidents announced in the letter dated 22nd November, we have now received written confirmation that the Rt Hon Nick Clegg is also happy to serve again as a Vice-President.

Any other business

MR SPEAKER:

We come now to any other business.

Is there any?

ACTING GENERAL SECRETARY:

We have had no notification.

MR SPEAKER:

We have no notification but the honourable Member for Ellesmere Port and Neston has an important matter beating in his breast.

ANDREW MILLER MP:

Just very briefly Mr Speaker, sadly at the general election the All Party Malta Group fell into disarray and was never reformed. The High Commission have had a letter signed by 6 members of the Maltese Parliament, 6 Labour and 6 Nationalist and as a result of that the High Commissioner is coming to see me on Thursday of this week I am sure there will be people in the House who would want to see this long standing group reformed and perhaps I could use this opportunity to say to anyone that wants to be part of reformed Malta group please contact my office and if anybody is available at 10 o' clock on Thursday morning please join me in my office

MR SPEAKER:

Well Andrew thank you very much indeed, for that, are there other matters, is there other business not on the agenda but to which somebody wishes to allude? No? Okay, we come now to the speech by the Chair of the group. And that does seem a rather a fitting way in which to draw the thrust of our proceedings to a close. I have no idea what the speaker next is going to say but I look forward expectantly to being cured of my ignorance on this matter and we look forward to hearing the Chair of the British Group of the IPU as he takes the floor, Bob?

Speech by the Chairman of the BGIPU Robert Walter MP

ROBERT WALTER MP:

Thank you very much indeed Mr Speaker, colleagues. I'd like to start if I may, by expressing thanks on behalf of the Group to a number of people. First of all, to you Mr Speaker for chairing our Annual meeting and also, as one of our Honorary Presidents, for all the work you do to support our Group, including the hospitality you have given to visiting delegations in Speaker's House.

To our other Honorary President, the Lord Speaker, for all she does to support our activities. She has yet to formally meet one of our

delegations as the new Lord Speaker; however, she was always very supportive of our activities prior to her recent elevation so we look forward to her continued support.

Can I thank my colleagues Alan Duncan and Rushanara Ali for proposing and seconding the adoption of our Annual Report. And also special thanks to my colleague Mike Gapes, our Treasurer, for his report, and for taking good care of our finances and can I say for his excellent work in the IPU on the issue of the increasing contributions! Together we have worked hard in both the 12+ and also at the IPU assemblies to try to rein in the expenditure of the Inter Parliamentary union, very conscious of the fact that we in this Parliament and in many Parliaments around the world have seen budgets reduced and Mike has done excellent work and we have succeeded in persuading the Secretariat at the IPU to reduce its expenditure for the forthcoming financial year by 10%. Sadly because of the revaluation of the Swiss franc the 10% reduction will be negligible in terms of our, any reduction in our contribution but none the less without it, we would have faced a serious financial problem in trying to meet that increased subscription.

I'd also like to thank all of those of my colleagues who have served on the Executive Committee during the past year and for those who have participated in our many activities. To those that Mr Speaker's referred to, who are standing down, I thank them for their support and hope that they will continue to take an interest in our activities and I notice some of them are present at this meeting and I know they are going to continue to take an interest.

And I would also like to thank our secretariat for their excellent service. In particular Ken Courtenay, who retired as General Secretary earlier this year after 10 years of service. He had a very busy 10 years at the BGIPU and together with his staff he ensured that Members were delivered a full, varied and interesting programme of International Bilateral activities. We wish him a very happy and well deserved retirement with his wife Laura. But I would also like to express my special thanks to Dominique and her team who have filled the gap in the interregnum and our special thanks to all of them and also thanks to our media advisor David Kemp who is sitting at the back who will be leaving us shortly but has been responsible for producing our Annual Report which is a, certainly a journal of

record and our newsletters, and thanks very much to David. And also finally, thanks to the Foreign Office and also to DFID – Ministers for all the work that they do to support our activities, to their officials to the embassy and High Commission staff for their considerable efforts in setting up our activities. And thanks to Ministers to meeting, for meeting our visiting delegations. This is greatly appreciated by the Group.

