

Annual Report and Accounts for 2023-24



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Part I: Performance Report

Introduction from IPSA's Chair

During the last three years IPSA has focused on fixing the foundations of our approach to regulation and service provision. The results achieved in 2023-24, evidenced in this report, are testament to this work.

Confidence among MPs and their staff in using our Scheme has increased from 73% to 81%, while confidence in using the IPSA Online system is now at 89%, up from 75%. This demonstrates our supportive approach, which has seen us answer 87% of customer calls within 20 seconds.

In 2023-24 we have engaged in extensive General Election planning through a comprehensive overhaul of our processes, put in place more tailored budget management support for MPs, and prepared to move towards a principles-based approach in our regulation.

We carried out our statutory responsibilities in full, setting, administering, and regulating MPs' staffing and business costs, pay, and pensions and ensuring that public money was used properly and efficiently. This year, MPs' compliance with our rules remained very high at 99.9%. We again achieved extremely high accuracy in paying the salaries of 650 MPs and more than 3,500 of their staff each month. We continue to publish MP spending data on both a bi-monthly and annual basis and have sought to provide the public with better context to MPs' funding arrangements through our Supporting Democracy report. We also commenced work on implementing the recommendations made by the Speaker's Conference on the employment of Members' staff.

I am pleased that this work has led to a further improvement in MP and MP staff satisfaction with our services and that, despite the backdrop of change across IPSA, we have again seen a substantial increase in the engagement of IPSA's people over and above comparator bodies in the Civil Service.

In 2024-25, we will explore opportunities for centralising service provision and procurement, so as to free up time for MPs to focus on constituency and parliamentary duties and ensure that we achieve value for money from public funds; we will work towards our new strategic objective, 'supporting trust in democracy', aiming to help the public in understanding the value, as well as the cost, of the money we provide to MPs; and we will continue to transform our regulation so that MPs can decide how they want to carry out their parliamentary work, within the guardrails set by IPSA.

The progress recorded by IPSA over the last year was made possible through the diligence and perseverance of our dedicated, hard-working team. On behalf of the Board, I sincerely thank everyone at IPSA, and our partners, for all their efforts this past year.

I am also hugely grateful to all our Board members who have expertly guided IPSA, providing constructive challenge and support while ensuring we remain on course to meet our commitments to improve the organisation. In 2023, we welcomed Dame Laura Cox to the Board following the retirement of Sir Robert Owen. In 2024 IPSA is participating in the Boardroom Apprenticeship Programme which aims to help those who would like to serve on a public or third-sector Board to learn and gain experience.

IPSA has changed substantially over the last three years and for the better. In 2024-25 we know there is more that needs to be done, particularly concerning our responsibility to make sure that MPs' spending is better understood by the public.

Richard Lloyd

Chair

October 2024

Organisation overview

A. Who we are, and what we do

This section provides information on the statutory framework under which the Independent Parliamentary Standards Authority (IPSA) operates, our strategic aims and statutory objectives covering the financial year ended 31 March 2024.

IPSA's accounts have been prepared to meet the Parliamentary Standards Act 2009 (PSA 2009) requirements and follow the Government Financial Reporting Manual (FReM), as specified in the direction issued by HM Treasury.

Statutory framework

IPSA is a statutory body independent of Parliament, Government, and political parties. It was established by the PSA 2009.

Following a series of recommendations from the Committee on Standards in Public Life, the Government, with the support of the three largest parties at the time, agreed to make early revisions to the PSA 2009. Those revisions were made through the Constitutional Reform and Governance Act 2010 (CRA 2010). The additional principal function passed to IPSA by CRA 2010 was the responsibility to determine MPs' salaries and pension arrangements.

IPSA's statutory remit is to provide independent regulation and administration of MPs' pay, pensions, business costs and staffing costs.

IPSA:

- sets and regulates the Scheme of MPs' Business Costs and Expenses (the Scheme)
- administers the Scheme
- determines the salaries and pensions of MPs
- pays the salaries of MPs and their staff

Our purpose is supporting democracy with great service, fair rules, and wise spending. Our vision in support of our purpose is enabling MPs to focus on what really matters by providing an exemplary, seamless regulatory service.

To achieve our purpose and vision:

- we regulate MPs proportionately and effectively by setting rules that support compliance and making independent, fair, and transparent decisions in line with our fundamental principles
- we assure the public by consulting them on our rules, operating transparently and publishing accessible information about MPs' business costs
- we support MPs by promptly making accurate payments, providing clear advice and guidance about MPs' responsibilities for public money in line with the Scheme, and continuously improving our systems and processes to make them more efficient and effective
- we develop our staff by giving each person the tools, training, and support to perform professionally and achieve excellence in a strong team underpinned by respect and trust

The way we achieve our purpose and vision is underpinned by our values of staying connected, seeing the bigger picture, being open, doing the right thing and making a difference.

Estimate subheads

IPSA's budget for the financial year is scrutinised and approved by the Speaker's Committee for IPSA (SCIPSA).

IPSA's 2023-24 spending plans were given parliamentary approval by the House of Commons through its Main Estimate (HC 1380).

The Estimate included two subheads related to Departmental Expenditure Limits (DEL):

- Subhead A: MPs' pay, staffing and business costs
 - MPs' salaries
 - MPs' staff salaries
 - MPs' business costs
- Subhead B: IPSA's core operational costs
 - staff and non-staff costs
 - costs relating to the Compliance Officer for IPSA

B. IPSA's strategic objectives

This financial year was the final year of the 2021-24 Corporate Plan and the three-year transformation programme. Our strategic objectives to improve customer service, simplify policy, deliver better financial value for the taxpayer and grow IPSA's people to deliver an exemplary regulatory service were realised.

During 2022, we conducted a wholesale review of our regulatory approach, assessing our regulatory approach and service provision and creating the next phase of IPSA's transformation – the Improving IPSA programme. We need to make regulation stronger and simpler, more efficient and effective by reducing the administrative burden and targeting our support on those who need it most. Compliance with the rules is extremely high and the changes will be made in a way which retains and promotes public confidence.

More about this work is covered in our new strategy, the [2024-27 Corporate plan](#). Outlined in the [IPSA Business Plan 2024-25](#) is the work we'll do to deliver our core business activity, make tactical improvements and deliver on our strategic ambitions, including the new regulatory philosophy that will guide our decision making and a new approach to regulation that will assure the public and enable MPs and their offices to focus on what really matters – delivering representative democracy.

Our strategic objectives of improving customer service, simplifying our policy, delivering financial value and growing our people remain core to our purpose and goals but we recognise that IPSA has a part to play in helping the public understand the value, as well as the cost, of the money we provide to support democracy. We have, therefore, created a new strategic objective to capture the work we will do to improve our strategic communications and stakeholder engagement – this is called 'supporting trust in democracy'.

C. Our work in 2023-24

During 2023-24, we began delivery of the Improving IPSA programme to support the implementation of the new regulatory philosophy and reduce the amount of time MPs and their staff need to spend on managing their staff and business costs.

Collaboration

We worked closely with the House of Commons on planning for the General Election. We also conducted several focus groups and interviews with MPs and their staff on the Constituency Office proof of concept and the IPSA Online interface. The Speaker's Conference on the employment conditions of MPs' staff identified a set of measures to support MPs in their role as employers and IPSA started work with the House, MPs and

their staff to implement the recommendations and improve the working conditions and level of support it provides for MPs' staff.

These activities include improving MPs' staff working terms and conditions, studying the resourcing of an MP's office, clarifying the public benefit of MPs' staff salaries and costs and improving data sharing between the House and IPSA on leavers and starters.

Customer service

We continued to build meaningful relationships with MPs and their staff, and service has gone from strength to strength. In 2023-24, we answered 87.5% of calls within 20 seconds with 2.7% of calls abandoned, against a service level agreement of 80.0% of calls answered within 20 seconds and an abandoned rate of less than 5.0%. This compared to 77.6% and 4.7% in 2022-23. We resolved 77.5% of email queries within five days compared to 54.1% in 2022-23.

Impressively, the account management team worked proactively, meeting MPs and their staff ahead of the 2023-24 year-end period to try and get ahead of demand. This resulted in a flattened demand and a smooth year-end, despite significant volume.

Our focus on service has seen complaints from MPs reduce from over 50 per year between 2019 and 2021 to just eight in 2023-24 and the time taken to reimburse MPs has steadily reduced from an average of eight days in 2020-21, to an average of just under three days in 2023-24.

Each year, we ask MPs and their staff to rate their satisfaction with IPSA. In 2019, those rating our service as good or very good was 25.1% and poor 44.6%. Satisfaction in 2023 was 65.3% with poor ratings at 9.9%.

In our desire to reduce the financial and administrative burden on taxpayers, and on MPs and their staff by preventing the need for them to spend their own money and then claim it back, we started to experiment with the provision of centralised goods and services.

During 2023, we began a small proof-of-concept for central procurement of Constituency Offices. The proof-of-concept will run until December 2024 to allow us to understand the potential scale-up opportunities either side of the General Election.

In December 2023, we started a discovery exercise to co-design a simple way to navigate gateway to IPSA Online that will enable easy access to budget and spend views, contract tools and open cases with MPs and their staff. We have chosen a portal as the interface that will sit between the customer and the IPSA Online system, to be delivered in three phases from March 2024.

General Election planning

The General Election was held on 4 July 2024 and the IPSA aimed for a significantly improved experience for MPs and their staff and for IPSA's people. During 2023 we developed a robust readiness plan that utilises resources from across the whole of IPSA and embarked upon a robust training programme to ensure people are skilled and supported in their General Election activities.

Throughout 2023-24, we streamlined processes that see high volume demand in an election such as onboarding new MPs, winding-up the affairs of departing MPs and supporting returning MPs. Prior to year-end we conducted winding-up meetings for those who had already expressed that they will stand down in the next election. Lessons have been learned from the last three elections and these have been incorporated into the plan.

The Scheme

We published the Scheme of MPs' Staffing and Business Costs for the 2023-24 financial year, reflecting updates including:

- the introduction of home-based contracts for MPs' staff
- changes to the guidance on disability assistance funding
- the transfer of responsibility for funding of security measures to the House of Commons

Following a consultation, we made further changes to the Scheme in July 2023, in relation to the winding-up payment, loss-of-office payment and other support provided to former MPs and their staff when leaving Parliament. This was to ensure that the rules remained fit for purpose and achieved IPSA's policy objectives, taking into account the changes to constituency boundaries that came into effect at the General Election and the repeal of the Fixed-Term Parliaments Act.

On the basis of the regulatory review carried out during 2022-23, in which we looked fundamentally across all areas of how IPSA carries out its statutory functions, the Board agreed a new 'Regulatory Philosophy', which sets out more clearly than ever before why we are here, what we believe, what we want to achieve and how we will regulate. The ongoing Improving IPSA transformation programme includes work to develop more clearly defined regulatory principles, upon which we will build a new, more proportionate, targeted and risk-based approach to regulation.

Our people

We continued to deliver on our People strategy, benchmarking pay, raising pensions awareness and developing our employee value proposition to include financial and mental health and wellbeing to support the cost-of-living pressures. We introduced a training and competency scheme across key roles to ensure people have a defined entry pathway on which to progress to be fully qualified in their role, setting expectations over the skills, knowledge and behaviours required to deliver effectively. This links to pay progression through accredited development milestones, creating structure for performance excellence and self-development. The 2023 Annual People Survey shows a 15% year-on-year increase in the Growth & Development dimension, with a score of 71%.

We focused learning and development on the psychology of change, process improvement, project and change management, mental toughness, leadership and systems capability. As a result of the focus on managing change, the Managing Change dimension on the people survey is at 72% for 2023 (an increase on 40% in 2022).

We introduced a new recruitment guide, a digital onboarding experience and an applicant tracking system, improving the time to hire and the onboarding experience, as well as attracting diverse candidates. The launch of our inclusion panel was successful in strengthening the equity, diversity and inclusion agenda and the Belonging and Inclusion dimension of our people survey increased from 82% to 85%.

Performance excellence has been a key focus, and we embedded a performance excellence culture focused on regular one to ones and development conversations. Performance excellence scored 70% in the people survey for 2023, up from 51% in 2022.

Overall, we saw an increase in the employee engagement index from 73% in 2022 to 77% in 2023, testament to the amount of work we have done in the people space since the People Strategy began. Strengths in areas such as Health and Wellbeing (87%), Enablement and Job Satisfaction (82%) and Culture and Values (80%) demonstrate our commitment to making IPSA a great place to be.

The Leadership and Communication and Strategic Alignment dimensions scored 75% and 79%, respectively, and show the trust IPSA's people have in IPSA's strategic direction.

Satisfaction and engagement

Each year, we survey MPs and their staff about the service IPSA provides.

The results of the 2023 MP/Staff Survey received in December 2023 show an increase in satisfaction with IPSA to 65%, from 59% in 2022.

The service gap is the difference between how important respondents view a service and the satisfaction rating given. The most recent survey tells us that payroll services have improved, with the service gap reducing in most areas. Service gaps have also reduced for MPs and their staff in most services offered by the MP Services team, though notably claiming for business costs, stationery and travel have all increased. In the area of communications, there has been an increase in service gap across the board, apart from the publication site, which has stayed the same. The themes for further improvement to be addressed through our plans for 2024-25 are:

- the IPSA Online user experience
- customer service and advice
- budgeting & reporting (including calls for IPSA to increase budgets)
- staff support

Every year we also survey IPSA employees to test their engagement and understand what it feels like to work at IPSA. The Employee Engagement Index which comprises of pride, attachment, recommend, inspiration and motivation, is 77%, increasing from 73% in 2022. With improvements across every category, 11 of 15 categories returned favourable scores of 75% or higher which includes leadership, job satisfaction and enablement and belonging and inclusion. These positive results provided a strong foundation for delivering the General Election and signal our continued commitment to deliver effective regulation through exemplary service so that we can support trust in democracy.

Cyber-security

We continue to strengthen our cyber-security provision and maintain a positive cyber-security culture across IPSA focused on good technology, quality security education, and robust processes around data security and access, as evidenced by us retaining the robust Cyber Essentials Plus accreditation. Our information is held either in the Microsoft Azure Cloud in the UK or ISO 27001 accredited private cloud environments and administration of access to systems is robust and well managed by the Technology team. This includes regular reviews of privileged accounts, and a mature joiners, movers, and leavers process. We have implemented multi-factor

authentication for all systems and data areas and users are segregated, allowing only the lowest permissions for data access by default.

Password and device policies are in place and access to IPSA data is only possible from IPSA registered devices. We have a robust information governance and assurance framework as well as a strong IT code of conduct and acceptable use policy which we refresh our people with on a regular basis. We use only approved desktop software and monitor the use of Cloud/Software-as-a-service (SaaS) applications. Our people are well educated through mandatory learning, regular updates, and regular phishing simulation testing. We created a dedicated intranet site, hosting readily available advice, reporting links, and data protection guidance.

Data protection

Secure and effective management of information in compliance with legal obligations is critical to IPSA, enabling us to deliver our services effectively and efficiently. Protecting personal data is a priority for us in meeting our legal responsibilities and duty to each individual.

During 2023-24 we undertook the following activities to strengthen and develop our data security and information governance framework:

- appointed an Information Governance Support Officer, to join the two existing Information Governance Officers and the Data Protection Officer (DPO). Since then, a significant backlog of Freedom of Information Act 2000 (FoIA) requests have been cleared. The arrangement continues to be a success as the number of open FoIA requests remains manageable
- reviewed and updated the full suite of Information Governance (IG) policies
- completed two audits with RSM UK (one for FoIA and one for GDPR compliance). On both occasions, the final report was positive overall, with the majority of risks identified as 'low'
- created new templates for Data Protection Impact Assessments (DPIAs) with a view to streamlining the process, including a specific form for third parties with whom we contract to process data on our behalf
- created an Information Asset Register, which will allow IPSA to evidence our management of the datasets we hold, and ensure that all the datasets have appropriate ownership
- created a Data Sharing Agreement template for our arrangements with suppliers. In addition, the Information Governance Team are conducting a

complete review of data sharing arrangements between IPSA and the House of Commons to ensure that all arrangements have a robust signed agreement in place, and also that any arrangements due to end will have necessary records retention/deletion plans in place

Assuring the public

In line with IPSA's commitment to transparency, we publish information on MPs' staffing and business costs according to our publication policy, including a routine bi-monthly process for individual claim lines and an annual process covering the previous financial year. During 2023-24, we published bimonthly data in six cycles, in May, July, September, November, January and March. Annual publication covering the 2022-23 financial year took place in November 2023, accompanied by IPSA's first ever 'Supporting Democracy' report. This report was designed to provide additional context to help members of the public understand the annual data on MPs' staffing and business costs and how the funding is used to support and represent constituents, as well as to help dispel some persistent myths and misconceptions.

Following updated advice from security experts, we stopped publishing detailed claim information relating to travel expenditure, in order to remove any risk presented by the publication of this information. Travel costs will be published annually as aggregated amounts for each MP, broken down by journey and cost type.

Sustainability

We are committed to operating in a sustainable way, making environmentally friendly choices, and reducing our carbon footprint where possible.

We are committed to the following the Government Greening Commitment targets:

- reducing the overall greenhouse gas emissions
- reducing the overall amount of waste generated
- reducing water consumption
- continuing to buy more sustainable and efficient products and services with the aim of achieving the best long-term, overall value for money for society

These in turn contribute towards delivery of Sustainable Development Goals (SDG's).

Since 2019 we have operated a paperless system for MPs to claim business costs. In the past financial year, we have reduced the volume of paper forms available to MPs and staff. We aim to remove the remaining paper forms over time. Our guidance content

is available digitally and this year we issued paper copies of the new Scheme of MPs' Staffing and Business Costs in paper form by request only.

We continue to operate a hybrid model of working which reduces commuting emission and the need to heat, cool and light the London office for a large number of people. We also continue to be part of the Cycle-to-Work scheme.

