Lower Churchill Project

Internal Audit Project # 16-09

Report Name : LCP Rotational Travel Audit

Person Responsible: Faustina Cornick
Auditor: Krista Fowler
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nalcor energy
LOWER CHURCHILL PROJECT

AUDIT REPORT

Line of Business	Lower Churchill Project
Department	Human Resources
Audit	LCP Rotational Travel
Audit Risk Level	Medium
Person Responsible	Faustina Cornick – Human Resources Manager
Copy	
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Auditor	Krista Fowler
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Executive Summary

An audit was conducted on the Lower Churchill Project (LCP) travel function (Rotational and Business Travel).

Based on the interviews conducted and walkthroughs performed, Internal Audit concluded that there are a number of rotational travel controls in place to execute, monitor, and control rotational travel activities. However, these controls have not been documented in a formal rotational travel policy. In addition, based on the compliance testing to those identified controls, 6 issues were identified with rotational travel activities indicating that they are not generally operating in compliance with those controls. These issues include rotational travel schedules, formal rotational travel policy, travel authorizations, reservation notices, reservation changes and unused travel credits. In addition, 1 opportunity for improvement was identified regarding maintaining all travel reservation supporting documentation. The issues and opportunity for improvement are detailed below.

Through the compliance testing conducted, it can be concluded that business travel activities are generally operating in compliance with the LCP Standard for Business Travel for executing and closing processes. Three issues have been identified including reservation notice, approved travel authorizations, and changes to business travel. The changes to business travel issue have been combined with a rotational travel compliance issue. These issues have been outlined in detail below.

Please see attached audit report and Appendix for further details on the audit program that was executed.

This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing as developed by the Institute of Internal Auditors (IIA).

Objectives

Objective 1

To evaluate the plans/procedures in place to execute, monitor, and control rotational travel activities and to verify whether or not personnel received appropriate guidance/training for rotational travel.

Scope

Interviews and walkthroughs of the current process for rotational travel with the following individuals involved in the rotational travel process:

1. LCP Corporate Integration Manager and LCP Human Resources Manager
2. LCP Executive Assistant (for out of province rotational travel and international travel)
3. Administrative Assistant (for in province rotation)
4. SNC-Lavalin (SLI) Administrative Assistants for Components 1, 3 and 4 (there are no SLI rotational travel employees in SOBI)

Objective 2

To conduct a conformance review of the LCP Standard for Business Travel including managing travel authorizations and booking/changing travel.

Scope

1. Rotational Travel. A sample of 60 rotational travel personnel for the Project Delivery Team Members, which includes SLI employees, Nalcor seconded employees and consultants were selected at random from recent rotational travel schedules from each Component:
   a. C1 – Muskrat Falls – 20
   b. C3 – HVdc Specialties – 20
   c. C4 – Overland Transmission – 20
   d. SOBI - Not applicable.

   Each sample was tested for conformance of the rotational travel authorizations and any related changes to the guidelines outlined within the Standard for Business Travel and those identified during the interview process in Objective 1.

2. Business Travel. A sample of 25 business travel personnel for the Project Delivery Team Members, which includes SLI employees, Nalcor seconded employees and consultants were selected at random from recent travel authorizations processed by the LCP Executive Assistant, the Administrative Assistant for in province rotational travel from the following components:
   a. C1 – Muskrat Falls – 8
   b. C3 – HVdc Specialties – 7

c. C4 – Overland Transmission – 5
d. SOBI – 5

Each sample was tested for conformance to the general guidelines outlined within the LCP Standard for Business Travel. This sample was significantly less than that of rotational travel authorizations and served as a spot check only.

3. Obtained, reviewed, and analyzed LCP Executive Assistant's Employee Purchasing Card (P-Card) statements and Exemption Reports from August 2015 to January 2016 to determine the frequency and costs associated with making changes to out of province rotational and business travel reservations.

4. Obtained, reviewed, and analyze the current travel credits LCP has with the travel agency for cancelled flights to determine the value of the credits and assess the credits that are due to expire soon.

