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National Research Council Canada

Audit of Travel - 2007-2008

Internal Audit, NRC

January 2009



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1.0 Executive Summary

Background

This audit report presents the findings of the National Research Council (NRC) of Canada's annual compliance audit of travel expense transactions for 2007-08. The decision to conduct this audit was approved by the President following the recommendation of the Audit, Evaluation and Risk Management Committee on June 27, 2007 as part of the NRC 2007-08 to 2009-10 Risk-Based Internal Audit Plan. Expenditures for travel in 2007-08 were \$22.3 million.

Audit objective, scope and methodology

The single objective of the audit is to provide overall assurance that NRC is compliant with Government of Canada and NRC travel policies and directives. For the audit, a sample of five institutes, branches or programs (IBPs) were selected. The individual IBPs were selected for detailed testing based upon risk and control analyses performed during the planning stage of the audit as well as on the basis to ensure that no one IBP at NRC is audited more so than others or conversely that smaller entities are ignored entirely in NRC's five year audit cycle, and finally, to ensure coverage across NRC's different sectors. Ten travel transactions for each IBP, which comprised nine travel claims and one employee relocation expense claim, were selected at random and tested for compliance for a total sample of 50 travel expense transactions.

The audit was conducted using a series of detailed audit criteria that addressed the audit objective, against which we drew our observations, assessments and conclusions. These audit criteria were derived primarily from the Treasury Board *Policy on Travel*, *Policy on Relocation* and *Policy on Delegation of Authorities* as well as the *National Joint Council (NJC) Integrated Relocation Directive* and the *Financial Administration Act (FAA)*. See Appendix A for those criteria pertaining to travel claims and Appendix B for those pertaining to expense claims for the relocation of an employee's residence.

Audit opinion and statement of assurance

Within the limitations of the samples drawn and the audit procedures performed, we conclude that overall the application of Government of Canada and NRC policies and directives pertaining to travel is adequate in that most areas of practice / process are in compliance but there are some opportunities for improvement. These areas for improvement include *Financial Administration Act* Section 32 approvals in advance of travel and ensuring the approval of appropriate travel expenditures for non-staff travelers as well as expanding current monitoring procedures to curtail areas of non-compliance for the future. We also observed considerable improvement made with respect to *FAA* Section 34 verification and certification procedures over last year's audit of 2006-07 travel claims.

In my professional judgement as Chief Audit Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The evidence was gathered in accordance with the Treasury Board Policy, directives and standards on Internal Audit, and the procedures used to meet the professional standards of the Institute of Internal Auditors.

Conclusions and recommendations

Within the limitations of the samples drawn and the audit procedures performed, we conclude that overall the application of Government of Canada and NRC policies and directives pertaining to travel is adequate in that most areas of practice / process are in compliance but there are some opportunities for improvement¹. These areas for improvement include *Financial Administration Act* Section 32 approvals in advance of travel and ensuring the approval of appropriate travel expenditures for non-staff travelers. As recommended in last year's audit of 2006-07 travel transactions, Finance Branch should give consideration to expanding its quality review procedures to including sampling transactions that are below the current expenditure thresholds of \$2,000 for travel. This, in our opinion, will curtail areas of non-compliance in future years.

We also observed considerable improvement made with respect to *FAA* Section 34 verification and certification procedures over last year's audit of 2006-07 travel claims. Also noteworthy is the high rate of compliance we found for employee relocation

¹ See Appendix C for the list of potential overall ratings.

expenditures – 100 percent compliance for each of the four audit criteria examined. However, our sample of only five employee relocation expense reports is too small upon which to draw conclusions except to identify it as having low audit risk.

Recommendation

1. As part of its ongoing communications and training provided to Institutes, Branches and Programs, Finance Branch should reinforce the requirement that *Financial Administration Act* Section 32 commitment authority be obtained prior to all travel.

See Appendix D for the detailed management action plan that will address the recommendation.

