

The background of the slide features a low-angle, slightly tilted photograph of the Elizabeth Tower (Big Ben) in London, viewed through the dark, intricate branches of trees. The overall color palette is a muted, dark blue-grey, creating a professional and serious atmosphere.

IPSA

Independent Parliamentary
Standards Authority

Ethics, Parliament and the Elected Representative

The role of independent regulation

Presented by: Ian Todd

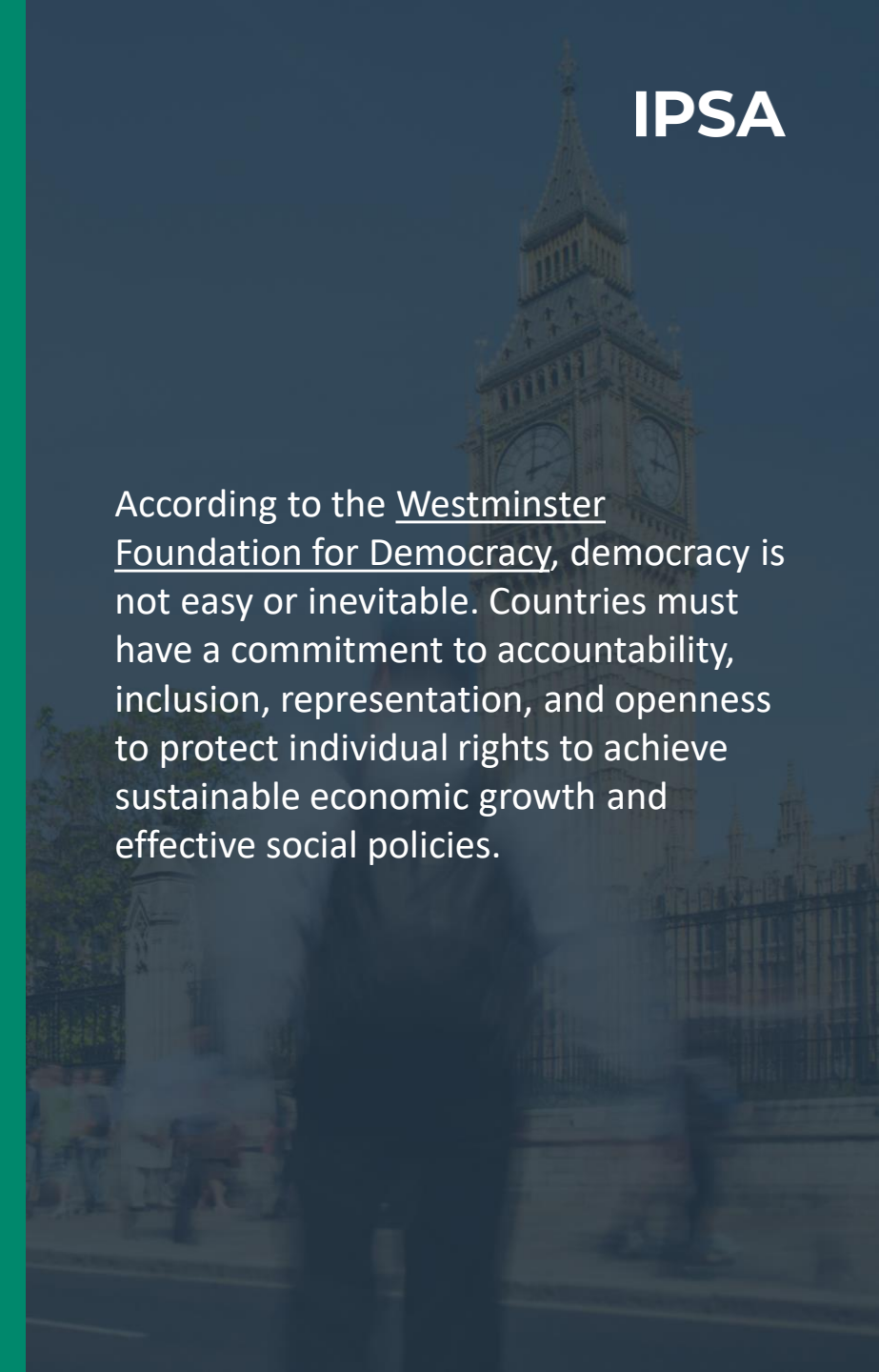
Date: 24 August 2023

Democracy and trust

Why are they interlinked?

Democracy can be defined as a belief that everyone has equal rights and a system of government based on this belief. Crucial ingredients for a healthy democracy include accountability, transparency, openness and participation, all of which need to be maintained for democracy to thrive.

The UK has a representative – or parliamentary – democracy where power is granted to elected representatives who are trusted to make decisions on behalf of the people they represent. Power is based on public support – therefore, trust is another vital ingredient in democracy.



According to the Westminster Foundation for Democracy, democracy is not easy or inevitable. Countries must have a commitment to accountability, inclusion, representation, and openness to protect individual rights to achieve sustainable economic growth and effective social policies.

