

### A: The role of the Board

1. The Board sets out the strategic vision for IPSA and approves its corporate plan and annual report and accounts, reviews the performance of the organisation, holds the executive to account and is responsible for determining schemes of MPs' pay, pensions, and business costs.
2. IPSA's administration functions (including the payment of salaries and business costs, and the delivery of its corporate plan) are carried out by the Chief Executive.
3. The Board's Scheme of Delegation, updated in September 2020, can be found [here](#).

	<b>Board</b>	<b>Chief Executive</b>
<b>Estimate, corporate plan, and strategy</b>	<ul style="list-style-type: none"> <li>• Review and agree IPSA's Estimate prior to submission to SCIPSA.</li> <li>• Determine IPSA's strategic direction (with the Chief Executive) – including a statement of values, a strategy and corporate plan.</li> <li>• Approve IPSA's Key Performance Indicators</li> </ul>	<ul style="list-style-type: none"> <li>• Act as Accounting Officer (manage IPSA's resources, safeguard public funds and render an account for expenditure).</li> <li>• As Accounting Officer, approves the voted budget limits and the associated Estimates Memorandum.</li> <li>• Implement IPSA's strategic direction and deliver its corporate plan.</li> <li>• Advise the Board on Key Performance Indicators.</li> </ul>
<b>Policy and regulation</b>	<ul style="list-style-type: none"> <li>• Determine and review a scheme of MPs' business costs.</li> <li>• Determine the salaries to be paid and pensions available to MPs.</li> <li>• Determine and review the procedures to be followed by the Compliance Officer.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide advice on IPSA's policy and regulatory functions.</li> <li>• Communicate and implement policy decisions.</li> </ul>

	<b>Board</b>	<b>Chief Executive</b>
<b>Risk</b>	<ul style="list-style-type: none"> <li>• With the support of the Audit and Risk Assurance Committee, ensure effective arrangements for governance, risk management and internal control are in place.</li> <li>• Convene to discuss, authorise, or formalise urgent decisions in the event of major BCP issues or exceptional internal or external events seriously impacting or with the potential to seriously impact IPSA or its environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement policies which reflect the agreed approach to risk.</li> </ul>
<b>Governance &amp; Personnel</b>	<ul style="list-style-type: none"> <li>• Appoint a Chief Executive and determine their terms and conditions.</li> <li>• Appoint a Compliance Officer and determine their terms and conditions.</li> <li>• Agree the salary for senior appointments<sup>1</sup>.</li> <li>• Approve the reward strategy for IPSA staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Appoint senior and other staff.</li> <li>• Recommend the salary for senior appointments.</li> </ul>
<b>Administration &amp; Performance</b>	<ul style="list-style-type: none"> <li>• Monitor IPSA’s performance and progress against the corporate plan and transformation programme (including as the Improving IPSA Assurance Group)</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and report on IPSA’s performance.</li> <li>• Report to the Board on the impact of decisions with respect to the administrative functions of IPSA.</li> </ul>

<sup>1</sup> The Board are only required to agree the salary for senior appointments where this cannot be agreed, in the first instance, between the Chief Executive and the Chair of the People Committee. See [Annex C](#) for more details.

### B: Principles of the Board

4. **The Board aims to take decisions based on consensus.** The Board is a statutory decision-making body. It is statutorily responsible for the decisions about the regulation of MPs' pay, pensions, and business costs and therefore has collective responsibility for those decisions.
5. **The Board's discussions are constructive,** free, and frank, encouraging respectful debate, making clear decisions, and providing scope for appropriate challenge.
6. **The Board is transparent about the decisions it makes.**
7. The Board will, in all interactions, **act pursuant to its code of conduct** updated in September 2021. All senior staff attending Board meetings will also abide by such standards, in addition to adhering to IPSA's code of conduct. In addition to its code of conduct, the Board is bound by the **appropriate wider IPSA policies and procedures.**

