

22nd Annual Conference of Ontario Boards & Agencies

Governance and Accountability: Two Government Directives

Agency Establishment and Accountability Directive Travel, Meal and Hospitality Expenses Directive



Corporate Policy Branch

HR Management and Corporate Policy Division

HRontario

Ministry of Government Services

November 4, 2010



OLG spent lavishly on cars, home computers

OLG forwards hundreds of claims for allegedly stolen jackpot to police

Ontario tightens lobbying rules after scathing report

Resolving Agricorp issues

Hudson acknowledges eHealth mistakes

Former chairman discusses consulting fee scandal, insisting he always told staff to follow the rules

Cancer Care Ontario broke rules: audit

The LHIN Spin: Report Finds Local Health Integrated Networks are Unaccountable

OPP told to probe lottery scam

Ombudsman blasts the lack of oversight that saw retailers rip off rightful winners

Context – Measures to Increase Accountability

Public Service of Ontario Act, 2007

- Established an ethical framework for all public servants (public bodies prescribed in regulation).
- Addressed the government's and the public's expectation for consistent standards and behaviour.

Premier's fall 2009 public commitments for new accountability measures to protect taxpayers

Public Sector Expenses Review Act, 2009 (PSERA)

- Act obligates designated individuals in 22 of Ontario's largest agencies and organizations to submit their expenses to the Integrity Commissioner for review.

Revised Agency Establishment and Accountability Directive

Revised Travel, Meal and Hospitality Expenses Directive

Public Disclosure of Expenses Website

Adjudicative Tribunals, Accountability, Governance and Appointments Act

An Act to increase the financial accountability of organizations in the broader public sector (proposed legislation introduced October 20, 2010)

Agency Establishment and Accountability Directive

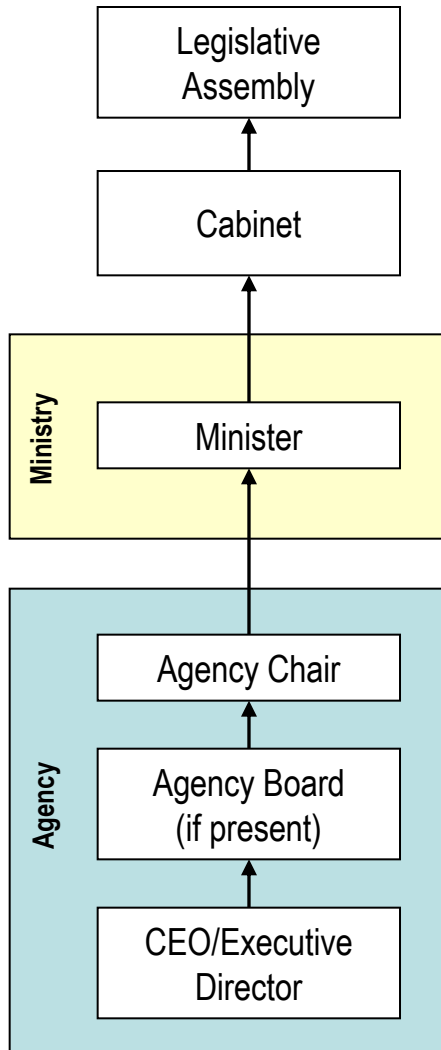
Revised: January 2010

- Explicitly states that classified agencies are part of government of Ontario.
- Strengthened emphasis on a risk-based approach to agency oversight, with reporting through the RbP process.
- Annual attestation by ministers and deputy ministers regarding compliance with accountability requirements by classified agencies within their ministry's portfolio.
- Clearer roles and responsibilities for agency and ministry officials.
- Increased mandatory reporting requirements for ministries and agencies
 - risk assessment evaluation by ministries,
 - new requirements for inclusion in an agency's Memorandum of Understanding
 - transparency with regard to applicable government directives
- Use of TB/MBC reports-back as a mechanism for ongoing monitoring and oversight.
- Increased accountability when establishing an agency

AEAD - Principles

- The government is accountable for protecting the public interest.
- Value for money is expected when spending taxpayer dollars - the public trusts that it is cost-effective and financially responsible to deliver services through agencies.
- If there is a high risk identified for a classified agency, then the risk will be monitored and mitigated through greater oversight.
- Ministries and agencies respect their different roles and responsibilities in the delivery of public services through agencies.
- Ministries provide the appropriate amount of operational flexibility for each agency and also support Ministers who are accountable for agencies.
- A risk-based approach is used to manage agencies. Agencies employ a risk framework when making operational decisions.
- Transparency guides good governance and accountability practices for ministries and agencies.