Jayne Hinchliff-Milne, CMA, Chief Audit Executive

NRC Audit Team Members²:

Irina Nikolova, F.C.C.A., CIA, CISA

² The NRC Audit team was supplemented by a team of experienced auditors that were contracted to assist in conducting the audit work.

2.0 Introduction

2.1 Background and context

The decision to conduct annual compliance audits of travel expenditures was approved by the President following the recommendation of the Audit, Evaluation and Risk Management Committee on June 27, 2007 as part of the NRC 2007-08 to 2009-10 Risk-Based Internal Audit Plan.

Travel expenses, including employee relocation expenses, are governed by specific Treasury Board policies and directives. Like other departments, NRC has in place travel and relocation policies that NRC employees must follow. It is within the authority of each government department to establish its own policies and guidelines as long as they continue to comply with the government established policies and guidelines. In other words, departments can define policies that are more restrictive than government policies but not the reverse. The central documents governing NRC's policies on travel and relocation are derived primarily from the Treasury Board *Policy on Travel, Policy on Relocation* and *Policy on Delegation of Authorities* as well as the *National Joint Council (NJC) Integrated Relocation Directive* and the *Financial Administration Act (FAA)*. There are no special travel provisions resulting from NRC's status as a departmental corporation.

The Treasury Board *Travel Directive* provides for the reimbursement of reasonable expenses necessarily incurred while traveling on government business and which ensures that employees are not out-of-pocket. Additional guidance on travel expenses is also provided by Treasury Board *Special Travel Authorities*, and Treasury Board *Policies and Guidelines for Ministers' Offices*. The *NJC Integrated Relocation Directive* supports the Government's policy that employee relocations be conducted in the most efficient manner for employees and at the most reasonable cost to the public while having a minimal effect on the employee, his / her family and departmental operations. Furthermore, with the introduction of the "one-stop shopping" concept through an outside service provider, the directive also ensures access to assistance from professional relocation services throughout the relocation process while allowing employees to make the final decision in accepting or rejecting the professional advice provided.

NRC's Management Control Framework for Travel

Travel at NRC is governed by the NRC Travel Directive, which is based on the Treasury Board *Travel Directive* and Treasury Board *Special Travel Authorities*. NRC's directive applies to NRC employees and non-staff who travel on authorized NRC business, including training and travel incurred while on relocation status. Its provisions are an integral part of the collective agreements at NRC. The NRC Travel Directive and associated travel aids, for example, a dedicated on-site travel supplier, corporate travel cards, and accommodation and car rental directories as well as the central co-ordination of passport services are designed to make business travel go smoothly and at the lowest possible cost so that it is practical and economical. In 2007-08 NRC incurred \$22.3 million in travel expenses. Exhibit 1 below presents a breakdown of these expenditures as recorded in NRC's General Ledger accounts.

The NRC Travel Directive requires all travel be preauthorized by the appropriate delegated signing authority using the standard Travel Authority and Advance (TAA) form. Where travel is continuous in nature, the authorization may be provided through a Standing Travel Authority (STA). Travel Authority Numbers (TANs) are issued by the centralized NRC Travel Office or by authorized travel coordinators located at each IBP. A total of 8,241 TANs were issued during 2007-08 (up from 7,457 in 2006-07). In addition, there were 2,625 Standing Travel Authorities issued to employees who travelled frequently during 2007-08 (up from 2,385 in 2006-07) where TAAs are not required for each trip.

Exhibit 1
NRC Travel Expenditures for 2007-08

GL Account	Description	Total Expenditures
50171	Staff travel	\$11,675,086
50172	Non-staff travel	\$2,057,385
50173	Conference and training staff travel	\$4,961,723
50174	Conference and training non-staff travel	\$538,368
50442	Other training including seminars	\$678,222
50467	Conference fees	\$1,635,256
50468	Banking services	\$12,545
50191	Relocation within Canada	\$661,941
50194	Relocation in/out of Canada	\$89,035
50198	Central removal services – PWGSC	\$0 ³
	TOTAL	\$ 22,309,561

³ A \$0 balance for the PWGSC Central Removal Services account reflects the fact that removal expenses were recorded together with all other relocation expenses under the relocation accounts 50191 and 50194.