## C: How the Board works

### Meetings of the Board

8. The Board will normally meet no less frequently than every two months, according to a schedule agreed in advance.
9. Board meetings will be quorate if three Board members are in attendance. From 26 April 2023 until the appointment of a new Board Member (Former High Judicial Officeholder), the quorum will be temporarily reduced to two members. This will also apply to the People Committee.
10. Attendance at Board meetings under paragraph 8 is defined as either being physically present at a meeting or participating in that meeting by means of telephone, video, or internet virtual meeting software applications.
11. Board meetings will only be postponed or cancelled if:
  - a meeting would not otherwise be quorate; or
  - the Board agrees to postpone or cancel a meeting.
12. If the Chair is unable to attend a meeting, they will appoint a Board member to act in their place for that meeting.

### Agendas and papers

13. Agendas and papers will normally be circulated to the Board five working days before a Board meeting.
14. The Chief of Staff, in consultation with the Chief Executive, is responsible for drawing up the agenda of meetings for approval by the Chair. A Board member wishing for a matter to be included on an agenda shall make their request to the Chair at least ten working days in advance of the meeting.
15. Board members wishing to propose an item under any other business shall inform the Chair at least 48 hours before a meeting. Board members may, subject to the Chair's agreement, raise other items at a meeting.

### Reaching decisions

16. The Board will always seek to deliberate and reach agreement in a consensual manner and will take collective responsibility for its decisions. Board members will be expected, if questioned about any matter on which the Board has taken a view, to support the position adopted by the Board.
17. If a consensus is not possible, the Board may vote on a particular decision. The Chair has the casting vote.
18. Board members are free to express their own personal views on matters on which the Board has not expressed a view but should make it clear that this does not represent the view of the Board.

### Minutes

19. Formal minutes of Board meetings will record attendance, decisions made, and any key points made in discussion. Where personnel, finance or other sensitive matters are discussed, a separate restricted minute may be produced, or the minutes may simply record attendance and decisions taken. The minutes will record any declarations of interest made at the meeting.
20. Minutes will be agreed by the Board at the following Board meeting.
21. Once approved, Board minutes for each Board meeting (leaving aside any sections marked restricted) will normally be posted on IPSA's website before the date of the next Board meeting.

### Declarations of interest

22. In addition to maintaining a Register of Interests, the Chair and Board members will declare any specific relevant interests in issues to be discussed at formal meetings of the Board and of Board Committees either in advance of the meeting or prior to the relevant agenda item. All agendas will begin with an item on declaration of interests.

23. Board members will fully explain the nature of any interest to the Chair who will then decide whether and to what extent the Board Member may participate in the discussion and determination of the issue.
24. The Chair will declare any personal relevant interests to the Chief Executive in advance of the meeting who will provide advice. Where the Chair has a relevant interest and leaves the meeting, a Board member will be invited to act as Chair for the agenda item in question.

### Role of the Chair

25. The Board authorises the Chair to discharge such powers of the Board as they consider necessary in order to deal with the business of IPSA between meetings. Actions taken in this context will be reported to the Board at the next meeting which will then consider whether further action is required.
26. Where in the opinion of the Chair, and taking advice from the Chief Executive, there are significant matters that require approval by the Board between meetings, papers will be circulated for approval by correspondence (including e-mail).
27. The Board may designate one Board member (not the Chair) to act as a Senior Independent Director (SID) for a term of up to three years. Following a decision of the IPSA Board on 28 June 2023, Will Lifford will serve as the SID until the end of his term of appointment as Board member.

### Board committees

28. There are currently three committees of the Board: the Audit and Risk Assurance Committee, the People Committee, and the Improving IPSA Assurance Group

### Audit and Risk Assurance Committee

29. There will be an Audit and Risk Assurance Committee of the IPSA (ARAC). The terms of reference of the ARAC are set out at [Annex A](#).

### People Committee

30. There will be a People Committee of the IPSA. The terms of reference of the People Committee are set out at [Annex B](#). Separately, the procedures governing senior appointments are set out at [Annex C](#).

