



Review of a determination by IPSA to refuse an expense claim

Mr Paul Flynn MP
Member of Parliament for Newport West

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Peter Davis
Compliance Officer for IPSA
4th Floor
30 Millbank
London
SW1P 4DU

Introduction

1. On 15 June 2015, Mr Paul Flynn MP submitted a number of claims to the Independent Parliamentary Standards Authority (IPSA) under the *MPs' Scheme of Business Costs and Expenses* (the Scheme). Following consideration, five of the claim lines were rejected on the grounds that they were submitted after 30 May 2015, the deadline for claims pertaining to the 2014/15 financial year.
2. On 3 August 2015, Mr Flynn contacted the Compliance Officer for IPSA to request a review of the decision by IPSA to refuse these expense claims.
3. Section 6A of the Parliamentary Standards Act 2009 (the Act) provides that if:
 - (a) the IPSA determines under section 6(3)¹ that a claim is to be refused or that only part of the amount claimed is to be allowed, and*
 - (b) the member (after asking the IPSA to reconsider the determination and giving it a reasonable opportunity to do so) asks the Compliance Officer to review the determination (or any altered determination resulting from the IPSA's reconsideration)*

The Compliance Officer must -

 - (a) consider whether the determination (or the altered determination) is the determination that should have been made, and*
 - (b) in light of the consideration, decide whether or not to confirm or alter it.*
4. The claims referred to are numbered 434055, 434072 and 434075 and contain a large number of claim lines. The Compliance Officer has confirmed the identity of the five disputed claim lines with the MP's proxy; these are contained in Annex A.
5. The Compliance Officer has establish that an internal review of the initial decision to reject the claims had been conducted by IPSA and the original decision upheld.
6. As a result there was no impediment to the Compliance Officer accepting the request for a review.

¹ Section 6(3) of the Act states that on receipt of a claim, the IPSA must – (a) determine whether to allow or refuse the claim, and (b) if it is allowed, determine how much of the amount claimed is to be allowed and pay it accordingly.

The Basis for the Review

7. Mr Flynn submitted the following note in support of his request for a review.
8. *I have had claims rejected on the basis that either the claims exceed the 90 days limit or that evidence was not provided on time.*
9. *Although the claims were made out with of IPSA's time frames, the claims were made as soon as was practically possible. The time taken was also reasonable because as you will be aware two substantial matters have happened over the last few months the first being the General election and the second being the swap to the soft token system. Some of the expenses also related to essential repair works within my accommodation that could not have been reasonably foreseen and planned around the election.*
10. *My expenses have traditionally been handled via the hard token system by staff members in the constituency office. During the period of the election and the dissolution of Parliament we found out that the new soft token failed to work on any of the computers in the office. This was confirmed by the fact that even the help desk provided failed to install the system. The obvious solution was to use one of the computers in the London office, this being during dissolution however I had no access to any of those systems until after the result on May the 7th.*
11. *Following the election many things had to be dealt with and again we struggled to install the soft token on the systems we had. A member of London staff finally got the soft token to work and requested a training session on how to use the expenses system. As soon as she had the training, as your records will reflect, we instantly made the claims.*
12. *Regarding the claims that have been rejected specifically because they fall within the previous financial year. Firstly I was not aware that claims were categorized in such a way and secondly as shown above it was impossible for me to put these claims to IPSA until fairly recently.*
13. *A quick glance at my expense records would show that I am consistently one of the MPs who claim the lowest amount of expenses. It is therefore clear that I wouldn't gain anything from deliberately withholding these claims until the next financial year. These claims are standard claims and in no way contentious. All evidence has been provided and I have explained the valid reasons behind the delay.*
14. *I am happy for these claims to be added to either the previous financial year or the next as I am completely confident of falling within the designated amounts.*

The Review

15. In conducting the review, the Compliance Officer has relied upon the Sixth Edition of the Scheme (April 2014 to March 2015) and, in addition, has obtained the following documents from IPSA:
- a. Validation Notes – notes appended to a claim submitted by an MP by the IPSA Validator describing the reason for the rejection of a claim;
 - b. Workflow History – shows the date the claim was opened by the MP or proxy, the date of submission to IPSA and details of how the claim was processed by IPSA;
 - c. Correspondence between IPSA and the MP;
 - d. MP Bulletins – a broad range of information routinely provided to MPs by IPSA; and
 - e. Year-end Guidance – information provided to MPs in preparation for the end of each financial year.

16. The following areas of the Scheme are relevant to the review:

Chapter 1: The Process for Making Claims

1.1 Claims for reimbursement under the Scheme must be:

- c. Submitted no more than 90 days after the expenditure was incurred; and*
- d. Supported by the evidence required by IPSA no later than seven days after the claim is submitted.*

1.6 IPSA may make specific provision at the end of a financial year to limit the 90 day period specified at paragraph 1.1c.