The NRC Travel Directive requires employees on travel status to utilize NRC approved suppliers. NRC's contracted supplier for air and rail tickets is American Express (AMEX) – more precisely, the dedicated AMEX on-site office in Ottawa. In order to ease the financial burden associated with travel, an AMEX travel card is provided free of charge to employees who travel on NRC business at least once a year. The credit card agreement with AMEX signed by each employee who receives a card provides for a 45-day interest-free repayment period from the date of the statement. This timing allows for the completion of employee travel, submission of the travel expense claim and refund of travel expenses to pay the travel costs incurred on the AMEX card. The card also provides collision damage insurance and hotel burglary insurance.

The NRC Travel Directive requires employees use their AMEX card in order to obtain travel advances if required to cover out of pocket expenses that can't be paid with a credit card and that non-AMEX card travel advances be kept to a minimum due to overhead costs and user fees. However, as permitted by Treasury Board Policy such advances are not denied to travelers who request them. During 2007-08, NRC issued travel advances approximating \$211,000, down from \$280,000 in 2006-07.

NRC has developed a variety of electronic forms for the recording and submission of travel expenses which include a number of built-in controls and checks but their use is no mandatory. We noted that three of five IBPs examined in this audit (2 of five IBPs in last year's audit) are sometimes using manual forms that do not have built-in system checks thereby increasing the potential risk for errors. However, our review demonstrated their level of errors were equal to others reviewed in our sample.

The reimbursement of NRC employee relocation expenses to other cities is governed by the NRC Relocation Directive which is based on the Treasury Board *National Joint Council (NJC) Integrated Relocation Directive*. The directive applies to all government employees and initial appointees⁴. Its provisions are an integral part of the participating collective agreements at NRC and also apply to employees not covered by such agreements as indicated in the directive. The directive provides a personal approach to the relocation process by addressing particular needs of employees and identifying how they fit within the directive's specific parameters. It allows for the direct reimbursement of expenses over which the employee has no control and gives the flexibility of selecting which expenses will be covered based under his / her own circumstances. As identified in Exhibit one above, employee relocation travel expenses for NRC in 2007-08 totalled \$750,976.

⁴ Initial appointees are employees recruited outside of the Public Service who are on assignment to a department or agency that is governed by the *FAA*.

The employee relocation process is managed by the NRC Travel Office in conjunction with the mandated services provided by Public Works and Government Services Canada (PWGSC) to give assistance to employees in resolving issues related to relocation planning, marketing assistance and destination services. The NRC "Prior Authority for Relocation and Commitment Advice" form is used to derive an estimate of the employee's relocation costs and confirm the eligibility of the employee to be reimbursed authorized expenditures. It is approved by the relevant authority at the IBP level for FAA Section 32 which is forwarded together with the letter of offer of employment to the NRC Travel Office. Once provided the appropriate approvals, the PWGSC contracted Relocation Service Provider and Central Removal Service will initiate the relocation process. Fund advances from NRC to PWGSC are remitted to the Relocation Service Provider to cover the estimated costs of the relocation. Actual costs incurred and paid are tabulated on the Relocation Service Provider's system and online access is provided to the NRC Travel Office. Once the relocation process is completed, the Relocation Service Provider prepares a reconciliation of the account and either remits excess funds back to NRC or requests final payment where claims exceed estimates.

2.2 About the audit

Objective

The single objective of the audit is to provide assurance that NRC is compliant with Government of Canada and NRC travel and relocation policies and regulations as well as make observations with respect to the extent to which NRC travel and relocation directives and policies correspond to Treasury Board requirements; and the adequacy of the management control framework governing travel at NRC.

