

**Bob Evans**

---

**From:** [REDACTED]@hmrc.gsi.gov.uk  
**Sent:** 07 February 2011 12:37  
**To:** Bob Evans  
**Cc:** [REDACTED]@hmrc.gsi.gov.uk  
**Subject:** RE: Missing receipts

Bob,

Thanks for your email. An employer is required by Regulation 97(8) (Income Tax (Pay as you Earn) Regulations 2003 (SI 2003/No.2682)) to retain records for at least 3 years after the end of the tax year to which they relate. You can keep this in electronic form as long as it's an unaltered copy of the original. There are no materiality rules.

In practice, if we were conducting an employer compliance check, I understand that we would look at a sample of receipts and, for instances such as those described (train ticket) we would accept indirect evidence.

I have just replied to an email from John Sills. He has asked what he can do to expedite the process of looking at dispensations. However it is my understanding that you are not waiting for anything from me? I understand that we are waiting for information from you about the Speaker's Committee and Rewards and Recognition – could you let me know when you will be able to provide this (sorry if you have already – having just had a week off I'm a bit out of touch!).

Regards,

[REDACTED]

[REDACTED]

I would be very grateful for some help with developing our audit processes in circumstances where a claimant does not have a full set of receipts to support a claim.

Our rules require receipts to be produced to support claims, but even with conscientious claimants there may be a small number of claim lines where the receipts are not present. A good example is rail tickets where the barrier machine does not always allow you to retain the ticket after use. Under these circumstances, we would use indirect evidence such as a credit card receipt, a travel booking by the travel company or a consistent pattern of travel (eg. same journey from constituency to Westminster every Monday morning) to substantiate the claim. We would also apply common sense materiality rules to judge when the number of missing receipts prejudiced the entire claim.

This must be a problem that colleagues in HMRC come across every time they check business expenses and I wondered what internal rules you adopt to decide whether the omissions are significant. Do you apply a materiality test of some sort and do you accept indirect evidence in lieu of the receipts themselves?

If there is anything on your website which might help, just give me a reference and I can follow up myself.

Many thanks,

Bob Evans

R J Evans

Finance Director

Independent Parliamentary Standards Authority (IPSA)

7th Floor, Portland House

Bressenden Place

London SW1E 5BH

tel: 0207 [REDACTED]

bob.evans@parliamentarystandards.org.uk

---

**From:** [REDACTED] (LocalCOMP I&PB Public Bodies)  
**Sent:** 14 January 2011 16:34  
**To:** 'bob.evans@parliamentarystandards.org.uk'  
**Cc:** [REDACTED] (LocalCOMP I&PB Public Bodies PD1)  
**Subject:** Tax updates

Bob,

Further to our telephone conversation this afternoon, I can now provide further information.

**Dispensations**

HMRC has issued dispensations as follows:

Members of Parliament (MPs)

- General Administrative Expenditure (GAE) payments made or reimbursed to MPs for payments or reimbursements made by MPs for such necessary expenditure to their staff
- Staffing expenditure payments made by IPSA on behalf of MPs
- UK Travel and Subsistence costs (Travel, Meals, Bed and Breakfast accommodation and Railcards connected with attendance at temporary workplaces)

MPs' staff

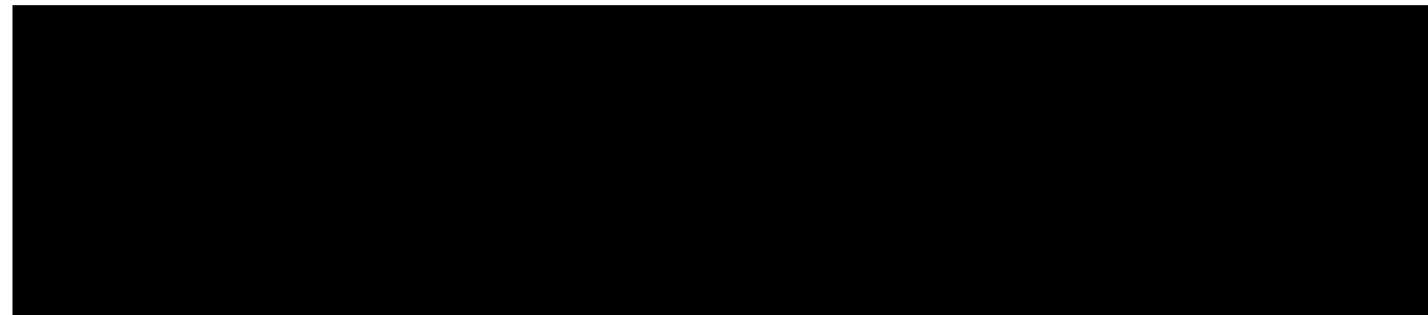
- UK Travel and Subsistence costs (Travel, Meals, Bed and Breakfast accommodation and Railcards connected with attendance at temporary workplaces)

IPSA staff

- o UK Travel and Subsistence costs (Travel, Meals and Bed and Breakfast accommodation)
- o Subscriptions to professional bodies approved by HMRC under Section 344 ITEPA 2003
- o Business Entertaining (the provision of official hospitality for representatives of external organisations in the course of business entertaining).

If you do not have copies of any of these, please let me know and I will arrange for copies to be sent.

As I explained earlier, not all of the expenses in the Scheme will need to be included on a dispensation. In addition, some of the expenses paid to Members will be taxable by law. I am hoping to be able to send you the tax guidance for MPs, which has been developed in conjunction with IPSA, early next week. This will hopefully make the taxation of Members much clearer.



**Reward and Recognition**

I have discussed this with [REDACTED] and I'm afraid I gave you incorrect information before. We are unable to include these items on a notice of dispensation however it's possible that you can include them in a PAYE Settlement Agreement. You can read more about this in the HMRC Employment Income Manual at EIM11270 (on the HMRC website). Mike had requested the IPSA policy on rewards and recognition in order to decide how this is best dealt with however this has to date not been provided. Please could you arrange for this to be sent to Mike?

One more point I would like to mention: every quarter we hold a seminar for Chief Finance Officers of Government Departments, covering a wide range of topics. We tell you the topics in advance so that the CFO can choose to send relevant staff if appropriate. Kate Mathers previously attended for IPSA. Our next seminar is on the 28<sup>th</sup> January at 1pm (for a 1:30 start) at the Treasury, 1 Horse Guards Road. We hope to finish by 4:30. This time we are covering withholding tax on annual payments, Employee Assistance Programmes, the Contracting out of Services Direction (VAT – discussion of headings), payments of retirement benefits and payments to overseas employees. If you or anyone else would like to attend, please could you contact [REDACTED] The invitation originally went to Phillip Lloyd.

Regards,

[REDACTED]

[REDACTED]

Government Departments Team

Public Bodies Group

HM Revenue and Customs

Tel. 0207 [REDACTED]

The information in this e-mail and any attachments is confidential and may be subject to legal professional privilege. Unless you are the intended recipient or his/her representative you are not authorised to, and must not, read, copy, distribute, use or retain this message or any part of it. If you are not the intended recipient, please notify the sender immediately.

HM Revenue & Customs computer systems will be monitored and communications carried on them recorded, to secure the effective operation of the system and for lawful purposes.

The Commissioners for HM Revenue and Customs are not liable for any personal views of the sender.

This e-mail may have been intercepted and its information altered.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless Worldwide in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free.  
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

---

This email has been scanned by the MessageLabs Email Security System.  
For more information please visit <http://www.messagelabs.com/email>

---