AEAD – Accountability to the Legislature



Role	Accountability	Responsibilities
Minister	The minister is accountable to the Legislature, representing the public.	<ul style="list-style-type: none"> - reporting/responding to the Legislature and Cabinet on performance and compliance - recommending establishment of new agencies, or changes in mandate and/or powers for existing agencies
Chair of a Classified Agency	The Chair is accountable to the Minister for the mandate and conduct of the agency.	<ul style="list-style-type: none"> - keeping the minister informed - providing leadership to the agency board and staff - complying with legislative and TB/MBC policy obligations - protecting the integrity and the public interest through appropriate degree of autonomy

AEAD - Mandatory Reporting Requirements

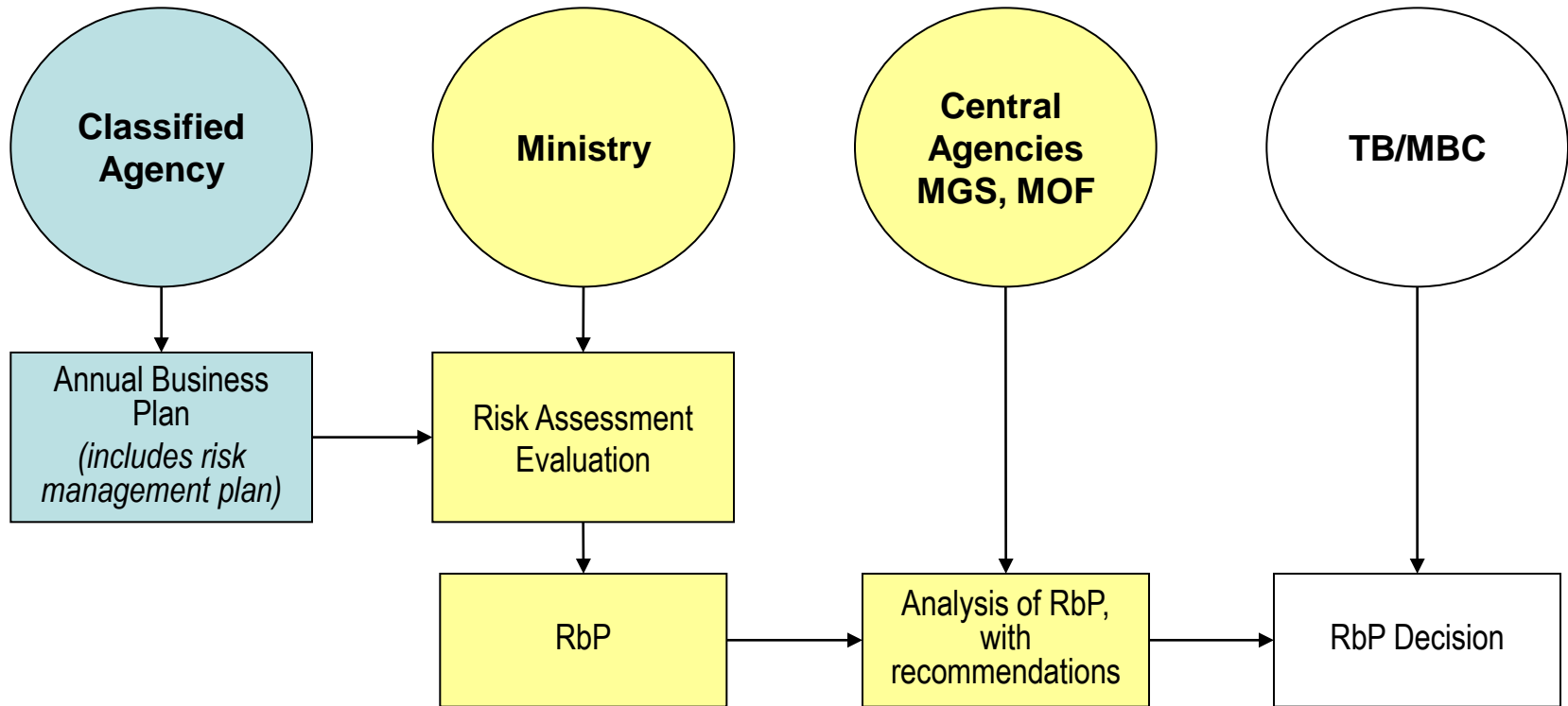
Accountability Tool	Summary	Lead Responsibility	Timing
MOU	<ul style="list-style-type: none"> - all agencies - reflects the accountability framework and a mutual understanding of the responsibilities of the ministry and the agency - includes a schedule of applicable government directives, including financial and accounting policies (<i>new</i>) 	Ministry	<ul style="list-style-type: none"> - when agency is established - expires after 5 years
Annual Business Plan (covering 3 years)	<ul style="list-style-type: none"> - all agencies except advisory agencies - each plan covers 3 years - includes budget and risk management plan 	Agency	<ul style="list-style-type: none"> - should be submitted in advance of the agency's new fiscal year - approved by the responsible minister
Risk Assessment Evaluation (<i>new</i>)	<ul style="list-style-type: none"> - all agencies - report on each agency's high risk categories and the management plan to address each risk 	Ministry	<ul style="list-style-type: none"> - information provided to TB/MBC through each ministry's RbP submission (November)
Annual Report	<ul style="list-style-type: none"> - all agencies except advisory agencies 	Agency	<ul style="list-style-type: none"> - following the end of the agency's fiscal year - tabled in the Legislative Assembly and available to the public
Attestation of Compliance (<i>new: Deputy and Minister</i>)	<ul style="list-style-type: none"> - all agencies - annual attestation indicating compliance with the mandatory requirements of the AEAD 	Ministry	<ul style="list-style-type: none"> - Deputy and Minister: through the Results-based Planning process