The IPU, as you all know, was created to strengthen dialogue between Parliamentarians throughout the world in order to promote peace and support Parliamentary democracy. The need for this is possibly greater now than it ever was. Many of the problems that we have today are ones we share with our Parliamentary colleagues around the world – climate change, economic crisis, global terrorism, poverty and energy security. These are issues that need to be discussed in an international framework and solutions found together. These issues have therefore been the focus of many of our delegations, of the Assemblies and conferences throughout the last 12 months. We have had a busy year, despite a difficult start.

At the beginning of this year the Group was largely involved in adapting to a proposed restructure in advance of the creation of an International Relations Directorate serving both Houses. However, after much debate the project failed to be approved by various organisations in March this year.

The British Group therefore continued in its original form and managed to build a busy programme for the rest of the year.

As we have already touched on, the Group received delegations from Costa Rica, Angola, Mexico and Uzbekistan and sent delegations to Turkey, Uruguay, Georgia, Cuba and Kosovo.

We have also attended two busy Assemblies this year, in Panama in April and Bern in October.

In Panama much of the discussion centred around the situation in the Arab Spring countries and the Assembly unanimously adopted a resolution on “Strengthening democratic reform in emerging democracies, including in North Africa and the Middle East”. The British Group plans to develop on the work done by the IPU by focusing the programme for the next year on contact with the emerging democracies in the Middle East and north Africa.

Again this year, the Group's funding of All Party Group visits was a success. Interesting and productive visits took place to Ethiopia, Mongolia, the Great Lakes Region of Africa and Vietnam.

On a more, of the more specialist events of the Group we held a successful seminar on Youth Participation in Politics – which was opened by Mr Speaker – and attended by Parliamentarians from across Europe – and also from Pakistan. And planned many months beforehand and backed by the IPU's Head Quarters in Geneva, the meeting coincided as we were discussing youth with a big demonstration in Parliament Square on tuition fees.

In conclusion, Mr Speaker, the Group has had a challenging but none the less successful year. We are now looking forward to next year and are planning an interesting programme. I hope you will continue to actively participate in our work and please may I urge you to encourage other colleagues in both Houses to be involved in our work.

I thank you for your attendance and I thank all my colleagues who have attended this meeting for their support of the Group. Thank you very much.

Closure of the Meeting

MR SPEAKER:

Bob thank you very much. We have completed our agenda items and I now declare this meeting closed. Thank you colleagues very much for coming and look forward to seeing you again soon.

Officers and Executive Committee

Following the Annual General Meeting held on **Tuesday 29 November 2011**, the under-mentioned were elected as Officers and Members of the Executive Committee

BGIPU Honorary Presidents

Rt Hon John Bercow MP (The Speaker)

Rt Hon the Baroness D'Souza (The Lord Speaker)

BGIPU President

Rt Hon David Cameron MP (The Prime Minister)

BGIPU Vice-Presidents:

Rt Hon Nick Clegg MP

Rt Hon Ed Miliband MP

Rt Hon William Hague MP

Rt Hon Margaret Beckett MP

Rt Hon the Baroness Boothroyd PC OM

Rt Hon the Lord Carrington KG GCMG CH MC DL

Rt Hon the Lord Howe of Aberavon Kt CH QC

Rt Hon David Miliband MP

Rt Hon the Lord Owen CH

Rt Hon Jack Straw MP

Rt Hon Douglas Alexander MP

Rt Hon the Lord Martin of Springburn

Rt Hon Andrew Mitchell MP

Rt Hon Gordon Brown MP

Rt Hon the Baroness Hayman

Rt Hon the Lord Hurd of Westwell CH CBE

Meetings of the Executive Committee

Since the last Annual General Meeting on 29 November 2011, the Executive Committee met on Monday 5 December 2011, Tuesday 31 January 2012, Tuesday 6 March 2012, Tuesday 22 May 2012, Tuesday 10 July 2012, and Tuesday 30 October 2012.