Emissions and energy usage

Measure	Metric	2023-24	2022-23
No. of flights taken	–	100	58
Carbon emissions from flights	Kilograms	516,780	197,028
Business related travel on public transport (excluding staff commutes and domestic flights)	Kilometres	19,531	7,338
Carbon emissions from business related travel on public transport (excluding staff commutes and domestic flights)	Kilograms	872.80	327.92
Energy used for heating and cooling	Kilowatt Hours	98,984.3	26,606.5

IPSA do not lease or own any vehicles, and we rent our office. We share our building with four other tenants, so we are restricted in our ability to cut our emissions by our landlord who retains control of lighting and heating the office.

Waste and recycling

Measure	Metric	2023-24	2022-23
Total waste arising	Metric Tonnes	15.95	3.94
Total waste recycled	Metric Tonnes	7.32	1.97
Total waste composted/food waste	Metric Tonnes	2.72	–
Total waste incinerated with energy recovery	Metric Tonnes	5.91	1.97
Total waste incinerated without energy recovery	Metric Tonnes	–	–
Total waste to landfill	Metric Tonnes	–	–
Single use plastic usage	Metric Tonnes	–	–

Measure	Metric	2023-24	2022-23
Paper usage	Reams	32	43
Water usage	Cubic Metres	839.8	702.7

General waste and recycling figures are based on a proportion of total building waste and are not directly controllable by us. All general waste produced in the building, including that generated by us, is sent to an energy-from-waste plant, instead of landfill sites. We have reduced our use of paper since 2021-22 to help cut our waste, since the introduction of hybrid working.

D. Key issues and risks facing IPSA

IPSA faces a range of risks in its dual role in regulating and administering the staffing and business costs and being responsible for determining MPs' pay and setting the level of any increase in their salary and oversight of the MPs' pension scheme.

The risks are diverse in nature and severity and include those relating to:

- the quality of its regulation and engagement with stakeholders
- ensuring that IPSA's systems and the information contained within them is safe and secure
- effective and correct payment of MPs' and staff salaries and business costs
- the way IPSA manages itself and its people, including delivering enhancements to the services it provides

Some risks are driven by external forces over which IPSA has little control, such as the threat of cyber-security attacks by hostile actors and the overall perception and confidence in our political systems.

Over the past year, the Executive Leadership Team (ELT) have actively considered such risks as part of IPSA's Risk Management Framework. Further detail is given in the Governance Statement on pages 48 to 51.

E. Going concern basis

The Statement of Financial Position in our accounts shows net liabilities. However, in common with other independent bodies funded by His Majesty's Treasury, the future financing of our liabilities will be met by Grants of Supply and the application of future income approved annually by Parliament. The SCIPSA has agreed to our Supply Estimate for 2024-25, and there is no reason to believe that future approvals will not be forthcoming.

Accordingly, it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

F. Performance analysis

We use Key Performance Indicators (KPIs) to give an overall assessment of our core functions – regulating MPs’ business costs, resourcing, and supporting MPs and providing assurance to the public – and we use data to monitor the activities of each business area.

In 2022, we created a new KPI dashboard that is focused on our strategy, purpose, vision, and strategic objectives that has measurable values to demonstrate how effectively IPSA is achieving its goals.

In 2023-24, our performance remained strong across many areas.

We reimbursed MPs’ claims for business costs within an average of under three days, against a target of eight days.

Our payroll payments were 99.93% accurate, and we published MPs’ business costs with 99.98% accuracy.

We also found very high compliance by MPs, with only 0.04% of claims assessed as being outside the Scheme.

During the reporting period, all our seven key performance indicators were fully met or exceeded. The table below sets out our performance against each indicator.

Key Performance Indicator	Measure in 2023-24	Measure in 2022-23	Outcome
Effective regulation of MPs' business costs			
Fewer than 1% of MPs' claims are outside the Scheme	0.04% of claims outside the Scheme	0.02% of claims outside the Scheme	Achieved
Providing support to MPs			
Claims are reimbursed in fewer than eight days on average	Reimbursement in less than three days on average	Reimbursement in less than three days on average	Achieved
Payroll accuracy is over 99.75% each month	Accuracy at 99.93%	Accuracy at 99.92%	Achieved
MPs and their staff show increased satisfaction with IPSA's support	In the 2023 survey of MPs and MPs' staff, 65% of respondents were 'positive about their experience with IPSA', up from 2022	In the 2022 survey of MPs and MPs' staff, 59% of respondents were 'positive about their experience with IPSA', up from 2021	Achieved
Assuring the public that MPs' business costs are well regulated			
Our publication of MPs' claims is over 99.75% accurate	99.98% accuracy achieved	99.96% accuracy achieved	Achieved
IPSA staff show increased engagement	In the staff survey for 2023, 77% of IPSA staff reported feeling engaged	In the staff survey for 2022, 73% of IPSA staff reported feeling engaged	Achieved
IPSA demonstrates effective budget management	Estimate vs Outturn Totals underspent, but some individual budgets were overspent	Estimate vs Outturn Totals underspent, but some individual budgets were overspent	Achieved

G. Financial review

Following scrutiny by SCIPSA in the previous financial year, parliamentary approval for IPSA's 2023-24 budget was obtained.

IPSA's budget, also known as 'Voted Parliamentary Control Total', consists of Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure and Net Cash Requirement. These items are explained below, and we provide summaries of the outturn (actual) figures against estimate (budget) figures, including an explanation on variances, for both the 2023-24 and 2022-2023 financial years.

This section also functions as an introduction to the Statement of Outturn against Parliamentary Supply (SoPS) contained in subsection 5A. The SoPS is the primary parliamentary accountability statement that reports IPSA's outturn against the final annual spending limits authorised through a vote by Parliament. These spending limits are often referred to as control totals or estimates. The financial tables below are a summary of the SoPS.

Departmental Expenditure Limits

The budget that is allocated to and spent by IPSA is known as the Departmental Expenditure Limit (DEL). DEL budgets are used for the everyday cost of resources such as staffing, referred to as 'Resource DEL' (RDEL) and for fixed assets and investment costs, referred to as 'Capital DEL' (CDEL). For IPSA, RDEL consist of two Subheads, A and B, as detailed below:

Subhead A: Programme funding for MPs' business and staffing costs comprising:

- capped budgets (accommodation, staffing, and office costs)
- uncapped budgets (travel and subsistence)
- income from the House of Commons if any

Subhead A	SoPS Note	2023-24 £'000			2022-23 £'000	
		Outturn	Estimate	Variance	Outturn	Variance
MPs' pay and staff costs		198,596	200,180	1,584	184,255	12,006
Capped business costs		26,477	29,392	2,915	30,628	4,366
Uncapped business costs		8,065	9,649	1,584	7,637	1,700
Income		–	–	–	–	(225)
Subhead A Total	SoPS I.1	233,138	239,221	6,083	222,520	17,847

A detailed breakdown of our Subhead A financial performance is shown in Note 3 to the accounts.

MPs' pay and staff costs

While MPs pay costs were broadly on budget, there was an underspend on staff pay for 2023-24. This was due to vacancies and pay variances.

Capped business costs

Capped business costs include accommodation and office costs and there was an underspend against budget in 2023-24. The budget allowed for expected increases in costs, with consideration to the trends at the time of its preparation. However, these did not materialise. Spend is lower than 2022-23.

Uncapped business costs

Uncapped business costs are mainly travel costs and these show an underspend against budget. Spend is roughly in line with the 2022-23 year.

Income

We received no income in either 2023-24 or 2022-23 for Subhead A.

Subhead B: IPSA's operational costs comprising:

- staff and non-staff costs
- the cost of the Compliance Officer

Subhead B	SoPS Note	2023-24 £'000			2022-23 £'000	
		Outturn	Estimate	Variance	Outturn	Variance
IPSA staff costs		6,450	6,677	227	6,409	268
Other costs		4,445	4,218	(227)	3,875	594
Income		–	–	–	–	–
Subhead B Total	SoPS1.1	10,895	10,895	–	10,284	862

A detailed breakdown of our Subhead B financial performance is shown in Note 4 to the accounts.

IPSA staff costs

There was a slight underspend in 2023-24, but costs were broadly in line with the budget.

Other costs

Consultancy and professional services spend continues to be under budget as in 2022-23 with budgeted external resources not being required to undertake developments with works being undertaken in-house. IPSA did not use its contingency budget.

Income

We received no income. There was one staff secondment, for which we invoiced another public body, but this was offset by the cost of paying the secondee and is reported as a net nil cost under staffing costs. This secondment ended in September 2023.

Annually Managed Expenditure

The budget allocated to IPSA for Annually Managed Expenditure (AME) is for items that may be unpredictable or not easily controlled by IPSA. Provisions are IPSA's only AME item.

AME	SoPS Note	2023-24 £'000			2022-23 £'000	
		Outturn	Estimate	Variance	Outturn	Variance
Provisions		(17)	150	167	40	110
Provisions Total	SoPS1.1	(17)	150	167	40	110

The favourable result against budget is due to a decrease in the expected credit loss provision.

Capital (CDEL): IPSA's capital costs comprising:

Capital	SoPS Note	2023-24 £'000			2022-23 £'000	
		Outturn	Estimate	Variance	Outturn	Variance
Subhead A non-current asset additions		–	30	30	(8)	158
Subhead B non-current asset additions		466	493	27	55	1,056
Capital Total	SoPS1.2	466	523	57	47	1,214

Non-current asset additions

IPSA undertook a number of capital projects this year, including an upgrade to our CRM system and the implementation of new financial reporting software.

Net Cash Requirement

Net Cash Requirements	SoPS Note	2023-24 £'000			2022-23 £'000	
		Outturn	Estimate	Variance	Outturn	Variance
Net Cash Requirement		242,825	250,112	7,287	230,755	22,039
Total	SoPS3	242,825	250,112	7,287	230,755	22,039

Net Cash Requirement (NCR) were below budget due to the underspend in DEL budgets as explained above.

2024-25 Budgets

IPSA's main estimates have been approved for 2024-25 where the NCR has increased to £259.60m. The increase is primarily within Subhead A.

Signed

Ian Todd

Accounting Officer

23 October 2024

Part II: Accountability Report

I. Corporate Governance Report – Directors’ report

A. IPSA’s Board

IPSA’s Board is responsible for setting IPSA’s strategic direction and, as advised by the Executive Team, deciding the policies that form the Scheme.

Details of Board Members and the Executive Team are set out in the Governance Statement.

B. Company directorships and other significant interests held by Board Members

IPSA’s Board Members hold no significant interests.

Details of all interests held [can be found on our website](#). Please note, the Register of Interests is located within the individual Board Members profiles, in the section ‘Who we are.’

C. Staffing

During 2023-24, IPSA employed an average of 98 full-time equivalent staff on both permanent and fixed-term contracts. This also includes agency staff employed to cover staff vacancies.

In addition, we had five Board Members and funded the costs of one Compliance Officer and a deputy, and three Lay Members of the SCIPSA.

As of 31 March 2024, 41% of staff were male, and 59% of staff were female. We monitor the ethnic minority background of our starters and leavers by reference to each of the protected characteristics set out in the Equality Act 2010 to improve representation and take action, as necessary.

IPSA has an equality and diversity policy, covering IPSA’s commitment to equality and diversity and eliminating discrimination. We have asked our people to share their data with us and have seen an increase in equality and diversity data as a result.

Twenty-five per cent of our people identify as coming from a minority ethnic background and 14% of our people identify as LGBT+.

At leadership level, 13% identify as coming from a minority ethnic background and 25% identify as LGBT+.

All IPSA employees are offered access to an Employee Assistance Programme, which provides access to various resources, including confidential counselling and a

phonenumber available 24/7 to provide help on general, legal, financial, family guidance and information issues.

Our People Strategy includes a Belonging strand that will ensure IPSA maintains a strong focus on diversity, inclusion, and equity across the workplace.

We have continued to recruit nationwide rather than London centric and have employees located across all four UK countries.

We have also implemented an applicant tracking software which has reduced unconscious bias from our recruitment processes.

IPSA adheres to the rules applying to government departments, whereby all individuals on contracts of more than six months' duration, where the annual cost is greater than £64,680 (equivalent to £245 per day), are required to provide IPSA with an assurance that tax due on contract payments will be paid. As of 31 March 2024, all such contractors engaged by us met these conditions.

To demonstrate our commitment to pay transparency and best practice, we have included our gender pay gap data. The snapshot date used is 31 March 2024.

	2023-24		2022-23	
	Male	Female	Male	Female
Number	43	62	42	59
Percentage	41%	59%	42%	58%

The mean gender pay gap shows that the mean hourly wage of males is 21% higher than females (16% in 2022-23), as a result of under-representation of females in the most senior roles.

The median gender pay gap shows that the median hourly wage of males is 20% higher than females (11% in 2022-23).

	2023-24			2022-23			Variance		
	£	%	Swing	£	%	Swing	£	%	Swing
Mean GPG in hourly pay	(5.88)	-21%	In favour of male	(4.15)	-16%	In favour of male	(1.73)	5%	In favour of male
Median GPG in hourly pay	(4.59)	-20%	In favour of male	(2.26)	-11%	In favour of male	(2.33)	9%	In favour of male

While the gender pay gap data favours males we are confident that where equal jobs exist there is absolute pay parity irrespective of gender and the People Committee will be assessing the gender pay gap, together with the ethnicity pay gap, in the coming months.

		Quartile			
		Upper	Upper mid	Lower mid	Lower
Variance	% change males	10%	-6%	3%	-2%
	% change females	-10%	6%	-3%	2%
2023-24	Males	16	10	7	12
	Females	10	16	20	14
	Total employees in the quartile band	26	26	27	26
	Proportion of male employees in each quartile	62%	38%	26%	46%
	Proportion of female employees in each quartile	38%	62%	74%	54%
2022-23	Males	13	11	6	12
	Females	12	14	20	13
	Total employees in the quartile band	25	25	26	25
	Proportion of male employees in each quartile	52%	44%	23%	48%
	Proportion of female employees in each quartile	48%	56%	77%	52%

D. Health and safety

We are committed to providing a safe and healthy working environment. We have an up-to-date health and safety policy and a health and safety training module for new staff.

We continue to maintain a health screening-at-work programme. This includes regular workstation assessments and access to a confidential health service providing advice and counselling.

All new staff have a home working health and safety awareness talk. We continue to monitor their well-being and provide them with any equipment and aids necessary to ensure that they can work safely and comfortably.

We currently have six mental health first aiders who are available to counsel any member of staff who may need assistance coping with any aspect of their work or domestic mental health situation.

To ensure a comfortable, healthy, and safe working environment, staff can request for the provision of any office related equipment for use at home.

E. Pensions

Our employees are covered by the provisions of the Civil Service Pension arrangements. Information on pension entitlements is provided in the Remuneration and staff report.

Please refer to pages 62 to 63 of this report for details of IPSA’s accounting treatment for pension liabilities.

F. Personal data related incidents

During 2023-24, the IPSA suffered no significant losses or thefts of personal or other protected data. There were no incidents meeting the threshold for reporting to the Information Commissioner’s Office (ICO).

The Data Protection Officer (DPO) gave a presentation at an organisation-wide meeting as part of the ‘Keeping IPSA Safe’ campaign, to explain the importance of incident reporting. This was followed up by articles on IPSA’s intranet to emphasise the correct method of reporting incidents.

The DPO has also created an incident log, which will assist with the easy location of information governance incidents and resolutions in the event of an audit.

G. Complaints and customer service

We aim to acknowledge complaints within two working days and provide a final response within five working days.

During 2023-24 we handled 21 formal complaints from MPs and their staff covering various issues, the same number as in 2022-23.

Type of Complaint	Number of Complaints
Payroll related issues	9
The claim process, claim rejections, payments and returns	5
System errors and permissions	2
Issues around rent/deposit loans	2

Type of Complaint	Number of Complaints
Delayed response times	1
A payment card suspension	1
The terminology used in our year-end guidance	1

Of the overall complaints, 18 were resolved within the agreed response times, with 15 complaints upheld.

H. The Compliance Officer for IPSA

The Constitutional Reform and Governance Act 2010 created provision for a statutory officeholder, the Compliance Officer, whose principal functions are to investigate claims that an MP may have been paid a claim to which they were not entitled and, upon request, to review a determination by IPSA to refuse an MP's business costs claim.

The Compliance Officer reports to IPSA's Board but acts wholly independently of IPSA's executive.

The five-year term of office for Tracy Hawkings concluded on 31 May 2023 and Brigadier Jonathon Blair-Tidewell assumed the role on 1 June 2023. Brigadier Jonathon Blair-Tidewell held this office until May 2024. Matthew Walker was appointed on 1 June 2024. The Compliance Officer's report is shown in Part V.

During the reporting period, IPSA handled 74 new complaints. Seventy-one of the complaints were made by members of the public and three complaints were referred by IPSA following internal audit and assurance reviews and complaints received from the media.

Three of the complaints led to the initiation of formal investigations, which are now in progress. Fifty-seven of the other complaints were closed following assessments that concluded the relevant MPs had acted in accordance with the Scheme or were inadvertent errors. In addition, a further 12 complaints were made which fell outside the remit of the Compliance Officer.

During 2023-2024, three MPs requested reviews of claims that IPSA had refused. The Compliance Officer upheld two cases in favour of IPSA with one case discontinued by the MP.

I. Basis of accounts

The accounts for the year ended 31 March 2024 have been prepared under a direction issued by HM Treasury in accordance with PSA 2009.

J. Risk management

We continually assess our exposure to risks and seek to ensure that risks are appropriately mitigated.

As part of our formal risk management process, we maintain a risk register that includes those risks at a strategic level. The risk registers are reviewed regularly by IPSA's Executive.

Our Audit and Risk Assurance Committee (ARAC), comprising Board Members also formally reviews risks and the associated mitigation actions at its regular meetings. ARAC also undertake regular "deep dive" assessments of the controls in place to mitigate key strategic risks.

