



Correctional Service
Canada

Service correctionnel
Canada



SAFETY, RESPECT
AND DIGNITY
FOR ALL

LA SÉCURITÉ,
LA DIGNITÉ
ET LE RESPECT
POUR TOUS

AUDIT OF TRAVEL AND HOSPITALITY

Internal Audit Branch

378-1-227

Final Version, December 5, 2006

Canada

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EXECUTIVE SUMMARY

The audit of Travel and Hospitality Activities was conducted in accordance with the internal audit plan for 2006-2007. The verification phase of the audit was conducted in all regions and National Headquarters (NHQ) from August - September 2006.

The objectives established for the audit were as follows:

- To assess the adequacy of the existing management control framework for the travel and hospitality programs and to confirm that Correctional Service Canada (CSC) has structured the administration of these programs with due regard to Treasury Board of Canada Secretariat (TBS) and CSC policies and directives.
- To determine the level of compliance with TBS and CSC policies and directives pertaining to travel and hospitality.
- To identify opportunities for improvement and cost savings where appropriate.

In order to assess the above objectives, the audit team examined the controls in place to meet the expectations of terms and conditions of the applicable Treasury Board Policy and Directive and CSC Guidelines.

Conclusions

Overall, the results of this audit have indicated that CSC is for the most part managing its travel and hospitality program well. Key elements of the management framework have been established, roles and responsibilities are in place and generally understood, and there are monitoring systems in place for certain activities. However, there are areas for improvement, such as pre-approval of transactions, clearer direction with respect to the application of the policies and potential cost savings such as increased use of the On-line Booking Tool.

Implementation of the recommendations contained in this report will contribute to CSC's full adherence to TBS policy requirements. More detailed conclusions for each audit objective are outlined below.

Management Framework

CSC has a framework in place for travel and hospitality activities consistent with Central Agency (TBS) policies. CSC has also developed guidelines to supplement the TBS travel directive and also published a directive for hospitality procedures.

Managers and employees generally understand travel policies and guidelines as well as their roles and responsibilities in this regard. However, there is room for interpretation in the Travel Directive which has led to inconsistent application. The hospitality policy and authorities are also not completely understood by managers and as a result, proper authority is not always being sought.

There is training available at the national level for all Budget Managers and finance staff with respect to travel and hospitality. There are also some local and regional initiatives in place in to assist employees in these areas. However, more guidance is needed for employees to be fully aware of the correct application of policies and authorities for approval.

Some monitoring activities are taking place for American Express travel cards, departmental travel accounts and the travel and hospitality claims. However, while there is information available from various sources, CSC is not taking advantage of this information in order to analyse travel and hospitality expenditures and identify trends, areas for improvement or cost-savings, or share lessons learned.

Compliance with TBS and CSC policies and directives

While we found no evidence of fraud, duplicate payments, or major overpayments, there were some issues and exceptions noted during the period of review which were of concern, such as:

- missing or inappropriate pre-authorization of travel and hospitality expenditures;
- missing information or documentation to support payment of the travel or hospitality claim;
- most economical travel options not always being selected; and
- travel cards being use for personal expenses (however, no payments were processed).

Opportunities for improvement and cost-savings

The audit found that most employees are making economical travel arrangements. However, there may be opportunities for further cost savings to CSC in the following areas: using the On-Line Booking Tool versus the telephone reservation system and selecting the lowest fares available whenever possible.

1.0 INTRODUCTION

At the national level, the overall responsibility for the travel and hospitality programs falls under the Comptroller's Branch of the Corporate Services Sector. Similarly, at the regional level the activities are overseen by the Regional Comptrollers who report to the Assistant Deputy Commissioners of Corporate Services (except in the Quebec region, where the Comptroller now reports to the Regional Deputy Commissioner).

Managers are expected to ensure that travel and hospitality activities are authorized and claimed in accordance with the provisions of the TBS Directives. Employees are expected to be familiar with the provisions of the TBS Directives; consult and obtain authorization to travel and extend hospitality in accordance with the directives; inform the employer or its suppliers of his/her special needs that may be required; complete and submit travel and hospitality expense claims with the necessary supporting documentation as soon as possible.

Travel

In October 2002, Treasury Board issued a new Travel Directive that replaced both the 1997 Travel Directive and the Travel Administration Guide. The new directive reinforced the need for all travel transactions to be processed in accordance with Sections 32, 33 and 34 of the *Financial Administration Act*, and for regular monitoring of claims. They also directed departments to ensure adherence to financial controls required by the *Financial Administration Act*.

CSC currently has approximately 16,000 employees who work in 157 federally-managed facilities across Canada including headquarters, staff colleges, institutions, Community Correctional Centres and parole offices. A large number of these employees at various levels of the organization and other individuals who are associated with the work of the Service are required to travel frequently on government business, both within Canada and abroad, given the geographic expanse of its operations and the need for managers and employees to meet, communicate, investigate and to train to achieve desired results and meet performance standards.

In 2005-06, there were over 40,000 expense claims submitted by CSC employees and non-public servants, totalling over \$20 million for an average of \$500 per claim.

To facilitate the travel process and reduce administrative costs, CSC encourages its employees to use individual American Express (AMEX) travel cards. CSC also uses departmental travel accounts (for payment of air and rail fares), as well as travel advances and travellers cheques to pay for travel expenditures.

CSC obtains travel services through the Shared Travel Services Initiative (STSI) at Public Works and Government Services Canada. Travel AcXess Voyage is the company that currently provides travel services to the federal government and offers a number of services to modernize travel services, including the following:

- Travel agency services;
- Government of Canada travel card services;

- On-line self-service booking tool; and
- E-travel services including an automated travel expense management tool.

Hospitality

Hospitality is defined as the provision of a reception offering refreshments (such as beverages and light snacks), meals and sometimes entertainment to guests of government departments or agencies. The Government of Canada extends hospitality in accordance with the rules and principles outlined in the Treasury Board's *Hospitality Policy*. The objective of the policy is to ensure that the hospitality extended is economical, consistent, and appropriate to facilitate government business. Hospitality may be extended to non-public servants when it facilitates government or departmental business or when it is considered desirable as a matter of courtesy.

In 2005-2006, there were over 2,000 hospitality claims submitted totalling over \$328K for an average of \$160 per claim.

2.0 AUDIT OBJECTIVES AND SCOPE

2.1 Audit Objectives

The objectives of the audit were:

- To assess the adequacy of the existing management control framework for the travel and hospitality programs and to confirm that CSC has structured the administration of these programs with due regard to TBS and CSC policies and directives.
- To determine the level of compliance with TBS and CSC policies and directives pertaining to travel and hospitality.
- To identify opportunities for improvement and cost savings where appropriate.

The specific criteria used for the audit can be found in Annex A.

