



June 2015

Report of the Auditor General of Canada to the Senate of Canada

Senators' Expenses



Office of the Auditor General of Canada

OAG

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Cat. No. FA3-95/2015-PDF

ISBN 978-0-660-02336-6



Auditor General of Canada
Vérificateur général du Canada

To the Honourable Speaker of the Senate:

I have the honour to transmit herewith this June 2015 Report of the Auditor General of Canada to the Senate of Canada—Senators' Expenses. This report completes the comprehensive audit of Senate expenses, including Senators' expenses, that the Senate requested in June 2013.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael Ferguson".

Michael Ferguson, CPA, CA
FCA (New Brunswick)

OTTAWA, 4 June 2015

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Overview

What we found

1. We found that the oversight, accountability, and transparency of Senators' expenses was quite simply not adequate. We have identified opportunities for improvement, and these are outlined in the report.
2. We also found that Senators did not always consider the requirement to ensure that expenses funded through the public purse were justifiable, reasonable, and appropriate. We have noted areas where Senators could make decisions that would be more economical for taxpayers.
3. While we have not provided individual reports for 86 Senators and former Senators, we found that the other 30 that we examined
 - incurred expenses that we determined were not in accordance with the applicable Senate rules, policies, or guidelines;
 - made claims that were not for **parliamentary business** (Exhibit 1); or
 - incurred expenses for which there was such a pervasive lack of evidence, or significant contradictory evidence, that we were prevented from reaching an audit opinion.
4. We have provided an individual report on each of these 30 Senators and former Senators in Appendix A and Appendix B of this report.
5. We have recommended to the Standing Senate Committee on Internal Economy, Budgets and Administration that the nine cases reported in Appendix A be immediately referred to other authorities, such as the Royal Canadian Mounted Police, for investigation.
6. We have also recommended that the Standing Senate Committee on Internal Economy, Budgets and Administration consider the 21 cases reported in Appendix B to determine whether further action should be taken in those cases.

What needs to happen

7. The weaknesses and problems uncovered in the course of this comprehensive audit of Senators' expenses call for a transformational change in the way expenses are claimed, managed, controlled, and reviewed.
8. Simply changing or adding to existing rules will not be enough. Improvements in oversight, accountability, transparency, and Senators' consideration for the cost to taxpayers are needed to resolve the issues that we have identified.

What we examined

9. The objective of our audit was to determine whether Senators' expenses and other transactions have been properly controlled and incurred for parliamentary business and with **due regard** for the use of public funds (Exhibit 1).

Exhibit 1 Definitions of terms used in this report

Parliamentary business—For the purposes of this report, it includes **parliamentary functions, public business, or official business**, as defined below.

Parliamentary functions—"[D]uties and activities related to the position of senator, wherever performed, and includes public and official business and partisan matters, but does not include activities related to

- a. the election of a member of the House of Commons during an election under the *Canada Elections Act*, or
- b. the private business interests of a senator or a member of a senator's family or household."

Public business—"[A]ll business carried on by a senator for public purposes, whether or not authorized by the Senate or the Government of Canada, and includes official business, representative business, partisan business and related travel, but does not include attending to one's private concerns."

Official business—"[P]ublic business that has been authorized by the Senate or a committee of the Senate or requested in writing by a Minister of the Crown."

Source: Senate Administrative Rules

Due regard—Good judgment to ensure the prudent use of resources, with particular consideration of the cost to taxpayers.

Source: Adapted from the Senate Administrative Rules

10. As requested by the Senate of Canada, this audit has been comprehensive. With the exception of salaries paid to Senators, our audit examined all expenses incurred by 116 Senators and former Senators between 1 April 2011 and 31 March 2013, including travel and other expenses incurred by Senators while participating in activities for committees, associations, and interparliamentary groups. This involved examining more than 80,000 expense items.

11. We assessed whether expenses incurred by Senators were in accordance with the Senate's rules, policies, and guidelines in effect during the audit period. We looked for all available information and details to support expenses incurred by Senators. In particular, we examined whether the expenses incurred were for the conduct of parliamentary business. We also reviewed each transaction to determine whether the Senators had considered the cost to taxpayers when spending public funds. Finally, we examined the financial and human resource management practices of each Senator, to determine whether these practices provided proper control over the use of public funds.

12. In planning our audit, we considered the audit reports prepared by Deloitte LLP on the expenses of Senator Michael Duffy and Senator Pamela Wallin. In its report, dated 13 August 2013, the Standing Senate Committee on Internal Economy, Budgets and Administration (the Internal Economy Committee) agreed with Deloitte's assessments contained in the audit report on Senator Wallin's expenses. The Internal Economy Committee also acknowledged that Deloitte's application of the Senate's rules, policies, and guidelines to the claims in question was fair.

13. On the interpretation of the Senators' Travel Policy, which had been changed in June 2012, in sections 3.7 and 4.3 of its report, Deloitte stated:

Although, as indicated above, several changes were made to the underlying policies and guidelines governing Senators' travel in the Review Period, the overall principles of the policy did not change; ie., that travel costs would be reimbursed if the purpose of travel was to carry out the Senator's parliamentary functions. . . .

. . . The Travel Policy, including Appendix A which provides examples of travel purposes that would and would not be funded by the Senate, was effective as of June 5, 2012. We understand this to have provided specific examples of the application of the existing policies, and have used this as a guide when assessing Senator Wallin's travel claims throughout the period of our review.

14. Though the Internal Economy Committee agreed with Deloitte's approach, we have noted differing views among Senators about the effect of the June 2012 Senators' Travel Policy. While some Senators agreed with Deloitte's interpretation, others expressed the view that the June 2012 Senators' Travel Policy changed the requirements that applied to them.

15. In conducting our audit, we were guided by the overarching principles expressed in the Senate Administrative Rules:

Senate resources shall be used for the service of Canada, and in particular, for the parliamentary functions of Senators and the service of the Senate.

Every person who uses Senate resources is responsible to account for that use.

16. In our view, these overarching principles governing Senate expenses were unchanged during the audit period.

17. We have also been mindful of the varied nature of the work and activities performed by Senators. We have spent considerable time gaining an understanding of the approaches taken by Senators to perform their parliamentary duties and functions. We have considered the views and perspectives of Senators and former Senators, in light of the Senate's rules, policies, and guidelines, and we exercised our professional judgment in

determining whether their expenses were incurred for parliamentary business. The fundamental principle that guided our work was that public funds should not be used to pay for personal or private activities.

18. More details on the audit objectives, scope, approach, criteria, and the names of the 116 Senators whose expenses we audited, are in **About the Audit**.

Why we did this audit

19. In June 2012, we reported the results of a performance audit of the Senate Administration. We concluded that, while the Senate Administration reviewed and authorized transactions, improvements were needed so that documentation would be sufficient to demonstrate that the transactions were for parliamentary business. In that audit, we did not examine individual expenses incurred and claimed by Senators.

20. Throughout late 2012 and early 2013, questions arose about the living expenses incurred by Senators Patrick Brazeau, Michael Duffy, and Mac Harb, and about travel expenses claimed by Senator Pamela Wallin.

21. On 4 June 2013, the Leader of the Government in the Senate presented a motion in the Senate, requesting that the Auditor General of Canada conduct a comprehensive audit of Senate expenses, including Senators' expenses. On 6 June 2013, the Senate adopted that motion. The Auditor General accepted the Senate's request on 7 June 2013.

Introduction

Roles of Senators

22. The Senate of Canada is composed of up to 105 members. All regions of Canada are represented equally in the Senate, and each province is represented by a set number of Senators, irrespective of that province's population. This guarantees that minority regions have a voice and can assert their rights and interests within the Parliament of Canada.

23. As the Supreme Court of Canada has recently stated, over time the Senate has come to represent various groups that were underrepresented in the House of Commons. It serves as a forum for ethnic, gender, religious, linguistic, and Aboriginal groups that did not always have a meaningful opportunity to present their views through the popular democratic process.

24. Some Senators are appointed as political officers and hold leadership positions within the Senate. These are

- the Speaker of the Senate,
- the Speaker *pro tempore* (the acting Speaker who presides in the absence of the Speaker),
- the Leader of the Government,
- the Leader of the Opposition,
- the Deputy Leader of the Government,
- the Deputy Leader of the Opposition,
- party whips, and
- deputy party whips.

25. A Senator remains a Senator whether or not Parliament is in session, prorogued, or dissolved. Senators' parliamentary functions may include

- **Attending Senate sessions.** Senators debate bills passed by the House of Commons, and can also draft and introduce government and private members' bills to the Senate. For bills to become law, they must be passed by the Senate and the House of Commons, before they receive Royal Assent.
- **Sitting on committees and subcommittees.** Bills undergo detailed study in committee, where members may recommend amendments. Committees also conduct in-depth studies, and Senators may travel to obtain information or evidence on numerous subjects, such as agriculture, forestry, and human rights.

- **Representing the provinces, regions, or territories for which they were appointed.** Senators are expected to remain members of their communities and regions and to continue activities in those communities and regions while serving the public interest and those they represent.
- **Playing partisan roles.** Senators usually belong to political parties and play partisan roles. As part of their partisan roles, Senators may be members of their parties' caucuses. They may also be members of regional caucuses.
- **Belonging to like-minded groups of Senators.** Senators may belong to groups that promote areas of public interest, such as human rights or the Canadian Armed Forces. Their activities may include travel with other Senators or other parliamentarians.
- **Promoting other causes and activities.** Senators may also promote other interests of Canadians that extend beyond the provinces, regions, or territories for which they were appointed. These interests could include public interest issues, such as mental health or programs for Canadians with disabilities.
- **Belonging to associations and interparliamentary groups.** Senators may belong to groups that support ongoing parliamentary relations with other countries. Senators' activities include attending meetings, planning conferences, and occasionally travelling with other Senators or other parliamentarians.

26. Senators may also engage in activities outside their parliamentary duties and functions. These activities include being employed, carrying on private business interests, or sitting on boards of directors of other organizations. These activities are permitted, provided that they do not violate any provisions of the *Ethics and Conflict of Interest Code for Senators* and are declared to the Senate Ethics Officer.

**Senate financial
management framework**

27. The Senate's financial management framework has four components:
- The *Parliament of Canada Act* sets the salaries, allowances, and types of expenses that can be paid to Senators. It also authorizes the Standing Senate Committee on Internal Economy, Budgets and Administration (the Internal Economy Committee) to establish annual budgets and rules on expenditures.
 - The Senate Administrative Rules are established by the Senate. They codify the fundamental principles and rules for the internal administration of the Senate and its allocation and use of resources.

- The Senate Administrative Rules are supplemented by policies, guidelines, forms, and practices adopted or implemented by the Senate, the Internal Economy Committee, or the Clerk of the Senate. For example, the Senators' Travel Policy sets out the rules, practices, roles, and responsibilities governing the use of Senate resources for travel. Other guidance deals with hospitality expenses for both the Senate Administration and Senators, and with living expenses for Senators.
- The Internal Economy Committee has the exclusive authority to determine whether any use of any funds, goods, services, or premises by a Senator is or was proper. The Committee may issue a decision when a Senator or the Senate Administration requests guidance or clarification on an existing rule or policy, or a specific expense claim. The decision may modify the existing rule or policy, and the decision may be made public.

28. The Senate Administrative Rules state that Senate resources shall be used for Senators' parliamentary functions and for the service of the Senate. The Senate Administrative Rules also state that every person who uses Senate resources is responsible to account for that use. When submitting claims for reimbursement, in most cases, Senators are expected to sign expense claim forms attesting that expenditures were incurred in carrying out their parliamentary functions. Senators are required to provide supporting documentation for travel claims. Documentation must also accompany hospitality and living expense claims. Senators may claim reimbursement for expenses incurred in relation to meetings or small items as part of their parliamentary functions. They must keep records or log details regarding their hospitality events, attendees of those events, and recipients of gifts with a value greater than \$50, but they do not have to provide these details to the Senate Administration.

29. A fundamental objective of the Senate's rules, policies, and guidelines is to ensure that Senators are not out of pocket for expenses incurred in fulfilling their duties and functions, while ensuring that these expenses are justifiable, appropriate, reasonable, and well managed.

30. The Senate Administration advises Senators on matters related to financial policies, procedures, processes, and the acquisition of goods and services. It also processes invoices and reimbursement claims, and supplies information to the Internal Economy Committee about financial performance and trends that may indicate a need for changes to the financial management framework.

Budgets

31. The budget for the operations of the Senate of Canada for the 2011–12 and 2012–13 fiscal years was approximately \$94 million and \$92 million, respectively.

32. Each Senator is responsible for managing his or her own office. Senators may not allocate, use, or authorize the use of Senate resources except to carry out parliamentary business. Each Senator is allocated a salary and an office budget (Exhibit 2).

Exhibit 2 Salaries and office budgets of non-officer Senators

Funding allocations	2011–12	2012–13
Salary (taxable)	\$132,300	\$135,200
Office budget (including staff salaries, office expenses, and hospitality)	\$153,120	\$161,200
Note: Within the office budget for each Senator, allowable hospitality expenses were limited to \$5,000 in the 2011–12 fiscal year and to \$3,000 in the 2012–13 fiscal year. Source: The Senate of Canada		

33. The Senate officers identified in paragraph 24 receive additional amounts to cover expenses related to their particular responsibilities. These amounts include staff salaries, research assistance, and office and hospitality expenses.

34. In addition to each Senator's office budget, the Senate Administration issues payments directly for specific expenses, including the Senator's regular travel to Ottawa, and certain telecommunications expenses. These matters are discussed in paragraphs 58 to 71.

Findings and Recommendations

Oversight of Senators' expenses

Senators govern themselves with limited independent oversight

What we found

35. We found a lack of independent oversight in the way Senators' expenses are governed.

Lack of independent oversight

36. As a group, Senators are responsible for governing themselves and how the Senate functions. They design their own rules, choose whether to enforce those rules, and determine what, if any, information will be publicly disclosed.

37. The Standing Senate Committee on Internal Economy, Budgets and Administration (Internal Economy Committee) is responsible for ensuring that the Senate's resources are managed appropriately and that its assets are protected. However, the Committee is made up of Senators who also claim expenses as individual Senators.

38. Under the *Parliament of Canada Act*, the Internal Economy Committee has exclusive authority to act on, and has full discretion over, all of the Senate's financial and administrative matters, including those of individual Senators, and its premises, services, and staff. The Committee, among other things

- reviews and authorizes budgets of the Senate Administration and Senate committees, and
- sets policies and guidelines on items such as Senators' travel and research expenditures.

39. The Internal Economy Committee may issue a decision when a Senator or the Senate Administration requests guidance or clarification. Its decisions in such cases may modify the application of an existing rule or policy.

40. The Internal Economy Committee also decides on questions or actions of individual Senators about their expense claims. The Committee may decide to allow reimbursement to a Senator after the expense claim has been rejected by the Senate Administration. The Senate Administration may have rejected the claim for reimbursement on the grounds that it was not for parliamentary business or not in accordance with the Senate's rules, policies, or guidelines.

41. The Internal Economy Committee may also require repayment of amounts claimed by Senators that the Senate Administration had approved and that had been reimbursed.

Why this matters

42. A structure in which individuals set rules that apply to themselves, and have the authority to make final decisions about how those rules are applied, may give rise to a perceived lack of objectivity, as those individuals may be viewed as looking after their own interests.

43. Senators who sit on the Internal Economy Committee also make expense claims as individual Senators. Because the decisions they make may apply to their own expense claims, the Senators who sit on the Committee may be perceived as unable to make independent and impartial decisions.

Importance of independent audit

44. The Senate has both internal and external auditors. We found that the internal auditor conducted a limited amount of verification of past transactions involving Senators' expenses. In our 2012 audit report, we stated that there was an opportunity for the Senate's internal audit function to introduce this type of work as part of its risk-based audit plan.

45. In January 2015, an interim reorganization of the Senate Administration changed the reporting structure of the Senate's internal auditor. The internal auditor previously reported to the Clerk of the Senate, but now reports to the Chief Corporate Services Officer. Reports prepared by the internal auditor may pertain to areas under the responsibility of the Chief Corporate Services Officer, and may affect matters that relate to individual Senators, including those sitting on the Internal Economy Committee. As the internal auditor does not have access to an independent oversight body, we are of the view that the internal auditor is unable to be an independent voice.

46. An independent accounting firm has also conducted annual audits of the Senate's financial statements. These external audits are designed to determine whether the Senate's financial statements were fairly presented. They are not designed to probe whether the expenses incurred by individual Senators are in accordance with applicable rules, policies, and guidelines and whether Senators considered the cost to taxpayers when spending public funds. It is our view that the Senate should ensure that regular, independent compliance audits of expenses incurred by Senators be conducted.

Why this matters

47. In many organizations, an internal audit function performs independent verification. In other organizations, a similar role may be undertaken by the organization's external auditor. In both cases, the auditor must have a clear and unambiguous mandate and unrestricted access to all information needed to reach audit conclusions.

48. Independent audits that examine whether Senators' expenses have complied with Senate rules, policies, and guidelines would be an important component of a rigorous oversight framework. Results of these audits could be used to identify potential improvements and to enhance transparency when they are made public.

49. Regular independent audits of expenses incurred by Senators would promote diligence and discipline from all individuals who are responsible for the spending of public funds, encourage continuous improvement in financial management, and support the early identification of issues that need further attention.

50. Our report on all Senators' expenses has established a baseline by providing the Senate with a clear position from which to take action. Future audits of expenses incurred by Senators could be performed on a sample of Senators and their expenses.

Recommendations

51. The Senate of Canada should review the mandate and structure of the Standing Senate Committee on Internal Economy, Budgets and Administration, as well as the reporting relationship of the internal auditor, with the objective of creating independent oversight of Senators' expenses.

52. The oversight of Senators' expenses should be performed by a body (the "oversight body"), the majority of whose membership, including its chair, is independent of the Senate. The members of this oversight body should be selected so that their collective skills, knowledge, and experience enable the oversight body to carry out its duties thoroughly and efficiently.

53. The mandate of the oversight body should include

- a role of contributing to the development and interpretation of rules, policies, and guidelines that apply to the expenses of Senators;
- the authority to review expenses incurred by individual Senators and all relevant documentation;
- the authority to make final decisions on whether those expenses comply with the rules, policies, and guidelines, and whether amounts should be repaid by Senators; and
- the exclusive authority to hire and terminate the Senate's internal auditor, and to approve the terms of reference and mandate of the internal auditor.

54. The meetings of the oversight body should be open to the public, and all its reports, minutes, decisions, and reasons should be published on the Senate's website.

55. The oversight body should have direct access to the Senate's internal and external auditors. The auditors should present their internal and external audit plans and reports to the oversight body and those plans and reports should be made public on the Senate's website. These plans should include a regular compliance element involving an examination of whether the expenses incurred by an appropriate sample of individual Senators are in accordance with the applicable rules, policies, and guidelines.

56. The oversight body should have the power to request that internal or external audits be performed on any matter within the authority conferred upon it.

57. The Auditor General of Canada should be given a clear mandate as the external auditor to conduct audits of the Senate of Canada, including audits of Senators' expenses. The Auditor General should have unrestricted access to all information needed to reach audit conclusions on the expenses incurred by Senators, including information in the possession of individual Senators.

Control framework for Senators' expenses

Senators often did not prioritize consideration of the cost to taxpayers

What we found

58. We found that some Senators were often mindful of the cost of their activities to taxpayers. For example, we found that some Senators clearly separated their personal activities from their parliamentary business and ensured that the Senate was not charged for expenses related to their personal activities. Some other Senators chose not to charge certain expenses that would have been eligible under the Senate's rules, policies, and guidelines, even though they had personally incurred the expenses.

59. However, we also found many occasions where Senators' choices could have been less costly, particularly in relation to travel, **per diems**, and telecommunications. For example, in our view, the Senate could have saved almost \$400,000 during the period covered by this audit by addressing the concerns that we raise below relating to per diems, telecommunications, and holiday greeting cards.

Per diem—A daily allowance for Senators, based on Treasury Board of Canada Secretariat rates and adopted by the Internal Economy Committee, for meals and incidental expenses incurred when Senators are on travel status.

60. Given individual Senators' differing views and approaches in relation to the expenses that they incur, including the cases in Appendix A and Appendix B of this report, we are concerned that Senators did not always consider the requirement to ensure that expenses funded through the public purse were justifiable, appropriate, and reasonable.

Travel

61. Each Senator receives an allotment of 64 **travel points** per fiscal year for parliamentary business. Travel points can be used for travel within Canada, to New York (for United Nations-related matters only), to Washington, DC, and for one international trip that is preapproved by the Internal Economy Committee. Expenses incurred for travel using the points are not charged to the Senator's office budget. Once a Senator has used up his or her annual 64 points, he or she cannot claim reimbursement for any additional travel expenses incurred. Unused travel points are not carried over from year to year.

