



ALBERTA

TOURISM, PARKS AND RECREATION

*Office of the Minister  
MLA, Vermilion-Lloydminster*

March 12, 2014

Mr. Quincy Smith  
Chair, Travel Alberta Board of Directors  
400, 1601 - 9 Avenue SE  
Calgary, AB T2G 0H4

Dear Mr. Smith:

Further to our telephone call of March 10<sup>th</sup>, I would like to reiterate my expectation that Travel Alberta, in their role as a Provincial Crown Corporation, adheres to the policy outlined by the Public Disclosure of Travel and Expenses Directive under the Financial Administration Act.

In your role as Chair of Travel Alberta's Board of Directors, I am directing you to engage an independent third party who will conduct a full review of Travel Alberta's travel and expenses dating back to September 5, 2012.

As I have stated publicly, if this review indicates any inappropriate expenses have been claimed, I expect they will be reconciled and that Travel Alberta will be in full compliance going forward.

It is critical that Travel Alberta obtain an expedient and accurate assessment. I expect Travel Alberta's cooperation to this end, and would expect this review to be completed by March 30, 2014.

Best regards,

Dr. Richard Starke  
Minister



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April 30, 2014

Honorable Dr. Richard Starke,  
Minister Tourism, Parks and Recreation,  
Government of Alberta,  
229 Legislature Building,  
Edmonton, Alberta  
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Dear Minister:

We are responding to your letter of March 12, 2014 to Quincy Smith, Chair, Travel Alberta regarding travel and expenses of senior officials of Travel Alberta.

As you requested, upon receipt of your letter, Quincy Smith, on behalf of Travel Alberta immediately engaged Ernst & Young LLP to undertake a review of the travel and expenses of senior officials. Enclosed please find a copy of the Ernst & Young Report dated March 29, 2014. On March 31, 2014 Quincy Smith and myself as the incoming Chair, reviewed the report and discussed actions that we would take.

As you are aware, I was appointed Chair, Travel Alberta effective April 1, 2014. On April 1 & 2, 2014 I attended the Travel Alberta offices to discuss the report with Senior Management and Steve Glover, Vice Chair and Chair, Travel Alberta Audit Committee.

Effective April 1, 2014 Travel Alberta implemented the following:

- Kilometer reimbursement rate per kilometer to follow the Government of Alberta rate schedule rather than the Revenue Canada rate.
- Written travel authorities to be in place for travel outside of Canada.
- Implement Alberta Gazette reporting where required.



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In addition to the immediate actions we reviewed the Travel, Meal and Hospitality Expense Policy. After the immediate review of the report we called a Board of Directors meeting for April 7, 2014. The agenda was to review the Ernst and Young Report and review the draft of the Travel Alberta Travel, Meal and Hospitality Expense Policy. Upon consideration the Board requested that the Travel Alberta Governance Committee review the draft of the Travel, Meal and Hospitality Policy. The Governance Committee met and reviewed the Policy. There are a couple of outstanding items for review with the Secretariat of the Agencies, Boards and Commissions. The Governance Committee will be meeting again on June 2, 2014 to finalize the Policy and when it is completed we will forward you a copy.

We can report other actions as well stemming from the Ernst and Young Report and of other comments concerning the spending of Travel Alberta.

- The 62 expenses not disclosed at the implementation of the expense disclosure policy in September 2012 have been disclosed.
- The five occasions of alcoholic beverages included in the expense claim totaling \$205.58 has been reimbursed to Travel Alberta.
- The "\$99.00 steak" was a menu item that was shared by three individuals at the dinner.
- The \$150.00 rental of a tuxedo has been reimbursed to Travel Alberta.
- The Business Class Calgary to Singapore return was within the Travel, Meal and Expense Policy which authorizes Business Class Travel exceeding eight hours of direct flight time. The Chair, Chair of the Audit Committee and CEO also believed that it was worth the investment. We were combining two senior positions in the position of Vice President Operations & CFO and it was most important that we hired the right person for this position.
- We will be engaging a further independent review to continue the review of expenses for fiscal year 2013/14 for all Travel Alberta team members to ensure that policies and processes are adhered to in all instances.

We can assure you that any inconsistencies within our process were inadvertent. We are committed to being 100% compliant with our policy and procedures.



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Travel Alberta is dedicated to being the preeminent Provincial Marketing Organization (PMO) in Canada. We have made great strides within our first five years and in fact, are now looked upon by the other PMO's as a leader in Canada. Tourism marketing is very competitive throughout the world and Travel Alberta will continue to build relationships with Tour Operators, Meeting Planners, Airlines, etc. throughout the world to meet the target of \$10.3 Billion in tourism economic impact within Alberta by 2020.

We look forward to clarifying and discussion anything within this report. Please do not hesitate to contact us.

Yours Truly,

TRAVEL ALBERTA

Rick LeLacheur,  
Chairman

CC Travel Alberta Board of Directors  
Bruce Okabe, President & CEO, Travel Alberta  
Sandip Lalli, VP Operations & CFO, Travel Alberta  
Karen Zoltenko, Office of the Auditor General



Building a better  
working world

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Mr. B.A.R Smith  
Travel Alberta  
400, 1601 9 Avenue SE  
Calgary, AB T2G 0H4

29 March 2014

### **Advisory Service**

Dear Mr. Smith:

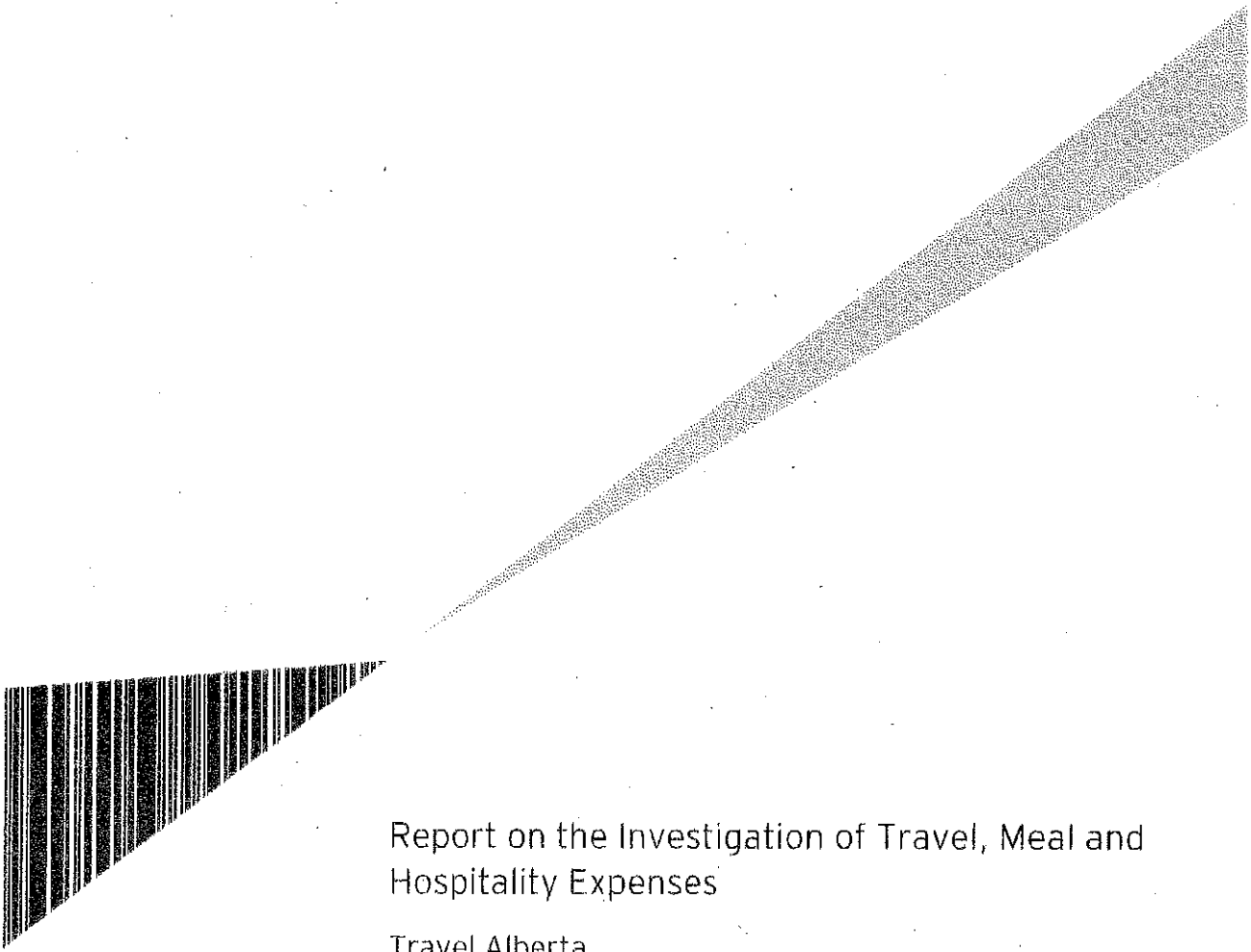
The attached report sets out the scope of our work, our approach, the work we performed, and the basis of our conclusions.