2.2 Audit Scope

The audit was national in scope and included visits to all five regions and National Headquarters (NHQ). The audit examined the systems and procedures in place during fiscal years 2005-06 and the first quarter of 2006-07. In particular, the audit examined hospitality and travel expenditures incurred during that period. Included in the scope was travel within Canada and abroad for both public servants and non-public servants during that period. Non-public servants may include external consultants, citizen advisory committee members, independent investigators, volunteers, etc.

The scope of this audit did not include inmate travel or employee travel related to relocation. A significant portion of inmate travel costs are associated with the transfer of inmates (e.g., aircraft charters), which are done under contract and such costs may be captured under the audit of

Contracting for Goods and Services. Further, employee relocation is a distinct process covered under a separate National Joint Council Directive and, as such, it was excluded from the scope. Also excluded from the scope were low dollar value travel claims (less than \$10) and adjustments to travel claims.

3.0 APPROACH AND METHODOLOGY

Audit work included an assessment of processes and procedures associated with the overall framework for travel and hospitality, pre-authorization of expenditures, expense claim documentation, proactive disclosure of travel and hospitality expenses for selected senior government officials, eligibility of expenditures, use of American Express travel cards, and opportunities for cost savings.

The audit team conducted preliminary discussions with CSC Finance personnel concerning: Travel & Hospitality (T&H) processing activities; advice, support and training provided; documentation and correction of errors; documentation of T&H; approval process of T&H; and possible areas for improvement. The discussions provided the team with an understanding of the processes for T&H. Auditors also engaged in a risk assessment exercise to identify areas of concern that were subsequently incorporated into the audit work plan and interview guides.

The examination was accomplished through a review of local, regional and National Headquarters (NHQ) documents, logs, processes and tests. The audit tests included document reviews and the assessment of the controls in place. Auditors also conducted structured interviews with regional and NHQ management and staff involved in the application of travel and hospitality policies and procedures (e.g. Regional Comptroller, Travel Coordinators, Budget Managers and Travellers). In decentralized regions, additional interviews were held at the local level (e.g. the Chief of Finance).

A representative sample was drawn from the travel and hospitality transactions. Auditors selected a random sample of 173 travel transactions and 137 hospitality transactions from the entire population, including a sample of high dollar value travel and hospitality claims (over \$3000 and \$1500, respectively). In addition, the audit team examined a sample of 91 AMEX travel cards used by employees for travel, and reviewed the senior management travel and hospitality claims in the sample for the proactive disclosure process.

The location of the travel and hospitality files determined how the sites would be selected for field visits in each region. In the Atlantic and Pacific regions, financial services are centralized. In the Quebec, Ontario and Prairie regions, the financial services are decentralized. In all, the audit team visited NHQ, the five Regional Headquarters and a total of 13 institutions and 2 parole offices in the Quebec, Ontario and Prairie regions.

Upon completion of each regional visit, the team held exit meetings in each region, debriefing senior management on relevant findings. In addition, a debriefing was held at National Headquarters with the Comptroller and the Director of Financial Operations.

4.0 AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Management Framework for Travel and Hospitality

Objective 1: To assess the adequacy of the existing management framework for the travel and hospitality programs and to confirm that Correctional Service Canada (CSC) has structured the administration of these programs with due regard to Treasury Board of Canada Secretariat (TBS) and CSC policies and directives.

The management framework for travel and hospitality was assessed for its capacity to guide planning, training, communication of directives and the monitoring of authorizations and claims procedures. The audit team examined the policies and procedures in place for travel and hospitality activities, as well as monitoring and reporting of costs and the verification mechanisms used to manage the function were also examined.

4.1.1 POLICY AND PROCEDURES

The audit team expected to find that travel and hospitality policies and procedures are in place to assist and guide employees in the administration of these activities and that such policies and procedures are consistent with those issued by Treasury Board. If policies and procedures are not clearly established, there is a risk that there may be incorrect or inconsistent application.

Finding: CSC policies are in place with respect to travel and hospitality and they are consistent with TBS policies and directives. However, there are a few elements of the policies for which further guidance is required.

Travel

The Treasury Board Travel Directive provides the primary direction for travel activities within CSC. In addition, Special Travel Authorities and CSC guidelines were issued on April 1, 2006 to guide travellers and management in the claims transaction decision making process. In addition, a Financial Operations Directorate Communiqués (ODC) was issued in 2004 to provide a financial procedure for the management of delinquent AMEX cards.

The audit team noted that, in a few cases, some aspects of the Travel Directive were unclear or open to interpretation, resulting in inconsistent application or non-compliance, such as use of personal vehicles, eligibility for meal allowances, insurance coverage for rental vehicles, or expenses for individuals on assignment / long-term travel status.

Hospitality

CSC follows the TB Hospitality Policy as its primary direction. In addition, in 2005, an Operations Directorate Communiqué was issued to provide clarification and guidelines related to the provisions of hospitality.

The audit found that hospitality is not completely understood by managers. The policy is not clear in how to determine and list the estimated costs of the hospitality function or event. As a result, managers were not always clear as to what is deemed a hospitality cost versus the other incidental costs associated with the event or function, such as room rentals. Therefore, the total estimated cost of a function may be under or overestimated. In such cases, because the estimated cost of an event determines appropriate level of financial delegation for approval, there is a risk that hospitality expenses would not be properly authorized. There is also a risk of expenditures not being accounted for as hospitality if managers are unclear as to what is an applicable expense.

Overall, further guidance to managers would ensure a better understanding and a more consistent application of the travel and hospitality policies.

4.1.2 ROLES AND RESPONSIBILITIES

The audit team expected to find clearly defined roles and responsibilities at the national, regional and, where applicable, the local site level. When roles, responsibilities and authorities are not clearly understood, travel or hospitality activities may not be conducted in accordance with the Financial Administration Act (FAA), TBS policies and CSC procedures.

Finding: Roles and responsibilities with respect to travel are generally well understood; however, responsibilities (delegated authority) for the hospitality policy are not as clearly understood.

At National Headquarters (NHQ), the Comptroller's Branch is responsible for verification of NHQ claims under Section 33 of the FAA as well as functional responsibility for administering the programs for all of CSC. NHQ finance policy staff also provides advice to the regions or institutions as well as approves international travel requests.

In each region, there is a travel coordinator within each Regional Comptroller's Branch that assists with any policy questions or issues and reviews any questionable claims. The regional finance staff are responsible for performing verification under Section 33 of the FAA for travel and hospitality claims. In the event the regional coordinator cannot address an issue, they will contact the NHQ finance policy manager. In some facilities, in the Ontario and Prairie regions, travel claims are processed through the local Finance office. The Prairie Region in particular has some offices serving several sites and acting as a cluster for processing claims.

