

# **British-American Parliamentary Group**



## **Executive Committee Report**

**2011-12**

*(For the year ended 31 March 2012)*

# **British-American Parliamentary Group**



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**2011-12**

*(For the year ended 31 March 2012)*

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## OFFICERS' & MEMBERS OF THE EXECUTIVE COMMITTEE 2011-2012

### Honorary Joint Presidents

The Speaker of the House of Commons  
The Lord Speaker

### Vice-Presidents

The Rt. Hon. Margaret Beckett, MP  
The Rt. Hon. the Baroness Boothroyd, PC, OM  
The Rt. Hon. the Lord Carrington, KG, GCMG, CH, MC, DL  
The Rt. Hon. Nick Clegg, MP  
The Rt. Hon. Iain Duncan Smith, MP  
The Rt. Hon. the Lord Falconer of Thoroton, QC  
The Rt. Hon. William Hague, MP  
The Rt. Hon. the Lord Howard of Lympne, QC  
The Rt. Hon. the Lord Howe of Aberavon, Kt, CH, QC  
The Rt. Hon. the Lord Hurd of Westwell, CH, CBE  
The Rt. Hon. the Lord Jopling, DL  
The Rt. Hon. Charles Kennedy, MP  
The Rt. Hon. the Lord Mackay of Clashfern, KT  
The Rt. Hon. the Lord Martin of Springburn  
The Rt. Hon. David Miliband, MP  
The Rt. Hon. Ed Miliband, MP  
The Rt. Hon. the Lord Molyneaux of Killead, KBE  
The Rt. Hon. the Lord Morris of Aberavon, KG, QC  
The Rt. Hon. the Lord Owen, CH  
The Rt. Hon. Jack Straw, MP  
The Rt. Hon. the Baroness Thatcher, LG, OM

### Honorary Chairman

The Prime Minister

### Vice-Chairmen

The Rt. Hon. Dr. Liam Fox, MP  
The Rt. Hon. Shaun Woodward, MP

### Honorary Secretary

Brian Donohoe, MP

### Honorary Treasurers

The Rt. Hon. Greg Knight, MP  
The Rt. Hon. John Spellar, MP

## MEMBERS OF THE EXECUTIVE COMMITTEE

### House of Commons

#### Government

Christopher Chope, OBE, MP  
Geoffrey Clifton-Brown, MP  
Jack Lopresti, MP  
Mark Pritchard, MP  
The Rt. Hon. Sir John Stanley, MP  
Stephen Williams, MP

#### Opposition

The Rt. Hon. Hazel Blears, MP  
The Rt. Hon. Ann Clwyd, MP  
Michael Dugher, MP  
The Rt. Hon. Elfyn Llwyd, MP  
Andy Love, MP  
Austin Mitchell, MP

### House of Lords

#### Conservative

The Rt. Hon. the Lord Trimble  
The Baroness O'Cathain, OBE

#### Labour

The Rt. Hon. the Lord Anderson of Swansea, DL  
The Rt. Hon. the Lord McFall of Alcluith

#### Liberal Democrat

The Baroness Scott of Needham Market

#### Cross Bench

The Lord Hannay of Chiswick

### Administrator: Hannah Mitchell

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## EXECUTIVE COMMITTEE MEETINGS

The Executive Committee 2011-12 met on: 25<sup>th</sup> October 2011; 6<sup>th</sup> December 2011; 7<sup>th</sup> February 2012 and 15<sup>th</sup> May 2012.

The Annual General Meeting, at which the current Executive Committee was elected, took place on 6<sup>th</sup> July 2011.

The following indicates attendances at the Executive Committee meetings since the last AGM:

The Rt. Hon. the Lord Anderson of Swansea	3/4
The Rt. Hon. Hazel Blears, MP	1/4
Christopher Chope, MP, OBE, MP	3/4
Geoffrey Clifton-Brown, MP	2/4
The Rt. Hon. Ann Clwyd, MP	0/4
Brian Donohoe, MP	4/4
Michael Dugher, MP	2/4
The Rt. Hon. Dr. Liam Fox, MP	0/4
The Lord Hannay of Chiswick	4/4
The Rt. Hon. Greg Knight, MP	3/4
The Rt. Hon. Elfyn Llwyd, MP	4/4
Jack Lopresti, MP	1/4
Andy Love, MP	3/4
The Rt. Hon. the Lord McFall of Alcluith	4/4
Austin Mitchell, MP	3/4
The Baroness O’Cathain, OBE	3/4
Mark Pritchard, MP	2/4
The Baroness Scott of Needham Market	2/4
The Rt. Hon. John Spellar, MP	2/4
The Rt. Hon. Sir John Stanley, MP	3/4
The Rt. Hon. the Lord Trimble	4/4
Stephen Williams, MP	2/4
The Rt. Hon. Shaun Woodward, MP	2/4

## **FINANCIAL STATEMENTS 2011-12**

### **Foreword to the Accounts**

#### **Introduction**

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The British-American Parliamentary Group (BAPG) was formed in 1937 to promote closer relations and understanding between Members of both Houses of Parliament of the United Kingdom and Members of both Houses of Congress of the United States of America by providing opportunities for discussion on problems common to both countries and for the exchange of visits and information. The BAPG Objectives, Activities and Rules were formally adopted on 5 July 1967 and have since been subject to minor amendments in 1968, 1981, 1982, 1996, 2000, 2003 and 2007, 2008 and 2009.

The BAPG acts as an autonomous body within Parliament. It appoints its own administrative staff to carry out its objectives and the Rules of the BAPG define the limitations on its powers.

The management of the BAPG is vested in the Executive Committee. The Honorary Secretary, who is a member of the Executive Committee, is primarily responsible for the BAPG's activities; the Administrator, who is an official of the BAPG and not a Member of the Executive Committee, is responsible for the executive work of the BAPG. The Chairman of the BAPG is the Prime Minister. The two Vice-Chairmen of the Executive Committee are normally of Cabinet and Shadow Cabinet rank.

#### **Principal activities of the British-American Parliamentary Group**

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The format of the annual programme of activities has historically consisted of: one Annual Parliamentary / Congressional Conference; one ad hoc specialist delegation visit to the United States, budget allowing; one familiarisation visit to the United States co-sponsored with the United States Department of State and attendance as observers at biennial courses held in the United States for newly elected Members of Congress. Also every four years, during a Presidential election year, members attend the Democratic and Republican National Party Conventions.

Various other activities are held in the United Kingdom with distinguished visitors from the United States.

In July 2011 the Annual Parliamentary / Congressional Conference took place in Washington D.C. at the invitation of the U.S. Senate. The conference was originally to have been held on Rhode Island but the Senate BAPG cancelled the arrangements two days before the start of the meeting due to the Senate being scheduled to remain in session that weekend as a result of the U.S. debt limit debate. On the following two days the British delegation took the opportunity of meetings with Members of Congress, various Departments of the Administration and think tanks, organized by the British Embassy.

Also in July, eight members travelled to the United States to participate in the BAPG / U.S. Department of State Co-Sponsored Visit, designed to give members not already familiar with the United States an introduction to the American political system. The visit included time in Washington D.C. which coincided with the Annual Parliamentary / Congressional Conference and provided a unique opportunity for the UK Caucus together with the British Embassy to arrange a special reception on the Hill for the British MPs and Members of Congress at which they were able to promote the Sister Member Programme which aims to pair a Member of Congress with a Member Parliament based on similar ideals, committee assignments or districts.

