
House of Assembly
Excess Constituency Allowance Claims by Mr. James Walsh, Former M.H.A.
(Supplementary Report)

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. James Walsh, M.H.A. totalling \$228,169 relating to fiscal years 2003 and 2004. 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. Walsh is now completed and I have identified further excess constituency allowance claims totalling \$70,402 relating to fiscal years 1999, 2000, 2001 and 2002.

These additional excess claims were made by Mr. Walsh 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 four-year period the Commission of Internal Economy approved a total of \$116,800 (\$26,700 for 1999, \$29,100 for 2000, \$30,500 for 2001, and \$30,500 for 2002) for his constituency allowance

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while Mr. Walsh submitted claims totalling \$187,202, resulting in the excess claims of \$70,402. Details on the additional excess claims made by Mr. Walsh are provided in the attached schedules.

Together with the excess amounts reported on 4 July 2006, this represents total excess claims by Mr. Walsh of \$298,571 for the years 1999, 2000, 2001, 2002, 2003 and 2004. As Figure 1 shows, for this six-year period the Commission of Internal Economy approved a total of \$177,800 for his constituency allowance while Mr. Walsh submitted claims totalling \$476,371, resulting in the excess claims of \$298,571.

Figure 1

Excess Constituency Allowance Claims

Fiscal Year	IEC Approved Limit	Amount Claimed	Excess
1999	\$ 26,700	\$ 33,604	\$ 6,904
2000	29,100	40,839	11,739
2001	30,500	40,454	9,954
2002	30,500	72,305	41,805
Subtotal - Supplementary Report	116,800	187,202	70,402
2003	30,500	160,630	130,130
2004	30,500	128,539	98,039
Subtotal - Initial Report	61,000	289,169	228,169
Total	\$177,800	\$476,371	\$298,571

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