At the end of 2021-22 IPSA introduced revised risk management arrangements, including the use of risk management software. This has helped embed risk management into day-to-day management decisions and processes. Risk owners were trained in the use of the software, automatic prompts are given when the information is due to be updated and risk owners can get real time bespoke reports to help them manage risks. Risk management policies and processes have been subject to review as part of continuous improvement activity throughout 2023-24.

More information on our management of risk is set out on pages 48 to 51.

K. Policy for payment of suppliers

We adhere to the Late Payment of Commercial Debts (Interest) Act 1998 (LPCD(I)A 1998) and meet the standard terms of payment of invoices of 30 days from receipt, except where different terms have been agreed with suppliers.

Although independent, we are treated as a small department, and so the government's five-day target for small and medium enterprises (SMEs) to receive payment is not mandated. However, we aim to pay valid invoices from SMEs within ten days.

Payment of trade and other payables is reported on a creditor-days basis. This is calculated as a proportion of the amount owed to trade creditors at the year-end compared with the aggregate amount invoiced by suppliers during the year, expressed as a number of days in the same proportion to the total number of days in the financial year.

We paid suppliers within an average of approximately five creditor days in 2023-24 (five in 2022-23). 92% of suppliers were paid within ten days of receipt.

No interest was payable under the LPCD(I)A 1998 (£Nil in 2022-23).

L. Future priorities: plans for 2024-25

We will continue to regulate through service in our business-as-usual activity of supporting and monitoring MPs' use of taxpayers' money and administering the business costs and pay of the 650 elected UK MPs and their staff to ensure they are resourced effectively to carry out their parliamentary functions.

We anticipate the volume of our usual work to be similar to this year, although the General Election does significantly increase workload. Flexible plans developed in advance of the election allow us to respond to the high turnover of MPs and their staff.

Regular business-as-usual volumes:

- Reimburse c.100,000 business cost claims and process c.50,000 payment card claims
- Continue to pay 650 UK MPs and their c.3,500 staff, processing around 500 contract changes and 500 overtime forms and administering up to 200 leavers and new starters each month
- Register in the region of 30 new home and office leases and amend 80 leases each month
- Publish c.26,000 lines of spending information every two months
- Action around 250 requests made under Freedom of Information Act 2000 (FoIA)
- Respond to c.15,000 calls and c.35,000 emails relating to queries and funding requests from MPs and their staff, supporting them to manage their budgets
- Hold face to face year-end budget management meetings with MPs who need extra support
- Deliver the annual cycle of financial reporting, accounts and audit

Aside from this important work, we will continue to deliver on our strategic priorities, aligned to the Improving IPSA programme.

We want to reduce the financial and administrative burden on taxpayers, MPs and their staff by preventing the need for them to spend their own money and then claim it back. We can achieve this by moving to the provision of centralised goods and services. We will progress our Constituency Office proof of concept in the year ahead.

We will seek alternatives to our current reimbursement model that would reduce the need for submitting claims and reconciling payment cards in the most part, and in the meantime, we will introduce a new co-designed interface for our IPSA Online operating system to improve the customer experience and address much of the poor user feedback.

We will apply principles-based regulation in a shift away from mechanistic rule-following to provide greater flexibility in meeting local needs and to ensure compliance with the spirit and purpose of the new regulatory philosophy – that public money is only used for parliamentary purposes, MPs and their staff do not need to self-fund their parliamentary work, MPs and their staff do not benefit personally from parliamentary funding and that MPs should be supported in applying good practice in financial management.

There will be a review of MP pay, as IPSA is legally required to review this within 12 months of a General Election, and we anticipate closing down the McCloud pensions project as affected members make their choices. We will work with the House of Commons to implement the recommendations from the Speaker's Conference on Employment Conditions of MP Staff.

The funding of accommodation costs incurred by MPs because of working from two locations will be reviewed in-depth to align this with our principles-based approach and provide assurance on value for money, mitigating the risk of personal benefit and ensuring that funding meets the needs of MPs and their families.

We are working to modernise IPSA's financial management function and create improved efficiency, modelling and insight and will finalise our implementation of the strategic financial planning and analysis software tool and integrate it with IPSA Online.

An assessment of the funding we provide to ensure MPs are resourced appropriately to carry out their parliamentary functions and to support them in managing their budgets will be made and we will introduce greater budget flexibility aligned to the new regulatory philosophy. We will continue to improve the way in which we validate spend to ensure it complies with the Scheme to reduce the amount of low-risk validation on compliant offices and increase scrutiny where it is needed most.

Our new strategic objective of 'supporting trust in democracy' will see us restructure our communications approach to build belief and context in IPSA's purpose. We will review our current approach to publication to ensure we provide meaningful transparency, and we will provide better information to support MPs and their staff

with timely, relevant information about changes from the Improving IPSA programme and about the General Election.

We will continue to deliver on our people strategy to maintain high engagement levels and enable and empower our people to deliver principles-based regulation through service. The resilience, health and wellbeing of our people remains key, and we focused on this as we repurposed trained and practiced IPSA people into temporary General Election roles to ensure we can deliver a smooth experience for MPs and their staff and IPSA's people.

Security

In late 2021, IPSA agreed with the House of Commons to transition security arrangements from IPSA to the House of Commons to optimise the provision of security by having the contract, expertise, and funding in one place. The decision was formally agreed by the Board in September 2022, and the transition of security funding to the Members' Security Support Service (MSSS) was completed on 1st April 2023.

Pensions

We are addressing a significant policy issue – the implementation of the *McCloud* ([2018] EWCA Civ 2844) correction to the MP pension scheme.

A joint governance model has been agreed between IPSA and the Trustees of the pension scheme. Having deployed considerable effort and resource, we are continuing to work with the Trustees to deliver the right outcome for those pension scheme members impacted by the *McCloud* judgment, however, final resolution will require legislation (or a suitable alternative) which is beyond our gift to deliver alone.

Process, technology, and people

We will embark on work to review MPs' staffing matters which includes assessing career and pay progression, equality, regional pay including the existing London salary weighting, flexible working, living pensions, job descriptions and bandings as well as further salary benchmarking. This work will be informed by the Speaker's Conference on the employment of MPs' staff which we are working closely with to deliver our shared objective of improving working conditions for MPs' staff.

We are developing proposals for changing the way we present our publication data to improve contextualisation and reduce the risk of misinterpretation.

We have several other tactical improvements planned, such as exploiting our existing technology and strengthening our already robust response to the threat of a cyber-attack. We will continue to review all of our processes, provide greater guidance

and collaborate with the House of Commons to better induct and train MPs and their staff on business and staffing costs and to establish best practice across all 650 MPs' offices. We will also review our approach to validating MPs' claims and look for efficiencies in the way we work when registering and amending property leases for MPs' offices and accommodation.

Internally, we are making strong progress in transforming our culture and ways of working, empowering people to make decisions, refining job families and skills aligned to our operating model. We'll also continue to focus on our equality, diversity and inclusion agenda to ensure we continue to recruit and retain a diverse workforce and ensure everyone has what they need to succeed.

Improving IPSA

Aside from our business as usual and tactical improvement work, we are embarking on an ambitious programme, Improving IPSA, to modernise IPSA's regulatory approach. This includes a revised set of principles to guide decisions, key to the development of new or revised rules, a risk-based regulatory framework, a flexible budgetary approach and increased value for money through centralised provision of goods and services.

Our risk-based framework will improve our support to those offices who need it most, focusing on high risk spend and behaviours rather than penalising efficient and compliant offices through a time-consuming claims and validation process. This will reduce the transactional overhead on lower risk spend and offices, change the perception that we regulate what is easy to evidence regardless of risk, increase scrutiny where needed and simplify IPSA's systems and processes. We will adjust our approach to validation, and we will also work with other parliamentary standards bodies to share information on regulatory risks.

We will scope a more flexible approach to budgets including the possibility of an overall budget envelope approach to identify unintended consequences, exacerbation of poor practice, staffing budget risks and the impact on HM Treasury and NAO financial reporting and forecasting. We will also address the additional challenges such as varying budget according to need and our desire to secure greater value for money as well as the appropriate degree of flexibility.

We will adapt existing policies or create new rules, where appropriate. There is good practice across the 650 MP offices, and we will work with each office and the House of Commons to identify, share and embed good practice that makes everyone's working lives easier.

We are developing a commercial strategy that supports the Improving IPSA priorities. The commercial strategy aims to achieve greater visibility, control and value for money from our commercial arrangements with third party suppliers and other bodies, by implementing robust contracting strategies and supplier relationship management. The outcome is to create a coherent planned framework for IPSA's commercial goals.

We want to reduce the financial and administrative burden on MPs and their staff by preventing the need to spend their own money and then claim it back. We also want to achieve better value for money and reduce the time and effort needed for winding-up MP's affairs when they leave their role.

One way we can achieve this is by moving to the provision of centralised goods and services, giving MPs access to quality goods and services without the need for them to shop around, still buy local where appropriate and remove the strain of administering their business costs.

We will create small pilots to test and learn ahead of considering centralised services at scale and we will use the opportunity of the commercial strategy to assess our procurement of services against value for money, social, economic and environmental factors. There are two areas of centralised provision that we will focus on during 2024-25 – property management support and utilities and services linked to property management support.

We will begin a proof-of-concept pilot of total outsourced property management on a targeted number of leases that are about to expire. This will be done on a trial contract on a short term (up to 12 months) basis to allow time for lessons learned and an understanding of scaling-up opportunities after the General Election.

We will also set up separate trial arrangements for the centralisation of some utilities and services such as energy or water, business rates, contents or building insurance.

We have created a technology strategy and will focus on the development of IPSA Online (also referred to as Business World), IPSA's primary system to manage MP business costs, pay MPs and their staff, pay IPSA staff and manage internal financial processes such as procurement, invoicing, supplier management, management accounts and people activity.

While the reimbursement process could be vastly improved, we will examine the business cost reimbursement model in full and consider smarter ways for MPs and their staff to purchase goods and services directly, removing the need to reclaim

retrospectively. Validation of purchasing would be built in at points throughout the purchasing journey to simplify the evidence process.

This would dispense with the complexity of reimbursement claims, monthly payment card reconciliations, indiscriminate validation, budget management and the year-end process and would save time, simplify the user experience, improve service and deliver financial value.

To enable delivery of the Business Plan, we need a culture where people can be their best and are inspired to work at IPSA. In 2024-25, we will continue to focus on seven people priorities built around a simple philosophy of engaging, empowering and enabling our people.

- resourcing – attracting the right people
- developing our people – building capability
- performance excellence – enabling people to be their best
- valuing people – improving the people experience
- health and wellbeing – creating resilience
- belonging – building a vibrant, inclusive place to be
- engagement – driving engagement to deliver successful outcomes
- stakeholder engagement – to increase awareness and understanding of the changes being made to our regulatory philosophy, principles and approach and to seek stakeholder insight to inform our decision-making
- engagement and consultation on specific elements of the Improving IPSA programme, including identification of pilot areas

M. Events after the reporting period

There are no events after 31 March 2024 that require an adjustment to the financial statements and no non-adjusting events for which additional disclosure in the financial statements is required.

The Accounting Officer authorised these financial statements for issue on 23 October 2024.

2. Corporate Governance Report – the Statement of Accounting Officer’s responsibilities

Under PSA 2009, HM Treasury directed IPSA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction at Part IV.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of IPSA and its net resource outturn, changes in taxpayers’ equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the FReM and, in particular to:

- I. observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- II. make judgements and estimates on a reasonable basis
- III. state whether applicable accounting standards as set out in the FReM have been followed and disclose and explain any material departures in the accounts, and
- IV. prepare the accounts on a going-concern basis

In accordance with PSA 2009, as the Chief Executive, I am also the appointed Accounting Officer of IPSA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping proper records and for safeguarding IPSA’s assets, are set out in [Managing Public Money](#), published by HM Treasury and with which IPSA broadly complies.

As far as I, the Accounting Officer, know, there is no relevant audit information of which IPSA’s auditors are unaware. As Accounting Officer, I have taken all the necessary steps and have sought assurance from the IPSA’s management team. I have received a letter of assurance from the relevant House authorities in respect of the commissioning of security provision to MPs and take this into account in my opinion. I have been informed of any relevant audit information and establish that IPSA’s auditors are informed accordingly.

I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced, and understandable. I confirm that they meet these requirements.

3. Governance Statement

Under PSA 2009, IPSA is a body corporate, independent of Government and Parliament with the Chief Executive as its Accounting Officer.

Ian Todd was appointed as the Chief Executive and Accounting Officer by IPSA's Board from 19 October 2020.

Working with the IPSA Board and presenting IPSA's funding proposals to the SCIPSA, the Chief Executive has responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of IPSA's policies, aims and objectives, while safeguarding public funds and assets.

A. Speaker's Committee for the IPSA (SCIPSA)

SCIPSA is responsible for considering and then recommending candidates for the posts of Chair of IPSA and members of the Board on the principle of fair and open competition. The candidates for these posts are then approved by the House of Commons and appointed by the Head of State.

The Committee also reviews the IPSA's annual estimate of the resources it needs, to ensure the estimate is consistent with the efficient and cost-effective discharge of the IPSA's functions before the estimate is laid before the House by the Speaker.

The Committee has a membership of 11. The Speaker, the Leader of the House of Commons and the chair of the Committee on Standards and Privileges are ex officio members, and five further members of the House of Commons are appointed by the House. In addition, three lay members are appointed by the House of Commons.

B. IPSA's Board

Arrangements for appointing IPSA's Board Members are outlined in the SCIPSA section above.

The Board has overall responsibility for preparing and revising IPSA policy, including notably the Scheme, and setting MPs' pay and pensions.

C. Board membership changes

In 2023-24, the IPSA Board paid its thanks to Sir Robert Owen who resigned from his post as IPSA's former high judicial officeholder in April 2023 after seven years of service.

The vacancy opened up by Sir Robert's departure was filled by the appointment of Dame Laura Cox in September 2023, following an open recruitment process conducted by SCIPSA. The appointment was recommended by SCIPSA on 13 June 2023, and ratified by the House of Commons on 17 July 2023, for a five-year term commencing 1 August 2023.

In 2023-24, IPSA became a member of the Boardroom Apprenticeship Programme run by the Department for Levelling Up, Housing and Communities. The programme aims to help those who would like to serve on a public or third-sector board to learn and gain experience.

John Midgley undertook a Boardroom Apprentice placement from 02 January 2024 to 28 September 2024.

D. IPSA Board Members

Richard Lloyd

Richard Lloyd OBE joined the IPSA Board in December 2018. He became Interim Chair in October 2019 and was confirmed as Chair in September 2021. He is a non-executive director of the Financial Conduct Authority (FCA) and temporarily served as Interim Chair of the FCA from 1 June 2022 to 19 February 2023, where he remains Deputy Chair. He is also senior independent director of the Advertising Standards Authority. Richard's previous positions include:

- Executive Director, Which?
- Chief Executive, Consumers International
- Head of Policy, Shelter, and
- Special Adviser to the Prime Minister

He was awarded an OBE in 2019 for services to the economy and consumer rights.

Will Lifford

Will Lifford is a Yorkshire-based chartered accountant and a former Head of Audit at Grant Thornton and serves as Chair of IPSA's Audit and Risk Assurance Committee.

Since retiring, he has held several non-executive and trustee roles in the public and not-for-profit sectors, including as non-executive director of Entrust, the regulator of the Landfill Communities Fund, and Chair of both Yorkshire Housing and Martin House Children's Hospice.

He is currently a Board member of the Charity Commission for England & Wales.

Sir Robert Owen (resigned 26 April 2023)

Sir Robert Owen was called to the bar at Inner Temple in 1968 and elected as an Inner Temple bencher in 1995. He was appointed a Recorder in 1987, Queen's Counsel in 1988 and a Deputy High Court Judge in 1994. He previously served as Chairman of the London Common Law and Commercial Bar Association and the General Council of the Bar.

He was named an associate fellow of the Institute of Advanced Legal Studies and a Fellow of the Royal Society of Arts in 1998. He served as a governor of the College of Law from 1998 until 2004. He was appointed a Justice of the High Court on 15 January 2001, received his knighthood and was assigned to the Queen's Bench Division.

From 2005 to 2008, he served as a presiding judge for the Western Circuit and was a member of the Judicial College Board since 2011 to 2014. As the member of IPSA's Board who has previously held high judicial office, Sir Robert was also IPSA's designated 'Qualified Person' for the purposes of the Freedom of Information Act 2000 (FOIA) up until his resignation from the IPSA Board on 26 April 2023.

Helen Jones

Helen Jones served as the MP for Warrington North from 1997 to 2019. She chaired the House of Commons Petitions Committee from 2015 to 2019 and had previously been an Opposition Spokesperson, senior Government Whip and Parliamentary Private Secretary.

Prior to entering the House, she worked as a solicitor, teacher and as a justice and peace officer in the Liverpool Archdiocese.

Helen chairs IPSA's People Committee.

Lea Paterson

Lea Paterson CBE was until recently Executive Director, People and Culture, at the Bank of England. She is currently a Civil Service Commissioner and an Independent Member of the University of Warwick's Remuneration Committee.

Lea has previously held a number of senior management positions at the Bank of England, including Director of Independent Evaluation. She was also an Adviser to the Bank's Board in its review of ethnic diversity and inclusion.

Before working for the Bank of England, Lea worked as a journalist, as Economics Editor at *The Times* and previously at *The Independent*.

At the end of 2022, Lea was awarded a CBE in the annual New Year Honours list for services to the economy.

From March 2023, Lea has chaired the Improving IPSA Assurance Group (IIAG).

Dame Laura Cox (appointed 1 August 2023)

Dame Laura Cox served as a High Court Judge from 2002 until 2016, when she stood down from the Bench to enable her to pursue other interests and activities. She remains a Bencher of the Inner Temple and in 2019 she was awarded an Honorary Doctorate from Queen Mary, University of London for her contribution to the law.