62. The system provides all Senators with the same access to travel, regardless of the distances from their homes to Ottawa, and supports reunification of Senators with their families. Senators whose primary residence is in the National Capital Region do not have to travel to attend Senate sittings, as these are primarily held in Ottawa. Those Senators can therefore use their travel points for other trips.

63. We found that the costs of travel undertaken by Senators using their 64 points varied greatly, because the number of travel points charged to the Senator is the same for business and economy class travel. For example, some Senators chose to fly business class even on short flights between Ottawa and Toronto, while other Senators chose a more economical travel option, such as travelling in economy class. Senators may travel by train in business class at no cost to the Senate. Senators' spouses and dependent children may also travel by train for free.

64. The expenses incurred for travel under the 64-point system are managed centrally by the Senate Administration, and not from the budgets allotted to Senators individually. As a result, the Senators' office

Travel point system—A point system used by the Senate to govern reimbursement of Senators' travel claims. Each Senator receives 64 points for travel per fiscal year for parliamentary business. If all 64 points are used in the fiscal year, any further travel expenses incurred are not reimbursed. The Senator may use the points or allocate them to a designated traveller (usually the Senator's spouse) and/or to alternates (a dependent child, a staff member, or an employee or contractor of the Senate or the Senator). Points are used for each trip taken by the Senator, alternate, or designated traveller, subject to other limits on travel imposed by Senate rules, policies, or guidelines. The number of points used depends on factors such as destination, duration, and mode of transportation. For example, one point is used for every return trip between the Senator's home region and the National Capital Region. The 64-point system does not include travel for Senate committee or parliamentary association meetings.

budgets are not affected by the costs that result from their travel decisions. Furthermore, there is no public disclosure of points used by individual Senators or by their alternate or designated travellers.

Per diems

65. Senators who are on **travel status** can claim a per diem allowance for meals and other incidental expenses. Furthermore, Senators who do not reside in the National Capital Region (NCR) are considered to be travelling when attending Senate sittings, and can claim the per diem allowance while in the NCR to conduct parliamentary business. Meals are sometimes provided to Senators at committee meetings, when they travel on planes or trains, or when they attend public events as part of their parliamentary business.

66. We found per diem meal allowances that had been claimed and paid to Senators when, on the basis of the information available, it appeared that a meal had been provided from another source.

67. When we asked Senators why they claimed a per diem meal allowance when it appeared that a meal had been made available, we received many responses, such as that

- no food was left at the committee meeting when they arrived,
- they were unable to eat before or at speaking engagements, or
- it was not possible to get a reasonable meal on an airplane in Canada.

68. We are of the view that claiming these allowances when a meal was made available by a public or private source did not demonstrate consideration of the cost to taxpayers.

Other expenses

69. We found that some Senators and their staff members incurred significant roaming charges on their mobile communication devices. These charges can accumulate quickly when travelling outside the country, yet they can easily be managed by planning in advance and taking steps such as obtaining a cellular plan that minimizes these costs.

70. The Senate has standard holiday greeting cards that Senators may use. A number of Senators chose to purchase customized greeting cards at a higher cost. We found that, if all Senators used the Senate's standard holiday greeting cards, the overall savings would have been at least \$30,000.

Travel status—The status of a Senator when away from his or her primary residence and undertaking parliamentary duties and activities related to his or her position. While on travel status, Senators can claim expenses that include transportation costs, accommodations, and per diems.

71. In our view, the management of these types of expenses did not always demonstrate that Senators and their staff considered the cost to taxpayers when incurring these expenses.

Why this matters

72. Given that rules, policies, and guidelines cannot specifically address every situation that may arise, care must be exercised when spending public funds. By adopting a cautious approach, Senators can minimize costs to taxpayers while undertaking the activities that are necessary to perform their parliamentary business.

Recommendations

73. Senators should collectively determine a core set of principles that weigh the cost to taxpayers against the expenditures necessary to conduct parliamentary business. The Senate of Canada should ensure that the applicable rules, policies, and guidelines comply with those principles, and that transactions of Senators reflect the application of those principles.

74. The Senate should enhance the training and guidance provided to all Senators and their staff to ensure that there is a consistent understanding and application of the principles and the rules, policies, and guidelines that are used to implement those principles.

75. The Senate should ensure that the Senate Administration is provided with the same training and guidance to ensure that its understanding and application of the principles, rules, policies, and guidelines support the Senators and their staff in the management of expenses.

76. The Senate should request that the Senate Administration prepare strategies and implementation plans to assist the Senate and individual Senators in reducing the cost to taxpayers of their future expenses.

Information provided by Senators to support expenses was often insufficient

What we found

77. We found that information provided by Senators to the Senate Administration in support of their expense claims, or the claims made by their staff, was often insufficient to determine whether the expenses incurred were for parliamentary business. Senators commonly declared that the purpose of their travel was “parliamentary business” or “Senate business,” with no other details provided.

Insufficient documentation provided with expense claims

78. As stated in paragraph 28, every person who uses Senate resources is responsible to account for that use. For example, Senators are required to keep records or to log details to support their hospitality expenses and expenses for gifts that have a value greater than \$50. This information is not always made available to the Senate Administration.

79. In our 2012 report, we found that some expense claim files maintained by the Senate Administration did not contain sufficient detail to explain the intended purposes of the transactions. As we explained in our report at the time, without sufficient documentation it is difficult for the Senate Administration to clearly determine whether expenses were appropriate.

80. In our current audit, we found that in many cases Senators did not maintain records to document the parliamentary business that they conducted while spending public funds. For example, we found that some Senators did not maintain a paper or electronic calendar that could be used to identify the purpose of their travel, length of stay, and details about the activities that they conducted. In cases where such records were maintained, they were not regularly made available to the Senate Administration when the expense claim was submitted for reimbursement.

81. We also found that many Senators did not keep records to support claims for travel within their regions. Senators can claim reimbursement for such travel, including, for example, mileage. However, without documentation to support the claims, it was difficult for us to determine whether parliamentary business had been conducted. In auditing these particular claims, we considered all the evidence available to us, and our understanding of the nature of the work of the Senator, to determine whether the expenses had been incurred for parliamentary business.

82. Where documentation practices were poor, we looked beyond the information provided with the expense claims to determine whether the expenses incurred were appropriate. We sought additional evidence from Senators, including explanations as to why a particular expense was for parliamentary business. We also sought independent evidence of Senators' attendance at certain events. Finally, we reviewed any trends associated with their expenses to assist in determining whether particular expenses had been incurred for parliamentary business.

83. Notwithstanding the information that was available to us, it was often difficult to identify whether the expenses had been incurred for parliamentary business or for unrelated purposes. As illustrated by the reports on individual Senators and former Senators in Appendix A and Appendix B of this report, we found that many expenses were incurred for activities that could not reasonably be viewed as parliamentary business. In a few cases, in Appendix A of this report, we determined that it was not possible to reach an audit conclusion.

Insufficient documentation to support contract payments

84. In our 2012 audit report, we found that the Senate Administration had directives, a contracting policy, and a control framework in place to assist Senators in the procurement of goods and most services. We also noted, however, varying practices in the use of a formal contract, documentation supporting the contract, and the evaluation of the services rendered.

85. In this audit, we found that some Senators were unable to provide documentation to show that they had received services from contractors who had been paid for their work. For example, some Senators did not have evidence of the work performed by the contractors, such as reports, correspondence, or time sheets. As a result, in conducting this audit, we had to perform additional audit procedures, including having many detailed discussions with Senators, in order to understand the nature and reasonableness of the services provided and to determine whether the expenses had been incurred for parliamentary business.

86. We also found cases where Senators had made payments to contractors for services that were outside the scope of the contract, or for services rendered before a formal contract had been put in place.

87. In cases where the results of our additional procedures failed to produce sufficient and appropriate audit evidence to support whether the expenses were incurred for parliamentary business, we reported our audit findings in the individual reports of Senators and former Senators in Appendix A and Appendix B of this report.

Why this matters

88. The failure to maintain proper documentation to support the use of public funds makes it difficult for Senators to demonstrate that they have followed rules that apply to expenses they have incurred or public funds they have disbursed. This can be achieved through accurate and timely contract documentation, including clear work requirements and evidence that the work has been performed. Furthermore, having formal contracts in place before work is performed ensures that all parties have a clear understanding of their responsibilities under the contract before any work is undertaken.

89. Proper documentation also allows those responsible for reviewing and approving expenses and reimbursement claims to carry out their control function appropriately. This contributes to the credibility of individual Senators and of the Senate as an institution.

Recommendations

90. Senators should ensure that complete documentation and explanations are submitted to the Senate Administration to support their expense claims, including full descriptions of the parliamentary business conducted and evidence of any work performed by contractors.

91. All Senators should use the Senate electronic calendar, or a paper-based equivalent, to record all their activities, and these records should be archived on a regular basis. Notations for each item in the calendar should include a description of the activity, its connection to the Senator's parliamentary business, whether any meals were provided, and any component of personal or private activities. The Senate Administration should be provided with access to the Senator's electronic calendar, or copies of the Senator's paper-based equivalent, for the purpose of processing expenses and reimbursement claims.

Disclosure of information by Senators

Public disclosure of Senators' expenses did not provide sufficient detail to convey whether expenses were appropriate

What we found

92. We found that there was a lack of detail in the public disclosure of Senators' expenses.

Lack of detail in public disclosure

93. We found that the information disclosed on the Senate website about Senators' expenses did not provide sufficient detail on the nature and purpose of travel and hospitality expenses. For example, it was not possible to know, from this information, how many trips a Senator had taken in any given period, the number of travel points used, or the cost of each trip.

Why this matters

94. Transparency promotes trust, and would enable Canadians to better understand the expenses that are incurred by Senators and their staff. It would also help to demonstrate that public funds are being used appropriately, and that the cost to taxpayers is being considered when Senators undertake parliamentary business. Because Senators are not subject to the *Access to Information Act*, the public does not have a guaranteed right to receive information related to the expenses incurred by Senators and reimbursed from public funds.

95. Some Senators provide additional information on their individual websites. While this is a good practice, it is our view that it would be more effective for detailed information on expenses incurred by Senators to appear on the Senate website in a clear, consistent, and transparent format.

Recommendations

96. Senators should fully disclose their use of public funds. In this disclosure, they should provide information about their budgets and fully itemize and disclose all their individual expenses on the Senate's website, in a format that is accessible, clear, and easy to navigate. At a minimum, these expenses would include living expenses, travel, hospitality, contracts, other amounts paid directly by the Senate of Canada and allocated to individual Senators, other office expenses, and any costs for their work with associations, committees, and exchanges. The disclosures should provide sufficient information at the level of individual transactions, including

- the parliamentary purpose for all components of the expense;
- the date the expense was incurred or the period covered by the expense;
- whether any direct costs were incurred by the Senate as a result of personal activities, and the corresponding reimbursement;
- in the case of travel claims, the names of the travellers and the number of travel points used;
- a breakdown of the main components of the cost incurred (such as airfare, per diems, accommodations, and other transportation costs); and
- whether any of the costs were recovered from third parties and the extent of the recovery.

97. The Senate Administrative Rules and Senate policies and guidelines should also be publicly available on the Senate's website.

Disclosure by Senators of relationships or outside interests was insufficient to identify potential conflicts

What we found

98. We found that there was no requirement to disclose close personal or business relationships, or outside interests, of Senators or their staff pertaining to transactions that involved the use of public funds.

Lack of disclosure of close personal or business relationships, or outside interests

99. In addition to their parliamentary duties and functions, Senators may undertake employment, business, or other activities. Each year, Senators are required to disclose all of their outside interests to the Senate Ethics Officer.

100. However, we found that Senators were not required to disclose, at a transaction level, any close personal or business relationships, or outside interests, that they or their staff might have had in relation to their individual travel and hospitality expenses. Nor were they required to disclose close personal or business relationships, or outside interests, related to their rental of accommodations or office space. For example, when Senators submitted travel claims, they were not required to disclose whether they had undertaken any personal, business, or other activities during their travel.

101. Similarly, we found that Senators were not required to disclose any close personal or business relationships, or outside interests, that they or their staff might have had in relation to potential contractors or employees.

102. Senators were required to abide by a conflict of interest code, which sought to

- maintain and enhance public confidence and trust in the integrity of Senators and the Senate;
- provide for greater certainty and guidance for Senators when dealing with issues that might have presented foreseeable real or apparent conflicts of interest; and
- establish clear standards and a transparent system by which questions about proper conduct might have been addressed by an independent, non-partisan advisor.

Why this matters

103. Failure to disclose close personal or business relationships, or outside interests, can create the perception that Senators, their staff, or those close to them, could personally benefit from the use of public funds.

Recommendations

104. Senators should disclose to the Senate Administration any close personal or business relationships, or outside interests, that pertain to their individual travel and hospitality expenses. Senators should also disclose any relationships or outside interests when renting accommodations or office space from another party.

105. Senators should publicly disclose, on the Senate website, any close personal or business relationships, or outside interests, that they or their staff have with contractors they intend to engage using Senate funds.

106. Senators should publicly disclose, on the Senate website, any close personal or business relationships, or outside interests, that they or their staff have with potential employees that they intend to hire using Senate funds. Such disclosure would include connections such as close personal friends and family of other parliamentarians.

Findings specific to the Office of the Speaker of the Senate

The Speaker's office lacked control and oversight

What we found

107. We found that there was a lack of financial management controls and oversight for certain expenditures incurred by the Office of the Speaker. The Speaker of the Senate during the period covered by our audit was the Honourable Noël Kinsella.

108. The financial management rules, policies, and guidelines that specifically applied to Senators did not apply to the Speaker's office. While the Speaker and his staff had adopted some practices and procedures to promote transparency, accountability, and economy, there was a lack of formal rules, policies, or guidelines applying to the financial affairs of the Speaker's office.

Controls, systems, and practices

109. Public funds need to be managed and handled prudently and economically. This requires the exercise of sound financial management and control; it also means that systems, practices, and resources should be in place to ensure that

- assets are safeguarded;
- resources are used effectively, efficiently, and economically;
- accountabilities for financial management are clearly established and respected;
- effective internal controls are established; and
- the Canadian public is provided with pertinent and reliable information on the use of public funds.

110. The Speaker's office had a budget of \$544,900 for the 2011–12 fiscal year and \$490,410 for the 2012–13 fiscal year. The Speaker's budget was for expenses such as staff salaries, hospitality, and the Speaker's car expenditures. The budget for the Speaker's office is in addition to the budget that the Speaker receives as an individual Senator.

111. In addition to being a Senator, the Speaker of the Senate presides over the business of the Senate. The Speaker's duties include ceremonial functions, such as receiving diplomats and representing the Senate or Canada at national and international events.

112. The former Speaker stated that his office had adequate financial management and controls and oversight in place, considering the size of his office. The former Speaker also stated that his office worked closely with the Senate Administration to ensure due regard for public funds.

113. Nonetheless, we found considerable weaknesses in certain financial management and control practices in several areas of the Speaker's office. Several examples follow.

- We found hospitality expenses that were incurred without purchase orders or contracts to define the terms of agreement.
- We found that the same employee who ordered goods or services also signed for their delivery and was responsible for maintaining the inventory of the goods. This is inconsistent with sound financial control practices and, more specifically, it is inconsistent with the segregation of duties in the context of the procurement of goods.
- The former Speaker stated that inventory items and other purchases were supported by invoices and payments. However, we found no evidence of an effective tracking mechanism for the inventory and use of alcohol for receptions and ceremonial events.
- We found that no record was maintained of the recipients of gifts purchased from the Parliamentary Boutique.
- We found that the former Speaker's staff applied the former Speaker's automated signature to travel claims, contract renewals, and approvals for staff vacation leave without sufficient evidence that the former Speaker had approved the use of his signature. The former Speaker stated that, before he authorized the use of his automated signature, letters or documents were sent to him by email, or read to him over the phone. In the absence of documentation showing the former Speaker's authorization, either through an email or a formal delegation, there was no way to establish whether his automated signature was authorized each time it was used.

Why this matters

114. Significant deficiencies in financial management and control of the expenses of the Office of the Speaker could result in the improper use of public funds.

Recommendations

115. The Speaker of the Senate of Canada should ensure that the financial management practices of the Office of the Speaker are consistent with the rules, policies, and guidelines that apply to all other Senators, taking into consideration the additional responsibilities of the Speaker.

116. The Speaker should disclose all expenses incurred by the Office of the Speaker, on the Senate's website, in a manner consistent with our recommendation regarding the disclosure of expenses of individual Senators.

Findings reported on individual Senators

What we found

117. We found that 30 Senators or former Senators
- incurred expenses that we determined were not in accordance with the applicable Senate rules, policies, or guidelines;
 - made claims that were not for parliamentary business; or
 - incurred expenses for which there was such a pervasive lack of evidence, or significant contradictory evidence, that we were prevented from reaching an audit opinion.
118. We have provided an individual report on each of these Senators and former Senators in Appendix A and Appendix B of this report.

Appendix A—Files recommended for referral to other authorities

119. We found nine cases that should be immediately referred to other authorities, such as the Royal Canadian Mounted Police, because of one or both of the following:
- The Senator or former Senator had made ineligible claims for **living expenses** incurred while in the National Capital Region and other travel expenses when we determined that the Senator or former Senator had not established a substantive presence at his or her declared **primary residence**. In some of these cases, we looked at living and travel expenses incurred in previous years, to determine whether there was a pattern of travel that supported or refuted our finding.
 - There was such a pervasive lack of evidence, or significant contradictory evidence, that we were prevented from reaching an audit opinion about whether the expenses had been incurred for parliamentary business.

Living expenses—Expenses allowed to Senators whose primary residence is more than 100 kilometres from the National Capital Region (NCR). They are reimbursed, to a maximum of \$20,000 for the 2011–12 fiscal year and \$22,000 for the 2012–13 fiscal year, for expenses incurred in the NCR for commercial accommodations (such as hotel or motel), rental accommodations, or having a privately owned secondary residence available to them in the NCR. Such Senators can also be reimbursed for commercial accommodations and per diems on weekends if parliamentary functions are performed while in the NCR.

Primary residence—The residence declared by a Senator on a Senate document entitled “Declaration of Primary and Secondary Residences.” Senators are required to make their declarations annually, and to amend their declarations if there are any changes in the status of their residences. In 2013, in its Twenty-Third Report, the Internal Economy Committee stated that “[...] to claim living expenses in the National Capital Region, any residence owned or rented by a senator must be a secondary residence for use by the senator while in the NCR for Senate business. Your committee considers this language to be unambiguous; and plainly if a senator resides primarily in the NCR, he or she should not be claiming living expenses for the NCR.”

Appendix B—Files recommended for review by the Standing Senate Committee on Internal Economy, Budgets and Administration

120. We found 21 cases for which there were expenses incurred by the Senator or former Senator that were not for parliamentary business or that we determined were not in accordance with the applicable Senate rules, policies, or guidelines.

121. We could not accept these expenses as having been incurred for parliamentary business, because of the nature, significance, or frequency of the transactions, or because there was insufficient information to support them. The following are examples:

- There were cases where we determined that Senators arranged travel using public funds for the primary purpose of attending a personal event, such as an anniversary celebration or a board meeting, or to reach a destination that would facilitate a personal trip.
- There were cases where the Senator's designated traveller (such as his or her spouse) undertook travel to, or stopped over at, a destination that was not related to reunification with the Senator or any other parliamentary business.

Basis for individual reports

122. Given that Senators are responsible to account for their use of funds, it is our view that they have an obligation to demonstrate that the expenses were incurred for parliamentary business, and to provide supporting documentation for that assertion. Our responsibility was to conduct an independent examination of Senators' expenses and other transactions. Our audit did not involve assessing intent or assigning blame. Furthermore, we did not conduct an investigation or enquiry that other authorities may be better equipped to perform, as those authorities have different powers, duties, and functions.

123. We spent considerable time gaining an understanding of the approaches taken by Senators and former Senators to perform their parliamentary duties and functions. We then considered their views and perspectives, in light of the Senate's rules, policies, and guidelines, and we exercised our professional judgment in determining whether their expenses were incurred for parliamentary business. The fundamental principle was that public funds should not be used to pay for personal or private activities.

124. In exercising our professional judgment, we have not reported some expenses that were technically against the rules. For example, some taxi expenses for travel from a hotel to the Senate were incurred for health and safety reasons, given poor weather conditions. Similarly, we found some claims that had been made or reimbursed as a result of administrative errors. Given the small amounts involved, we did not treat such expenses as reportable matters for the purposes of this report.

125. In those cases where Senators could not provide sufficient and appropriate evidence, we were not obligated to accept the assertions they made about their use of funds. As a result, our findings are based on whether there was sufficient and appropriate audit evidence that the expenses incurred by Senators were for parliamentary business and with due regard for the use of public funds. When there was insufficient evidence or evidence that did not satisfy our audit objective, we determined that expenses were not incurred for parliamentary business.