We understand that this report will be shared with Dr. Richard Starke, the Alberta Minister of Tourism, Parks and Recreation.

Yours truly,  
**ERNST & YOUNG LLP**

A handwritten signature in black ink, appearing to be 'RJT', is written over the printed name of Robert J. Taylor.

Robert J. Taylor, FCA, CIRP  
Direct Line: 403 233 7112



Report on the Investigation of Travel, Meal and  
Hospitality Expenses

Travel Alberta

March 29, 2014



Building a better  
working world

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## 1.0 Introduction

In March 2014, the Alberta Minister of Tourism, Parks and Recreation requested that Travel Alberta engage an independent party to investigate travel, meal and hospitality expenses incurred by Travel Alberta directors and executive staff members since September 20, 2012 in connection with those Travel Alberta expenses required to be reported under the Freedom of Information and Protection of Privacy Act (FOIP).

As a result of this direction, Travel Alberta engaged Ernst & Young LLP ("EY") to conduct such investigation.

### 1.1 Scope of work

Based on our discussions with Travel Alberta, the specific objectives of the investigation were to examine:

- The travel, meal and hospitality expenses ("Expenses") incurred directly by Travel Alberta Board Members and Executives during the period September 20, 2012 to January 31, 2014 inclusive; and
- To determine if such Expenses at the time they were incurred complied with Travel Alberta's travel policy and whether such Expenses also complied with the Government of Alberta's travel, meal and hospitality expense policy.

### 1.2 Scope Limitations

We have not attempted to audit the records of Travel Alberta and have relied on the documentation and information provided to us from Travel Alberta in determining the expenses and payments that were included in our investigation.

### 1.3 Restrictions on Use of this Report

Although this report has been prepared solely for the use of Travel Alberta, EY understands that Travel Alberta may release this report to the general public. EY assumes no responsibility or liability for losses occasioned to any party as a result of circulation, publication, reproduction or use of this report.

This report is based on our review of the documents available to date as described in this report. In the event further documents or other information become available that could impact our findings, we reserve the right to review such records and reconsider and amend the findings set out in this report.



## 2.0 Materials Reviewed

### 2.1 Documentation and information relied upon

In performing this investigation we have relied on the following:

- Original copies of expense reports submitted by both Travel Alberta Board Members and Executives ("Expense Reports");
- Online public disclosures for both Travel Alberta Board Members and Executives;
- The Alberta Government Travel, Meal and Hospitality Expense Policy established September 20, 2012 ("Government Expense Policy");
- The Travel Alberta Travel Policy established December 8, 2009, revised December 17, 2010 (effective February 1, 2011) and further revised on February 26, 2013 ("Travel Alberta Expense Policy");
- A comparison of the Travel Alberta Expense Policy and the Government Expense Policy prepared by Travel Alberta Executives;
- The Government of Alberta's Public Disclosure of Travel and Expense Policy ("Disclosure Policy"); and
- Information provided by the Vice President, Operations and Chief Financial Officer ("VPO/CFO") of Travel Alberta.

## 3.0 Methodology

In completing this investigation we performed the following tasks:

- Discussions with the VPO/CFO, to understand the nature of the Expenses incurred by Travel Alberta Board Members and Executives;
- Examined the supporting documentation provided by Travel Alberta to understand the nature of the expenses and the types of documentation available in support of the Expenses;
- Reviewed online disclosures of the Expenses incurred by Travel Alberta Board Members and Executives to ensure that all items from the Expense Reports requiring disclosure under the Disclosure Policy were captured and posted online;
- Evaluated whether Expenses incurred by and reimbursed to Travel Alberta Board Members and Executives were in accordance with the Travel Alberta Expense Policy; and
- Where differences in expense policy existed between the Travel Alberta Expense Policy and the Government Expense Policy, assessed whether Expenses were incurred in accordance with the Government Expense Policy.

## 4.0 Detailed Findings

In the Sections that follow we discuss the detailed findings from our investigation.

### 4.1 Travel Alberta Expense Policy

EY identified instances where Travel Alberta Executives and Board Members were not always compliant with the Travel Alberta Expense Policy. A summary of the Expenses which were not in compliance with the Travel Alberta Expense Policy is as follows:

- Detailed Receipts - 20 Expenses did not have a detailed receipt as required; however, a credit card receipt was present. These expenses generally relate to lunch meetings and have a total value of \$1,660.23;
- Hotel Receipts - 27 Expenses related to hotel invoices did not include detailed receipts for food and beverage charges incurred at the hotel. The value of hotel food and beverages charges without a detailed receipt totals \$1,722.85;
- Mileage - The mileage rate referred to in the Travel Alberta Expense Policy pursuant to a Canada Revenue Agency web address indicates a specified rate of \$0.515. This rate appears to be for individuals living in remote locations throughout Alberta and likely should not apply to Travel Alberta Executives and Board Members. The mileage rate generally claimed by Travel Alberta Executives and Board Members was \$0.53 per kilometer travelled (which is the more broadly used mileage rate throughout Canada posted on the Canada Revenue Agency website). A total of 69,805 kilometers were expensed by Travel Alberta Executives and Board Members at the rate of \$0.53 per kilometer travelled. The expense difference between the mileage rate used and the Travel Alberta Expense Policy rate totals \$1,047.07;
- Written Travel Approvals - There were two instances of international travel which did not have supporting written approvals as required; and
- Alcoholic Beverages - Alcoholic beverages are not allowed to be expensed unless there are external event attendees. There were five occasions where alcoholic beverages were expensed when all event attendees were internal to Travel Alberta. The cost of the alcoholic beverages on these occasions totaled \$205.58.

### 4.2 Disclosure Policy

Based on the procedures performed, EY identified certain Expenses requiring clarification in respect of public disclosure. EY met with the VPO/CFO to obtain additional information with respect to these Expenses. Where it was unclear based on the nature of the expense whether certain Expenses required disclosure under the Disclosure Policy, EY relied on the representations of the VPO/CFO with respect to the nature of the expense and required disclosure. Based on our understanding of the Disclosure Policy it appears all Expenses requiring disclosure were disclosed other than those items noted below:

- There were 51 Expenses where receipts were missing; however, there was a written statement signed by the claimant and the approver attesting the expense was incurred, related to Travel Alberta business, the expense had not been claimed previously and a reason explaining why the receipt was missing. This practice is; however, in compliance with the Government Expense Policy. 12 of these expenditures do not require a receipt or a written statement pursuant to the Government Expense Policy; however, the Disclosure Policy does not mention this provision;
- There were 15 Expenses having very minor differences between actual amounts expensed and the amounts disclosed. For example, alcohol was deducted from the expense report and not reimbursed; however, the full amount of the receipt was publicly disclosed;
- There is one instance where Expenses disclosed online did not include detailed backup support such as receipts; however, the expense report provides detailed backup as required; and
- 62 Expenses were not disclosed totaling \$14,367.72. It appears the non-disclosure was inadvertent and was a disclosure implementation matter as the majority of the non-disclosed Expenses occurred at approximately the same time as the Disclosure Policy was implemented.

### 4.3 Government Expense Policy

There are instances of Expenses which met the Travel Alberta Expense Policy but did not conform to the Government Expense Policy. In discussing the two expense policies with Travel Alberta, Travel Alberta advised it was unaware that it was required to adhere to the Government Expense Policy rather than the Travel Alberta Expense Policy. There are instances where the Travel Alberta Expense Policy is more rigorous than the Government Expense Policy. For example, the Government Expense Policy allows business class travel for domestic flights exceeding four hours whereas the Travel Alberta Policy does not allow business class travel for domestic flights unless travel time exceeds eight hours.

A summary of the Expenses that did not meet the Government Expense Policy is as follows:

Working Session Pre-Approval - The Government Expense Policy specifies that "Working Session" events in excess of \$1,500.00 require pre-approval, prior to incurring the expense, of an Approver and such approvals may not be given by a deputy head's designate. The Travel Alberta Expense Policy does not include a requirement for pre-approval of such events. Travel Alberta had 13 Working Session events costing more than \$1,500 over the Expense period reviewed by EY. While no specific written approvals for the Working Session events were provided to EY, the Travel Alberta CEO approved of the Working Session events and Travel Alberta believes it complies with the Government Expense Policy;

- Hospitality Expense Pre-Approval - The Government Expense Policy specifies that "Hospitality" events in excess of \$600.00 or those involving the serving of Alcohol require pre-approval of a Minister, Associate Minister or deputy head prior to incurring the expense. The Travel Alberta Expense Policy does not include a requirement for pre-approval of such events. In discussing this matter, Travel Alberta advised EY that although there were no specific written approvals, the Travel Alberta Vice-President of Marketing & Communications is aware of all Hospitality events hosted by Travel Alberta; and
- Mileage - The Government Expense Policy specifies that the appropriate rate to claim mileage expenses is \$0.505 per kilometer travelled. The Travel Alberta Expense Policy for mileage expenses is \$0.515 per kilometer travelled. Based on total of 69,805 kilometers expensed by Travel Alberta Executives and Board Members the expense difference between the two policies is \$698.05.

