

Compliance Officer for IPSA

Summary of investigation and findings

Rt Hon Alun Michael MP
Member of Parliament for Cardiff South and Penarth
(IN/0010/310311)

11 October 2011

Martyn Taylor
Compliance Officer for IPSA
PO Box 68209
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Investigation summary

1. The Compliance Officer for the Independent Parliamentary Standards Authority carried out an investigation into whether Alun Michael MP was paid an amount under the MPs' Expenses Scheme (the Scheme) that should not have been allowed.
2. The investigation was conducted in accordance with section 9(1) of the Parliamentary Standards Act 2009 (as amended by the Constitutional Reform and Governance Act 2010) (PSA).
3. The investigation was initiated by the Compliance Officer, as he had reason to believe Mr Michael may have received funding for a claim relating to a website (www.alunmichael.com) that did not comply with the rules of the Independent Parliamentary Standards Authority (IPSA) as set out in the Scheme.
4. On 11 April 2011 the Compliance Officer notified Mr Michael that he was the subject of a preliminary investigation and on 16 June 2011 the Compliance Officer opened a substantive investigation into this matter.
5. On 30 August, the Compliance Officer issued a Statement of Provisional Findings. This statement provides full details of the investigation. The findings are summarised below.

Findings

6. The Compliance Officer found:
 - a. that, in contravention of the rules of the MPs' Expenses Scheme, Mr Michael received reimbursement for a claim he submitted for costs relating to his website at a time when his website contained party political logos;
 - b. that if Mr Michael acted to make his website compliant with the Scheme, it would be neither proportionate nor reasonable to seek a repayment; but
 - c. that, if Mr Michael chose not to act, a repayment would be sought to the value of the original claim (£346.71) on the grounds that Mr Michael would have opted to host a website that is not compliant with the rules of the MPs' Expenses Scheme.

Resolution

7. On 16 September Mr Michael wrote to the Compliance Officer advising him that Mr Michael accepted the findings and had acted to make his website compliant.

8. No further action was required either by Mr Michael or by IPSA and on 20 September 2011 the investigation was closed.

Martyn Taylor
Compliance Officer for IPSA

11 October 2011

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Statement of Provisional Findings

Rt Hon Alun Michael MP
Member of Parliament for Cardiff South and Penarth
(IN/0010/310311)

30 August 2011

Martyn Taylor
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PO Box 68209
London SW1P 9TZ

A. Introduction

1. The Compliance Officer¹ for the Independent Parliamentary Standards Authority has carried out an investigation into whether Alun Michael MP was paid an amount under the MPs' Expenses Scheme (the Scheme) that should not have been allowed. This investigation was conducted in accordance with section 9(1) of the Parliamentary Standards Act 2009 (as amended by the Constitutional Reform and Governance Act 2010) (PSA).
2. The investigation in respect of Mr Michael was initiated by the Compliance Officer, as he had reason to believe Mr Michael may have received funding for a claim relating to a website (<http://alunmichael.com/>) that did not comply with the rules of the Independent Parliamentary Standards Authority (IPSA) as set out in the Scheme.
3. This statement sets out the Compliance Officer's provisional findings in respect of this investigation.
4. Mr Michael and IPSA may make representations in writing to the Compliance Officer in respect of the provisional findings in this statement within fifteen working days of the date of this statement.
5. If representations are received, the Compliance Officer will consider these and may prepare a Statement of Findings.

B. Summary of the investigation

6. In December 2010 a member of the public made a complaint to the Compliance Officer about the use of party political logos on the website of an MP, the costs of which were claimed through the Scheme.
7. Sections 10.6 of the Second Edition of the Scheme, which was in effect at that time, stated that "[expenditure] may not be claimed for (a) funding any material that contains a party political logo or emblem; or (b) publishing any material which could be construed as election campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000". Both the First Edition and the current (Third) Edition of the Scheme stated the same under sections 10.6 and 6.6 (d) and (f) respectively. The Scheme, therefore, does not provide for reimbursements of the costs of material that contains a party logo, no matter the size, location or purpose of the logo.

¹ For the purposes of this statement, actions of the Compliance Officer may have been carried out by the members of his staff acting on his behalf.

8. Following this complaint, the Compliance Officer carried out an inspection of all the websites of MPs where the costs of the websites had been claimed through the Scheme.
9. When Mr Michael's website was checked as part of this inspection, it was found to contain two Labour Party logos as weblinks on the "links" page of Mr Michael's webpage. A snapshot was taken of the site and retained as evidence.
10. This inspection gave the Compliance Officer a reason to believe that Mr Michael may have been reimbursed for a claim under the Scheme that should not have been allowed, and on 11 April 2011 a Notice of Preliminary Investigation was issued to Mr Michael and IPSA in respect of the claim set out below.

Claim Number	Date	Category	Expense Type	Amount
35586	13/06/10	General Admin	Website - Hosting	£346.71

11. Upon request, IPSA supplied all original invoices and supporting documentation held on its files relating to the above claim.
12. On 16 June 2011, following an analysis of the documentation from IPSA, the Compliance Officer notified Mr Michael of his decision to carry out a Substantive Investigation, on the grounds that he was satisfied that Mr Michael may have been paid an amount under the Scheme that should not have been allowed. IPSA received a copy of the Notice of Substantive Investigation on 21 July 2011.
13. Section 9(4) of the PSA provides that the Compliance Officer give the MP and IPSA an opportunity to make representations in respect of the substantive investigation.
14. IPSA submitted representations to the Compliance Officer in writing on 28 July 2011 and Mr Michael submitted representations on 6 August 2011.
15. During the investigation, the Compliance Officer considered, in addition to Mr Michael's website, IPSA's validation practices and IPSA's policy position in respect of the presence of party logos and emblems on MPs' websites. He also considered the representations submitted to him.