Background

There are approximately 150 personnel on rotation work schedules at LCP. A formal policy for rotational travel has not been developed. The LCP Standard for Business Travel is the guideline currently used to manage travel authorizations for rotational travel. The LCP General Project Manager has overall accountability rotational travel and the VP, LCP for the establishment and effectiveness of the LCP Standards for Business Travel. As a result, the main focus of this audit was assessing the plans/procedures to execute, monitor, and control rotational travel activities to ensure they have been designed and implemented properly and to ensure compliance with these plans/procedures. It is important to note that at the time of our audit, the LCP Standard for Business Travel was being updated to include guidelines for rotational travel.

Audit Issues

Issue #1

Issue Title: Rotational Travel Schedules

Risk Level: Medium

Issue:

Rotational Travel Personnel should have Travel Reservations consistent with their respective Rotational Travel Schedules. Within the sample, 41% of travel reservations were not consistent with the Rotational Travel Schedule (the work schedule). 83% of these did not have documented approval for the difference.

As there is currently no Rotational Travel Policy, the Administrative Assistants do not have formal guidelines to follow when making Rotational Travel Reservations. In addition, all Rotational Travel Personnel send requests for Rotational Travel Reservations to the respective Administrative Assistants via email to make travel arrangements which creates a significant amount of detailed work and follow up for the Administrative Assistants.

Inconsistencies between Rotational Travel Reservations and the Rotational Travel Schedule increases the risk of cost increases associated with paying individuals for days and time for which they are not working.

Recommendation:

We recommend that guidelines be developed which requires all Rotational Travel reservations to be made by the respective Administrative Assistants according to the Rotational Travel Schedules at least one month in advance to take advantage of any cost savings associated with making advance travel reservations. The success of this would rely upon having current and accurate Rotational Travel Schedules developed, reviewed, and approved by the component manager at least one month in advance. This policy should be included in a formal LCP Rotational Travel Policy.

1. The Rotational Travel Policy and the details within should be included as part of the New Employee Orientation and any current Rotational Travel Personnel should also be made aware of the new policy.
2. Any requests for travel reservations not in accordance with the Rotational Travel Schedule should require a minimum of Supervisor approval. However, we recommend that the Component Manager should have final approval prior to such changes to original Rotational Travel Arrangements being made.
   a. Documentation of this approval should be maintained by the Administrative Assistants.

b. The Administrative Assistants should also maintain a log of all requested changes to rotational travel and reference the documentation supporting the approval for the change.

Formal Management Response:

Based on the Rotation Travel Audit recommendations regarding Issue #1 Rotational Travel Schedules, the following will be or has already been put in place.

1. The Business Travel Standard has been revised (not issued to date) to include Rotational Travel for the Project Delivery Team.

2. An email was issued on 26 May 2016 titled "LCP Rotational Travel" that addressed booking travel based on a "3 month look-ahead" of rotational schedules. The Project Manager will designate a team member to prepare and manage the rotational schedules.

3. Any specific travel requests outside of the regular rotational schedule have to be documented and approved by the team member's supervisor and Project Manager of the component.

4. All of the above was issued in an email to the Project Delivery team on 26 May 2016 and is noted in the revised "Travel Procedure" to be issued.

5. The documented approval will be maintained by the Administrative Assistants.

6. The Administrative Assistants will maintain a log of the requested changes and reference the supporting documentation.

Issue #2

Issue Title: Rotational Travel Policy.

Risk Level: Low

Issue:

The LCP Standard for Business Travel should include a detailed policy for Rotational Travel. There are many parameters of the Rotational Travel process that differ from the Business Travel process. The procedures used for the management of the Rotational Travel process are not consistent among all of those responsible for making Rotational Travel Reservations. The LCP Standard for Business Travel is the guideline currently used to manage Travel Authorizations for Rotational Travel. Rotational Travel Personnel and Administrative Assistants do not have guidelines to follow to outline their roles and responsibilities when it comes to making and addressing Rotational Travel Requests, therefore increasing the a risk of increased costs and schedule impacts.

Recommendation:

We recommend that a Rotational Travel Policy be developed and included in the LCP Standard for Business Travel.

The updated policy should outline specific guidelines for making travel reservations. Training of the policy should be given to all personnel impacted (e.g. administrative assistants, current Rotational Travel Personnel and to new hires during LCP New Hire Orientation).