With respect to hospitality, in the Ontario region, claims are processed at the local or regional level depending on the level of approval required. In the Prairie Region, all hospitality requests are processed by regional finance.

In general, the audit found that the roles and responsibilities for travel and hospitality were understood by those administering the programs in the Comptroller's Branch at the national and regional levels.

Budget Managers and Travellers

Budget Managers are responsible for authorizing and approving travel and hospitality in accordance with Sections 32 and 34 of the FAA, and monitoring these expenses for their respective activity centres. Travellers are responsible for obtaining pre-authorization for travel, booking the trip in a cost-effective manner, submitting their travel expense claim to their manager, and reading and understanding the applicable policies, directives and guidelines.

Although there are no significant issues with respect to the understanding of roles and responsibilities relating to travel, as noted previously, there is an apparent need for more clarification on roles and responsibilities with respect to hospitality. Many Budget Managers interviewed were unclear with respect to their responsibilities under the hospitality policy. For example, a number of hospitality requests reviewed were approved by an individual who did not have a high enough level of delegated authority for approval. In addition, as noted, application of the hospitality policy is not always clear to employees as a number of hospitality claims were not completed as per the policy and directives.

As an example, many managers were unclear as to their authority to sign for an event in which they are a participant (for example, if they are hosting a committee meeting or local awards ceremony). The TBS Directive on Account Verification section 4f) states that: *“No person shall exercise spending authority (Section 34) with respect to a payment from which he or she personally can benefit, directly or indirectly”*. However, the materiality in such instances is often minimal (eg., coffee or a muffin as part of hospitality offered to a large group) and many did not feel that this warranted seeking approval from a higher level of authority. While some interviewees within the Comptroller’s Branch at NHQ agreed that there should be flexibility in such cases, Budget Managers expressed a need for further clarification in terms of what they can or cannot approve in this regard.

4.1.3 COMMUNICATIONS / AWARENESS / TRAINING

The audit team expected to find that training and/or information was available with respect to travel and hospitality to ensure that all parties involved are aware of their responsibilities and the process to be followed.

Finding: Travel and hospitality training is offered to all Budget Managers and finance staff as part of their financial management training. However, there is a need to improve the availability of information to other employees within CSC with respect to travel and hospitality.

The audit team found that the following training and information was available:

- **Nationally** – At the national level there is training relating to travel and hospitality for all Budget Managers across CSC which falls under modules of a general training for financial management. Financial Managers also receive training and updates each year Additional

training is also available to all staff through the Finance Branch on the use of the Travel AcXess Voyage online reservation system. Finally, there is travel information on the internal Web site and NHQ is currently developing a hospitality link as well.

- **Regionally** - At the time of the audit, with the exception of the Pacific region, there was no formal training in place at the regional level for either travel or hospitality. Travellers and Budget Managers in the Pacific region indicated that they can reference travel-related information through the regional intranet Web site, including training modules, frequently asked questions, and presentations. It was also mentioned that travel updates are discussed during staff meetings or sent via email. This type of information is not available on the other regional Web sites.
- **Local initiatives** - Some local training initiatives were noted during our regional visits. Initiatives included in-house training by staff that had an administrative background, generally provided to new employees and to those that have questions about the processes. Also, employees can go to Finance (local or regional) with questions or concerns.

Good Practice – NHQ and the Pacific region provide travel information on their websites. The sites include a variety of information to assist travellers and managers with respect to this activity.

Further, while few employees (other than Budget Managers and Finance staff) have received formal training, informal training or on-the-job training regarding travel and hospitality is provided. In addition, the audit team found that NHQ and the regions occasionally send reminders to staff on the policies and procedures for travel and hospitality activities.

Although there are information and training materials available within CSC, the audit found that staffs are still not fully aware of the correct application of policies, particularly the need for obtaining an appropriate level of pre-approval (refer to section 4.2.1). In addition, further guidance to travellers would assist employees in completing claims correctly. For hospitality, there are policies and procedures in place along with a delegation framework, however, as noted; managers require further guidance with respect to the application of the policies and authorities.

4.1.4 MONITORING AND REPORTING

The audit team expected to find a monitoring process in place, whereby, Budget Managers, finance staff, and NHQ monitor travel and hospitality activities to ensure compliance with the appropriate policies and guidelines.

In addition, the audit team expected to find that CSC produces reports outlining travel and hospitality expenditures and that the reports meet management's information needs for decision-making purposes.

Finding: There is no evidence that a risk-based approach is used in the verification of travel and hospitality claims.

Travel and hospitality claims are approved for payment (Section 34) by the Budget Manager and then submitted to Finance for the Section 33 verification and subsequent payment. The TBS Account Verification Policy requires that "account verification processes are to be designed and

operated in a way that will maintain probity while taking into consideration the varying degrees of risk associated with each payment”. Within CSC, there is currently no policy with respect to a specific sampling approach. The audit team found that NHQ and four of the regions are performing a Section 33 verification process whereby every travel and hospitality claim is subject to financial review before the payment is processed. In addition, all hospitality requests over \$1,500 are reviewed by the ACCS, the Comptroller and NHQ senior management. In the Atlantic region, all hospitality claims as well as all travel claims for senior managers are reviewed. All remaining travel claims are either selected for review following a 1 in 20 or 1 in 10 formula depending on the dollar value being claimed.

A travel claim verification checklist has been prepared and is used by NHQ financial specialists when reviewing travel claims. The checklist lists in detail the items that are to be verified when reviewing each claim. None of the regions were using this checklist nor had they developed their own. No checklists were in place for hospitality claim reviews. As a result, the verification process does not necessarily address a consistent set of steps and requirements; rather, financial specialists are reviewing claims using their own judgement.

The file review found that this verification process does identify errors on individual claims before payment is made. We observed notations on a number of claims where the financial reviewer had corrected various items such as: allowance rates, ineligible expenditures, and even the total amount being claimed while conducting their Section 33 review. Claims were returned to the claimant requesting additional information be provided in order for the payment to be processed.

Nevertheless, even where all travel and hospitality claims are being verified, certain errors are still not being captured, as will be noted under Section 4.2.

Finding: NHQ Finance and all five regions are monitoring delinquent AMEX cards as required and there are additional initiatives in the Prairie and Quebec regions to monitor specific transactions to ensure the cards are used for business travel expenses only.

AMEX travel cards are issued to employees for the provision of travel advances and the payment of legitimate government business travel disbursements. A delinquent AMEX travel card is defined as an account that has outstanding charges of 60 days following the 2nd statement issued to the cardholder. The audit team expected that CSC management would monitor the personal use of and delinquent payments for the AMEX travel cards, as well as ensure cards are cancelled when no longer required.

