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**House of Assembly**  
**Excess Constituency Allowance Claims by Mr. Wally Andersen, M.H.A.**  
**(Supplementary Report)**

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**Introduction**

Section 15(1) of the *Auditor General Act* requires the Auditor General to report to the Lieutenant-Governor in Council instances the Auditor General becomes aware of during the course of an audit which may involve improper retention or misappropriation of public money or another activity that may constitute an offence under the *Criminal Code* or another Act.

A matter of this nature came to my attention during my audit of the House of Assembly relating to constituency allowance claims by Members of the House of Assembly.

As outlined by the Commission of Internal Economy, “*Each Member [of the House of Assembly] is entitled to an accountable constituency allowance. This allowance is for the payment of expenditures incurred in the performance of constituency business and may cover such items as office rental, equipment, supplies, secretarial and other support services, information material such as newspapers, advertising, purchase of flags, pins, etc..*”

The maximum amount which may be paid to each Member of the House of Assembly varies by district and is set by the Commission of Internal Economy.

**Findings**

On 4 July 2006, I reported through the Minister of Finance, to the Lieutenant-Governor in Council, that a review of expenditures at the House of Assembly identified excess constituency allowance claims by Mr. Wally Andersen, M.H.A. totalling \$243,244 relating to fiscal years 2003, 2004, 2005 and 2006. This matter is currently being investigated by the Royal Newfoundland Constabulary.

I am in the process of completing the additional work requested by the Lieutenant-Governor in Council through OC2006-295 with respect to identifying any further excess constituency allowance amounts claimed by Members. My review relating to Mr. Andersen is now completed and I have identified further excess constituency allowance claims totalling \$101,221 relating to fiscal years 1998, 1999, 2000, 2001 and 2002.

These additional excess claims were made by Mr. Andersen on either Members Constituency Expense Claim forms or Travel Expense Claim forms signed and filed by him with the Office of the Clerk of the House of Assembly. For this five-year period the Commission of Internal Economy approved a total of \$400,400 (\$61,000 for 1998, \$75,400 for 1999, \$85,200 for 2000, and \$89,400 for each of 2001 and 2002) for his

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constituency allowance while Mr. Andersen submitted claims totalling \$501,621, resulting in the excess claims of \$101,221. Details on the additional excess claims made by Mr. Andersen are provided in the attached schedules.

Together with the excess amounts reported on 4 July 2006, this represents total excess claims by Mr. Andersen of \$344,465 for the years 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005 and 2006. As Figure 1 shows, for this nine-year period the Commission of Internal Economy approved a total of \$748,800 for his constituency allowance while Mr. Andersen submitted claims totalling \$1,093,265, resulting in the excess claims of \$344,465.

**Figure 1**

**Excess Constituency Allowance Claims**

Fiscal Year	IEC Approved Limit	Amount Claimed	Excess
1998	\$ 61,000	\$ 70,496	\$ 9,496
1999	75,400	91,785	16,385
2000	85,200	107,264	22,064
2001	89,400	109,099	19,699
2002	89,400	122,977	33,577
<b>Subtotal - Supplementary Report</b>	<b>400,400</b>	<b>501,621</b>	<b>101,221</b>
2003	89,400	136,168	46,768
2004	89,400	179,859	90,459
2005	84,800	129,637	44,837
2006	84,800	145,980	61,180
<b>Subtotal - Initial Report</b>	<b>348,400</b>	<b>591,644</b>	<b>243,244</b>
<b>Total</b>	<b>\$748,800</b>	<b>\$1,093,265</b>	<b>\$344,465</b>

**Recommendation**

I recommended that the Lieutenant-Governor in Council also refer the matter of Mr. Andersen's additional excess constituency allowance claims for fiscal years 1998, 1999, 2000, 2001 and 2002 to the Department of Justice.