Formal Management Response:

Based on the Rotational Travel Audit recommendations regarding Issue #2 Rotational Travel Policy see below the following actions.

1. The Business Travel Standard has been revised and renamed to "Travel Procedure" (not issued to date) to include Rotational Travel for the Project Delivery Team.

2. The specific guidelines have been outlines in the Travel Procedure under Rotational Travel Guidelines section. Once the revised Travel Procedure is approved and issued for use, LCP HR will provide a training presentation to the appropriate audience(s) and as well the LCP new hire orientation will be updated as required.

3. Once the Travel Procedure is approved and issued for use (via Aconex), LCP Supply Chain Contractor Administrator will also issue the Travel Procedure to all Recruitment Service Providers to ensure all of the new hires and current team members are aware of the revision.

Issue #3

Issue Title: LCP Travel Authorizations

Risk Level: Low

Issue:

Approved Travel Authorizations (TAs) should be prepared for all Rotational Travel Personnel and referenced in the Rotational Travel Reservation process. 20% of the sample did not have approved TAs. There is currently inconsistency in the details on the TA, how they are maintained and who is required to complete them.

Without a formal guideline for approved TAs for Rotational Travel, the person making the reservation does not have the ability to validate the reservation legitimacy (e.g. is the individual still employed, is this rotation as per the individual's contract). This may result in incorrect reservations, therefore, increased costs.

Recommendation:

We recommend developing guidelines requiring the use of TAs for all Rotational Travel personnel for all Components.

1. TA policy should be included in the Rotational Travel Policy in the LCP Standard for Business Travel.
2. Policy should include the guidelines for the information to be included in the TA.
   a. The information on the TA should be consistent with the information on the New Hire Requisition (or equivalent for SLI employees) and the details in the new hire email:
      i. Employee's Point of Origin
      ii. Employee's Work Location
      iii. Duration (length of the contract)
      iv. Details of the Rotation
      v. Employee's Supervisor and Component Manager
   b. TA should be completed upon delivery of the new hire email.
   c. A TA should be prepared for all Rotational Travel Personnel applicable for the duration of their contract.
   d. TAs should be filed in a separate file folder, both electronic and hard copy, dedicated to blanket TAs for all Rotational Travel Personnel by Component.
      i. This will allow for ease of reference for the Administrative Assistants prior to making rotational travel arrangements.

Formal Management Response:

Based on the Rotational Travel Audit recommendations regarding Issue #3 LCP Travel Authorizations, see below the following actions.

1. The Rotational Travel section of the Travel Procedure will include a requirement to complete a Travel Authorization (TA) for all Project Delivery Team members on a rotational schedule.

2. It will include information consistent with the LCP HR New Hire Requisition and the new hire email issued to specific team members including Travel Coordinators.

3. Once the LCP HR Recruitment Specialist issues a new hire email, the LCP Travel Coordinators can complete the required TA. The new hire email will indicate the team member start date and duration of contract.

4. Based on the end date of a team members position, and if the team member is required beyond a 1 year contract, Supply Chain/HR will start the requisition renewal process. Once that process is completed, Supply Chain/HR will advise the Nalcor Corporate IT helpdesk to extend the IT access for another period of time. The Travel Coordinators will be copied on that email to ensure they are aware that the team member is extended and the Travel Coordinators can prepare another TA based on that renewal duration.

5. The Travel Coordinators will file the TAs both electronic and hard copies for the respective team member and Project Component.

Issue #4

Issue Title: Reservation Notice – Rotational Travel

Risk Level: Low

Issue:

Adequate notice should be given to Administrative Assistants to requests for Rotational Travel Reservations to allow them to take advantage of the cost savings associated with making travel reservations in advance. Within the sample, 37% did not provide 10 days' notice before making the reservation.

As there is currently no Rotational Travel Policy, Rotational Travel Personnel do not have guidelines to follow when it comes to giving adequate notice for requests for Rotational Travel Reservations. In addition, all Rotational Travel Personnel send requests for Rotational Travel Reservations to the respective Administrative Assistants via email to make travel arrangements which creates a significant amount detailed work and follow up for the Administrative Assistants.

