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MP expenses: Scandal in N.S. prompts politicians to push for openness in Ottawa

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Nova Scotia politicians mired in an ugly expense scandal exposed by the province's auditor general are urging their federal counterparts to stop blocking an audit of their spending habits.

Bill Estabrooks, Nova Scotia's NDP energy minister, says the members of Parliament who sit on the all-party internal economy board were wrong to deny the federal auditor general's request to submit MPs' expenses to a performance audit.

"They would do themselves a big favour if they said, 'I've got nothing to hide. Come in and have a look at how I spent the taxpayers' money,'" Estabrooks says, conceding that the process was painful but necessary in Nova Scotia.

"We've learned that lesson in Nova Scotia. Some of us learned it the hard way."

The Nova Scotia audit, tabled Feb. 3, revealed a litany of inappropriate and excessive spending, prompting the resignation of a former cabinet minister, an overhaul of spending regulations and a police investigation that could lead to criminal charges.

It was the first audit of its kind in 15 years.

The questionable spending included the use of constituency allowances to pay for big-screen TVs, a model boat, electric generators, a video game, a \$738 espresso maker and custom-made furniture worth more than \$13,000. Estabrooks says auditor general Sheila Fraser should be allowed to review Parliament's \$500 million in spending because something has to be done to improve the image of politicians.

"The federal MPs, if they've learned anything, I would hope they understand the fact that, as politicians, we have a tarnished reputation - not just in Nova Scotia, but across the country," he says.

"I would hope that they would follow our lead and follow some of the changes that we've brought in and say, 'Let's be open, let's be accountable.'"

Leo Glavine, an Opposition Liberal, says he's heard from constituents who say it's time for Parliament to make itself as accountable as Nova Scotia's house of assembly.

"In light of what has happened in Nova Scotia, they are astounded that MPs and leaders of parties are taking the current stand," said Glavine, who represents a riding in the Annapolis Valley.

"This is the essence of what creates a cynical public. ... The longer that Sheila Fraser is not permitted to carry out her work, it's going to come back to negatively impact many of our MPs across the country."

However, it would be wrong to assume all Nova Scotia politicians are in favour of letting Fraser conduct an audit. Premier Darrell Dexter wouldn't comment on what is going on in Ottawa.

"That's up to those guys, federal politicians to deal with," he says, adding that he's eager to see the cloud of scandal lift in Nova Scotia.

In Newfoundland and Labrador, where a 2006 audit of spending at the legislature led to a series of criminal convictions, Conservative Premier Danny Williams also declined to comment on the debate in Ottawa - an unusual position for the outspoken premier.

"We've done our thing here ... we brought in the auditor general. Far be it from me to second-guess or judge what others do," Williams says.

Yvonne Jones, the province's Liberal leader, did not return phone calls. NDP Leader Lorraine Michael also declined to discuss the issue, saying it's inappropriate to comment on federal matters.

In Nova Scotia, Conservative Chris d'Entremont says he accepts the argument that Fraser shouldn't bother investigating because MPs' expenses are already subject to a high level of scrutiny, including an annual financial audit by KPMG.

"Why couldn't she just take that audit, look at it and come up with some kind of finding?"

However, a spokesman in Fraser's office says the proposed performance audit would go well beyond the scope of the financial audits performed by KPMG.

Ghislain Desjardins says KPMG's audits focus on the accuracy of record keeping and accounting, but Fraser's proposed performance audit would cast a wider net, examining administrative systems, information technology, security, financial controls, management practices and human resources, among other things.

"They're totally different," he says. "But we're not looking at every receipt and every transaction."

That means Fraser's proposed audit would not seek the same level of detail contained in the Nova Scotia and Newfoundland audits.

Meanwhile, there are indications federal politicians are feeling the heat from voters. Some MPs are arguing for a performance audit, including two Nova Scotia MPs, New Democrat Peter Stoffer and Liberal Mike Savage, and Newfoundland Liberal Siobhan Coady.

Stoffer says he's getting up to 20 calls a day from angry constituents.