CSC’s Operations Directorate Communiqué (ODC) on Designated Travel Cards requires that the regional travel coordinator review the delinquent account report and communicate with employees who still have outstanding charges. There is no specific policy requirement to monitor cards for personal use.

The audit team found that there is monitoring of all delinquent AMEX travel cards within CSC as per the ODC.

In addition, the Prairie and Quebec regions select a random sample of cardholders each month for additional review. The additional review focuses on cardholder transactions and whether or not the employee was on travel status during the period in which the transactions took place. In addition, selected cardholder statements are verified to see if there is any personal use of the card. If a cardholder is found to have violated the cardholder agreement they are issued a warning. Subsequent violations result in the AMEX card being cancelled.

CSC ensures that employees who leave CSC turn in their AMEX travel cards as per the Departure Clearance Process when they leave the Service.

Good practice - Once per year, the Quebec Region sends a list of cardholders to each Budget Manager asking them to verify if those cardholders are still working in their section and take necessary action if a card needs to be cancelled.

In addition to Section 33 verification of claims and monitoring of AMEX cards, the audit team found that Budget Managers are also monitoring payments of their departmental travel accounts (DTA) to ensure that the charges for government travel are legitimate and reconciled against the travel authority number (TAN). The DTA is also monitored for flight credits issued to travellers for cancelled trips to ensure that the credit is correctly applied to future travel reservations.

In conclusion, CSC does monitor several activities related to travel and hospitality. However, the approach is not risk-based and consistent across CSC. As a result there may be room for increased efficiencies and effectiveness. In addition, there are areas where more monitoring is warranted, such as personal use of AMEX travel cards.

Finding: While information on travel and hospitality expenditures is available through various sources, CSC does not request or analyse the reports or statistics available in order to identify areas for improvement or potential cost-savings.

The audit found that there is extensive travel information available from various sources, including:

- American Express/Departmental Travel Account (DTA) statements;
- American Express at Work website (which is linked to the Shared Travel Service Initiative (STSI) and Public Works and Government Services Canada (PWGSC));
- The Government Travel Service Provider (GTSP); and
- Integrated Financial and Material Management System (IFMMS).

With the exception of reconciliation of information provided through DTA statements, the audit found that CSC does not request or analyse the reports or statistics available from the above sources. Interviews with Budget Managers revealed that some variance reports are produced along with cash forecasts during each fiscal year, but no specific travel reports are produced given that travel funds are allocated in many offices through the general operation and maintenance (O&M) budget. There are no reports produced for hospitality, although they can be produced through IFMMS.

Distribution of annual or ad hoc reports available from the American Express at Work Web site or GTSP could further assist the Service in identifying areas of non-compliance or potential cost-savings.

Conclusion

CSC has a framework in place for travel and hospitality activities consistent with Central Agency (TBS) policies. CSC has also developed guidelines to supplement the TBS travel directive and also published a directive for hospitality procedures.

Managers and employees generally understand travel policies and guidelines as well as their roles and responsibilities in this regard. However, there is room for interpretation in the Travel Directive which has led to inconsistent application. The hospitality policy and authorities are also not completely understood by managers and as a result, proper authority is not always being sought.

There is training available at the national level for all Budget Managers and finance staff with respect to travel and hospitality. There are also some local and regional initiatives in place in to assist employees in these areas. However, more guidance is needed for employees to be fully aware of the correct application of policies and authorities for approval.

Some monitoring activities are taking place for American Express travel cards, departmental travel accounts and the travel and hospitality claims. However, while there is information available from various sources, CSC is not taking advantage of this information in order to analyse travel and hospitality expenditures and identify trends, areas for improvement or cost-savings, or share lessons learned.

Recommendation # 1

The Assistant Commissioner Corporate Services should provide additional guidance to Budget Managers on the travel and hospitality policies, in areas such as:

- eligible hospitality expenses;
- pre-authorization of travel and hospitality expenses;
- eligibility for mileage and other travel allowances.

Recommendation #2

The Assistant Commissioner Corporate Services should ensure that information with respect to travel and hospitality is readily accessible to travellers and Budget Managers at all levels of the organization.

Recommendation #3

The Assistant Commissioner Corporate Services should enhance CSC's ability to monitor and report on travel and hospitality activities and transactions, in particular:

- implementation of a risk-based approach with consistent application across CSC;
- identification of areas for improvement and potential cost savings; and
- sharing of lessons learned with managers and travellers to increase awareness and compliance.

4.2 Compliance with Treasury Board and CSC policies and directives

Objective 2: To determine the level of compliance with TBS and CSC policies and directives pertaining to travel and hospitality.

As required by TB Travel Directive and CSC guidelines, the audit team expected to find that:

- expenditures are pre-authorized;
- supporting documentation is on file;
- expenditures are in compliance with the travel directive;
- required expenditures are published on the CSC Web site;
- the Government Travel Service Provider is used for booking travel;
- proper controls exist over Travel Advances; and
- travel cards are used for authorized purposes only.

4.2.1 PRE-AUTHORIZATION OF EXPENDITURES

Finding: Overall, the pre-authorization of travel and hospitality needs to be improved.

Travel

The audit team expected to find that business travel by CSC employees or any other persons travelling on government business was authorized in writing in advance to ensure that all travel arrangements are in compliance with the provisions of the travel directive. The Directive does allow for travel to be post-authorized in special circumstances (e.g., in an emergency or urgent basis), however, it was expected that this would be reflected on the file.

Within CSC, the Travel Authority and Advance (TAA) form is used to approve all government travel. The TAA is essential for the planning and control of travel expenses as it contains relevant information on the various facets of travel: travel time, air and ground transportation, accommodation, meals, incidentals and all other expenses involved in travel. This information enables the manager to approve the travel conditions, control financial commitments and ensure that the expenses claimed are eligible for reimbursement.

Finding: In almost a third of the 173 travel claims reviewed, the Travel Authority and Advance (TAA) form was either missing or authorized after the travel took place.

Travellers and Budget Managers interviewed were aware that travel was to be authorized in advance using a TAA form. However, in 29% of the 173 travel claims reviewed, the TAA form was either missing or approved after the travel took place. The exceptions noted included:

- Weekend Travel for employees on extended travel status was not always authorized in advance. However, we did not find any instances where eligible employees entitled to travel home every weekend were reimbursed more than their entitlement as per the TB Directive;
- Some travel expenses were paid based on blanket authorities; however the audit team could not locate the blanket authorities;
- More than half of the blanket authorities that were on file did not have any dollar value or regional limit.

In several other cases (28%), while the travel was approved in advance, the form itself was missing key information, such as:

- estimated cost of travel;
- dates of signatures;
- justification for non-standard items, such as private vehicle, hotel above limits and rental larger than mid-size;
- pre-paid expenses such as air fare.

As a result, many elements of what was being approved, and at what cost, were not clear.