## 5.0 Conclusions & Recommendations

EY's examination of the Travel Alberta Expenses for the period September 20, 2012 to January 31, 2014 inclusive did not identify any items that were individually or in aggregate material relative to a total of \$297,319.14 of Expenses reviewed. A summary of EY's findings is as follows:

- Of approximately 1,800 Expenses examined totaling \$297,319.14, 54 Expenses and mileage differential totaling \$5,333.78 appear not to be in compliance with the Travel Alberta Expense Policy; and
- 62 Expenses totaling \$14,367.22 requiring disclosure under the Disclosure Policy were inadvertently not disclosed.

Based on EY's examination of the Travel Alberta Expenses, EY recommends that Travel Alberta:

- Determine the appropriate travel, meal and hospitality expense policy to use;
  - Publicly disclose the 62 Expenses that were inadvertently not publicly disclosed; and
- Establish a form of reporting by expense claimants that clearly establishes compliance with appropriate expense policy.



## **Travel Policy**

**December 8, 2009**

**Revised December 17, 2010**

**Effective February 1, 2011**

### **I AUTHORITY**

Chief Executive Officer (CEO)

### **II POLICY STATEMENT**

A team member may be approved for travel when required to be away from their work area or place of residence for business purposes. Appropriate approvals must be obtained prior to the team member traveling on business. Where proposed travel relates to mileage to attend regular meetings, formal travel authorities are not required.

Travel should only be approved when correspondence, telephone calls, conference calls, video conferencing, and other kinds of communication or other means of conducting company business are not practical. When travel is authorized, the most direct, practical and cost effective route and mode of transportation should be used.

### **III POLICY DETAILS**

#### **GENERAL**

#### **Accommodation**

Where available, the team member will be authorized to stay at a single-room accommodation that is conveniently located and comfortably equipped.

Where Travel Alberta has a preferred rate, this should be used as a guideline in choosing reasonable accommodations whenever possible.

In all cases, team members should exercise discretion and common sense when considering higher priced rooms. Factors such as safety, security and proximity to conference location may also be considered.

### **Airfare**

The standard for air travel is economy class and this includes charters and other reduced fares. The lowest available airfares appropriate to particular itineraries shall be sought when making bookings. The CEO or designate shall approve all air fares that exceed economy rates.

If the flight duration is longer than eight (8) hours or more hours, regardless of continuous travel or stops between scheduled departure and scheduled arrival times, then a team member qualifies to upgrade to another fare class by approval of the CEO or designate. The ability to upgrade is for flights outside of North America.

To determine your total travel time, airport departure and arrival times should be used. In addition, total travel time should be actual time elapsed regardless of the time zone changes.

No more than five team members may fly on the same flight at any given point. Further, no more than two executive leadership team members may fly on the same flight.

### **Frequent Flyer Points**

Frequent flyer points earned on company business may be used by the team member for personal use. Points redeemed for personal use are considered a taxable benefit. It is the team member's responsibility to report the fair market value of the taxable benefit in their annual tax return. 'Fair market value' for an airline ticket is described as the cost for the same flight in the same travel class with the same restrictions. Team members should contact the Canada Revenue Agency for further information.

### **Personal Stop-Over**

Team members are permitted to combine personal activities – e.g. vacations, with company business, only where the Vice-President and direct supervisor have granted prior approval for additional time away.

If approval is granted team members are required to finalize their own travel plans and pay any additional costs associated with personal stopovers. The company will only pay for the business portion of the travel.

Travel by a team member that is not the most direct, practical, or cost-effective, the team member may only claim the amount of the actual business trip portion expenditures.

### **Spousal Travel**

Any expenses incurred by spouses or other individuals accompanying the team member on company business shall be fully incurred by the team member.

## **APPROVAL FOR TRAVEL**

### **Authority for Approval**

The CEO or designate is responsible for applying and administering the directives related to travel expenses and allowances. All travel must be pre-authorized in accordance with the Travel Alberta approved authority matrix.

### **Approval Considerations**

When considering the approval of a request the following requirements should be met:

1. The travel is necessary for the support or success of an approved project.
2. The knowledge gained cannot be achieved through alternative means.
3. The travel is to a meeting or conference with direct relevance.
4. The travel is required to permit a team member to fulfill a Committee or Executive requirement with a job-or-profession-related organization.
5. The travel will assist the career development of a team member or the travel is necessary to maintain the professional status of a team member.
6. The necessary funds are available to permit the travel to be undertaken.

### **Travel by external parties**

Contracted individuals do not require the same approval as long as the travel that is requested of them is part of the scope of the contract for which they were hired. In essence, when the contract is approved the requirement for travel is also approved.

Board members and STMC members do not require travel approval as long as the travel requested of them relates to attending Travel Alberta coordinated Board and Council meetings. Proposed out of country travel for the Board Chair will be discussed and agreed between the Board Chair and the CEO to ensure the travel supports Travel Alberta business and opportunities.

The CEO or designate initiating an interview may approve travel expenses for any external applicant. Allowable travel expenses are limited to the reimbursement or allowance for meals, accommodation and transportation.

## **TRAVEL REIMBURSEMENT**

### **Travel Expense Claims**

Travel Alberta team members are reimbursed for reasonable travel expenses incurred during the performance of their duties through a travel expense claim. The purpose of completing a travel expense claim is to establish a complete record of all costs associated with an approved trip.

All travel expenses claimed must be supported by proper detailed original receipts such as: airline ticket, hotel and restaurant receipts showing all charges (details of meals and beverages) and receipts of registration fees paid.

Team members may encounter circumstances where specific guidance is not provided within this policy. Team members should exercise discretion and good common sense when considering unusual charges. Expense claims submitted for reimbursement of unusual charges or circumstances not addressed within these policies may not be reimbursed.

### **Meals**

With receipts, team members may claim the cost of the meal plus GST (if applicable) and a reasonable gratuity, such as a 15% gratuity. Where a team member is incurring meal costs and intends to claim reimbursement based on receipts, reasonable amounts as determined by the Expenditure Officer may be claimed.

### **Medical Expenses**

A team member may claim the cost of medical insurance purchased for company business travel outside of Canada, covering all or part of the medical costs that are not covered by the Alberta Health Care Insurance Plan and the Group Extended Medical Benefits Plan.

If a team member becomes ill and requires medical attention while traveling on business outside of Canada, the team member may claim reimbursement of the costs in excess of personal coverage under the above plans.

### **Mileage**

Personal vehicles may be authorized to conduct Travel Alberta business, if driving is considered the most direct, practical and cost effective route and mode of transportation.

When authorization is received, the team member may claim a mileage reimbursement based on the total kilometres traveled at a rate recommended by the Canada Revenue Agency (<http://www.cra-arc.gc.ca/tx/ndvdlis/tpcs/ncom-tx/rtrn/cmpltnq/ddctns/lns248-260/255/rts-eng.html>).

It is the team member's responsibility to maintain a record of the mileage traveled.



If your personal vehicle is used for business and you have added business insurance on to your personal insurance, Travel Alberta will reimburse you up to \$200.00 per year for the extra cost. Proof of difference in cost must be provided.

#### **Other allowable**

Without a receipt up to \$12.75 (local currency) may be claimed for:

- intra-city public transportation
- parking charges
- bottled water
- customary tipping of bellman, housekeeping

#### **Passports**

When traveling on company business outside of Canada, a team member may be reimbursed for the cost of procuring a passport.

#### **Roadside Emergency Memberships**

Team members whose role it is to spend more than 50% of their work time commuting within the Province, will be reimbursed for their Roadside Emergency membership.

#### **Reimbursement for Foreign Currency Transactions**

For travel outside of Canada, a team member will be paid in Canadian currency for any allowances or reimbursement for expenditures supported by receipts. The foreign currency transaction currency conversion rate will be used to determine the reimbursable amount in Canadian dollars.

#### **Reimbursement of GST**

When a team member is charged GST on allowable expenses, the team member will be reimbursed either the total amount shown on the receipt, including the GST, or the maximum amount allowed for the expense, whichever is less. GST and other taxes cannot be claimed on other allowable allowances.

#### **Reimbursement for unanticipated expenses**

Where expenses are incurred but not expressly authorized by this policy, the Chief Executive Officer or designate shall determine if the expense falls within the intent of this policy and the amount of any reimbursement.

#### **Travelers' Cheques**

When traveling on company business a team member shall be reimbursed for the cost of purchasing travelers' cheques for business-related expenses.

### **Monthly**

Monthly, travel expense claims must be submitted prior to two business days after the previous month ending. If outstanding travel expenses are expected to be material, costs must be accrued as per the accrual policy. At fiscal year-end, travel expenses incurred in March should not be combined with expenses incurred in April. Separate claim forms must be submitted.