In March 2012, the BAPG sent four members to Washington D.C., Pittsburgh in Pennsylvania and New York City to look at the U.S. economy, the impact of the stimulus package and the challenges of the political deadlock.

## Relationship with the House of Commons Commission and House of Lords House Committee

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The BAPG is funded mainly by a grant from the House of Commons Commission and the House of Lords House Committee in the proportion 70:30. The BAPG submits a detailed income and expenditure budget together with bids for expenditure on a rolling three year programme usually in September each year or at the request of the Clerks of the Overseas Offices who are the budget holders on behalf of the House of Commons Commission and House of Lords House Committee. Approval of the budget and the amount of the grant for the coming year is agreed in the first quarter of the following year. The grant is paid in one instalment, usually in April each year.

Prior to 2008-09 the BAPG was funded by HM Treasury.

## Results for the year

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The Statement of Comprehensive Net Expenditure (page 13) shows that the BAPG had net expenditure of £32,880 for the year 2011-12. The grant-in-aid for the year was £99,000.

The BAPG currently holds £46,856 in reserves (page 14).

## Prompt payment initiative

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In line with best commercial practice it is BAPG policy to pay bills in accordance with contractual conditions. Where no such conditions exist, it aims to pay within 30 days of receipt of goods and services or presentation of a valid invoice, whichever is the later. There are no figures available to show performance against this target.

## Provision of information to Auditors

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As far as the Accounting Officer is aware there is no relevant audit information of which the BAPG's auditors, the NAO, are unaware. In addition, the Accounting Officer has taken all the steps necessary to make himself aware of any relevant audit information and to establish that the BAPG's auditors are aware of that information.

The Rt. Hon Greg Knight MP (*Accounting Officer*)

\_\_\_\_\_ 2012

## Statement of Accounting Officer's responsibilities

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Under the Financial Memorandum, the House of Commons Commission and the House of Lords House Committee have directed the BAPG to prepare for each financial year a statement of accounts to the year ended 31 March. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of BAPG and of its income and expenditure and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to:

- give due regard to the procedures laid down in the Financial Memorandum including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the BAPG will continue in operation.

The Executive Committee has appointed the Joint Honorary Treasurer of the opposite party to the Honorary Secretary, The Rt. Hon. Greg Knight, MP, as Accounting Officer of the BAPG. The responsibilities of an 'Accounting Officer' include responsibility for the propriety and regularity of the public finances, keeping proper records and safeguarding the BAPG's assets, as set out in the Financial Memorandum agreed between the BAPG, the House of Commons Commission and the House of Lords House Committee.



## **Governance Statement**

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The British-American Parliamentary Group (BAPG) maintains a system of governance that supports the achievement of the objectives and activities of the BAPG whilst safeguarding the public funds and assets in a manner that is consistent with the Financial Memorandum issued by the House of Commons Commission and the House of Lords House Committee for the use of the Group's grant. In discharging its responsibilities the BAPG has had regard to the principles of the Corporate Governance Code for Central Government and considers there are no areas where it has not complied with the spirit of the code.

## **Governance framework**

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The BAPG acts as an autonomous body within Parliament. The management of the BAPG is vested in an Executive Committee. The Honorary Secretary and Joint Honorary Treasurers, who are nominated by the Executive Committee and ratified each year at the Annual General Meeting as additional members of the Executive Committee with full voting rights, are primarily responsible for the Group's activities. The Chairman of the Group is the Prime Minister. The two Vice-Chairmen are normally of Cabinet and Shadow Cabinet rank.

The Group's Rules are set out in a single constitutional document and detail the administrative arrangements and membership of the Group.

The day to day activities are the responsibility of the Administrator who is employed by the Executive Committee and operates under the general direction of the Officers to implement its policy decisions.

The Group's Rules provide that the Executive Committee shall meet four times a year between one year's AGM and the next. The Executive Committee may determine a time and place for an Annual General Meeting of members to which it submits a report of its proceedings. The Rules also allow for the Executive Committee to call Special General Meetings to consider and determine any matter of interest and importance that may arise.

## **Relationship with Sponsor: House of Commons Commission and House of Lords House Committee**

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The House of Commons Commission and House of Lords House Committee provide funding to the BAPG by way of a grant in the proportion 70:30.

The BAPG's relationship with its funding sponsors is embodied in a Financial Memorandum. The Financial Memorandum is an integral part of the governance arrangements.

The Financial Memorandum places a responsibility on the Group to ensure that all resources are used economically, efficiently and effectively. During 2011-12, work was done on a new Financial Memorandum which provided for greater financial reporting to the "budget holders", the Clerks of the Overseas Office in each House, and limits on reserves. The new Financial Memorandum was in place with effect from April 2012.

In addition, the Clerks of the Overseas Offices attend meetings of the BAPG Executive Committee to provide assurance to the House of Commons Commission and House of Lords House Committee that the funding is disbursed in accordance with the purposes and principles set out in the Financial Memorandum as well as to provide such advice and assistance as requested.

The Executive Committee appoints an Accounting Officer from its membership, normally one of the Joint Honorary Treasurers, to ensure that the uses to which the Group puts funds received from the grant are consistent with the purposes for which the grant was given and comply with any conditions attached to them including the provisions of the Financial Memorandum.

The BAPG's accounts and the activities that underpin them are currently subject to external audit by the Comptroller and Auditor General supported by the National Audit Office (NAO). The NAO carry out their audits in accordance with the International Standards on Auditing (UK and Ireland) and each year report the results of their work to the BAPG's Executive Committee.

Internal Audit services of both Houses may also be used to provide assurance to the sponsors and to the BAPG Executive Committee. The Internal Audit services have the right of access to all the BAPG records, operations and physical properties of the body and to the Executive Committee members, employees and contractors, as set out in the Financial Memorandum.

## **The group's governance activities in 2011-12**

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The Executive Committee met on four occasions in 2011-12 to consider matters that are set out in the Committee's Annual Report of the Executive Committee. Amongst other things the Committee examined: the group's draft programme of activities for the present year; the group's forecast budget for 2012-2013; including a review of the group's budgetary position and the group's audited accounts for 2011-12; the annual report of the Honorary Secretary; and other matters for discussion and endorsement by the Annual General Meeting.

## **Risk management**

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The risk management process is the responsibility of the Executive Committee and it oversees a risk register which identifies and evaluates possible risks to the Group and sets out the internal controls or mitigating actions in place to manage the risks. It is the responsibility of the Committee to regularly appraise the existing risks and to recommend action where necessary. Importantly, this process is designed to manage risk to a reasonable level rather than to eliminate all risk. In doing this, it can provide only reasonable and not absolute assurance of effectiveness.

The risk register currently identifies 11 risks which fall within the low risk areas after mitigating actions have been taken. The major operational risk is one of fraud which is mitigated by the segregation of duties: payments are by cheque which require two of three signatories and there are agreed authorisation/delegation limits on financial expenditure as detailed in the annex of the Financial Memorandum.

