



**Alberta Treasury Board
& Finance**
**Travel, Meal and
Hospitality Expenses
of the Premier, Ministers,
and Their Staff**

Mr. Mike Ellis, MLA
Chair
Standing Committee on Legislative Offices

I am honoured to send my report on *Travel, Meal and Hospitality Expenses of the Premier, Ministers and Their Staff* to Members of the Legislative Assembly of Alberta, as required by Section 20(1) of the *Auditor General Act*.

We conducted our audits under the authority of the *Auditor General Act* and in accordance with the standards for assurance engagements as set out in the CPA Canada Handbook – Assurance.



W.Doug Wylie FCPA, FCMA, ICD.D
Auditor General

Edmonton, Alberta
August 7, 2019

About this Audit

Introduction

Public servants may incur expenses for travel, meals and hospitality related to government business, and can claim expense reimbursements and certain allowances. They have to follow government policies on these types of expenses¹, as well as policies on procurement cards and credit cards.

We established an annual rotational audit of departments' systems for verifying that the expenses of the premier, ministers, associate ministers and their staff comply with policies and to support the Treasury Board Committee oversight process as described in our May 2017 report². This is the third year of our audit.

Objective and Scope

The audit objectives were to assess whether departments have effective processes to:

- verify that the travel, meal and hospitality expenses of ministers, associate ministers and their staff comply with policies³
- support the new Treasury Board Committee process to oversee these expenses of the premier, ministers and associate ministers

We follow a rotational approach, so that we audit each department once every three years.

This year, we audited the systems at the following departments:

- Agriculture and Forestry
- Economic Development and Trade
- Environment and Parks
- Infrastructure
- Justice and Solicitor General
- Municipal Affairs
- Transportation

We audited the processes at these ministries for the period April 1, 2017 to March 31, 2018.

Criteria

Departments should have processes to ensure expenses are incurred to support government business and comply with government expense policies. We developed the audit criteria based on departments' responsibilities and applicable expense policies as well as policies on procurement cards and credit cards.

Management of Treasury Board and Finance acknowledged the suitability of the audit criteria on March 24, 2017.

¹ <http://www.finance.alberta.ca/business/planning-accountability/accountability/expenses-policies.html>.

² *Report of the Auditor General of Alberta—May 2017*, page 53.

³ Travel, Meal and Hospitality Expenses Policy, Public Disclosure of Travel and Expenses Policy, Procurement Card Policy and Credit Card Policy.

What We Examined

We examined a sample of travel, meal and hospitality expenses incurred between April 1, 2017 and March 31, 2018 at each department included in our scope. Our work included reviewing documents and interviewing staff. We did not examine remuneration, employment and termination benefits, or other office expenses, such as office supplies.

The detailed testing procedures we performed were consistent with the testing we executed in prior years. We conducted our field work between August and October 2018, and substantially completed the audit on October 31, 2018.

Conclusion

We conclude that all departments examined had effective processes for the period from April 1, 2017 to March 31, 2018 to:

- verify that the travel, meal and hospitality expenses of ministers, associate ministers and their staff comply with policies
- support the new Treasury Board Committee process to oversee these expenses for the premier, ministers and associate ministers

The following table summarizes our conclusions on the departments' systems.

Department	Systems to verify that expenses are in compliance with directives and policies	Systems to publicly disclose expenses and to support the new Treasury Board Committee oversight process
Agriculture and Forestry	●	●
Economic Development and Trade	●	●
Environment and Parks	●	●
Infrastructure	●	●
Justice and Solicitor General	●	●
Municipal Affairs	●	●
Transportation	●	●

- ◆ Significant improvements needed to systems
- ▲ Improvements are needed to systems, but not to the same extent as red items.
- We have not identified any significant weaknesses in the systems



Why This Conclusion Matters to Albertans

Albertans expect ministers and public servants to spend taxpayers' dollars responsibly and prudently when conducting government business. Effective processes are needed to ensure that people are complying with the expense policies. Albertans need the assurance that these systems are well-designed and working effectively.



Audit Responsibilities and Quality Assurance Statement

Management of Treasury Board and Finance has certain administrative responsibility for government expense policies, so we report our overall audit results to that department. Management of each department is responsible for creating and sustaining systems to comply with policies.

Our responsibility is to express an independent conclusion on the audit objectives.

We conducted our audit in accordance with Canadian Standard on Assurance Engagements 3001 issued by the Auditing and Assurance Standards Board (Canada). The Office of the Auditor General applies Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The office complies with the independence and other ethical requirements of the Chartered Professional Accountants of Alberta Rules of Professional Conduct, which are founded on fundamental principles of integrity and due care, objectivity, professional competence, confidentiality and professional behaviour.



Related Reports:

- [Travel, Meal and Hospitality Expenses of the Premier, Ministers and Their Staff](#) (February 2018 Report)
- [Travel, Meal and Hospitality Expenses of the Premier, Ministers, Associate Ministers and Their Staff](#) (May 2017 Report)
- [Special Duty Report on the Expenses of the Office of Premier Redford](#) (August 2014)

Appointed under Alberta's *Auditor General Act*, the Auditor General is the legislated auditor of every provincial ministry, department, public post-secondary institution, and most provincial agencies, boards, commissions, and regulated funds. The audits conducted by the Office of the Auditor General report on how government is managing its responsibilities and the province's resources. Through our audit reports, we provide independent assurance to the 87 Members of the Legislative Assembly of Alberta, and the people of Alberta, that public money is spent properly and provides value.



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