

Independent  
Financial  
Review  
Panel

# Annual Report

April 2015 – March 2016

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# Introduction

*By Pat McCartan, Chairperson of the Panel*

This annual report for the year 2015/16 records the most intensive period of work for the Independent Financial Review Panel since it was formed in July 2011. During the year, the Panel completed a major review of all the costs and expenses within its legislative remit through a series of wide-ranging public consultations and meetings, including an appearance in front of a Statutory Committee, and discussions with auditors, the NI Audit Office, the Parliamentary Commissioner for Complaints and colleagues from the Independent Parliamentary Standards Authority and the Oireachtas. That was followed by the publication of the Panel's Determination and accompanying report on 23 March 2016. The Determination sets the levels of salaries for Members and office holders, constituency office expenses, travel expenses and employment support expenses for the 2016/2021 Assembly.



Following the commissioning of specialist reports from pensions advisers, the Panel completed its review of pensions for MLAs, taking account of the Hutton Review on public service pensions as well as affordability, and published its Determination on MLA pensions in April 2016.

The Panel is satisfied that it has been able to complete most of its work to underpin the Assembly for the next five years and it wishes to see the growth of public trust in politics over that period. To a large extent, this will depend on the explicit adherence by individual MLAs to the Panel's Determinations and also to their personal commitment to the 10 principles agreed by the party leaders, to the Nolan principles and to personal integrity when seeking to claim money from public sources.

The Panel's work depends on the interpretation of our Determination by the Commission, its staff and the Standards and Privileges Committee. The Panel drafted its 2016 Determinations to assist in that regard. As the year ended, the Panel was gratified to note that a draft Memorandum of Understanding was in place between the Panel and the Commission to ensure that any concerns over interpretation of Determinations would be resolved in future, and liaison with the relevant Assembly staff was working effectively.

It should be noted that the Panel remains of the view that legislative changes are needed to the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011, which established the Panel, in respect of how MLAs' remuneration, expenses and pensions are determined. The Panel believes that there is a need for an IPSA-type body with similar powers to regulate the Assembly, to control all payments made to or claimed by MLAs, with investigative and research powers, and with the ability to make Determinations as often as circumstances require. This does not require major expenditure, as has been argued, but could be arranged with relative ease.

The reporting period has coincided with a period of major change for the Assembly, with significant reductions and movements in support staff at Stormont. The Panel, which is a part-time body meeting irregularly, has had to endure many changes in secretarial support over the past 18 months. This discontinuity in corporate knowledge was not conducive to helping the Panel carry out its remit in a timely and efficient manner, and that issue should be addressed during the 2016/2021 Assembly by provision of support at the same level as that afforded to a Statutory Committee.

The Panel is deeply appreciative of the contributions made by each of the secretarial teams it has had and the extra efforts our work has demanded, over and above the normal work assigned to those staff, and to the professionalism displayed by each individual. The Panel also deeply appreciates the work of all Finance and HR staff, who have the difficult task of providing us with detailed information for trend analyses to aid our decisions and also to implement the Determinations. Similarly, the advice provided by Legal Services has been of the highest quality and integrity and Northern Ireland is well served by having such expertise in the Assembly.

At the end of this intensive year's work, I must express my deep-felt gratitude to my colleagues Dr Etta Campbell and Mr Alan McQuillan. Both have been unstinting in their support for the work of the Panel, for the Assembly and for me in my role as Chair, and I thank them for their efforts in ensuring that the Panel has been able to fulfil its statutory duties.

## Background

The Panel was established in July 2011 by the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 (“the Act”) to make Determinations in relation to the salaries, allowances and pensions payable to Members of the Northern Ireland Assembly.

The Panel is fully independent, is not subject to the control of either the Northern Ireland Assembly or the Assembly Commission, and its objectives are to:

- ensure probity, accountability and value for money with respect to the expenditure of public funds;
- secure for Members of the Assembly a level of remuneration that fairly reflects the complexity and importance of the job, and does not, on financial grounds, deter people from seeking election to the Assembly; and
- secure for Members adequate resources to enable them to do their jobs.

The Act also requires the Panel to:

*“as soon as practicable after the end of each financial year, provide to the Commission a report on the performance of its functions, including the use of resources, during that financial year.”*

This report is published to fulfil that obligation.

## Membership

The Chair and Panel members were appointed by the Assembly Commission on 1 July 2011 for a five-year term. The Panel consists of:



**Chair:**  
Mr Patrick McCartan CBE, MSc (Dist), FCIPD



**Panel Member:**  
Dr Henrietta Campbell CB, MD, FRCP



**Panel Member:**  
Mr Alan McQuillan OBE BSc (Hons) MBA

## The Panel's work during 2015/16

The work of the Panel during the 2015/16 year was concentrated mainly on developing and publishing its Determinations and associated report for the 2016 Assembly mandate.