The risk register was last reviewed at a meeting of the Executive Committee in October 2011 and an aspect of it revisited at the Executive Committee meeting in February 2012.

In October 2011, a member of the Executive identified a risk of there being no protection of limited liability from possible litigation claims of negligence in the event of loss of life or injury as a result of a terrorist incident and as such every member of the Executive Committee would be personally liable financially as far as the outcome and of the cost of whatever may be involved in terms of legal advice in achieving the outcome.

There was agreement to write to the House authorities raising this issue and to ask the House if it would indemnify the Executive Committee against possible such litigation claims.

It was reported at the Executive Committee meeting in February 2012 that the House did not want to offer an indemnity to an arms-length body, "however close they may be to the Parliamentary process through supporting activities", but members were informed that the group had recently been made an offer by its insurance brokers to delete the terrorism exclusion on the group's Public Liability policy for a modest additional premium. After consideration of the comments made by members at the February meeting the BAPG Officers subsequently decided to proceed with the additional insurance cover therefore mitigating the risk to individual Executive Committee members of financial liability from possible litigation claims of negligence in the event of a terrorist incident.

## Significant issues

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A significant concern is the future sustainability of the present level of BAPG programme activities. As a result of the cuts to the BAPG's grant against a background of rising programme costs there is a projected budget shortfall going forward. A consequence of this is that the BAPG will not be able to carry out its regular programme activities and in the case of some visits in 2012, a U.S. election year, the BAPG may no longer be in a position to send bi-partisan delegations to major election events. This not only reduces the group's ability to engage with counterparts in the U.S. but importantly counterparts are not given a balanced perspective on issues of mutual concern. Furthermore it reduces the experience and understanding of British MPs and in so doing inhibits them from being good Parliamentarians. The BAPG has reverted to its sponsors and appealed for additional funds to support its well established programme of activities going forward.

## Review of the effectiveness of the governance

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The Accounting Officer has responsibility for maintaining effective governance and periodically to review the processes and procedures that are in place. The Accounting Officer's statement is set out below.

My review of the BAPG's governance is informed by the deliberations of the British-American Parliamentary Group's Annual General Meeting, the decisions of the Executive Committee, as well as the views of the Administrator, the Honorary Secretary and the Honorary Treasurer of the BAPG, who have day to day responsibility for the governance processes and procedures.

I have also had regard to guidance on internal control and financial management issued by the House of Commons Commission and House of Lords House Committee under the auspices of the Financial Memorandum, as well as the comments made by the external auditors in their management letter and other reports made to the BAPG.

On an enduring basis, I advise the BAPG's Executive Committee on the implications of the periodic reviews of the BAPG's governance processes and procedures. I intend to ensure that the BAPG continues to maintain a reliable system of governance.

I consider that the Executive Committee has an effective stewardship over the resources of the Group.

The BAPG's Accounts and the activities that underpin them are currently subject to external audit by the Comptroller and Auditor General, supported by the National Audit Office (NAO). The NAO carry out their audits in accordance with International Standards on Auditing (UK and Ireland) and each year report the results of their work to the BAPG's Executive Committee.

The Rt. Hon Greg Knight MP (Accounting Officer)  
\_\_\_\_\_ 2012

## **The Independent Auditor's report to the members of the British-American Parliamentary Group**

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I have audited the financial statements of the British-American Parliamentary Group (the Group) for the year ended 31 March 2012. The financial statements comprise: the Statement of Comprehensive Net Expenditure; the Statement of Financial Position; the Statement of Cash Flows; the Statement of Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### **Respective responsibilities of the Accounting Officer and Auditor**

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As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, under the terms of the Financial Memorandum agreed with the House of Commons Commission and the House of Lords House Committee. My responsibility is to audit the financial statements in accordance with the applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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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 Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Group; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Report of the Executive Committee to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Group and the financial transactions conform to the authorities which govern them.

### **Opinion on regularity**

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In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Group and the financial transactions conform to the authorities which govern them.

## Opinion on financial statements

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In my opinion:

- the financial statements give a true and fair view of the state of the British-American Parliamentary Group's affairs as at 31 March 2012 and of the net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Financial Memorandum agreed with the House of Commons Commission and the House of Lords House Committee.

## Opinion on other matters

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In my opinion:

- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

I have no observations to make on these financial statements.

**Bryan Ingleby**  
**Director on behalf of the Comptroller and Auditor General**  
**May 2012**

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

## Statement of Comprehensive Net Expenditure

For the year ended 31 March 2012

	Note	2011-12 £	2010-11 £
<b>Administration Costs:</b>			
Staff costs	3	32,534	32,322
Other administration costs	4	10,454	11,522
		42,988	43,844
<b>Programme Costs:</b>			
Programme costs	5	90,650	46,309
		90,650	46,309
<b>Total Costs</b>		133,638	90,153
<b>Income:</b>			
Grant-In-Aid	2	(99,000)	(110,000)
Operating income		(1,095)	(1,681)
Other income		-	(607)
<b>Total Income</b>		(100,095)	(112,438)
<b>Net Operating Cost/(Income) before Interest and Tax</b>		<b>33,543</b>	<b>(22,285)</b>
<b>Bank Interest Receivable</b>		(829)	(983)
<b>Corporation Tax Payable</b>	7	166	207
<b>Net Operating Cost/(Income) after Interest and Tax</b>		<b>32,880</b>	<b>(23,061)</b>

The notes on pages 17 to 22 form part of the accounts

## Statement of Financial Position

For the year ended 31 March 2012

		<u>31 Mar 2012</u>	<u>31 Mar 2011</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<b>Current assets:</b>			
Trade and other receivables	8	1,088	829
Cash and cash equivalents	9	61,042	77,626
<b>Total current assets</b>		<b>62,129</b>	<b>78,455</b>
<b>Current liabilities</b>			
Trade and other payables	10	(15,274)	(3,719)
<b>Total current liabilities</b>		<b>(15,274)</b>	<b>(3,719)</b>
<b>Assets less liabilities</b>		<b>46,856</b>	<b>74,736</b>
<b>Taxpayers' equity:</b>			
General fund		46,856	74,736
<b>Total taxpayers' equity</b>		<b>46,856</b>	<b>74,736</b>

The financial statements on pages 13 to 16 were formally agreed by the Executive Committee on 15<sup>th</sup> May 2012 and were signed on its behalf by:

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Rt. Hon. Greg Knight, MP (Accounting Officer)

The notes on pages 17 to 22 form part of the accounts

## Statement of Cash Flows

For year ended 31 March 2012

	Note	2011-12 £	2010-11 £
<b>Cash flows from operating activities</b>			
Net operating income		(32,880)	23,061
Interest Receivable		(829)	(983)
Tax Payable	7	166	207
Adjustments for non-cash transactions – audit fee		5,000	5,000
(Increase)/Decrease in trade and other receivables	8	(259)	23
Increase/(Decrease) in trade payables	10	11,555	226
Tax Paid		(166)	(197)
<b>Net cash outflow from operating activities</b>		<b>(17,412)</b>	<b>27,337</b>
<b>Cash flows from investing activities</b>			
<b>Net cash outflow from investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
<b>Net cash inflow from financing activities</b>		<b>829</b>	<b>1,279</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>			
		<b>(16,584)</b>	<b>28,616</b>
<b>Cash and cash equivalents at the beginning of the period</b>	9	<b>77,626</b>	<b>49,010</b>
<b>Cash and cash equivalents at the end of the period</b>	9	<b>61,042</b>	<b>77,626</b>