Scope

Given the current availability of audit resources and the fact that these audits are undertaken on an annual basis, it was determined that sufficient coverage over a five-year period could be provided by an annual audit sample of 50 travel transactions in five IBPs. It was determined that the sample size of 10 transactions for each selected IBP would be sufficiently robust to determine whether there are any systemic problems with respect to compliance that may exist at the IBP level as well as at the corporate level. Expenses charged to NRC AMEX corporate travel cards issued to the employees and seminar and conference fees are not audited separately; rather they are audited as part of the travel claims submitted by employees.

Based on this approach, a total of 17 percent of the total expenditures for travel in 2007-08 (21 percent in 2006-07) or \$3.8 million (\$3.7 million in 2006-07) in transactions were eligible for examination.

Approach and Methodology

The individual IBPs were selected for detailed testing based upon risk and control analyses performed during the planning stage of the audit as well as on the basis to ensure that no one IBP at NRC is audited more so than others or conversely that smaller entities are ignored entirely in NRC's five year audit cycle. Once five of the eight NRC sectors (i.e., Executive Offices including Council, Life Sciences, Physical Sciences, Engineering, Technology and Industry Support, Corporate Services, Finance and Human Resources) had been randomly selected, individual IBPs were then randomly selected – one within each sector – after eliminating those that had been subject to recent audit and evaluation activity.

Interviews were conducted with key personnel in order to examine program processes, procedures, and practices. These included managers and staff in Finance Branch, the IBPs selected for audit, and accounting officers of the Relocation Service Provider. We reviewed relevant program documentation, which included, but was not limited to, Treasury Board and NRC policies and guidelines and the transactions recorded in the paper files and SIGMA – NRC's integrated management information system (based on SAP) that is used to collect financial, human resources, payroll, asset and real property information.

The audit was conducted using a series of detailed audit criteria that addressed the audit objective, against which we drew our observations, assessments and conclusions. Prior to finalizing the audit criteria, walkthroughs of several transactions for both travel claims and relocation expense reports were conducted to assess the areas of greatest risk. These audit criteria were derived primarily from the Treasury Board *Policy on Travel*, *Policy on Relocation* and *Policy on Delegation of Authorities* as well as the *National Joint Council (NJC) Integrated Relocation Directive* and the *Financial Administration Act (FAA)*. See Appendix A for those criteria pertaining to travel claims and Appendix B for those pertaining to expense claims for the relocation of an employee's residence.

3.0 Audit Findings

3.1 Audit Objective: To determine if NRC is compliant with Government of Canada and NRC travel policies and regulations.

Overall Conclusion

Within the limitations of the samples drawn and the audit procedures performed, we conclude that overall the application of Government of Canada and NRC policies and directives pertaining to travel is adequate in that most areas of practices / processes are in compliance but there are some opportunities for improvement⁵. These areas for improvement include *Financial Administration Act* Section 32 approvals in advance of travel and ensuring the approval of appropriate travel expenditures for non-staff travelers. As recommended in last year's audit of 2006-07 travel transactions, Finance Branch should give consideration to expanding its quality review procedures to including sampling transactions that are below the current expenditure thresholds of \$2,000 for travel. This, in our opinion, will curtail areas of non-compliance in future years.

We also observed considerable improvement made with respect to *FAA* Section 34 verification and certification procedures over last year's audit of 2006-07 travel claims. Also noteworthy is the high rate of compliance we found for employee relocation expenditures – 100 percent compliance for each of the four audit criteria examined. However, our sample of only five employee relocation expense reports is too small upon which to draw conclusions except to identify it as having low audit risk.

The detailed findings for the entire sample of transactions by audit criterion can be found in Appendix A for travel claims and Appendix B for employee relocation expenditures.

Findings

For travel claims, the audit team identified a number of strengths with respect to compliance with Government of Canada and NRC travel policies and directives. We observed very high compliance rates consistent with last year's audit of 2006-07 transactions for the following:

⁵ See Appendix C for the list of potential overall ratings.