Why this matters

126. In our view, Senators and their staff should not claim for expenses that are not in accordance with the Senate's rules, policies, or guidelines, and they should not use public funds for their personal or private activities. Spending that is ineligible, or that appears to be for personal or private activities, creates a reputational risk for individual Senators and the Senate as an institution.

Recommendations

127. The Standing Senate Committee on Internal Economy, Budgets and Administration should immediately refer the nine individual cases reported in Appendix A to other authorities, such as the Royal Canadian Mounted Police, for further investigation.

128. The Standing Senate Committee on Internal Economy, Budgets and Administration should consider the 21 individual cases reported in Appendix B, to make a final determination about whether the transactions reported were for parliamentary business and in accordance with the Senate's rules, policies, and guidelines. The Committee should then determine whether further action is necessary for those transactions, and should publish its decisions.

Conclusion

129. We concluded that not all Senators' expenses and other Senators' transactions were properly controlled or incurred for parliamentary business and with due regard for the use of public funds. While we have not provided an individual report for 86 Senators and former Senators, we have provided individual reports for the other 30.

130. We urge the Senate to act on our recommendations and effect transformative change to the management and oversight of Senators' expenses.

About the Audit

The Office of the Auditor General's responsibility was to conduct an independent, comprehensive audit of Senate expenses, including Senators' expenses, and provide objective information, advice, and assurance to the Senate to assist in the scrutiny of the Senate's management of resources.

This performance audit is the first in which the Office of the Auditor General has audited expenses incurred by individual Senators. In this sense, it differs from most of the Office's performance audits, in that the subject of the audit was a set of individuals, rather than an institution. The audit results are therefore reported both for the Senate as a whole and for individual Senators.

All of the audit work in this report was conducted in accordance with the standards for assurance engagements set out by the Chartered Professional Accountants of Canada (CPA) in the CPA Canada Handbook—Assurance. While the Office adopts these standards as the minimum requirement for our audits, we also draw upon the standards and practices of other disciplines.

As part of our regular audit process, we sought confirmation from Senators that the individual findings attributed to each Senator and reported are factually based.

Objective

The objective of our audit was to determine whether Senators' expenses and other Senators' transactions have been properly controlled and incurred for parliamentary business, and with due regard for the use of public funds.

Scope of the audit

The audit involved examining all expenses incurred or claimed by Senators. The audit did not include Senators who were the subject of an investigation by the Royal Canadian Mounted Police, Senators who were deceased before the audit commenced, and one Senator who resigned for mental health reasons. We examined the expenses incurred by a total of 116 Senators (and former Senators). (See the list on the next page.)

The Honourable:

Andreychuk, Raynell	Fox, Francis	Neufeld, Richard
Angus, W. David	Fraser, Joan	Ngo, Thanh Hai
Ataullahjan, Salma	Frum, Linda	Nolin, Pierre Claude
Baker, George	Furey, George	Ogilvie, Kelvin Kenneth
Banks, Tommy	Gerstein, Irving	Oh, Victor
Batters, Denise	Greene, Stephen	Oliver, Donald H.
Bellemare, Diane	Hervieux-Payette, Céline	Patterson, Dennis Glen
Beyak, Lynn	Housakos, Leo	Pépin, Lucie
Black, Douglas	Hubley, Elizabeth	Peterson, Robert W.
Boisvenu, Pierre-Hugues	Jaffer, Mobina S. B.	Plett, Donald Neil
Braley, David	Johnson, Janis G.	Poirier, Rose-May
Brown, Bert	Joyal, Serge	Poy, Vivienne
Buth, JoAnne L.	Kenny, Colin	Raine, Nancy Greene
Callbeck, Catherine S.	Kinsella, Noël A.	Ringuette, Pierrette
Campbell, Larry W.	Kochhar, Vim	Rivard, Michel
Carignan, Claude	Lang, Daniel	Rivest, Jean-Claude
Carstairs, Sharon	LeBreton, Marjory	Robichaud, Fernand
Champagne, Andrée	Losier-Cool, Rose-Marie	Rompkey, William
Chaput, Maria	Lovelace Nicholas, Sandra M.	Runciman, Bob
Charette-Poulin, Marie-P.	MacDonald, Michael L.	Segal, Hugh
Cochrane, Ethel M.	Mahovlich, Frank W.	Seidman, Judith
Comeau, Gerald J.	Maltais, Ghislain	Seth, Asha
Cools, Anne C.	Manning, Fabian	Sibbeston, Nick G.
Cordy, Jane	Marshall, Elizabeth	Smith, David P.
Cowan, James S.	Martin, Yonah	Smith, Larry
Dagenais, Jean-Guy	Massicotte, Paul J.	St. Germain, Gerry
Dallaire, Roméo	McCoy, Elaine	Stewart Olsen, Carolyn
Dawson, Dennis	McInnis, Thomas Johnson	Stratton, Terry
Day, Joseph A.	McIntyre, Paul E.	Tannas, Scott
De Bané, Pierre	Meighen, Michael A.	Tardif, Claudette
Demers, Jacques	Mercer, Terry M.	Tkachuk, David
Di Nino, Consiglio	Merchant, Pana	Unger, Betty E.
Downe, Percy E.	Meredith, Don	Verner, Josée
Doyle, Norman E.	Mitchell, Grant	Wallace, John D.
Dyck, Lillian Eva	Mockler, Percy	Watt, Charlie
Eaton, Nicole	Moore, Wilfred P.	Wells, David M.
Eggleton, Art	Munson, Jim	White, Vernon
Enverga, Tobias C. Jr.	Murray, Lowell	Zimmer, Rod A. A.
Fortin-Duplessis, Suzanne	Nancy Ruth	

The audit focused on four areas: travel and hospitality, living expenses, contracting and procurement, and financial management and staffing practices. All transactions incurred by or on behalf of each Senator who held office during the period under examination, which was from 1 April 2011 to 31 March 2013, were subject to audit. On an exception basis, we considered transactions from previous and subsequent years as needed to verify matters that came to our attention.

The audit did not examine the constitutional, legislative, or public policy roles of the Senate of Canada, its committees, or its Senators; the eligibility of Senators to hold office; or any procedural aspects of the Senate or its committees. The audit was not a follow-up audit of all areas examined or reported in the Auditor General's 2012 report on the Administration of the Senate of Canada.

Audit approach

We considered the nature of the audit and the work of Senators in developing our approach to the audit, collecting information, and reporting on results.

The audit team spent a considerable amount of time acquiring knowledge and gaining an understanding of the Senate and its operations, and of each Senator's parliamentary roles, activities, and interests, both outside of and inside the Senate, in order to fully understand the context within which each Senator operated. This knowledge was gathered through interviews with each Senator and with the Senator's staff, a review of documents and websites, and, in some cases, information from third parties. In many cases, this led to detailed questions of Senators and care being taken to not make assumptions about the roles and responsibilities of Senators.

We came to understand that each Senator was unique in the approach to his or her role. Recognizing the diversity of their roles, and the various expenses incurred by each Senator for parliamentary business, we decided to examine 100 percent of the transactions incurred by or on behalf of each Senator who held office during the period under examination, including the many types of items involved, such as international travel, per diem claims, and the use of postage. This decision meant that we audited more than 80,000 expense items, totalling \$45 million, that were recorded by the Senate Administration on behalf of Senators during the period under audit.

Auditing standards require us to determine whether we have sufficient appropriate audit evidence. In doing so, we recognize that the relevance and reliability of audit evidence varies. For example, documentary evidence is generally more reliable than oral representations. Therefore, to support any oral representations from Senators, we looked for corroborating evidence to support every expense claim and any other transactions they may have undertaken.

Having considered the information provided by Senators, and the Senate's rules, policies, and guidelines, we examined whether the purpose of each expense claimed was for parliamentary business. We also examined the financial and human resource management practices of each Senator to determine whether he or she provided proper control over the use of public funds. Finally, we reviewed each transaction to determine whether the Senator considered the cost to taxpayers.

Sources of information for the audit included documentation held by the Senate Administration and Senators; electronic calendars; interviews with Senators, their staff, and the Senate Administration; Senate policies, rules, and guidelines; and third-party confirmations as required.

Criteria

Criteria	Sources
<p>To determine whether Senators' expenses and other Senators' transactions have been properly controlled and incurred for parliamentary business and with due regard for the use of public funds, we used the following criteria:</p>	
<p>1. Travel and hospitality expenses</p> <p>1.1 Procedures and practices have been established by Senators and their staff so that their travel and hospitality expenses and those of their staff are in accordance with applicable policies, rules, and regulations, and with due regard for the use of public funds.</p> <p>1.2 Travel and hospitality claims are supported, properly reviewed, authorized, recorded, and incurred for parliamentary business and with due regard for the use of public funds.</p>	<p><i>Parliament of Canada Act</i></p> <p>Senate Administrative Rules</p> <p>Policies, guidelines, forms, and practices of the Senate; the Standing Senate Committee on Internal Economy, Budgets and Administration; or the Clerk of the Senate</p>
<p>2. Living expenses</p> <p>2.1 Procedures and practices have been established by Senators and their staff so that Senators' living expenses are in accordance with applicable policies, rules, and regulations, and with due regard for the use of public funds.</p> <p>2.2 Living allowances claimed and paid to Senators are supported, properly reviewed, authorized, recorded, and incurred for parliamentary business and with due regard for the use of public funds.</p>	<p><i>Parliament of Canada Act</i></p> <p>Senate Administrative Rules</p> <p>Policies, guidelines, forms, and practices of the Senate; the Standing Senate Committee on Internal Economy, Budgets and Administration; or the Clerk of the Senate</p>
<p>3. Contracting and procurement</p> <p>3.1 Procedures and practices have been established by Senators and their staff so that the acquisition of goods and services and the expenditure of funds are in accordance with applicable policies, rules, and regulations, and with due regard for the use of public funds.</p> <p>3.2 Contracting and procurement expenditures are supported, properly reviewed, authorized, recorded, and incurred for parliamentary business and with due regard for the use of public funds.</p>	<p><i>Parliament of Canada Act</i></p> <p>Senate Administrative Rules</p> <p>Policies, guidelines, forms, and practices of the Senate; the Standing Senate Committee on Internal Economy, Budgets and Administration; or the Clerk of the Senate</p>

Criteria	Sources
To determine whether Senators' expenses and other Senators' transactions have been properly controlled and incurred for parliamentary business and with due regard for the use of public funds, we used the following criteria: (continued)	
<p>4. Financial management and staffing practices</p> <p>4.1 Procedures and practices are in place in Senators' offices that provide a clear and suitable framework for ensuring that the financial management aspects of their office are managed efficiently, effectively, and with due regard for the use of public funds.</p> <p>4.2 Procedures and practices have been implemented by Senators so that staffing activities are administered in accordance with applicable policies, rules, and regulations.</p> <p>4.3 Procedures and practices are implemented by Senators and their staff so that Senators' offices provide relevant and useful information to stakeholders.</p>	<p><i>Parliament of Canada Act</i></p> <p>Senate Administrative Rules</p> <p>Policies, guidelines, forms, and practices of the Senate; the Standing Senate Committee on Internal Economy, Budgets and Administration; or the Clerk of the Senate</p>

As part of our normal audit process, we sent correspondence to each Senator and former Senator at the start of the audit, seeking his or her confirmation of the suitability of the criteria used in the audit and informing him or her of the scope and approach to the audit. We also stated our expectations of accessing and receiving information necessary to complete our audit procedures and the confidentiality that we required while the audit was in process.

In the process of requesting access to documents, we informed Senators and former Senators that we did so pursuant to our powers under the *Auditor General Act*. Consequently, the disclosure of these documents to the Office of the Auditor General was in compliance with the statutory requirements contained in the Act and did not, in our view, reduce or compromise any privileges attached to the documents. We also confirmed that all documents disclosed to the Office of the Auditor General for these purposes would be treated in strict confidence.

Cost

Information about the cost of this audit is available on our website.

Period covered by the audit

The audit covered the period between 1 April 2011 and 31 March 2013. Audit work for this report was completed on 22 April 2015.

After this date and before publication, we received and published comments from Senators and former Senators. Their comments have been reproduced in the language received verbatim, except where square brackets [] indicate otherwise. We have indicated where the Office of the Auditor General of Canada has translated the Senators' comments. We considered the comments received from Senators when finalizing our report.

Audit team

Assistant Auditor General: Clyde MacLellan

Principal: Gordon Stock

Lead Director: Susan Gomez

Director: Michelle Robert

Director: Chantal Thibaudeau

In addition to the individuals listed above, many other staff within the Office of the Auditor General of Canada contributed to this audit. Their commitment was essential to its completion.

List of Recommendations

The following is a list of recommendations found in this report. The number in front of the recommendation indicates the paragraph where it appears in the report. The numbers in parentheses indicate the paragraphs where the topic is discussed.

Recommendations
<p>Oversight of Senators’ expenses</p> <p>51. The Senate of Canada should review the mandate and structure of the Standing Senate Committee on Internal Economy, Budgets and Administration, as well as the reporting relationship of the internal auditor, with the objective of creating independent oversight of Senators’ expenses.</p> <p>52. The oversight of Senators’ expenses should be performed by a body (the “oversight body”), the majority of whose membership, including its chair, is independent of the Senate. The members of this oversight body should be selected so that their collective skills, knowledge, and experience enable the oversight body to carry out its duties thoroughly and efficiently.</p> <p>53. The mandate of the oversight body should include</p> <ul style="list-style-type: none"> • a role of contributing to the development and interpretation of rules, policies, and guidelines that apply to the expenses of Senators; • the authority to review expenses incurred by individual Senators and all relevant documentation; • the authority to make final decisions on whether those expenses comply with the rules, policies, and guidelines, and whether amounts should be repaid by Senators; and • the exclusive authority to hire and terminate the Senate’s internal auditor, and to approve the terms of reference and mandate of the internal auditor. <p>54. The meetings of the oversight body should be open to the public, and all its reports, minutes, decisions, and reasons should be published on the Senate’s website.</p> <p>55. The oversight body should have direct access to the Senate’s internal and external auditors. The auditors should present their internal and external audit plans and reports to the oversight body and those plans and reports should be made public on the Senate’s website. These plans should include a regular compliance element involving an examination of whether the expenses incurred by an appropriate sample of individual Senators are in accordance with the applicable rules, policies, and guidelines.</p> <p>56. The oversight body should have the power to request that internal or external audits be performed on any matter within the authority conferred upon it.</p> <p>57. The Auditor General of Canada should be given a clear mandate as the external auditor to conduct audits of the Senate of Canada, including audits of Senators’ expenses. The Auditor General should have unrestricted access to all information needed to reach audit conclusions on the expenses incurred by Senators, including information in the possession of individual Senators.</p> <p>(paragraphs 35–50)</p>

Recommendations

Control framework for Senators' expenses

73. Senators should collectively determine a core set of principles that weigh the cost to taxpayers against the expenditures necessary to conduct parliamentary business. The Senate of Canada should ensure that the applicable rules, policies, and guidelines comply with those principles, and that transactions of Senators reflect the application of those principles.

74. The Senate should enhance the training and guidance provided to all Senators and their staff to ensure that there is a consistent understanding and application of the principles and the rules, policies, and guidelines that are used to implement those principles.

75. The Senate should ensure that the Senate Administration is provided with the same training and guidance to ensure that its understanding and application of the principles, rules, policies, and guidelines support the Senators and their staff in the management of expenses.

76. The Senate should request that the Senate Administration prepare strategies and implementation plans to assist the Senate and individual Senators in reducing the cost to taxpayers of their future expenses.

(paragraphs 58–72)

90. Senators should ensure that complete documentation and explanations are submitted to the Senate Administration to support their expense claims, including full descriptions of the parliamentary business conducted and evidence of any work performed by contractors.

91. All Senators should use the Senate electronic calendar, or a paper-based equivalent, to record all their activities, and these records should be archived on a regular basis. Notations for each item in the calendar should include a description of the activity, its connection to the Senator's parliamentary business, whether any meals were provided, and any component of personal or private activities. The Senate Administration should be provided with access to the Senator's electronic calendar, or copies of the Senator's paper-based equivalent, for the purpose of processing expenses and reimbursement claims.

(paragraphs 77–89)

Recommendations

Disclosure of information by Senators

96. Senators should fully disclose their use of public funds. In this disclosure, they should provide information about their budgets and fully itemize and disclose all their individual expenses on the Senate's website, in a format that is accessible, clear, and easy to navigate. At a minimum, these expenses would include living expenses, travel, hospitality, contracts, other amounts paid directly by the Senate of Canada and allocated to individual Senators, other office expenses, and any costs for their work with associations, committees, and exchanges. The disclosures should provide sufficient information at the level of individual transactions, including

- the parliamentary purpose for all components of the expense;
- the date the expense was incurred or the period covered by the expense;
- whether any direct costs were incurred by the Senate as a result of personal activities, and the corresponding reimbursement;
- in the case of travel claims, the names of the travellers and the number of travel points used;
- a breakdown of the main components of the cost incurred (such as airfare, per diems, accommodations, and other transportation costs); and
- whether any of the costs were recovered from third parties and the extent of the recovery.

97. The Senate Administrative Rules and Senate policies and guidelines should also be publicly available on the Senate's website.

(paragraphs 92–95)

104. Senators should disclose to the Senate Administration any close personal or business relationships, or outside interests, that pertain to their individual travel and hospitality expenses. Senators should also disclose any relationships or outside interests when renting accommodations or office space from another party.

105. Senators should publicly disclose, on the Senate website, any close personal or business relationships, or outside interests, that they or their staff have with contractors they intend to engage using Senate funds.

106. Senators should publicly disclose, on the Senate website, any close personal or business relationships, or outside interests, that they or their staff have with potential employees that they intend to hire using Senate funds. Such disclosure would include connections such as close personal friends and family of other parliamentarians.

(paragraphs 98–103)

Recommendations

Findings specific to the Office of the Speaker of the Senate

115. The Speaker of the Senate of Canada should ensure that the financial management practices of the Office of the Speaker are consistent with the rules, policies, and guidelines that apply to all other Senators, taking into consideration the additional responsibilities of the Speaker.

116. The Speaker should disclose all expenses incurred by the Office of the Speaker, on the Senate's website, in a manner consistent with our recommendation regarding the disclosure of expenses of individual Senators.

(paragraphs 107–114)

Findings reported on individual Senators

127. The Standing Senate Committee on Internal Economy, Budgets and Administration should immediately refer the nine individual cases reported in Appendix A to other authorities, such as the Royal Canadian Mounted Police, for further investigation.

128. The Standing Senate Committee on Internal Economy, Budgets and Administration should consider the 21 individual cases reported in Appendix B, to make a final determination about whether the transactions reported were for parliamentary business and in accordance with the Senate's rules, policies, and guidelines. The Committee should then determine whether further action is necessary for those transactions, and should publish its decisions.

(paragraphs 117–126)

Appendix A Files recommended for referral to other authorities

In our audit of Senators' expenses, we found nine cases that we have recommended for immediate referral to other authorities, such as the Royal Canadian Mounted Police. In each of these cases, we found one or both of the following:

- The Senator or former Senator had made ineligible claims for living expenses incurred while in the National Capital Region and other travel expenses when we determined that the Senator or former Senator had not established a substantive presence at his or her declared primary residence. In some of these cases, we looked at living and travel expenses incurred in previous years to determine whether there was a pattern of travel that supported or refuted our finding.
- There was such a pervasive lack of evidence, or significant contradictory evidence, that we were prevented from reaching an audit opinion about whether the expenses had been incurred for parliamentary business.

The nine Honourable Senators and former Senators who are included in this category are:

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Pierre-Hugues Boisvenu	39
Sharon Carstairs (resigned)	43
Marie-P. Charette-Poulin (resigned)	45
Colin Kenny	47
Rose-Marie Losier-Cool (retired)	49
Donald H. Oliver (retired)	51
William Rompkey (retired)	55
Gerry St. Germain (retired)	57
Rod A. A. Zimmer (resigned)	61

Notes:

- Some of the individual reports of Senators' expenses indicate amounts repaid after 5 June 2013. This was the date that the motion to invite the Auditor General of Canada to conduct an audit of Senators' expenses was introduced in the Senate. Repayments made after 5 June 2013 did not affect our analysis of whether the reported expenses and other transactions have been properly controlled and incurred for parliamentary business. Any repayments after 6 May 2015 were not included in these amounts.
- In a number of cases, we have reported that certain expenses were not "primarily" for parliamentary business because the use of Senate resources was not consistent with the provisions of the Senate Administrative Rules. The Senate Administrative Rules state that Senators may not use Senate resources except to carry out parliamentary functions, but incidental personal use of Senate resources is permitted. Such incidental use must be minor, and must not give rise to a Senate expense. In our audit work, we identified instances where Senators used Senate resources, but the Senators' parliamentary business was incidental to other activities undertaken by the Senator.