Before her judicial appointment in 2002, Laura was in practice as a barrister for 25 years, specialising in equality and employment law. In 1995, she was elected as Head of Cloisters Chambers. She was appointed Queen's Counsel in 1994 and in December 2002 she received a 'Lifetime Achievement' award from the organisations 'Liberty' and 'Justice' for her commitment to equality and human rights over 25 years at the Bar.

In 1998 Laura was appointed as the British member of the International Labour Organisation's Committee of Independent Experts, one of the oldest and most respected United Nations supervisory bodies, a post she held for 15 years, monitoring ILO Member States' compliance with international labour and equality standards.

In 2013 she was elected as the Vice President of the United Kingdom Association of Women Judges, serving in that role until her retirement from the Bench. She was also an active member of the Judicial College, co-designing and chairing the cross-jurisdictional skills and ethics courses for courts and tribunals judges.

Since 2016, Laura has undertaken work for a variety of organisations in the areas of equality and human rights. She has also conducted several independent investigations or inquiries, including the Independent Inquiry into the Bullying and Harassment of House of Commons Staff, delivering her final report to the House in October 2018.

E. Board activity

In 2023-24, the IPSA Board approved the Corporate Plan 2024-27 which, building on the success of the Corporate Plan 2021-24, sets out IPSA's strategic vision for the next three years and includes an ambitious programme of transformation. The plan is anchored around a clear set of priorities and agreed key performance indicators.

The Board monitors and reviews the organisation's performance regularly, based on the management information briefings and commentaries which the Executive provides.

The Board receives regular management information papers from IPSA's Executive. These include the Chief Executive's Report, which contains an analysis of activities and performance, an outline of planned activities, and a finance paper comprising the management accounts and a financial activity review.

The Board scrutinises the information with which it is provided and, to ensure it is acceptable, asks questions not only about the activities to which the information relates but also regarding the quality and reliability of the data itself.

Following the disbanding of the Change Oversight Committee in December 2021, the Board also agreed to receive a monthly update on IPSA's Transformation Programme and progress towards its goals. At quarterly intervals, the Board received information on the latest customer service performance, including feedback and complaints, as well as updates from the Compliance Officer on investigations and referrals.

Since 2022-23, the Board has received a revamped KPI dashboard designed to provide further detail and assurance as to IPSA's performance. In 2023-24, the dashboard has been further improved and the Board is satisfied the quality of the data available to it is acceptable.

The Board's main focus in 2023-24 was on ensuring that IPSA met its objectives set out in the Corporate Plan 2021-24, which was focused on fixing the foundations of IPSA's funding system. The Board were ultimately satisfied that IPSA had successfully overhauled its approach, making it easier for MPs and their staff to understand and meet IPSA requirements.

As in each reporting year, the Board considered a number of complex regulatory questions within its remit, including approving an increase in the staffing, office, and accommodation budgets available to MPs for 2024-25. Ensuring that IPSA was prepared for a General Election was a Board priority in 2023-24, with the Board approving changes to the winding-up period for departing MPs and additional support for returning MPs affected by constituency boundary changes.

Other crucial work included reviews of MPs' bought-in services and communications spending; the decision to restrict the publication of MP travel data and temporarily allow for taxi travel in light of increased security concerns; a review into IPSA's strategic communications strategy; and a review of the MPs' Scheme of Staffing and Business Costs, with preparatory work completed for consultations in 2024-25 that will precede the publication of a post-General Election Scheme anchored around a principles-based approach to regulation.

In 2023-24, the Board made progress in implementing the recommendations made by the external evaluation of governance arrangements conducted in 2022-23. This included IPSA's participation in the Boardroom Apprenticeship Programme in 2024 and the completion of a Board Skills Audit which will inform the establishment of a Continuing Professional Development programme for Board members.

The Board met seven times in person in 2023-24, with two additional meetings held virtually, and a Board sub-group meeting once to discuss issues concerning the implementation of the McCloud pensions judgment.

The Chief Executive, Directors, Chief of Staff, and Head of Policy also attended Board meetings.

F. The Audit and Risk Assurance Committee (ARAC) – scope of responsibility

The ARAC supports the Board's work and the Chief Executive in his role as Accounting Officer in maintaining effective governance, control and risk management arrangements. It assesses the executive's management of risk and the assurance framework in place and advises the Chief Executive on the framework's adequacy.

In 2023-24, membership of the ARAC included three Board members, Helen Jones, Lea Paterson, and Will Lifford, the member who is qualified to be a statutory auditor, as chair. This ensures the Committee has professional, qualified direction in matters relating to the consideration of IPSA's accounting, financial control, risk management and assurance arrangements.

Meetings of the ARAC were at various times shadowed by Dame Laura Cox and IPSA's Boardroom Apprentice. Since 15 June 2022, Richard Lloyd OBE, Chair of the Board, has not attended ARAC meetings, in order to ensure appropriate reporting, challenge, and assurance at Board level.

Together with representatives of IPSA's internal auditors RSM, the National Audit Office, and the Director of Finance, the Chief Executive is invited to attend ARAC meetings. The Committee is supported by the Head of Audit, Risk, and Assurance and the Chief of Staff.

The ARAC met four times during the reporting period.

In 2023-24, the Committee has focused on a range of reviews relating to various expenditure categories within the Scheme alongside activity to assure that key processes and controls are operating effectively across Finance and Payroll functions

and that arrangements for managing the risk relating to cyber-security attacks and wider data protection are working effectively. ARAC has also reviewed IPSA's risk appetite and strategic risk register, supporting improvements in risk management, ensuring lessons are identified and learned and that the recommendations arising from internal audit reviews are implemented.

The Committee also reviews IPSA's strategic risks each quarter and in 2023-24 began to conduct annual deep dives into each risk to support the high-level review. Also in 2023-24, the ARAC agreed to the introduction of a new strategic risk, 'Trust in Democracy', in line with the new strategic objective introduced by the Board.

The committee reviews all internal audit reports and discusses the plans and outcomes of internal and external audits.

G. The People Committee

The People Committee, chaired by Helen Jones, met three times during 2023-24 and is responsible for agreeing IPSA's remuneration policy and setting the remuneration of the Chief Executive, Compliance Officer, and IPSA's Directors. It also agrees the overall pay award for IPSA staff and wider people strategy. The Committee also considers issues of diversity and inclusion, development, and culture and connectedness, particularly in the context of IPSA's permanent shift to hybrid working.

The Committee is chaired by Helen Jones and comprises herself, Richard Lloyd and Lea Paterson with the Chief Executive, Director of Strategy and Change, Head of People, and Chief of Staff also invited unless conflicted under particular agenda items.

In 2022-24, the Committee approved the appointment and terms of conditions of a new Compliance Officer, undertook succession planning for senior roles and the review of development plans for IPSA's people, considered amendments to IPSA's Employee Value Proposition, and assessed the outcomes and resulting actions arising from the 2023 Board Skills Audit.

H. The Improving IPSA Assurance Group

The Improving IPSA Assurance Group (IIAG) met five times in 2023-24. IIAG is chaired by Lea Paterson CBE, with Richard Lloyd OBE, and Will Lifford comprising the remaining non-executive membership. The Chief Executive is also a permanent attendee, with Directors often invited to contribute and present. The Committee is supported by the Chief of Staff, meets quarterly, and is supplemented by informal workshop discussions as required.

The key objective of IIAG is to support the Chief Executive and team in providing appropriate assurance to the Board and key external stakeholders such as SCIPSA on the Improving IPSA project. Specifically, IIAG provides guidance and feedback on developing reports for the Board and external stakeholders that will build and maintain confidence in the project and its deliverables, including reporting of projected and actual resource costs for the project and its constituent workstreams, workstream/project progress against agreed milestones/targets, projected and realised benefits for the project and its constituent workstreams, and planned external communications to SCIPSA and other stakeholders about the project's progress. IIAG also provides an informal forum, as needed, for road-testing project updates and reports ahead of their presentation to the Board.

Decisions about project implementation and delivery, however, remain for the IPSA Programme Board (or, if sufficiently substantive, for the main IPSA Board).

Committee attendance

The attendance of each member at Board, ARAC, People Committee and IIAG meetings can be seen in the following table.

Member	Board	ARAC	People Committee	IIAG
Richard Lloyd <i>Chair</i>	7 (7)	N/A	3 (3)	5 (5)
Will Lifford <i>Audit and Risk Assurance Committee Chair</i>	7 (7)	4 (4)	2 (2)	5 (5)
Dame Laura Cox <i>Board member</i>	4 (6)	2 (2)	1 (2)	2 (3)
Lea Paterson <i>IIAG Chair</i>	7 (7)	4 (4)	3 (3)	5 (5)
Helen Jones <i>People Committee Chair</i>	6 (7)	3 (4)	3 (3)	N/A
Sir Robert Owen <i>Board Member</i>	N/A	N/A	1 (1)	N/A
John Midgley <i>Boardroom Apprentice</i>	3 (3)	1 (1)	N/A	N/A

Note:

[1] The figures in brackets are the number of meetings the member was eligible to attend.

I. IPSA's senior management

IPSA's ELT is led by the Chief Executive, who is responsible for delivery in line with the policy direction set by the Board.

The Directors of IPSA during 2023-24 were as follows:

Ian Todd, Chief Executive

Ian joined IPSA in October 2020. He was formerly Chief Executive of the Security Industry Authority and Deputy Director General at the Independent Office for Police Conduct.

He has also held several other board-level roles in professional regulation, including the health and legal sectors. Ian has also spent time in central government, including the Department for Education and the Cabinet Office.

He has extensive experience of dealing with the public in a frontline role as his first career was with the NHS ambulance service. During 15 years in the ambulance service, he was a qualified paramedic and held several roles to director level, including as part of the senior command team during the 7/7 London bombings.

Thomas Fitch, Director, Finance

Thomas has led IPSA's finance team since February 2022. He is responsible for leading the finance, payroll, and procurement functions to deliver taxpayer value for money.

Thomas draws on his experience working as a finance professional across a variety of public and private sector roles, including Imperial College London and the Department for Health and Social Care. He has driven better financial management across a variety of asset classes, including container ships and real estate.

Thomas trained as a chartered accountant at HM Treasury.

Karen Walker, Director, Strategy & Change

Karen joined IPSA in August 2020. She spent 30 years in the customer services industry, gaining a wealth of experience spanning financial services, utilities, and telecoms at brands such as telephone and online bank First Direct, Centrica and Virgin Media.

She has a background in operational and change leadership, culture change, regulation, credit management and customer service excellence and is renowned for developing purposeful customer-centric cultures to drive advocacy and great customer outcomes, breaking down barriers to service excellence and customer retention.

Yorkshire born and bred, Karen is also a Non-Executive Director at the Bradford Teaching Hospitals NHS Foundation Trust where she is translating her keen interest and experience in people and customers into helping the Trust achieve great patient outcomes and service excellence.

Lee Bridges, Director, Policy & Engagement

Lee's teams are responsible for IPSA's policy development, its communications and engagement with the public and stakeholders, the publication policy and information governance across the organisation.

Lee joined IPSA from the House of Commons where he worked in several roles including in communications, Members' Services, and finance. Lee was the Senior Responsible Owner for the development of Parliament's Independent Complaints and Grievance Scheme which is there to tackle workplace harassment and bullying.

Prior to joining the House of Commons, Lee was one of the first clerks appointed to the new Scottish Parliament in 1998 and played a role in establishing the policies and procedures for the new legislature.

J. Risk management and assurance

Risk management

IPSA uses risk management to inform its business decisions, enable more effective use of resources, enhance strategic and business planning, and strengthen contingency arrangements.

During 2023-24 IPSA's risk management framework and risk management software were further embedded.

The main risks to achieving IPSA's corporate objectives are set out in a strategic risk register. The composition of the strategic risk register has been regularly reviewed and revised where appropriate. All risks which have featured on IPSA's strategic risk register during 2023-24 are set out in the table below.

The strategic risk register sets out the controls aimed at managing the risks and any additional measures required to bring risks down to a target level based on IPSA's risk appetite. Each risk has a designated owner who is a director and is accountable for implementing appropriate and proportionate control measures. The register is reviewed regularly by the Executive Leadership Team, Directors and as a standing item by the Audit and Risk Assurance Committee.

Systems to identify, evaluate and manage risk have been in place throughout the year and up to the date of approval of the accounts.

Main risks identified and action taken

Risk area	Key actions and issues in the year
<p>Cyber-attack</p>	<p>Managing the risk of a successful cyber-attack has continued to be a priority focus of risk management during 2023-24, with IPSA’s risk appetite relating to cyber-attack remaining averse.</p> <p>The IT team have introduced a number of technical controls to mitigate risks and there is an extensive programme of staff awareness and testing across the organisation to embed cyber-security awareness culturally. New policies have been developed relating to: Security Education, Training and Awareness; vulnerability management; and supply chain security.</p> <p>Despite a reasonably positive internal audit review of the arrangements in place across IPSA, the nature of the risk landscape presents significant challenges for any organisation and the capability of hostile state-sponsored attack on high profile UK targets such as IPSA is a reality.</p> <p>IPSA continues to regularly review emerging threats and defences and ensures that when new technologies become available these are considered as part of our cyber-security position. External penetration tests discovered no vulnerabilities. The IT team continue to liaise with vendors to develop appropriate and proportionate Continuous Threat Exposure Management (CTEM) solutions and derive additional assurance around third party security.</p>
<p>Data loss</p>	<p>IPSA is acutely aware of its obligation to safeguard and use appropriately the information it holds about its stakeholders and staff.</p> <p>A data protection deep dive was performed which found that IPSA has made considerable progress in improving its management of risks which could result in the loss of data.</p> <p>IPSA has a range of controls in place including regular staff awareness training.</p> <p>The information governance framework has been reviewed and refreshed during 2023-24 by the Data Protection Officer to ensure that policies and procedures reflect best practice.</p>
<p>Reputation with stakeholders</p>	<p>Problems with the introduction of its IT system and workload issues from the December 2019 General Election damaged IPSA’s reputation with MPs and their staff.</p> <p>The primary drivers associated with this risk are linked to other key risks including poor delivery of services, technology and system failures, and our approach to regulation being negatively perceived.</p> <p>IPSA has a range of mitigations linked to communications and engagement activities, with key future facing mitigations linked to the Improving IPSA Programme and cross-organisational transformation activity linked to several policy reviews.</p> <p>In the latter part of 2023-24 the political environment focused on the General Election campaign and IPSA continued to monitor developments and be responsive to stakeholder concerns.</p>

Risk area	Key actions and issues in the year
<p>Improving IPSA Programme Delivery (Formerly: Delivery of transformation programme)</p>	<p>As noted above, IPSA has implemented a major transformation programme focussed on improving the service it provides to MPs and how it regulates the funding it provides.</p> <p>IPSA is aware of the delivery risks associated with such programmes and has governance, control, and risk management arrangements in place. This moved to the Improving IPSA programme in April 2023.</p> <p>The programme’s progress and achievements are monitored by the Executive Leadership Team and regularly reviewed by the Board.</p>
<p>Delivery of business objectives</p>	<p>IPSA recognises the importance of providing a good service in managing the risk to deliver its business objectives.</p> <p>Initiatives which have focused on enhancing overarching performance and delivery of KPIs have continued to deliver improvements throughout 2023-24 and a positive direction of travel has been maintained as IPSA is nearing the end of the 3-year Corporate Planning cycle. There is a substantial amount of data and information available showing controls are being implemented and are operating effectively.</p> <p>The positive progress evidenced has enabled IPSA to reduce the residual risk rating in this area.</p> <p>Additional actions such as full embedding of a quality assurance framework across IPSA will control the risk further, and potentially assist in reducing the level of risk exposure further.</p>
<p>People</p>	<p>The People risk was incorporated on the strategic risk register in March 2023.</p> <p>The Senior Leadership Team and ARAC recognised a number of contributory factors including shifts in the UK labour market post-COVID, IPSA’s move to hybrid working, and higher than anticipated staff attrition rates. There are also capacity, capability and resilience risks linked to the General Election period which triggered a material increase in IPSA’s workload across a number of functional and operational areas.</p> <p>There have been a number of measures introduced during 2023-24 which have yielded results and delivered a positive impact. Grow Our People KPIs are positive across a range of factors including health and wellbeing, engagement and belonging.</p> <p>A number of ongoing actions to reduce the risk further including development of the people strategy action plan; work on succession planning; further leadership training; undertaking a salary benchmarking exercise; and embedding the Quality Assurance Framework across the organisation will increase the resilience of the organisation to manage people related risks.</p>

Risk area	Key actions and issues in the year
<p>Effective use of security funding</p>	<p>This risk was first highlighted and added to the strategic risk register in November 2022.</p> <p>During 2023-24 work to transition security funding to the House of Commons authorities has substantively concluded as key handover activities have been completed and IPSA’s involvement in service provision has been wound up resulting in a gradual reduction in the level of residual risk reported over time</p> <p>A formal review of this risk in November 2023 found the residual risk score was well below risk appetite, indicating limited exposure to IPSA at a strategic level. It was agreed that transferring this to a lower-level risk register would be a proportionate action to take and IPSA continue to monitor residual activity until all elements associated with the transition have been completed.</p>
<p>Changes in the external environment</p>	<p>IPSA is strengthening the way that it monitors the external environment to enable it to be ready to take advantage if any opportunities outside IPSA present and to mitigate any foreseeable disadvantages.</p> <p>This risk was reviewed by ARAC where it was accepted that overall the external environment within which IPSA operates was becoming increasingly challenging as a result of the way politics is perceived and the recent General Election.</p> <p>A significant amount of mitigating activity is already in place, primarily relating to improving collaboration and engagement across the political sphere, ensuring IPSA has sufficient capacity and capability to manage a complex set of stakeholders and ensuring that horizon scanning is working adequately and is supported by an effective business continuity response capability.</p> <p>Further mitigating actions are in place focusing on wider strategic change activity across IPSA.</p>
<p>Supporting Trust in Democracy</p>	<p>This was formally incorporated into the strategic risk register in December 2023.</p> <p>The contributing factors include issues associated with inadequate understanding of IPSA’s role in regulating MP funding and misconceptions about what can be claimed; lack of communications and engagement to provide a clear narrative about the purpose of funding; the potential for media stories and Board decisions to be perceived as lax regulation or loosening of the regulatory framework regulation of MP funding; and MP pay decisions being seen as out of touch with public’s experiences.</p> <p>There are mitigations around effective relationship management with stakeholders, developing more innovative approaches to social media use and regular public sentiment analysis which have been implemented. There are also actions around reviewing capacity and enhancing IPSA’s strategic approach communications.</p>

Internal audit

Internal audit work, including the Head of Internal Audit role, is contracted out to RSM UK.