Officers & Executive Committee 2011 - 2012

Chair:

Robert Walter MP

Vice-Chairs:

Stewart Jackson MP
Rt Hon Ann Clwyd MP

Treasurer:

Mike Gapes MP

Executive Committee:

Conservative Party

Rt Hon Sir John Stanley MP
Ian Liddell-Grainger MP
Andrew Rosindell MP
John Whittingdale OBE MP
Gareth Johnson MP
Helen Grant MP*
Conor Burns MP*
Rt Hon the Lord Jopling DL
The Baroness Hooper CMG
Lord McColl of Dulwich CBE*

Liberal Democrat Party

Rt Hon Malcolm Bruce MP
The Lord Dholakia PC OBE
DL

Labour Party

Hugh Bayley MP
Jeremy Corbyn MP
John Robertson MP
Rt Hon Alun Michael JP MP
Fabian Hamilton MP
Ann McKechin MP
The Lord Dubs
Rt Hon the Lord Anderson of
Swansea DL

Minority Party

Ian Paisley MP*

Cross Bench

The Viscount Montgomery of
Alamein CMG CBE

* Denotes that Members were co-opted following the AGM 2011

Membership of the British Group

As of November 2012 there were 800 Members of the British Group, comprising 293 Members of the House of Commons, 330 Members of the House of Lords, 175 Associate Members and 2 Honorary Members.

REPORT OF THE INDEPENDENT AUDITORS, FINANCIAL STATEMENTS AND STATEMENT OF INTERNAL CONTROL

Year ended 31 March 2012

British Group of the Inter-Parliamentary Union

Reeves & Co LLP

Statutory Auditors & Chartered Accountants

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Statement of Internal Control

Scope of Responsibility

1. As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the British Group of the Inter-Parliamentary Union (BGIPU) whilst safeguarding the public funds and assets, for which I am personally responsible, in a manner that is consistent with the Financial Memorandum issued by both Houses of Parliament for the use of the BGIPU's grant in aid.

2. In accordance with the Financial Memorandum, the Finance Directors of the two Houses are responsible for:

- Ensuring that the conditions set out in the Financial Memorandum and any particular obligations agreed during the estimate discussions conform with the terms of the House of Commons Resource Accounts Manual;

- Satisfying themselves that the financial and other management controls applied by the BGIPU are appropriate and sufficient to safeguard public funds and that they conform with the requirements both of propriety and good financial management.

The purpose of the System of Internal Control

3. The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve the policies, aims and objectives of the organisation. In doing this, it can provide only reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks for the achievement of the organisation's policies, aims and objectives to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place within the BGIPU for the year ended 31 March 2012 and up to the date of approval of the Annual Report and Accounts and accords with the guidance to Accounting Officers in the Treasury's guidance *Managing Public Money*.

Capacity to Handle Risk

4. The process of risk management in the BGIPU is based on

the authority of the Executive Committee, advised by the General Secretary and subordinate bodies as described below.

5. As far as possible, BGIPU staff have ownership of their work and their part of the risk control process. There is a delegation of risk management responsibilities as far as is appropriate to individual BGIPU staff, with each member of staff having ownership of the risks in their functional area; with a system of management oversight to ensure that risks in the lower area are being managed effectively. All staff are appropriately trained to manage risk relevant to their particular responsibilities and are made aware of the latest guidance in the Treasury's *Orange Book*. The open plan working environment and staff meetings provide an effective process for the identification and dissemination of best practice and lessons learned. Feedback to the Secretariat is provided by the Officers and Executive Committee of the organisation and by open report back meetings following completion of projects, attended by the MPs and Peers who have participated in them.

Risk Control Framework

6. A Risk Register has been compiled and approved by the Executive Committee, and forms the focus of the organisation's risk management strategy. The Executive Committee have delegated authority to the Audit Committee to regularly monitor and scrutinise the Risk Register and to take appropriate action where necessary. The Audit Committee reports back to the Executive Committee on a regular basis to ensure any issues are fully discussed.

7. Risk management is embedded in the activity of the organisation by all activity being approved by the Executive Committee, by staff reporting and commenting upon good practice, by constant review of expenditure and scrutiny of the Risk Register by the Audit Committee.

8. Most residual risks are low. The generic risk priorities for the organisation are in the areas of effective project management, which in turn depends upon effective motivation of staff, a coherent trail from policy decisions to project delivery, and the promotion of best practice. The other risk priority is the maintenance of the grant in aid from both Houses of Parliament on which the BGIPU depends to fund its activities.

Review of Effectiveness

9. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the General Secretary of the BGIPU who has responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports, the Office Manager who carries out the day to day management of the accounts and the Audit Committee.