## **IV PROCEDURES**

### **Travel Approval**

A team member who proposes to travel on business must:

1. Complete a Travel Authority form for all non routine travel within the province and for all travel outside of the province
2. Obtain approval from their immediate supervisor authorized to approve travel.
3. Obtain approval of the Expenditure Officer with responsibility for the travel budget if different from the supervisor.
4. Attach the numbered and signed authorization to the completed travel expense claim.



**Policy #: BD-10**

Created: December 8, 2009  
Revised: February 26, 2013

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## **TRAVEL**

### **AUTHORITY**

Board of Directors  
Treasury Board

### **SCOPE**

This policy applies to all Team Members and the Board of Directors. Coverage also extends to third party contractors as applicable per the General Service Contract. The expense disclosure portion of the policy applies to CEO, vice presidents and board members.

### **PURPOSE**

A team member may be approved for travel when required to be away from their work area or place of residence for business purposes. Travel should only be authorized when correspondence, telephone calls, conference calls, video conferencing, and other kinds of communication or other means of conducting company business are not practical. When travel is authorized, the most direct, practical and cost effective route and mode of transportation should be used. Appropriate approvals for all international travel must be obtained prior to the team member traveling on business.

### **POLICY DETAILS**

#### **Meals**

With detailed receipts, the cost of the meal plus GST (if applicable) and a reasonable gratuity, up to a maximum of 20% may be claimed. Meal costs must be reasonable as determined by the Expenditure Officer.

When multiple team members are present, the most senior team member must incur the expense and submit the detailed receipt listing all attendees.

#### **Alcohol**

Alcohol charges are not permitted on corporate credit cards nor will be reimbursed. The only exception applies to a hosting event where guests external to Travel Alberta and Government are present.

**Accommodation**

Where available, a single-room accommodation that is conveniently located and comfortably equipped may be claimed. Where Travel Alberta has a preferred hotel rate, this should be used when choosing reasonable accommodations whenever possible. In all cases, discretion and common sense should be exercised when considering higher priced rooms. Factors such as safety, security and proximity to conference location may also be considered.

Allowable hotel invoice charges include: nightly room charges, meals (with detailed receipts), parking, internet access and telephone plus all applicable taxes and fees. Laundry or dry cleaning charges are allowable if the length of stay is greater than 3 nights. Any other charges that are not business related and deemed discretionary will not be reimbursed.

**Airfare**

The standard for air travel is economy class and this includes charters and other reduced fares. The lowest available airfares appropriate to particular itineraries shall be sought when making bookings. The CEO or designate shall approve all air fares that exceed economy rates.

If the flight duration is longer than eight (8) hours or more hours, regardless of continuous travel or stops between scheduled departure and scheduled arrival times, then an upgrade to another fare class by approval of the CEO or designate. The ability to upgrade is for flights outside of North America.

To determine your total travel time, airport departure and arrival times should be used. In addition, total travel time should be actual time elapsed regardless of the time zone changes.

No more than five team members or three board members may fly on the same flight at any given point. Further, no more than two executive leadership team members may fly on the same flight.

**Frequent Flyer Points**

Frequent flyer points earned on company business may be used for personal use. Points redeemed for personal use are considered a taxable benefit. It is the team member's and board member's responsibility to report the fair market value of the taxable benefit in their annual tax return. 'Fair market value' for an airline ticket is described as the cost for the same flight in the same travel class with the same restrictions. Contact the Canada Revenue Agency for further information.

**Personal Stop-Over**

Team members are permitted to combine personal activities – e.g. vacations, with company business, only where the Vice-President and direct supervisor have granted prior approval for additional time away.

If approval is granted team members are required to finalize their own travel plans and pay any additional costs associated with personal stopovers. The company will only pay for the business portion of the travel.

Travel by a team member that is not the most direct, practical, or cost-effective, the team member may only claim the amount of the actual business trip portion expenditures.

**Spousal Travel**

Any expenses incurred by spouses or other individuals accompanying the team member or board member on company business shall be fully incurred by the team member or board member. Corporate Credit cards cannot be used to book spousal travel.

**Travel Approval**

All International travel must be pre-authorized and a Travel Authority completed in accordance with the Travel Alberta approved authority matrix prior to flights being booked. If there are barter agreements in place, they must be utilized first where possible.

Board members do not require travel approval as long as the travel requested of them relates to attending Travel Alberta coordinated Board. Proposed out of country travel for the Board Chair or Board Members will be discussed and agreed between the Board Chair and the CEO to ensure the travel supports Travel Alberta business and opportunities.

**Approval Considerations**

When considering the approval of a request the following requirements should be met:

- The travel is necessary for the support or success of an approved project.
- The knowledge gained cannot be achieved through alternative means.
- The travel is to a meeting or conference with direct relevance.
- The travel is required to permit a team member to fulfill a committee or executive requirement with a job-or-profession-related organization.
- The travel will assist the career development of a team member or the travel is necessary to maintain the professional status of a team member.
- The necessary funds are available to permit the travel to be undertaken.

Any exceptions to this travel policy must have prior written approval of the CEO, Board Chair or Board Vice Chair.

**Travel by external parties**

Contracted individuals do not require the same approval as long as the travel that is requested of them is part of the scope of the contract for which they were hired. In essence, when the contract is approved the requirement for travel is also approved.

The CEO or designate initiating an interview may approve travel expenses for any external applicant. Allowable travel expenses are limited to the reimbursement or allowance for meals, accommodation and transportation.

**Medical Expenses**

The cost of medical insurance purchased for company business travel outside of Canada, covering all or part of the medical costs that are not covered by the Alberta Health Care Insurance Plan and the Group Extended Medical Benefits Plan can be claimed.

If a team member or board member becomes ill and requires medical attention while traveling on business outside of Canada, reimbursement of the costs in excess of personal coverage under the above plans may be claimed.

**Mileage**

Personal vehicles may be authorized to conduct Travel Alberta business, if driving is considered the most direct, practical and cost effective route and mode of transportation.

Travel

When authorization is received, claims for mileage reimbursement is based on the total kilometres traveled a rate recommended by the Canada Revenue Agency (<http://www.cra-arc.gc.ca/tx/ndvdlis/tocs/ncm-tx/rtrn/cmpltng/ddctns/ins248-260/255/rtg-eng.html>)

It is the team member's and board member's responsibility to maintain a record of the mileage traveled.

**Other allowable**

Without a receipt up to \$12.75 per day (local currency) may be claimed for:

- intra-city public transportation
- parking charges
- bottled water
- customary tipping of bellman, housekeeping

**Passports**

When traveling on company business outside of Canada, the cost of procuring a passport may be claimed.

**Roadside Emergency Memberships**

Team members whose role it is to spend more than 50% of their work time commuting within the Province, will be reimbursed for their Roadside Emergency membership.

**Reimbursement for Foreign Currency Transactions**

For travel outside of Canada, a team member will be paid in Canadian currency for any allowances or reimbursement for expenditures supported by receipts. The foreign currency transaction currency conversion rate will be used to determine the reimbursable amount in Canadian dollars.

**Reimbursement of GST**

As a crown corporation, Travel Alberta is not subject to GST/HST. When GST/HST is charged on allowable expenses, the total amount shown on the receipt, including the GST/HST will be reimbursed. GST/HST and other taxes cannot be claimed on other allowable allowances.

**Reimbursement for unanticipated expenses**

Where expenses are incurred but not expressly authorized by this policy, the CEO or designate shall determine if the expense falls within the intent of this policy and the amount of any reimbursement.

**Travelers' Cheques**

When traveling on company business a team member shall be reimbursed for the cost of purchasing travelers' cheques for business-related expenses.

**Monthly**

Monthly, travel expense claims must be submitted prior to two business days after the previous month ending. If outstanding travel expenses are expected to be material, costs must be accrued as per the accrual policy. At fiscal year-end, travel expenses incurred in March should not be combined with expenses incurred in April. Separate claim forms must be submitted.

## **PROCEDURES**

### **Monthly Travel Expense Claims**

Travel Alberta team members are reimbursed for reasonable travel expenses incurred during the performance of their duties through a travel expense claim. The purpose of completing a travel expense claim is to establish a complete record of all costs associated with an approved trip.

All travel expenses claimed must be supported by proper detailed original receipts such as: airline ticket, hotel and restaurant receipts showing all charges (details of meals and beverages) and receipts of registration fees paid.

Team members may encounter circumstances where specific guidance is not provided within this policy. Team members should exercise discretion and good common sense when considering unusual charges. Expense claims submitted for reimbursement of unusual charges or circumstances not addressed within these policies may not be reimbursed.

### **Timelines:**

For team members with corporate credit cards, expense claims reconciled to the corporate credit card statement are required to be submitted on a monthly basis by the third business day of the month following the month when the expenses were incurred.

For team members without a corporate credit card, expense claims should be submitted on a weekly basis as expenses are incurred and no later than 2 months after the expenses were incurred.