### Improving IPSA Assurance Group

31. There will be an Improving IPSA Assurance Group (IIAG). The terms of reference of the IIAG are set out at [Annex D](#).

### Confidentiality

32. The Board will observe IPSA's policies on data security and on the handling of protectively marked documents.

33. Board members should take care to treat all papers marked restricted or confidential appropriately and should discuss with the secretary their own arrangements for the receipt of papers to ensure that appropriate security is maintained.

### Meetings and Engagement with stakeholders

34. The Executive will provide briefings, advice, and other material that the Board may need when meeting individuals or groups in their capacity as members of the Board, as well as keeping track of such meetings and their outcomes. Board members involved with such meetings shall promptly inform the Executive (normally through the Chief of Staff) of the outcomes of such meetings.

35. The Board shall take an expanded annual report from the Compliance Officer for the IPSA on lessons learned in the previous 12-month period effective from November 2020. This will complement the regular review of lessons learned from the Compliance Officer in their quarterly case reports of referrals made by MPs, IPSA, or the public.

### D: Evaluating the Board's performance

#### Individual appraisals

36. The Chair will carry out appraisals of individual Board members' performance once annually and in the event that an individual Board member decides to seek reappointment to the Board.

#### Collective appraisals

37. The Board will carry out a self-appraisal of its performance every year. External appraisal will be sought every three years, including the impact of decisions to improve assurance arrangements. This external appraisal should consider the need for changes to the structure of governance, for example by the creation of sub-committees to oversee strategically important programmes of work, performance, or diversity and inclusion.

### **E: Board standing orders and Remuneration**

38. The Board will review its standing orders on a regular basis. Once approved, these standing orders will be published on IPSA's website before the date of the Board meeting following that on which they were approved.
39. Board members' remuneration is based upon the activities outlined in their job descriptions. Claims for remuneration for any other activities should be approved in advance by the Chief Executive, as Accounting Officer, and/or the People Committee.

### Annex A: Audit and Risk Assurance Committee

40. The Audit and Risk Assurance Committee (ARAC) will comprise all Board members, except the Chair of the Board. The Board will agree who should chair the ARAC and the following should regularly attend meetings, although are not members of the ARAC:

- the Chief Executive, as Accounting Officer;
- the Head of Audit, Risk, and Assurance (who supports agenda-setting and reports both to the Chair of the ARAC and to the Chief Executive). The partner of any firm that carries out audit assignments may also be invited;
- the Director of Finance;
- the Risk Co-ordinator;
- representatives of IPSA's external auditors (the National Audit Office): and
- others may be invited to attend at the discretion of the ARAC Chair.

41. The ARAC will meet at least four times annually and more frequently if required. At least one meeting in each 12-month period will include a private session between the Committee and the external auditors, the Head of Audit, Risk, and Assurance and a representative from any co-sourced internal audit provider.

### Decision-making

42. The approach of the ARAC to decision making will be as set out in paragraphs 16-18 of the standing orders of the Board.

### Quorum

43. The ARAC will be quorate if two members of the Committee are in attendance. As in paragraph 10 of the standing orders, attendance may be in person, virtual, or by telephone.

### Minutes of meetings

44. Formal minutes of the ARAC will record attendance, decisions made, and any key points made in discussion. Minutes of the ARAC will not be published.

45. Minutes of the ARAC will be formally approved at the following meeting of the Committee.

### Remit

46. The ARAC will offer advice to the Chief Executive, in their role as Accounting Officer, and also to the Board, in the following areas:

- the strategic processes for risk, control and governance, and the Governance Statement;
- the accounting policies, the Annual Report and Accounts, including the process for review of the accounts prior to submission for audit, levels of error identified and the Accounting Officer's Letter of Representation to the Comptroller and Auditor General;
- the planned activity and the results of both internal and external audits;
- the adequacy and promptness of the management response to issues identified by audit activity, including the NAO's management letter;
- assurances relating to the management of risk and corporate governance required for the organisation;
- IPSA's anti-fraud policies, whistle-blowing processes and arrangements for special investigations; and
- the arrangements for internal and external audit.