Trust in politicians is low

IPSOS Veracity Index

The longest running poll on trust in professions in Britain, having been run consistently since 1983

Would you trust politicians generally to tell the truth?

Peak in 1999, but only at 23%

Fell to 13% in 2009, following expenses scandal

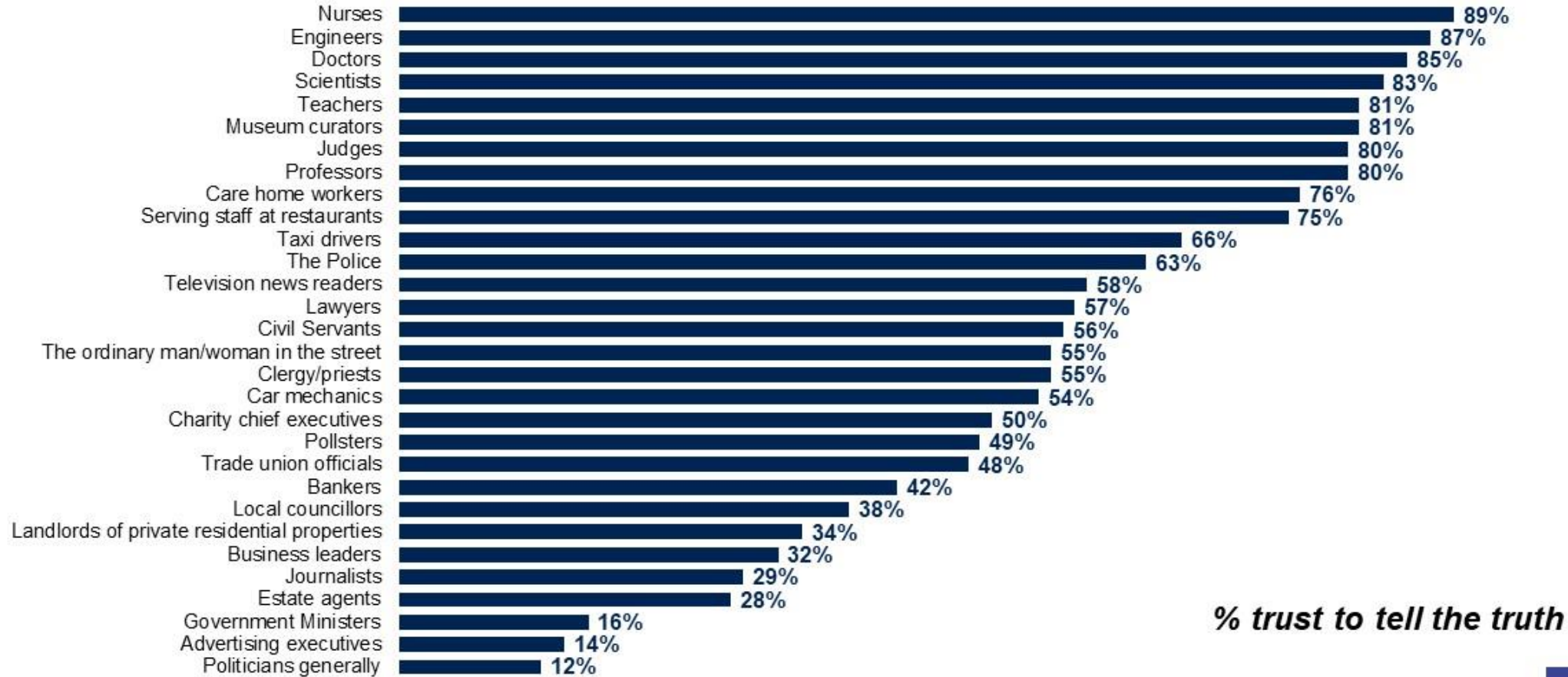
Slowly recovering to 19% in 2021...

...but fell to new all-time low of 12% in 2022, post Covid and wider concerns about standards.



Veracity Index 2022 – all professions

“Now I will read you a list of different types of people. For each would you tell me if you generally trust them to tell the truth, or not?”



Base: 1,005 and 1,004 British adults aged 16+, interviewed by telephone 19 – 26 October and 26 October – 1 November

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The birth of IPSA

The expenses scandal became a significant democratic crisis as it exposed an apparent disregard for the essential ingredients of democracy – accountability, transparency and openness, from the people whose job it is to govern in our democracy.

MPs sought to rebuild public trust and ensure a similar democratic crisis could not happen again. The Parliamentary Standards Act 2009 created an independent body to set, regulate and administer MPs' pay and business costs. This was the birth of the Independent Parliamentary Standards Authority (IPSA).



Regulatory landscape

Coherent and understood?

Regulation has developed in an ad hoc way, over time, often reacting to specific issues

This has resulted in multiple regulatory bodies and a fragmented landscape

These include:

- Parliamentary Commissioner for Standards
- Independent Parliamentary Standards Authority
- Electoral Commission
- Independent Complaints and Grievance Scheme
- Independent Expert Panel
- Standards Committee
- Privileges Committee
- Mr Speaker (and deputies)
- Committee on Standards in Public Life (advisory)
- ...and others



Our role

What do we do?