- Travel arrangements were made through the NRC Travel Office (32 of 32 travel claims; 100 percent);
- Car rental expenditures were in compliance with Treasury Board and NRC policies and directives (9 of 9 travel claims; 100 percent);
- Meal expenditures were claimed in accordance with Treasury Board rates (42 of 44 travel claims; 95 percent)
- Incidentals were claimed in accordance with Treasury Board rates (43 of 43 travel claims; 100 percent); and
- Appropriate delegated authority provided the *FAA* Section 34 verification and certification was completed by a superior and not by a subordinate or colleague (50 of 50 travel claims; 100 percent).

For employee relocation expenses, the audit team identified 100 percent compliance vis-à-vis all of the detailed audit criteria for the five employee relocation expenses examined. These included:

- Relocation expenses were only incurred for employees eligible for a relocation allowance (five of five employees; 100 percent);
- Employee use of the PWGSC Relocation Service Provider and Central Removal Services was in compliance with the *NJC Travel Relocation Directive* (five of five employees; 100 percent);
- Specific travel costs incurred by the employee during the relocation process (house sale commission, legal fees, moving expenses, meal allowances for spouses) were in accordance with Treasury Board and NRC relocation policies and directives (five of five employees; 100 percent); and
- *FAA* Section 32 commitment was appropriately recorded which allowed employee relocation costs to be monitored (five of five employees; 100 percent).

Appropriate FAA Section 32 and 34 approvals

Key government controls for authorizing, verifying and paying for travel transactions rest with FAA Section 32, 34 and 33 approvals. These three sections require the following:

- That funds be available and committed for travel prior to their commencement (Section 32);
- That verification of the services received and that expenditures are appropriate in the case of travel and that the person with delegated financial authority certifies (via signature) that the verification has been completed (Section 34); and
- That no payments are made unless they have been properly requisitioned and certified (Section 33).

In accordance with the Treasury Board *Travel Policy* and the *NJC Integrated Relocation Directive*, we expected to find that NRC has delegated spending authority to responsibility centre managers in relation to their budgetary responsibilities (i.e., actual budget holders) in order to ensure they have adequate authority and full responsibility for their decisions.

We found in all cases that FAA Section 32 was exercised by the appropriate authority for the *Travel Authority and Advance (TAA)* for staff travel, the *Prior Authority for Relocation and Commitment Advice* for relocation travel, and letters of agreement for non-staff travel. However, in five of 50 cases (ten percent), either the letters of agreement for non-staff travel were not signed in advance (three of five IBPs examined) or the prior authority for employee relocation was not obtained in advance (one case). Non-staff are individuals who do not work for NRC and can include, among others, visiting scientists, lecturers or individuals who participate in discussions of mutual interest as well as NRC advisory committee members. Travel expenses can be reimbursed for non-staff when they conduct authorized services carried out for or on behalf of NRC and these are agreed to in writing by an exchange of letters which clearly identify eligible travel expenses including rates and allowances.

In our opinion, given the level of non-staff travel valued at \$2.1 million in 2007-08 representing approximately 3,000 travel claims, more attention should be paid to key management controls – particularly as similar findings with respect to non-staff travel

were found in the 2006-07 audit. At that time, we found that some letters are more than 10 years old and recommended that all non-staff members should have current letters of agreement that specify travel conditions. In lieu of letters of agreement that may become quickly outdated, consideration might be given to developing a standard form for non-staff travel that includes a signature block for the actual budget holder to certify FAA Section 32 and one for the traveler signifying they have accepted the travel conditions.