Hospitality

The audit team expected to find that hospitality expenses were authorized in advance to ensure that the expenses were extended in accordance with the provisions of the TB and CSC policies and procedures. According to the hospitality policy, CSC must ensure that records contain the following information for each function:

- the circumstances, including any requiring special authority (i.e. that deviate from the norm);
- the form of hospitality;
- the cost;
- the location (i.e. in a government facility, commercial or other establishment);
- the number of attendees listed by category (i.e. guests, government employees); and
- approvals by the appropriate delegated officials.

Finding: In over a third of the 137 hospitality files reviewed, the Advanced Authorization to Extend Hospitality form was missing, not properly authorized (wrong delegation of authority) or authorized after the fact.

As previously mentioned under section 4.1.2., the audit team found that Budget Managers interviewed did not clearly understand the administrative processes for extending hospitality. As a result, the audit team found in 34% of the 137 files reviewed that the authority form was not on file or was not properly authorized. This included:

- hospitality authorized after the fact (eg., approval documentation completed and submitted at the same time as the claim for payment);
- estimated expenses over \$1,500 which did not have the Commissioner's approval as required;
- estimated expense that was well below \$1,500 (therefore not requiring the Commissioner's approval), however the claim was well over \$1,500; and
- in three cases, the cost of two-day events was split into separate approvals and claims, thereby avoiding the need for senior management's approval for hospitality.

While the Directive allows that in special circumstances, hospitality expenses may be post-authorized for non-standard items and emergencies, the audit team found few post-authorization cases that would fall under this exception.

In some other cases (18%), while the hospitality was approved in advance, the form itself was missing key information, such as:

- type of event;
- dates of signatures;
- employee's (claimant's) name;
- number of participants.

Finding: Not all managers are committing funds in advance with respect to travel and hospitality expenditures.

Commitment control is an important management practice that is integral to sound budget control, forecasting, and allocation of program resources. Pursuant to section 32(1) of the *Financial Administration Act (FAA)*, sufficient unencumbered balances must be available in the manager's budget to discharge any debts incurred under any contractual or other arrangement. As a result, the audit team expected to find that Budget Managers are committing funds by creating a requisition or purchase order in Iprocurement or the Integrated Financial and Materiel Management System (IFMMS).

In October 2006, CSC issued a revised Directive on "Commitment Control" to provide financial procedures related to the processing and controlling of commitments under Section 32 of the FAA. With respect to travel and hospitality, the CSC Directive requires the following:

- Funds (excluding salaries) must be committed prior to all expenditures of \$500 or more. This would include airfare over \$500, however the directive indicates that a commitment is not needed when the payee is an employee.
- Non-employee travel, such as Contractors and Volunteers must be committed by the creation of a purchase order for the amounts which have been agreed upon in the contract, MOU or any other official document.
- For hospitality, when the supplier and amount of upcoming expenditures are known, such as hotels, meeting rooms, caterers, and group transportation, a requisition / purchase order must be created.

Prior to October 2006, the Directive required that all employee travel be committed for the expenses billed directly to CSC, such as airfare. However, the Comptroller indicated that this requirement was changed in October based on its low risk and materiality.

Nonetheless, in reviewing the transactions against the Directive previous to October 2006, the audit team found that not all Budget Managers are committing funds in advance with respect to travel and hospitality expenditures. Enhanced communication and monitoring, as recommended in Section 4.1, would ensure a more consistent application of the above Directive.

4.2.2 SECTION 34 AUTHORIZATION AND SUPPORTING DOCUMENTATION

If there is insufficient information on file to support payment, this can put into question the due diligence of staff when exercising their authority under Section 34 of the *FAA* (eg., they may be approving transactions without all information being available to them). As well, there is a potential for overpayment or payment for non-eligible expenses. It can also impact on the time required to process payment by Finance.

Travel

The audit team expected to find that expenditures incurred for travel were in compliance with the Travel Directive and that they were approved following Section 34 of the *FAA*. Travellers are required by the TB Directive and CSC guidelines to submit a fully completed travel expense claim with supporting documentation, including original receipts and an explanation for any travel practice that deviates from travel norms or guidelines. In addition, the audit team verified that the signature cards were in place and that the person had the authority to approve payment of the claim.

Finding: For travel claims, Section 34 is being signed by a manager with the appropriate delegation of authority.

The audit team examined every signature card for all 173 travel claims reviewed to ensure that the person who signed Section 34 had the proper delegation of authority. All Section 34 signatures were appropriate.

Finding: At time of payment, most travel expense claims reviewed contained supporting documentation to substantiate compliance with policies and reasonableness of expenditures claimed.

No significant concerns were noted with respect to missing documentation prior to payment of travel claims. The audit noted a small number of receipts missing from the files reviewed, although these were generally of low dollar value. There was one exception where a claim was paid for a three day trip with no invoices on file for car rental or hotel.

In general, however, the audit team found that travellers are not always completing claims properly. Almost half of the 173 travel claims reviewed did not contain all information required by the TB Directive and CSC guidelines. Finance is often required to follow-up in order to obtain all necessary receipts or justification for expenses claimed. While the file review showed that key information was obtained prior to processing payment, there were still many instances where other information or documentation was missing from the file, such as:

- no information recorded with respect to prepaid expenses;
- no Record of Expenses on file for trips of more than a day;
- missing documentation for air travel to support prepaid expenses, the cost of the travel and the travel itinerary (i.e., eligibility for meals); and
- missing or incomplete purpose of travel.

Hospitality

The TB Hospitality policy requires that each hospitality claim contain the following information:

- purpose of hospitality;
- list of participants and number of persons attending listed by category (i.e. guests, government employees);
- location;
- actual cost; and
- signature of the appropriate official delegated under Section 34 of *FAA*.

In addition, the policy sets out average and maximum annual per person limits which must be used in planning all hospitality functions.

Finding: A Section 34 signature conforming to the Hospitality Approval Authority was not found or was inappropriate in a small number of the claims reviewed.

The audit team examined every signature card for all 137 hospitality claims reviewed to ensure that the person who signed Section 34 had the proper delegation of authority. In a small number of cases, the Section 34 signature was missing or was not appropriate (eg., there was no approval signature on file or the individual did not have a high enough level of authority). However, as previously noted, managers are not always clear as to their authorities under the hospitality policy or the calculation of total costs.

Finding: At time of payment, most hospitality claims reviewed contained the necessary information and supporting documentation as required by the policy.