For board members, expense claims should be submitted on a monthly basis no later than the third business day of the month following the month when the expenses were incurred. However, if this is not possible, at minimum expenses should be submitted every two months prior to the end of January, March, May, July, September and November in order to have ample time for the disclosure of the expenses.

**PUBLIC DISCLOSURE OF TRAVEL AND EXPENSE POLICY**

September 20, 2012

**1. Purpose**

This policy provides a framework for the routine disclosure of expense information of government officials to enhance public confidence by improving accountability and transparency.

**2. Interpretation**

In this policy:

- (a) "Discloser" means an individual described in section 3;
- (b) "Expenses" means costs and allowances incurred by an individual in the course of Government Business, including those arising from:
  - (i) travel, including transportation, accommodation, meals and related incidentals; or
  - (ii) Hospitality and Working Sessions;
- (c) "Government Business" means activities intended to promote and achieve the goals and objectives of the Government of Alberta;
- (d) "Hospitality" means any activity that incurs Hospitality Expenses as defined in the Travel, Meal and Hospitality Expenses Policy; and
- (e) "Working Sessions" means activities that incur Working Session Expenses as defined in the Travel, Meal and Hospitality Expenses Policy, other than planned corporate events.

**3. Application and Scope**

Except as otherwise provided in this directive, this directive applies to the Expenses of:

- (a) Ministers, Associate Ministers and their political staff;
- (b) Senior Officials appointed by an Order in Council and paid directly by the Government of Alberta;
- (c) Deputy Ministers; and
- (d) employees as defined under the *Public Service Act*, who are in the executive manager classes.



#### **4. Exemption**

Treasury Board may grant an exemption from all or part of this policy.

#### **5. Disclosure of Expense Reports**

(1) A Minister shall ensure that detailed reports of their Expenses and the Expenses of the Disclosers under their administration are publicly accessible online on a bi-monthly basis, within 10 business days after the first day of each calendar month in which a report must be disclosed, beginning December 2012.

(2) Expense reports shall be generated directly from government financial systems to demonstrate the integrity and authenticity of disclosed information.

(3) Expense reports shall not contain Information required to be withheld under Part 2 of the *Freedom of Information and Protection of Privacy Act*.

#### **6. Expense Report Requirements**

(1) Expense reports must, at a minimum, include the following information:

- (a) the name and position of the Discloser;
- (b) the date of the transaction(s) giving rise to the Expense;
- (c) the amount of each Expense;
- (d) the category of each Expense (e.g. travel, including transportation, accommodation, meals and related incidentals; Hospitality and Working Sessions);
- (e) a description and the rationale for each Expense; and
- (f) receipts for each reimbursed Expense.

(2) Expenses incurred by one individual on behalf of another must be attributed to the individual for whom those Expenses were incurred.

#### **7. Interpretive Bulletins or Guidelines**

The Associate Minister of Accountability, Transparency and Transformation or their designate may issue interpretive bulletins or guidelines to assist Disclosers in complying with this policy.

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#### **8. Publication in the Alberta Gazette**

A Minister or their designate shall submit on a quarterly basis a report of all events under their administration with total Hospitality Expenses paid of more than \$600 to the Alberta Gazette for publication.

#### **9. International Travel**

Ministers and Associate Ministers shall disclose their international travel-related expenses in accordance with the Reporting Policy for Ministerial and MLA Travel Outside of Canada.

**TRAVEL, MEAL AND HOSPITALITY EXPENSE POLICY**

September 20, 2012

**1. Purpose**

This policy provides a framework of accountability and rules to guide the effective oversight of public resources in the reimbursement and payment of travel, meal, hospitality, and other expenses and allowances not addressed by regulations under the *Public Service Act*. This policy is intended to ensure fair and reasonable practices, and to ensure that individuals are properly reimbursed for expenses incurred on Government Business.

**2. Interpretation**

In this policy:

- (a) "Approver" means, with respect to a Claimant, an individual with the authority to approve reimbursements or allowances under this policy;
- (b) "Claimant" means any individual described in section 3(1) who seeks reimbursement of an expense or payment of an allowance under this policy;
- (c) "Deputy Head" has the meaning set out in the *Financial Administration Act*;
- (d) "Government Business" means activities intended to promote and achieve the goals and objectives of the Government of Alberta;
- (e) "Hospitality Expenses" means any expenses incurred in respect of hospitality provided to guests of the government or individuals otherwise not engaged in work for the government as a matter of courtesy or to facilitate Government Business, including, without limitation, activities such as:
  - (i) engaging in discussion of official public matters with, or sponsoring formal conferences for:
    - (A) representatives from other governments;
    - (B) publicly funded organizations;
    - (C) business and industry;
    - (D) public interest groups; or
    - (E) labour groups;

and

(ii) engaging in discussion of official public matters with, or sponsoring formal conferences for:

(A) honouring distinguished people for exceptional public service in Alberta; and

(B) conducting prestigious ceremonies for heads of state, government or distinguished guests from the private sector;

(f) "Regulations" means regulations dealing with expenses and made under the *Public Service Act*;

(g) "Work Area" means, with respect to a Claimant:

(i) any point within the municipality in which the Claimant's office or primary place of work is located;

(ii) any point up to 25 kilometres outside of the municipality referred to in subparagraph (i), or, if the terms of their employment require the Claimant to work daily or near daily more than 25 kilometres outside of the municipality referred to in subparagraph (i), any point within that assigned area; and

(iii) for any Claimant who does not have an office or primary place of work, the geographic area in which the employee is required by the terms of their employment to carry out their assigned duties;

and

(h) "Working Session Expenses" means any expenses incurred in respect of food or non-alcoholic beverages provided to individuals described in section 3(1) and to any third parties attending meetings held to facilitate Government Business.

### **3. Application and Scope**

(1) This policy applies to all expenses incurred and allowances claimed in relation to Government Business, by or on behalf of:

(a) Ministers' and Associate Ministers' Offices, including Ministers, Associate Ministers, Executive Assistants, Chiefs of Staff, Press Secretaries and all other support staff,

(b) Senior Officials appointed by an Order in Council and paid directly by the Government of Alberta,

(c) Deputy Ministers, and

(d) employees as defined under the *Public Service Act*, unless otherwise addressed in the regulations.

(2) Notwithstanding subsection (1), this policy does not apply with respect to any fee for service or individual employment contractual obligations to make reimbursements or allowances.

(3) This policy applies regardless of how an expense has been paid for or is being reimbursed (e.g. Government Procurement Card, credit card billed directly to the Government, the Government Expense Claims System, etc.).

#### **4. Exemption**

The Treasury Board may grant an exemption from all or part of this policy.

#### **5. General Requirements and Authority**

(1) Notwithstanding any other provision of this policy, except section 3(2):

(a) No expense may be reimbursed or allowance paid except under this policy or under the Regulations.

(b) Reimbursement and allowance may only be made in respect of expenses incurred in relation to Government Business, unless otherwise expressly stated in this policy.

(c) A Claimant shall not claim reimbursement and an allowance in respect of the same expense.

(d) A Claimant shall not claim reimbursement of alcohol as part of a travel or meal expense.

(2) Individuals incurring Hospitality Expenses, Working Session Expenses, travel, meal, accommodation, or related incidental expenses, and other expenses expressly described in this policy with a Government Procurement Card or a credit card billed directly to the Government shall adhere to the requirements governing reimbursements and allowances insofar as possible.

(3) Individuals incurring expenses other than expenses described in subsection (2) with a Government Procurement Card or a credit card billed directly to the Government shall adhere to the requirements and principles set out in section 6.

(4) Expenses incurred by one individual on behalf of another must be attributed to the individual for whom those Expenses were incurred.

(5) The Controller may issue interpretive bulletins or guidelines in respect of this policy.

#### **6. Approval of Reimbursements**

(1) Subject to the other requirements set out in this policy, Approvers shall approve the reimbursement of expenses and payment of allowances incurred in relation to Government Business.

(2) The following individuals may approve reimbursements as follows:

(a) deputy heads or their designates, for senior officials under section 3(1)(b) and employees under their administration or within their ministry;

(b) Ministers or Associate Ministers or their designates, for deputy heads under their administration; and

(c) for all other Claimants, the individuals to whom they immediately report or whom otherwise have been designated by a Minister, Associate Minister or deputy head.

(3) Unless otherwise set out in this policy, a Claimant must submit:

(a) detailed itemized receipts; or

(b) a written statement signed by the Claimant and the Approver and attesting:

(i) that the expense was incurred and related to Government of Alberta business,

(ii) that the expense has not been claimed previously, and

(iii) to why a receipt cannot be provided,

for reimbursement of expenses.

