

## Fact Sheet

### Mechanisms for Regulating Members' Use of Allowances in Selected Legislatures

	United Kingdom's House of Commons	United States' House of Representatives	Australia's House of Representatives	Canada's House of Commons
<b>Types of allowances</b>	<ul style="list-style-type: none"> <li>• Staffing Allowance</li> <li>• Incidental Expenses Allowances</li> <li>• Information Technology Equipment</li> <li>• Pension provision for Members' staff</li> <li>• Temporary Assistance</li> <li>• London Supplement</li> <li>• Additional Costs Allowance</li> <li>• Car Mileage Allowance</li> <li>• Bicycle Allowance</li> <li>• Free stationery, inland telephone and postal services from Westminster</li> <li>• Winding-up Allowance</li> </ul>	<ul style="list-style-type: none"> <li>• Members' Representational Allowance which can be used for official and representational expenses relating to staffing, communications, stationery, equipment and travel.</li> </ul>	<ul style="list-style-type: none"> <li>• Electorate Allowance</li> <li>• Travelling Allowance</li> </ul>	<ul style="list-style-type: none"> <li>• Member's Office Budget which is used to pay expenses for Members' parliamentary precinct offices, including staff remuneration, and expenses incurred in establishing and operating a constituency office, including staff remuneration, office rent and utilities and office furnishings, supplies and equipment.</li> <li>• Constituency Furniture and Equipment Allowance</li> <li>• Members' Travel Expenses</li> <li>• Franking privileges</li> </ul>
<b>Authority responsible for the disbursement of allowances</b>	<ul style="list-style-type: none"> <li>• Department of Finance and Administration (DFA) of the House of Commons</li> </ul>	<ul style="list-style-type: none"> <li>• Committee on House Administration (CHA)</li> </ul>	<ul style="list-style-type: none"> <li>• Electorate Allowance is administered by the Department of the House of Representatives (DHR).</li> <li>• Travelling allowance is administered by the Department of Finance and Administration (DFA) of the Australian Government.</li> </ul>	<ul style="list-style-type: none"> <li>• The House of Commons Administration</li> </ul>

	<b>United Kingdom's House of Commons</b>	<b>United States' House of Representatives</b>	<b>Australia's House of Representatives</b>	<b>Canada's House of Commons</b>
<b>Mechanisms for preventing misuse or abuse of allowances</b>	<ul style="list-style-type: none"> <li>DFA does not take the initiative to check whether Members use allowances for private purposes, unless it comes to notice from, for example, complaints by other Members or by the general public. The ultimate responsibility for the proper use of allowances rests with the Members.</li> <li>The allowances system is reviewed occasionally so as to minimize abuse or misuse of allowances. For example, in 2001, to foster greater transparency and accountability, Office Cost Allowance was split into three different allowances, namely Staffing Allowance, Incidental Expenses Allowances and the Information Technology Equipment.</li> </ul>	<ul style="list-style-type: none"> <li>No mechanism is in place for the House to take the initiative to check whether Members use allowances for private purposes.</li> <li>Members can use the allowances at their disposal as long as they conform with the regulations of CHA and the Code of Official Conduct.</li> <li>Incidental personal use of equipment and supplies owned or leased by, or the cost of which is reimbursed by, the House is permitted only when such use is negligible in nature, frequency, time consumed and expense.</li> <li>Members' offices are advised to adopt restrictive incidental use of allowances policies for their staff.</li> </ul>	<ul style="list-style-type: none"> <li>No mechanism is in place for the House to take the initiative to check whether Members use allowances for private purposes.</li> <li>DHR does not exercise any control on Members' use of Electorate Allowance (which is paid with salary but is not taxed), but Members need to fully account for their expenditure when they submit their annual income tax return to the Australian Taxation Office (ATO).</li> <li>There are qualification rules for the payment of Travelling Allowance.</li> </ul>	<ul style="list-style-type: none"> <li>No mechanism is in place for the House to take the initiative to check whether Members use allowances for private purposes.</li> <li>Members can use the allowances at their disposal as long as they conform with the related guidelines.</li> <li>Each year, the Board of Internal Economy (BOIE) which is the House's governing body chaired by the Speaker of the House, publishes regulations setting out the terms and conditions of managing and accounting for the budgets and allowances for Members. BOIE has exclusive authority to determine whether their use is or was proper.</li> </ul>