At time of payment, most hospitality claims reviewed contained most of the supporting documentation to substantiate compliance with policies and reasonableness of expenditures claimed. However, the audit found that managers are not always completing claims properly and Finance is often required to follow-up in order to ensure all documentation is properly completed prior to payment. While key information was obtained prior to processing payment, the audit team did find in 47% of cases reviewed that information was still missing from the file, such as:

- Missing list of participants on file - In order to determine whether hospitality expenses are allowable, the TB Directive requires that the names and organizations of all recipients of the hospitality be listed. In 24 cases (18% of those examined), neither the names nor the positions of the participants were listed on the Hospitality Expense Claim or on the approval form.
- Missing per capita cost on claim - The audit team found no evidence on 18 cases (13% of the claims) that the per capita cost had been calculated. While our calculations indicate that in every instance, they were all in accordance with the Policy, there is a risk that the maximum per person costs may exceed the guidelines if these calculations are not done. Furthermore, the CSC pre-approval form is not required to calculate the per capita cost, only the government hospitality expense claim does. In our opinion, calculating the per capita cost on the pre-approval as well would be well advised given that such a calculation on the claim is too late if one exceeds the guidelines. Form CSC/SCC 681 could be amended accordingly.
- Other - A few claims were missing information required by the policy such as, the purpose of hospitality, the dates, the location and/or the actual cost. In a small number of cases, there was inappropriate receipt used for payment such as a credit card slip which is missing the detail of purchase.

4.2.3 ELIGIBILITY OF TRAVEL EXPENDITURES

The audit team expected to find that expenditures incurred for travel were in compliance with the Travel Directive. To assess actual versus required performance, a sample of travel claims was reviewed to determine the eligibility of expenses associated with:

- Economical airfare
- Use of business class or executive class
- Hotel selection (to ensure it is within the limits set by PWGSC)
- Rental vehicles (to ensure only the approved sizes are used)
- Insurance coverage for rental cars
- Allowances for employees on secondment

Finding: Most of the travel claims reviewed showed that expenditures incurred for travel are in compliance with the Travel Directive.

No significant concerns were identified with respect to the majority of claims reviewed in terms of the items listed above. However, the audit team did find in 12% of the 173 travel claims reviewed that expenses did not always represent the most cost-effective option or were not in compliance with the directive, such as:

- Most economical airfare - The Travel Directive section 3.3.11 a) states: “The lowest available fares appropriate to particular itineraries shall be sought and bookings shall be made as far in advance as possible”. As well, a memo sent to all NHQ Managers from

the A/Director, Financial Operations posted on the CSC Info Net states: “In accordance with the Treasury Board Travel Directive and departmental guidelines, the most cost-effective or efficient mode of travel must be authorized at all times”. The audit team found that travellers do not always book the most economical airfare and no justification was provided on file. *(Refer to Section 4.3.1 of the present report for more details.)*

- Allowances for employees on secondment - The Appendix C of the Travel Directive states: “Seventy-five percent (75%) of the meal and incidental allowances shall be paid starting on the thirty first consecutive calendar day of travel status while at the same location”. Two secondment files out of 17 reviewed showed that this section of the Directive is not always followed. The audit team found that one employee had received 100% of the allowances for an assignment of more than the 31 days while another received only 60% of the allowance.

4.2.4 USE OF GOVERNMENT TRAVEL SERVICE PROVIDER

At the time of the audit, there was no government or CSC policy requiring the use of Travel AcXess Voyage. However, Public Works and Government Services Canada (PWGSC) encourages all government employees to make travel arrangements with the Government Travel Service Provider (Travel AcXess Voyage), as this:

- allows travelers to take advantage of negotiated rates and conditions for airfare, hotels, cars, etc.,
- ensures that an accurate record of travel arrangements exists in case of emergency;
- contributes to data collection that is used to negotiate contracts with suppliers; and
- allows for monitoring of travel expenditures and trends.

Finding: Air and train tickets are being booked through Travel AcXess Voyage. However CSC travellers are not using the Government Travel Service Provider when booking cars and/or accommodations as it is, in most cases, more economical to book directly with the service provider.

No concerns were noted with respect to air and train tickets being booked through Travel AcXess Voyage. Interviews confirmed that all were aware of the process to book with the Government Travel Service Provider for air and train tickets and file reviews confirmed that this is taking place.

During interviews with travelers and as evidenced in some files reviewed, the audit team found that most travellers are not using the Government Travel Service Provider when booking car rentals and/or accommodations whether or not they are booking air or train tickets as well. Many interviewees were unclear as to the requirements in this regard.

It was noted that when a traveller is only booking a car rental and/or accommodations there is a cost of \$14.86 / per booking (cost for 2006) associated with booking through the Travel Service Provider as opposed to making the arrangements directly with the supplier free of charge to the

Service. As a result, NHQ Finance recommends, for cost saving purposes, that travellers book car rentals and accommodations themselves if they do not require air or train.

4.2.5 PROACTIVE DISCLOSURE

The Government of Canada announced in 2003, the mandatory publication of travel and hospitality expenses for selected government officials. Within CSC, this measure applies to managers at the EX-04 level and above as well as anyone acting in these positions.

The audit team expected to find that the CSC Web site contains an accurate reflection of actual expenditures for senior management travel expenses and hospitality claims.

Finding: Senior management claims reviewed were disclosed as required.

The audit team examined senior management claims in the sample to ensure that the information was accurately disclosed on CSC's Web site. Seven (7) of the 173 travel files reviewed and 11 of the 137 hospitality claims reviewed were claims for senior managers at the EX-04 level and above. The audit found that all were listed on CSC's Web site as required.

In addition, the audit team confirmed that all individuals at the EX-04 level and above are disclosing travel and hospitality expenditures on CSC's proactive disclosure Web site.

4.2.6 CONTROL OVER TRAVEL ADVANCES

The audit team expected to find that effective controls were in place over travel advances including issuing, monitoring and recovery. While employees are required to use their AMEX card for this purpose, in some instances, advances are still issued via direct deposit or traveller's cheques to those who do not have an AMEX card.

Finding: Proper controls are in place to manage travel advances.

Sixteen (16) of 173 files reviewed were claims where a travel advance had been issued. The audit team found that all of these advances were properly recovered. In addition, the audit team found that proper controls are in place to ensure that travel advances which are no longer required are treated as amounts due to the Crown and recovered from the traveller. Finance will not issue another advance until the previous one is recovered.

4.2.7 TRAVEL CARDS

Individual AMEX travel cards are expected to be used only for authorized government business-related travel purposes in accordance with Treasury Board and CSC travel directives and guidelines. When signing the application agreement, the cardholder acknowledges that the

Designated Travel Card may only be used for Government of Canada authorized business travel related expenses and hospitality.

Ninety one (91) accounts were reviewed for the 6 month period of January to July 2006. For questionable expenses (e.g. those that did not appear to be business travel expenditures), a comparison was made between the dates the expenses were incurred and the employee's travel claims to determine whether the employees were on travel status when they incurred the expenses.