(4) Both Claimants and Approvers shall take the following principles into account in determining whether to make claims for and authorize reimbursements and allowances:

(a) taxpayer dollars are to be used prudently and responsibly with a focus on accountability and transparency;

(b) travel, meal, hospitality and other expenses must support Government Business objectives;

(c) travel, meal, hospitality and other expenses must be necessary and economical with due regard for health, safety and security;

(d) only legitimate and approved expenses incurred in relation to Government Business may be reimbursed;

(e) prior approval to incur expenses is obtained where appropriate; and

(f) claims should be:

(i) able to withstand scrutiny by the Auditor General of Alberta and members of the public;

(ii) properly explained and documented;

(iii) reasonable; and

(iv) appropriate.

(5) Approvers are accountable for their decisions, which must be:

- (a) subject to good judgment and informed knowledge of the situation;
- (b) exercised in appropriate circumstances; and
- (c) compliant with the principles and requirements set out in this policy.

(6) The rationale for approval decisions must be documented for each claim where discretion has been exercised.

(7) It is the responsibility of both the Approver and the Claimant to work out appropriate arrangements that would meet the test of being fair and equitable.

(8) A Claimant may elect to personally incur expenses exceeding those permitted or approved under this policy. A Claimant must clearly distinguish between business and personal expenses.

(9) When a Claimant receives a discount, credit or bonus for travel that reduces the original travel cost, only the net expense may be claimed. This subsection is not applicable when the Claimant receives a rebate, credit or privilege for using a personal credit card for which a fee has been paid.

(10) When a Claimant is charged GST on an expense reimbursable under this policy, the Claimant shall be reimbursed either the total amount shown on the receipt, including the GST, or the maximum reimbursable amount, whichever is less. GST and other taxes cannot be claimed on allowances.

## **7. Reimbursement of Travel Expenses and Allowances**

### **Claimable Expenses With a Receipt**

(1) Subject to any requirements set out in sections 8, 9 and 10, a Claimant may claim the following expenses incurred by travelling on government business, attending a government sponsored seminar, pre-retirement seminar, or interview selection panel:

- (a) air fare;
- (b) automobile rental;
- (c) rail fare;
- (d) excess baggage charges where extra equipment is required because of duties being performed;
- (e) charges for electronic communication related to government business;

- (f) charges for business related phone calls;
- (g) bus fares, including airport bus, other than intra-city bus fares; and
- (h) internet connectivity in hotel, airplanes or other public places.

**Claimable Expenses Without a Receipt**

(2) A Claimant may claim without a receipt or a written statement under section 6(3)(b) the following expenses incurred by travelling on government business, attending a government sponsored seminar, pre-retirement seminar, or interview selection panel, to the maximum amount set out in Appendix "A":

- (a) intra-city public transportation;
- (b) taxi or town car, limousine or similar vehicle fares; and
- (c) parking charges.

**8. Expenses and Allowances While Travelling on Government Business**

**Travel by Air**

- (1) Economy class shall be used for all domestic flights, unless otherwise authorized by an Approver or otherwise permitted under this section.
- (2) An Approver may approve business class travel if a medical condition necessitates an upgraded travel class and a physician's note is provided prior to booking.
- (3) An Approver may approve business class travel for domestic or international flights stated to exceed four hours at time of booking.

**Other Travel Routes or Modes of Transportation**

- (4) If an Approver has authorized transportation by a Claimant that is not the most direct, practical or cost-effective, the Claimant may claim the lesser of:
  - (a) the actual expense of the transportation; or
  - (b) an allowance equivalent to the expense of the most direct, practical and cost-effective route and mode of transportation.

**Travel Outside of Canada**

- (5) When travelling outside of Canada, a Claimant may be reimbursed for the expense of procuring a business visa or passport, and related expenses, where required and where the Claimant does not hold one.
- (6) A Claimant shall be paid in Canadian currency for any allowances related to foreign travel or for reimbursement for expenses incurred in a foreign currency and supported by receipts.



(7) A Claimant shall be reimbursed for losses incurred due to any change in the rate of exchange for foreign currency purchased to meet reimbursable expenses when travel is required outside of Canada.

(8) A Claimant may claim the expense of travel medical insurance purchased for travel outside of Canada.

(9) If a Claimant becomes ill and requires medical attention or hospitalization or both while travelling outside of Canada, the Claimant may claim reimbursement of any related expenses in excess of personal coverage in Alberta and any purchased travel medical insurance.

(10) A Claimant may claim the expense of travel immunizations.

#### **Travel by Third Party Vehicle**

(11) A Claimant may claim the actual expense of hiring or renting third party vehicles. The actual expense shall be the amount shown on the invoice plus a gratuity of up to 20 percent.

(12) A Claimant may claim the expense of hiring a taxi and may only claim the expense of hiring a town car, limousine or similar vehicle if there is a valid business purpose.

(13) A Claimant may claim the expense of renting a vehicle if there is a valid business purpose and if the size and type of the vehicle is appropriate for the number of passengers, road conditions, and nature of the need. In-car navigation systems and electronic toll payment (where appropriate) are reimbursable expenses but expenses for all other convenience options are not reimbursable.

#### **Business Kilometre Rate for Private Vehicles**

(14) An Approver may authorize the use of a Claimant's private vehicle for Government Business or to attend a pre-retirement seminar at the rate set out in Appendix "A".

#### **Private Vehicle Allowances**

(15) An Approver may authorize:

(a) a daily vehicle allowance at the rate set out in Appendix "A" for each day if the Claimant's private vehicle is used on Government Business, on a daily or near daily basis within any city in Alberta.

(b) an adverse driving condition allowance at the rate set out in Appendix "A" for each day the Claimant's private vehicle is used on Government Business plus the business kilometre rate when:

(i) travel of 10 kilometres or more is on unpaved roads; or

(ii) travel is over terrain without roads; or

(iii) the vehicle must be frequently stopped and parked (normally 5 or more times), during a single trip in urban areas.

(16) A Claimant may claim only:

(a) the daily car allowance, or

(b) the adverse driving allowance and business kilometre rate, for business travel on any given day when the applicable driving conditions occur.

(17) An Approver may approve the use of a Claimant's private vehicle at the rate set out in Appendix "A" if such means of transport is more direct, practical and cost effective.

(18) An Approver may approve the travel expenses of a Claimant or an external applicant requested to appear before a selection panel in accordance with this policy, except with respect to mileage expenses incurred in the use of a private vehicle, in which case the rate is as set out in Appendix "A".

#### **Business Insurance**

(19) If an insurer requires the Claimant's private vehicle to be insured for use when travelling on Government Business, the Claimant may claim the incremental expense of the business premium to the maximum set out in Appendix "A", pro-rated if the insurance is for less than a year.

#### **9. Other Expenses and Allowances While Travelling on Government Business**

(1) Except with respect to reimbursements or allowances claimed under subsections (7) and (8), no Claimant shall be eligible for reimbursement of expenses and allowances under this section unless:

(a) the Claimant has been authorized by the deputy head or designate to travel outside of their Work Area for Government Business purposes; and

(b) the claim for reimbursement or allowance is solely for those expenses incurred outside the Claimant's Work Area.

#### **Meal Expenses**

(2) When travelling on Government Business, a Claimant may claim either:

(a) the actual expense of the meal; or

(b) the meal allowance.

(3) The actual expense of the meal is the amount shown on the bill, excluding alcoholic beverages, plus a gratuity of up to 20 percent.

(4) The meal allowances are set out in Appendix "A".

(5) When a Claimant is travelling on Government Business for part of a day, the Claimant may be reimbursed for the amount shown on the receipt or paid the meal allowance:

(a) for breakfast, if the departure time is 7:30 a.m. or earlier or the return time is 7:30 a.m. or later, or

(b) for lunch, if the departure time is 1:00 p.m. or earlier or the return time is 1:00 p.m. or later, or

(c) for dinner, if the departure time is 6:30 p.m. or earlier or the return time is 6:30 p.m. or later.

(6) If a meal is included in the expense of airfare, a Claimant cannot claim a meal allowance unless the flight is delayed. When the flight is delayed, a meal may be claimed in accordance with subsections (1) through (4).

(7) If a Claimant and spouse or benefit partner attends a government sponsored pre-retirement seminar, the Claimant may claim the spouse's or benefit partner's meals in accordance with this policy.

#### **Accommodation Expenses**

(8) When a Claimant is travelling on Government Business or attending a government sponsored pre-retirement seminar, and overnight accommodation away from the Claimant's residence is necessary, the actual expense of accommodation or an allowance at the rate set out in Appendix "A" per night may be claimed.

#### **Personal Expenses**

(9) For each full twenty-four hour period spent travelling on Government Business, a Claimant may claim an allowance for personal expenses at the rate set out in Appendix "A".

#### **Personal Long Distance Telephone Expenses**

(10) A Claimant may claim for the expense of one personal long distance call each twenty-four hour period.

#### **Laundry Expenses**

(11) A Claimant may claim for laundry and dry cleaning expenses incurred after four consecutive nights while travelling.