17. Utilising paragraph 1.6, IPSA may make specific provision to reduce the normal 90 day claim period at the end of a financial year. This is to ensure P11D forms can be effectively compiled.
18. This provision has been in place since the first edition of the Scheme was published and has been utilised each financial year since IPSA was established in May 2010. On each occasion the end of year limit has been set at 60 days. For the 2014-15 financial year, this meant submissions for all expenditure incurred during the year must be made by 30 May 2015 in order to comply.
19. On 18 December 2014, IPSA circulated a ‘*year-end guidance*’ letter to all MPs which stated:

*“The deadline for the online submission of 2014/15 claims is **30 May 2015**. If you wish to email supporting evidence this must be sent to us by 30 May otherwise, hardcopy supporting evidence must be received by **08 June**”.*

20. IPSA periodically sends out email circulations to MPs referred to as ‘bulletins’. Once circulated, they are published on IPSA’s website at the following address: <http://parliamentarystandards.org.uk/IPSAMPs/Pages/MP-Bulletins-and-Communications.aspx>

21. On 27 January 2015, the bulletin contained the following information:

“We have recently noticed a rise in the number of claims we cannot allow because they have been submitted more than 90 days after the business cost or expense was incurred. We therefore wanted to remind everyone of the deadline and reiterate that we cannot make exceptions to it.

*After the end of each financial year, the deadline reduces to 60 days, so the final deadline for online submission of 2014-15 claims will be **30 May 2015**.”*

22. On 14 May 2015 a further email ‘bulletin’ was circulated to MPs containing the following information:

*“The deadline for the online submission of 2014-15 claims is **30 May 2015**. If you wish to email supporting evidence, this must be sent to us by **30 May**; hardcopy supporting evidence must be received by **08 June**.”*

23. In his submission to the Compliance Officer, Mr Flynn states that his claims have been rejected by IPSA on the grounds that *“the claims exceeded the 90 day limit or that evidence was not provided in time”*.

24. On 19 June 2015, when rejecting the claim, the IPSA Validator placed a validation note on the system, visible to Mr Flynn and his proxy stating that the claim lines subject of this review had been processed as not paid *“as they have been submitted after the 2014/15 year-end deadline of 31 May 2015”*. The claims were not therefore rejected on the grounds that they had been submitted outside the normal 90 day limit; they were rejected on the grounds that they had been submitted outside the end of year 60 day limit.

25. All five claim lines subject of this review relate to expenses incurred in March 2015 and therefore within the financial year 2014/15. Exact details of the submissions are contained in Annex A.

Conclusions

26. Mr Flynn states that claims could not be made as the RSA token failed to install and the system could not be accessed. There is no reason to dispute this but the costs were incurred in March 2015 and there is no record of the MP (or his office) having contacted IPSA regarding RSA difficulties until 21 May 2015.
27. RSA installation instructions were sent to the MP's office by the IPSA MP Support Team on 26 May, before the deadline.
28. The MP and a staff member were given system training on 12 June 2015, and the MP is correct in stating that the claims were subsequently submitted thereafter on 15 June 2015.
29. In his note which accompanied the review request, Mr Flynn focuses on the technical difficulties experienced by his office and on the General Election as factors affecting the timeliness of his claims submissions. While these are undoubtedly legitimate considerations, they cannot form part of this review. In accordance with the Act, the review is confined to the legitimacy of decisions taken by IPSA in accordance with the Scheme and any policies or procedures created thereunder.
- 30. All of the claims referred to the Compliance Officer by Mr Flynn were submitted to IPSA outside the 60 day end of financial year timescale.**
- 31. The rule regarding claims made at the end of the financial year is well established and was communicated to MPs and their staff on three occasions prior to the deadline. In addition, following a request from the MP, further RSA installation instructions were sent to his office on 26 May 2015; within the submission period.**
- 32. In light of the above, the Compliance Officer can see no reason to amend IPSA's original decision to refuse the claims in question. The decision is therefore upheld.**
33. Section 6A(6) of the Act provides that an MP requesting a review may appeal the decision of the Compliance Officer to a 'First-tier Tribunal' if they are not satisfied with the outcome. The appeal must be submitted within 28 days of receiving the decision. Further information on how to appeal a decision by the Compliance Officer can be found at the following address: <https://www.gov.uk/guidance/mp-expenses-appeal-a-compliance-officers-decision>.

34. In accordance with the Guidance on the Conduct of Reviews by the Compliance Officer for IPSA, details of the review will be published in a manner decided by the Compliance Officer.

A handwritten signature in black ink, appearing to read 'Peter Davis', is centered within a light gray rectangular box.

Peter Davis

Compliance Officer for IPSA

compliance@parliamentarystandards.org.uk

Annex A: Refused Claims

Claim	Date Submitted	Expense Type	Expense	Date Expense Incurred	Amount	Time Between Expense Incurred and Submitted	Reason for Refusal
434055	15/06/2015	Accommodation	Thames Water	10/03/2015	£33.73	97 days	Not paid as submitted after 2014/15 year end deadline
	15/06/2015	Accommodation	EDF Energy	08/03/2015	£22.00	99 days	Not paid as submitted after 2014/15 year end deadline
434072	15/06/2015	Office Costs	Internet – Virgin Media	12/03/2015	£88.37	95 days	Not paid as submitted after 2014/15 year end deadline
	15/06/2015	Office Costs	Telephone - Vodaphone	24/03/2015	£35.44	83 days	Not paid as submitted after 2014/15 year end deadline
434075	15/06/2015	Accommodation	Service charges – Trafalgar Plumbing & Heating	27/03/2015	£674.88	80 days	Not paid as submitted after 2014/15 year end deadline