Six internal audits, including audits following up previous reports, were carried out in 2023-24.

Areas covered included Freedom of Information Act 2000 (FoIA), compliance with General Data Protection Regulation, MP business costs, payroll and employment tax, performance and financial management, key financial controls and follow-ups regarding previous recommendations.

Overall, the Head of Internal Audit's opinion as of June 2024, from the work carried out, was that IPSA has an adequate and effective framework for risk management, governance, and internal control. Internal Audit's work identified further enhancements to the framework to ensure that it remains adequate and effective.

A review of the model to deliver IPSA's internal audit service was undertaken during 2023-24 and a decision was made to move to a co-source delivery model from April 2024 led by the Head of Audit, Risk and Assurance. The Internal Audit and Assurance Team plans will be combined into a single programme of activity with the majority of the work delivered by an in-house team, supported by resources provided by a commercial partner as and when required.

IPSA's Assurance Team

During 2023-24 the team have worked to embed and incrementally improve the application of risk management and the overarching systems and processes across IPSA.

The team carried out a range of assurance reviews which were primarily geared around key elements of the Scheme including pooled services, bought in services, value for money, procurement of properties, how effectively IPSA is preventing and managing debt and the systems and controls in place associated with direct payments to suppliers.

The team also conducted work focusing on the effectiveness of IPSA's internal policies alongside advisory reviews of proposed changes to validation and transformation processes, IPSA's planning and preparations leading up to the General Election held this year and a post-implementation review of the introduction of hybrid working for IPSA staff.

Data and information security

The Director of Policy and Engagement operates as the Senior Information Risk Owner and advises the Chief Executive on the effectiveness with which IPSA manages the risks associated with the information it controls and processes.

Each senior manager involved in running key IPSA processes has responsibility for managing the risks associated with their information assets, as an Information Asset Owner (IAO).

A deep dive review of the Data Loss risk was presented to the March 2024 ARAC.

The Data Protection Officer is updating IPSA's Register of Processing Activity and as part of this exercise will ensure that – following recent turnover at senior manager level – IAOs are aware of their responsibilities and receive appropriate training.

Further information on the work carried out during the past year is in the Data Protection paragraph on page 14.

K. Corporate Governance Code

The Corporate Governance Code (the Code) issued by HM Treasury and the Cabinet Office is designed specifically for central government departments.

It is essential that IPSA upholds the highest standards in its operations.

IPSA is compliant with the material requirements of the Code where they are relevant to its statutory position, in most cases complying with both the letter and the spirit of the Code's provisions.

Where the requirements of the PSA 2009 differ from the Code, IPSA will always seek to comply with the Act, which reflects the wishes of Parliament.

L. Assessment of effectiveness

By relying on the arrangements described above, as Chief Executive I can assess the effectiveness of the control environment in place to ensure the resources for which I am responsible are subject to sound management and control.

The assessment of the governance, risk management and internal controls in place has also been informed by:

- an assurance statement from each director confirming the adequacy of the controls within their areas of responsibility. No control issues have been raised in the directors' statements

- IPSA's management assurance processes under the internal control framework, including regular reports from the Head of Audit, Risk and Assurance
- the independent work completed by internal audit and the opinion provided by the Head of Internal Audit
- comments made by the Comptroller and Auditor General, Head of the National Audit Office, as our external auditor in their management letter and other reports

M. Whistleblowing

IPSA adheres to the whistleblowing policy that is applicable to Civil Servants, including adherence to the Civil Service Code. Information regarding this policy is available for all staff on IPSA's intranet site. The Audit and Risk Assurance Committee is informed at the start of every meeting if any whistleblowing cases have been raised. In 2023-24 there were no such cases.

Overall, evidence was considered that supports this Governance Statement, including from IPSA's governance structures and the independent advice provided by the Audit and Risk Assurance Committee.

I conclude IPSA has satisfactory governance and risk management systems with effective plans to ensure continuous improvement.

4. Remuneration and staff report

A. Remuneration policy

The following information provides details of the remuneration and pension interests of IPSA's Board Members, IPSA's Directors and the Lay Members of SCIPSA.

IPSA's policy is to:

- remunerate staff at a level that is fair and allows the organisation to recruit, retain and motivate high-performing individuals
- assess relevant benchmarks and market conditions
- ensure that salaries are proportionate to the appropriate skills and experience, taking account of the needs of the organisation as a whole and individual roles
- measure performance (in the case of senior staff)
- consider transparency, fairness, public acceptability, value for money and affordability

IPSA aims to pay staff within 10% of a benchmarked median pay rate in accordance with this policy.

Chief Executive

Ian Todd has held the post of Chief Executive since 19 October 2020.

The IPSA Board and People Committee determine the Chief Executive's salary.

Chair and Board Members

The Speaker determines the daily rate for the members of the IPSA Board which were set in April 2022 at £800 for the Chair and £500 for ordinary members.

The remuneration for the Chair and Board Members is non-pensionable. Board Members are reimbursed on the presentation of timesheets setting out hours spent on IPSA business.

The anticipated time commitment from IPSA Chair is up to ten days per month and from the ordinary Board Members two to three days per month, but greater commitment may be needed at certain times.

IPSA staff

The PSA 2009 provides that the remuneration and other terms and conditions of the Chief Executive and their staff should broadly be kept in line with those in the Civil Service.

IPSA directly employs staff from across each of the UK nations on either permanent or fixed-term contracts.

The remuneration of all Executive Directors is determined by the People Committee of the Board, chaired by Helen Jones.

Lay Members of the Speaker's Committee for IPSA (SCIPSA)

IPSA is responsible for paying the Lay Members of SCIPSA.

The Lay Members appointed under the PSA 2009 are not employees of IPSA. The Lay Members are paid at a rate of £300 per day.

B. Remuneration (including salary) and pension entitlements

The following table provides details of the remuneration and pension interests of IPSA's Chair, Board Members and Directors, and of the Lay Members of SCIPSA.

Disclosure of IPSA Chair and Board Members' remuneration (audited)

Name	Appointed	End-date	Remuneration £'000		Benefits-in-kind ^{[1][2]} £'000	
			2023-24	2022-23	2023-24	2022-23
Richard Lloyd: Chair	01/09/21	31/08/26	55-60	40-45	0.1	–
Helen Jones: Board Member	01/01/21	31/12/25	5-10	0-5	5.4	6
William Lifford: Board Member	11/01/23	10/01/26	10-15	5-10	5.7	3.6
Lea Paterson: Board Member	14/03/22	14/03/27	10-15	5-10	0.5	0.5
Dame Laura Cox: Board Member ^[3]	01/08/23	31/07/28	5-10	–	0.5	–
Sir Robert Owen: Board Member ^[4]	01/01/16	26/04/23	0-5	0-5	0.4	1.1

Notes:

- [1] The benefits-in-kind are sums reimbursed for the costs (travel, accommodation, and telephone costs) incurred by the members in carrying out their Board responsibilities. The figures have been grossed up to include the tax element covered by IPSA.
- [2] Both 2023-24 and 2022-23 figures have been rounded to the nearest £100.
- [3] Dame Laura Cox was appointed to the Board on 1 August 2023 for a period of five years. The remuneration disclosed relates to her work from 1 August 2023 to 31 March 2024.
- [4] Sir Robert Owen left the Board on 26 April 2023, having given over seven years of service.

Disclosure of IPSA CEO and Directors' remuneration (audited)

Name	Salary £'000		Pension benefits £'000 ^[1]		Total £'000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Ian Todd: CEO	150-155	145-150	59	(12)	210-215	135-140
Thomas Fitch ^[2] : Director of Finance	115-120	95-100 (110-115 FYE)	45	44	160-165	140-145
Georgia Wilson: Director of MP Services (up to 30 January 2023)	–	90-95 (105-110 FYE)	–	6	–	95-100
Karen Walker: Director of Strategy and Change	115-120	110-115	45	44	160-165	155-160
Lee Bridges: Director of Policy and Engagement	115-120	110-115	45	44	160-165	155-160

Notes:

- [1] The pension benefits are actuarial figures provided by MyCSP, the Civil Service Pension provider and represent notional benefits earned in the last year. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. Pensions benefits movements are affected by the duration of membership and earnings during this time and contain an actuarial calculation.
- [2] Thomas Fitch's actual salary for 2022-23 is less than his FYE salary as he took a period of extended paternity leave between August and October 2022.

Salary

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by IPSA and thus recorded in these accounts.

Benefits-in-kind

The monetary value of benefits-in-kind covers any benefits provided by IPSA and is treated by HM Revenue and Customs as a taxable emolument.

During the year to 31 March 2024, benefits-in-kind totalling £12,700 (2022-23: £11,200) were given to the Chair and Board Members. No benefits-in-kind were paid to SCIPSA

Lay Members (2022-23: £1,530). There were no benefits-in-kind paid to the CEO or Directors (2022-23: £Nil)

Bonuses

There is no bonus system in operation at IPSA. IPSA runs an individual and team Reward and Recognition (R&R) scheme that recognises those who support IPSA's values, enhance its image, or deliver extraordinary service to its users or outstanding pieces of work with individual awards totalling no more than £250.

Senior staff members

The full-time equivalent bandings of the senior staff members of IPSA are as follows.

Senior staff salary bands

Remuneration banding	Number of individuals in banding	
	2023-24	2022-23
£95,000 – £100,000	–	–
£100,001 – £105,000	–	–
£105,001 – £110,000	–	1
£110,001 – £115,000	–	3
£115,001 – £120,000	3	–
£120,001 – £125,000	–	–
£125,001 – £130,000	–	–
£130,001 – £135,000	–	–
£135,001 – £140,000	–	–
£140,001 – £145,000	–	–
£145,001 – £150,000	–	1
£150,001 – £155,000	1	–
Total	4	5

Disclosure of SCIPSA Lay Members' remuneration (audited)

Name	Appointed	End Date	Total remuneration £'000	
			2023-24	2022-23
Cindy Butts ^[1] Lay Member	01/03/19	29/02/24	0-5	0-5
Peter Blausten Lay Member	27/01/20	26/01/25	–	–
Theresa Middleton CBE Lay Member	27/01/22	26/01/27	0-5	0-5

Note:

[1] Cindy Butts ceased being a Lay Member of SCIPSA on 29 February 2024. Tina Fahm was appointed as her replacement on 6 May 2024 for a term of five years.

C. Fair pay disclosures

This section has been subject to audit.

Reporting bodies are required by the Government Financial Reporting Manual (FRoM) to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in IPSA in the financial year 2023-24 was £150,000-£155,000 (2022-23: £145,000 – £150,000), being a 2.9% change from 2022-23. This was 4.14 (2022-23: 3.98) times the median full-time equivalent remuneration of the workforce, which was £37,019 (2022-23: £37,451). The median full-time equivalent remuneration of the workforce decreased by 1.2% from 2022-23.

In 2023-24, no employee received remuneration above the highest-paid director (2022-23: nil). Full-time equivalent remuneration ranged from £22,000 to £155,000 (2022-23: £21,000 to £150,000). The average percentage change in total remuneration from the previous financial year for all IPSA employees (excluding the highest-paid director) was an increase of 0.2% (2022-23: 2%).

Pay ratios against the highest-paid director

	Ratio		Total pay & benefits (£)		Salary component (£)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
25 th Percentile ⁽¹⁾	4.92 ⁽²⁾	5.02 ⁽²⁾	31,139	29,685	31,139	29,685
Median ⁽¹⁾	4.14 ⁽²⁾	3.98 ⁽²⁾	37,019	37,451	37,019	37,451
75 th Percentile ⁽¹⁾	3.06 ⁽²⁾	3.00 ⁽²⁾	50,025	49,580	50,025	49,580
Band of the highest-paid director	–	–	150,000– 155,000	145,000– 150,000	150,000– 155,000	145,000– 150,000

Note:

[1] The pay ratios relate to the employees who are on the 25th, 50th (median) and 75th percentile of pay and benefits.

D. Pension information for Directors

The figures given below have been supplied by My Civil Service Pension (MyCSP), the pension administrator for IPSA staff.

Pension benefits of senior staff members (audited)

Name	Accrued pension at pension age as at 31 March 2024 (and related lump sum)	Real increase in pension and related lump sum at pension age	CETV ^{[1][2]} at start date 1 April 2023	CETV at end date 31 March 2024	Real increase in CETV funded by employer
	£'000	£'000	£'000	£'000	£'000
Ian Todd	40-45	2.5-5	541	653	38
Thomas Fitch	5-10	2.5-5	28	61	21
Karen Walker	10-15	2.5-5	101	152	31
Lee Bridges	25-30	2.5-5	364	445	31

Notes:

[1] CETV = Cash Equivalent Transfer Value (see pages 63 to 64)

[2] Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23 but are reported in the legacy scheme for the same period in 2023-24.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, while nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional

arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as 'rollback'.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service Pension arrangements [can be found on the Civil Service Pension Scheme website](#).

Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The

pension figures shown relate to the benefits that the individual has accrued due to their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service Pension arrangements. They also include any additional pension benefit accrued to the member due to their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008, SI 2008/1050. They do not consider any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

This reflects the increase in CETV that the employer funds. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

E. Staff and other pay costs report

The following disclosures on staff costs, the average number of persons employed and exit packages have been subject to audit.

Staff and other pay costs (audited)

	2023-24					2022-23
	Permanent staff ^[1]	Agency staff & Contractors	Chair & IPSA Board	SCIPSA Lay Members	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries	4,633	–	97	1	4,731	4,427
Social security costs	477	–	9	–	486	568
Other pension costs	1,198	–	–	–	1,198	1,128
Agency staff & Contractors	–	64	–	–	64	403
Sub total	6,308	64	106	1	6,479	6,526
Secondment Income	(29)	–	–	–	(29)	(55)
Total net costs*	6,279	64	106	1	6,450	6,471
*No staff costs have been capitalised (2022-23 £nil)						

Note:

[1] The permanent staff costs include the Compliance Officer's remuneration for the IPSA (annual salary range £30,000 to £35,000).

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS) – known as *alpha* – are unfunded multi-employer defined benefit schemes in which IPSA is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as of 31 March 2020.

Details can be found in the [Accounts of the Cabinet Office: Civil Superannuation](#).

For 2023-24, employer's contributions of £1,198,000 were payable to the Civil Service Pension schemes (2022-23: £1,128,000) at one of four rates in the range 26.6% to 30.3% (2022-23: 26.6% to 30.3%) of pensionable pay, based on salary bands.

The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. There are two employees with partnership pension schemes.

Average number of persons employed and staff composition

The average number of full-time equivalent (FTE) persons employed at IPSA during the period was as per the table below. The average was calculated as the average of people in the post by month over the 12 months to 31 March 2024. The gender analysis of the full-time equivalent persons was as follows.

Gender analysis of the full-time equivalent persons (total numbers audited excluding gender split)

	Average 2023-24 FTE						
	Permanent staff	Agency staff	Fixed Term staff	Total IPSA staff	Chair & IPSA Board	Compliance Officer	SCIPSA Lay Members
Male	39	–	2	41	2	1	1
Female	57	–	–	57	3	–	2
Total	96	–	2	98	5	1	3

	Average 2022-23 FTE						
	Permanent staff	Agency staff	Fixed Term staff	Total IPSA staff	Chair & IPSA Board	Compliance Officer	SCIPSA Lay Members
Male	42	1	1	44	3	–	1
Female	55	1	2	58	2	1	2
Total	97	2	3	102	5	1	3

IPSA's staff turnover rate (calculated as the number of staff who left the organisation divided by the average number of staff for the year) was 16.2% (2022-23: 17.6%). The turnover rate is mostly due to staff leaving to obtain career progression opportunities.

Reporting of Civil Service and other Compensation Schemes – Exit packages (audited)

Exit package cost band	Number of voluntary departures agreed	
	2023-24	2022-23
<£10,000	–	–
£10,000 – £25,000	–	–
£25,001 – £50,000	–	–
£50,001 – £75,000	–	–
£75,001 – £100,000	1	–
Total number of exit packages	1	–
Total cost (£'000)	94	–

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972.

Exit costs are accounted for in the year that they are agreed. Where the organisation has agreed on early retirements, the additional costs are met by IPSA and not by the Civil Service Pension scheme.

Ill-health retirement costs are met by the pension scheme and are not included in the table.

Reward and Recognition Scheme

IPSA runs an individual and team Reward and Recognition (R&R) scheme, which gives recognition to those who support IPSA's values, enhance its image, or deliver extraordinary service to its users or outstanding pieces of work.

There were four R&R awards during the reporting period, with a total value of £1,645 (2022-23: seven awards during the period, with a total value of £2,343).

Sickness absence

Over the 2023-24 financial year, the sickness absence rates within IPSA (monitored monthly) were on average 2.9% (2022-23: 3.7%).

People policies

All posts with IPSA must be advertised in internal and external media to ensure we comply with our Equality and Diversity policy. Certain exceptions may apply for internal recruitment, such as:

- temporary/fixed term posts of six months' duration or less
- when employees whose fixed-term contracts of employment are ending are offered a permanent post to avoid a redundancy situation
- where there is a risk of a redundancy situation

We are committed to equality of opportunity and fair and equitable treatment of current and potential employees, recruiting on merit through fair and open competition. Equal opportunities and anti-discrimination measures are promoted throughout the recruitment and selection process to ensure no bias in assessing candidates. The selection process is objective, impartial, and applied consistently.