10. Mechanisms to maintain and review the effectiveness of the system of internal control are provided by:-

- **The Executive Committee**

Considers the preparation of the organisation's programme of activity, nomination of a Selection Committee to select delegates for Assemblies of the Union and other activities, action to be taken on recommendations and resolutions of Assemblies and the Governing Council of the Union, promotion of membership of the BGIPU, control and expenditure of the organisation's funds, correspondence with the Secretariat of the Union including transmission of reports on the activities of the organisation and the appointment of a General Secretary of the BGIPU.

- **The Audit Committee**

Gives advice to the Honorary Treasurer on the adequacy of audit arrangements and on the implications of assurances provided in respect of risk and control in the organisation. The Committee regularly reviews the organisation's Risk Register and draws attention, when necessary, of the Honorary Treasurer and the Executive Committee when additional measures become necessary to control risk, or if the scope of the external audit needs to be adjusted.

- **The Officers of the BGIPU**

The Chair, two vice-Chairs, Honorary Treasurer and the General Secretary (or Deputy Secretary acting in lieu of the General Secretary) have financial authority on behalf of the Executive Committee on a day to day basis. The Officers meet formally when necessary. All decisions taken by the Officers are reported to the full Executive Committee at its next meeting.

- **The Honorary Treasurer**

The Honorary Treasurer is responsible for ensuring that Internal Control measures, in accordance with Treasury guidelines, are implemented in the organisation. In particular to:

- Ensure that all resources are used economically, efficiently and effectively;
- Ensure that adequate internal expenditure controls are maintained;
- Seek to ensure that financial considerations are taken into account at all stages by the Executive Committee in framing and reaching decisions;
- Make representations to the Executive Committee if instructions are received that might be regarded as conflicting with these duties and
- Authorise special payments or write-offs.

- **General Secretary**

The General Secretary (or Deputy Secretary acting in lieu of the General Secretary) is responsible to the Officers and the Executive Committee for the implementation of their decisions and for the administration of the organisation and its Secretariat; ensuring that appropriate personnel management policies are observed. He or she is responsible to the Honorary Treasurer for ensuring that effective procedures are in place to control the expenditure of the organisation, to maintain a record of losses, special payments or write-offs, to calculate the budget required to carry out the organisation's authorised activities and to submit the annual request for grant in aid. The General Secretary retired in May 2011 and the position remained vacant until 1 May 2012, when a new Director was appointed post year end. During this period the Deputy Secretary took over the responsibilities and acted in lieu of the General Secretary.

(Signed)

M Gapes MP

Honorary Treasurer

Date: 10.7.2012

Statement of the Executive Committee's responsibilities

Under the BGIPU's rules, the duties of the Executive Committee of the BGIPU include control and expenditure of the organisation's funds. It is also required to ensure that financial statements (duly audited) are prepared. The Executive Committee of the BGIPU has accepted responsibility for the preparation of these financial statements for the year ended 31 March 2012 which are intended by them to give a true and fair view of the state of affairs of the organisation and of the surplus or deficit for that period. The Executive Committee has accepted that the financial statements shall be prepared in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice).

In preparing these financial statements, the Executive Committee has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed; subject to any material departures being disclosed and explained in the financial statements;
- Prepared the financial statements on the going concern basis as it believes that the organisation will continue to function for at least 12 months from the date of approval of the balance sheet.

The Executive Committee has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the BGIPU and to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

The Executive Committee confirms that, so far as it is aware, there is no relevant audit information of which the organisation's auditors are unaware; and that it has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the organisation's auditors are aware of that information.

Report of the independent auditors to the members of the British Group of the Inter-Parliamentary Union

We have audited the financial statements of British Group of the Inter-Parliamentary Union for the year ended 31 March 2012 set out on the following pages, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared for the reasons and on the basis set out in note 1 to the financial statements.

This report is made solely to the organisation's members, as a body determined by the rules of the organisation. Our audit work has been undertaken so that we might state to the organisation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the organisation and the organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Executive Committee and auditors

The Executive Committee's responsibilities for preparing the financial statements in accordance with the organisation's rules are set out in the Statement of Executive Committee's responsibilities on the previous page.