IPSA has three main functions, as the primary financial regulator of MPs:

- To determine MPs pay and pension arrangements
- To regulate MPs' staffing and business costs
 - set MPs annual budgets,
 - Define the rules by which they can spend (the Scheme),
 - monitor compliance; and
 - ensure transparency through publication
- Operate a payroll function for MPs and their staff

- We have a defined duty to support MPs and ensure they have the resources to undertake their parliamentary duties

In claiming for public funds through the Scheme, MPs must adhere to the following principles:

- Parliamentary
- Value for Money
- Accountability
- Probity

How do we undertake our role?

Historically

In the past we had a reputation for:

- Complex rules
- Too much prescription
- A one size fits all approach
- Not allowing MPs scope to operate differently
- Only being interested in 'catching MPs out'
- 'Light is the best disinfectant' approach to publication

BUT

- Regulation doesn't have to be solely punitive



How do we undertake our role?

Now

Over the past two years we have started on a journey to become:

- Supportive
 - A dedicated support team to help MPs get things right first time
 - Working with MPs and their staff when genuine errors occur
- Risk based
 - To target our efforts on those who need help most
 - Recognising that risk may be purely circumstantial
- Proportionate
 - To focus more on high risk, high value spend than create administrative burden in areas of low value and low scope for error
- Enabling MPs to focus on what really matters by providing an exemplary, seamless regulatory service

Jared O'Mara: ex-Labour MP found guilty of six counts of expenses fraud

Former Sheffield Hallam MP was on trial for submitting fake invoices to help fund 'galloping' cocaine habit

- **Drink, drugs and defrauding the state: the spectacular fall of Jared O'Mara**



📷 Jared O'Mara was found guilty of six counts of expenses fraud and cleared of two other fraud charges. Photograph: Antonio Olmos/The Observer

Public confidence

Opinium public sentiment research 2021

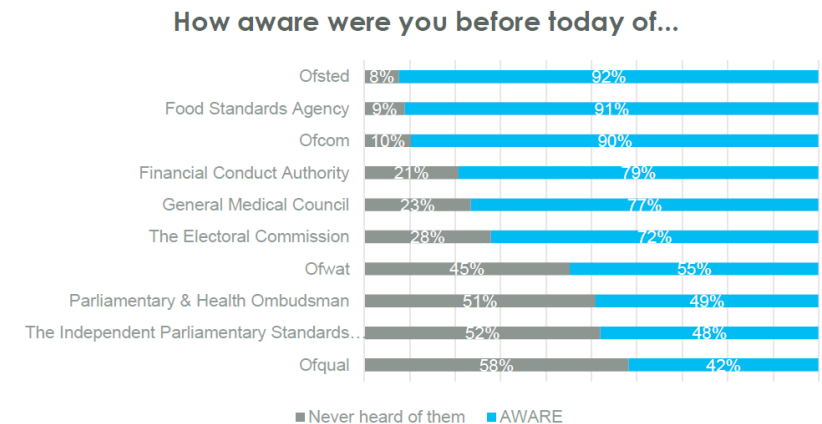
This representative sample found that:

- 61% of respondents felt MPs' pay should be decided by an independent body
- 52% of respondents felt MPs' business costs should be approved by an independent body
- There was a strong correlation between those who knew about IPSA's role and their confidence that pay and business costs were managed appropriately

BUT

- Less than half of respondents were aware of IPSA and its role
- 62% of respondents agreed with the statement that it was too easy for MPs to get around the rules.

Awareness of IPSA lags other public bodies

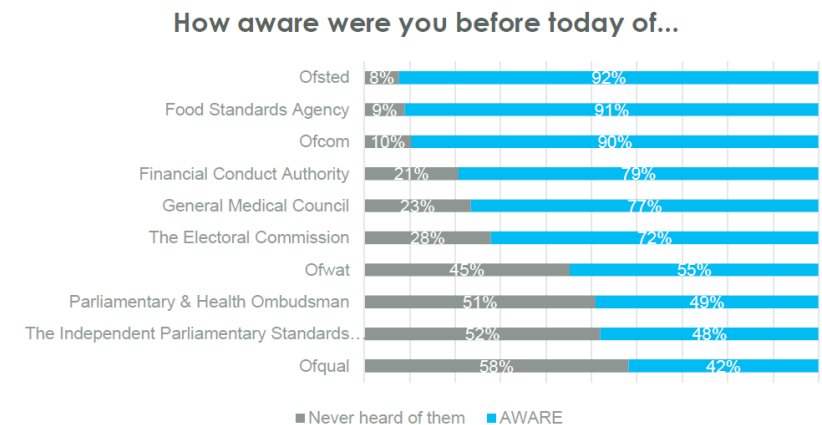


Summary

- Regulation doesn't have to be purely punitive
- Public confidence is increased by independent regulation
- A whole systems approach may be stronger than a piecemeal approach
- The public need to know the regulator exists and believe it is effective.

- Clearly, we still have much more to do...

Awareness of IPSA lags other public bodies



Thank you

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