Recommendation:

We recommend that a guideline be developed which requires all Rotational Travel reservations to be made by the respective Administrative Assistants according to the Rotational Travel Schedules at least one month in advance to take advantage of any cost savings associated with making advance travel reservations. This would eliminate the need for rotational personnel to send email requests for rotational travel reservations.

1. This policy should be included in the Rotational Travel Policy.
2. The Rotational Travel Policy and the details within should be included as part of the New Employee Orientation and any current Rotational Travel Employees should also be made aware of the new policy.

Formal Management Response:

Based on the Rotational Travel Audit recommendations regarding Issue #4 Reservation Notice - Rotational Travel see below the following actions.

1. The Rotational Travel will include the guidelines for travel reservations. The rotational travel guidelines include a designated person for each Component to prepare and maintain a 3 month look-ahead for Project Personnel rotational schedules.

2. As well, if the team member requires changes to the rotational schedule he/she will have to provided documented approval from the supervisor and the Project Manager of the respective Component.

3. The 3 month look ahead rotational schedules will be located on the HR section of the Current and on the respective folder under the T drive for the Component.

4. LCP HR will develop a training presentation for the respective audience(s) and ensure that it is updated in the LCP HR new hire orientation.

Issue #5

Issue Title: Reservations Changes (Rotational and Business Travel)

Risk Level: Low

Issue:

Appropriate approvals should be secured prior to making changes to Rotational and Business Travel Reservations and the costs associated with changes should be monitored on a regular basis. With the sample, significant changes were made to both Rotational and Business Travel Reservations without documentation of approval. Changes were made to 27% of rotational travel reservations, with 75% of these not having documented approval.

Guidelines for making changes to Rotational and Business Travel Reservations has not been developed and individuals can request changes to their Rotational and Business Travel Reservations without having prior approval from a supervisor or manager.

Changes to Travel Reservations are subject to change fees for changing the flight itself and there is also a change fee from the travel agency to make the change. Some of the airfares are not subject to change fees according to various contracts with the airlines and/or the type of ticket purchased, however, the travel agency will still charge a fee to make the change. Frequent and unapproved changes to Travel Reservations significantly increase travel costs. Unapproved changes in reservations may lead to unapproved variances from the Rotational Travel Schedule which can lead to increased costs if individuals are paid for days and time for which they are not working.

Recommendation:

We recommend that a guideline for changes to Rotational and Business Travel Reservations be developed and included in the Rotational Travel Policy. The policy should require all changes to Business Travel Reservations to be supported by Supervisor and Component Manager approval.

1. Change fees associated with changes to Rotational and Business Travel should be logged each time a change is made to a Travel Reservation.
    a. Exemption reports should be prepared to give details for these change fees and to ensure that appropriate supporting documentation/justification was maintained.
    b. A change report should be requested from the travel agency which outlines the change fees associated with Nalcor/LCP Travel Reservations on a monthly basis.
        i. This change fee report should be reconciled to the recommended log of Travel changes maintained by the Administrative Assistants as indicated above.
        ii. This log of change fees, the external change fee reports from the travel agency and the exemption reports should be reported to the LCP VP on a monthly basis and monitored to help determine if there are any ways to reduce these costs, if excessive, and to prevent the frequency and cost of the change fees in the future.

2. The guideline should also include a section on the use of the travel agency's Emergency Travel Reservations Line.
    a. When individuals need to use the Emergency Travel Reservations Line, they should seek Supervisor and Component Manager approval prior to booking a flight (email, etc) as these airfares would normally be more costly than airfares booked in advance by Administrative Assistants.
    b. The guideline should require the Administrative Assistants to follow up on Travel Reservations made through the Emergency Line and ensure that the appropriate approvals were obtained and are maintained with the travel reservation details for that individual.

Formal Management Response:

Based on the Rotational Travel Audit recommendations regarding Issue #5 Reservations Changes (Rotational and Business Travel), see below the following actions.

1. The revised Travel Procedure includes guidelines around documented and pre-approved changes to Rotational and Business Travel.

2. The Travel Coordinators have initiated a log to ensure that changes and fees are recorded at the time made with supporting documented approvals by the responsible managers.

3. The Travel Coordinators will request a change report from the travel agency outlining changes fees on a monthly basis. The travels coordinators will reconcile the reports and will report to LCP VP on a monthly basis.