The notes on pages 17 to 22 form part of the accounts



## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2012

	Note	General Fund
		£
<b>Balance at 31 March 2010</b>		<b>46,675</b>
Non-cash charges – auditor's remuneration		5,000
Net operating income for the year		23,061
<b><i>Total recognised income for 2010-11</i></b>		<b>28,061</b>
<b>Balance at 31 March 2011</b>		<b>74,736</b>
<b>Changes in taxpayers' equity for 2011-12</b>		
Non-cash charges – auditor's remuneration	4	5,000
Net operating cost for the year		(32,880)
<b><i>Total recognised expense for 2011-12</i></b>		<b>(27,880)</b>
<b>Balance at 31 March 2012</b>		<b>46,856</b>

The notes on pages 17 to 22 form part of the accounts

## Notes to the Accounts

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2011-12 Government *Financial Reporting Manual (FReM)*. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the BAPG for the purpose of giving a true and fair view has been selected. The particular policies adopted by the BAPG are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Non-Current Assets

Office equipment is written off as expenditure in full in the year of acquisition.

#### 1.2 Operating Income

Such income relates directly to the operating activities of the BAPG. It principally comprises the grant-in-aid, annual subscriptions, life subscriptions, donations and interest on the bank deposit accounts.

Annual subscriptions cover a 12 month period from 1<sup>st</sup> April each year. Annual subscriptions paid between 1<sup>st</sup> January and 31<sup>st</sup> March each year are treated as subscriptions paid in advance (deferred income). Life subscriptions are included as income in full in the year of receipt.

#### 1.3 Gains and losses

All gains and losses are included in the statement of comprehensive net expenditure.

#### 1.4 Taxation

Bank interest is received net of tax. It has been grossed up to £829 for the Accounts. The tax on the bank interest is offset against the Corporation Tax liability. The total tax liability for 2011-12 is £166 (made up of £166 tax on gross interest).

#### 1.5 Research and development expenditure

The BAPG does not engage in research and development activity.

#### 1.6 Personal data related incidents

The BAPG had no personal data related incidents during the reporting year.

## 2. Income

	<u>2011-12</u>	<u>2010-11</u>
	<u>£</u>	<u>£</u>
Parliamentary Grant-In-Aid	99,000	110,000
Annual subscriptions	852	910
Life subscriptions	120	640
Donations	123	131
Corporation Tax rebate	0	757
<b>Total</b>	<b><u>100,095</u></b>	<b><u>112,438</u></b>

The BAPG Grant-In-Aid reduced by 10% between 2010-11 and 2011-12.

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## 3. Staff numbers and related costs

Staff costs comprise:

	<u>2011-12</u>	<u>2010-11</u>
	<u>£</u>	<u>£</u>
Wages and salaries	24,658	24,658
Social security costs	1,711	1,499
Contributions to employee pensions	6,165	6,165
<b>Total</b>	<b><u>32,534</u></b>	<b><u>32,322</u></b>

There is one part-time member of staff at the BAPG who is responsible for the day-to-day running of operations.

#### 4. Other Administration Costs

Note	2011-12		2010-11	
	£	£	£	£
<b>Non-cash items</b>				
Auditors' remuneration and expenses:				
Audit Fee	5,000		5,000	
<b>Total non-cash items</b>		<b>5,000</b>		<b>5,000</b>
<b>Cash Items</b>				
Sundry	1,615		3,446	
Insurance	1,679		1,523	
Annual Report	1,255		1,156	
Website	905		397	
		5,454		6,522
<b>Grand Total</b>		<b>10,454</b>		<b>11,522</b>

The 128% increase in Website expenditure was due to the migration of the BAPG site to a new free operating platform due to support for the original operating platform being retired by Microsoft.

The 53% reduction in Sundry costs was due to the purchase of new IT equipment in 2010-11. The policy of the BAPG is to write off capital spend in-year rather than depreciate the cost over a useful economic life. Therefore the entire cost of the new PC and printer was subsumed in the 2010-11 accounts.

#### 5. Programme Expenditure

	2011-12	2010-11
	£	£
Annual Conferences	45,162	500
Special Delegation Visits	15,395	9,897
Co Sponsored Visits	25,791	25,286
Reception for American Ambassador	3,401	0
Carbon Offsetting of Air Travel	515	865
New Members of Parliament Orientation (NMOP)	0	9,546
Hospitality	386	215
<b>Total</b>	<b>90,650</b>	<b>46,309</b>

The 95% increase in Programme Expenditure was mainly due to the Annual Parliamentary / Congressional Conference which had been cancelled in 2010 by the House of Representatives BAPG due to the difficulty of scheduling around the UK and US General Elections.

The House of Commons and House of Lords agreed in February 2012 to the BAPG carrying over funds of £17,000 to 2012-13 for activities that had been re-scheduled by the U.S. Embassy to later in the calendar year.

## 6. Financial instruments

IFRS 7 (Derivatives and other Financial Instruments), requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The BAPG has limited exposure to risk in relation to its activities.

### Liquidity risk

The BAPG was financed by a grant from grant in-aid from both Houses of Parliament. As such it was not exposed to significant liquidity risks.

### Interest rate risk

The BAPG was not exposed to significant interest rate risk.

### Foreign currency risk

Foreign currency would not usually form part of the Group's assets or liabilities and as such it is not exposed to any significant exchange risks.

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## 7. Corporation Tax

	<u>2011-12</u>	<u>2010-11</u>
	<u>£</u>	<u>£</u>
Corporation Tax	166	207
	<u>166</u>	<u>207</u>

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## 8. Trade receivables and other current assets

	<u>31 Mar 2012</u>	<u>31 Mar 2011</u>	<u>1 Apr 2010</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b>Amounts falling due within one year:</b>			
Accrued Income	108	0	370
Debtors – other	0	78	78
Prepayments	980	751	774
	<u>1,088</u>	<u>829</u>	<u>1,222</u>

## 9. Cash and cash equivalents

	<u>£</u>
Balance at 1 Apr 2010	49,010
Net change in cash and cash equivalent balances	28,616
Balance at 31 Mar 2011	77,626
Net change in cash and cash equivalent balances	(16,584)
<b>Balance at 31 Mar 2012</b>	<b>61,042</b>

The following balances at 31 March were held at:

	<u>31 Mar 2012</u>	<u>31 Mar 2011</u>	<u>1 Apr 2010</u>
	£	£	£
Commercial bank and cash in hand	<u>61,042</u>	<u>77,626</u>	<u>49,010</u>

## 10. Trade payables and other current liabilities

	<u>31 Mar 2012</u>	<u>31 Mar 2011</u>	<u>1 Apr 2010</u>
	£	£	£
<b>Amounts falling due within one year:</b>			
Accruals	15,066	3,458	3,158
Other taxation and social security	0	10	74
Deferred Income	208	251	325
	<u>15,274</u>	<u>3,719</u>	<u>3,557</u>

Trade payables increased by 311% overall between 2010-11 and 2011-12 mainly due to outstanding costs relating to a specialist delegation visit to the U.S. which took place at the end of March 2012. The accrued figure for the visit was £11,479.