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<b>Public disclosure of Members' use of allowances</b>	<ul style="list-style-type: none"> <li>Members' accounts are disclosed in the Cabinet Office reports which are public documents, but receipts or other evidence of the use of allowances are not made available for public inspection.</li> </ul>	<ul style="list-style-type: none"> <li>Members' expenditures are compiled and published by the Office of Finance of the House in the Quarterly Statement of Disbursements, which is a public document.</li> </ul>	<ul style="list-style-type: none"> <li>The usage of Travelling Allowance for each Member is tabled in the form of a public document in the House every six months.</li> </ul>	<ul style="list-style-type: none"> <li>The Speaker of the House tables the consolidated report on Individual Member's Expenditures to the House on an annual basis.</li> </ul>
<b>Public disclosure of Members' register of interests</b>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>
<b>Provisions of code of conduct/ ethics manual relevant to regulating Members' use of allowances</b>	<ul style="list-style-type: none"> <li>No improper use is made of any payment or allowance made to Members for public purposes, and the administrative rules which apply to such payments and allowances must be strictly observed.</li> </ul>	<ul style="list-style-type: none"> <li>Official expenses allowances are to be used to pay ordinary and necessary business expenses incurred by the Member (and/or the Member's employees) in support of the conduct of the Member's official and representational duties.</li> </ul>	<ul style="list-style-type: none"> <li>The House does not have a code of conduct or ethics manual relevant to regulating Members' misbehaviour.</li> </ul>	<ul style="list-style-type: none"> <li>The House does not have a code of conduct or ethics manual relevant to regulating Members' misbehaviour.</li> <li>A bill is being introduced to issue a code of conduct for Members.</li> </ul>
<b>Availability of independent party in handling Members' misbehaviour (including misuse or abuse of allowances)</b>	<ul style="list-style-type: none"> <li>The Parliamentary Commissioner for Standards is responsible for administering the Code of Conduct, and can receive and investigate complaints against Members who are allegedly in breach of the Code or fail to register interests.</li> </ul>	<ul style="list-style-type: none"> <li>The House does not have a commissioner or equivalent for administering the Ethics Manual or handling complaints against Members' misbehaviour.</li> </ul>	<ul style="list-style-type: none"> <li>The House does not have a commissioner or equivalent for handling complaints against Members' misbehaviour.</li> </ul>	<ul style="list-style-type: none"> <li>A bill is being introduced to establish the Ethics Commissioner who has power to investigate complaints against Members' misbehaviour.</li> </ul>

	<b>United Kingdom's House of Commons</b>	<b>United States' House of Representatives</b>	<b>Australia's House of Representatives</b>	<b>Canada's House of Commons</b>
<b>Committee responsible for handling Members' misbehaviour (including misuse or abuse of allowances)</b>	<ul style="list-style-type: none"> <li>The Select Committee on Standards and Privileges oversees and supports the work of the Parliamentary Commissioner for Standards, and in particular adjudicates his findings of complaints, and recommends to the House what actions should be taken.</li> </ul>	<ul style="list-style-type: none"> <li>The Committee on Standards of Official Conduct can investigate alleged violations of rules or regulations governing the performance of Members' official duties, and recommends to the House what actions should be taken.</li> </ul>	<ul style="list-style-type: none"> <li>The Committee of Members' Interest can consider any specific complaints made in relation to the registering or declaring of interests, and consider what changes to any code of conduct adopted by the House are necessary or desirable.</li> </ul>	<ul style="list-style-type: none"> <li>The Standing Committee on Procedure and House Affairs is responsible for inquiry into matters related to Members' Privileges, including their misbehaviour, and recommends to the House what actions should be taken.</li> </ul>
<b>Actions against misuse/ abuse of allowances</b>	<ul style="list-style-type: none"> <li>DFA normally asks for the Member concerned to return the misspent funds.</li> <li>If the complaint against a Member's misuse of allowances does not rise to the level of consideration by the House, the Select Committee on Standards and Privileges may choose to admonish the Member found to be at fault but recommend no further action.</li> <li>If the complaint seems to bring up issues under the criminal law, the Parliamentary Commissioner for Standards will encourage the complainant to raise the matter with the prosecuting authorities.</li> </ul>	<ul style="list-style-type: none"> <li>The misuse of official allowances is regarded as the violation of House rules and may subject Members or their employees to criminal prosecution and actions to recover the misspent funds.</li> </ul>	<ul style="list-style-type: none"> <li>Misuse of allowance is treated as potential fraud and referred to the Federal Police for investigation.</li> <li>If the misuse of allowances is negligible, Members normally return the misspent funds to the authorities.</li> <li>Regarding the Electorate Allowance, if ATO thinks that any items in a Member's income tax return are not part of servicing the electorate, it will calculate additional tax at the highest rate and serve notice of additional tax payable on the Member.</li> </ul>	<ul style="list-style-type: none"> <li>In the event the relevant regulations are contravened by a Member, BOIE can pursue a number of options, including withholding money from the Member's budgets or allowances, or freezing any budget or allowance that may be available to the Member.</li> </ul>

## Sources

- (1) <http://www.Publications.parliament.uk>
- (2) <http://www.house.gov>
- (3) <http://www.aph.gov>
- (4) <http://www.Parl.gc.ca>
- (5) Replies from parliaments.

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