Senator Pierre-Hugues Boisvenu

Province: Quebec

Appointment date: 29 January 2010

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	See below

Observations—general

1. On the basis of information available, we have been unable to determine whether all the Senator's expenses were incurred for parliamentary business, and with due regard for the use of public funds. We found expenses of \$61,076 for which we had conflicting or insufficient information to determine that they had been incurred for parliamentary business.

Findings—residency

We found several instances where expenses claimed by the Senator were ineligible for reimbursement because he had not updated his declaration of primary residence.

2. According to the Senator's annual declarations of primary and secondary residences, his primary residence was located in Sherbrooke, Quebec. We expected the Senator's travel patterns to reflect that situation.

3. We found a change in the duration of trips between the Senator's declared primary residence and the National Capital Region. From January 2012 to December 2012, the Senator spent 45 days in Sherbrooke, compared with 90 days spent there during the other periods covered by the audit. The remaining days were spent in Ottawa or elsewhere. Further, we found that the Senator spent more time in the Ottawa area than he had in the preceding period, including days when the Senate was not sitting. The Senator stated that he had made several same-day round trips. We found that from March 2013, the Senator resumed residence near Sherbrooke. On the basis of the information that was available to us, we determined that the Senator's primary residence during 2012 was in the Ottawa area. The Senator thus claimed for expenses that would not have been eligible for reimbursement if he had declared his primary residence to be in the Ottawa area. The expenses totalled \$15,826, including accommodation expenses and per diems. This figure includes \$908 repaid by the Senator in March 2013 for the months of July and August 2012, after an internal investigation conducted by the Senate. During the period from January 2012 to December 2012, the Senator made a number of trips from the National Capital Region to Sherbrooke that were not for parliamentary business in the amount of \$5,529, including mileage and per diems.

Findings—travel

We found several instances of travel expenses claimed by the Senator about which there was conflicting or insufficient information to determine whether they were incurred for parliamentary business.

4. Before his appointment, the Senator gave speeches and provided comments during radio broadcasts on behalf of an organization founded and headed by him. The Senator stated that during the speeches, he sold the book he had written, and that the profits went into a fund managed by the organization he headed up until the time of his appointment. After his appointment, the Senator continued to conduct those activities. He received reimbursement of his claims for travel expenses and per diems in connection with the activities. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. Given the conflicting information, the fact that the trips were incurred to pursue the Senator's personal interests, and the lack of other information, we were unable to determine whether the expenses were for parliamentary business. These expenses totalled \$38,577 and included mainly mileage and accommodation expenses, as well as per diems.

Findings—other

We found several instances where the Senator incurred expenses that were not for parliamentary business or were not in accordance with the Senate's rules, policies, and guidelines.

5. We determined that hospitality expenses incurred by the Senator, totalling \$399, were not for parliamentary business.

6. We determined that \$745 in expenses, including postage for mailing copies of the Senator's book and taxi expenses, were personal and thus not eligible for reimbursement under Senate policies.

The Senator's comments

[Translation]

1- Residency

- Throughout the audit period, my primary residence was at 1633 Morand St. in Sherbrooke. I still own the property.
- During the period, I was in the process of a separation. However, I continued to live in Sherbrooke until April 2013.
- All my personal documentation showed Sherbrooke as my address: my driver's licence, health insurance and credit cards, and various permits.
- For income tax purposes, my primary residence was Sherbrooke.
- Almost all my personal belongings were in Sherbrooke.
- Bills were issued in my name (utilities, taxes, insurance and maintenance). I paid for all expenses of the residence, including my spouse's expenses.
- Sherbrooke was my primary residence under the rules of the Senate, the Civil Code of Québec, and income tax rules.

- All my personal, family, and social ties were to Sherbrooke. A temporary absence from my residence is not relevant.
- In July and August 2012, I filed claims for private accommodation expenses. I subsequently voluntarily repaid the amounts received.

2- Travel

- On 6 occasions in 2012, because of my mother's illness and death, I travelled between Ottawa and Saint-Jérôme. I changed my destination at the last minute and omitted to inform my staff. No claim for travel expenses ought to have been filed. This was an error on my part and I am willing to repay the difference, as I told the OAG several months ago.
- During the audit period, all other travel was to Sherbrooke.
- The speeches and radio broadcasts in which I participated in my capacity as an advocate for victims' rights were all for parliamentary business.
- I receive no remuneration for giving the speeches or for book sales at the events.
- This work of raising awareness is an integral part of my duties as a Senator. I agreed to represent victims of crime and their families. It is unthinkable that I would be able to perform this work without travelling outside Ottawa.
- My presentations can be found at www.boisvenu.ca.
- The fact that a parliamentarian advocates for a cause before, during or after his time as a legislator has absolutely nothing to do with the fact that the advocacy is or is not part of his duties as a parliamentarian.

3- Other

- As part of my work, I receive a number of stakeholders in my office and sometimes offer them refreshments.
- As an advocate for the rights of victims and their families, I sometimes send copies of my book or other publications. Giving a voice to the voiceless is part of my duties as a parliamentarian.

I regret that, instead of taking into account the arguments that I presented in our discussions, the OAG has maintained positions adopted even before our first meeting.

I am willing to abide by the decision of the Internal Economy Committee.

I think it is important for the Committee to carefully consider the issues raised by the OAG, that is, the concept of primary residence and the definition of parliamentary business.

Senator Sharon Carstairs (resigned)

Province: Manitoba

Appointment date: 15 September 1994

Resignation date: 17 October 2011

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$7,528

Findings—residency

We found several instances of expenses claimed by the Senator that were ineligible because of an incorrect declaration of her primary residence.

1. The Senator's declared primary residence was in Winnipeg and her declared secondary residence was in Ottawa. The Senator stated that she sold her home in Manitoba on 1 June 2011, she paid income taxes to that province, and held a driver's licence, vehicle registration, and health card from that same province. Given these declarations, a normal travel pattern would involve regular travel from Winnipeg to Ottawa and back, with much of the Senator's time being spent in Winnipeg.
2. Of the 61 days during the audit period before the Senator sold her residence in Winnipeg, the Senator stayed 8 days in Winnipeg and 22 days in Ottawa. To better assess the Senator's travel pattern, we reviewed the Senator's expense claims for the 2010–11 fiscal year, before the audit period, and found that the Senator spent only 32 days in Winnipeg during that period, and at least 153 days in Ottawa. We based our analysis on available travel and telecommunications records.
3. We found that the Senator spent extended periods of time in Ottawa. Accordingly, we determined that the Senator's primary residence was in Ottawa. We also found that, when the Senator travelled to Winnipeg, she regularly rented a vehicle at her own expense.
4. From 1 April to 31 May 2011, the Senator claimed for living expenses that would not have been allowed if she had declared Ottawa as her primary residence. Those living expenses, including 61 days for accommodations and 8 days for per diems, totalled \$2,399.
5. After her resignation in October 2011, the Senator claimed \$5,129 to travel from Ottawa to Winnipeg and back. Senate rules permitted travel between the Senator's residence and Ottawa after resignation, to complete parliamentary business. However, given that the Senator's primary residence was in Ottawa at the time of her resignation, we determined that this claim was not eligible.

The former Senator's comments

The audit states that my primary residence was not Winnipeg. All my documentation would indicate otherwise. I owned a home until June 1, 2011 and farmland property until 2012. I voted provincially and federally in Manitoba. I paid taxes provincially and federally in Manitoba. My health care card, my driver's licence, vehicle registration and my bank accounts were all in Manitoba. This complied with the recommendations of the Law Clerk of the Senate. There are no rules with respect to the

number of days which must be spent in the primary residence. Had such rules existed I would have fulfilled them as I did all other rules in the Senate. The first mention of days spent as a factor in primary residence was in the Deloitte Audit of May 2013 and I had been retired for 18 months. No change to the rules has been made to the number of days spent since that time. However if such a rule had existed it would have significantly reduced the number of speeches that I gave throughout the country on the topics of Palliative Care and Aging based on reports tabled and unanimously approved in the Senate in 2000, 2005, 2008 and 2010. Senators were limited in the number of travel points and had I needed to use the majority of these points to go to Manitoba I would have been unable to promote the work of the Senate in these critical areas.

Senate Administrative Rules (SARS), and the Senate Travel Guidelines state that upon retirement a Senator is entitled for the purpose of closing the Senator's office and otherwise winding up Senator's parliamentary affairs to 4 travel points allotted during the one year period from the day the person ceased to be a Senator. These are found in Section 21 of the Travel Guidelines and Section 7 of the SARS. I took a trip to Manitoba on October 31, 2011 following retirement on October 17, 2011, in order to wind up my affairs. I did media work, spoke to a school, did a debriefing of former staff and met with the Executive Director of the Canadian Virtual Hospice a program whose original funding had been granted when I was Government Leader in the Senate and Minister with Special Responsibility for Palliative Care. I used only 1 of the 4 travel points and charged only my Airfare and Airport Parking. I believed that to be well within the rules of the Senate of Canada. This claim was paid by Senate Finance without question although it clearly stated the travel was from Ottawa-Winnipeg-Ottawa.

Should The Internal Economy Committee of the Senate upon receipt of the audit decide that I have in some way misinterpreted the rules of the Senate then I will abide by their decision. However I do not believe that at any time that I was in the Senate did I fail to respect either the letter or the spirit of the rules of the Senate.

Senator Marie-P. Charette-Poulin (resigned)

Province: Ontario

Appointment date: 21 September 1995

Resignation date: 17 April 2015

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	See below
Amount repaid after 5 June 2013 and before 7 May 2015	\$5,606

Observations—general

1. On the basis of information available, we have been unable to determine whether all the Senator's expenses were incurred for parliamentary business, and with due regard for the use of public funds. We found expenses of \$131,434 for which we had conflicting or insufficient information to determine that they had been incurred for parliamentary business.
2. After our initial review of the Senator's expenses, we requested information on 31 March 2014 about the expenses she incurred, and we met with her six times between 10 April and 23 June 2014 to ask questions and receive her responses.
3. On 24 June 2014, we told the Senator that we would be requesting access to all emails for the audit period and seeking third-party confirmation of certain transactions or events. On 15 July 2014, we met with the Senator to discuss our 24 June 2014 letter. On 17 July 2014, we asked the Senator to provide the information that we had requested by 31 July 2014. On 31 July 2014, the Senator asked for clarifications, and stated that she was still considering our information request. On 10 September 2014, we gave the Senator clarifications, and we again asked for the information. On 26 September and 17 October 2014, we again requested access to emails.
4. On 13 November 2014, we met with the Senator's lawyer to discuss our request for information and access to emails. On 17 November 2014, we wrote to the Senator's lawyer, confirming that we had discussed our need for information, and discussed timelines for receiving that information. On 12 December 2014, we met with the Senator's lawyer to provide information on our preliminary observations. We again asked for access to all emails. We asked for further information on 26 January 2015, and received some information on 23 February and 30 March 2015. We were not given access to all the requested information and emails.

Observations—travel

We found several instances where there was conflicting or insufficient information that prevented us from determining that travel expenses claimed by the Senator had been incurred for parliamentary business.

5. The Senator worked as counsel for a law firm. The Senator incurred travel expenses, to a maximum amount of \$31,161, for trips where we were unable to determine whether they were for parliamentary business, personal activities, or activities for the law firm.
6. The Senator incurred travel expenses, to a maximum amount of \$9,717, for which we were unable to determine whether they were for parliamentary business or for personal activities, including visiting family members and supporting her spouse's business activities.

Observations—goods and services

We found that there was conflicting or insufficient information that prevented us from determining whether contracting expenses were for parliamentary business.

7. In reviewing contract expenses the Senator incurred, we received documentation from the Senate, some verbal and written information from the Senator, and other documentation from the Senator on 23 February 2015. We found that there were inconsistencies between the documentation received from the Senate, the verbal and written information provided by the Senator, the documents that we received on 23 February 2015, and information received from one contractor. For a second contractor, we found that 13 of the 14 invoices submitted had discrepancies, in the work performed and the hours billed. Based on the information available, the amount for which we were unable to determine whether the expenses were for parliamentary business was \$82,746.

Observations—other

We found other expenses that we were unable to determine were for parliamentary business or that were not in accordance with the Senate's rules, policies, and guidelines.

8. The Senator incurred hospitality expenses, to a maximum amount of \$5,755, where we were unable to determine whether they were for parliamentary business, personal activities, or activities for the law firm.
9. We found several other expenses where we were unable to determine whether they were for parliamentary business or personal activities. These included \$1,443 for taxis and \$612 for couriers and other office expenses.

The former Senator did not provide comments for publication

Information, representations, and submissions provided by the former Senator were considered throughout this audit and are reflected in our findings and conclusions. The former Senator did not confirm the facts in this report or provide a response in time to meet our publication deadline.

Senator Colin Kenny

Province: Ontario

Appointment date: 29 June 1984

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	See below

Observations—general

On the basis of information available, we have been unable to determine whether all the Senator's expenses were incurred primarily for parliamentary business and with due regard for the use of public funds.

1. Information we received from the Senator was not consistent with other information provided to us. As had been the case since before our audit period, the Senate Administration, at the request of the Senator, did not back up his electronic calendar file. The Senator provided us with a printed copy of his calendar for the audit period, and later provided us with an electronic version. We noted discrepancies between these versions. The Senator stated that, in his view, the discrepancies were not significant.

Observations—travel

We found several instances where there was conflicting or insufficient information that prevented us from determining that travel expenses claimed by the Senator had been incurred primarily for parliamentary business.

2. The Senator stated that he was not a member of any standing Senate committees during the audit period, but promoted change in his areas of interest through the media, often by writing editorial opinions. His primary residence was in Ottawa, and he travelled to meet individuals and media representatives as part of promoting his areas of interest.

3. The Senator incurred travel expenses of at least \$35,549 for which we have insufficient or conflicting documentation to determine whether the trips were primarily for parliamentary business. Several of these trips included single short meetings pertaining to his parliamentary business, but began with or were followed by personal activities.

Observations—goods and services

We found that there was conflicting information that prevented us from determining whether services provided by the Senator's staff were for parliamentary business.

4. The Senator paid salaries and benefit expenses to staff for work that may not have been for parliamentary business. We found that staff performed numerous tasks that were not related to regular office operations, but instead to the Senator's personal activities. These tasks included payments of personal invoices, maintenance of personal books and records, planning of various

personal activities, and scheduling of personal appointments. During our discussions with the Senator, we noted that, in his opinion, these activities did not account for a significant portion of his staff's time. However, because of conflicting information about the extent of the Senator's personal activities undertaken by one of these staff positions and insufficient information about other staff positions, we were unable to reach audit findings as to whether the salaries and benefits were for parliamentary business.

The Senator's comments

I do not agree with the conclusions reached in this audit.

I began the audit process with the belief that all my parliamentary expenses were above board and that transparency was the best policy. In response to the audit team's initial binder of expense questions my office and I compiled an exhaustively detailed response binder (24 November 2014) that included the names of participants for every hospitality or travel meeting, the reason for the meeting and a compilation of op-eds that were produced largely as a result of those meetings.

After receiving the one and a half pages of preliminary conclusions on 6 March 2015, we began the process of seeking explanation for the concerns raised over hospitality, travel and staff expenses. In response to our questions regarding specific expense concerns, we received on 27 March a chart that broke down the sum total of my travel and hospitality expenses into 269 components. For each of the expense components, the chart simply denoted that there was "insufficient or conflicting documentation to conclude that the primary purpose of the expense was parliamentary business." They did not address our request for specific concerns and we were still left with no idea of what the problems were.

It was not until 29 April 2015 (five days before the audit deadline) – after several exchanges with the audit team – that we received a document that briefly listed concerns for the travel claims in question. This document was useful in that it was the first chance I had to respond to concerns about my expenses. It was, however, provided very late in the process. Had it been given to me earlier I would have been able to more capably defend the use of my expenses.

With regard to travel expenses that were determined not to be primarily for parliamentary purposes, I was confounded by the reasoning for which the vast majority of trips were flagged. Despite the fact that Senate rules allow for personal activities, the audit team insisted that virtually any personal appointments (costing the Senate no money) invalidated an entire trip that had a number of parliamentary activities. It was repeatedly stated to me that because a personal activity had occurred, the primary purpose of the trip could not be determined.

Invalidating an entire trip on account of one personal appointment seems disproportionately punitive.

With regard to the appropriation of staff for personal purposes, any work done by staff on personal tasks was and is in accordance with Senate rule 7.1 in that it is "minor, customary and reasonable and does not give rise to a direct cost to the Senate or to a Senate expenditure." An analysis done by my office on work alleged to have been done by a former staff member was presented to the audit team that showed personal tasks only amounted to twelve minutes a day on average or 2.5% of time in office.

Senator Rose-Marie Losier-Cool (retired)

Province: New Brunswick

Appointment date: 21 March 1995

Retirement date: 18 June 2012

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$110,051

Findings—residency

We found several instances where expenses claimed by the Senator were ineligible for reimbursement because of an incorrect declaration of her primary residence.

1. According to the Senator's annual declarations of primary and secondary residences, her primary residence was located in Moncton, New Brunswick, and her secondary residence in Gatineau, Quebec. We expected the Senator's travel patterns to reflect that situation.
2. During the 448 days of the audit period up to the date of her retirement, the Senator spent 16 days in Moncton. To determine whether that was a regular travel pattern, we examined her travel claims for the 2010–11 fiscal year. We found that the Senator spent 8 days in Moncton during 2010–11. On the basis of the information that was available to us, we determined that the Senator's primary residence during this period was in Gatineau. The Senator therefore claimed living expenses that would have been ineligible for reimbursement if she had declared her primary residence to be in Gatineau. Her living expenses, which included 442 days of accommodation expenses and 96 days of per diems, totalled \$21,359. Further, the Senator and her spouse made trips between Ottawa and Moncton that were not for parliamentary business. Total expenses incurred in this travel, including airfare, per diems, and taxis, amounted to \$42,467.

Findings—travel

We found several instances of travel expenses claimed by the Senator where there was insufficient information to determine whether they were incurred for parliamentary business.

3. The Senator filed expense claims for several trips during the audit period, but she did not keep her records after she retired in June 2012. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We did not obtain any detailed documentation about the purpose of the travel, nor about activities scheduled during the trips. In the absence of relevant supporting documents, we were unable to determine whether the expenses were incurred for parliamentary business. The travel expenses totalled \$46,225.

The former Senator's comments

[Translation]

I hereby provide to you my official response to the OAG's final conclusions.

On 28 March 2015, I sent the following supporting documents to a member of the audit team:

- 1) confirmation of my New Brunswick *Medicare* medical insurance; and
- 2) my property and municipal taxes assessment notice for Moncton, New Brunswick.

On 8 April 2015, I sent you the following documents:

- 1) personal identification according to my 2011 income tax return; and
- 2) a copy of my New Brunswick driver's licence.

On 11 April 2015, I engaged lawyers to help me complete the necessary research and present arguments related to my residency in New Brunswick. I subsequently tried to obtain more details on the exact information that the OAG sought to obtain by requesting a copy of the Senate guidelines, policies and rules that were in effect before 18 June 2012. I also took all steps necessary to recover from the Senate archives the documents that might contain the additional information requested by the OAG.

On 4 May 2015, my lawyers sent you a letter adding to the explanations previously provided and clearly expressing the responses that I was able to supply to you at this time. In these responses, I shared with you my concerns with regard to the preliminary conclusions of the OAG. It now appears that the OAG rejected each of the explanations, additional supporting documents, and arguments presented in that letter.

Throughout my career in the Senate, I advocated strongly for various causes, including the status of women in Canada and elsewhere in the world, the advancement of francophone minorities outside Quebec and many other causes. The OAG deliberately refuses to consider the particular features of both my work as an Acadian Senator and the expense claims that I submitted, maintaining that the claims were not for activities related to my role as a Senator.

I carefully followed the Senate rules that were in effect on those dates. I remind you that I retired from the Senate in June 2012, and therefore any subsequent amendments to the Senate rules cannot apply retroactively to my years of service.

I can only hope that the OAG will take note of the additional information and arguments supplied in the letter of 4 May 2015 to review its conclusions.

Senator Donald H. Oliver (retired)

Province: Nova Scotia

Appointment date: 7 September 1990

Retirement date: 16 November 2013

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	See below
Amount repaid after 5 June 2013 and before 7 May 2015	\$1,442

Observations—general

On the basis of information available, we have been unable to determine whether all the expenses claimed by the Senator were incurred for parliamentary business and with due regard for the use of public funds.

1. We found expenses of \$48,088, which we determined were not for parliamentary business, or for which we had insufficient information to conclude that they had been incurred for parliamentary business.
2. We requested information from the Senator on 11 August 2014, and received a response on 29 September 2014. We asked for further information on 9 December 2014 and received a response on 13 January 2015. In responding to our questions, the Senator stated that his electronic calendar was not an accurate representation of his activities, and that he did not attend many of the meetings and receptions that were in his calendar. The Senator did not identify which of the events in his electronic calendar he did not attend.
3. At the time of reporting, the Senator had not been able to provide supporting documentation for expense claims that were the subject of our requests. The Senator stated that, being retired, he did not have access to the information we requested. As a result, the information below represents our work completed as of the time of finalizing our report.