4. Under the cancellation section of the Travel Procedure, team members can contact the Travel Coordinators to reschedule or cancel bookings. As well, team members can contact the Emergency Travel line to reschedule or cancel bookings. Regardless of the process used to reschedule or cancel bookings, team members should obtain the approval of their supervisor and Project Manager of the respective Component.

5. When a team member reschedules or cancels a booking via the emergency travel line, an email is sent to the Travel Coordinator. The Travel Coordinator, should double check to ensure that she receive the appropriate approval for the changes from the team members supervisor and Project Manager.

Issue #6

Issue Title: Travel Credits

Risk Level: Low

Issue:

Outstanding travel credits should be tracked and monitored. In addition, they should be reviewed when booking rotational and business travel to determine if the individuals requesting travel have partial travel credits that could be used for new travel reservations and also to determine if there are full credits for which name change can be done to ensure the credits are used. There is currently $24,000 in outstanding credits for LCP.

There is a risk that these credits could be lost if the credits are not tracked and monitored and reviewed each time travel is reserved. Partial credits will be foregone if these individuals do not have travel to be booked prior to the expiry date and/or if they are no longer LCP personnel.

Recommendation:

We recommend that a guideline for cancellation of Rotational and Business Travel Reservations be developed and included in the Rotational Travel Policy.

1. Any flight cancellations should be logged by the Administrative Assistants and should be reviewed on a monthly basis to ensure that all applicable refunds have been received and that all credits are being applied appropriately to ensure cost reducing/savings measures are being applied.
2. This report should be reviewed on a monthly basis to ensure that full credits that are due to expire within the next 3 months are able to be used by booking travel for the individual to which the credit applies or by performing a name change so that the credit can be used.
3. This report should also be reviewed when booking rotational and business travel to determine if the individuals requesting travel have partial travel credits that could be used for new travel reservations.
4. Guidelines for missed flights should be included in the LCP Standard for Business Travel which indicates that any missed flights without a valid reason or communication with the supervisor prior to the flight departure would be rebooked at the employees own expense.

Formal Management Response:

Based on the Rotational Travel Audit recommendations regarding Issue #6 Travel Credits, see below the following actions.

1. To ensure cost reductions/savings for the Project, the Travel Coordinators are logging flight cancellations and reviewing to ensure all credits are applied appropriately.

2. As well, the Travel Coordinators are reviewing to ensure that if credits are due to expire that we are able to still use the tickets.

3. The Travel Procedure under Rotational Travel includes guidance regarding missed flights.

Issue #7

Issue Title: Reservation Notice – Business Travel.

Risk Level: Low

Issue:

The Standard for Business Travel outlines that at least 10 days advance notice should be given to Admin Assistants for Business Travel requests. Within the sample, 52% of the reservations did not provide 10

days' notice. The nature of the work performed on the Lower Churchill Project often leads to last minute meetings.

When the Administrative Assistants are given inadequate notice for Business Travel requests, costs savings are not maximized.

Recommendation:

We recommend that the LCP Standard for Business Travel "Authorization for Business Travel" be revised to require that all travel requests without 10 days advance notice, the exceptional cases, be accompanied by documented Supervisor and Component Manager Approval. Training of the policy should be given to all employees impacted (e.g. administrative assistants, current Project Delivery Team Members and to new hires during LCP New Hire Orientation). Exception reports should be prepared for those Business Travel requests with less than 10 days' notice without supporting documentation on a monthly basis and provided to the management for further analysis and to ensure that cost reducing measures are being applied.

Formal Management Response:

Based on the Rotational Travel Audit recommendations regarding Issue #7 Reservation Notice - Business Travel see below the following actions.

> 1. The Travel Procedure has be updated to include that if team members have not provided the appropriate requirement for notice for travel requests, the exceptional cases are required to have documented Supervisor and Project Manager of the respective Component approval.

Issue #8

Issue Title: Approved TAs – Business Travel

Risk Level: Low

Issue:

TAs should be approved for all Business Travel requests prior to the reservations being made. Within the sample, 25% did not have a TA signed/approved before the travel reservations were made. Only 1 had appropriate documentation to support making the travel arrangements prior to having an approved TA. The nature of the business at LCP often requires business meetings that are scheduled with little advance notice. As a result, requests for Business Travel Reservations are often made via email to the

Administrative and Executive Assistant for travel within the next couple of days. As a result, it is not always possible to get signatures for an approved TA prior to making the Business Travel Reservations.