### **10. Expenses and Allowances While Not Travelling on Government Business**

(1) If a Claimant is entitled to be paid overtime, then the Claimant may claim up to the amount set out in Appendix "A" with a receipt for the purchase of a meal during a break in an authorized overtime period or immediately following completion of an authorized overtime period, where the overtime period exceeds two consecutive hours beyond normal daily working hours.

(2) An Approver may authorize a Claimant who is not travelling to claim the appropriate meal or accommodation reimbursement or allowance for expenses covered in this policy.

### **11. Working Sessions**

(1) A Claimant may claim reimbursement of Working Session Expenses.

(2) An Approver shall pre-approve in writing any Working Session Expenses of \$1,500 or over before any arrangements are made. Such approvals may not be given by a deputy head's designate.

(3) An Approver, other than a deputy head's designate, may delegate the approval of Working Session Expenses below \$1,500.

### **12. Professional Memberships**

Claimants may claim for reimbursement of the expense of professional memberships where appropriate for the performance of the Claimant's job (e.g. Law Society of Alberta, College of Physicians and Surgeons, The Association of Professional Engineers and Geoscientists of Alberta, professional accounting organizations, trade organizations, etc.).

### **13. Hospitality Events**

(1) A Claimant may claim Hospitality Expenses if the hospitality:

- (a) is provided in an economical and consistent manner;
- (b) facilitates Government Business; and
- (c) is considered desirable as a matter of courtesy or protocol.

(2) A Claimant may only claim Hospitality Expenses if the event involves one or more participants who are not described in section 3(1).

(3) Hospitality Expenses:

- (a) involving the serving of alcohol, or
  - (b) of \$600 or more,
- require prior written approval.

(4) Approvals under subsection (3) shall only be given:

- (a) by a Minister, Associate Minister or deputy head;
- (b) before any arrangements are made; and

(c) in cases where alcohol is provided, where the arrangements ensure the alcohol is provided in a responsible manner (e.g. food must always be served).

(5) Claimants and Approvers shall strive to minimize Hospitality Expenses where possible, having due regard for the nature, size and intended business purpose of the hospitality event.

(6) A Claimant shall ensure that:

(a) the attendance of each host or government representative is documented and justified;

(b) the number of host or government representatives attending the event is minimized and limited to those who have the most direct involvement with the business purpose of the event; and

(c) partners of host or government representatives attend only when required by protocol.

(7) All claims for reimbursement of Hospitality Expenses shall include the following details:

(a) purpose;

(b) date(s);

(c) location; and

(d) type of hospitality event (e.g. breakfast, lunch, dinner, reception, refreshments, etc.).

**See also:**

- [Travel, Meal and Hospitality Expense Policy – Interpretation Bulletin](#)

**See next page for Appendix A – Travel and Meal Reimbursement Allowance Rates.**

**APPENDIX "A"**

**Travel and Meal Reimbursement and Allowance Rates**

Expense Type	Section Reference	Reimbursement with Receipt	Allowance without Receipt
Claimable Travel Expenses Without a Receipt	7(2)	N/A	\$12.75
Business Kilometre Rate for Private Vehicles	8(14)	N/A	\$0.505 per kilometre travelled
Daily Vehicle Allowance	8(15)(a)	N/A	\$10.25 per day
Adverse Driving Condition Allowance	8(15)(b)	N/A	\$8.55 per day
Other Use of Private Vehicle	8(17)	N/A	\$0.165 per kilometre
Travel to Selection Panels	8(18)	Per general rules of reimbursement	\$0.165 per kilometre
Business Insurance	8(19)	\$500 per year Maximum	N/A
Meals			
Breakfast	9(4)	Actual expense	\$9.20
Lunch	9(4)	Actual expense	\$11.60
Dinner	9(4)	Actual expense	\$20.75
Accommodation	9(8)	Actual expense	\$20.15
Personal	9(9)	N/A	\$7.35 in Canada \$14.65 outside of Canada
Overtime Meals	10(1)	Actual expense up to \$10.35	N/A



ALBERTA

TOURISM, PARKS AND RECREATION

*Office of the Minister  
MLA, Vermilion-Lloydminster*

June 30, 2014

Mr. Rick LeLacheur, Chair  
Travel Alberta Board of Directors  
400 – 1601 – 9 Avenue SE  
Calgary, Alberta  
T2G 0H4

Dear Mr. LeLacheur:

Thank you for your April 30, 2014, letter providing me with a copy of Ernst & Young's Report on the Investigation of Travel, Meal and Hospitality Expenses of Travel Alberta.

In my March 12, 2014, letter to then Travel Alberta Chair, Quincy Smith, I directed that Travel Alberta conduct a third-party review of expenses incurred during the period from September 20, 2012 to January 31, 2014. The purpose of this review was to determine if expenses incurred during this time frame complied with applicable travel, meal and hospitality expense policies.

I have had an opportunity to review the report and Travel Alberta's response, which included the reimbursement of the expense claims found not to be in compliance with the Travel Alberta expense policy. While I am confident the review has prompted Travel Alberta to enhance its expense policy and procedures, I do wish to provide the following further direction:

1. **Review recommendations:** I appreciate your confirmation that the 62 expenses found to have been inadvertently not disclosed when Travel Alberta was transitioning to the new disclosure policy have now been properly disclosed. I direct that Travel Alberta also accept and implement the other two recommendations included in the Ernst & Young LLP report.
2. **Detailed Receipts:** I direct that Travel Alberta confirm that the 20 expense claims without detailed receipts have been appropriately reviewed by the Chief Financial Officer and a determination has been made that these expenses comply with the Travel Alberta expense policy.

.. /2

229 Legislature Building, Edmonton, Alberta T5K 2B6 Canada Telephone 780-427-4928 Fax 780-427-0188  
5036 - 49 Avenue, Vermilion, Alberta T9X 1B7 Canada Telephone 780-853-4202 Fax 780-853-5770  
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Page 2

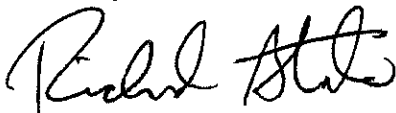
3. Hotel Receipts: I direct that Travel Alberta confirm that the 27 expenses related to hotel invoices where detailed receipts were not available, have been appropriately reviewed by the Chief Financial Officer and a determination has been made that these expenses comply with the Travel Alberta expense policy. If any discrepancies have been found, I would like confirmation that these expenses have been properly reimbursed.

I appreciate that Travel Alberta will now follow the Government of Alberta kilometer reimbursement rate and take steps to ensure appropriate written travel approvals for travel outside of Canada are obtained.

The Government of Alberta is committed to financial transparency and accountability and expects that all Agencies, Boards and Commissions adhere to appropriate policies and regulations. I am confident that this report has provided clarity and a re-focus to the importance of adhering to appropriate expense policies.

I look forward to our continued collaboration on these important matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Starke". The signature is written in a cursive, flowing style.

Dr. Richard Starke  
Minister





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July 31, 2014

Honorable Dr. Richard Starke  
Minister Tourism, Parks and Recreation  
Government of Alberta  
229 Legislature Building  
Edmonton, AB T5K 2B6

Dear Minister Starke:

We acknowledge receipt of your letter of June 30, 2014. We wish to confirm that the Travel Alberta Board of Directors have reviewed and implemented the recommendations included in the Ernst & Young LLP Report, dated March 29, 2014.

We confirm that we have completed the review of the missing detail receipts totaling \$1,660.23 with \$14.30 having been repaid to Travel Alberta. From the analysis of the missing hotel detail receipts of \$1772.85, we have been reimbursed \$40.17. Please refer to attachments one and two which document our review.

Travel Alberta is committed to financial transparency and accountability. Our Travel, Meal and Hospitality expense policy has been approved by our Board of Directors and we have directed Management to insure that this policy is adhered to at all times. Should you have any further questions or concerns, please do not hesitate to contact me.

