

**THE INDEPENDENT FINANCIAL REVIEW PANELS**

**CONSULTATION ON PRIOR DISCLOSURE OF INTERESTS**

**Deadline for responses:**

**5 pm on 27 March 2015**

**A copy of this consultation document can be accessed on the IFRP website (**[www.ifrp.org.uk](http://www.ifrp.org.uk)**), by email (**[info@ifrp.org.uk](mailto:info@ifrp.org.uk)**) or by writing to the IFRP at:**

**Independent Financial Review Panel**

**Room 241**

**Parliament Buildings**

**Ballymiscaw**

**Stormont**

**Belfast**

**BT4 3XX**

**The Consultation Document can be made available in large type on request.**

***Friday 27 February 2015***

**CONSULTATION DOCUMENT**

**Foreword**

The Independent Financial Review Panel (‘the Panel’) was established in July 2011 to independently set the Pay and Allowances of Members of, and Office Holders in, the NI Assembly. Its remit includes a range of subjects, for example:

* MLAs’ Salaries
* Pensions
* Office Costs Allowance paid to MLAs to support their work in constituencies
* Travel expenses
* Additional Allowances paid to Office Holders within the Assembly and Executive (eg Ministers, Committee Chairs, the Speaker, etc)

The Panel’s first Determination was published in March 2012 and was subsequently revised in December 2012 to clarify the definition of “connected persons”. The revised Determination set out the level of salaries and allowances of Assembly Members for the remainder of the current Assembly mandate which at that time was due to end in May 2015.

The Northern Ireland (Miscellaneous Provisions) Act 2014 extended the length of the current and future mandates of the Northern Ireland Assembly from four years to five years and the current mandate will now end in 2016. There were a number of provisions in the March 2012 Determination which ceased to apply after 31 March 2015 thus making it necessary to revise the March 2012 Determination to cover the additional year of the mandate. The revised Determination was published in May 2014. The Panel is keen that each Determination, and any amendment to that Determination, should be based upon the widest possible consultation with MLAs, Political Parties and the public. The Panel has therefore commissioned research into a number of different aspects of Members’ salaries, allowances and office costs expenses. It will use this material to inform its consultation with all interested parties.

The Panel normally publishes one Determination for each Assembly Mandate, setting out its assessment of what monies should be paid to Members and any restrictions on how these monies can be paid or spent. The Panel has a duty to keep this Determination under review and on analysis has decided that a number of changes are necessary. The Panel is of the view that, having reviewed the contents of the March 2012 Determination as amended, recent information coming to light and continuing analysis by the Panel have demonstrated that exceptional circumstances exist, necessitating the issue of a revised Determination.

Enforcement of the rules in a Determination is a matter for the Assembly Commission which imposes certain additional conditions for the payment of salaries and allowances, intended to ensure the effectiveness of financial controls.

In developing its Determination the Panel has a statutory obligation to:

* Ensure probity, accountability and value for money with respect to the expenditure of public funds;
* Secure for Assembly Members a level of remuneration which fairly reflects the complexity and importance of their functions and does not, on financial grounds, deter people with the necessary commitment and ability from seeking election to the Assembly, and,
* Secure for Assembly Members adequate resources to enable them to exercise their functions as Members of the Assembly.

The Panel wishes to ensure that it has the deepest possible understanding of how MLAs’ offices work and the demands upon them. It will continue to engage with Parties, MLAs and the Assembly Secretariat to seek further and deeper consultation with MLAs on the support they really need to deliver their service to constituents. The Panel is committed to consulting effectively with Members, their staff, interested public bodies and the general public. In doing so, the Panel will ensure that consultation is specifically targeted at, and easily accessible to, those with a clear interest in the policy under review.

As part of this process, the Panel would be very grateful if you would respond to this consultation exercise. This will help to ensure that monies from the public purse are used appropriately and effectively, that the expenditure represents value for money, and, importantly, that Assembly Members have sufficient resources to fulfil their responsibilities to their constituents.

**PATRICK MCCARTAN CBE, Chairman, Independent Financial Review Panel**

**DR HENRIETTA CAMPBELL CB, Panel Member**

**ALAN MCQUILLAN OBE, Panel Member**

**Proposal 1: Prior Disclosure**

1. A copy of the current Determination is available on the IFRP website at <http://ifrp.org.uk/>
2. The Panel is keen to distinguish between the need for prior disclosure of specific interests before expenses are claimed and the current requirement to maintain a register of declared interests by Members. In this respect the Panel is responsible for the prior disclosure requirements on claim forms for Office Costs Expenditure and other allowances submitted by Members. The Assembly Commission and the Committee on Standards and Privileges have the responsibility for the maintenance of the Declaration of Interests which may be required for each Member.
3. The Panel believes that any direct or indirect benefit from OCE payments received by persons, whether natural or legal, associated with Members should be disclosed. The Panel is concerned that the current Determination may not adequately ensure probity, accountability and value for money with respect to the expenditure of public funds, particularly as regards to the beneficiaries of public funds.