47. The ARAC will also review and communicate to the Board on:

- the Accounting Officer's governance statement in the annual report, ensuring it appropriately discloses issues relating to IPSA's governance, the management of risk and internal controls;
- significant matters raised by and /or discussed with the National Audit Office;
- The annual report of the Head of Audit, Risk, and Assurance;
- The annual report of the Senior Information Risk Owner (SIRO);
- the adequacy and promptness of management's responses to issues identified by internal or external audits;
- the effectiveness of assurances relating to the requirements for governance and risk management of IPSA;
- IPSA's risk management policy, risk appetite and the quarterly risks register, including any changes to the register;
- (at the ARAC Chair's discretion) any risk registers that underpin the main register: and
- proposals for the provision of internal audit services, including any tendering arrangements.

### Annex B: People Committee

48. The People Committee will comprise all members of the Board and will meet as required and ordinarily at least once annually. The People Committee will be chaired by a member of the Board.

#### Remit and decision-making

49. The remit of the People Committee will be as follows:

- appointing and determining the remuneration of the Chief Executive;
- appointing and determining the remuneration of the Compliance Officer;
- performance appraisal of the Chief Executive and the Compliance Officer;
- agreeing Board members' terms of appointment, including succession planning and termination arrangements, for approval of the Speaker;
- approving, in advance, claims for remuneration for any activities not based on those outlined in Board members' job descriptions (see para 38 of standing orders)
- approving the reward strategy and reward policies for IPSA staff (including the pay framework and benefits such as pensions and season-ticket loans)
- considering wider people initiatives as appropriate alongside members of the Executive (with high-level people risks instead considered at ARAC);
- scrutinising the introduction and implementation of an effective, whole-IPSA People Strategy, including a dedicated equality (*equity*), diversity, and inclusion workstream, with clear objectives and benchmarks and focusing *inter alia* on issues of pay, development, recruitment, retention, turnover, performance management, objective-setting, and appraisal across IPSA and at Board-level;
- considering an annual report from the Head of People on how IPSA is meeting or plans to meet its objectives as set out in the People Strategy and, in particular, on equality (*equity*), diversity, and inclusion;

- monitoring performance and workplace culture in light of formalised hybrid working and ensuring that corporate strategies, as well as development, training, and/or promotion, and other opportunities as appropriate, are suitably nationwide and reflect IPSA's regionalised staffing complement;
- periodically reviewing the pay levels of IPSA staff;
- determining the pay of the most senior staff in IPSA, with the Chair of the Committee working in consultation with the Chief Executive as per [Annex C](#);
- periodically reviewing and recommending to the Speaker's Committee for the IPSA levels of remuneration for the Board Chair and other Board members;
- approving policies relating to expenses for members of the Board and IPSA's staff (which can also be approved at Board meetings).

50. The approach of the People Committee to decision making will be as set out in paragraphs 16-18 of the standing orders of the Board. It aims to make decisions by consensus but, where this is not possible, it may vote on a particular decision. In the event of a tie, the Chair of the *Board* has the casting vote.

51. The Committee will be supported in agenda-setting and decision implementation by the Director of Strategy and Change, Head of People, and Chief of Staff.

### Quorum

52. The People Committee will be quorate if three members of the Board are in attendance. As in paragraph 10 of the standing orders, attendance may be in person, virtual, or by telephone.

### Minutes of meetings

53. Formal minutes of the People Committee will record attendance, declarations of interests, decisions made, and key points made in discussion. Minutes will not be published.