Yours truly,  
TRAVEL ALBERTA

Rick LeLacheur,  
Chairman

Attachments

Expense Report Period	Expense Type	Date Expense Incurred	Description of Expense	Category	Value of Expense in Question	Comments
Travel Alberta						
Travel, Meal and Hospitality Expenses						
For the Period September 20, 2012 to January 31, 2014						
Further review of missing detailed receipts						
[REDACTED]	Hosting & Working Sessions	16-Aug-13	Yellow door bistro - lunch meeting	Missing Detailed Receipt	21.62	No alcohol
[REDACTED]	Accommodations, Meals, Transportation	19-Aug-13	Earl Grey Golf Club Breakfast on way to Heritage Park Golf tournament	Missing Detailed Receipt	29.5	No alcohol
[REDACTED]	Hosting & Working Sessions	1-Mar-13	Blackfoot truck stop - lunch meeting	Missing Detailed Receipt	34.65	No alcohol
[REDACTED]	Hosting & Working Sessions	8-Mar-13	Panago Team lunch - huddle for updates on Budget announcement	Missing Detailed Receipt	572.88	No alcohol
[REDACTED]	Accommodations, Meals, Transportation	10-Jun-13	Whitespot lunch after Japan plane trip and landing in Vancouver	Missing Detailed Receipt	26.55	No alcohol
[REDACTED]	Accommodations, Meals, Transportation	14-Jun-13	Spolumbos lunch meeting	Missing Detailed Receipt	26.55	No alcohol
[REDACTED]	Accommodations, Meals, Transportation	18-Jun-13	Blackfoot truck stop - dinner on way back from joint meeting in Red Deer	Missing Detailed Receipt	21.5	No alcohol
[REDACTED]	Hosting/Entertainment/Working Session	29-Jul-13	Jul 1-29/13 Lunch@ Lodge of Whitefish w [REDACTED]	Missing Detailed Receipt	171.31	With external partners.
[REDACTED]	Hosting/Entertainment/Working Session	5-Jan-14	Jan 6-20/14 Lunch@ Murrieta [REDACTED]	Missing Detailed Receipt	110.32	Reimbursed \$34.30
[REDACTED]	Hosting/Entertainment/Working Session	10-Jan-14	Jan 6-20/14 Lunch@ Red Water [REDACTED]	Missing Detailed Receipt	59.81	Regular meal
[REDACTED]	Meals	25-Nov-12	Dinner in Banff during CWM	Missing Detailed Receipt	32.84	No alcohol
[REDACTED]	Meals	26-Sep-12	Meal [REDACTED]	Missing Detailed Receipt	35.13	With external partners.
[REDACTED]	Meals	20-Sep-12	Dinner with [REDACTED]	Missing Detailed Receipt	22	With external partners.
[REDACTED]	Accommodations, Meals, Transportation, Mileage	1-Oct-13	Jacqueline Sturmes-Lunch w [REDACTED]	Missing Detailed Receipt	71.11	With team members - regular meal.
[REDACTED]	Accommodations, Meals, Transportation, Mileage	11-Oct-13	Beijing Xian Ying - Dinner with Alberta Partners (Jasper & Edmonton)	Missing Detailed Receipt	61.13	Dinner only with Jasper and Edmonton DMO while in China for Showcase Asia.
[REDACTED]	Lunch	10-Oct-12	Lunch: Meeting with town and county of Athabasca reps to address concerns. [REDACTED] also attended.	Missing Detailed Receipt	17.5	No alcohol
[REDACTED]	Meals, Accommodation, Transport	18-Oct-12	[REDACTED]	Missing Detailed Receipt	277.04	No alcohol
[REDACTED]	Meals, Accommodation, Transport	7-Oct-13	Lunch with [REDACTED]	Missing Detailed Receipt	16.61	With team members - regular meal.
[REDACTED]	Meals, Accommodation, Transport	27-Sep-13	Lunch - In Kelona for Cdn Chamber of Commerce	Missing Detailed Receipt	21.1	No alcohol
[REDACTED]	Meals, Accommodation, Transport	17-Jul-13	[REDACTED] Lunch Meeting	Missing Detailed Receipt	37.08	With team members - regular meal.
					\$	1,660.23

Period	Expense Type	Date Expense Incurred	Description of Expense	Category	Value of Expense in Question	Comments
Nov-12	Hotels, Transportation, Meals, Accommodations, Meals, Transportation	22-Nov-12	Hilton Lac Leauvy hotel stay for TRAC	Hotel - Missing Detailed Receipt	98.96	No alcohol
Dec-13	Transportation	19-Sep-13	Sep 16-19/13 Rooms/FB3+other rentals for strategy retreat	Hotel - Missing Detailed Receipt	15.22	Reimbursed \$15.22
Apr-13 - May 13	Accommodations, Meals, Transportation	18-Apr-13	Chateau lake Louise hotel stay for AHJA annual conference from April 14-17/13	Hotel - Missing Detailed Receipt	7.25	Reimbursed \$7.25
Aug 13 to Sep 13	Accommodations, Meals, Transportation	14-Aug-13	Sanctum Edmonton hotel stay for Edmonton Tourism Golf Tournament	Hotel - Missing Detailed Receipt	70.69	No alcohol
Dec 13 to Jan 14	Accommodations, Meals, Transport	30-Oct-13	Barf Springs hotel charge - Travel AB fall conference	Hotel - Missing Detailed Receipt	21.9	No alcohol
Dec 13 to Jan 14	Accommodations, Meals, Transport	15-Nov-13	Chateau Laurier hotel charge	Hotel - Missing Detailed Receipt	25.04	No alcohol
Feb 13 to Mar 13	Accommodations, Meals, Transport	24-Jan-13	Crowne Plaza hotel - stay Jan 22-24/13 for NTA in Orlando	Hotel - Missing Detailed Receipt	20.06	No alcohol
Feb 13 to Mar 13	Accommodations, Meals, Transport	28-Feb-13	Mount Royal Hotel-overnight stay Feb 27-28/13 for Parks Canada meeting in Banff	Hotel - Missing Detailed Receipt	20.36	No alcohol
Feb 13 to Mar 13	Accommodations, Meals, Transport	7-Mar-13	Fairmont Macdonald March 5-7/13 hotel stay for meetings with EIA (March 5th Banff) and TPR March 6	Hotel - Missing Detailed Receipt	30.69	No alcohol
Jun 13 to Jul 13	Accommodations, Meals, Transport	8-Jun-13	Capital hotel Tokyo - hotel stay for meetings for Japan trip	Hotel - Missing Detailed Receipt	80	No alcohol
Jun 13 to Jul 13	Accommodations, Meals, Transport	19-Jun-13	Sheraton Red Deer hotel stay for job/ T/TPR meeting	Hotel - Missing Detailed Receipt	54.04	No alcohol
Jun 13 to Jul 13	Hotels, Transportation, Meals	30-May-13	Delta Bow Valley hotel stay for board meeting	Hotel - Missing Detailed Receipt	20.85	Regular meal
Dec-13	Hosting/Entertainment/Working Session, Accommodation, Meals, Transportation, Mileage	9-Sep-13	Dinner with [REDACTED]	Hotel - Missing Detailed Receipt	177.76	Regular meal with external parties: \$88.89 was not expensed for the alcohol, see expense total column.
Dec 12 to Jan 13	Accommodation, Meals, Transportation, Mileage	13-Dec-12	Grand Rockies Resort in Canmore for SKAL Christmas Event	Hotel - Missing Detailed Receipt	39.6	Reimbursed \$17.70
Jun 13 to Jul 13	Mileage	11-May-13	Hotel for Ramprosec Canada 2013 event	Hotel - Missing Detailed Receipt	103.23	With external partners.
Oct-12	Hotel	3-Oct-12	Fairmont JLT - Asper Golf Tourney	Hotel - Missing Detailed Receipt	38.65	No alcohol
Dec 12 to Jan 13	Hotel	27-Nov-12	Barf Springs Hotel for Canada's West Marketplace	Hotel - Missing Detailed Receipt	313.13	No alcohol
Dec 12 to Jan 13	Hotel	9-Dec-12	Fairmont Santa Monica - Editing session	Hotel - Missing Detailed Receipt	0	Accommodation
Dec 13 to Jan 14	Travel Team Member Corporate	9-Dec-13	Accommodation & Meal in Toronto	Hotel - Missing Detailed Receipt	41.86	No alcohol
Dec 13 to Jan 14	Meals	21-Jan-14	Julie, Soda - EIT Board Meeting	Hotel - Missing Detailed Receipt	26.9	No alcohol
Feb 13 to Mar 13	Hotel	21-Feb-13	Mariott Vancouver - hotel stay for CIC National meeting	Hotel - Missing Detailed Receipt	22.04	No alcohol
Feb 13 to Mar 13	Hotel, Transport, Meals	14-Feb-13	Meals and Parking at Hotel Arts - Correction Bedarfs and COOP review - Teambuilding	Hotel - Missing Detailed Receipt	301.56	With external partners.
Jun 13 to Jul 13	Hotels, Transportation, Meals, Accommodations, Meals, Transportation, Mileage	21-May-13	Fairmont - dinner for ICD conference	Hotel - Missing Detailed Receipt	23	No alcohol
Dec-13	Transportation, Mileage, Accommodations, Meals, Transportation, Mileage	12-Oct-13	BI Xiang Jiang - Accommodation - Asia Showcase	Hotel - Missing Detailed Receipt	30	Regular meal
Dec-13	Transportation, Mileage, Accommodations, Meals, Transportation, Mileage	15-Oct-13	Sheraton Hangzhou Accommodation - Asia Showcase	Hotel - Missing Detailed Receipt	52	Regular meal
Dec 13 to Jan 14	Accommodations, Meals, Transport, Mileage	29-Oct-13	Fairmont Banff Springs-Industry Conference	Hotel - Missing Detailed Receipt	220	With external partners - Mentelba and Destination BC.
Dec 13 to Jan 14	Accommodations, Meals, Transport, Mileage	22-Nov-13	Coast Harbour hotel - dinner	Hotel - Missing Detailed Receipt	40	Regular meal
					\$	1,722.85