Note impact of ATAGAA re: adjudicative tribunals – some of these administrative requirements → legal requirements

AEAD – Applicable Directives and Attestation

- In addition to the AEAD, all classified agencies must adhere to:
 - Accountability Directive
 - Advertising Content Directive
 - Delegation of Authority Key Directive (MOF)
 - Government Appointees Directive
 - Procurement Directive (in whole or in part as set out therein)
 - Travel, Meal and Hospitality Expenses Directive
- Advisory and adjudicative agencies must follow all TB/MBC directives.
- Ministers and deputy ministers will be required attest to compliance with the AEAD's mandatory requirements. (The first attestations will be required for the 2012-13 results-based planning (RbP) process.)
- The AEAD now includes explicit consequences for non-compliance. When a ministry is not in compliance with the directive's mandatory requirements, TB/MBC may institute:
 - report-backs, and
 - hold-backs of allocated agency funding until the ministry is in compliance.

AEAD - Risk Reporting Process





Travel, Meal and Hospitality Expenses Directive

The Directive ensures that ministries and classified agencies are held to the same standards.

The purpose of the directive is to:

- set out rules and principles for the reimbursement of expenses to ensure fair and reasonable practices,
- provide a framework of accountability to guide the effective oversight of public resources in the reimbursement of expenses; and
- set the parameters for the public disclosure of information about expenses.

The directive applies to all:

- ministries and their employees
- classified agencies, their employees and appointees
- consultants and persons under contract to government ministries or to agencies
- agencies and organizations prescribed by regulation under the Public Sector Expenses Review Act, 2009

Travel Directive Principles

- Taxpayer dollars are used prudently and responsibly with a focus on accountability and transparency.
- Expenses for travel, meals and hospitality support government objectives.
- Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.
- Legitimate authorized expenses incurred during the course of government business are reimbursed.
- Best practices are in place, including:
 - Obtaining approvals before incurring expenses.
 - Always considering other options for meetings, including audio or video conferencing.
 - Using corporate travel cards for authorized business travel and business related expenses.
 - Using the government's vendors of record for travel related services whenever possible.