## 11. Losses and special payments

There were no losses and special payments in 2011-12.

## 12. Related-party transactions

The House of Commons and the House of Lords are regarded as related parties, providing Grant in Aid to the Group under the terms provided in the Financial Memorandum. In addition the House of Commons provides free accommodation to the Group.

During the year the Group entered into related party transactions worth £10,003:

- £6,165 was paid into the House of Commons Staff Pension Scheme on behalf of the Group Administrator.
- £3,504 was paid to House of Commons Catering and Retail Services (£3,400 of this funded a reception for the American Ambassador on 17<sup>th</sup> October 2011).
- £335 was reimbursed to the BAPG Administrator in respect of refreshments purchased for meetings held on the Parliamentary Estate during the year.

Other than these related party transactions, no member of the Group or any other related party has undertaken any material transactions with the Group during the year. A Remuneration Report is not required as Members of the Group Executive Committee are unpaid.

## Activities of the Group

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### **20 April**

At the request of Senator Patrick Leahy's office, Chair of the Senate BAPG, arrangements were made for a professional staff member on the Senate Appropriations subcommittee on Foreign Operations, chaired by Senator Leahy, to meet with the Clerk of the International Development Committee to discuss US and UK foreign aid programmes.

### **26<sup>th</sup> April**

At the request of the British Embassy, the BAPG arranged a tour of Parliament for the Chief of Staff to Congressman Pete Start (D-California), a very senior member of the Ways and Means Committee.

### **4<sup>th</sup> May**

At the request of Congressman Ted Deutch (FI-D), the BAPG arranged a tour of Parliament and tickets to PMQs for guests from his district.

### **17<sup>th</sup> May**

A meeting of the BAPG Executive Committee took place.

### **18<sup>th</sup> May**

At the request of the Foreign and Commonwealth Office, the BAPG made arrangements for the Governor of Georgia, Nathan Deal, to be formally welcomed by a member of the BAPG Executive Committee on arrival at Parliament. We are most grateful to Mr. Pritchard for so kindly giving the time to meet Governor Deal. Governor Deal was visiting the UK on a FCO/UK Trade and Investment Business development programme.

### **23<sup>rd</sup> May**

The BAPG hosted the first of a series of briefings on UK-US relations given by the FCO Director of Americas Angus Lapsley. Mr. Lapsley gave members an early insight into the plans for the U.S. President's State Visit along with an update on the current political and economic scene in the U.S. 58 members of the BAPG attended the briefing.

### **25<sup>th</sup> May**

President Barack Obama addressed members of both Houses of Parliament in Westminster Hall.

### **7<sup>th</sup> June**

The BAPG Honorary Secretary, Joint Honorary Treasurer, the Rt. Hon. John Spellar, and Peter Luff, MP met to discuss agenda items for the 2011 Annual Parliamentary / Congressional Conference with the Senate BAPG and also the meetings they would like arranged by the British Embassy while in Washington D.C.

### **8<sup>th</sup> June**

At the request of the British Embassy, the BAPG made arrangements for a bi-partisan delegation of Members of Congress from the U.S. House of Representatives U.K. Caucus to visit Parliament. The visit consisted of a tour of Parliament, tickets to PMQs and a reception in the Speaker's State Rooms by kind permission of the Speaker with members of the BAPG Executive Committee and new Members of Parliament. We are most grateful to Thomas Docherty, MP for kindly conducting the tour and to Mr. Speaker for giving the time to meet the delegation and allowing us to host the event in such a splendid venue.

### **13<sup>th</sup> June**

The BAPG arranged tickets to PMQS for Christian Flynn and party visiting London from Boston. Christian hosts Members of Parliament at the biennial Harvard Induction Programme for newly elected Members of Congress. Austin Mitchell, MP, an observer of the last Harvard induction programme in 2010, also kindly gave Christian and his party coffee in the Pugin Room.



### **3<sup>rd</sup> July**

The Ambassador of the United States of America, Louis B. Susman, hosted an American 4<sup>th</sup> July family picnic to celebrate the 235<sup>th</sup> Anniversary of Independence of the United States of America at Winfield House. Members of the BAPG and others were invited to attend.

### **6<sup>th</sup> July**

The BAPG's Annual General Meeting took place at which the Executive Committee for 2011-12 was elected. The Speaker very kindly presided.

### **8<sup>th</sup> July**

At the request of the Foreign Office, the BAPG arranged a tour of Parliament for the daughter of the Minority Leader of the U.S. House of Representatives, Nancy Pelosi.

### **14<sup>th</sup> July**

The Administrator joined the Secretariat of the CPA, IPU and BIPA at a briefing given by the outgoing Clerk of the Overseas Office, Mark Hutton, on the new financial arrangements for the four bodies agreed by the House of Commons Commission.

### **19<sup>th</sup> July**

The participants of the 2011 BAPG / U.S. Department of State Co-Sponsored Visit to the United States attended a pre-departure briefing meeting with the BAPG Honorary Secretary, Brian Donohoe, MP together with the Cultural Affairs Officer, Kathy Bentley, and Cultural Affairs Specialist, Cara Rodway, of the U.S. Embassy.

### **19<sup>th</sup> July**

The MPs selected to participate in the British delegation to the 2011 Annual Parliamentary / Congressional Conference with the Senate BAPG attended a pre-departure briefing meeting hosted by the BAPG Honorary Secretary. The FCO Director of Americas Angus Lapsley, MP attended the meeting along with the new Head of the North America Department, Ian Collard, to brief the delegation on the current economic and political scene in the U.S.

### **21-27 July**

The 2011 Annual Parliamentary/Congressional Conference took place in the U.S. at the invitation of the U.S. Senate. The Senate BAPG had originally planned to host the meetings on Rhode Island but due to the debt limit debate Members of Congress had to remain in Washington D.C. See later 'Report on the work of the Group'.

### **24<sup>th</sup> July to 3<sup>rd</sup> August**

A visit co-sponsored by the BAPG and the U.S. Department of State took place. Eight members seeking a greater understanding of U.S. federal and state government visited the U.S. They spent five days in Washington D.C., gaining an overview of the federal system of government, three days in individual districts with Members of Congress and two days in Minneapolis, Minnesota, to examine a state capital legislature.

### **23<sup>rd</sup> August**

The BAPG made arrangements for Jonathan Djanogly, MP and family to tour the Capitol. The BAPG is most grateful to Congressman John Campbell (Republican, California), Co-Chair of the UK Caucus, for facilitating the tour.

### **30<sup>th</sup> August**

The BAPG Administrator meet with Ms. Justine Lancaster, Political Specialist at the U.S. Embassy, to discuss the BAPG forward programme of activities and possible areas for joint co-operation.

### **9<sup>th</sup> September**

At the request of the British Embassy, the BAPG made arrangements for a friend of Representative Brin Bilbray (Republican, California) and daughter to be given a tour of Parliament.

### **15<sup>th</sup> September**

The Secretariat of the BAPG, CPA, IPU and BIPA attended a meeting with the outgoing Clerk of the Overseas Office Mark Hutton and the incoming Clerk Crispin Poyser, together with Miss Jane Trew, to discuss the funding arrangements of the inter-Parliamentary bodies including the appointment by the House of Commons Commission of the House of Commons Overseas Office to oversee the funding arrangements of the four groups and the re-drafting of the financial memorandum.