Our responsibility is to audit the financial statements in accordance with International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained, if the organisation has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Statement of Internal Control and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Scope of the audit of the financial statements

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. This includes an assessment of: whether the accounting policies are appropriate to the organisation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the organisation's affairs as at 31 March 2012 and of its results for the year then ended and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on Statement of Internal Control

In our opinion the information given in the Statement of Internal Control for the financial year for which the financial statements are prepared is consistent with the financial statements.

(Signed)

Reeves & Co LLP

Statutory Auditors & Chartered Accountants

Third Floor

24 Chiswell Street

London

EC1Y 4YX

13.7.2012

Income and expenditure account

for the year ended 31 March 2012

	Note	2012	2011
		£	£
Income			
Grant in aid	1	378,600	978,000
Subscriptions/ Donations received from members	1	441	1,699
Interest receivable	1	5,175	9,065
Other income		118	14
		384,334	988,778
Expenditure			
Subscriptions		476,469	436,494
Conferences, IPU seminars and outward delegations		192,999	107,112
Inward delegations, BGIPU seminars and days in Parliament		84,329	75,582
All party groups		35,925	18,178
Salaries, national insurance and other staff costs	7	304,770	341,793
Printing, stationery and publications		6,681	6,986
Postage and telephone		2,708	3,243
Publishing and public relations		4,751	18,136
Audit fee for the audit of these financial statements		6,553	6,024
Legal and professional fees		-	2,347
Insurance		4,976	4,929
General hospitality		1,275	472
Sundry expenses		3,507	3,275
Depreciation of fixed assets	2	1,847	1,679
Loss on disposal of fixed assets	2	194	221
		1,126,984	1,026,471
(Deficit)/surplus for the year	5	(742,650)	(37,693)

The income and expenditure account has been prepared on the basis that all activities are continuing activities.

There are no recognised gains and losses other than those passing through the income and expenditure account.

Notes 1 to 9 form part of the financial statements.

Balance sheet

At 31 March 2012

	Note	2012		2011
		£	£	£
Fixed assets	2	7,136		7,513
Current assets				
Debtors		10,496	20,859	
Prepayments and accrued income		377,589	396,713	
Cash at bank and in hand	3	536,454	1,245,998	
		<u>924,539</u>	<u>1,663,570</u>	
Current liabilities				
Creditors	4	<u>(42,218)</u>	<u>(38,976)</u>	
Net current assets		<u>882,321</u>		<u>1,624,594</u>
Net assets		<u>889,457</u>		<u>1,632,107</u>
Financed by:				
General fund	5	<u>889,457</u>		<u>1,632,107</u>
		<u>889,457</u>		<u>1,632,107</u>

Notes 1 to 9 form part of the financial statements.

These financial statements were approved by the undersigned and authorised for issue on 10.7.2012

(Signed)
R Walter MP
Chair

(Signed)
M Gapes MP
Honorary Treasurer

Notes forming part of the financial statements

for the year ended 31 March 2012

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the organisation's financial statements.

1.1 Basis of preparation

The British Group of the Inter-Parliamentary Union acts as an autonomous body within Parliament and is an independent parliamentary association. As such it is not required by law to comply with the requirements of the Companies Act and generally accepted accounting principles. However, as explained in the Statement of Executive Committee's responsibilities, the Executive Committee has accepted that these financial statements shall be prepared in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice).

Financial Reporting Standard 1 exempts small organisations from the requirement to prepare a cash flow statement. The Executive Committee has taken advantage of this exemption and therefore these financial statements do not include a cash flow statement.

The financial statements have been prepared in accordance with the accounting policies set out below and historical cost accounting rules.

1.2 Fixed assets and depreciation

All assets over £100 are capitalised. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment	- 15% per annum (10% in the 7 th year)
Computers and software	- 25% per annum

No depreciation is provided on paintings or the commemorative bell. There is no available market value but it is thought that the current market value would exceed the carrying amount.

1.3 Pension costs

The organisation makes payments to personal pension plans for the benefit of its employees.

Contributions payable to the scheme are charged against income in the period in which they fall due.

1.4 Grant in aid

Grant in aid is recognised as income in the financial statements in the period to which the grant relates.

Grant in aid for the year ended 31 March 2012 of £378,600 (2011: £978,000) has been provided by the House of Commons and the House of Lords; contributing 70% and 30% respectively.