We also observed for two of five IBPs examined that there were three of 16 cases (19 percent) where travel to a conference or outside North America was not supported by an approved "Request for Authority" as required by NRC directives. This same level of non-compliance was found in last year's audit of 2006-07 travel claims. We were informed that the required forms could either not be located or were mistakenly destroyed. At the time of the audit, NRC travel procedures as documented on Finance Branch's website stipulated that a traveler attending a conference or traveling outside of Canada and the continental USA must prepare a *Request for Authority – Conference and Foreign Travel* form and have it approved in advance of travel by the appropriate authority. This was in addition to the *Travel Authority and Advance Form* that also had to be approved. As noted above, all TAAs were approved by the appropriate authority; those where we found authority was not obtained in advance of travel did not pertain to conference related travel. As part of its review of policies governing conferences, NRC Finance Branch recently rescinded the requirement for a Request for Authority in addition to the TAA.

Recommendation 1:

As part of its ongoing communications and training provided to Institutes Branches and Programs, Finance Branch should reinforce the requirement that *Financial Administration Act* Section 32 commitment authority be obtained prior to all travel.

NRC Management Response:

Finance Branch will review the feasibility and practicality of creating a standard form for non-staff travel that includes a signature block for the actual budget holder to certify FAA Section 32 and one for the traveler signifying that they have accepted the travel conditions.

Finance Branch will expand its monitoring and verification procedures.

- The travel claim verification strategy will be reviewed, including its verification procedures of claims below \$2,000.*

- *Finance Branch will perform spot check monitoring of final relocation statements.*

As noted earlier in this report, we found that the appropriate delegated authority provided the *FAA* Section 34 verification and certification in 50 of 50 (100 percent) travel claims and employee relocation expense reports examined – a significant improvement over last year's audit results. However, for employee relocation files we found no evidence that the final reconciliations submitted by the PWGSC Relocation Service Provider were examined or reconciled to ensure that any excess funds paid in advance were remitted to NRC or additional invoices for payment were appropriate. Employee receipts are simply filed in personnel files held by Human Resources Branch. This key control should be subject to ongoing monitoring activities as part of *FAA* Section 33 verification procedures.

Allowable expenses

During our examination of travel claims, we found some instances where expenses were not accurately recorded – some where travelers were overpaid and even more instances where they were underpaid. These included: incorrect foreign exchange rates used to reimburse accommodations and meal expenses of which, except in one instances, all of the differences were less than \$1.00 and therefore immaterial; car rental insurance; instances where travelers did not obtain the government rate while staying in government listed hotels; incidentals which were not claimed by travelers; and minor instances of incorrectly claimed meal allowances both over and underpayments. In cases of overpayments that are material, recovery actions are taken.

All of these errors could have been detected and addressed by enhanced quality assurance review procedures that include sampling transactions that are below the current threshold of \$2,000. Presently there are only verification procedures in place for all travel claims and expenditures above \$2,000 but none below this value. Finance Branch has informed us they will revisit this standard once they have fully established a new Monitoring Unit within the Branch which is expected to be fully functional by March 2009.

4.0 Conclusion

Within the limitations of the samples drawn and the audit procedures performed, we conclude that overall the application of Government of Canada and NRC policies and directives pertaining to travel is adequate in that most areas of practices / processes are in compliance but there are some opportunities for improvement⁶. These areas for improvement include *Financial Administration Act* Section 32 approvals in advance of travel and ensuring the approval of appropriate travel expenditures for non-staff travelers. As recommended in last year's audit of 2006-07 travel transactions, Finance Branch should give consideration to expanding its quality review procedures to including sampling transactions that are below the current expenditure thresholds of \$2,000 for travel. This, in our opinion will curtail areas of non-compliance in future years.

We also observed considerable improvement made with respect to *FAA* Section 34 verification and certification procedures over last year's audit of 2006-07 travel claims. Also noteworthy is the high rate of compliance we found for employee relocation expenditures – 100 percent compliance for each of the four audit criteria examined. However, our sample of only five employee relocation expense reports is too small upon which to draw conclusions except to identify it as having low audit risk.

Recommendation

1. As part of its ongoing communications and training provided to Institutes, Branches and Programs, Finance Branch should reinforce the requirement that *Financial Administration Act* Section 32 commitment authority be obtained prior to all travel.