### **20<sup>th</sup> September**

The BAPG Administrator met with members of the North America Department to discuss the BAPG programme of activities and possible areas of collaboration.

### **22<sup>nd</sup> September**

The BAPG hosted the 2011 Marshall Scholars intake at Parliament arranging a tour followed by a question and answer exchange with Andy Love, MP. We are most grateful to Mr. Love for giving the time to meet the Scholars.

### **22<sup>nd</sup> September**

Jeremy Browne, MP, Minister of State of the Foreign & Commonwealth Office, hosted a reception in honour of the 2011 Marshall Scholars at Durbar Court at the FCO Office to which members of the British American Parliamentary Group Executive Committee and others were invited.

### **30<sup>th</sup> September**

At the request of Charles Hendry, MP, the BAPG made arrangements for three of his constituents to be given a tour of the Capitol Building and to a take self-guided tour of the White House. We are most grateful to Congressman Tom Petri's (Republican, Wisconsin) office for assisting with these arrangements.

### **10<sup>th</sup> October**

Members of the British-American Parliamentary Group Executive Committee were invited to attend a reception hosted by Adam Afriyie, MP on behalf of the Parliamentary Space Committee in honour of the Lieutenant Governor of the U.S. State of Florida, Jennifer Carroll, and U.S. Government officials from the space sector.

### **17<sup>th</sup> October**

At the request of the Foreign & Commonwealth Office, the BAPG arranged a tour of Parliament for a delegation of U.S. Congressional staffers participating in an FCO sponsored visit to the UK look at the UK's approach of encouraging a private sector led economic recovery.

### **17<sup>th</sup> October**

The BAPG hosted a reception in honour of the American Ambassador, Louis B Susman, in the State Rooms, Speaker's House, by kind permission of Mr. Speaker. This provided an opportunity for many members of the group to meet the Ambassador, who was accompanied by a team of his key staff, so that members were able to discuss any aspect of US/UK relations. We are most appreciative to Mr. Speaker for joining us at the event and for allowing us to host the reception in such beautiful surroundings.

### **24<sup>th</sup> October**

At the request of the Foreign & Commonwealth Office, the BAPG arranged a Parliamentary visit for a U.S. Congressional delegation of senior professional and staff members from the U.S. Senate and House of Representatives visiting the UK to look at Counter Terrorism and the UK Prevent agenda. While at Parliament the delegation met with several members of the BAPG Executive Committee, observed a debate in the House of Commons chamber and attended a dinner in the Churchill Dining Room hosted by the BAPG Honorary Secretary.

### **25<sup>th</sup> October**

A meeting of the BAPG Executive Committee took place.

## **26<sup>th</sup> October**

A 'report back' took place with the eight participants of the BAPG / U.S. Department of State Co-Sponsored Visit which was attended by the BAPG Honorary Secretary and representatives from the U.S. Embassy. Without exception, all the members commended the programme both in Washington D.C. and in the state capital Minneapolis, Minnesota. As ever, the visits with individual Members of Congress to their districts were enormously successful and a great experience. Members were particularly impressed with the high level access they were given and the quality of the briefings.

## **2<sup>nd</sup> November**

At the request of the Foreign & Commonwealth Office, the BAPG arranged a tour and tickets to PMQs for the Governor of Alaska and guests visiting the UK on a Foreign Office sponsored programme.

## **7<sup>th</sup> November**

At the request of the U.S. Embassy, the BAPG made arrangements for a group of students from Brigham Young University London Centre to be given a tour of Parliament.

## **7<sup>th</sup> November**

At the request of the Vice Consul of the British Consulate General Houston, Mr. Mitch Jeffrey Jr., the BAPG made arrangements for the Speaker of the Texas House of Representatives, Mr. Joe Straus, and his wife to be given a tour of Parliament followed by a meeting with Mr. Tim Yeo, MP, Chair of the Select Committee on Energy and Climate Change, to discuss the issue of energy efficiency.

## **8<sup>th</sup> November**

Members of the BAPG Executive Committee met with Dr. Gerald Gordon, the President and CEO of the Fairfax County Economic Development Authority (FCEDA) of North Virginia. The FCEDA is one of the most active and successful Economic Development Authorities in the US covering the large area between Washington Dulles International Airport and Washington D.C. itself and Dr. Gordon is a leading authority on economic development in the U.S. and elsewhere. It was a fascinating meeting and members gained an insight in to how the FCEDA had fared far better during the recession than many other U.S. localities and discussed the different approaches to meeting the challenges of the recession.

## **8<sup>th</sup> November**

At the request of the Vice Consul of the British Consulate General San Francisco, Robin Newmann, the BAPG arranged a tour of Parliament for the Speaker of the California State Assembly, Mr. John Perez, and staffer who were visiting London on an official visit as part of a European trade and tourism tour. We are very grateful to Austin Mitchell, MP for kindly giving the time to show Mr. Perez and colleague round. Following the tour Mr. Perez met with the Deputy Speaker of the House of Commons, The Rt. Hon. Dawn Primarolo, MP, which was arranged by the BAPG via the Private Secretary to the Chairman of Ways and Means.

## **9<sup>th</sup> November**

The BAPG arranged a ticket to PMQs for Tennessee State Senator Stacey Campfield.

## **15<sup>th</sup> November**

At the invitation of the Speaker, the Chair of the British Group of the Inter-Parliamentary Union and leader of the UK delegation to the Parliamentary Assembly of the Council of Europe, Robert Walter, MP, convened an exploratory meeting of the IPU, CPA, BIPA, BAPG and the Chairs of the Commons Foreign Affairs, the International Development Committee, the House of Lords EU Committee and the Chair of the Westminster Foundation for Democracy to discuss "better co-ordination between the various bodies involved in Parliament's international relations activities". The Honorary Secretary, Joint Honorary Treasurer, The Rt. Hon. John Spellar, MP and the BAPG Administrator attended the meeting on behalf of the BAPG.

The BAPG Officers shared Ming Campbell's concern expressed at the meeting that the changes to the funding arrangements of the inter-Parliamentary bodies could "very rapidly become rationalization". Rhodri Walters, Clerk to the Overseas Office, reported that 'funding would be related to activity' and Mr. Spellar questioned if this would mean there would be a reallocation of money between the groups decided by the Overseas Offices? The BAPG and its Executive Committee had historically determined its own programme of activities and how the grant in aid would be allocated. Mr. Spellar asserted that with the

changes to the financial arrangements it would now be officials and not the members of the respective groups who would make these decisions which had been the original objective of the IRD and which had been rejected by the grant in aid funded inter-Parliamentary bodies.

#### **22<sup>nd</sup> November**

At the request of the Foreign Office, a tour of Parliament was arranged for Senator Judson Hill, of the Georgia State Senate, and family.