For the year ended 31 March 2012, the BGIPU received only two of the quarterly instalments of the annual grant in aid. This decision was undertaken by the House of Commons in order to reduce the reserves which were higher than the permitted levels in the Financial Memorandum.

1.5 Conference, delegation and all party group expenditure

Expenditure in respect of conferences, inward and outward delegations and seminars is charged against income in the period in which the event occurs.

1.6 Interest

Interest earned on all bank accounts is recognised in the income and expenditure account on an accruals basis.

1.7 Subscriptions/Donations received

On 1 February 2011, the Executive Committee voted to suspend the annual membership fees. At the AGM in November 2011, the BGIPU Rules were formally amended abolishing the requirement for membership fees. However, there would be no refunds of unnecessary payments, which will be treated as donations in the future

2 Tangible fixed assets

	Paintings	Commemorative bell	Office Equipment	Computers and software	Total
	£	£	£	£	£
Cost					
At beginning of year	3,183	890	7,159	15,473	26,705
Additions	-	-	1,482	182	1,664
Disposals	-	-	(6,264)	(1,215)	(7,479)
At end of year	3,183	890	2,377	14,440	20,890
Depreciation					
At beginning of year	-	-	6,875	12,317	19,192
Disposals	-	-	(6,234)	(1,051)	(7,285)
Charge for year	-	-	305	1,542	1,847
At end of year	-	-	946	12,808	13,754
Net book value					
At 31 March 2012	3,183	890	1,431	1,632	7,136
At 31 March 2011	3,183	890	284	3,156	7,513

3 Cash at bank and in hand

	2012	2011
	£	£
Interest earning bank deposit accounts	535,852	1,245,187
Non-interest earning bank deposit accounts	500	500
Cash in hand	102	311
	536,454	1,245,998

4 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	1,800	-
Accruals	35,522	30,791
Social security and other taxes	4,896	8,185
	42,218	38,976

5 General fund

	General Fund £
Balance at 1 April 2011	1,632,107
Deficit for the year	(742,650)
Balance at 31 March 2012	889,457

In accordance with HM Government accounting rules, the annual grant in aid income awarded to the organisation is not paid to the BGIPU until the funds are actually required to meet expenditure budgeted for the year. The BGIPU declares to the funding provider surplus funds from the previous year before grant in aid is paid. The funding provider advances cash to the organisation when it is required to meet expenditure.

The General fund balance is carried forward into the next financial year and is unaffected by the change in funding arrangement of the grant in aid.

6 Tax status

The BGIPU acts as an autonomous body within Parliament and as such is treated as an independent parliamentary association and accordingly is not chargeable to tax.

7 Staff costs

The total emoluments paid to employees during the year, including pension contributions are disclosed in the income and expenditure account. Staff costs include all independent consultancy fees and the secondment costs of one individual for 8 months.

The average number of employees of the BGIPU during the year was 7 (2011: 7).

8 Post balance sheet events

On 1 May 2012 a new Director, Rick Nimmo, was recruited to a position equivalent to that previously entitled General Secretary. In addition, a new Financial Memorandum was negotiated during 2011-2012 and came into effect on 1 April 2012. This will require lower reserves, and greater rigour in the submission of budgets, business plans and requests for payment of grant in aid.

9 Published financial statements

The approved financial statements will be made publicly available on the website of the British Group of the Inter-Parliamentary Union at www.bgipu.org.

IPU
HEADQUARTERS

Executive Committee of the IPU

The IPU Governing Council is the plenary policy-making body of the IPU. Oversight of the administration and advice to the governing council is provided by an Executive Committee composed as follows;

Members	Expiry of term
<i>Ex-Officio President:</i>	
Mr. A. Radi (Morocco)	October 2014
<i>Vice President of the Executive Committee:</i>	
Ms. I. Passada (Uruguay)	October 2015
<i>IPU Vice-Presidents:</i>	
Mr. K. Chshmaritian (Armenia)	October 2013
Mr. F.M. Drilon (Philippines)	October 2015
Ms. R. Kadaga (Uganda)	October 2015
Mr. K. Örnfjäder (Sweden)	October 2013
<i>Members:</i>	
Ms. N. Assegaf (Indonesia)	April 2014
Ms. A. Kabore Koala (Burkina Faso)	October 2015
Mr. F.K. Kundi (Pakistan)	October 2015
Ms. N. Motsamai (Lesotho)	October 2015
Ms. S. Moulengui-Mouélé (Gabon)	October 2014
Mr. D. Oliver (Canada)	October 2014
Mr. Nhem Thavy (Cambodia)	October 2013
Mr. P.-F. Veillon (Switzerland)	October 2013
Mr. D. Vivas (Venezuela)	October 2016
Mr. J. Winkler (Germany)	October 2015
<i>Vacancy</i>	