See Appendix D for the detailed management action plan that will address the recommendation.

⁶ See Appendix C for the list of potential overall ratings.

Appendix A: Audit Criteria – Travel

No.	Audit Criterion	Overall Compliance Rates	Overall Compliance Rates
		2006/07	2007/08
1.	Appropriate <i>FAA</i> Section 32 certification is provided, i.e., TAA or STA for all NRC travelers and letters of agreement for non-staff travelers	89% (39 / 44)	90% (45 / 50)
2.	Foreign and / or conference travel authorizations are supported by the required <i>Request for Authority – Conference and Foreign Travel</i> form	76% (13 / 17)	81% (13 / 16)
3.	Travel arrangements are made through the NRC Travel Office	100% (26 / 26)	100% (32 / 32)
4.	Accommodations are provided by government listed hotels and prescribed rates or at the conference venue (exceptions and their rationales are on file)	89% (24 / 27)	91% (32 / 35)
5.	Foreign currency for meals and incidentals is claimed using the correct exchange rates	39% (7 / 18)	75% (6 / 8)
6.	Foreign currency for accommodations is claimed using the correct exchange rates	57% (8 / 14)	83% (5 / 6)
7.	Car rental expenditures were in compliance with Treasury Board and NRC policies and directives	100% (7 / 7)	100% (9 / 9)
8.	Optional car insurance is waived for car rentals paid though NRC travel cards	75% (3 / 4)	83% (5 / 6)

No.	Audit Criterion	Overall Compliance Rates	Overall Compliance Rates
		2006/07	2007/08
9.	Meals expenditures are claimed in accordance with Treasury Board rates (Note: under claims by the traveler are considered compliant.)	95% (39 / 41)	95% (42 / 44)
10.	Incidentals are claimed in accordance with Treasury Board rates (Note: under claims by the traveler are considered compliant.)	100% (36 / 36)	100% (43 / 43)
11.	Appropriate delegated authority provides the FAA Section 34 verification and certification including being signed by a superior and not by a subordinate or colleague	82% (41 / 50)	100% (50 / 50)

Appendix B: Audit Criteria – Relocation

No.	Audit Criterion	Overall Compliance Rates 2007/08
1.	Relocation expenses are only incurred for employees eligible for a relocation allowance	100% (5 / 5)
2.	The use of the PWGSC Relocation Service Provider and Central Removal Services complies with the <i>NJC Integrated Relocation Directive</i>	100% (5 / 5)
3.	Specific travel costs incurred by the employee during the relocation process (house sale commission, legal fees, moving expenses, meal allowances for spouses) are in accordance with Treasury Board and NRC relocation policies and directives	100% (5 / 5)
4.	<i>FAA</i> Section 32 commitments are properly recorded in the financial system to monitor the cost of relocation expenses	100% (5 / 5)

Appendix C: Overall Potential Ratings

Management Attention Required – significant issues exist that require management's attention.

Needs Improvement – some areas of practices / processes are in compliance with Government of Canada and NRC policies and directives pertaining to travel but many deficiencies exist.

Adequate – most of the areas of practices / processes are in compliance with Government of Canada and NRC policies and directives pertaining to travel but there are opportunities for improvement.

Strong – all areas of practices / processes are in compliance with Government of Canada and NRC policies and directives pertaining to travel. No areas for improvement were identified.

Appendix E: Glossary

List of Abbreviations

AMEX – American Express

CIA – Certified Internal Auditor

CMA – Certified Management Accountant

CISA – Certified Systems Auditor

FAA – Financial Administration Act

F.C.C.A. – Fellow Chartered and Certified Accountant

GL – General Ledger

IBP – Institute, Program or Branch

NJC IRD – National Joint Council Integrated Relocation Directive

NRC – National Research Council

STA – Standing Travel Authority

TAA – Travel Authority and Advance

TAN – Travel Authorization Number