Observations—travel

We found several instances where there was insufficient information to enable us to determine whether travel expenses claimed by the Senator had been incurred for parliamentary business.

4. The Senator is a member of a not-for-profit organization that aims to promote the wines, cuisine, and tourism of a region overseas; he founded the Halifax and Ottawa chapters of the organization. The Senator claimed travel expenses of \$22,982 for trips where we were unable to determine whether they were for parliamentary business or to attend the organization's meetings or meetings with other members of the organization. The Senator was not able to provide evidence that parliamentary business was conducted in these cases.

5. We found that the Senator and his spouse claimed travel expenses for personal events, for which we received no supporting documentation on the purpose of the trips nor on the events that took place during that time, or that were in excess of the Senate's rules, policies, and guidelines, including

- a family member's convocation in Kingston, Ontario, at which, according to the Senator, he spoke with other attendees about higher education and the role of the Senate;
- golf with former Senators in Montréal;
- meetings with a family member and a tailor; and
- a fishing trip.

In his responses to our requests for information, the Senator provided some general explanations for these travel events. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The cost of these trips was \$11,252.

6. We also found that the Senator's spouse did not always travel at the same times or to the same locations as the Senator. The Senator's spouse often travelled without the Senator between Ottawa and their home in Pleasant River, Nova Scotia, travelling to Nova Scotia on a Friday, and returning to Ottawa on a Sunday. We found that, throughout the audit period, the Senator's spouse was employed as a vice-president of an organization in Ottawa. The Senate's rules, policies, and guidelines recognize that a Senator's parliamentary functions can result in frequent and lengthy periods of separation from family and have provided for family-reunion travel as an important contributor to the health and well-being of Senators and their families. Given that the Senator did not join his spouse on these occasions, we determined that the travel by the Senator's spouse was not undertaken for the purposes of family reunification, but rather, for her personal business reasons. The cost of these trips was \$10,613.

7. The Senator stated that, upon review, certain expenses that we have reported were not reimbursable. The Senator stated that these claims were submitted in error. He has repaid \$1,442, including for travel to Kingston for a family member's convocation and travel for the fishing trip.

Observations—staff travel

We found two instances of travel expenses incurred by staff members and approved by the Senator that were not for parliamentary business.

8. On two occasions, one of the Senator's staff members drove the Senator's car from Ottawa to Halifax and then flew directly back to Ottawa, at a total cost of \$1,559.

Observations—other

We found other expenses that we were unable to determine were for parliamentary business or were not in accordance with the Senate's rules, policies, and guidelines.

9. We found several other expenses for which there was insufficient evidence of a relation to parliamentary business, or that were otherwise ineligible under the Senate's rules, policies, and guidelines. These expenses, including hospitality, taxis, and courier charges, totalled \$1,682.

The former Senator's comments

The Auditor General's purported findings in this document are not factually correct. The findings misrepresent what the Auditor knows based on the Senator's previous and patient explanations dated August 11, 2014, January 13, April 4, and May 5, 2015.

Dr. Oliver has provided detailed responses to all inquiries made, and was only provided with an opportunity to meet with staff and legal counsel after the Auditor General attempted to renege on the promise of a pre-report meeting. Even then, these response comments were required before the Auditor General disclosed the final version of his report.

The Auditor General has declined to disclose his specific concerns with several claims, despite specific requests from the retired Senator. The Auditor General has previously abandoned several lines of inquiry after confirming the legitimacy of the retired Senator's explanations. His office has apparently now decided that it will stop valuing Dr. Oliver's word. In doing so, the Auditor General depends on incorrect and uninformed interpretations of the applicable rules, and uses criteria never before applied to Senate expenses.

Dr. Oliver frequently sought and obtained authorization from the Senate Finance Directorate for expense items and activities before they were incurred.

The staff travel claims included in the report were pre-approved, and for amounts far below what the Senator was permitted to claim.

The Auditor General has made scurrilous and irrelevant comments about the employment of Dr. Oliver's wife – which has no connection with any Senate expense claim. The Auditor General's opinions about "spousal travel" ignore and do not mention *seven* distinct and sufficient justifications for those travel claims.

The Auditor General intends to refer to some claims that have previously been reimbursed by the Senator which are not outstanding. The report also intends to insinuate that the Senator pursued private interests at the expense of the Senate without a reasonable factual basis.

Dr. Oliver made his claims in the utmost good faith, and with an honest understanding of approval based on the guidance of Senate staff. He has remained willing to work with the Senate to resolve any good faith errors or misunderstandings. That apparently does not suit the objectives or pre-judgment of the Auditor General.

Dr. Oliver has provided a reasoned justification for each questioned claim based on the contemporaneous rules, practices, and responsibilities of his Senate business. Rather than including these in a transparent audit assessment to stand beside the Auditor General's own proposed conclusions, the Auditor General has instead chosen to pretend that his report is simply factual and non-conclusory. In fact, the Auditor General apparently decided some time ago that the Senate would be incapable of conducting a legitimate process of further review of Dr. Oliver's claims.

All claims represent expenses incurred in the course of the Senator's performance of national and international parliamentary tasks, including the advancement of Diversity issues as the first Black man appointed to the Senate of Canada.

Subsequent event

On 11 May 2015, we received notice that the Senator intended to make a payment of \$21,953.27 to the Receiver General for Canada.

Senator William Rompkey (retired)

Province: Newfoundland and Labrador

Appointment date: 21 September 1995

Retirement date: 13 May 2011

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$17,292

Findings—residency

We found several instances of expenses claimed by the Senator that were ineligible because of an incorrect declaration of his primary residence.

1. The Senator's declared primary residence was in St. John's and his declared secondary residence was in Ottawa throughout the audit period. Given these declarations, a normal travel pattern would involve regular travel from St. John's to Ottawa and back, with much of the Senator's time being spent in St. John's.
2. Of the 42 days during the audit period before his retirement, the Senator stayed 8 days in St. John's. He spent 26 days in Ottawa. To determine whether this was an ongoing pattern of travel, we reviewed the Senator's expense claims for the 2010–11 fiscal year, and found that the Senator spent 53 days in St. John's and 161 days in Ottawa during that period. On the basis of our review of the Senator's travel patterns and our understanding of his roles and responsibilities, we found that he spent extended periods of time in Ottawa. Accordingly, we determined that the Senator's primary residence was in Ottawa.
3. The Senator claimed for living expenses that would not have been allowed if he had declared Ottawa as his primary residence. During the audit period, the amount of those living expenses, including accommodations for 42 days and per diems for 23 days, was \$3,134.
4. After his retirement in May 2011, the Senator claimed two trips from Ottawa to St. John's and back. Senate rules permitted travel between the Senator's residence and Ottawa after retirement, to complete parliamentary business. However, given that the Senator's primary residence was in Ottawa at the time of his retirement, we determined that these claims were not eligible. The cost of the two trips was \$14,158.

The former Senator's comments

I have been retired for 4 years, have had limited access to files and to consultations with Auditor General staff.

I have reviewed the second audit assessment and do not agree that the conclusions are factually based. The finding that my primary residence was in Ottawa not St. John's is at variance with the facts as well as the 1998 22nd report of the Senate Committee on Internal Economy.

Mark Audcent, former Law Clerk of the Senate, in sworn testimony before the Ontario Court on 8 April 2015 agreed that the 22nd Report “clearly linked Provincial Residence with being the primary residence.” And, as the court also heard, the Primary Residence Declaration Form would not permit me to designate my Ottawa residence as my primary even had I wanted to because, in Mr. Audcent’s words, “it requires you to say that it’s the residence in the province you represent.”

I represented Newfoundland and Labrador in the Senate from 1995 to 2011, after 23 years representing it in the House of Commons. Most of my family live there, I paid taxes there, had a NL health card, voted there, and co-owned a house in St. John’s where I lived when not in Ottawa (and still do). I am a member of the Naval Officers Association of NL, the Crow’s Nest naval club and continue to be involved with the Feildians as well as the Alumni of Memorial University, the institution which conferred on me an honorary LLD for my service to the Province. The Auditor General is applying a test that was rejected by the former Law Clerk in order to reach a conclusion that is not supported by my clear and many attachments to my Province while I was a member of the Senate.

The Auditor General has concluded that Ottawa was my primary residence ignoring the testimony of Mr. Audcent who said there is “no majority of the year requirement in your provincial residence” when determining Primary Residence. He also ignores that as Fisheries Committee Chair I had to spend considerable time in Ottawa as well as some 21 days travelling in BC, NS and NL with the Committee, and several more in Halifax on naval and fisheries business.

Respecting the two post retirement trips I took to NL, Senate Finance explicitly assured me in emails, which were shared with the Auditor General, that they fell within the rules. The Senate Clerk’s document *Information for Departing Senators* indicates that: “A former Senator who retired or resigned is entitled, for the purpose of closing the Senator’s office and otherwise winding up the Senator’s parliamentary affairs, to four travel points during a one-year period starting the day the person ceased to be a Senator. ...” Moreover, I always believed that if there were any problems with my claims I would be informed by Senate administration as they are obliged to do.

Senator Gerry St. Germain (retired)

Province: British Columbia

Appointment date: 23 June 1993

Retirement date: 6 November 2012

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	See below

Observations—general

On the basis of information available, we have been unable to determine whether all the Senator's expenses were incurred primarily for parliamentary business and with due regard for the use of public funds.

1. We found expenses of \$55,588 that we determined were not primarily for parliamentary business, and expenses of at least \$12,000 for which we had conflicting or insufficient information to determine that they had been incurred for parliamentary business.
2. The Senator stated that he shredded his parliamentary documentation and that, consequently, he did not have sufficient information to answer our questions about each travel claim. Due to this lack of documentation, the Senator gave us access to electronic records of the emails for his office. We have based our findings on the information we received.

Observations—travel

We found several instances of travel expenses claimed by the Senator that were not primarily for parliamentary business.

3. During the audit period, the Senator made six trips to Edmonton, either as a stopover or as a final destination. According to the travel claims, the purpose of the travel was to conduct parliamentary business or meet with First Nations representatives. However, the Senator was an active member of the board of directors of a private group of companies based in Edmonton and he attended board meetings during these trips. We determined that the trips were taken to pursue the private business interests of the Senator. The cost of these trips, including incremental costs of the stopovers, and including airfare and per diems, was \$4,415.

Observations—staff travel

We found several instances of travel expenses incurred by staff members or contractors and approved by the Senator that were not primarily for parliamentary business.

4. The Senator used his home for fundraising and other events for third parties. During the audit period, the Senator's staff attended six events that were held at the Senator's home: two events in support of a charity and four political party events. They also attended other events, including his 50th wedding celebration, an awards gala where the Senator was a recipient, and a regional retirement

party for him. The Senator stated that the Senate's rules did not prohibit staff travel when it was required to support Senators within their respective regions and when it was related to public business deemed to be significant. He further stated that he was rewarding his staff for their hard work and that the staff worked on constituency and partisan work from his home office during the summer months. Because these events involved the personal activities of the Senator, we determined that the travel by staff members was not primarily for parliamentary business. The cost of the staff travel was \$43,727.

Observations—goods and services

We found that there was conflicting or insufficient information that prevented us from determining whether contracting expenses were for parliamentary business.

5. We observed that payments were made to a contractor who invoiced the Senator and another Senator for the same dates. From April to October 2012, we observed that there was a total of 101 days when both Senators had been separately invoiced for 7.5 hours by the contractor on the same dates. We are concerned that the contractor may have invoiced for work not performed or work performed beyond the terms of the contract. We also observed that, before he retired, the Senator amended the contract for the same contractor. The amendment resulted in an increase to the contractor's daily rate, and the full amount of the original contract was paid before the Senator's retirement. On the basis of the available information, we estimated that the potential amount related to these issues was at least \$12,000.

6. The Senator hired another contractor to help him with communication plans for his retirement. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the work performed. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The amount of this contract was \$6,250.

Observations—other

We found other expenses that were not for parliamentary business or were not in accordance with the Senate's rules, policies, and guidelines.

7. According to the Senate's rules, policies, and guidelines, it is the responsibility of the Senator to document the use of gifts and other promotional items that have an individual value over \$50. The Senator incurred expenses for gifts over \$50, without adequate documentation. The cost of these items was \$728.

8. The Senator claimed a hospitality expense of \$468 for a dinner meeting. The Senator stated that the purpose of the dinner was to wrap up parliamentary business. However, other information indicated that this event was a family dinner.

The former Senator's comments

Further to your letter of April 22, 2015, and further to my telephone conversation with [a member of the audit team] of April 30, 2015, I am responding to your letter containing your proposed final conclusions of your audit of my former Senate office. Let me state that I disagree with the presentation of your findings.

In my letter of March 27, 2015, I asked [a member of the audit team] to explain the definition of the term "parliamentary business", and how the term was being applied against the audit objective. Your office has not responded.

The presentation and tone of your general observations insinuate that I misappropriated my office resources in a nefarious manner. I find these apparent accusations to be a defamatory affront to my personal integrity. I have stated to your auditors time and again that the shredding of my documents was done as a necessity related to my move to a smaller residence in advance of my prior knowledge of an audit being conducted. The timing of this event and my full explanation is missing from your conclusions.

You make note my travel to Edmonton not being for public benefit. Your conclusions fail to mention that in absence of other supporting documentation, I provided your office with a substantive list of people to call who could speak to the Parliamentary nature of my work with First Nations in the area. During these trips, I worked with a number of First Nations people on the development of legislation to enable First Nations Self Government. Bill S 216, which was tabled on my final day in the Senate, the Bill's 4th iteration under my leadership, was a cornerstone work of my career. My trips to Edmonton encapsulated this and other works of public benefit.

You make note of the travel of my office staff not being for public benefit. Once again, in the absence of supporting documentation, I provided your office with a substantive list of people to call, including members of my former staff and other public office holders, who would have been able to speak to the public business and support to me that my staff provided on these trips. To my knowledge, your office has not contacted anyone.

With respect to the individuals on contract to my office, I required extra support during my final year. I demanded significant results from these people and compensated them fairly and within the rules of the Senate for the work that was performed.

Let me state that the information contained within this response was done by me from memory to the best of my recollection. I believe I operated within the rules and my office consulted with Senate Administration on major expenditures to ensure compliance. I am prepared to defend this response and my previous communications with your office in the public realm if necessary.

Senator Rod A. A. Zimmer (resigned)

Province: Manitoba

Appointment date: 2 August 2005

Resignation date: 2 August 2013

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$176,014

Findings—residency

We found several instances of expenses claimed by the Senator that were ineligible because of an incorrect declaration of his primary residence.

1. The Senator's declared primary residence was in Winnipeg and his declared secondary residence was in Ottawa throughout the audit period. The Senator stated that he paid income and property taxes in Manitoba and held a driver's licence and a health card from that province. Given these declarations, a normal travel pattern would involve regular travel from Winnipeg to Ottawa and back, with much of the Senator's time being spent in Winnipeg. The Senator stated that he had always considered Winnipeg to be his primary residence but that, for personal reasons, it was necessary for him to be in Ottawa more frequently.
2. During the audit period, the Senator claimed travel expenses for 24 trips to Winnipeg. For 14 of these trips, the Senator flew to Winnipeg and returned to Ottawa on the same day. The remaining 10 trips included a total of 19 nights for travel to Winnipeg. Furthermore, in our review of travel claims and other available information, we found that the Senator stayed in Ottawa for 613 of the 731 days of the audit period. On the basis of our review of the Senator's travel patterns, including the fact that he spent extended periods of time in Ottawa with no evidence of parliamentary business taking place, we determined that the Senator's primary residence was in Ottawa.
3. The Senator claimed for living expenses that would not have been allowed if he had declared Ottawa as his primary residence. During the audit period, those living expenses, including accommodations and per diems, were \$47,132. Furthermore, the Senator and his spouse took a number of round trips from Ottawa to Winnipeg, during which no parliamentary business was undertaken. The cost of these trips, including airfare, car rentals, taxis, and per diems, was \$102,524.

Findings—travel

We found several instances of travel and related expenses claimed by the Senator that were not for parliamentary business.

4. The Senator took four day-trips to Montréal and one trip to Saskatoon, but was not able to provide information about their purposes. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the purpose of these trips or the events that took place during them. On the basis of the information available, we determined that these expenses had not been incurred for

parliamentary business. The cost of these trips, including airfare, mileage, accommodations, taxis, and per diems, was \$6,293.

5. The Senator took a one-day trip to Toronto and another trip to Saskatoon. In the first instance, the Senator's calendar indicated a board meeting of a corporation of which he was a director at that time; the other trip was for personal activities. The cost of the trips, including airfare, taxis, and per diems, was \$3,578.

Findings—goods and services

We found instances of expenses for professional services claimed by the Senator that were not for parliamentary business.

6. The Senator claimed expenses for two contracts for professional services. One contract related to the provision of research services. The other contract related to the provision of research and writing services, including coordination and liaison. The Senator stated that the services related to research required for a National Defence trip and research on war-torn countries. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the purpose of these contracts or work performed for them. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The cost of these two contracts was \$12,453.

Findings—other

We found other expenses that were incurred for personal activities; that were ineligible according to the Senate's rules, policies, and guidelines; or for which we did not have sufficient evidence to demonstrate that they were for parliamentary business.

7. According to the Senate's rules, policies, and guidelines, it is the responsibility of the Senator to provide his own transportation within the National Capital Region, when not engaged in parliamentary business. We found that the Senator or his spouse incurred expenses of \$2,072 for taxis in Ottawa for personal activities, and expenses of \$645 for which there was little or no information to demonstrate that they were for parliamentary business.

8. According to the Senate's rules, policies, and guidelines, it is the responsibility of the Senator to document the use of gifts and other promotional items that have an individual value over \$50. Gifts and other promotional items that have an individual value over \$100 or are used for fundraising are not permitted. We found that the Senator incurred expenses totalling \$705 for gifts that were individually greater than \$100 or were donated for fundraising raffles, and gifts and other promotional items totalling \$612 that were individually over \$50 without any documentation as to whether they were for parliamentary business.

9. Although the Senator retired after our audit period, we also found that four items, including a digital camera and computer equipment, had not been returned to the Senate.

The former Senator's comments

Since the Auditor General has limited my right to reply to only 500 words, I will focus on the major issue contained in his report, namely his conclusion with respect to my residency, from which his findings on my travel claims and living expenses flow.

The Auditor General has concluded that because of my travel patterns and length of time spent in Ottawa, Ottawa was the location of my primary residence. Unfortunately, serious health concerns, including recurring throat cancer and pneumonia, required me to cut back on my travel between Ottawa and my home in Winnipeg, and ultimately led to my early retirement. But in coming to his conclusion on my residency, the Auditor General has ignored the evidence the former Law Clerk of the Senate, Mark Audcent, presented under oath before the Ontario Court of Justice in the ongoing trial of Senator Michael Duffy.

Mr. Audcent has testified that there is "no percentage of the year requirement" for a Senator to be in his home province for the purposes of residency. He further explained to the court that there were in his view four categories of what he called "indicators of residence."

First, there is "physical presence." I lived in a home in Winnipeg which I purchased in 1981. Second, "is where you participate in the community." I paid my taxes in Manitoba, and voted in federal, provincial and civic elections in that province. Thirdly, "where you get your government services from." My health card and driver's license were from Manitoba, and my vehicles were registered and plated in Manitoba. And lastly, there is what Mr. Audcent described as "societal relations." My parish was the Holy Rosary Church, located a short walk from my home. As a former president of the Royal Winnipeg Ballet, I remain on its board to this day. I also served on the boards of the Burton Cummings Theatre and the Millennium Centre. I led and participated in major fundraising drives for charitable causes with other notable Winnipeggers, such as Izzy and Gail Asper.

For this final category, Mr. Audcent told the court "all of those social connections add up to a package saying this person is resident here." I agree. Winnipeg was always my home.

Finally, I am not clear how the Auditor General can make a public pronouncement with respect to Senate residency rules and their application to my circumstances without appearing to be interfering in the judicial proceedings now taking place in the trial of Senator Duffy, where the issue of residency and the interpretation of the Senate Rules concerning residency are central to the proceedings. Will this be seen as prejudging the conclusion Justice Charles Vaillancourt will reach on the same matter, and what if Justice Vaillancourt does not agree with the Auditor General's interpretation? The sub judice principle applies in order to ensure the proper administration of justice, and I am surprised that it is not being honoured in this instance.

