

Guidance note on the use of Members' Allowances

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1. Introduction

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This guidance note clarifies the European Parliament's own rules on use of expenses and imposes an additional requirement on all UK Labour MEPs to carry out a full, professional review of the use of these allowances on an annual basis.

All EPLP members are expected to observe the guidance note. The Secretary General will oversee compliance and report to the Whip. Substantial breaches of the guidance note will be subject to EPLP disciplinary procedures.

2. Description of Allowances

The rules on use of allowance are set out in Articles 13 & 14 of the European Parliament Rules Governing the Payment of Expenses and Allowances to Members.

2.1 Secretarial Assistance Allowance

Article 14 sets out provisions for use of this allowance "to cover the expenses arising from the employment or of the engagement of one or more Assistants."

This can be taken to include costs related to the employment of staff in the UK and/or Belgium/France, including a contribution to a pension scheme, staff training, staff recruitment costs, employer's insurance, staff travel and missions, health and safety costs, redundancy, sickness and maternity cover.

Staff includes permanent, temporary, special project staff, stagiaires and staff employed jointly with other members, such as the Joint Members Assistant.

All staff employed by MEPs must have contracts of employment in accordance with UK/Belgian/French law and must be actively encouraged to join the Labour party and a Trades Union.

An advice note on 'Options for Employment of Parliamentary Assistants' is attached to assist members with ensuring that their contracts comply with the appropriate national law.

The EPLP agreed 'Principles for Employment' which sets out minimum employment conditions for staff of EPLP Members. These principles are consistent with the revised Article 14 of the European Parliament. An additional clause "stating explicitly that the EP may not be deemed to be party to the employment contract (Article 14 rev. para 5) should, however, be added to contracts.

Article 14 revised places a requirement on all Members to forward copies of all employment contracts to the Parliament's services together with proof of employer's insurance and payment of employees' social security contributions.

All MEPs must provide a list of staff names and job titles to the EPLP in Queen Anne's Gate, London. It is not necessary to provide a copy of the contracts.

Members of staff can be paid directly from the European Parliament or through a named paying agent or service provider in the Member State who must be someone other than the Member her/himself. Where a member of staff is paid directly from the European Parliament, documentary evidence of payments made to that person and their contract of employment must be provided to the auditor.

2.2 General Expenditure Allowance

Article 13 describes in detail which office costs can be funded from the general expenditure allowance, inter alia:

- office management and running costs, in particular rent and related charges (heating, lighting, insurance, cleaning),
- telephone and postage,
- cost of purchasing or renting office equipment
- purchase of office supplies,
- the cost of purchasing books, periodicals and newspapers,
- the cost of using public data consultation networks,
- expenses involved in equipping MEPs with communications equipment eg. purchase or rental of a computer, a modem or communications card, a printer, communications, word processing, file management and spreadsheet software packages etc and any other related equipment and the cost of maintaining such equipment,
- the cost of a subscription to the internet and data bases
- the cost of purchasing, using or maintaining a photocopier.

Members' travel and ancillary expenses costs in the Member States related to their parliamentary duties may also be refunded from the General Expenditure Allowance.

The general expenditure allowance "may not be used to cover personal expenses or to finance subsidies or gifts of a political nature" (*Page 15 of Rules governing the Payment of Expenses and Allowances to Members*).

MEPs who contribute to the optional second pension scheme and who pay this directly from their general expenditure allowance must reimburse this from their own money on a monthly basis. There will be an annual adjustment. This must all be evidenced and shown in the audited accounts.

3. Auditing of MEPs Accounts

The above allowances are perceived as 'tax-payers' money'. Although there is no statutory obligation for MEPs to have their accounts audited annually, it is in the interest of all MEPs to show that their accounts have complied with generally accepted standards of propriety.

The EPLP therefore requires its Members to have their accounts reviewed annually by a qualified and professional auditor.

The auditor must be given a copy of this guidance note and the Parliament's rules to assist in their work.

The review will show that proper accounting records have been kept; that the financial statements are in accordance with the accounting records; that financial statements comply with statutory or other requirements.

The Member will provide the EPLP with:

- 1)** the name of their recognised professional auditor
- 2)** the name of the staff member in their office or accountant with responsibility for keeping their accounts at the beginning of each year.
- 3)** a copy of the auditor's letter of certification by the end of March each year and by the 1st March in years that European Elections are held.