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**Independent Parliamentary Standards Authority**

I am writing to introduce myself as interim chief executive of IPSA, and to set out some information on the establishment of the new authority. Please find enclosed a summary of what IPSA is required to do under the Parliamentary Standards Act, and an update on progress so far

I am publishing this letter on the website of the IPSA Implementation Programme, and will be using that website to keep all interested parties informed of progress; I will also write further in due course.

Yours

Andrew McDonald

# The Independent Parliamentary Standards Authority (IPSA)

## What is IPSA?

IPSA was created by the Parliamentary Standards Act 2009 to put in place a new and independent system for the payment of MPs' salaries and allowances.

IPSA is an entirely independent body, not part of the Government – or of Parliament.

## As set out in the Parliamentary Standards Act, the role of IPSA is to:

- Establish a new scheme for MPs' allowances, including determining what claims are allowed, how much is to be paid and how payment will be administered
- Pay MPs' salaries and allowances
- Publish a code of conduct for MPs' financial interests
- Maintain the Register of MPs' Financial Interests
- Support the new statutory Commissioner for Parliamentary Investigations established under the Act

## How will IPSA be structured?

IPSA will be governed by a Chair and four Board members, nominated by the Speaker and appointed by Her Majesty following an independent, rigorous, fair and open competition. The appointments will be ratified by the new Speaker's Committee and approved by the whole House. These appointments are expected to be made in November.

IPSA already has an implementation team in place, headed by interim chief executive Andrew McDonald.

### **How will the new allowances system be drawn up?**

The new allowances system will be established by the IPSA Chair and four Board members, as set out in the Parliamentary Standards Act.

IPSA's work will be informed by the report of the Committee of Standards in Public Life, headed by Sir Christopher Kelly, which is currently conducting an inquiry into MPs' allowances. IPSA is obliged by the Parliamentary Standards Act to consult the Committee on its proposed allowances scheme.

The new Commissioner for Parliamentary Investigations will have the power to investigate any claim he or she has reason to believe has failed to comply with the rules set out by IPSA. IPSA will set the procedures by which the Commissioner can receive complaints and carry out investigations. The Commissioner is expected to be appointed over the winter.

### **When will IPSA be fully operational?**

Draft proposals are expected to be presented for consultation by the end of 2009. IPSA plans to be operational by the spring of 2010.

For further information, please visit [www.parliamentarystandards.org.uk](http://www.parliamentarystandards.org.uk)