Learning and development help us to enable performance excellence and skills development, and through regular development conversations our people are empowered to develop their careers. A regular learning needs analysis helps us assess organisation-wide development needs aligned to our Corporate Plan.

We ensure that we remove any barriers and prevent disadvantage to our people who may benefit from alteration or reasonable adjustment and through equality impact assessments we ensure that our activity is based on the fair and equitable treatment of all IPSA employees.

Trade union and employee consultation

We collaborate with a Trade Union representative (PCS Union) on relevant matters, as appropriate. No activity necessitated formal employee consultation during 2023-24.

Consultancy expenditure

In 2023-24 IPSA spent £403,000 on consultancy and advice services (2022-23: £225,000). This was made up of:

- organisational redesign work: £137,000
- work on the McCloud implementation project: £97,000
- work on digital transformation project: £86,000
- system maintenance and continuous improvement programme: £41,000
- work on the creation of Green Paper: £30,000
- constituency office proof of concept: £12,000

Agency and off-payroll engagements

Between 1 April 2023 and 31 March 2024, IPSA engaged one member of staff on an interim basis via an agency. IPSA has received assurance that their Income Tax and National Insurance obligations were fully met.

There were no off-payroll engagements in 2023-24.

There were no off-payroll engagements of Board members or senior officials with significant financial responsibility between 1 April 2023 and 31 March 2024.

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

	Core Dept.
No. of existing engagements as of 31 March 2024	–
Of which:	
No. that have existed for less than one year	–
No. that have existed for between one and two years	–
No. that have existed for between two and three years	–
No. that have existed for between three and four years	–
No. that have existed for four or more years	–

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

	Core Dept.
No. of temporary off-payroll workers engaged during the year ended 31 March 2024	1
Of which:	
Not subject to off-payroll legislation	–
Subject to off-payroll legislation and determined as in-scope of IR35	1
Subject to off-payroll legislation and determined as out-of-scope of IR35	–
No. of engagements reassessed for compliance or assurance purposes during the year	–
No. of engagements that saw a change to IR35 status following review	–

5. Parliamentary Accountability and Audit Report

Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires IPSA to prepare a Statement of Outturn against Parliamentary Supply (SoPS) and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

The SoPS and related notes are subject to audit as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SoPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate.

Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise.

The Estimate details supply and is voted on by Parliament at the start of the financial year. Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SoPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly tie to cash spent) and administration.

The SoPS and Estimates are compiled against the budgeting framework, which is similar but distinct from IFRS.

An understanding of the budgeting framework and an explanation of key terms is provided on pages 20 to 24, in the Financial Review section of the Performance Report.

Further information on the public spending framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SoPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament.

The Financial Review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SoPS disclosures.

The supporting notes detail the following:

- Outturn by Estimate line, providing a more detailed breakdown (note 1)
- a reconciliation of outturn to net operating expenditure in the Statement of Comprehensive Net Expenditure (SoCNE), to tie the SoPS to the financial statements (note 2)
- a reconciliation of outturn to net cash requirement (note 3)
- an analysis of income payable to the Consolidated Fund (note 4)

Summary of Resource and Capital Outturn 2023-24

		2023-24				2022-23	
Type of Spend	SoPS Note	Outturn		Estimate		Outturn vs Estimate: saving/ (excess)	Outturn total
		Voted	Total	Voted	Total	Voted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Departmental Expenditure Limit							
Resource	1.1	244,033	244,033	250,116	250,116	6,083	232,804
Capital	1.2	466	466	523	523	57	47
Annually Managed Expenditure							
Resource	1.1	(17)	(17)	150	150	167	40
Capital	1.2	–	–	–	–	–	–
Total Budget		244,482	244,482	250,789	250,789	6,307	232,891
Total Resource	1.1	244,016	244,016	250,266	250,266	6,250	232,844
Total Capital	1.2	466	466	523	523	57	47

Net Cash Requirement 2023-24

2023-24					2022-23
	SoPS Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)	Outturn total
		£'000	£'000	£'000	£'000
Net Cash Requirement	3	242,825	250,112	7,287	230,755

Notes:

- [1] Figures in the areas outlined in bold are voted totals or other totals subject to Parliamentary control.
- [2] Explanations of variances between Estimate (budget) and Outturn (actual spend) are on pages 20 to 24.
- [3] For Estimate purposes, all IPSA's income and expenditure are classified as Programme.
- [4] IPSA has no Non-Voted Expenditure.

74 Notes to the Statement of Outturn against Parliamentary Supply, 2023–24
SoPSI Outturn detail, by Estimate line

SoPSI.1 Analysis of resource outturn by Estimate line

2023-24 £'000								2022-23 £'000
Type of spend (Resource)	Outturn			Estimate				Outturn total
	Programme							
Spending in Departmental Expenditure Limit (DEL) <i>Voted:</i>	Gross	Income	Net	Total	Virements	Total including Virements	Outturn vs Estimate: saving/ (excess)	Total
A. MPs' Pay, staffing, business costs and expenses	233,138	–	233,138	239,252	(31)	239,221	6,083	222,520
B. IPSA operations (core costs)	10,895	–	10,895	10,864	31	10,895	–	10,284
Voted Departmental Expenditure	244,033	–	244,033	250,116	–	250,116	6,083	232,804
Spending in Annually Managed Expenditure <i>Voted:</i>								
C. Provisions and Impairments	(17)	–	(17)	150	–	150	167	40
Voted Annually Managed Expenditure	(17)	–	(17)	150	–	150	167	40
Total	244,016	–	244,016	250,266	–	250,266	6,250	232,844

SoPSI.2 Analysis of capital outturn by Estimate line

2023-24 £'000						2022-23 £'000
Type of spend (Capital)	Outturn			Estimate	Outturn total	
	Programme					
Spending in Departmental Expenditure Limit (DEL) <i>Voted:</i>	Gross	Income	Net	Net Total	Outturn vs Estimate: saving/ (excess)	Net
A. MPs' Pay, staffing, business costs and expenses	–	–	–	30	30	(8)
B. IPSA operations (core costs)	466	–	466	493	27	55
Voted Departmental Expenditure	466	–	466	523	57	47
Spending in Annually Managed Expenditure <i>Voted:</i>						
Voted Annually Managed Expenditure	–	–	–	–	–	–
Total	466	–	466	523	57	47

SoPS2 Reconciliation of outturn to net operating expenditure

There are no reconciling items between the net operating expenditure reported in the Statement of Comprehensive Net Expenditure and the net resource outturn reported within the Statement of Outturn against Parliamentary Supply for 2023-24 and 2022-23.

SoPS3 Reconciliation of net resource outturn to net cash requirement

	SoPS Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)
		£'000	£'000	£'000
Resource Outturn	1.1	244,016	250,266	6,250
Capital Outturn	1.2	466	523	57
Accruals to cash adjustments:				
<i>Adjustments to remove non-cash items:</i>				
Depreciation & Amortisation		(1,011)	(1,124)	(113)
New provisions and adjustments to previous provision ^[1]		76	(150)	(226)
Other non-cash items		(120)	(98)	22
<i>Adjustments to reflect movements in working balances</i>				
Increase/(decrease) in receivables		(384)	145	529
(Increase)/decrease in payables		(481)	550	1,031
Repayment of lease liabilities		263	–	(263)
Total		(1,657)	(677)	980
Net cash requirement		242,825	250,112	7,287

Note:

[1] Includes credit loss provision movement for the year.

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

SoPS4 Amounts of income to the Consolidated Fund

SoPS4.1 Analysis of income payable to the Consolidated Fund

There was no income payable to the Consolidated Fund during the year ended 31 March 2024 (2022-23: £nil).

B. Parliamentary Accountability Disclosures

B.1 Losses and special payments

The following sections are subject to audit.

B.1.1 Losses statement

Category of loss	2023-24		2022-23	
	Value of Cases £'000	Number of Cases	Value of Cases £'000	Number of Cases
Other losses	–	–	171	4
Receivables adjustments ^[1]	11	9	4	14
Total	11	9	175	18

Note:

[1] Represents bad debt write-offs following a review of aged debt.

B.1.2 Special payments statement

Category of special payment	2023-24		2022-23	
	Value of Cases £'000	Number of Cases	Value of Cases £'000	Number of Cases
Settlement of pay ^[1]	94	1	–	–
Total	94	1	–	–

Note:

[1] Represents costs in relation to an exit package.

B.2 Remote contingent liabilities

This section is subject to audit.

In addition to contingent liabilities reported within the meaning of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the organisation also reports liabilities for which the likelihood of a transfer of economic benefit in the settlement is too remote to meet the definition of a contingent liability. There are no remote contingent liabilities in 2023-24 and 2022-23.

Signed

Ian Todd

Accounting Officer

23 October 2024

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Independent Parliamentary Standards Authority for the year ended 31 March 2024 under the Parliamentary Standards Act 2009.

The financial statements comprise the Independent Parliamentary Standards Authority's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Independent Parliamentary Standards Authority's affairs as at 31 March 2024 and its comprehensive net expenditure for the year then ended; and
- have been properly prepared in accordance with the Parliamentary Standards Act 2009 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2024 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Independent Parliamentary Standards Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Independent Parliamentary Standards Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Independent Parliamentary Standards Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Independent Parliamentary Standards Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Parliamentary Standards Act 2009.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Parliamentary Standards Act 2009; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Independent Parliamentary Standards Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 by the Independent Parliamentary Standards Authority or returns adequate for my audit have not been received from branches not visited by my staff; or

- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Independent Parliamentary Standards Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with HM Treasury directions issued under the Parliamentary Standards Act 2009;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Parliamentary Standards Act 2009; and
- assessing the Independent Parliamentary Standards Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting

Officer anticipates that the services provided by the Independent Parliamentary Standards Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Parliamentary Standards Act 2009.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Independent Parliamentary Standards Authority's accounting policies.
- inquired of management, Independent Parliamentary Standards Authority and those charged with governance, including obtaining and reviewing supporting documentation relating to the Independent Parliamentary Standards Authority's policies and procedures on:

identifying, evaluating and complying with laws and regulations;

detecting and responding to the risks of fraud; and

the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Independent

Parliamentary Standards Authority's controls relating to the Independent Parliamentary Standards Authority's compliance with the Parliamentary Standards Act 2009 and Managing Public Money;

- inquired of management, Independent Parliamentary Standards Authority and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the, Independent Parliamentary Standards Authority for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Independent Parliamentary Standards Authority's framework of authority and other legal and regulatory frameworks in which the Independent Parliamentary Standards Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Independent Parliamentary Standards Authority. The key laws and regulations I considered in this context included the Parliamentary Standards Act 2009, Managing Public Money, the Supply and Appropriation (Main Estimates) Act 2023, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

Date 30 October 2024

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Part III: Financial Statements

A. Statement of Comprehensive Net Expenditure

This statement summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

For the year ended 31 March 2024			
		2023-24	2022-23
	Note	£'000	£'000
MPs' Business costs and expenses scheme			
MP and MPs' staff pay costs	3	198,596	184,255
MP and MPs' staff expenses	3	34,542	38,265
Income	5	–	–
IPSA operational costs			
Staff costs	4	6,450	6,471
Other costs	4	4,422	3,845
Income	5	–	–
Net operating expenditure		244,010	232,836
IPSA financing costs			
Interest costs	4.1	6	8
Net financing expenditure		6	8
Total expenditure		244,016	232,844
Total income		–	–
Comprehensive net expenditure for the year		244,016	232,844

The notes on pages 93 to 115 form part of these accounts.

B. Statement of Financial Position

This statement presents the financial position of the department. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

As at 31 March 2024					
	Note	2023-24		2022-23	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant, and equipment	6	219		248	
Right-of-use asset	7	329		593	
Intangible assets	8	3,316		3,568	
Total non-current assets			3,864		4,409
Current assets					
Trade and other receivables	10	2,627		3,005	
Cash and cash equivalents	11	173		228	
Total current assets			2,800		3,233
Total assets			6,664		7,642
Current liabilities					
Trade and other payables	12	(12,322)		(11,895)	
Lease liability	13	(269)		(257)	
Provisions	14	(2)		(62)	
Total current liabilities			(12,593)		(12,214)
Total assets less current liabilities			(5,929)		(4,572)
Non-current liabilities					
Lease liability	13	(76)		(345)	
Provisions	14	(140)		(140)	
Total non-current liabilities			(216)		(485)
Total assets less total liabilities			(6,145)		(5,057)
Taxpayers' equity:					
General fund		(6,145)		(5,057)	
Total equity			(6,145)		(5,057)

The notes on pages 93 to 115 form part of these accounts.

Signed
Ian Todd
Accounting Officer
23 October 2024

C. Statement of Cash Flows

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery.

For the year ended 31 March 2024			
	Note	2023-24	2022-23
		£'000	£'000
Cash flows from operating activities			
Comprehensive net operating expenditure		(244,016)	(232,844)
Adjustments for non-cash transactions			
Depreciation and amortisation	4	1,011	999
Loss on disposal of non-current assets	4	–	–
Impairment of non-current assets	4	–	–
External audit	4	103	97
Decrease in provisions	4	(76)	(22)
Credit losses	4	11	4
Increase in trade and other receivables	10	351	(33)
Less movement in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure	10	–	–
Increase/(decrease) in trade and other payables	12	425	1,467
Less movement in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	12	55	(176)
New provisions	14	–	62
Net cash outflow from operating activities		(242,136)	(230,446)
Cash flows from investing activities			
Purchase of property, plant, and equipment	6	(165)	(55)
Purchase of intangible assets	8	(267)	–
Net cash outflow from investing activities		(432)	(55)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		242,770	230,931

For the year ended 31 March 2024			
	Note	2023-24	2022-23
		£'000	£'000
Repayment of principal on lease	13	(263)	(262)
Finance cost (on lease)	13	6	8
Net cash flow from financing activities		242,513	230,677
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(55)	176
Payments of amounts due to the Consolidated Fund		-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(55)	176
Cash and cash equivalents at the beginning of the period		228	52
Cash and cash equivalents at the end of the period	11	173	228

The notes on pages 93 to 115 form part of these accounts.

D. Statement of Changes in Taxpayers' Equity

This statement shows the movement in the year on the different reserves held by IPSA. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

For the year ended 31 March 2024			
	Note	General Fund	Total Reserves
		£'000	£'000
Balance at 1 April 2022		(3,065)	(3,065)
Net Parliamentary Funding – drawn down		230,931	230,931
Net Parliamentary Funding – deemed supply		52	52
Supply receivable adjustment	10	(228)	(228)
Comprehensive net expenditure for the year	SoCNE	(232,844)	(232,844)
Non-cash adjustments			
Auditors' remuneration	4	97	97
Balance at 31 March 2023		(5,057)	(5,057)
Balance at 1 April 2023		(5,057)	(5,057)
Net Parliamentary Funding – drawn down		242,770	242,770
Net Parliamentary Funding – deemed supply		228	228
Supply payable adjustment	12	(173)	(173)
Comprehensive net expenditure for the year	SoCNE	(244,016)	(244,016)
Non-cash adjustments			
Auditors' remuneration	4	103	103
Balance at 31 March 2024		(6,145)	(6,145)

The notes on pages 93 to 115 form part of these accounts.

E. Notes to Departmental Resource Accounts

I. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023–24 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of IPSA to give a true and fair view has been selected.

The policies adopted by IPSA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These financial statements have been prepared under the historical cost convention. There has been no revaluation of plant and equipment and intangibles. These are short life and/or low value assets where the historic cost is an appropriate proxy for fair value. See note 1.5 for right-of-use assets.

1.2 Financing and going concern

IPSA is resourced by funds approved by the SCIPSA through the annual Supply and Appropriation Acts. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund. Any income that IPSA may use in support of its activities is also approved in the Appropriation Act. The Main Estimate for 2024-25 (HC 750) was approved on 31 July 2024. The net liability position as per the Statement of Financial Position as at 31 March 2024 was £4.2m.

The services provided by IPSA are expected to continue and there is no reason to believe that future funding will not be forthcoming. The financial statements have therefore been prepared on a going concern basis.

1.3 Administration and programme expenditure

The Statement of Outturn against Parliamentary Supply shows that all IPSA's expenditure is classified as programme. IPSA has no administration expenditure.

1.4 Pensions

IPSA is admitted to Section I of the Civil Service Pension scheme arrangements, and past and present staff are covered by the provisions of the Civil Service Pension scheme arrangements.

IPSA recognises the expected cost of these schemes on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Civil Service Pension scheme arrangements of amounts calculated on an accruing basis. Liability for future benefits is a charge on the Civil Service Pension scheme arrangements.

In respect of defined contribution schemes, IPSA recognises the contributions payable for the year.

The Principal Civil Service Pension Scheme (PCSPS) are unfunded multi-employer defined benefit schemes in which IPSA is unable to identify its share of the underlying assets and liabilities. In accordance with IAS 19, the schemes are thus accounted for similar to a contribution scheme.

1.5 Property, plant, and equipment

Expenditure on property, plant, and equipment of £5,000 or more is capitalised.

All assets of a similar nature and function (including the recognition on purchase of the component parts) whose value, when grouped in a singular purchase/contract, exceeds the £5,000 threshold are capitalised as a grouped asset.

Subsequent acquisitions of less than £5,000 value but of the exact nature of existing grouped assets will be appended.

On initial recognition, assets are measured at cost, including any costs such as installation directly attributable to bringing them into working condition.

All tangible assets are deemed to be short-life or low-value assets and are therefore valued based on depreciated historical cost as an approximation of fair value.

Tangible assets are reviewed annually for impairment.

1.6 Intangible assets

Expenditure on intangible assets, which are software and website development costs, is capitalised where the cost is £5,000 or more. Subsequent acquisitions of less than £5,000 value but of the exact nature as existing grouped assets will be appended.

Intangible assets are reviewed annually for impairment and are stated at the lower of carrying value and recoverable value.

IPSA applies IAS 38 as adapted by the FReM for both the initial recognition and subsequent measurement.

Where an active (homogeneous) market exists, intangible assets other than those that are held for sale are carried at current value in existing use at the reporting period date.