### Annex C: Remuneration of senior members of the IPSA Executive

54. IPSA's policy is to remunerate senior staff at levels which allow the organisation to recruit, retain, and motivate high performing individuals with the appropriate skills and experience, taking account of the requirements of the organisation as a whole and of individual roles; relevant benchmarks and market conditions; performance; and considerations of transparency, fairness, public acceptability, value for money, and affordability.
55. The IPSA Board has control over remuneration of the IPSA Executive (here defined as IPSA's Chief Executive and Directors) and the Compliance Officer. This annex sets a policy defining the Board's role in respect specifically of the IPSA Executive.
56. The appointment of a Chief Executive is a matter for the Board and their salary is to be determined by the Board, sitting as the People Committee. This is also the case as regards the Compliance Officer.
57. If a Director were to be appointed, at least one Board member should be on the panel (with the Chief Executive chairing the panel and holding the final say in the event of any dispute).
58. This leaves the question of any adjustments to the salary of individual members of the IPSA Executive. Such adjustments might be appropriate, for example, if a change in the job description of an individual prompts the question as to whether they should be moved up within a pay band or moved to a new pay band. Any such instances should be addressed by the Chair of the People Committee sitting with the Chief Executive, advised by the Head of People. Any difference of view should be referred to the Board, sitting as People Committee, for resolution.
59. In the case of new appointments of Executive members of IPSA or the Compliance Officer for IPSA, the People Committee will agree a salary range. Agreement of the final salary will be delegated within this range to the Chief Executive and Chair of the People Committee.

### Annual Review of the remuneration of Senior Staff

60. The People Committee will consider annually the remuneration of the existing Executive and the Compliance Officer, usually in advance of the beginning of the financial year. It will focus, in particular, on:

- individual, team and organisation-wide performance in delivering business objectives over the short and longer term, including how far those objectives have been delivered in accordance with IPSA's values;
- the scale of challenge inherent in the objectives;
- relevant benchmarks, incorporating an analysis by quartile;
- pay awards for IPSA staff in more junior grades;
- wider public sector pay policy;
- considerations of transparency, fairness, public acceptability, value for money and affordability.

61. The Committee will be provided with appropriate benchmarking data and other relevant information to support its deliberations.

### Annex D: Improving IPSA Assurance Group

#### Objectives

62. The key objective of the Improving IPSA Assurance Group (IIAG) is to support the Chief Executive and his team in providing appropriate assurance to (i) the Board and (ii) key external stakeholders such as SCIPSA for the Improving IPSA project.
63. Specifically, IIAG will provide guidance and feedback on developing reports for the Board and external stakeholders that will build and maintain confidence in the project and its deliverables. This includes guidance and feedback on:
- Reporting of projected and actual resource costs for the project and its constituent workstreams.
  - Reporting on workstream/project progress against agreed milestones/targets
  - Reporting of projected and realised benefits for the project and its constituent workstreams.
  - Planned external communications to SCIPSA and other stakeholders about the project's progress.
64. The IIAG will also provide an informal forum, as needed, for road-testing project updates and reports ahead of their presentation to the Board.

#### Governance

65. IIAG should not duplicate or impede the effective functioning of the Programme Board, or of the Main Board and its sub-committees.
66. IIAG's remit includes identifying opportunities to improve the content of reporting to the Board and external stakeholders. But decisions about project implementation and delivery are for the Programme Board (or, if sufficiently substantive, for the main IPSA Board).
67. The IIAG will be chaired by one of the Board Directors, and will report regularly to the Board on its activities. As it is not a formal decision-making forum, its meetings will not be minuted. Instead, a short note capturing follow-up actions will be produced by the Chief of Staff as required.
68. The core membership of the IIAG will be: three Board Directors (including the Board Chair and the IIAG Chair) and the Chief Executive. The Chief Executive has the discretion to invite other IPSA colleagues to join the Group as needed.
69. IIAG will typically meet quarterly, supplemented by informal workshop discussions as required.
70. IIAG will evaluate its effectiveness after a year, reporting into the Board on its findings.

71. IIAG will be disbanded after two years, or sooner if the Board judges that its key objective in paragraph 62 has been met.