



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



Executive Summary

February 2018

Who

Alberta Children's Services
Alberta Community and Social Services
Alberta Indigenous Relations
Alberta Labour
Alberta Seniors and Housing
Alberta Treasury Board and Finance

What

Performance audit

When

We conducted our field work between August and October 2017, and substantially completed the audit on October 30, 2017.

Learn More

alberta.ca/ministry-childrens-services.aspx
alberta.ca/ministry-community-social-services.aspx
indigenous.alberta.ca
work.alberta.ca
seniors-housing.alberta.ca
finance.alberta.ca

Why we did this audit

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 expenses, as well as policies on procurement cards and credit cards.

We established an annual rotational audit of departments' systems to verify that the expenses of the premier, ministers, associate ministers and their staff comply with policies and to support the Treasury Board Committee oversight process. Under this rotational process we audit each department once every three years.

Our May 2017 report describes the new Treasury Board Committee oversight process of the premier's, ministers' and associate ministers' travel, meal and hospitality expenses, and also includes the results from the first year of our rotational audit. This is the second year of our rotational audit, and includes the expenses for the offices of the ministers of **Children's Services**, **Community and Social Services**, **Indigenous Relations**, **Labour**, **Seniors and Housing**, and **Treasury Board and Finance**.

What we concluded

Over two years, we have audited the expense systems at 13 departments. Given that these systems relate to basic expense processes, training, guidance, forms, checklists and internal controls, we expect that departments would have effective systems.

Despite this, we continue to find deficiencies in departments' processes for these expenses. The effectiveness of the Treasury Board Committee's oversight process depends on departments having effective systems.

Why this is important to Albertans

Albertans expect ministers and public servants to spend taxpayers' dollars responsibly and prudently when conducting government business. Effective systems 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.

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What we examined

The audit objectives were to assess whether departments have effective systems 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 of the premier, ministers and associate ministers

We examined a sample of travel, meal and hospitality expenses incurred between November 19, 2015 and June 30, 2017 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 the prior year.

What we found

Of the departments we examined in this rotation, we did not identify any significant weaknesses in the systems for **Children's Services, Labour, and Treasury Board and Finance.**

The Department of **Indigenous Relations** has systems to verify that expenses comply with policies and are publicly disclosed, but these systems are not well designed and are not applied consistently.

We provided the Department of **Community and Social Services** with some observations to improve its processes. The nature of those observations did not warrant a recommendation.

The Department of **Seniors and Housing** has systems to verify that expenses comply with policies and are publicly disclosed. However, improvements are needed specifically in the documentation of expenses. Management at the department had already begun to implement changes to processes as a result of our prior-year audit of ministers' expenses, and we saw fewer deviations in the more recent samples. Because of the progress made before we began our audit, we have not made a recommendation.

What needs to be done

We recommend that the Department of **Indigenous Relations** improve its processes to prepare, review and publicly disclose travel, meal and hospitality expenses.

Consequences of not taking action

If the department does not properly review expenses, then errors and non-compliance with policies could go undetected. There would be a risk that taxpayers could be subsidizing expenses that are not related to government business, and there would also be a risk that the public disclosure is not complete or accurate.

Read the full report at:

oag.ab.ca

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