Without specific details in the LCP Standard for Business Travel to address these situations, there is a risk that Business Travel Reservations are made without the appropriate budget authority approval being received.

Recommendation:

We recommend that details be added to the LCP Standard for Business Travel which provide guidance for situations where Business Travel Reservations are required to be made quickly and a formal approval signature from the budget holder is not possible prior to the bookings. At minimum, the TA should be prepared and an email approval from the respective Component Manager should be received and included with the TA prior to the reservations being made.

Formal Management Response:

Based on the Rotational Travel Audit recommendations regarding issue #8 Approved TAs - Business Travel, see below the following actions.

> 1. Under Section 10 of the Travel Procedure Authorization for Business Travel, it has been updated to include that if travel arrangements have to be make quickly or in less that the required number of days, it will be documented and approved by the supervisor and Project Manager of the specific Component.

Opportunity for Improvement

> 1. The requirement to maintain a copy of all of the rotational travel reservation supporting documentation should be outlined in a policy for Rotational Travel. Administrative Assistants should maintain this supporting documentation in a travel file for each individual for whom Rotational Travel Reservations are made.

Conclusions

Rotational Travel:

Based on the controls identified during the interviews and walkthroughs of the Rotational Travel process, it can be concluded that there are a number of rotational travel controls in place to execute, monitor, and control rotational travel activities but these controls have not been documented in a

formal rotational travel policy. Through the compliance testing conducted, 6 issues were identified with rotational travel activities and 1 opportunity for improvement indicating that they are not generally operating in compliance with those controls.

Business Travel:

Through the compliance testing conducted, it can be concluded that business travel activities are generally operating in compliance with the LCP Standard for Business Travel for executing and closing processes. Through the compliance testing conducted, 3 issues were identified with compliance to the LCP Standard for Business Travel (one combined with rotational travel).

Final Comments

The Audit Team would like to extend gratitude to the management and staff involved in this audit for their respectful participation in interviews and discussions, their assistance with providing the documentation to support the detailed verification and attest procedures and their prompt replies to information requests throughout the audit process.

Appendix – Audit Scope/Analysis – Rotational Travel	Rating/Issue/ Opportunity for Improvement (OFI)
Assessment of Plans/Procedures & Training	
Interviewed LCP HR Manager and LCP Corporate Integration Manager to identify the plans and procedures in place for Rotational Travel. • A formal policy for Rotational Travel has not been developed. • LCP Standard for Business Travel currently used to manage Travel Authorizations (TAs) for Rotational Travel	Issue #2
Interviewed LCP HR Manager and obtained supporting documentation to determine whether training was provided to individuals processing rotational Travel Authorizations. • Training was provided to individuals processing rotational Travel Authorizations via a presentation from the HR Manager when the process was initiated.	✓
Interviewed LCP HR Manager and obtained LCP Orientation Presentation to identify whether new employees received appropriate training with respect to LCP Standard for Business Travel. • Recruitment agency provides new hires with LCP policies and procedures including LCP Standard for Business Travel. • All new hires are required to complete an LCP orientation • Orientation presentation includes reference slide to LCP Standard for Business Travel to increase awareness and highlight responsibility for compliance to the Standard.	✓
Initiating/Planning	
Interviewed LCP HR Manager to identify controls in place to ensure rotational employee's point of origin for rotational travel reservations is appropriately documented and maintained. • Rotational employees declare point of origin upon hiring • HR department maintains a database of all personnel on rotation.	✓
Tested a sample of 60 rotational travel reservations to determine whether appropriate notice was given to ensure adequate bookings of accommodations and airfare at the lowest price. • 21 of the 60 Rotational Travel Reservations sampled (37%) gave less than 10 days' notice to the Administrative Assistants when requesting Rotational Travel. • 3 we could not determine when the requests for Rotational Travel Reservations were made as the email requests were not maintained by the Administrative Assistant(s).	Issue #4
Execution	
Interviewed Administrative Assistants responsible for preparing TAs and making rotational travel reservations to determine whether the TA process was appropriately implemented. • Lack of consistency with the effective date and end date on the TAs for Rotational Travel. o Some Components issue new TAs on an annual basis and some are completed for the duration of the employee's contract. • TAs not prepared for SLI employees on rotational travel.	Issue #3