Appendix B Files recommended for review by the Standing Senate Committee on Internal Economy, Budgets and Administration

In our audit of Senators' expenses, we found 21 cases for which

- we could not accept the Senators' expenses as having been incurred for parliamentary business, because of the nature or significance of the transactions, or because there was insufficient information to support them, or
- we determined the expenses were not in accordance with the applicable Senate rules, policies, or guidelines.

We have recommended that the Standing Senate Committee on Internal Economy, Budgets and Administration consider the cases of the following 21 Honourable Senators and former Senators and determine whether further action is necessary, including whether reimbursement of any amount is required.

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Notes:

- Some of the individual reports of Senators' expenses indicate amounts repaid after 5 June 2013. This was the date that the motion to invite the Auditor General of Canada to conduct an audit of Senators' expenses was introduced in the Senate. Repayments made after 5 June 2013 did not affect our analysis of whether the reported expenses and other transactions have been properly controlled and incurred for parliamentary business. Any repayments after 6 May 2015 were not included in these amounts.
- In a number of cases, we have reported that certain expenses were not "primarily" for parliamentary business because the use of Senate resources was not consistent with the provisions of the Senate Administrative Rules. The Senate Administrative Rules state that Senators may not use Senate resources except to carry out parliamentary functions, but incidental personal use of Senate resources is permitted. Such incidental use must be minor, and must not give rise to a Senate expense. In our audit work, we identified instances where Senators used Senate resources, but the Senators' parliamentary business was incidental to other activities undertaken by the Senator.

Senator Claude Carignan

Province: Quebec

Appointment date: 27 August 2009

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$3,516
Amount repaid after 5 June 2013 and before 7 May 2015	\$3,516

Findings—staff travel

We found instances of travel expenses incurred by a staff member and approved by the Senator that were not for parliamentary business.

1. A member of the Senator's staff filed claims for same-day round trips between Ottawa and the region represented by the Senator, to fill in for or accompany the Senator on parliamentary business. The employee claimed mileage and per diem expenses. The claims were signed by the employee and the Senator. Seven of the claims were filed in the 2011–12 fiscal year and eight in the 2012–13 fiscal year.
2. We found that the trips claimed had not involved travel starting from and returning to Ottawa, as stated by the employee. The employee worked in Ottawa but frequently stayed in Montréal, particularly when the Senate was not sitting. The activities covered by the travel claims took place during periods when the employee was staying in the Montréal area. The distance he had to travel to attend those events was therefore well below the mileage stated in the claims. According to the Senators' Travel Policy, employees cannot be reimbursed for travel to their workplace in Ottawa.
3. To determine the extent of this practice, we reviewed claims for travel by the Senator's staff during the fiscal year preceding the audit period and the fiscal year following it. We found 12 claims for similar instances in the 2010–11 fiscal year, but no claims in the 2013–14 fiscal year.
4. The employee confirmed that he had not travelled as stated in the claims. He amended claims for travel during the audit period and repaid amounts received for ineligible mileage and per diem claims. The total amount repaid was \$3,516.

The Senator's comments

[Translation]

- When the employee started work, he misunderstood how to interpret and apply the rule on travel expenses.
- The administrative error was not evident on the claim form.
- Once he was informed of the error, the employee immediately repaid the amount.

Senator James S. Cowan

Province: Nova Scotia

Appointment date: 24 March 2005

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$10,397

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. On three occasions, the Senator and his spouse travelled to Toronto for the weekend either as a separate trip or a stopover while returning to Halifax from Ottawa. The purpose given on the claims for these trips was parliamentary business, including meetings. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation or explanations for the purpose of these trips or the events that took place during that time. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The total cost of the trips, for airfare, taxi, car rental, accommodations, and per diems, was \$10,397.

The Senator's comments

The three identified trips to Toronto took place over the course of 2011. I submitted the three travel claims on official Senate travel claim forms, describing the purpose of the trips as "performing Senate related work" or as "meetings in Toronto related to Senate Business." The claims were accompanied by Air Canada boarding passes and receipts. Senate finance officials processed the claims in accordance with the then current administrative practices, applying the then current expense rules, and paid the claims as submitted. No request for additional information, explanation or documentation was made.

I of course agree that I am "responsible to account" for the use of Senate resources, and had I been asked for more information, documentation or explanation at the time of my claim or shortly thereafter, I would have readily provided it. However, there having been no requirement under the Senate expense rules or guidelines to retain any additional documentation or records at the time of the claims, and with my email Inbox not having been backed up by the Senate for most of the period in question, it has not been possible to recreate my activities from memory alone.

However, the pattern that emerges from other trips I have made to Toronto over the years and for which there are records, show meetings with various NGOs, students, educators, health researchers and practitioners, community leaders, as well as current and former members of Parliament, all of which related to parliamentary business. Moreover, when I have travelled anywhere on private business, I have, of course, paid the costs of such travel myself.

When submitting my claims, I was aware of and believed I could rely on the Senate Administrative Rules (SARS). Section 2.(1) of chapter 2:05 of those Rules states: “Where a Senator makes a request to the Senate Administration that appears to be contrary to a law, rule, policy or practice, the Senate Administration shall advise the Senator and, where a direction exists in writing, refer the senator to the direction.”

Mr. Mark Audcent, the then Law Clerk and Parliamentary Counsel of the Senate, authored the Senate Administrative Rules. In recent sworn testimony before the Ontario Court of Justice he observed that by virtue of Section 2.(1) there was a “mandatory” duty for the Senate Administration to advise a Senator if anything appeared “to be out of line” with a particular travel claim. At no time in the almost four years since I submitted those three claims and was informed that they had been approved did Senate Finance request additional documentation or explanations. In these circumstances, I believe it was reasonable for me to conclude that my claims had in fact conformed to all relevant Senate rules, policies and practices.

Senator Jean-Guy Dagenais

Province: Quebec

Appointment date: 17 January 2012

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$3,538

Findings—staff travel

We found instances of travel expenses incurred by a staff member and approved by the Senator that were not for parliamentary business.

1. A member of the Senator's staff filed claims for same-day round trips starting from and returning to Ottawa, to assist or accompany the Senator on parliamentary business. The employee claimed mileage and per diem expenses. The claims were signed by the employee and the Senator. Two such claims were filed in the 2011–12 fiscal year and 10 in the 2012–13 fiscal year. For most of the trips, we did not have sufficient information to confirm that the travel had taken place as stated in the claims. In some instances, telecommunications records suggested that the employee did not return to Ottawa the same day. Instead, the telecommunications records showed that the employee was in the Montréal area early in the morning on the day after the event.
2. The employee stated that, although he works in Ottawa, he frequently stays in the Montréal area, particularly when the Senate is not sitting. He also stated that the travel claims were prepared on the basis of the principle that employees who work in Ottawa indicate Ottawa as the travel departure point and final destination. We asked the Senator to provide us with documents to support the travel claims. The Senator did not provide such documentation. According to the Senators' Travel Policy, employees cannot be reimbursed for travel to their workplace in Ottawa.
3. On the basis of the information that was available to us, we determined that the employee submitted travel claims that did not reflect the distance actually travelled. The total travel costs were \$3,538.
4. To determine the extent of this practice, we reviewed expense claims for travel incurred by the Senator's staff after the period of the audit. We found similar expense claims for seven trips in the 2013–14 fiscal year, and seven trips in the 2014–15 fiscal year.

The Senator's comments

[Translation]

- I completely disagree with the findings of the OAG.
- The OAG's findings are based on adverse doubts and inferences—not on facts, as they should have been.
- The employee participated in all the events reviewed by the OAG and we provided documentation in our possession as required at the time by the Senate finance division.

- Each of the trips was undertaken to accompany me on activities outside the Capital region or for meetings related to my parliamentary duties.
- Under its mandate, the OAG could have easily undertaken additional checks to confirm a number of public events in which the employee participated.
- None of the employee's claims were "for travel to their workplace in Ottawa," as stated in one of the OAG's findings.
- The Senate finance division occasionally asked for further details and documentation regarding some of the trips subject to audit, and it always appeared to be satisfied with the responses it received before it issued reimbursement.
- At no time did the Senate Administration or the OAG provide to me a copy of a policy specifying the process for claiming employee travel expenses to support one of the OAG's adverse findings.
- My policy adviser undertook many trips as part of his job without claiming reimbursement, in order to comply with recognized Senate rules.
- At all times, we carefully monitored my office expenses, which in all respects were below the limits set by the Senate Administration.
- However, the issue raised by the OAG's findings—that is, the rules governing employee travel—seems to me very important and should be dealt with in the administrative overhaul envisaged for the Senate.

Senator Joseph A. Day

Province: New Brunswick

Appointment date: 4 October 2001

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$19,634

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. The Senator submitted four travel claims that included activities for a youth organization for which the Senator is a member of the board of directors and honorary legal counsel. For those claims, the Senator stated that many members of both houses of Parliament attend the youth organization's award ceremonies. He also stated that the support by parliamentarians is essential to recognizing Canadian youth who excel in their communities and serve as role models for their peers. We found that those trips were primarily in the corporate interest of the youth organization. The total amount of the four travel claims was \$12,812.

2. The Senator claimed travel expenses for a trip, from 27 to 29 April 2011, which included a political party election event in Toronto and a meeting at the head office of the same youth organization. The claim included travel to Toronto, accommodations, and per diems. The Senator stated that the Senate travel policy allowed participation in party activities that were related to the work of a Senator or the Senate and its proceedings. However, we found that the expenses were ineligible because the Senator engaged in personal activities and because activities related to an election are not eligible for reimbursement under the Senate's rules, policies, and guidelines. The total amount of this trip was \$2,849.

3. We also found that, for three travel claims, the information about the Senator's itinerary did not reflect all the locations he visited, some of which were for personal activities.

- For 26 and 27 December 2011, the Senator submitted a travel claim, with the purpose stated as "Overnight in Montreal (St-Jérôme) & then on to Ottawa." On the basis of the information available, including the Senator's calendar and telecommunications records, we found that he was on vacation until 3 January, and could have spent only about an hour in Ottawa on 27 December. We determined that this trip was taken primarily for personal activities. The incremental cost, for mileage, per diems, and accommodations, was \$854.
- The Senator submitted a travel claim for the period from 18 to 23 September 2012, with the purpose stated as "Attended to Senate business in Ottawa." The Senate was not sitting during this period. On the basis of the information available, we found that the Senator was in Plattsburgh, New York on 19 and 20 September. He was in Ottawa for two days. We determined that certain costs for this trip were primarily for personal activities. The incremental cost, for mileage, per diems, and accommodations, was \$119.

- The Senator submitted a travel claim for the period from 4 to 8 January 2013, stating that he worked on Senate business in his Ottawa office on 5 and 6 January. The travel claim also stated that the Senator “drove personal vehicle from NB to Ottawa on 4 & 5 January [...]” However, on the basis of the information available, we found that the Senator was in the City of Québec area for personal activities from 27 December 2012 to 3 January 2013, and arrived in Ottawa after this trip. We determined that certain costs for this trip were primarily for personal activities. The incremental cost, including mileage, accommodations, parking, and per diems, was \$1,366.

4. The Senator claimed \$508 for airfare, taxis, and per diems from Toronto to Ottawa on 29 January 2012 on his return from personal travel to Mexico. As this cost was incurred for a personal trip, we have determined that the trip was not conducted for parliamentary business.

Findings—other

5. According to the Senate’s policies and guidelines, all hospitality events held in private residences of Senators are ineligible expenses unless approval is received prior to the event. We found that there were expenses related to hospitality events held at one of the Senator’s private residences that were not preapproved. These expenses totalled \$1,126.

The Senator’s comments

Each of the matters you find as not parliamentary business was approved by Senate Finance. Please see my response to your findings:

1. The organization in question is the Canadian Branch of the Duke of Edinburgh International Award. It is a registered charity and I volunteer all my time and receive no remuneration. The Governor General is the Honorary Patron. I believe it important that parliamentarians lead by example to encourage participation by Canadian youth and see such activities as a crucial part of my parliamentary functions. I regularly speak to high schools in my province and participate in cadet activities across Canada.
2. I was invited as a parliamentarian to a charity celebratory dinner at the Royal Military College in Kingston where General Hillier was the keynote speaker. That was by any definition public business for any parliamentarian and was the purpose of my travel. To reach Kingston from NB requires flying through Toronto. While in Toronto I met with the Director of the Duke of Edinburgh Award (See 1. Above) and in my free time I dropped in to a public political event where I met with and spoke to my parliamentary leader. To disqualify the entire travel claim because I dropped in to this public political event in my free time is not reasonable.
3. (a) I needed to travel to Ottawa from NB to pick-up documents and be briefed for an Asia Pacific Parliamentary Conference that I was attending in Japan on January 6th. I spent full days in my office on January 3 & 4th. This was the purpose of my travel to Ottawa. Had I flown from NB the airfare would have been at least \$1000. Instead I drove and claimed \$625. I cannot agree that my travel to Ottawa for this parliamentary function was “personal”.

(b) The claim on September 18-23 was clearly an administrative error on my arrival dates only; I arrived on the 20th and worked in the office for 2 days to prepare for the upcoming National Finance meetings.

(c) I made no claim for the period from December 27 to January 3, 2013. Because of an administrative office error, mileage from Quebec to Ottawa should have been charged instead of NB to Ottawa. However, this differential plus one night accommodation does not amount to \$1366. The purpose of the travel to Ottawa was to attend the Asia Pacific Parliamentary Forum Conference.

4. Since it was less expensive to fly to Ottawa from Toronto than from NB, Senate Finance pre-approved this travel. I do not understand why the Auditor General would insist on the more costly option for taxpayers. I was required to be in Ottawa for NATO activities.
5. At no time did Senate Finance question the location of my reception, which I held annually over the last several years. If the policy had changed I should have been advised when my claim was being processed.

Senator Nicole Eaton

Province: Ontario

Appointment date: 2 January 2009

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$3,489
Amount repaid after 5 June 2013 and before 7 May 2015	\$3,489

Findings—travel

We found instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. The Senator served as a director and vice-chair of a foundation and a not-for-profit organization. During the audit period, we found four trips where the Senator travelled from Ottawa to Toronto and back the following day, to attend board meetings or events in Toronto. These trips were taken mid-week, while the Senate was sitting, and were expensed as being parliamentary business. The Senator stated that the Senate Administration had told her that she was allowed to travel mid-week to her city of primary residence, which she had declared as Toronto. We determined that these trips were incurred to pursue the personal interests of the Senator. The incremental cost of these trips, including airfare and other related charges, less an estimate for accommodations not used in Ottawa, was \$3,489.

The Senator's comments

- The four trips in question were allowed under Senate rules, as they were part of my “parliamentary functions” as defined in the Senate Administrative Rules.
- I serve on boards of a foundation and not-for-profit organizations. These include the St. Michael's Hospital Foundation, the Pontifical Institute of Mediaeval Studies, the National Ballet of Canada and the Gardiner Museum.
- I receive no compensation or personal gain of any kind for so doing.
- Participation in these organizations should not be characterized as “personal interests”. Rather, it is voluntary community service. It is part of public business, as defined in the Senate rules. My efforts in support of the charities to which I dedicate my extra time are constructive, productive and in no way conflict with my work in the Senate of Canada.
- I had to return to Toronto, where I reside, for meetings of these organizations. These meetings took place in the middle of sitting weeks.
- I decided that, rather than stay home after such meetings, I would come back to Ottawa in order to be present at committees and sittings of the Senate.
- The Senate has a 64-point travel system. The policy does not require a Senator to do only one trip per week.

- These four trips were accepted by Senate Administration.
- I conduct my affairs in the spirit of honour and integrity. I take the responsibility to do so very seriously. I also operate my office in a spirit of austerity; in the reporting period of this audit I have returned \$74,318 in unspent office budget.
- The OAG raises 2 issues: a) is a Parliamentarian expected to stay in Ottawa all week, or is travel between the residence/constituency and Ottawa in the middle of a sitting week allowed? And b) is participation by a Senator in pro-bono activities part of parliamentary functions?
- I understand that these questions will be submitted to the Board of Internal Economy, Budgets and Administration. I think that the issues raised by the OAG, as they are potentially applicable to all Senators, deserve to be reviewed carefully. This will help the institution to clarify its rules, and help all Senators determine how they can get involved in community and charitable work.
- I hereby remit the identified sum of \$3,489.00.

Senator Leo Housakos

Province: Quebec

Appointment date: 8 January 2009

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$8,319
Amount repaid after 5 June 2013 and before 7 May 2015	\$1,609

Findings—staff travel

We found instances of travel expenses incurred by a staff member and approved by the Senator that were not for parliamentary business.

1. In 2012, the Senator hosted a St. Valentine’s ball in Montréal, which was organized by a third party. However, we found that one member of the Senator’s staff travelled to Montréal on six occasions to assist in preparations for the event. Given that the ball was the Senator’s personal activity, we determined that travel by the staff member was not for parliamentary business. The cost of this travel was \$1,609.

Findings—goods and services

We found instances where expenses for professional services incurred by the Senator were not in accordance with the Senate’s rules, policies, or guidelines.

2. The Senator contracted an individual to provide consulting services for research on Senate reform and for various bills in the 2011–12 and 2012–13 fiscal years. Most of the work performed by the contractor related to parliamentary business. However, we found that some of the activities invoiced by the contractor, including community outreach and media preparation, were not part of the contract. We estimated that these expenses were \$6,710.

The Senator’s comments

Item 1:

- The event was not a “personal activity” but a charity event organized by AHEPA (American Hellenic Educational Philanthropic Association).
- My work on behalf of this organization is “public business” as defined in the Senate Administrative Rules and that is why my assistant deemed she could claim the expenses.
- However, after discussion with the auditors, my assistant was informed that there seems to be a practice in the Senate not to accept such claims when the event is a fundraiser.
- She therefore accepted to reimburse the amount of \$1,609.00.

Item 2:

- The contract was done in accordance with all Senate rules and at all times respected the allocated budget.
- All of the work done by my contractor was related to my parliamentary functions.
- Community outreach and relations with media outlets are an integral part of a Senator's functions and I had every right to use a contractor to help me.
- I decided to hire a contractor rather than a full time employee as policy advisor due to the cost effectiveness to tax payers.
- The contract number 121126-11-0016 specifically mentions community outreach in the services to be provided.

Senator Janis G. Johnson

Province: Manitoba

Appointment date: 27 September 1990

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$22,706

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not primarily for parliamentary business.

1. During the audit period, the Senator frequently travelled between Winnipeg and Vancouver. The travel claims indicated that the purpose of the trips was for meetings or Senate business. However, on the basis of available information, we found that the Senator often spent several days in Vancouver, with only one or two short appointments related to Senate business. Furthermore, we observed a pattern of those trips coinciding with statutory holidays and occurring over the summer.

- A round trip from Winnipeg to Vancouver, from 16 to 23 April 2011, included Good Friday. According to the documentation provided by the Senator, she attended two meetings in relation to her work on the Standing Senate Committee on Energy, the Environment and Natural Resources, and she also had private time while in Vancouver. However, the Senator's calendar did not indicate any business meetings during the travel period, but rather indicated personal activities. The cost of the trip, for airfare and taxis, was \$3,007.
- For a trip from Winnipeg to Vancouver on 2 June 2011, and from Vancouver to Ottawa on 5 June, the Senator's calendar indicated a one-hour personal event on 3 June. She stated that there was no Senate business in Vancouver during this trip, because the meeting that she had scheduled for 4 June was cancelled. The incremental expense claimed by the Senator for this trip was \$3,426.
- For a round trip from Winnipeg to Vancouver from 15 to 19 August 2011, the Senator's calendar did not indicate any meetings. The Senator stated that she had two meetings in Vancouver. One meeting pertained to a project related to her involvement with a health centre in Winnipeg, and the other to the film industry. However, the Senator did not provide additional information that would demonstrate that the trip was primarily for parliamentary business. The cost of the trip was \$3,631.
- A round trip from Winnipeg to Vancouver from 6 to 11 October 2011 included Thanksgiving. The Senator's calendar for the travel period showed a three-hour film festival event on 8 October, and a lunch on 9 October. The Senator stated that this trip was part of both her regional role as a Senator and her constitutional duty. The Senator did not provide information about the extent of her participation at the film festival. On the basis of the information available, we determined that these expenses were not primarily for parliamentary business. The cost of the trip was \$4,350.

- A round trip from Winnipeg to Vancouver from 30 December 2011 to 13 January 2012 took place when the Senate was not in session. The Senator stated that she travelled to Vancouver for a meeting. The trip was originally planned to end on 9 January 2012. However, according to the documentation on file, illness prevented the Senator from returning to Winnipeg on the planned date. On the basis of the information available, we determined that these expenses were not primarily for parliamentary business. The cost of the trip was \$3,115.
- A round trip from Winnipeg to Vancouver from 15 to 23 August 2012 took place when the Senate was not in session. The Senator stated that she met with an official from a federal government organization associated with the film industry and with an individual in relation to her work on the Standing Senate Committee on Energy, the Environment and Natural Resources. However, the Senator did not provide additional information that would demonstrate that the trip was primarily for parliamentary business. The cost of the trip was \$2,393.
- On 9 November 2012, the Senator travelled from Ottawa to Vancouver, and then to Winnipeg on 15 November 2012. According to the documentation provided by the Senator, she had meetings with two individuals—one to discuss a Senate energy report, and another to discuss fundraising for a film festival, which was in the Senator's region, and for which she serves as a member of the board of directors. The incremental cost of airfare, accommodations, and taxis in Vancouver was \$2,784.

