

Compliance Officer for IPSA

Summary of investigation and findings

Mr Peter Aldous MP
Member of Parliament for Waveney
(IN/0042/100211)

11 October 2011

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

Investigation summary

1. The Compliance Officer for the Independent Parliamentary Standards Authority carried out an investigation into whether Peter Aldous 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 following a complaint from a member of the public that gave the Compliance Officer a reason to believe Mr Aldous may have received funding for claims relating to hotel accommodation that did not comply with the rules of the Independent Parliamentary Standards Authority (IPSA) as set out in the Scheme.
4. On 13 July 2011 the Compliance Officer notified Mr Aldous that he was the subject of a preliminary investigation and on 18 August 2011 the Compliance Officer opened a substantive investigation into this matter.
5. On 9 September 2011, 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 Mr Aldous, in submitting claims for the costs of hotel accommodation when he was receiving reimbursement for rented accommodation, contravened the rules of the MPs' Expenses Scheme;
 - b. that the contravention, which occurred in the few months after Mr Aldous's election as a Member of Parliament, did not last beyond a few days whilst Mr Aldous acquired a number of basic items to make his rented flat habitable;
 - c. that, on the matter being brought to his attention, Mr Aldous acknowledged the error and submitted to IPSA a cheque for £361 by way of repayment;
 - d. that IPSA is in part at fault as its validation procedures should have prevented these reimbursements being made;
 - e. that the requirement to repay the amount of the claims was proportionate and reasonable, but that no further penalties should be imposed; and
 - f. that IPSA had subsequently put in place a robust and automated process to prevent similar claims being processed for payment.

Resolution

7. On 19 September Mr Aldous wrote to confirm that he accepted the provisional findings.
8. No further action was required either of Mr Aldous or of IPSA and on 23 September 2011 the investigation was closed.

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Martyn Taylor
Compliance Officer for IPSA

11 October 2011

Compliance Officer for IPSA

Statement of Provisional Findings

Mr Peter Aldous MP
Member of Parliament for Waveney
(IN/0042/100211)

9 September 2011

Martyn Taylor
Compliance Officer for IPSA
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 Peter Aldous 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 Aldous was initiated following a complaint by a member of the public which gave the Compliance Officer reason to believe that Mr Aldous may have received funding for hotel accommodation 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 Aldous 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 February 2011 a member of the public, Mr Bryan Griffith, made a complaint to the Compliance Officer about three claims made by Mr Aldous for hotel accommodation through the Scheme, and for which Mr Aldous had received reimbursement from IPSA.
7. Section 5.2 of the Second Edition of the Scheme, which was in effect at that time, stated that "*[expenditure] may be claimed only for (a) hotel accommodation; or (b) rental payments and associated expenditure...*". Both the First Edition and the current (Third) Edition of the Scheme stated the same under sections 5.2 and 4.8 respectively. The Scheme, therefore, does not provide for hotel accommodation, when reimbursement is already being made for rented accommodation.

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 established that Mr Aldous had claimed for the cost of hotel accommodation through the Scheme, but that the dates entered on IPSA's online expense claim system Expense@Work for hotel accommodation were the dates on which the claims were submitted to IPSA and not the nights on which the hotel stays occurred. During this process, however, the Compliance Officer did ascertain that a lease for rented accommodation, paid for by IPSA, was in place on the dates on which the hotel stays occurred.
9. This assessment gave the Compliance Officer a reason to believe that Mr Aldous may have been reimbursed for claims under the Scheme that should not have been allowed, and on 13 July 2011 a Notice of Preliminary Investigation was issued to Mr Aldous and to IPSA in respect of the claims set out below.

Claim Number	Date	Category	Expense Type	Amount
30022	14/09/2010	Accommodation	Interim Hotel London Area	£59.00
30024	14/09/2010	Accommodation	Interim Hotel London Area	£59.00
30026	14/09/2010	Accommodation	Interim Hotel London Area	£243.00

10. Mr Aldous contacted the Compliance Officer by telephone on 18 July 2011 for further information in respect of the Preliminary Investigation. On 27 July 2011, Mr Aldous wrote to the Compliance Officer informing him that he had inadvertently made a mistake in submitting the expenses for hotel accommodation, during a time when IPSA was paying rent on a newly leased flat, and provided relevant background information as to why it had occurred. He further apologised for the oversight and enclosed a cheque for £361.00. On 11 August 2011 Mr Aldous contacted the Compliance Officer by telephone to enquire after the investigation and received an update and further advice on the Compliance Officer's procedures for investigations.
11. Upon request, IPSA supplied all original invoices and supporting documentation held on its files relating to the above claims. On inspecting this documentation, the Compliance Officer established that in respect of claims 30022 and 30024 the claims were processed without query, and that in respect of claims 30026 the claim was referred by one validator to another for a second opinion on the grounds that a lease had been signed on 28 June 2011; the second validator however processed the claim for payment.
12. On 18 August 2011, following an analysis of the documentation from IPSA and the correspondence with Mr Aldous, the Compliance Officer notified Mr Aldous of his decision to carry out a Substantive Investigation, on the grounds that he was satisfied that Mr Aldous 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 19 August 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. Mr Aldous wrote to the Compliance Officer on 24 August 2011 requesting that these findings take account of the explanation set out in the letter of 22 July 2011. IPSA made no representations to the Compliance Officer in respect of this case.
15. During the investigation, the Compliance Officer considered, in addition to Mr Aldous's claims, IPSA's validation practices and IPSA's policy in respect of accommodation. He also considered Mr Aldous's representations.