#### **22<sup>nd</sup> November**

The Administrator met with Mr. Nick Toon of Time Warner to discuss possible collaboration on events around the 2012 Presidential Election campaign. Mr. Toon is currently making enquiries to see if either Joe Klein, who writes for Time, or Wolf Blitzer, Political Anchor of CNN (both operations owned by Time Warner), would be prepared to come to Parliament to talk to members. Independently, the Administrator has contacted Dr. Larry Sabato's office, eminent U.S. political scientist and analyst, to see if he would be prepared to talk to members via video conference link.

#### **30<sup>th</sup> November**

The BAPG hosted a briefing on the U.S. Presidential election campaign given by Mr. Scott Fursessedonn, Head of the Political Team at the British Embassy, and Mr. Alistair Burt, MP, the Minister for North America at the Foreign Office. 110 MPs and Peers had confirmed their attendance at the meeting although in the end 30-40 members came along. Mr. Fursessedonn and Mr. Burt gave a very good comprehensive report on the state of American politics and members were very satisfied.

#### **6<sup>th</sup> December**

A meeting of the BAPG Executive Committee took place.

#### **14<sup>th</sup> December**

The BAPG Honorary Secretary attended a Christmas drinks party hosted by the Ambassador of the United States of America and Mrs. Louis B. Susman at Winfield House.

#### **6<sup>th</sup> January 2012**

At the request of the Director of the Parliamentary Office of Science & Technology (POST), Professor David Cope, the BAPG made arrangements for a group from the University of Texas to be given a guided tour of Parliament.

#### **25<sup>th</sup> January**

At the request of the Foreign Office, the BAPG arranged tickets to PMQs for the Mayor of Austin, Texas, Mr. Lee Leffingwell, and the International Economic Development Manager for the city, Mr. Ben Ramirez, who were visiting London on a trade and investment focused visit. We are very grateful to Mr. Ian Davis in the Speaker's office for kindly assisting with the tickets and we should also like to thank Joint Honorary Treasurer, the Rt. Hon. Greg Knight, MP, for giving the time to meet Mayor Leffingwell and Mr. Ramirez over lunch.

#### **30<sup>th</sup> January**

At the request of the UKTI, the BAPG arranged a tour of Parliament for officers working on strategic relations with the USA. It was thought that the tour would be helpful in extending their knowledge of history and Parliament which is of interest to potential U.S. investors.

#### **6<sup>th</sup> February**

A small lunch was given for the new Ambassador to the United States of America, Sir Peter Westmacott, attended by Joint Honorary Treasurer, John Spellar, and Executive Committee member, Christopher Chope. John and Christopher discussed with Sir Peter the very considerable help given by the British Embassy and the Consulates across the U.S. to the BAPG which included input in to the programmes of BAPG visits to the U.S. There was discussion around the reduced funding and the challenges this presented to maintaining the group's regular programme of activities.

#### **7<sup>th</sup> February**

A meeting of the BAPG Executive Committee took place.

### **10<sup>th</sup> February**

The U.S. Embassy invited members of the BAPG to a half day conference held at the Embassy titled 'Tracking the 2012 Elections' organised and sponsored by the Eccles Centre for American Studies at the British Library and the U.S. Association of Former Members of Congress.

### **20<sup>th</sup> February**

At the invitation of the America Directorate at the Foreign Office, the BAPG Honorary Secretary and the Administrator attended a talk at the FCO given by Professor Richard Cawardine, President of Corpus Christi College Oxford, on the significance of Abraham Lincoln to understanding America today entitled 'The Ambiguous Legacy of Abraham Lincoln'.

### **7<sup>th</sup> March**

The Administrator met with Time Warner and CNN to discuss a collaborative discussion event on the 2012 U.S. Elections to be held at Parliament in mid June.

### **7<sup>th</sup> March**

The Opposition Vice Chair, the Rt. Hon. Shaun Woodward, MP and BAPG Honorary Secretary, Brian Donohoe, MP, together with the Administrator, met with the Clerk of the House of Commons and Chief Executive, Robert Rogers, to appeal against the House of Commons' recent decision not to increase funding to the BAPG in 2012-2013, a U.S. election year.

### **21<sup>st</sup> March**

A pre-departure briefing meeting took place for members participating in the BAPG specialist delegation visit to the U.S. to look at the U.S economy. We are very grateful to Angus Lapsley, the then Director of Americas, for attending the meeting to brief the delegation on the U.S. economy and the political scene.

### **21<sup>st</sup> March**

The Administrator met with the National Audit Office to finalise arrangements for the BAPG audit.

### **26-30 March**

The BAPG sent four members to Washington D.C, Pittsburgh in Pennsylvania and New York City to look at the U.S. economy, the impact of the stimulus package and the challenges of the political deadlock. The visit to Pittsburgh, Pennsylvania, a model of recovery from de-industrialisation, was also an opportunity for the delegation to see how the issue of the economy was playing out in a traditional battleground state in the Presidential election. The British Embassy organised the meetings in Washington D.C. and the British Consulate-General New York arranged the programme in Pittsburgh and New York City.

### **27<sup>th</sup> March**

At the request of the Foreign Office, the BAPG Honorary Secretary and the Administrator met with the new Consul-General to the British Consulate General San Francisco, Priya Guha. The Honorary Secretary briefed Priya on the BAPG and its plans for the year ahead and discussed with her the big issues for the consular district and possible collaborative visits.

## Report on the Work of the Group during 2011-2012

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The Annual General Meeting of the Group took place on 6<sup>th</sup> July 2011. The Speaker, Joint President of the British-American Parliamentary Group, kindly presided.

It was reported that the Group's membership as of 29th June 2011 stood at 648 and that between April 2010 and April 2011 16 Members had visited the United States under the Group's auspices. There had been no Annual Conference in 2010 as the House BAPG had cancelled their attendance at a meeting arranged in the UK in November 2011 due to a change to the House schedule.

During the 12 months to April 2012, 25 members visited the U.S. under the auspices of the BAPG:

- In the summer, 13 Members of Parliament formed the British delegation to the Annual Parliamentary / Congressional Conference which took place in Washington D.C. 22-24 July at the invitation of the U.S. Senate. The conference was originally to have been held on Rhode Island but the Senate BAPG cancelled the arrangements two days before the start of the meetings due to the Senate being scheduled to remain in session that weekend as a result of the U.S. debt limit debate. While in Washington D.C. the British delegation took the opportunity of meetings organised by the British Embassy on the 25<sup>th</sup> and 26<sup>th</sup> July with Members of Congress, various Departments of the Administration and think tanks.

The British delegation was led by Government Minister Peter Luff, MP, Parliamentary Under-Secretary of State for the Ministry of Defence and by the Rt. Hon. John Spellar, MP, Shadow Minister for the Foreign and Commonwealth Office. Other members of the delegation were as follows:

### Government Parties

Tobias **Ellwood**, MP (Conservative)  
Stephen **Hammond**, MP (Conservative)  
Baroness **Harris** of Richmond (Lib Dem)  
Rt. Hon. the Lord **Howard** of Lympne, QC (Cons)  
Mark **Pritchard**, MP (Conservative)

### Non Government Parties

Mary **Creagh**, MP (Labour)  
Lord (Richard) **Faulkner** of Worcester (Labour)  
Kevan **Jones**, MP (Labour)  
Rt. Hon. Anne **McGuire**, MP (Labour)  
Rt. Hon. the Lord **Morris** of Aberavon, KG, QC (Labour)

Brian **Donohoe**, MP, Honorary Secretary, BAPG

Hannah Mitchell, the BAPG Administrator, accompanied the delegation.