C. Provisional Findings

16. Following an assessment of the evidence in this case and having given consideration to both Mr Michael's and IPSA's representations, the Compliance Officer has made the provisional findings set out below.

- i. The rules of the Scheme are clear that reimbursement may not be sought for the costs of material that contains a party political logo or emblem. IPSA has clarified that websites are covered by “material” and that it will not reimburse the cost of material that contains a party logo, no matter the size, location or purpose of the logo.
 - ii. Mr Michael submitted a claim for costs relating to his website, and received reimbursement for these costs from IPSA, despite the website containing party political logos as links on the “links” page.
 - iii. Mr Michael therefore contravened the rules of the Scheme and received reimbursement for a claim that should not have been allowed. The Compliance Officer has decided not to apportion a particular amount to this contravention on the grounds that it is not necessary in this case to disaggregate the costs of hosting party logos from the other costs of hosting Mr Michael’s website.
17. When considering whether a repayment or penalty is appropriate in the case of a contravention of the Scheme, the Compliance Officer must consider a range of factors in order to ensure he adopts a proportionate and fair approach. The nature of the contravention, the nature of the claim that has been investigated, the context of the submission of the claim, and Mr Michael’s response are therefore relevant factors, and the Compliance Officer has provisionally found the following in respect of these:
- i. The contravention itself was minor in scale. With the exception of the presence of two party logos as weblinks on the “links” page of the website, Mr Michael’s website was compliant with the Scheme. It is hard to envisage any personal financial, political or other particular advantage to Mr Michael resulting from the presence of a party political logo on the “links” page of his website.
 - ii. The claim that has been subject to this investigation was for a paid-for service sought by Mr Michael in pursuit of his parliamentary duties, rather than material goods that could more readily be exchanged or returned.
 - iii. The claim in this case was made in the six months following the 2010 General Election, following which the new Scheme came into effect. IPSA has stated in its representations in respect of this case that during this period it took time for both MPs and IPSA itself to become fully familiar with the Scheme, to the extent that for much of this early period IPSA operated a “grace period” during which it returned rather than refused claims it found to be outside the rules.

- iv. Mr Michael has stated that he will ensure his website complies with the Scheme once he has received a clarification that the presence of party logos as links is non-compliant.

Conclusion

- 18. Under section 9(8) of the Act, the Compliance Officer may determine what amount is reasonable to request an MP repay.
- 19. Taking all relevant factors, as set out above, into account, the Compliance Officer finds that in this case it would be neither proportionate nor reasonable to request a repayment from Mr Michael, providing Mr Michael takes action to ensure his website is compliant within twenty working days of the date of this Statement. He finds the same in respect of any additional penalties.
- 20. If Mr Michael does not act to ensure his website is compliant, the Compliance Officer finds that it would be both proportionate and reasonable to seek a repayment from Mr Michael. Therefore, if Mr Michael takes no action within twenty working days of the date of this Statement, the Compliance Officer will seek from Mr Michael a repayment of the value of the original claim – £346.71 – on the grounds that Mr Michael will have decided to host a website which is in not compliant with the rules of the Scheme.
- 21. The Compliance Officer reminds Mr Michael that he alone is responsible for the correct submission of claims and that a general condition of the Scheme is that *“[i]n making any claim under the Scheme, an MP must certify that the expenditure was necessary for performance of their parliamentary functions, and that in incurring the expenditure they had complied with the Scheme”* (section 3.2).

D. Representations and case resolution

- 22. Mr Michael and IPSA may make representations in writing to the Compliance Officer in respect of these provisional findings within fifteen working days of the date of this statement.
- 23. If representations are received, the Compliance Officer will consider these and prepare a Statement of Findings.

24. The Compliance Officer may determine not to prepare a Statement of Findings, as per paragraph 36 of the Procedures for Investigations of the Compliance Officer, if Mr Michael accepts the Provisional Findings.

Martyn Taylor
Compliance Officer for IPSA

30 August 2011

Compliance Officer for IPSA

Investigation Closure Report

Rt Hon Alun Michael MP
Member of Parliament for Cardiff South and Penarth
(IN/0010/310311)

20 September 2011

Martyn Taylor
Compliance Officer for IPSA
PO Box 68209
London SW1P 9TZ

Investigation closure report

On 30 August 2011 the Compliance Officer sent Alun Michael MP a Statement of Provisional Findings in respect of the investigation that was conducted in accordance with section 9(1) of the Parliamentary Standards Act 2009 (as amended by the Constitutional Reform and Governance Act 2010) (PSA).

The investigation was into the presence of political party logos on a website that was funded through the MPs' Expenses Scheme. The Statement of Provisional Findings sets out the details of the investigation and the Compliance Officer's reasoning for his findings.

The Compliance Officer also sent a copy of the Statement to the Independent Parliamentary Standards Authority (IPSA).

Section 9(5) of the PSA provides that both the MP in question and IPSA are given the opportunity to make representations to the Compliance Officer about the provisional findings.

On 6 September 2011, IPSA's Chairman, Sir Ian Kennedy, wrote to the Compliance Officer to confirm that he would not be making any further representations in respect of this investigation.

On 16 September, Mr Michael wrote to the Compliance Officer to confirm that he accepted the findings and had taken the required action. A check of the website confirmed that it was compliant.

No further action is required of Mr Michael or of IPSA, and the Compliance Officer will not be preparing a Statement of Findings further to the Statement of Provisional Findings.

This investigation is now closed.

A handwritten signature in black ink, appearing to read 'M. Taylor', followed by a period.

Martyn Taylor
Compliance Officer for IPSA

20 September 2011