Where no active market exists, the FReM requires entities to revalue the asset, using indices or some suitable model, to the lower of depreciated replacement cost and value-in-use where the asset is income generating.

Where there is no value-in-use, the asset will be valued using depreciated replacement cost.

No active market exists for IPSA Online due to the bespoke nature for IPSA, and the effect of the price indexation is not considered to be material given the nature and useful economic life of the asset.

Software licences are amortised on a straight-line basis over the shorter of the term of the licence and the useful economic life of the asset. Assets under construction are not amortised but are assessed for impairment annually.

1.7 Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated or amortised at rates calculated to write them down to the estimated residual value on a straight-line basis over their estimated useful lives as described in the table below.

Asset lives are assigned as follows:

Type	Length
Leasehold improvements	Five years or remaining life of the lease
IT and computers	Five years
Other equipment	Five years
Furniture, fixtures, and fittings	Five years
Intangible assets	The shorter of the term of the software licence and the useful economic life of the related IT asset

Subsequent acquisitions of less than £5,000 value but of the exact nature as existing grouped assets will be appended. The residual values of assets are reviewed on an annual basis. The useful economic life of IPSA Online is 10 years.

1.8 Trade receivables and other receivables

Trade and other receivables are recognised in line with IFRS 9 initially at fair value and recoverable amount and subsequently measured at amortised cost.

Impairments of trade and other receivables arise from calculation of an expected credit loss provision. A credit loss is recognised in the Statement of Comprehensive Net Expenditure and a loss allowance is established against specific debts by reference to payment history against settlement terms and the expectancy of future payments.

IPSA expects to recover all debt unless it is not economical to do so.

An expected credit loss provision is established when there is evidence that IPSA will not collect all amounts outstanding and according to the original terms of the receivables.

Debts relating to MPs deemed not to be recoverable are provided for in the year they are identified by IPSA. If deemed unrecoverable, these balances are written off in the financial year. They are reported in the Annual Publication of MPs' Business Costs and Expenses on the IPSA website.

The figures disclosed in the Losses and special payments section of the Parliamentary Accountability Disclosures are the balances that have been written off.

Other receivables include budget overspends by MPs, salary-related advances, and payment card receivables. MPs are given the option of repaying amounts or offsetting the amounts overspent against future payments.

1.9 Leases

The IPSA has adopted IFRS 16, as interpreted and adapted in the Government Financial Reporting Manual (FReM), with effect from 1 April 2022. Where a lease has been identified, the IPSA recognises a right-of-use asset and corresponding lease liability, except for short-term leases and leases for which the underlying asset is of low value. For such leases, the lease payments are recognised as an expense. The IPSA has applied a threshold of £5,000 for low-value assets. Where the interest rate in a lease cannot be readily determined, the IPSA calculates the liability using the HM Treasury discount rates promulgated in the PES papers as the incremental borrowing rate. For leases that commence or are remeasured in 2023-24 this rate is 0.95%. The IPSA does not apply IFRS 16 to leases of intangible assets and recognises these in accordance with IAS 38 where appropriate.

The following leased property asset was identified in 2022-23 as a right-of-use asset and lease liability under IFRS 16, previously identified as an operating lease under IAS 17:

- 2nd Floor, 85 Strand, London – office property with lease expiry date of June 2025

1.10 Provisions

IPSA provides for legal or constructive obligations of uncertain timing or amount at the balance sheet date based on the best estimate of the expenditure required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the HM Treasury discount rate.

1.11 Contingent liabilities

Contingent liabilities are treated in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

IPSA discloses a contingent liability where there is a possible obligation on whether some uncertain future event occurs or there is a present obligation, but payment is not probable, or the amount cannot be reliably measured.

1.12 Value Added Tax

IPSA is not registered for VAT, and, as such, all income excludes any VAT content, and all expenditure is stated inclusive of VAT.

1.13 Staff costs

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obliged to pay them.

1.14 Significant accounting judgements and estimates

For the year ended 31 March 2024, MPs may submit a claim up to 90 days after incurring the expenditure and resolve any queries as instructed. The outstanding balance of claims for MPs' business costs arising out of 2023-24 has been accrued for in these accounts.

A year-end process is in place to ensure that MPs' spend is allocated to the correct year. MPs must submit their 2023-24 business costs before the year-end cut-off date or populate a year-end form where it is not possible to submit the expense before this date.

1.15 Recognition of MPs' claims

MPs' claims are treated as a resource expense against the IPSA Estimate and are recognised once payment has been approved, at which point a constructive obligation is established.

For determining the financial year in which MPs' business cost claims are recognised, individual claim lines are recognised according to the date the expense was incurred, not the date at which the claim is submitted.

Claims against invoices for which payment has not yet been made are recognised at the date incurred.

Items of expenditure made by both MPs and directly by IPSA on the MP's behalf that involve an element of prepayment have been accounted for in the relevant year.

IPSA is not responsible for managing MPs' expenditure once the claim has been paid and does not, for example, distinguish between expenditure on capital assets as opposed to consumable items. These are a matter for the MP concerned.

1.16 Income

Receipts (or reimbursements) due where MPs or IPSA have decided that an item paid for is not claimable under the Scheme are not considered to be income. They are offset against the expenditure of the MP where agreed.

1.17 IFRSs in issue but not yet effective

To comply with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IPSA must disclose where it has not applied a new IFRS that has been issued but is not yet effective. IPSA has reviewed the IFRSs in issue but not yet effective to assess their impact on its accounting policies and treatment, of which there is one, *IFRS 17 (Insurance Contracts)*.

IFRS 17 (Insurance Contracts) was issued in May 2017, replacing IFRS 4 (Insurance Contracts). The effective date of IFRS 17 in the public sector is expected to be applied in 2025-26. IFRS 17 requires that insurance liabilities be measured at the present value of future insurance cash flows, resulting in more uniform measurements and presentation for all insurance contracts. Management has assessed the likely effect of the new standard and has concluded that there are no material assets or liabilities recognised as insurance contracts at IPSA, and it is expected that there will be no impact on IPSA's 2025-26 financial statements.

2. Statement of operating expenditure by operating segment

IPSA's operating segments correspond with the Subhead detail of the 2023-24 Estimate. The reportable segments are reported to the IPSA Board in its management accounts and are the entity's components that management uses to make decisions about operating matters.

	2023-24		
	Subhead A	Subhead B	Total
	MPs' pay, staffing, business costs and expenses	IPSA operations – core costs (including provisions)	
	£'000	£'000	£'000
Gross expenditure	233,138	10,878	244,016
Income	–	–	–
Net expenditure	233,138	10,878	244,016
Assets	–	6,664	6,664
Liabilities	–	(12,809)	(12,809)
Net capital	–	(6,145)	(6,145)

	2022-23		
	Subhead A	Subhead B	Total
	MPs' pay, staffing, business costs and expenses	IPSA operations – core costs (including provisions)	
	£'000	£'000	£'000
Gross expenditure	222,520	10,324	232,844
Income	–	–	–
Net expenditure	222,520	10,324	232,844
Assets	–	7,642	7,642
Liabilities	–	(12,699)	(12,699)
Net capital	–	(5,057)	(5,057)

Description of segments

Subhead A: Scheme of MPs' Staffing and Business Costs – the costs of MPs' pay, staffing costs and expenses.

Subhead B: IPSA Operations – the operating expenditure of IPSA, including income from subletting and provisions. This subhead also covers the expenditure of the IPSA Compliance Officer.

3. MPs' business Costs

	2023-24	2022-23
	£'000	£'000
Scheme of MPs' Staffing and Business Costs		
MP salary cost	57,296	55,707
MPs' staff salary cost	111,285	100,627
MP National Insurance	7,371	7,512
MPs' staff National Insurance	11,299	10,406
MPs' staff superannuation	10,835	9,759
MPs' staff winding-up costs	165	85
MPs' staff redundancy as a result of winding-up	345	159
MP resettlement payments	–	–
	198,596	184,255
Capped Budgets		
Accommodation Expenses and Office Expenditure		
Property rent	14,348	13,782
Utility costs	1,229	1,054
Council Tax	462	481
Service charges	297	266
Rates	184	152
Other premises costs (including security costs) ^[1]	–	5,337
Insurance	157	144
Professional services	1,789	1,704
Stationery and other office supplies	1,577	1,468
Telephone and internet	1,134	1,102
Pooled services	2,487	2,405
Computers	699	728
Office furniture	816	949

	2023-24	2022-23
	£'000	£'000
Photocopiers and televisions	173	175
Publicity, advertising, and communications	570	499
Website design and hosting	157	162
Other	398	220
Total capped expenditure	26,477	30,628
Uncapped Budgets		
Travel – car	1,121	1,110
Air	1,521	1,595
Rail	2,674	2,443
Taxi	234	163
Other	99	95
Hotels	1,970	1,805
Food and drink	87	69
Training	163	180
Parking	196	177
Total Uncapped	8,065	7,637
Total MPs' Business Costs and Expenses Scheme	233,138	222,520

Note:

[1] Security arrangements transitioned from IPSA to the House of Commons on 1 April 2023.

IPSA does not fund MPs' pension contributions; the House of Commons pays these. However, IPSA funds MPs' staff pension contributions. The pension provider is Legal and General, and the contribution rate is 10% of pensionable salary.

3.1 Reporting of MPs' staff exit packages

2023-24 ^[1]						
Exit Package Summary	Number of MPs' staff departures			Value of Exit Package £'000		
	Relating to MPs who left Parliament	Relating to sitting MPs	Total	Relating to MPs who left Parliament	Relating to Sitting MPs	Total
£0 – £4,999	12	9	21	36	26	62
£5,000 – £9,999	5	2	7	33	18	51
£10,000 – £14,999	6	2	8	73	23	96
£15,000 – £19,999	4	3	7	64	52	116
£20,000 – £24,999	1	–	1	21	–	21
£25,000 – £29,999	–	–	–	–	–	–
£30,000 – £34,999	–	–	–	–	–	–
Total	28	16	44	227	119	346

2022-23 ^[1]						
Exit Package Summary	Number of MPs' staff departures			Value of Exit Package £'000		
	Relating to MPs who left Parliament	Relating to sitting MPs	Total	Relating to MPs who left Parliament	Relating to Sitting MPs	Total
£0 – £4,999	11	3	14	27	9	36
£5,000 – £9,999	3	2	5	17	17	34
£10,000 – £14,999	5	1	6	63	13	76
£15,000 – £19,999	1	–	1	16	–	16
£20,000 – £24,999	–	–	–	–	–	–
£25,000 – £29,999	–	–	–	–	–	–
£30,000 – £34,999	–	–	–	–	–	–
Total	20	6	26	123	39	162

MPs' staff redundancy costs have been paid in accordance with the provisions of the Scheme for the staff of MPs no longer in post and redundancies arising from MP office restructuring.

Note:

[1] The departures were regular departures from positions because of restructures and performance management.

3.2 MP Loss of Office Payments

MP Loss of Office payments summary	2023-24		2022-23	
	Number of Loss of Office payments	Value of Loss of Office payments £'000	Number of Loss of Office payments	Value of Loss of Office payments £'000
£0 – £4,999	–	–	–	–
£5,000 – £9,999	–	–	–	–
£10,000 – £14,999	–	–	–	–
£15,000 – £19,999	–	–	–	–
£20,000 – £24,999	–	–	–	–
£25,000 – £29,999	–	–	–	–
£30,000 – £34,999	–	–	–	–
£35,000 – £39,999	–	–	–	–
£40,000 – £44,999	–	–	–	–
Total	–	–	–	–

4. IPSA's operational costs

	2023-24	2022-23
	£'000	£'000
Staff costs ^[1]		
Wages and salaries	4,702	4,372
Social security costs	486	568
Other pension costs	1,198	1,128
Agency staff	64	403
Total staff costs	6,450	6,471
Rent, rates, and service charges	213	206
Other property costs	192	159
IT services and telephony	1,222	1,286
Legal	267	76
Pension advice and administration	484	382
Internal audit services	94	92
Recruitment and advertising	78	110
Printing, postage, and stationery	29	25

	2023-24	2022-23
	£'000	£'000
Professional services	476	225
Non-cash items:		
Depreciation	459	451
Amortisation	552	548
(Profit)/loss on disposals	–	–
Impairment of non-current assets	–	–
External audit ^[2]	103	97
Credit losses ^[3]	11	4
New provisions and adjustments to previous provisions ^[4]	(17)	(22)
Other	259	206
Total non-staff costs	4,422	3,845
Total IPSA operational costs	10,872	10,316

Notes:

- [1] Further analysis of staff costs is set out in the *Staff and other pay costs report* on page 65.
- [2] IPSA's External Auditors (the National Audit Office) provided no non-audit services.
- [3] Following the bad debt policy application, £11,463 of debt was written off in the year (£4,002 in 2022-23).
- [4] Represents movement in provision of credit losses.

4.1 Net financing costs

	2023-24	2022-23
	£'000	£'000
Interest on lease liability	6	8
Total	6	8

5. Income

	2023-24	2022-23
	£'000	£'000
Income	–	–
Total	–	–

6. Property, plant, and equipment

2023-24					
	Leasehold Refurbishment	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2023	41	452	761	17	1,271
Additions	–	36	67	63	166
Disposals	–	(245)	(31)	–	(276)
At 31 March 2024	41	243	797	80	1,161
Depreciation					
At 1 April 2023	28	373	622	–	1,023
Charged in year	8	42	145	–	195
Disposal	–	(245)	(31)	–	(276)
At 31 March 2024	36	170	736	–	942
Carrying amount as at 31 March 2023	13	79	139	17	248
Carrying amount as at 31 March 2024	5	73	61	80	219

2022-23					
	Leasehold Refurbishment	Information Technology	Furniture & Fittings	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2022	33	455	761	–	1,249
Additions	8	30	–	17	55
Disposals	–	(33)	–	–	(33)
At 31 March 2023	41	452	761	17	1,271
Depreciation					
At 1 April 2022	20	366	482	–	868
Charged in year	8	40	140	–	188
Disposal	–	(33)	–	–	(33)
At 31 March 2023	28	373	622	–	1,023
Carrying amount as at 31 March 2022	13	89	279	–	381
Carrying amount as at 31 March 2023	13	79	139	17	248

All property, plant and equipment assets are owned.

7. Right-of-use asset

	2023-24	2022-23
	£'000	£'000
Cost or valuation		
At 1 April	856	856
Additions	–	–
Disposals	–	–
At 31 March	856	856
Depreciation		
At 1 April	263	–
Charged in year	264	263
Disposals	–	–
At 31 March	527	263
Carrying amount as at 31 March	329	593

The right-of-use asset relates to the office at 85 Strand, London.

8. Intangible assets

Intangible assets comprise costs incurred in developing IPSA Online.

	2023-24	2022-23
	£'000	£'000
Cost or valuation		
At 1 April	6,034	6,070
Additions	300	–
Disposals	(20)	(36)
At 31 March	6,314	6,034
Amortisation		
At 1 April	2,466	1,954
Charged in year	552	548
Disposals	(20)	(36)
At 31 March	2,998	2,466
Carrying amount as at 31 March	3,316	3,568

IPSA Online, including the Business World Enterprise Resource Planning application, came into use on 1 April 2019. This consists of business processes including accounts payable, account receivable, general ledger accounting, payroll, expenses, and customisations.

9. Financial instruments

IPSA's resources are met from Parliament through the Estimates process following scrutiny and approval by the Speaker's Committee.

Financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. IPSA has no power to borrow money or to invest surplus funds. Besides financial assets and liabilities generated by day-to-day operational activities, IPSA holds no financial instruments.

Liquidity risk

This is the possibility that IPSA may be unable to meet short-term financial demands. IPSA's net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. IPSA is not, therefore, exposed to material liquidity risks.

Credit risk

This is the possibility that debtors may fail to make required repayments to IPSA. Given the nature of IPSA's activities, the user base of MPs and their staff and the powers available to IPSA to recover any monies owing, IPSA believes that it is not exposed to any material credit risk.

10. Trade and other receivables

	2023-24	2022-23
	£'000	£'000
Amounts falling due within one year:		
Trade receivables ^[1]	853	1,015
Other receivables	1,462	1,428
Prepayments and accrued income	312	562
Total	2,627	3,005

Note:

[1] Trade receivables includes deposit loans given to MPs for constituency office and accommodation property rentals.

11. Cash and cash equivalents

	2023-24	2022-23
	£'000	£'000
Balance as at 1 April	228	52
Net change in cash and cash equivalent balances	(55)	176
Balance as at 31 March	173	228
The following balances as at 31 March were held at:		
Government Banking Service	173	228
Total balance as at 31 March	173	228

There were no cash equivalents held by IPSA as at 31 March 2024 or 31 March 2023.

12. Trade and other payables

	2023-24	2022-23
	£'000	£'000
Amounts falling due within one year		
Taxation and social security	6,755	6,402
Payables	100	25
Accrual for MPs and MPs' staff expenses	2,724	4,607
Other accruals and deferred income	2,570	633
	12,149	11,667
Amounts issued from the Consolidated Fund for Supply but not spent at year-end	173	228
Total	12,322	11,895

No amounts are falling due after more than one year.