The Panel was keen to ensure that its Determinations should be based upon the most informed consideration possible. To help achieve that, the Panel was happy to meet with MLAs, political parties and the public, and it carried out two consultation exercises, one on salaries and office holder allowances, which commenced on 27 March 2015 and ended on 29 May 2015, and the other on Members' office costs, travel and childcare expenditure, which commenced on 6 July 2015 and closed on 11 September 2015.

The Panel continued to undertake research on salaries, expenses, pensions etc and sought advice and guidance from subject matter experts as and when required. An illustration of the level of work required can be gleaned from the fact that, during the year, the Panel held 26 formal meetings, exactly the same number as it had held over the previous four years.

The culmination of this work was the publication on 23 March 2016 of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 and the Panel's associated report on Members' salaries, allowances, expenses and pensions. It should, however, be noted that the Panel's Determination in respect of Members' pensions was published on 28 April 2016.





While the undoubted focus and priority of its work was in relation to the Determinations that will cover the 2016/2021 Assembly mandate, the Panel also reviewed some matters relating to the implementation of its previous Determinations. Those matters were drawn to the attention of the Assembly Secretariat, the Comptroller and Auditor General, and the Secretariat Audit and Risk Committee, and were under consideration at the year's end.

In addition, regular liaison meetings with the Assembly Secretariat were held and a draft memorandum of understanding for working arrangements between the Panel and the Assembly Secretariat was in the throes of being agreed at the year's end.

Finally, the Panel met with and/or handled enquiries from a number of other stakeholders, organisations and individuals.

## Meetings

The Independent Financial Review Panel held a total of 26 formal meetings during the period of this report. The minutes of those meetings are published on the Panel's website. The dates of those meetings were:

2 and 23 April 2015; 20 and 29 May 2015; 26 June 2016; 8 and 23 September 2015; 19 November 2015; 9 December 2015; 6, 8, 13 and 21 January 2016; 3, 12, 17, 18, 22 and 24 February 2016; 2, 7, 14, 15, 16, 21 and 23 March 2016.

The Panel held a number of other meetings with a wide range of individuals and organisations, including political parties, individual MLAs, the Comptroller and Auditor General, the trustees of the Assembly Members' Pension Scheme, the Labour Relations Agency, legal advisers, pension advisers, Assembly Secretariat staff and the media.

Regular liaison meetings with the Clerk to the Assembly and his senior staff continued, with six such meetings during the year, and the Panel also held three workshops.

## Financial Report

As shown in the table below, a total of £39,133.83 was spent on the fees of the Panel members and £24,350.60 was spent on general administrative expenditure covering items including research, specialist advice, legal drafting services, production costs, communication, travel costs etc. In addition, a total of £49,170 was spent on the provision of professional advice in relation to the Assembly Members' Pension Scheme and the development of a scheme for Members' support staff; those costs were met from central Assembly funds and not the IFRP budget.

2015/2016 Amount Spent £	
<b>Panel Fees</b>	
Mr Patrick McCartan, Chair	16,526.79
Dr Henrietta Campbell	9,518.40
Mr Alan McQuillan	13,088.64
<b>Total Panel Fees</b>	<b>39,133.83</b>
<b>General Admin Expenditure</b>	
Travel expenses	857.70
Advertising	893.03
Legal drafting services	21,900.00
Room hire	165.00
General business expenditure	534.87
<b>Total General Admin Expenditure</b>	<b>24,350.60</b>
<b>Overall Total</b>	<b>63,484.43</b>

## Code of Conduct

The Independent Financial Review Panel is committed to reviewing its Code of Conduct annually. No breaches of the Code of Conduct have occurred during the reporting period. A copy of the Code of Conduct is available on the IFRP website [www.ifrp.org.uk](http://www.ifrp.org.uk)

## Declaration of Interests

The Independent Financial Review Panel's Code of Conduct contains a commitment to maintain a Register of Interests. In addition, at each meeting of the IFRP, there is a standing agenda item to allow the Chair or members to declare any interests that they have in relation to the issues to be discussed. The purpose of the Register is to provide information on any financial interests or other material benefits that the Chair or a member of IFRP receives, which might reasonably be thought by others to influence his or her actions or decisions taken in his or her capacity as Chair or member of the IFRP.

The Chair and each Panel member is responsible for his/her own entry and for providing any additional information that may be relevant at meetings of the IFRP. Entries are amended on an ongoing basis as necessary. A copy of this document can be accessed on the IFRP website.

**For further information on the work and membership of the Independent Financial Review Panel, please contact:**

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