1. The Panel considers that prior disclosure should be made where payments benefit a number of persons associated with Members including, for example, family members, other elected representatives, political parties, their officers and employees, and employees of Departments or councils.
2. The Panel is minded to introduce a new rule which will require that, before any such payments can be claimed, prior disclosure must be made as to whether public monies will be paid to any associated person. The Panel’s view as to who is to be considered ‘associated persons’ is set out at paragraph 7 below.
3. The Panel also considers that, should a payment be made to a company, partnership, or trust, then the potential association to be disclosed should include directors, shareholders, trustees, beneficiaries, partners, and so on.
4. The Panel is proposing that each declaration should include the following information:

* The name of the person or organisation who is to receive the payment;
* Whether the person or organisation who is to receive the payment was at the time of the payment resident or registered at a place within the European Union;
* Whether the person or organisation who is to receive the payment was an associated person, and, if so, the details of that association;
* Where the organisation that is to receive the payment is a trust, then the declaration should include:
  + Whether any trustee of the trust is an associated person, and, if so, the details of that association;
  + Whether any beneficiary of the trust is an associated person, and, if so, the details of that association;
* Where the organisation that is to receive the payment is a company, then the declaration should include:
  + Whether any director of that company is an associated person, and, if so, the details of that association;
  + Whether any person or organisation who owns or controls more than 5% of that company’s share capital or voting rights is an associated person, and, if so, the details of that association; and
* Where the person or organisation that is to receive the payment is a partnership, whether any partner is an associated person, and if so the details of that association.

**Consultation Question 1**

**Do you have any comments in relation to the Panel’s proposal that before any payments can be claimed from OCE, Members must make prior disclosure as to whether any associated person will receive the payment?**

*Your Comments:*

*Your Comments continued*

**Proposal 2: Definitions**

1. To assist interpretation, the Panel have suggested the following definition of associated persons, namely:

* a spouse;
* a civil partner;
* a cohabitant;
* any other family member;
* a political party;
* a political association, whether incorporated or not;
* a member, employee or officer of a political party;
* a person who is, or was within the last five years—
* a Member of the Assembly, the European Parliament, the House of Commons, the House of Lords, the Scottish Parliament, the National Assembly for Wales, Dáil Éireann (House of Representatives of Ireland) or the Seanad Éireann (Senate of Ireland);
* a district councillor;
* an employee of a Member of the Assembly;
* an employee of the Commission;
* an employee of a Northern Ireland department;
* an employee of a district council;
* a family member of a Member of the Assembly;
* a candidate for election to the Assembly.

**Consultation Question 2**

**Do you have any comments in relation to the Panel’s proposal as to the persons who will be deemed for the purposes of the Determination to be associated persons?**

***Your Comments:***

**Proposal 3: Payment of Claims**

1. The Panel has raised some concerns relating to current flexibilities within the expenses regime and feels that it does not allow for adequate assurance as to the recipient of public funds. The Panel is dedicated to ensuring an open and transparent regime that promotes the confidence of the public in its use and administration.
2. The Panel is proposing that all payments, where not already paid directly to the Member, an employee or supplier, should be payable into the personal bank account of a Member making the claim.

**Consultation Question 3**

**Do you agree that all payments for claims of expenditure, where not already paid directly to the Member, an employee or supplier, should be payable into the personal bank account of the Member making the claim?**

**YES NO**

If “no”, please state why you disagree and indicate your reasons

**Should you wish to respond electronically, please download the consultation proposals by typing or pasting the following link into your internet browser -** [**http://ifrp.org.uk/wp-content/uploads/2015/02/Consultation-Doc-Exceptional-Determination.docx**](http://ifrp.org.uk/wp-content/uploads/2015/02/Consultation-Doc-Exceptional-Determination.docx)

**Alternatively you may send your response to:**

**Independent Financial Review Panel**

**Room 241, Parliament Buildings**

**Ballymiscaw**

**Stormont**

**Belfast BT4 3XX**

**E-mail:** [info@ifrp.org.uk](mailto:info@ifrp.org.uk)

**You may wish to note that the names of respondees and, in some cases, the full response, will be published unless you indicate when you submit your response that you do not wish this to happen.**

**Are you content that your information is published?**

**YES NO**

**NAME:**

**ORGANISATION (IF APPLICABLE):**

**ADDRESS:**

*Please note that it is not essential to include your details. You may respond anonymously if you prefer to do so.*

**NEXT STEPS**

The Panel invites your views on the proposals listed above and any other additional comments which you wish to make.

**Additional Comments**

*Please use this space to include any additional comments you may have on the proposals outlined in this consultation document. Your response and comments will help inform our decisions for our next Determination.*

**CONSULTATION RESPONSES**

**The deadline for responses to this consultation is 5PM ON 27 MARCH 2015. Responses received after this date may not be considered.**

**DISCLOSURE OF INFORMATION**

The Panel may publish, or make available on request, any information provided to it in relation to this consultation exercise. In line with the provisions of the Data Protection Act 1998, information containing personal data will not be disclosed. You should be aware that your response, or an extract from it, may appear in a Report or may be included on a list of evidence submitted. In the event of a request under the Freedom of Information Act 2000, it may be necessary to disclose information which you provide.

If you are providing any information, other than personal data, which you feel is not suitable for public disclosure, you should identify that information and provide a reasoned argument against its disclosure. The Panel will take this into account when publishing information or when responding to requests for information.

**CONTACT DETAILS**

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