

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, former M.H.A., totalling \$228,169 relating to fiscal years 2003 and 2004. These excess claims were made by Mr. Walsh on Members Constituency Expense Claim forms signed and filed by him with the Office of the Clerk of the House of Assembly. For this two-year period the Commission of Internal Economy approved a total of \$61,000 (\$30,500 per year) for his constituency allowance while Mr. Walsh submitted claims totalling \$289,169, resulting in the excess claims of \$228,169. The attached schedule provides details on the excess claims made by Mr. Walsh.

I recommended that the Lieutenant-Governor in Council refer the matter of Mr. Walsh’s excess constituency allowance claims for fiscal years 2003 and 2004 to the Department of Justice.