C. Provisional Findings

16. Following an assessment of the evidence in this case and having given consideration to Mr Aldous'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 hotel accommodation when reimbursement is being made for other residential accommodation.
 - ii. Mr Aldous submitted claims for the costs of hotel accommodation for a period of five days after the lease on his rented property had taken effect and for which he was receiving reimbursement through the Scheme.
 - iii. Mr Aldous therefore contravened the rules of the Scheme and received reimbursement for a claim that should not have been allowed.
 - iv. IPSA's validation effort fell short in respect of these claims. As IPSA was in a position to verify the position with respect to Mr Aldous's lease, IPSA should on all three occasions have turned down the claims for payments. Although MPs alone are responsible for the accuracy of the submission of their claims, IPSA is in this case in part at fault as it could, by following its validation procedures, have prevented the original reimbursement being made to Mr Aldous for amounts that were not allowed under the Scheme.
 - v. IPSA has subsequently strengthened its validation procedures in this area. In February 2011 a change was made to the online claims system so that any MP whose residential accommodation is claimed through the Scheme is automatically barred from making claims for hotel accommodation. On 8

September 2011, the Compliance Officer requested that IPSA test this automatic bar and was satisfied that the system was working as intended.

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 context of the submission of the claim, and Mr Aldous's response are therefore relevant factors, and the Compliance Officer has provisionally found the following in respect of these:

- i. The contravention itself, although not insignificant, was not major in scale, and did not continue beyond a few days whilst Mr Aldous acquired a number of basic items to make his rented flat habitable.
- ii. The claims were made in the few months following the 2010 General Election, following which the new Scheme came into effect. IPSA has stated in representations in respect of previous investigations 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.
- iii. It is understandable that Mr Aldous may not have been able immediately to move into his flat and that as a newly elected MP he would have had other preoccupations at that time, and the Compliance Officer accepts that the submission of these claims was a genuine oversight on Mr Aldous's part. Nevertheless, Mr Aldous is reminded 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 the performance of their parliamentary functions, and that in incurring the expenditure they had complied with the Scheme"* (section 3.2).
- iv. Once the matter was brought to Mr Aldous's attention, Mr Aldous was quick to acknowledge that he had made a mistake. He apologised for the oversight and submitted a cheque for the amount of the claims under investigation (£361.00).

Conclusion

18. Under section 9(8) of the Act, the Compliance Officer may determine what amount is reasonable to request an MP repay. Taking all relevant factors, as set out above, into account, the Compliance Officer finds that it is both proportionate and reasonable that

Mr Aldous repays in full the amount of the claims under investigation (£361.00). He further finds that no additional penalties should be imposed in this case.

19. As Mr Aldous has already submitted to IPSA a cheque to repay the claims, Mr Aldous need take no further action.

20. IPSA has put in place a robust and automated system to prevent double claiming occurring. IPSA therefore need take no further action.

D. Representations and case resolution

21. Section 9(5) of the PSA provides that the Compliance Officer give the MP and IPSA an opportunity to make representations in respect of these provisional findings. Mr Aldous and IPSA may do so within fifteen working days of the date of this statement.

22. If representations are received, the Compliance Officer will consider these and prepare a Statement of Findings.

23. 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 Aldous accepts the Provisional Findings.

Martyn Taylor
Compliance Officer for IPSA

9 September 2011

Compliance Officer for IPSA

Investigation Closure Report

Mr Peter Aldous MP
Member of Parliament for Waveney
(IN/0042/100211)

23 September 2011

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

Investigation closure report

On 9 September 2011 the Compliance Officer sent Mr Peter Aldous 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 hotel accommodation expenditure claimed 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 19 September 2011, Mr Aldous wrote to the Compliance Officer to confirm that he accepted the findings and would be making no further representations.

On 20 September 2011, IPSA's Chairman, Sir Ian Kennedy, wrote to the Compliance Officer to confirm that he would not be making any representations.

Consequently, the Compliance Officer has passed to IPSA a cheque for £361.00 submitted by Mr Aldous to repay the amount of the claims that were found to contravene the rules of the Scheme.

No further action is required of Mr Aldous 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

23 September 2011