Finding: 20% of the 91 accounts reviewed showed evidence of personal use of the travel card during the period examined. However in the sample of cases reviewed, these personal expenses were not claimed by the travellers for reimbursement by CSC.

Our interviews with CSC staff show that travellers are aware of what kind of purchase can be made with the card. Although the process requires that each cardholder sign an agreement regarding the use of the AMEX travel card, the audit team nevertheless found that in 20% of all cases, personal use of the card was made. Examples of personal use included purchase of flowers, personal cash withdrawals and veterinarian charges; however, these were not claimed for reimbursement by CSC.

As previously discussed under section 4.1.4, regional travel coordinators have access to the AMEX at work on-line system for reviewing individual employee travel accounts on-line. However, with the exception of the Quebec and Prairies regions, individual travel accounts are not being monitored. In the other regions, monitoring is done only if the account becomes delinquent. For the two regions that are monitoring the audit team did note that they had less personal use of the travel card compared to the other regions.

If the employee defaults on their AMEX credit card payments, CSC is required to pay the balance and set up an accounts receivable to collect the outstanding costs directly from the employee. This action creates additional administrative costs for the Service and unnecessary risk. In addition, employees derive a benefit by using the card as a means for funding personal expenditures and because the outstanding balance is interest-free for 60 days.

Departmental Travel Accounts (DTA)

The audit team also reviewed departmental AMEX travel accounts in all five regions and NHQ. The departmental travel accounts are used to pay for airline and rail tickets for employees on business travel. No interest charges or duplicate payments were found in any of the statements reviewed.

Conclusion

While we found no evidence of fraud, duplicate payments, or major overpayments there were some issues and exceptions noted during the period of review that were of concern, such as:

- missing or inappropriate pre-authorisation of travel and hospitality expenditures;
- missing information or documentation to support payment of the travel or hospitality claim;
- most economical travel options not always being selected; and
- travel cards being use for personal expenses (however, no payments were processed).

The recommendations previously made in this report regarding enhanced monitoring and additional guidance and information for Budget Managers would contribute towards addressing the issues raised in this section.

4.3 OPPORTUNITIES FOR IMPROVEMENT AND COST SAVINGS

Objective 3: To identify opportunities for improvement and cost savings where appropriate.

The Treasury Board Travel Directives and CSC guidelines require travellers to seek the lowest cost available and appropriate to particular itineraries and that bookings should be made as far in advance as possible in order to realize cost savings.

As discussed under section 4.1.4, there is information available that would allow for analysis of travel expenditures in order to identify cost-savings. The audit team examined a number of these reports in order to determine whether there were opportunities for improvement or cost savings.

4.3.1 ECONOMICAL TRAVEL

The audit team expected to find that employees are planning and executing their travel in an economical manner. The team also expected to find that managers give due consideration to operational requirements in the determination of travel arrangements and the savings that can derived from the On-Line Booking services.

Finding: Most employees are making economical travel arrangements; however, there are opportunities for further cost savings.

Employees interviewed were aware that they must try to obtain the most economical mode of travel. However, some of the files reviewed indicated a lack of attention to economy, such as:

- Some travellers using their private vehicle instead of renting a car even though the rental would have been the more economical option;
- The use of taxis for transportation when it would have more economical to rent a vehicle (and vice-versa);
- Some travellers using their private vehicle even though flying would have been more economical; and
- Use of CSC vehicles for community Parole Officers as compared to mileage and paid monthly parking fees for their personal vehicles.

In each of these cases, no justification was found on the travel authority or the claim to support the selection made and the additional expenses incurred.

On-line booking

The audit also examined the costs to CSC for the method used to book travel. Currently, travellers have the option of calling the Government Travel Service Provider by phone (at a cost of \$41.49 per booking) or making their arrangements on-line (\$19.50 per booking)¹ through the On-Line Booking Tool available through Travel AcXess Voyage.

Finding: Most travellers are not booking travel on-line, resulting in some cases in additional costs to CSC.

As of August 2006, CSC ranked 22nd out of 30 departments for the total ticket counts for using the On-Line Booking Tool (OBT). CSC's rate is 12.83% for using the on-line tool for booking as compared to the government leader, who had the highest rate at 67.80%. A report extracted from the American Express at Work website for the period of January to September 2006, shows that out of 5,837 air or train tickets booked, only 568 (9.7%) were booked through the OBT. Potential savings if the OBT had been used for all 5,837 tickets was about \$128,000.

On October 11, 2006, an email was sent to all staff from the Assistant Commissioner, Corporate Services encouraging staff to use the On-Line Booking tool and offering training if needed. In addition, on November 8, 2006, a memorandum was issued regarding the mandatory use of the On-line Booking Tool for Executive (EX) and excluded groups, as per the Treasury Board supplementary travel policy provisions for these employees.

Air and rail travel fares

CSC guidelines recommend that flights should be booked at least two weeks in advance in order to take advantage of the lower fares that might be available.

Finding: CSC is accepting the lowest fares available through the Government Travel Service Provider 68% of the time, close to the current government target, which is 70%.

The audit found that flights are generally being booked at least two weeks in advance, as per the CSC travel guidelines and CSC is close to the government target for accepting the lowest fares available. According to data provided by the Shared Travel Services Initiative (STSI) at Public Works and Government Services Canada (PWGSC), from January to September of 2006, CSC took the lowest air or rail fare available 68% of the time. According to STSI, the Government of Canada target is 70%.

Based on a report extracted from the American Express at Work site, of the 5,837 air or train tickets booked by CSC during the first three quarters of 2006, 1,849 tickets purchased were not at the lowest fare available. According to the information received, this could have resulted in a

¹ All rates quoted are for 2006 and for travel within Canada only.

potential savings of up to \$341,069. The audit team understands that operational requirements may affect some decisions and it is sometimes provided as a reason (although the American Express at Work reports reviewed did not list the specific reasons for travellers not accepting the lowest fare).

Conclusion

The audit found that most employees are making economical travel arrangements. However, there may be opportunities for further cost savings to CSC in the following areas: using the On-Line Booking Tool versus the telephone reservation system and continuing to select the lowest fares available whenever possible.

The recommendations previously made in this report regarding information and guidance, as well as enhanced monitoring and reporting, could help the Service improve in travel planning and achieve higher cost savings. Additional savings on administrative fees can be achieved by using the On-Line Booking Tool versus the telephone reservation system.

5.0 GENERAL CONCLUSION

The audit provides an assessment of the travel and hospitality practices and processes within the Correctional Service of Canada (CSC). The Service is also currently implementing the Shared Travel Services Initiative (STSI) which will assist CSC in the travel process and provide for increased cost-savings. The government of Canada proactive disclosure process places an increased onus upon the Deputy Head for the accountability, monitoring and controlling of travel and hospitality expenditures.