Liaison with the International Secretariat

The BGIPU Secretariat has maintained regular and constructive contact with the IPU Secretariat in Geneva on a wide range of issues on the IPU agenda. The BGIPU Director paid a familiarisation visit to the IPU Secretariat following his appointment and received extensive briefings from the Secretary-General and his staff in July 2012. At Assemblies, and in our regular work, the British Group continues to enjoy excellent relations at all levels and has strong cooperation with the international Secretariat. The contacts details for the Secretary General of the IPU are:

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Secretary-General of the Inter-Parliamentary Union
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CH-1218 Le Grand Saconnex,
Geneva
SWITZERLAND
Telephone: +41 22 919 41 50 Fax: +41 22 919 41 60
E-Mail: postbox@mail.ipu.org
Website: www.ipu.org

National Groups of the IPU

As of November 2012 there are 162 Members and 10 Associate Members of the Inter-Parliamentary Union.

Afghanistan	Cyprus	Japan
Albania	Czech Republic	Jordan
Algeria	Democratic People's	Kazakhstan
Andorra	Republic of Korea	Kenya
Angola	Democratic Republic	Kuwait
Argentina	of the Congo	Kyrgyzstan
Armenia	Denmark Djibouti	Lao People's Demo-
Australia	Dominican Republic	cratic Republic
Austria	Ecuador Egypt	Latvia
Azerbaijan	El Salvador	Lebanon
Bahrain	Equatorial Guinea	Lesotho
Bangladesh	Estonia	Libya
Belarus	Ethiopia	Liechtenstein
Belgium	Finland	Lithuania
Benin	France	Luxembourg
Bolivia	Gabon	Malawi
Bosnia and Herzego-	Gambia	Malaysia
vina	Georgia	Maldives
Botswana	Germany	Mali
Brazil	Ghana	Malta
Bulgaria	Greece	Mauritania
Burkina Faso	Guatemala	Mauritius
Burundi	Guinea-Bissau	Mexico
Cambodia	Haiti	Micronesia (Feder-
Cameroon	Honduras	ated States of)
Canada	Hungary	Monaco
Cape Verde	Iceland	Mongolia
Chad Chile	India	Montenegro
China	Indonesia	Morocco
Colombia	Iran (Islamic Repub-	Mozambique
Congo	lic of)	Myanmar
Costa Rica	Iraq	Namibia
Côte d'Ivoire	Ireland	Nepal
Croatia	Israel	Netherlands
Cuba	Italy	New Zealand

Nicaragua	Sao Tome and Principe	Togo
Niger	Saudi Arabia	Trinidad and Tobago
Nigeria	Senegal	Tunisia
Norway	Serbia	Turkey
Oman	Seychelles	Uganda
Pakistan	Sierra Leone	Ukraine
Palau	Singapore	United Arab Emirates
Palestine	Slovakia	United Kingdom
Panama	Slovenia	United Republic of
Papua New Guinea	South Africa	Tanzania
Paraguay	South Sudan	Uruguay
Peru	Spain	Venezuela
Philippines	Sri Lanka	Viet Nam
Poland	Sudan	Yemen
Portugal	Suriname	Zambia
Qatar	Sweden	Zimbabwe
Republic of Korea	Switzerland	
Republic of Moldova	Syrian Arab Republic	
Romania	Tajikistan	
Russian Federation	Thailand	
Rwanda	The former Yugoslav	
Samoa	Republic of Macedonia	
San Marino	Timor-Leste	

Associate Members

Andean Parliament
 Central American Parliament
 East African Legislative Assembly
 European Parliament
 Inter-Parliamentary Committee of the West African Economic and Monetary Union
 Latin American Parliament
 Parliament of the Economic Community of West African States
 Parliament of the Economic & Monetary Community of Central Africa
 Parliamentary Assembly of the Council of Europe
 Transitional Arab Parliament

**AFFILIATED
PARLIAMENTARY
GROUPS**

Details of funding granted in support of All Party Parliamentary Group Activities in the period November 2011 to November 2012.