Tested a sample of 60 rotational travel reservations to determine whether TA process was in compliance with the controls in place for pre-approval.
• 12 of the 60 Rotational Travel Reservations sampled (20%) did not have an approved TA.
   o 8 samples were SLI employees for whom a TA was not prepared
   o 4 samples had TA's that could not be found in the files and Administrative Assistants did not keep an electronic version.
      ▪ This could mean that they were not completed or were filed incorrectly.
	Issue #3

• The 48 samples with a TA were approved by the appropriate personnel	

Tested a sample of 60 rotational travel reservations to determine whether the travel reservations were consistent with the respective rotational travel schedule
• Most Administrative Assistants do not verify whether the travel request dates in the request email are consistent with the rotational travel schedules.
• 24 of the 60 Rotational Travel Reservations sampled (41%) were not consistent with the dates outlined in the respective Component Rotational Travel Schedule.
    o 4 had supporting documentation to indicate approval of the variance from the schedule
    o 20 did not have documented approvals that could support the inconsistency with the Rotational Travel Schedule.
        ▪ 6 samples travelled to and/or from site on a scheduled working day during scheduled working hours.
            • The Assignment Conditions for Consultants of LCP Project Delivery Team indicates that "travel time would commence after completion of site rotation"
    o 4 appeared to have extra rest and recuperation days due to travel reservations not being consistent with the Rotational Travel Schedule.
    o 2 had Rotational Travel Reservations but were not on the Rotational Travel Schedule
    o 3 had inconsistencies from the Schedule due to restricted access at Muskrat Falls over the Christmas Holidays.
    o 2 had a variance due to staff making adjustments to their schedules to bring schedule in line with their cross shifts after the Christmas break.
    o 2 varied from the Rotational Travel Schedule but the number of working days and the number of rest and recuperation days were consistent with the individual's rotation according to the contract.
    o 1 had a variance from the Schedule that could not be explained.
	Issue #1

Tested a sample of 60 rotational travel reservations to ensure the validity of a Rotational Travel Request from an employee.
• Verified that the Administrative Assistants to had appropriate supporting documentation prior to making Rotational Travel Reservations:
    o Consistency with Rotational Travel schedule
    o Approved TA
    o Approval of travel costs that appear to be excessive
    o Approval of changes to travel
• 30 of the 60 Rotational Travel Reservations sampled (50%) did not have the appropriate supporting documentation prior to making Rotational Travel Reservations.
    o 11 approvals for changes to rotational travel were not obtained to support the change.
    o 17 samples varied from the Rotational Travel Schedule with no supporting documentation/approval.
    o 2 samples with missing approved TA's
	OFI #1

Tested a sample of 60 rotational travel reservations to ensure reservations are made at the most economical cost and to maximize cost savings. • Travel costs for all samples tested appeared to be reasonable.	✓
Monitor & Control	
We interviewed the Administrative Assistants responsible for making rotational travel reservations to determine the controls in place to ensure all rotational travel requests have been addressed. • The Administrative Assistants receive email requests from employees requesting Rotational Travel reservations. • We did not identify any instances where Rotational Travel Requests were not addressed.	✓

We interviewed the Administrative Assistants responsible for making rotational travel reservations to determine the controls in place for changes to rotational travel reservations. • Changes are often made to Rotational Travel Reservations and Supervisor or Manager Approval is not required. • There have been some instances of missed flights and the individual had requested for travel to be rebooked. o No approval was necessary to rebook these flights.	Issue #5

Tested a sample of 60 rotational travel reservations to determine the frequency and approvals of changes to rotational travel reservations.
• 16 of the 60 samples (27%) tested had changes associated with the Rotational Travel Reservations.
    o 4 were approved prior to making changes to the reservations
    o 12 did not have supporting documentation to justify or indicate approval for the change.
	Issue #5