The Senator's comments

I am disappointed by the analysis and conclusions reached by the OAG.

The audit makes no reference to the Senators' Travel Policy under which these expenses were submitted. That is what guided me when I incurred them. Shouldn't that guide the audit?

That Policy explicitly recognizes that Senators can combine parliamentary work with private business and personal travel with the only proviso that a Senator should not seek reimbursement for any expenses that relate to personal matters - which I never did.

The OAG also observes that some of my trips occurred around holiday periods. The Policy also permits this. Given our sitting schedule, much of the business done by Senators outside of Ottawa can only occur during holiday breaks.

Because I attended to personal matters on these trips or they occurred around holidays should not confound the fact that their primary purpose was always for parliamentary business. The genesis for each trip was parliamentary business and any personal business or holidays were only considered and added after that. In other words, my personal interests did not drive the agenda, parliamentary business did.

I have been a Senator for almost 25 years and I have always been mindful of how I use public funds. I have never sought to have the public pay for my personal travel. In that regard, it should be noted that during the period under review I used only 53 travel points out of an allowable 128 and all of my expenses, including travel, came in under budget.

I also note that the OAG has provided only a brief summary in regard to the challenged trips and has stated that I did not provide "any" or "sufficient" additional information. That is inaccurate. For each of the trips, I provided the names of the individuals with whom I met and their contact information along with background emails and other documents confirming the meetings. I also

provided hundreds of pages of supporting information to demonstrate the purpose of these meetings and how they relate to parliamentary business. The OAG makes no mention of any of this.

In a subsequent discussion I had with the OAG, they conceded that indeed on each of these trips there were meetings which involved parliamentary business (even though the OAG summaries leave the contrary impression). They just 'felt' that the purpose of the trips was more personal than parliamentary.

In saying this, the OAG has applied a factor not even included in the Senator's Travel Policy. The Policy has always permitted the combination of personal business with parliamentary business; it does not provide for and the approval process has never included a subjective determination as to which was predominant. Frankly, such a provision would be arbitrary and unworkable unless it included clear criteria so we could know in advance how it will be applied. In the absence of those criteria, the OAG has reached a subjective conclusion, applying criteria not part of the Policy and contrary to the true facts.

Senator Noël A. Kinsella (resigned)

Province: New Brunswick

Appointment date: 12 September 1990

Resignation date: 27 November 2014

Senator Kinsella was Speaker of the Senate from 8 February 2006 to 26 November 2014. We found that the expense claims showed little distinction between the expenses incurred as Senator and those incurred as Speaker of the Senate. All hospitality charges had been made to the Speaker's budget. We have separated the remaining expenses on the basis of available information and the budgets to which these expenses had been charged.

Results as Senator

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$7,705
Amount repaid after 5 June 2013 and before 7 May 2015	\$262

Findings—travel

We found two instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. The Senator and his spouse took a three-day return trip from Ottawa to Sault Ste. Marie, Ontario, where they attended the funeral of his sister's husband. According to the Senator, the deceased had been a leader in the Italian-Canadian community and had been important to New Brunswick, as he had played for the University of New Brunswick football team. He also stated that the deceased had attended several Speeches from the Throne. The Senator said that he attended the funeral in his role as a Senator and as the Speaker of the Senate, and that the decision to attend and speak at the funeral was not influenced by his personal relationship with the deceased. He also said that he would not have attended the funeral if he were not Speaker of the Senate. However, we determined that the trip was for personal activities. The cost of the trip for the Senator and his spouse was \$5,663.
2. The Senator claimed for airfare from Toronto to Ottawa, on his return from personal travel to Orlando, Florida. Though the Senator travelled regularly to Florida during the audit period, this was the only occurrence charged to the Senate. We have determined that this expense was incurred for personal activities, in the amount of \$636.

Findings—other

We found instances of costs for services incurred by the Senator that were not for parliamentary business.

3. The Senator incurred \$1,406 in relation to expenditures for telecommunications charges incurred during periods of personal travel and for per diems claimed by the Senator and his spouse while not on travel status. The Senator repaid \$262 for personal telecommunications expenses.

Results as Speaker of the Senate (Former Speaker Kinsella)

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$1,681

Findings—travel

We found one instance of travel expenses claimed by the Speaker that were not for parliamentary business.

4. An international parliamentary exchange trip was planned for the Speaker, his spouse, and one member of the Speaker's staff. The joint Senate–House of Commons International and Interparliamentary Affairs Directorate (IIA) informed us that one leg of the trip was scheduled as a working visit, rather than a more formal official visit. This was because both the main constitutional bodies in that country were on a two-week break at the time, and unable to accommodate an official visit on the dates suggested by the Speaker's office. An official visit was rescheduled to that country later in the year. The IIA said that, before booking tickets for this leg of the trip, it had made attempts to confirm meetings for the Speaker. At the time of booking the airline tickets, no meetings with officials in the host country had been confirmed. By the date of departure, one meeting had been confirmed for the Speaker, but there were hopes that other tentatively scheduled meetings would be confirmed. Consequently, the Speaker, his spouse, and the staff member spent two nights in the destination city, with a one-hour meeting constituting the parliamentary business during the visit. We determined that the stay in that destination was essentially personal, given that only a small amount of parliamentary business was conducted. In deciding that the leg of the trip should be maintained, it was determined that there would be little or no cost savings in changing the airline tickets. However, we estimated that the incremental cost of the trip to the destination city, including flight, accommodations, and per diems, was \$1,681. In estimating this amount, we deducted the cost of change fees.

The former Speaker's comments

I wish to acknowledge the important audit work completed by the Auditor General's team at the request of the Senate of Canada. With reference to some errors identified in the examination of the Speaker's Office:

- a) The matter of the attendance at a funeral for a prominent Canadian in Sault Ste. Marie, the Rules of the Senate concerning a Senator attending a funeral were followed and approved by Senate Administration;
- b) Airfare from Toronto to Ottawa was deemed to be travel for Senate Business by Senate Administration;
- c) All telecommunication expenses were in accordance with the telecommunication policy of the Senate of Canada; and
- d) As is the usual practice by IIA the airline tickets were purchased in advance of a final program to ensure best available prices. The professional advice provided to the Speaker's office was to continue with the destination city portion of the trip so not to incur substantial penalties.

Senator Sandra M. Lovelace Nicholas

Province: New Brunswick

Appointment date: 21 September 2005

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$75,227

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. The Senator's declared primary residence was in the Tobique First Nation in New Brunswick, and her declared secondary residence was in Ottawa, throughout the audit period. The primary residence is approximately 200 kilometres from the nearest major airport, in Fredericton. Given this distance, we considered a one-night stay in Fredericton to be a reasonable practice.
2. Over the audit period, we found 40 instances when the length of the stay in Fredericton was greater than one night, including stays of up to 9 consecutive nights. The Senator stated that this generally occurred because she held meetings with members of First Nations in Fredericton on issues related to parliamentary business, or because weather delayed driving to her primary residence. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the purpose of these stays or the events that took place during them. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The incremental travel cost associated with stays in excess of one night, including accommodations, mileage, and per diems, was \$21,644.
3. We found that, on five occasions, the Senator travelled to Halifax. The Senator stated that the purpose of one of these trips was to discuss an education study with First Nations women. We also found that the Senator and her designated traveller took trips to western Canada. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The cost claimed for the trips, including airfare, accommodations, and per diems for the Senator and her designated traveller, was \$53,583.

The Senator's comments

I have a representative role in the Senate with an obligation to support my region and its minorities. As the only Aboriginal Senator in New Brunswick, I have many meetings in Fredericton and travel to communities throughout the province as well as the Atlantic region to discuss issues that pertain to my work in the Senate.

I am permitted by Senate Finance to stay overnight at a hotel in Fredericton when travelling to and from Ottawa because of the long distance to the Tobique First Nation, a two-and-a-half hour drive from Fredericton. Often inclement weather does not permit safe travel home and at times, because of fatigue, it is safer to overnight in Fredericton.

I am well known in my community and surrounding communities in New Brunswick, and individuals feel free to approach me directly when I am in Fredericton. Many meetings occur on such an informal basis in the provincial capital. Obviously a great many individuals find it easier to meet with me in Fredericton than to travel to the Tobique First Nation. Consequently, at times I will extend my stay in Fredericton in order to accommodate them. This would include meetings with members of Band Councils, Elders, Aboriginal women concerning issues of violence, individuals with housing issues, and with Aboriginal students.

If I remained exclusively at the Tobique First Nation as the Auditor General apparently wishes, I would miss important opportunities to represent my community effectively.

My trips to Halifax were also to discuss Aboriginal issues with various Aboriginal leaders in my region of the country. Provincial and national borders are not viewed in the same way in traditional Aboriginal culture as they are in Ottawa. My people and their ties with one another and with me, are not defined or limited by borders.

With respect to Vancouver, I traveled there to attend the three-day 2013 Indigenous Women in Leadership Gathering. In fact, I was given specific approval by Senate Finance to attend this gathering. I also travelled to Vancouver to attend the 19th Annual National Aboriginal Achievements Awards. In both cases, these high profile gatherings were important for me to attend as an Aboriginal Senator in order to better represent my people.

As one of only two Aboriginal women serving in the Senate, and the only one from Eastern Canada, I believe I have an important representative role to play for my people throughout the country, and I have tried to carry out that responsibility effectively and conscientiously.

Senator Elaine McCoy

Province: Alberta

Appointment date: 24 March 2005

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$10,298

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. From 4 to 9 May 2011, the Senator travelled from her primary residence in Calgary to Edmonton. While the Senator attended several meetings related to her Senate duties during the week, there was no evidence of parliamentary business for the two weekend days of the trip. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the expenses incurred on the two weekend days or the events that took place during that time. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The incremental cost, including accommodations, car rental, and per diems for the Senator, was \$438.
2. On 23 May 2011, the Senator again travelled from Calgary to Edmonton, and stopped in Toronto en route to Ottawa.
 - We found that the only event for parliamentary business that took place in Edmonton was a conference call. While the Senator stated that it was probable that other meetings had been arranged and subsequently cancelled, there was no evidence to show that the trip was taken for parliamentary business. On the basis of available information, we determined that the principal reason for stopping in Edmonton was for personal activities. The incremental cost for the flight, accommodations, per diems, and taxis was \$997.
 - For the Toronto portion of the trip, we again found that there was only one day of meetings for parliamentary business, and that the other days did not contain any parliamentary business. The incremental cost of this portion of the trip, including accommodations, per diems, and taxis, was \$659.
3. On 21 March 2013, the Senator travelled from Ottawa to Calgary to attend a board meeting of an Alberta-based environmental not-for-profit organization, for which she received fees for participation as a board member. This trip took place at the end of the week's Senate sitting, and the Senator returned to Ottawa the next day. We determined that this trip was incurred to pursue the private business interests of the Senator. The cost of the trip was \$5,155.

Findings—staff travel

We found an instance of travel expenses incurred by staff members and approved by the Senator that were not for parliamentary business.

4. On 12 December 2011, the Senator requested permission from the Internal Economy Committee to allow her to claim hospitality costs to host a Christmas open house at her home in Calgary on 18 December 2011. A member of the Senator's staff travelled from Ottawa to Calgary on 16 December, and the Senator stated that the staff member attended the event to assist the Senator with networking. The Senator also stated that she received notification on 19 December 2011 from the chair of the Internal Economy Committee that her request was not approved. Given that the Committee has the exclusive authority to determine whether any previous, current, or proposed use of funds is proper, and it did not approve the Senator's request for this event, we determined that the staff member's travel was not for parliamentary business. The cost of the travel claims, including airfare, taxis, accommodations, and per diems, was \$2,089.

Findings—other

We found that the Senator and her staff claimed expenses for the use of taxis for travel between their residences and the Senator's office, which is not allowed by Senate policy.

5. According to the Senate's policies and guidelines, it is the responsibility of Senators and their staff to provide their own transportation to or from their residences in the National Capital Region. We found that the Senator and her staff used taxis for travel between their residences and the Senator's office, which is not allowed by Senate policy. This taxi use totalled \$960 over the audit period.

The Senator's comments

Thank you for providing me with your findings and conclusions. I, along with my staff, would like to thank the members of your audit team assigned to my files: [they] were good people to work with and I thank them for their time and talent. It was clear they took pride in their work and we appreciated it.

That being said, while I do not doubt the accuracy of the dates and figures you report, I disagree with many of your conclusions and findings, and the basis on which, as described to me, you arrived at them.

Nevertheless, I have no doubt that your findings will assist with the Senate's ongoing efforts to modernize, enhance and improve our processes. I am a great believer in the Senate of Canada and its good works. I fully support the broad principle of transparency within this institution, just as I have always supported transparency throughout my long career. In the interest of moving forward, we will of course accept whatever Internal Economy decides when the matter is referred back to it.

Senator Terry M. Mercer

Province: Nova Scotia

Appointment date: 7 November 2003

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$29,338

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. We found four trips where the Senator's spouse travelled from Halifax to Ottawa when the Senator was not in Ottawa at any time during the trip. The Senator stated that the purpose of those trips was for his spouse to attend to responsibilities related to their Ottawa residence. The Senate's rules, policies, and guidelines recognize that a Senator's parliamentary functions can result in frequent and lengthy periods of separation from family, and have provided for family-reunion travel as an important contributor to the health and well-being of Senators and their families. Given that the Senator was not in Ottawa, we determined that the spouse's trips to Ottawa on these occasions did not respect the objective of family reunification. The cost of these trips, for transportation expenses, was \$10,485.
2. We found that the Senator travelled on separate occasions to Saskatoon, Montreal, and Vancouver to attend events or meetings of an association of certified fundraising executives, of which he was a board member. The Senator stated that one of the association's goals was to influence public policy affecting its members. On the basis of a review of the Senator's calendar and other available information, we determined that these trips were incurred to pursue the interests of the association. The cost related to these trips, including transportation, accommodations, and per diems, was \$15,401.
3. We found that the Senator travelled to Toronto on 15 December 2011 to attend the 100th anniversary of a curling club, of which the Senator was a member when he lived in Toronto. The Senator stated that the purpose of the trip was Senate-related business. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The cost of the trip, for transportation, accommodations, and per diems, was \$3,452.

The Senator's comments

I strongly object to these findings and do not agree with the rationale the Auditor General has used to identify them. The determinations presented in this report are based on the Auditor General's interpretation of the rules and guidelines of the Senate in place at the time of the audit. My interpretation of these rules disagrees with the Auditor General's determinations as all actions were in accordance with the rules and properly claimed as agreed upon and concurred with by Senate Administration.

From the time of my appointment to the Senate, I have maintained a primary residence in my province and a secondary residence in Ottawa which requires travel. These actions were in accordance with Senate rules and guidelines in place at the time.

All Senators have interests that they bring with them to the Senate. These past experiences give the Senate its unique ability to act on a variety of issues and represent a wide variety of stakeholders which involves meetings in Ottawa, my home province, and indeed across Canada and includes legislative business being carried out in the Senate by me. These actions were in accordance with Senate rules and guidelines in place at the time.

My business in the Senate involves maintaining connections with stakeholders, indeed all Canadians. Much of this business occurs in my home province but sometimes occurs in other areas of the country. Any travel that directly involves my interests in the Senate was in accordance with Senate rules and guidelines in place at the time.

In the spirit of better transparency and more accountability, the Senate has taken major steps over the past number of years to address issues. We have enhanced rules for many things, including travel, by working together as Senators with the administrative structures of the Senate. I followed the rules then and continue to follow them, as enhanced, now. At any time during my tenure as a Senator, when changes have been made to Senate policies and guidelines, I adhered to those changes. It was also never indicated to me that any actions on my part were outside of the rules that were in place at any time. I do not understand how the Auditor General believes otherwise.

Senator Pana Merchant

Province: Saskatchewan

Appointment date: 12 December 2002

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$5,500
Amount repaid after 5 June 2013 and before 7 May 2015	\$511

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business or were not in accordance with the Senate's rules, policies, and guidelines.

1. On four separate occasions, the Senator and her spouse extended their stays or stopped over in Montréal, Toronto, or Calgary. According to the expense claims, the purpose of those trips was varied parliamentary business. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the expenses incurred during those extended stays or the events that took place during them. On the basis of the information available, we determined that those expenses had not been incurred for parliamentary business. The incremental cost, including airfare, accommodations, and per diems, was \$3,169.
2. According to the Senate's policies and guidelines, all expenses related to an international trip must be approved by the sponsoring Senate committee. We found that the Senator claimed expenses for part of an international trip that were not previously approved according to the Senate's rules, policies, and guidelines. The ineligible amount was \$511, which the Senator repaid.
3. For one trip by the Senator's spouse, we found that the spouse travelled with the Senator to Ottawa. When the Senator returned home, the spouse went to Vancouver instead. The Senator stated that she was not required to provide further details for these types of claims because they were permitted under the guidelines. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the incremental expenses incurred during this trip or the events that took place during that time. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The incremental cost for this portion of the trip was \$1,820.

The Senator's comments

Several difficulties exist with this report:

- All information provided on behalf of the Senator was correct and remains unquestioned by OAG.
- Two different protocols for senators' expenses existed during the period reviewed but OAG dealt with expenses as though there were no changes in the Guidelines/Rules.

- Pursuant to “the Other Travel 12 Point Category” travel within Canada does not require a parliamentary purpose at both ends of travel. The appropriate parliamentary purpose of this travel was attending sittings of the Senate and travel to/from Ottawa. OAG is wrongfully inserting an additional stipulation requiring a Senate purpose in both Ottawa and the city of departure/return.
- Disputed expenses are:

The Senator spoke at an April 4/11 conference in Montreal organized by Israeli and Greek diplomats. Following arrangements made by Senator Housakos and former MP Eleni Bakopanos, she attended official functions and related events prior to the formal opening of the conference. As confirmed by documentation provided to OAG, her activities over three days included a radio interview with CFMB; attending a community event; and attending events with 2 ambassadors, 3 Consuls General, and a government minister from Greece.

The Senator travelled Ottawa/Toronto on April 14/11 for a reception/dinner with the Ambassador of Greece; the Metropolitan of the Greek Church; the Greek Education Minister; Consuls General, MPs, MPPs, and City Councillors.

The Senator travelled Toronto/Ottawa on April 15/11 for commemoration of the 60th anniversary of the Battle of Kapyong at the War Memorial.

OAG suggests an incremental cost of return travel Ottawa/Calgary on August 30/11 as compared to return to Regina. There was no pattern of travel to Calgary or Toronto. OAG assessed incremental cost should be repaid notwithstanding meetings with the past president of *Daughters of Penelope* regarding Greek schools, immigration issues, 2012 Global Summit of Women, and advice on planning of banquet to honour Prime Minister Harper by AHEPA / *Daughters of Penelope*, as confirmed in letters from them.

May 1/12 related to a Toronto one-night stopover to promote the 2012 Global Women’s Summit—where the Senator led the Canadian delegation.

November 2/12 travel was approved by Senate Finance as governed by “the Other Travel 12 Point Category”. Even if OAG incorrectly suggests cost recovery, OAG makes a second mistake. Different from other disputed claims where recovery of *incremental* cost is sought, OAG now inconsistently suggests full recovery when the incremental cost is known and is 70% less.

OAG wrongly reports overpayment of \$715.12 pursuant to the 2014 review by Mme. Proulx, Director of Senate Finance, ignoring that in 2015, Senate Finance reassessed the claim again and repaid \$229.39 to the Senator.

Senate Finance with no interference by the Senator not only approved the above travel claims for 2011/12, but in 2014 reaffirmed its view that appropriate travel claims were made other than adjustments totalling \$485.73.

The above report is not a difference of interpretation between Senate Finance and OAG but rather that OAG rendered its view based on Guidelines/Rules as it believes they should have been ignoring what the Guidelines/Rules actually stated.

Senator Lowell Murray (retired)

Province: Ontario

Appointment date: 13 September 1979

Retirement date: 26 September 2011

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$16,300

Findings—travel

We found instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. During the audit period, the Senator travelled to Nova Scotia on six occasions, sometimes with his spouse. According to the travel claims, the stated purpose of the travel was parliamentary business, but the actual final destination was not provided. The Senator stated that, for the most part, he could not connect any one travel claim involving the Atlantic provinces to a specific legislative or policy initiative in the Senate. He attributed this travel to an interest in the region he held throughout his political life, including during his time serving in the Senate. He also stated that, while in the region, he stayed at his house in Nova Scotia whenever possible, especially during periods of parliamentary dissolution, prorogation, or extended recess. When we reviewed the Senator's expense claims for the 2010–11 fiscal year, we noted that this travel pattern also occurred in that period. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. Though the Senator was travelling to a personal residence in Cape Breton, we received no additional documentation or explanations for the purpose of these trips or the events that took place during them. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The cost of these trips in the audit period was \$15,324.
2. On 21 September 2011, the Senator took a return trip from Ottawa to Toronto. The Senator stated that this travel claim was filed in error. The cost was \$976.