Overall, the results of this audit have indicated that CSC is for the most part managing its travel and hospitality program well. Key elements of the management framework have been established, roles and responsibilities are in place and generally understood, and there are monitoring systems in place for certain activities. However, there are areas for improvement, such as pre-approval of travel and hospitality transactions and clearer direction required with respect to the application of the travel and hospitality policies.

The audit team found no evidence of fraud, duplicate payment, or major overpayments. However, CSC must work on improving on issues and exceptions noted in this report by increased monitoring and reporting on areas of improvement and lessons learned.

Finally, while the audit found that most employees are making economical travel arrangements, there is still room for improvement and potential cost savings to CSC. Usage of the On-Line Booking tool to make travel arrangements would result in additional savings on administrative fees. In addition, travelers should continue to take the lowest available fares where possible.

Objectives and Criteria

Objective 1: To assess the adequacy of the existing management framework for the travel and hospitality programs and to confirm that CSC has structured the administration of these programs with due regard to TBS and CSC policies and directives.

- 1.1 *CSC Policy* – CSC travel and hospitality policies are clear and consistent with the TBS policy and directives.
- 1.2 *Authority framework* – Roles and responsibilities, including the CSC authority framework for travel and hospitality, are clearly and adequately defined.
- 1.3 *Communications/Awareness/Training* – Communications and training for travel and hospitality are clear, consistent and sufficient to ensure that all parties involved are fully aware of their responsibilities.
- 1.4 *Monitoring* – Monitoring practices and controls are adequate to ensure compliance with travel and hospitality policies. Risks are identified, assessed and managed.
- 1.5 *Reporting and Quality of Information for Management Decision-Making* – The travel and hospitality data processing system(s) are used to meet management information needs. Reporting to management should be conducted in a comprehensive, consistent, and timely manner.

Objective 2: To determine the level of compliance with TBS and CSC policies and directives pertaining to travel and hospitality.

- 2.1 *Pre-authorization of travel and hospitality expenditures/Section 32 of the FAA* – Travel and hospitality expenses are authorized in advance to ensure that these expenses are incurred/extended in accordance with the provisions of the TBS and departmental policies.
- 2.2 *Documentation in support of travel and hospitality expense claims/Sections 33 & 34 of the FAA* – Travel and hospitality expense claims have the requisite level of detail for certification of expenses by managers under the *FAA* Section 34 and for account verification under the *FAA* Section 33 by finance personnel.
- 2.3 *Travel expenditures (Training, Isolated Travel Vacation, Weekend Travel), Section 32 of the FAA* – These expenses are authorized in advance to ensure that they are incurred in accordance with the provisions of the TBS and departmental policies.
- 2.4 *Eligibility of Expenditures* – Expenditures incurred for travel are in compliance with the Travel Directive, represent value to the Crown.

2.5 *Mandatory publication of travel and hospitality expenses for selected officials (proactive disclosure)* – All travel and hospitality expenses for selected government officials, including deputy ministers and senior public servants are published on the departmental Web site.

2.6 *Use of Government Travel Service Provider* – All travel arrangements are made with the Government Travel Service.

2.7 *Control of Travel Advances* – Effective controls are in place over travel advances including issuing, monitoring and recovering.

2.8 *Departmental Travel Accounts (DTA) & Travel cards* – Travel cards are used only for authorized purposes in accordance with Treasury Board and departmental policy. DTA's are used for airfare and train reservations as per the agreement.

Objective 3: To identify opportunities for improvement and cost savings where appropriate.

3.1 *Travel planning* - Travel is conducted in an economical and appropriate way to facilitate government business.

3.2 *Timeliness of travel arrangement* - Travel arrangements for the purchase of airfare tickets are made in a timely matter in order to benefit from possible discounts.

Management Action Plan

Recommendation	OPI	Action plan	Completion date
<p>Recommendation #1: The Assistant Commissioner, Corporate Services should provide additional guidance to Budget Managers on the travel and hospitality policies, in areas such as:</p> <ul style="list-style-type: none"> • eligible hospitality expenses; • pre-authorization of travel and hospitality expenses; • eligibility for mileage and other travel allowances. 	CSC Comptroller	<p>Treasury Board Secretariat is in the process of revising the policy on hospitality. Comptroller's Branch (CB) provides policy advice to Senior Managers prior to hospitality events for any event greater than \$1,500 and then verifies 100% of the claims. CB will prepare updated presentation decks on both actual travel and hospitality policies for EXCOM, National Finance Committee as well as for CSC managers.</p> <p>CB will also prepare updated checklists on travel and hospitality to help managers and financial officers to better manage.</p>	<p>March 31, 2007</p> <p>March 31, 2007</p>
<p>Recommendation #2 – The Assistant Commissioner, Corporate Services, should ensure that information with respect to travel and hospitality is readily accessible to travelers and budget managers at all levels of the organization.</p>	CSC Comptroller	<p>CB has initiated a lot of work recently to make travel and hospitality information available to managers and all CSC employees. With respect to travel, CB has gathered all the travel-related information and has created a special section on its Infonet site and a General Communiqué was issued to all employees.</p> <p>CB will develop a communication strategy to inform employees and managers as to what travel and hospitality information is available on the site and where. This should include a General Communiqué to all employees.</p>	<p>Completed</p> <p>March 31, 2007</p>
<p>Recommendation #3 - The Assistant Commissioner Corporate Services should enhance CSC's ability to monitor and report on travel and</p>	CSC Comptroller	<p>CB has issued a memorandum to Executives and excluded group on the mandatory usage of the Travel Card and the services provided under the Shared Travel Service Initiative (STSI) on November 8, 2006. The STSI Initiative that CSC is in the process of implementing, will improve the travel experience for employees by giving them better</p>	Ongoing

Recommendation	OPI	Action plan	Completion date
<p>hospitality activities and transactions, in particular:</p> <ul style="list-style-type: none"> • Implementation of a risk-based approach with consistent application across CSC; • Identification of areas for improvement and cost savings; and • Sharing of lessons learned with managers and travellers to increase awareness and compliance. 		<p>tools to make travel arrangements, manage the travel process and reduce government travel costs. STSI will also enable CSC to produce many reports on the travel activities at CSC, allowing the department to improve its savings. Finally, STSI will assist CSC in identifying areas of improvement for travel and that information will be sent to all employees.</p> <p>We will be tabling travel and hospitality reports semi-annually at the National Finance Committee.</p> <ul style="list-style-type: none"> • The first report on hospitality has already been completed. • The first report on travel will be completed soon. <p>CSC will develop a risk-based approach based on type and value to audit travel and hospitality claims (e.g. hospitality claims above \$1,500 or \$5,000 will be audited at 100%)</p>	<p>Completed</p> <p>February 28 2007</p> <p>July 31st 2007</p>