We interviewed the Administrative Assistants responsible for making rotational travel reservations to determine the controls in place for monitoring the cost of change fees associated with changes to rotational travel and business travel reservations.
• The cost of change fees associated with changes made to Rotational and Business Travel Reservations has not been monitored up the date of the interviews and testing.
• Change fees associates with in province Rotational and Business Travel Reservations are charged to the requester's P-Card. All out of province Rotational and Business Travel Reservations are charged to the Executive Assistant's P-Card so any change fees associated with changes to rotational travel reservations would show up on this P-Card Statement.
• We obtained the Executive Assistant's P-Cards Statements and Exemption Reports from August 2015 to January 2016 (the most recent prepared exemption report at the date of our testing and 6 months prior). Within this 6 month period there was:
    o $10,192.66 in change fees associated to changes to rotational travel reservations.
    o $7,753.54 in change fees associated to changes to Business Travel Reservations.
	Issue #5

We analyzed the current outstanding Travel Credits with the travel agency applicable to LCP to determine the value of the credits and assess the credits that are due to expire soon.
• The analysis of travel credits was not in the scope of our audit as outlined in the Engagement Letter. However, travel credits were identified during our interviews the Executive Assistant and Administrative Assistant.
• At the date of our testing there were $24,081.82 in outstanding travel credits for LCP personnel for changes to both Rotational and Business Travel Reservations.
    o $16,275.55 in "Full" credits - a name change can be done, for a fee, so that another individual may use these credits before they expire.
    o $7,806.27 in "Partial" credits - a name change cannot be done so credit can only be used by the individual named on the original ticket.
        ▪ The credits will be foregone if these individuals do not have travel to be booked prior to the expiry date and/or if they are no longer LCP personnel.
    o 3 of these travel credits are/were due to expire by the end of that month totaling $2,786.41.
    o $2,270.03 was unused because they Partial credits and a name change could not be done to use the credit.
    o $516.38 Full credit was used for another employee by completing a name change.
	Issue #6

Close	
Tested a sample of 60 rotational travel reservations to determine whether requests for rotational travel reservations are processed in a timely manner. • Travel requests are processed by the Administrative Assistants upon receipt of the email requests. • All rotational travel samples with the exception of the 3 where the email request was not maintained, were turned around in a reasonable time frame	✓

Lower Churchill Project – LCP Rotational Travel Audit
Audit Report - Project Number 16-09

Audit Scope/Analysis – Business Travel	Rating/Issue/ Opportunity for Improvement (OFI)
Initiating/Planning	
Tested a sample of 25 business travel reservations to determine whether appropriate notice was given to ensure adequate bookings of accommodations and airfare at the lowest price. • 13 of the 25 samples (52%) did not give the suggested 10 days' notice to the Admin Assistants to begin the TA process.	Issue #7
Tested a sample of 25 business travel reservations to determine whether business travel was justified. • Travel justification appeared to be reasonable for all samples tested	✓
Execution	
Tested a sample of 25 business travel reservations to determine whether a standard TA was used. • A standard TA was used for all samples tested	✓
Tested a sample of 25 business travel reservations to determine whether travel costs appeared to be reasonable. • Travel costs for all samples appeared to be reasonable	✓
Tested a sample of 25 business travel reservations to determine whether TA was approved by appropriate authorization. • TA was approved by appropriate authorization in all samples	✓
Tested a sample of 25 business travel reservations to determine whether TA was fully completed. • TA for all samples with the exception of 1 were fully completed. o The one exception was not dated by the requester or the supervisor.	✓
Tested a sample of 25 business travel reservations to determine whether supporting documentation was maintained. • Supporting documentation was maintained for all TAs sampled.	✓
Monitor & Control	

Tested a sample of 25 business travel reservations to ensure that at TA was signed/approved prior to the business travel reservations being made.
• 7 of the 25 samples (25%) selected for testing did not have a TA signed/approved before the travel reservations were made.
  o 1 had an email approval to support making the travel arrangements prior to having an approved TA.
  o 6 did not have appropriate documentation to support making the travel arrangements prior to having an approved TA
	Issue #8

Close	
Tested a sample of 25 business travel reservations to ensure whether requests for rotational travel reservations are processed in a timely manner. • All completed TAs were turned around in a reasonable time frame with the exception of one that was not dated and the above 7 that were approved after the travel dates	✓

✓ = satisfactory