The conference opened with a lunch in the Senate which was followed by the first of two conference sessions.

The U.S. Senate delegation comprised:

Senator Patrick J. **Leahy**, Chairman, (D-Vermont)  
Senator Thad **Cochran**, Vice Chairman (R-Mississippi)  
Senator Tom **Udall** (D-New Mexico)  
Senator Kent **Conrad** (D-North Dakota)  
Senator John **Boozman** (R-Arkansas)  
Senator Jack **Reed** (D-Rhode Island)

The first conference session concentrated on the following topics:

1. **US-UK Political Overview**, which included:
  - US debt/budget negotiations;
  - US 2012 outlook/Presidential election;
  - UK coalition government update.

2. **US-UK Economic Policies**, which included:

- Economic global outlook;
- US and UK different approaches to dealing with the recession (stimulus vs. austerity);
- Banking regulation.

After the first conference session the Senate BAPG Chair, Senator Leahy, took the British delegation on to the floor of the Senate to formally introduce them to members present. That evening, Senator Leahy hosted the British and Senate delegations to dinner at the Capitol Grill Restaurant on the Hill.

The second conference session was held the following morning and covered:

3. **US-UK Defense/Security Cooperation**, which included:

- US-UK overview of defense / security co-operation;
- Afghanistan/Pakistan;
- Libya;
- Yemen;
- Cyber security;
- NATO;
- Energy security;
- Defense spending.

After the conference the British Embassy arranged for the British delegation to visit: the Capitol for several meetings with individual Members of Congress; the Department of Homeland Security; the Centre for Strategic and International Studies and the Centre for American Progress.

The first meeting on the Monday morning was with Representative Fred **Upton** (Republican, Michigan), Chair of the House Committee on Energy & Commerce, which has principal responsibility for matters relating to health care, energy, consumer safety, telecommunications and trade. Representative Upton discussed energy and climate change related issues.

Over lunch, the British delegation met with Marshall Scholarship Alumni who had varied areas of interest.

At the Department of Homeland Security, the delegation met with Mark Koumans, Deputy Assistant Secretary for International Affairs and David Heyman, Assistant Secretary for Policy. Mark Koumans gave an overview of the Department of Homeland Security's current national security strategy and its five mission areas: 1. Preventing terrorism; 2. ensuring border security, administering borders; 3. enforcing immigration laws and services; 4. safeguarding cyber security and 5. assuring resilience to disasters (the ability to adapt to disruptions, to respond rapidly and to recover readily).

At the Center for Strategic and International Studies, a bipartisan foreign policy think tank, the delegation met with Heather Conley, Senior Fellow and Director, Europe Program; Stephen Flanagan, Senior Vice President and Henry A. Kissinger Chair; Mark Quarterman, Senior Adviser and Director, Programme on Crisis, Conflict and Cooperation and Rick 'Ozzie' Nelson, Director, Homeland Security and Counter terrorism Program and Senior Fellow, International Security Program. Discussions covered the Program on Crisis, Conflict and Co-Operation (C3), formerly the Post-Conflict Reconstruction (PCR) Project, which assesses the dynamics in conflict-and crisis-affected areas and develops innovative strategies to speed, enhance and strengthen international crisis response and conflict management; Afghanistan, U.S. Aid in the context of budget cuts; the Israel/Palestine conflict; the United Nations, the "Arab Awakening"; fiscal austerity and the consequences; Turkey; US/China.

At the Centre for American Progress, a progressive public policy research and advocacy organisation, the delegation met with Seth Hanlon, Director of Fiscal Reform; Ken Gude,

Managing Director and Andrew Light, Senior Fellow. Mr. Hanlon gave an extremely useful briefing on the debt limit which was followed by a presentation from Andrew Light on Climate Change. Ken Gude gave a brief analysis of Counter Terrorism policy in the U.S.

The BAPG Honorary Secretary then separated from the British delegation to go and meet Representatives Ben Chandler (Democrat – Kentucky) and Tom Petri (Republican – Wisconsin), both former Chairs of the House BAPG, while the rest of the British delegation went on to meet Senator John McCain. The original intention had been for the British delegation to make both meetings but regrettably there wasn't sufficient time to do so. Congressmen Chandler and Petri discussed with Brian possible timings and arrangements for the 2012 Annual Parliamentary / Congressional Conference. Speaker Boehner had yet to appoint a new Chair to the House BAPG since the Congressional elections in November 2010.

In the meeting with Senator McCain, the British delegation heard McCain's views on Egypt, Afghanistan; Iraq; Iran, Syria and China and on the economy. He also gave his perspective on the new intake of Republican Members of Congress "the inmates are running the asylum" and on the prospective Republican Presidential candidates.

Back at the Hill, after lunch with the British Ambassador Sir Nigel Sheinwald, the British delegation met with Representative Adam Smith (Democrat – Washington State), Senior Ranking Democrat on the Armed Services Committee, and discussed the impact of the budget cuts and the repercussions for the Armed Services.

The BAPG is enormously grateful to the British Embassy in Washington both for their extensive work in establishing a programme for the Washington visits against a very difficult backdrop and for the very generous hospitality given to the delegation which included a useful and informative briefing given by Nick Hailey, Counsellor Politics and Public Affairs; Ian Bond, Counsellor Foreign Security and Policy Group; Nick Bridge, Counsellor for Global Issues and Tim Wood, Deputy Head of the Politics Team, on the first morning of the visit.

On the Tuesday, the British Ambassador Sir Nigel Sheinwald generously hosted a lunch at his residence for the delegation to which several political pundits were also invited: Dan Balz, Chief Political Correspondent on the Washington Post; Jennifer Duffy, Senior Editor of The Cook Political Report; Stuart Rothenberg, Editor and Publisher of The Rothenberg Political Report and Amy Walter, Political Director, ABC New. The American guests gave a very lively snap shot of the Presidential election campaign and the prospective GOP Presidential candidates. This was greatly appreciated by the delegation.

On the final night of the visit, at the BAPG's suggestion, the House of Representatives UK Caucus hosted a reception on the Hill, sponsored by the British Embassy, to promote the Sister Member Programme which is run in conjunction with the BAPG and aims to pair a Member of Congress with a Member Parliament based on similar ideals, committee assignments or districts. 21 British Members of Parliament attended the reception, drawn from the British delegation to the 2011 Annual Conference and the BAPG / U.S. Department of State Co-Sponsored Visit, in Washington D.C. to gain an overview of the Federal system of Government, and met counterparts from the U.S. House of Representatives.

Our very extensive thanks are due to the American delegation and foremost to Senator Leahy for continuing with the meetings and swiftly arranging an alternative schedule in Washington D.C. despite the very difficult circumstances; to the members of the Senate and House of Representatives staff who worked so hard on the schedule; to the North America Team at the Foreign Office for the helpful written briefings; and especially to the British Embassy in Washington for the considerable amount of work which they did in setting up meetings in Washington D.C.

The other visits that took place between April 2011 and end March 2012 were:

- Also in July, eight members went on a visit to the United States sponsored jointly by the BAPG and the U.S. Department of State. This visit, primarily for members with little or no prior

















