

Putney
London :

23 April 2009

The Secretary
Committee on Standards in Public Life
35 Great Smith Street
London SW1P 3BQ

Dear Sir Kelly,

Re: Review of MP's pay and allowances

I have noted with interest that you have set up a review on MP's pay and allowances. I have previously been in contact my MP, Ms Justine Greening, on this matter; as a courtesy I am copying her in to this letter.

I feel that in the debate as it occurs in the press, no consideration is being given to the rules that MP's have themselves set in place for private companies to reimburse employees for expenses incurred in the pursuit of the duties of their employment.

Fundamentally, there is no difference between the reimbursements that I pay to the employees for business travel and the allowances that MP's are seeking to defray the costs of their employment. I am suggesting that the Committee takes evidence from an accountant working for a small business so they can understand how the private sector approaches these problem. I would like to propose myself for that role.

The two topics that I believe should be covered are:

The grounds for the payment of allowances. Expenses may only be reimbursed to employees if they are incurred *wholly, exclusively* and *necessarily* in the pursuit of the duties of their employment. It would appear to me that such a simple formula (which MPs have anyway decided is suitable for the private sector) could easily be applied to MPs allowances.

The evidential basis for the payment of allowances. Specifically the provision of receipts to reclaim specific costs. In the private sector receipts are required for every penny reclaimed, the latest rules allow MP's to reclaim £50 without a receipt (it was previously £250). If I experienced an HMRC review of my paperwork under those terms I would expect to lose my company a lot of money (and likely my job). It would appear to me that any MP facing an enquiry into their taxes would have a lot of explaining to do.

I look forward to hearing from you. I can be available at relatively short notice. If you need to email me I can be found at:
or I can be contacted in office hours on

Yours sincerely,

A Hetherington (ACCA)

Cc Ms Justine Greening, MP.