

PARLIAMENTARY STANDARDS ACT 2009

EXPLANATORY NOTES

SUMMARY

32. The Act establishes the Independent Parliamentary Standards Authority (“IPSA”) as a body corporate. The IPSA will have functions in relation to MPs’ salaries, allowances and financial interests. The Act also establishes a separate Commissioner for Parliamentary Investigations.

Salaries and allowances for MPs

33. The IPSA is to take over paying the salaries of MPs in accordance with the relevant resolutions of the House of Commons.
34. The IPSA will also be responsible for drawing up the MPs’ allowances scheme. In doing so, it is expected that the IPSA will draw on the outcome of the current work of the CSPL in reviewing MPs’ allowances. The Act lays out certain matters which the IPSA may include in the scheme, such as specifying the types of expenditure or the limits on the amounts to be paid. The IPSA will also take over responsibility for authorising and making payments under the allowances scheme (these administrative functions are to be exercised on the IPSA’s behalf by its chief executive).

MPs’ code of conduct relating to financial interests

35. The IPSA will be responsible for preparing a code of conduct relating to financial interests. This code will include some matters which are presently covered by the current MPs’ Code of Conduct. The code will cover the registration of relevant financial interests and the “no paid advocacy” rule. The code will be subject to approval by resolution of the House of Commons.

Investigation and enforcement

36. The Act establishes a Commissioner for Parliamentary Investigations (“the Commissioner”). The Commissioner will have the power to investigate any overpayments under the allowances scheme and failures to comply with requirements in the code relating to the registration of financial interests. The Commissioner will be able to initiate such investigations. An investigation may also be conducted at the request of a member or after an individual complaint. The IPSA must provide any information that the Commissioner reasonably requires for the purposes of an investigation.
37. The IPSA must determine procedures for the Commissioner to follow. These must include safeguards for the MP, including that the MP have an opportunity to make representations to the Commissioner during the investigation and in light of the Commissioner’s findings.
38. If the Commissioner finds that the member was overpaid an allowance or failed to comply with a requirement to register a financial interest, the Commissioner must refer his or her findings to the Committee on Standards and Privileges. However, there are exceptions to this requirement to refer if, amongst other criteria, the MP accepts the

*These notes refer to the Parliamentary Standards Act 2009
(c.13) which received Royal Assent on 21st July 2009*

Commissioner's findings and takes steps to rectify the matter. The Commissioner may also refer a finding to the Committee on Standards and Privileges if the Commissioner finds that the MP has not provided the Commissioner with information that he or she reasonably requires for the purposes of the investigation.

39. The Act will create a new criminal offence of knowingly providing false or misleading information in a claim for an allowance.

The appointment of the IPSA

40. The IPSA will consist of five members: a chair and four ordinary members. The members will be appointed by the Queen on an address of the House of Commons. A motion for an address may only be made with the agreement of the Speaker, for a candidate selected on merit on the basis of fair and open competition and approved by a Speaker's Committee. Members will be removable only in response to an address of both Houses. There are requirements that one member of the IPSA should have accountancy experience, that one member should have experience as an MP, and that one member should have held (but no longer hold) high judicial office.

The appointment of the Commissioner

41. The Commissioner will be appointed by the same process as members of the IPSA. There is a duty on the IPSA to provide the Commissioner with adequate resources and staffing to carry out the Commissioner's functions.

The Speaker's Committee for the Independent Parliamentary Standards Authority

42. There will be a Speaker's Committee for the Independent Parliamentary Standards Authority charged with exercising the functions given to it under the Act – in particular, approving the selection of persons to be members of the IPSA and the Commissioner.

Expiry of provisions of the Act

43. Certain provisions of the Act will expire two years after section 8 of the Act comes into force. Those provisions concern the code of conduct relating to financial interests, the offence, the Commissioner and the Commissioner's functions. A Minister of the Crown may by order extend these provisions for a further period (or periods) of two years.