Mandatory Requirements

The mandatory requirements include:

- Written approval required before any arrangements are made for international travel, and hospitality events involving alcohol.
- Alcohol - cannot be claimed and will not be reimbursed as part of a travel or meal expense.
- Hospitality - only when the event involves people from outside the government.
- Good record-keeping practices must be maintained for verification and audit purposes.



Accountability Framework

- The Directive sets out the approval authority for:
 - what can be claimed,
 - what can be reimbursed, and
 - what approval level is required prior to incurring expenses
- The Directive often specifies whether the authority can be delegated, and to what level.
- If no level is identified, the ministry or agency/organization decides what is appropriate.

Approving Reimbursement

- Ministries: authority to approve reimbursement of expenses is set out in IFIS and iExpenses (based on each ministry's delegation of authority)
- Agencies/Organizations: if no access to IFIS and iExpenses then follow internal approval practices

Managerial Discretion

Managerial discretion is making decisions with some degree of flexibility while maintaining compliance with the directive.

- Approvers are accountable for their decisions and should make all decisions very carefully.
- Approvers should document the rationale for the decision and keep a record of the request and the response.
- When it comes to the principles or the mandatory requirements, there is NO discretion.

Follow best practice

- Have open and ongoing conversations with staff regarding business related travel and hospitality plans.
- Be familiar with staff travel itineraries and consider pre-approving travel plans to avoid confusion or surprises.
- Work with staff on appropriate arrangements which meet the test of being fair and equitable.

Is the request

- able to stand up to scrutiny by the auditors and by the public?
- properly explained and documented?
- fair and equitable?
- reasonable and appropriate?

For most people, travel is a rare occurrence but for some, travel is a regular part of the job - inspectors, for example.

When travel is a regular part of the job

- Approvers should meet with employees to determine appropriate strategies (e.g. pre-approval for certain types of travel, meals, etc.).

When travel is not a regular part of the job

- For most employees travel will occur every now and then (e.g. to attend training, meetings, conferences or to represent the government at an event, etc.).
- The definition of travel for the purpose of this directive does not include your regular commute to work. Getting to and from work is your responsibility and expenses related to a regular commute are not reimbursable.

Approval to Travel

Ontario - manager/supervisor

Outside Ontario, within North America – CEO/head of operations

International – Secretary of the Cabinet (for Commission public bodies) or Minister

Choose the most practical and economical way to travel.

Airplane and Train

- Economy fare is the standard.
- Business class for flights and VIA1 for rail may be granted with prior approval (DM approval required for flights, ministry discretion to set approval level for VIA1)

Vehicles

- government vehicle
- rental vehicle
- personal vehicle, if more economical than a rental vehicle
- taxi
- public transit

Rental Car

- Use the appropriate rental agency
 - Ministry and Commission public body employees: use the rental car directory available on the federal government website
 - Other agencies/organizations: follow the direction provided by your agency/ organization
- Choose a compact model or its equivalent - if any other type is used, obtain prior approval if possible and document the rationale (e.g. accommodation, safety, etc.).
- Obtain the appropriate insurance
 - Ministry and Commission public body employees: name the renter as: "Her Majesty the Queen in Right of Ontario"; this ensures the proper coverage
 - Other agencies/organizations: follow the direction provided by your agency/ organization

Personal Car

- Can be used if more economical than a rental vehicle.
- The ministry or agency/organization assumes no financial responsibility for personal vehicles.
- Rates are based on kilometres accumulated from April 1 of each fiscal year.
- Rates may be established by a collective agreement; if not, then the rates in the directive will apply.

Total Kilometres Driven per fiscal year	Southern Ontario (\$ per km)	Northern Ontario (\$ per km)
0 – 4000 km	0.40	0.41
4001 – 10, 700 km	0.35	0.36
10, 701 – 24, 000 km	0.29	0.30
More than 24, 000 km	0.24	0.25



Accommodation

- Choose the most practical and economical place to stay.
- Single accommodation in a standard room is the standard.
- Use the federal accommodation directory to receive government rates.
- You may opt to stay with friends or family when business travel takes you out of town.
 - you can provide them with a cash payment (\$30 per night) or a gift of the same value
 - you can be reimbursed for this amount

Other Travel Expenses

There are often many other types of expenses when you travel and many of these costs may be reimbursed. For example:

Passports, visas or immunization - when required for international travel or travel to the U.S.