13. Lease liability

The lease liability amounts recognised in the Statement of Financial Position are as follows:

	2023-24	2022-23
	£'000	£'000
Balance as at 1 April 2023	602	856
Lease payments made during the year	(263)	(262)
Interest charge for the year	6	8
Balance as at 31 March 2024	345	602
Amounts falling due within one year		
Lease Liability	269	257
Amounts falling due after more than one year		
Lease liability	76	345
Total	345	602

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2023-24	2022-23
	£'000	£'000
Interest on lease liabilities under finance costs	6	8
VAT on lease payments under accommodation lease costs	53	53

The following table sets out the maturity analysis of lease payables showing the undiscounted lease payments to be paid after the reporting date:

	2023-24	2022-23
	£'000	£'000
Not later than 1 year	273	263
Later than one year and not later than five years	76	349
Later than five years	–	–
Total	349	612
Less Interest element	(4)	(10)
Present value of obligations	345	602

14. Provisions for liabilities and charges

	2023-24			2022-23
	Dilapidations ^[1]	Other ^[2]	Total	Total
	£'000	£'000	£'000	£'000
Balance as at 1 April	140	62	202	140
Provided for in year	–	–	–	62
Provisions not required written back	–	(35)	(35)	–
Provisions used in year	–	(25)	(25)	–
Balance as at 31 March	140	2	142	202

	Dilapidations	Other	Total
	£'000	£'000	£'000
Analysis of expected timing of cash flows			
Not later than one year	–	2	2
Later than one year and not later than five years	140	–	140
Later than five years	–	–	–
Balance as at 31 March 2024	140	2	142

[1] A dilapidation provision for £140k is provided for to restore IPSA's leasehold property at 85 Strand to its original state at the end of the lease in June 2025.

[2] This provision relates to deferred NI contributions due to HMRC.

15. Capital and other commitments

15.1 Capital commitments

	2023-24	2022-23
	£'000	£'000
Capital commitments	–	–
Total	–	–

15.2 Other financial commitments

The department has entered into non-cancellable contracts which are not leases, PFI contracts or other service concession arrangements. The payments to which the department are committed, analysed by the period during which the commitments expire, are as follows.

	2023-24	2022-23
	£'000	£'000
Not later than one year	411	687
Later than one year and not later than five years	165	255
Later than five years	–	–
Total	576	942

The commitments mainly relate to the licensing and running costs of the CRM tool, the finance system and other software applications. The remaining commitments relate to other general operational costs.

16. Contingent liabilities disclosed under IAS 37

There were no quantified contingent liabilities as at 31 March 2024.

17. Related-party transactions

IPSA has no direct or indirect sponsorship or agency relationships with any other public body, private body, or company, except for Parliament itself.

Thomas Fitch, Director of Finance, is a trustee of the Parliamentary Contribution Pension Fund, which is an unremunerated position.

IPSA has had a small number of transactions with other government departments for staff secondments.

No Board Member, key manager or other related parties have undertaken any material transaction with IPSA during the year.

All related party interests are [disclosed on the IPSA website](#). Please note, the Register of Interests are located within the individual Board Members profile's, in the section 'Who we are.'

Details of the Chair's remuneration, Board Members and Senior Managers are detailed in the Remuneration Report.

18. Events after the reporting period

There are no events after 31 March 2024 that require an adjustment to the financial statements and no non-adjusting events for which additional disclosure in the financial statements is required.

The Accounting Officer authorised these financial statements for issue on the C&AG certification date.

Part IV: Accounts Direction

Accounts directions given by the Treasury on 16 April 2011, in accordance with Paragraph 23(2), Part 2 of Schedule 1 to the Parliamentary Standards Act 2009.

1. The Independent Parliamentary Standards Authority shall prepare resource accounts for the financial year ended 31 March 2011 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) issued by HM Treasury which is in force for the financial year for which the accounts are being prepared.

2. The accounts shall be prepared so as to:

- give a true and fair view of the state of affairs of the Independent Parliamentary Standards Authority at 31 March 2011 and subsequent financial year ends, and of its net operating costs, changes in taxpayers' equity and cash flows for the financial year then ended, and
- provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgment should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Treasury.

4. This direction replaces the direction dated 29 October 2010.

Chris Wobschall

Head, Assurance and Financial Reporting Policy, HM Treasury

16 April 2011

**Part V:
Annual Report by the
Compliance Officer
for IPSA**

A. Introduction

The Compliance Officer for the IPSA is a statutory office holder who acts independently of IPSA's executive. The Compliance Officer reports to the Board of IPSA but is not directed by them.

The office was created by the Parliamentary Standards Act 2009 (PSA 2009), as amended by the Constitutional Reform and Governance Act 2010 (Crag 2010). The legislation stipulates that the officeholder shall carry out the following functions:

The Compliance Officer:

- may investigate if they have reason to believe that a member of the House of Commons may have been paid an amount under the Scheme of MPs' Business Costs and Expenses (the Scheme) that should not have been allowed. This may be initiated as a result of a complaint, following a request by IPSA, an MP or by the Compliance Officer
- may, upon request, review a determination by IPSA to refuse an MP's business cost claim in whole or in part

The full statutory powers of the Compliance Officer are established in PSA 2009 and Crag 2010 and included the powers to:

- compel an MP to provide any information required and to issue a penalty notice up to the value of £1,000 should an MP fail to do so
- issue a repayment direction to an MP (including the charging of interest and costs) and to issue a penalty notice up to the value of £1,000 should an MP fail to comply with that notice

The PSA 2009 stipulates that a Compliance Officer can only be appointed for a single fixed term not exceeding five years.

The term of office for Tracy Hawkings concluded on 31 May 2023 and Brigadier Jonathon Blair-Tidewell assumed the role on 1 June 2023. Brigadier Jonathon Blair-Tidewell held this office until May 2024. Matthew Walker was appointed on 1 June 2024.

B. Overview of 2023-24

In 2023-24 there were a total of 74 complaints made to the Compliance Office by:

- members of the public – 71
- journalists – nil

- those linked with a political party – nil
- IPSA – three

Twelve complaints fell outside of the Compliance Officer’s remit.

There were three reviews requested by MPs, an increase of one from the year before.

Further information on both complaints, IPSA referrals and reviews can be found below in section H – Complaints and Investigations.

Within the relevant legislation, an MP can appeal a decision by the Compliance Officer to refuse a business cost claim, pay only part of the claim or require repayment for expenses, interest, or costs to a first-tier tribunal court.

There have not been any tribunals in respect of investigations or review processes this year.

The current Compliance Officer has developed a professional working relationship with both IPSA and other regulatory bodies during their term of office. Regular contact has been maintained with the special enquiry section of the Metropolitan Police, who deal with most of the cases referred by the Compliance Office.

C. Budget for 2023-24

Under the legislation, IPSA is required to provide the Compliance Officer with adequate resources to discharge the functions of the office. This includes the provision of office accommodation, IT, and telephony. These costs are included within IPSA’s accounts and are not separately identifiable.

The total expenditure for the Compliance Office in 2023-24 was £59,000. This was broken down as follows:

	Actual Cost £'000	Budget £'000	Variance £'000
Pay	57	65	8
Legal, audit and professional fees	1	40	39
Consultancy	–	10	10
Travel/subsistence	1	–	(1)
Total	59	115	56

There is a large underspend on the compliance budget for 2023-24 which is mainly attributable to a low spend on legal services and nil spend on consultancy fees.

D. Relationship with IPSA

The Compliance Officer is not an employee or officer of IPSA but has an independent, statutory role.

The Compliance Officer seeks to demonstrate objectivity, impartiality, and neutrality in their relationships with MPs, IPSA, complainants, and other agencies.

The compliance function reports to the IPSA Board on a quarterly basis.

Schedule 2 of PSA 2009 (as amended) requires IPSA to provide the Compliance Officer with adequate resources and staff to discharge the function of the office.

The Compliance Office staff act solely on the instruction of the Compliance Officer, and their functions are entirely separate from the executive branch of IPSA.

The Compliance Office is staffed by one full-time equivalent (FTE) post, comprising a Compliance Officer (generally two days per week) and an Investigations Officer (flexible three days per week).

The Investigations Officer is an IPSA employee and is afforded the same rights as other IPSA personnel.

E. Relationship with MPs

When dealing with complaints there is invariably a requirement for the Compliance Officer to contact the relevant MP who is the subject of the complaint, initially to inform them that a complaint has been made, but also to request a written response to questions posed and/or the provision of supporting evidence.

A professional and formal approach is adopted by the Compliance Officer, who seeks to ensure that the office continues to act fairly and proportionately to all parties involved, inviting the full cooperation of MPs and their staff when conducting statutory functions.

To date, there has been no requirement to initiate formal measures compelling cooperation.

The Compliance Officer retains statutory powers to issue penalty notices to MPs who fail to cooperate with enquiries. It is commendable that these powers have not been enforced since 2010.

The role of the Compliance Officer is to assess all the relevant information and determine whether there has been a breach of the Scheme of MPs Staffing and Business Costs which is the guidance document which sets out to MPs and their staff the rules and provisions around budgets and business cost claims.

In all appropriate cases, the approach of the Compliance Officer when exercising their statutory function is proportionality. Above all else the Compliance Officer is aware that MPs and their staff are busy assisting constituents and attending to parliamentary duties – they are occasionally prone to oversights, mistakes, or misunderstanding of the rules.

Another important aspect of the role is to ensure complainants are kept up-to-date and provided with a detailed explanation of the rationale for the decisions made. Each complainant receives written correspondence from the Compliance Officer which sets out the detail of the assessment of the complaint and the rationale for reaching the determination. In the event, a formal investigation is initiated, the Compliance Officer will publish a report.

Where genuine mistakes are identified as the underlying cause of a complaint, MPs and their staff receive appropriate guidance to reduce the risk of similar errors being replicated in the future.

To date, and as noted previously, IPSA's Scheme has proven effective and robust in leaving minimal scope for abuse or wilful misinterpretation of the rules.

In exceptional cases, matters have been referred to the police.

F. Relationship with other regulatory bodies

The IPSA and the Compliance Officer must prepare a joint statement setting out how the IPSA and the Compliance Officer will work with the following:

- The Parliamentary Commissioner for Standards
- The Director of Public Prosecutions
- The Commissioner of Police of the Metropolis (MPS)
- any other person the IPSA and the Compliance Officer consider appropriate

Copies of these agreements are [available on the Compliance Officer's website](#).

A Joint Statement also sets out how IPSA and the Compliance Officer will work with the Metropolitan Police Service and the Director of Public Prosecutions in circumstances where there is reason to suspect that a criminal offence may have been committed.

Where IPSA has reason to suspect a deliberate breach of the Scheme, a referral will be made to the Compliance Officer.

If the Compliance Officer has reason to suspect a criminal offence may have been committed, they may suspend their enquiries and contact the MPS. Both IPSA and the Compliance Officer will assist the MPS with their initial assessment of the evidence and any further enquiries they undertake after that.

Further, the MPS or other police force may receive complaints from third parties (such as members of the public) alleging criminal abuse of the Scheme.

In such instances, IPSA and the Compliance Officer may be contacted to assist with police enquiries.

During the year 2023-24, the Compliance Officer has not referred any cases to the police.

It is crucial to consider the following:

- in circumstances where a referral to the police is made (as they have been in previous years), the referral does not indicate a determination by the Compliance Officer of criminal wrongdoing. Such a determination is not the Compliance Officer's to make
- referrals are made to ensure the strict demarcation between an investigation by the Compliance Officer under civil law and investigations by the police under criminal law. It is not the role of the Compliance Officer to investigate allegations/concerns of a criminal nature. It is right, therefore, that any such allegation or concerns that criminal wrongdoing may have occurred are referred to the appropriate force for due consideration
- the police have access to considerably more information and statutory powers than are available to the Compliance Officer. The police are in a considerably better position to prove – or disprove – an allegation than the Compliance Officer is, making them best placed to undertake any criminal enquiry

Furthermore, the Compliance Office take its obligations under the Data Protection Act 2010 (DPA 2010) and other privacy provisions very seriously.

The DPA 2010 legally binds the Compliance Officer to ensure that personal data, including the names of individuals referred to the police, is protected from unlawful disclosure.

The police are responsible for assessing and investigating criminal complaints. After that, should the Crown Prosecution Service (CPS) decide to bring charges against an individual, the relevant information will be disclosed under their procedures at the appropriate time and in accordance with the law.

The public interest is not served by breaching my legal obligations under the DPA 2010 or by prejudicing the work of the police.

The disclosure of the names of individuals referred to the police before any charges had been brought (or indeed, after the police or CPS had decided there was no case to answer) would constitute a serious breach of sensitive personal data. It would leave the Compliance Officer open to investigation by the Information Commissioner's Office (ICO) and subject to a possible monetary penalty.

G. Procedures for Investigations of the Compliance Officer

IPSA is required by the PSA 2009 to determine the procedures which the Compliance Officer must follow when handling complaints and requests for investigation alleging that MPs may have been paid a sum to which they were not entitled under the Scheme.

IPSA published the First Edition of the Procedures for Investigations by the Compliance Officer for IPSA (the Procedures) in July 2010.

After having been in place for more than one year, a review was undertaken, including consultation with the public and Parliament.

On 1 February 2012, the Second Edition of the Procedures took effect, and the Third Edition became effective on 1 January 2015.

The Fourth and current edition was published and became effective in May 2021 and are [available on the Compliance Officer's website](#).

H. Complaints and investigations

As noted above, one of the Compliance Officer's core functions is to investigate complaints that an MP has been paid an amount by IPSA in breach of the Scheme. Complaints can originate from several sources. Most complaints are made by members of the public (including councillors, prospective parliamentary candidates, and MPs' staff).

Further, as part of its regular operations, IPSA conducts regular assurance reviews of MPs' expenditure, often taking a holistic look at areas of spending over set

periods. Through this work, outliers may be identified, requiring further investigation. These have in previous years been referred to the Compliance Officer for consideration.

Two cases were referred to the Compliance Officer in 2023-24 because of the assurance review process. Both cases were closed following assessment and after the Compliance Officer concluded there had been no breach of the Scheme, with no further action being taken. One case was referred following receipt of a complaint from a newspaper regarding an MP's office costs. This led to a formal investigation being initiated.

Finally, the Compliance Officer may decide to look at an issue on their own initiative.

During the reporting period, 74 complaints were handled. These can be broken down as follows:

Type of Complaint	Number of Complaints
Office costs	43
Staffing costs	18
Travel costs	4
Accommodation costs	6
Professional service fees	3

The overwhelming majority of complaints relating to MPs' claims under the Scheme were resolved to the satisfaction of all parties involved by way of a formal assessment, following the provision of additional information by the MPs' office.

In a small number of cases, complaints relate to a misunderstanding of the information published by IPSA. In such cases, no purpose is served by the opening of a formal investigation.

Nonetheless, the functions of the Compliance Officer must be conducted as transparently as possible. To this end, details of all complaints handled by the Compliance Officer each financial year, including the basis for the complaint, the assessment outcome, and the rationale behind the outcome, are [published on the Compliance Officer's website](#).

Full details of all investigations undertaken by the Compliance Officer [can be found on the Compliance Officer's website](#).

Figures outlining complaints received and cases handled by the Compliance Office during 2023-24 are shown below.

Summary of cases handled during 2023-24

Cases carried forward from 2022-23	Cases opened during 2023-24 by quarter				Total cases opened during 2023-24	Cases closed during 2023-24 ^[1]	Cases carried forward to 2024-25
	Q1	Q2	Q3	Q4			
0	18	19	17	20	74	69	5

Summary of IPSA referrals

Types of cases referred	No. of Referrals	Assessment
Bought-in services	2	No breach of the Scheme
Office costs	1	Investigation initiated

The table below outlines statistics for the past six years, including the number of complaints, reviews, and investigations conducted.

Year	No. of complaints received	No. of reviews requested and conducted	No. of Investigations conducted ^[1]	No. of cases referred to the police
2018-19	41	1	–(–)	2
2019-20	33	2	3(2)	3
2020-21	39	13	–(–)	1
2021-22	27	5	1(–)	–
2022-23	33	2	1(1)	–
2023-24	74	2	2(2)	–

Note:

[1] The numbers in brackets denote a referral from IPSA resulting in a formal investigation.

I. Reviews

Upon the request of an MP, the other core function of the Compliance Officer is to review a determination by IPSA to refuse an MP's business cost claim in whole or in part.

During the 2023-24 period, there were two requests for reviews. These can be broken down as follows:

Subject	Outcome
Request by MP for additional accommodation funds	Upheld in favour of IPSA
Claim by MP for relocation of EV charger	Upheld in favour of IPSA

Details of reviews conducted by the Compliance Officer [are published on the Compliance Officer's website](#).

J. Freedom of Information Act 2000 (FoIA)

During this reporting period, five FoIA requests were submitted to the Compliance Office and information was provided to the applicants.

K. Accommodation

As previously referred to, the PSA 2009 requires IPSA to provide the Compliance Officer with adequate resources to discharge their functions. This includes the provision of office accommodation, IT, and telephony. Since the formation of IPSA, the accommodation provided has been adjacent but separate from that occupied by IPSA.

In 2019, IPSA moved to new premises at 85 Strand. Once again, the Compliance Officer and staff took up occupancy of an office adjacent to those utilised by the IPSA executive and their staff, ensuring efficient and effective access to information and data.

L. Looking ahead

The 2023-24 financial year was Brigadier Jonathon Blair-Tidewell's first in post, having started on 1 June 2023. There was an increase in the number of recorded complaints this year, although this is in part due to a deliberate approach to recoding all complaints, including those which are 'out of scope', in order to provide the IPSA Board with a fuller understanding of the total volume of compliance incidents. All compliance incidents are now recorded on a dedicated database which is linked to a real-time information dashboard which is now available to the Board at all times

and will, subject to refinement, be published on the Compliance Officer's website in a redacted form.

Two investigations have been initiated, both as a result of referrals from IPSA. Three reviews have been initiated, one of which was discontinued following a lack of MP engagement, and two brought to a successful conclusion.

As with recent years, the staffing continued to constitute the equivalent of one full-time post (Compliance Officer for two days a week and an Investigations Officer, three days per week). As such, any changes to the Compliance Office function and approach must be realistic, if they are to be achievable and unlikely to interfere with the core role of the office.

Both the Compliance Officer and Investigation Officer are routinely needed to work flexible hours to accommodate meetings and administration with various stakeholders.

The adoption by IPSA of a more risk-based approach to compliance will need to be matched by a more agile and intelligence-led methodology by the Compliance Officer. The current 'response' approach to complaints is unlikely to achieve and maintain the high levels of compliance which the Public will continue to expect.

Brigadier J T Blair-Tidewell

Compliance Officer for IPSA

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