Each year, the BGIPU provides financial assistance to affiliated All Party Parliamentary Country Groups (APPCG). An APPCG is an informal cross party grouping of parliamentarians from both Houses who have an interest in the affairs of a specific country. Funding for this activity is included within grant in aid received from the two Houses. The current maximum is £5,000 in total grants per APPCG per financial year, and the original 2011-12 total budget was £20,000, but it was raised twice during the year to £40,000 to meet demand as other expenditure was below budget. As the China APPCG exceeded its maximum by £500 in 2010-11 it was restricted to £4,500 in 2011-12. The total figure in the 2011-12 Financial Statements was £35,925. The budget for 2012-13 is £30,000.

For the Annual Review, the period of interest is between Annual General Meetings, rather than the Financial Years. Detail of support given in that period follows. In cases of funding below, a report has been submitted, unless otherwise stated. These reports are published on the BGIPU Website.

Guinea-Bissau APPG

£4,394.15 was paid out of a grant allowed of £4,400.00 in connection with an inward delegation from Guinea-Bissau from 7 - 11 November 2011, organised by Peter Thompson MP.

Greece APPG

£450.00 was paid towards the costs of an inward delegation on 22 November 2011, hosted by Alan Meale MP.

Dominica APPG

£8,262.00 was paid to The Caribbean Council in connection with an outward visit by four delegates to the Dominican Republic and Haiti from 27 November to 3 December 2012. It was organised by Lord Foulkes.

British-Danish APPG

£120 was paid to meet the cost of an inward visit by the new Am-

bassador with the officers of the group, at a lunch hosted by Viscount Craigavon.

China APPG

£4,500 funding was agreed and paid towards the flight costs of an outward delegation to China from 16 – 23 December 2011.

Mongolia APPG

£289.52 was paid for a lunch in the Peers dining room hosted by Lord Waverley for a delegation from Mongolia. No report was submitted for this activity.

British-Japanese APPG

£5,000 funding was agreed to assist with the flight costs of an outward delegation of four MPs to Japan from 17 – 24 March 2012.

Sudan and South Sudan APPG

£5,000.00 funding was agreed for a visit in April 2012 but the claim is still pending.

Netherlands APPG

£1,000.00 was granted towards the costs of a welcoming dinner for an inwards delegation from the Netherlands on 19 April 2012 hosted by Clive Betts MP, which was claimed and paid. No report was submitted for this activity.

Bosnia and Herzegovina APPG

Funding of £2,500.00 was agreed towards an outward delegation to Bosnia and Herzegovina from 13 – 17 May 2012 led by Karen Lumley MP of which £1,617.94 has been paid to the FCO on account pending final claim submission.

British-Latvian APPG

£1,515.00 was granted to assist with the costs of an outward delegation of four MPs and one official to Latvia from 23 – 26 September 2012 of which £1,363.68 was claimed and paid. No report was submitted for this activity.

Ethiopia APPG

£5,000.00 funding has been agreed for a balanced outward delega-

tion to Ethiopia of four MPS from 11 – 16 November 2012. A report is pending.

Azerbaijan APPG

£1,800.00 funding has been agreed for a dinner in Parliament for nine Azerbaijani MPs and members of the APPG Group on 21 November 2012. A report is pending.

Turkey APPG

£450.00 funding has been agreed for the flight costs for one of a delegation of four MPs going to Turkey from 18 – 22 November 2012. A report is pending.

THE SECRETARIAT OF THE BRITISH GROUP IPU

Mr Rick Nimmo, Director (*Commenced May 2012*)

Ms Dominique Rees, Deputy Secretary (*Commenced March 1998*)

Ms Jackie Rhodes, Office Manager (*Commenced January 2010*)

Ms Gabriella Liberotti, Assistant Secretary (*Commenced June 2008*)

Ms Charlotte Holloway, Assistant Secretary (*Commenced August 2009*)

Ms Stephanie Kenyon, Assistant Secretary (*Commenced August 2011*)

Ms Sophia Ostler, Assistant Secretary (*Commenced August 2011*)

Contact details of the Secretariat of the British Group IPU

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