Tips & Gratuities - the directive offers suggested amounts

Telecommunications - e.g. using your blackberry or calling card for long distance

Cash advances - use your corporate travel card if you have one

Personal care - e.g. laundry when a trip is more than 5 days

Dependant care - may include care for a parent, child or other person who lives with the traveller on a full time basis and relies on the traveller for care (prior approval required)

Home Management - may include lawn care or shovelling in winter (prior approval required)

Expenses should be discussed **before** you travel. Planning will avoid surprises.

- You may claim and be reimbursed for meals when you are on government business if:
 - you are away from the office area over a normal meal period (office area = within 24 km of the regular workplace); or
 - you have prior approval for the expense (examples: may include meals approved during authorized overtime; business meetings that must occur over lunch)
- Reimbursement is for restaurant or prepared food only.
- Original itemized receipts are required.
- Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense. There are no exceptions to this rule.

Meal Reimbursement Rates

- Rates include taxes and gratuities.

Meals	Maximum Amount
breakfast	\$8.75
lunch	\$11.25
dinner	\$20.00

- If you claim more than 1 meal in a day you can allocate the combined maximum rate between the meals:
 - 2 meals combined: breakfast and lunch = \$20;
lunch and dinner = \$31.25;
breakfast and dinner = \$28.75; or
 - 3 meals combined: breakfast, lunch and dinner = \$40
- Rates are not an allowance. They are for individual meals - you must eat the meal in order to claim it.
- You cannot use a combined maximum rate without claiming each meal.

Hospitality is the provision of food, beverage, accommodation, transportation and other amenities at public expense to people who are not engaged in work for the government of Ontario.

Examples when hospitality is appropriate include:

- engaging in discussion of official public matters with, or sponsoring formal conferences for representatives from other governments, the broader public sector, business and industry, public interest groups or labour groups;
- providing people from national, international, or charitable organizations with an understanding or appreciation of Ontario and the workings of its government;
- conducting prestigious ceremonies for heads of state or distinguished guests from the private sector;
- when the business of the organization includes hospitality functions; and
- other functions approved by the deputy or the CEO.



Hospitality and Alcohol

- Alcohol can be claimed and reimbursed as a hospitality expense, but only in very specific situations and only with the appropriate approvals in place.
- To serve alcohol at a hospitality event, the following is required:
 - prior written approval from the Deputy Minister (for ministries and agencies/organizations)
 - a good business case
 - assurance that the alcohol will be provided in a responsible manner (e.g. food must always be served when alcohol is available)
 - preference to wines, beer and spirits produced in Ontario



Consultants/Contractors

- Consultants/contractors are covered under the directive and can claim some expenses.
- Allowable expenses: only when the contract with the government specifies that the expenses are allowed; cannot include the expenses listed below.
- Expenses that are not allowed (hospitality, incidental or food expenses) including:
 - meals, snacks and beverages
 - gratuities
 - laundry or dry cleaning
 - valet services
 - dependant care
 - home management
 - personal telephone calls



Accountability and Governance in Directives

What does it mean for you?

Chairs

- Leadership
- Ethics Executive

Everyone in the agency (appointees and employees) – responsibilities and obligations

- PSOA (ethical framework)
- government directives (e.g. AEAD, Travel, Meal and Hospitality Expenses Directive, Disclosure of Wrongdoing Directive)
- other legislation (e.g. Adjudicative Tribunals Accountability, Governance and Appointments Act)

More Information on the AEAD and the Travel Directive

For information and guidance all materials are available on MyOPS [Directives and Policies site](#), and on the agency internet site [AGNES \(agnes.gov.on.ca\)](#).

There is mandatory online training on the travel directive available on the OPS Learning and Development site (must log on to MyOPS), and on AGNES.

Questions on applying the directives?

Agencies/organizations should contact the ministry liaison.

Speaker contact information:

Carol Pauker
carol.pauker@ontario.ca
416-327-2030