The former Senator's comments

The Auditor-General's "[Findings-Travel](#)" summarizes the responses I gave in January 2015 to questions from the audit team as to 17 expense claims in fiscal year 2011–12. I gave these answers truthfully and to the best of my knowledge and recollection. The issue arising from the audit team's analysis of six of these claims is whether each travel claim must relate to a specific event or to a parliamentary debate or initiative within the timeframe of the audit. With respect, a body of knowledge on public policy issues cannot be built up in this way, and so I have a different understanding and experience based on 32 years in the Senate. Long established procedures did not require that a paper trail be kept of senators' activities while on travel status; such a rule would have presented other problems, to the extent that confidential discussions or sensitive issues were involved.

Anyway, the records of the Senate and of its committees from 1979 to my departure in 2011 contain my repeated interventions on all major issues affecting Atlantic Canada, as well as of eastern Ontario which I represented. I had considerable background on these issues long before coming to the Senate and followed them constantly while there. It should not be assumed that Senators are on holidays when the Senate or its committees are in recess.

I note that the Auditor-General has referred the items in question to the internal economy committee, and I would welcome the opportunity in due course to place my views on the record in that forum. As I had been several years in retirement, I did not have the opportunity to participate in the debate or to attend the Auditor-General's briefings of senators in 2013.

Senator Dennis Glen Patterson

Territory: Nunavut

Appointment date: 27 August 2009

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$22,985
Amount repaid after 5 June 2013 and before 7 May 2015	\$6,200

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. From 27 to 31 October 2011, the Senator took a round trip from Ottawa to Vancouver for a fundraising event, and claimed travel expenses totalling \$5,205. The Senator repaid this amount in full.
2. We found travel expenses totalling \$995 for one trip in May 2011 to visit Pangnirtung, Nunavut. During the audit, the Senator repaid the amount of the claim, as the Senator stated that he believed that the expense did not meet the criteria for parliamentary business.

Findings—goods and services

We found several instances of goods and services claimed by the Senator that were not in accordance with the Senate's rules, policies, or guidelines.

3. For each of the two years of the audit, the Senator awarded a contract to one of his full-time staff members to provide media monitoring services. In our view, the services were part of the employee's regular duties. The contract was cancelled in 2014. The total expense for the two fiscal years was \$3,023.
4. We found that the Senator's office paid for legal services that were provided in the 2011–12 fiscal year, but that the Senator certified were performed in the 2012–13 fiscal year.
 - Records we obtained from the law firm confirmed that the legal services had been provided by the end of October 2011. The Senator requested that the law firm split an invoice that the firm had submitted in 2011–12 into two invoices, so that part of the amount owing could be paid in 2011–12 and the balance in 2012–13.
 - We found that the same invoice number appeared on the invoices that were provided in both fiscal years. The first version of the invoice stated "for professional services rendered to March 30, 2012"; the second version stated "for professional services," without any reference to when the services were performed.

- The Senator stated that there had not been enough funds remaining in his 2011–12 research and office budget to pay the invoice. He also stated that, after exploring other avenues for payment within the Senate and being advised that no other budgets existed to pay the legal bills, he asked the law firm to reissue invoices so that a portion of the legal services could be paid in the following fiscal year. Had the amount been correctly charged to the 2011–12 fiscal year, \$13,762 would have been paid directly by the Senator, or the Senator would have needed to obtain the approval of the Internal Economy Committee.

The Senator's comments

ITEM 1

- Only as a result of the Auditor General's work did I become informed that there seems to be a Senate practice not to accept claims regarding fundraisers for charities. I therefore reimbursed the amount of the claim.

ITEM 2

- As stated, the amount was reimbursed even before the audit.

ITEM 3

- The staff member in question is my Policy Advisor. I also contracted the services of his already established media monitoring firm; this service was provided independently of his work as an employee and always outside this office, on his own time.
- It was never explained to me that an individual could not be both a contractor and an employee; this was done in good faith and was corrected as soon as it was pointed out to me.

ITEM 4

- I was advised by the Law Clerk of the Senate to ask about the unique situation of a Senator representing the territory of Nunavut under the Constitution of Canada. He suggested an expert in constitutional law, who was also licensed to practice law in Nunavut.
- I thought, initially, that all the work could be done within the FY 2011-12, and within my limited office research budget.
- However, I soon was advised that the work required would be greater than originally anticipated, due to the complexity of the question.
- I asked Senate Administration officials (including the Clerk of the Senate and the Director of Finance) for advice on how to proceed to cover the amount that would be over budget.
- Unfortunately, no one in Senate Administration, including the Clerk of the Senate, informed me that I could have applied to the Board of Internal Economy to cover those legal fees under the Senate Legal Assistance and Indemnification Policy. That policy provides indemnification for outside legal advice for a Senator "...where the matter relates to the parliamentary functions of the Senator [and] the particulars of the case are such that it is otherwise appropriate for the Senate to assist," which were clearly at stake in this constitutional matter.

- The additional work requested of the law firm was to be included with the second invoice issued in FY 2012–13. The law firm had amended the invoice to remove “for professional services rendered to March 30, 2012” because I was still waiting for a legal opinion in the new fiscal year. Unfortunately, this final deliverable was not received due to the lead lawyer on the file leaving the firm to set up his own law firm.
- It only became clear during the audit that I should not have had to use my research budget to pay for legal advice on a major constitutional issue. From the first time I sought advice from the Law Clerk of the Senate on this Constitutional matter and from the first time I realized that the legal work would be much more than anticipated, I informed and relied on the Senate Administration for their advice on how to proceed.

Senator Robert W. Peterson (retired)

Province: Saskatchewan

Appointment date: 24 March 2005

Retirement date: 19 October 2012

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$11,493

Findings—travel

We found one instance of travel expenses claimed by the Senator that were not for parliamentary business.

1. On 17 December 2011, the Senator returned home to Regina after a Senate sitting. The Senator and his spouse then took a trip, beginning with a flight on 22 December from Regina to Ottawa, then to Toronto on 24 December, and finally back to Regina on 27 December. The Senator stated that the purpose of the Ottawa stop was to attend to year-end business and to allow him and his spouse to take his staff out for a year-end celebration. The Senator also stated that he subsequently stopped in Toronto to see his family. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the purpose of this trip. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The cost of the trip, including airfare, parking, taxis, and per diems, was \$11,493.

The former Senator's comments

On Friday Dec. 16th 2011, the Senate adjourned until Jan. 31st 2012. I returned to Ottawa on Thurs., Dec. 22nd in order to give direction to my staff and to put my papers and files in order, knowing that I was going to be away from my Parliament Hill office for more than a month.

Although my main purpose in coming to Ottawa on that trip was to prepare my office for the winter parliamentary recess, I also took the opportunity on Fri. Dec. 23rd to host an appreciation dinner and entertainment at the NAC [National Arts Centre] for my staff and their spouses to recognize their contributions to the efficient operation of my office throughout the year. In my experience, employee appreciation and employee recognition events are common practice. I also want to make clear that all costs were paid by me personally and not charged to my hospitality budget.

In response to my stopover in Toronto I would point out that at that time of year there are no direct flights to Regina from Ottawa. My assistant advised me there would be no additional charges for airline tickets by staying over a few days in Toronto. All expenses incurred in Toronto were paid by me personally.

Senator Donald Neil Plett

Province: Manitoba

Appointment date: 27 August 2009

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$4,095
Amount repaid after 5 June 2013 and before 7 May 2015	\$2,975

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. On 10 July 2011, the Senator flew from Calgary to Ottawa. He had been in Calgary for personal activities. The Senator stated that he returned to Ottawa to conduct Senate-related office work. Airfare from Calgary to Ottawa is more expensive than from his primary residence in Winnipeg. The incremental cost of the airfare was \$715.
2. On 4 to 5 December 2011, the Senator and his spouse travelled from Landmark, Manitoba to Montréal, before travelling to Ottawa. The Senator stated that he had a meeting in Montréal, but he was unable to provide us with any information about the meeting. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation or explanations for the purpose of this trip or the events that took place during that time. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The incremental cost of the trip to Montréal, including accommodations and taxi, was \$222.
3. On 5 February 2012, the Senator travelled by air from Landmark to Montréal, and then to Ottawa by train later that afternoon. The Senator stated that he had dined with a Senate colleague in Montréal. The Senator's calendar contained an entry for a professional hockey game early that afternoon. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation or explanations for the purpose of this trip or the events that took place during that time. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. As there was no incremental cost in airfare, and no cost for the train, the only incremental costs were for the per diem and taxis in Montréal, for a total of \$183.
4. From 8 to 10 June 2012, the Senator travelled round-trip from Ottawa to Montréal. The Senator's calendar indicated personal activities on 8 and 10 June. The Senator stated that this claim was made in error. The cost of the trip, including taxis and per diems, was \$262.
5. From 14 to 16 December 2012, after the Senate had adjourned for the holidays, the Senator travelled from Ottawa to St. John's, and then to Winnipeg. The Senator stated that he visited family in St. John's instead of flying to see his family in Winnipeg. We determined that the purpose of this trip was for personal activities. The incremental cost of the trip, including airfare, hotel, and per diems, less the cost of airfare for the Senator travelling home to Winnipeg, was \$2,713.

The Senator's comments

ITEM 1

- On July 10, 2011, at the request of the Minister of Justice, I flew to Ottawa to meet with the Commissioner of Correctional Service Canada.
- Having a Minister of the Crown ask me to come to Ottawa clearly makes this official business as defined in the Senate Administrative Rules.
- I was in Calgary when the meeting was set up so I flew directly from there to Ottawa.
- Under the *Senators' Travel Guidelines* (June 16, 2009 to June 4, 2012), there were in fact no rules restricting where I flew from to travel to the National Capital Region.
- Furthermore, due to the time constraints, I did not have time to fly back to Winnipeg and then go to Ottawa. Thus, there were no incremental costs as the full cost of travel was reimbursable under the *Guidelines*.

ITEM 2

- On December 4, 2011, I was in Montreal for Senate related business, for meetings with stakeholders.
- On December 5, 2011 I was in Ottawa where I worked in in my office and attended a National Security and Defence pre-meeting and committee meeting. Thus, there were no incremental costs and the full cost of travel was reimbursable under the *Senators' Travel Guidelines*.

ITEM 3

- On February 5, 2012 I traveled from my residence to Ottawa.
- I stopped in Montreal on the way to meet with a Senate colleague to discuss Senate legislation. I also had some personal time.
- Section 2.4.5 of the *Senators' Travel Policy*, enacted in June 2012, clearly states that Senators can combine Senate-related travel with personal travel.
- At the time of this trip, there was no rule prohibiting it, therefore, there were no incremental costs and the full cost of travel was reimbursable under the *Senators' Travel Guidelines*.

ITEM 4

- This claim was made in error and the amount has been fully refunded.

ITEM 5

- I agree with your assessment of this expense claim. The original cost of the trip was \$4,481.81. The full amount was claimed in error; only \$1,768.81 should have been expensed to the Senate, so I have refunded the difference of \$2,713.

Senator Vivienne Poy (resigned)

Province: Ontario

Appointment date: 17 September 1998

Resignation date: 17 September 2012

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$15,317

Findings—travel

We found instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. From 14 to 16 July 2011, the Senator and her designated traveller travelled from their primary residence in Toronto to Vancouver, to attend an event for a charitable organization of which the Senator was a board member. The Senator stated that, as a board member, which was a voluntary position, she motivated Canadians to volunteer to help an initiative that helped to prevent blindness worldwide and was of great interest to Asian Canadians. Nevertheless, we determined that this trip was for personal activities rather than parliamentary business, as the trip was related to the Senator's role as a board member. The cost for the trip, including airfare, taxis, and accommodations, was \$13,402.
2. The Senator attended the opening of an art exhibit in Montréal in September 2012 and claimed expenses for her taxis and accommodations. However, the Senate's rules, policies, and guidelines stated that expenses to attend art exhibits were ineligible. The amount of the trip was \$354.
3. We also found other amounts related to travel totalling \$964, claimed by the Senator, that were not allowed by Senate policy, were personal in nature, or for which we were unable to determine whether they were related to parliamentary business.

Findings—staff travel

We found an instance of travel expenses incurred by a staff member and approved by the Senator that were not for parliamentary business.

4. A member of the Senator's staff attended the launch in Toronto for a book that the Senator co-edited. The staff member travelled round-trip from Ottawa to Toronto. We found that the Senate Administration had rejected a similar claim by the Senator for reimbursement of her expenses to attend the same book launch. The staff member incurred expenses for her train fare, one night's accommodation, and per diems. On the basis of the information available, we determined that these expenses were for the Senator's personal interests. The amount for the trip was \$597.

The former Senator did not provide comments for publication

Information, representations, and submissions provided by the former Senator were considered throughout this audit and are reflected in our findings and conclusions. The former Senator did not confirm the facts in this report or provide a response in time to meet our publication deadline.

Senator Nancy Greene Raine

Province: British Columbia

Appointment date: 2 January 2009

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$2,800
Amount repaid after 5 June 2013 and before 7 May 2015	\$2,386

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. On two occasions, the Senator stopped in Toronto as part of her travel to Ottawa. These stopovers in Toronto were made so that she could attend ski shows. The Senator reviewed her claims in 2013, realized that she should not have claimed these expenses, and has made a full repayment for them. The incremental cost of the two stopovers was \$1,688.
2. During the audit period, the Senator was the chair of a community board in British Columbia. In March 2013, the Senator travelled from Ottawa to Calgary, using a flight pass. However, she incurred additional flight and mileage costs to attend a board meeting in Kelowna, British Columbia. In reviewing her claims in 2013, the Senator realized that she should not have claimed these expenses, and made a full repayment for them. The incremental travel cost was \$353.
3. In November 2012, the Senator travelled from her primary residence in Kamloops, British Columbia, to Ottawa. On her return, the Senator stopped overnight in Vancouver before leaving for a holiday with her spouse. We determined that the overnight stay was for personal interests. The incremental cost of the overnight stay in Vancouver was \$211.
4. On 25 November 2011, the Senator attended the 50th wedding anniversary of another Senator, near Vancouver. The Senator stated that she had been invited to attend as a Senate colleague, because the Senator whose anniversary was being celebrated was her mentor in the Senate. We determined that this claim was primarily for personal activities, rather than parliamentary business. The incremental travel cost was \$203.

Findings—other

5. In February 2012, the Senator attended an Aboriginal awards event. She submitted an office expense claim that included the cost of the ticket for \$345. Because Senate policy stipulated that the Senate would not fund admission tickets or expenditures that were contributions to charity or fundraising events, we determined that the ticket was an ineligible expense. The Senator has repaid the entire amount.

The Senator's comments

ITEM 1

- This was a good faith, administrative error. I discovered these errors on my own and repaid the funds prior to meeting with the auditors.

ITEM 2

- This was a good faith, administrative error. I discovered this error on my own and the funds were repaid prior to meeting with the auditors.

ITEM 3

- When the Senate sits late on Thursdays, I miss the last flight to Kamloops from Vancouver, so must stay overnight at the airport hotel in Vancouver. I then take the first available flight on to Kamloops the next morning. The only difference in this situation was that I could not fly to Kamloops the next morning since I was taking another trip which was booked to leave from Vancouver.

ITEM 4

- I attended the event for a British Columbia Senator because it was organized as a tribute to his lengthy and distinguished career of public service. Other guests included federal, provincial and municipal representatives. The Senator who was being honoured is a well-known public figure in British Columbia, my home province.

ITEM 5

- I was invited by the organizers of this event in my capacity as a Senator and a Member of the Aboriginal Affairs Committee. Expensing the ticket was in error as it was a charitable event. The funds have been repaid.

Senator Nick G. Sibbeston

Territory: Northwest Territories

Appointment date: 2 September 1999

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$50,102

Findings—travel

We found several instances where travel expenses claimed by the Senator were not for parliamentary business, or where there was insufficient information to enable us to determine whether the expenses had been incurred for parliamentary business.

1. The Senator's declared primary residence was in Fort Simpson, Northwest Territories. Fort Simpson is 630 kilometres or eight hours by car from Yellowknife. Given the duration of travel required between his residence and Ottawa, we considered a one-night stopover to be a reasonable practice.
2. Over the audit period, we found nine instances when these stopovers by the Senator and/or his spouse were longer than one day. The Senator stated that he usually attended meetings during stopovers and that he and/or his spouse sometimes stayed with or visited family or friends. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation for the purpose of these stopovers or the events that took place during those times. However, we found that some extended stopovers were for personal activities. On the basis of the information available, we determined that the expenses incurred during the additional days of the stopovers were not for parliamentary business. The incremental cost for these stays, including accommodations, per diems, car rental, and mileage, was \$4,436.
3. We found that the Senator's spouse did not always travel at the same times or to the same locations as the Senator, including five instances when she travelled to Ottawa without the Senator. The Senator stated that his spouse travelled to maintain the integrity of the family unit. The Senate's rules, policies, and guidelines recognize that a Senator's parliamentary functions can result in frequent and lengthy periods of separation from family, and have provided for family-reunion travel as an important contributor to the health and well-being of Senators and their families. However, we determined that the spouse's trips on these occasions did not respect the objective of family reunification, because the expenses were incurred for personal activities, including reuniting with independent adult children and their families, rather than with the Senator and any dependants. The cost of these trips, including per diems, accommodations, airfare, mileage, car rental, and taxis, was \$13,133.
4. We also found several instances where there was insufficient information to enable us to determine whether the travel claims made by the Senator, for trips within western Canada and the territories, were for parliamentary business. The Senator stated that the purpose of these trips was to meet with community members in his region. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional

documentation for the purpose of these trips or the events that took place at that time. On the basis of the information available, we were unable to determine whether the expenses were for parliamentary business. The cost of the trips, including per diems, accommodations, airfare, mileage, car rental, and taxis, was \$27,629.

Findings—other

We found several instances of other expenses incurred by the Senator that were not for parliamentary business or that we were unable to determine were for parliamentary business.

5. The Senator incurred hospitality expenses, to a maximum amount of \$2,457, for which we were unable to determine whether they were for parliamentary business.
6. We found that the Senator took taxi trips in Ottawa for personal activities. The total cost for these trips was \$913.
7. We found several occasions where records showed that the Senator's cell phone was being used by someone else, in another location. We also found that the Senator's staff had text-messaging charges that were for personal activities. The cost of these telecommunications charges was \$1,534.

The Senator's comments

All versions of the Senate policy—both the two in effect during the review period and the current one—permit combination of Senate and private business. None of the policies address the issue of stopovers at all, let alone limiting them to a single day, or require the most direct route (provided a different route does not increase costs). In cases where no parliamentary business was conducted, no additional expenses were ever claimed. This was a consistent pattern and the Auditor should recognize that. In some cases, I did stay with family while holding meetings with constituents. This reduced costs to the government. Given the high cost of northern travel, it was common sense to combine public and private business, particularly when I passed through Yellowknife during trips between home and Ottawa.

Senate rules permit spouses to travel with Senators but don't require travel to occur on the same day as that of the Senator. Generally, [my wife] travelled with me but on occasion we travelled at different times. The Senate policy referred to "family unification" as the reason for permitting spouse travel. The Auditor General interpreted this narrowly as always travelling together. The real "intent" of the policy was to support families—including attending to things that cause stress, such as worries about protecting the family home from freeze-up during winter or concerns over the well-being of family members. I rely on my wife to attend to these matters when I can't.

As the sole Senator representing the Northwest Territories, I am a well-known public figure whenever I travel to northern communities. As soon as I arrive, residents immediately approach me to strike up conversations about issues of concern. In essence, I am always on the job. A southern Senator can choose to be anonymous but I can't. Of course, such conversations are unplanned, even visits to community leaders are largely spontaneous. Formal meetings are sometimes scheduled with government officials but otherwise the way in which business is done is casual. I never travelled to communities without good reason and always worked while there.

It would be considered unusual, even rude, to immediately record information in a notebook. I followed up with phone calls, or asked my staff to act. Perhaps I could have been better at keeping

records. Still, while there may be no documents in every case, work got done. The Auditor should understand that. Where records were found, I provided them; many claims were proven that way. Claims where sufficient information was not provided were often identical to the proven ones. I believe I demonstrated a pattern of carrying out parliamentary business that could be assumed in those cases. I remember every meeting and am only criticized for the lack of paperwork.

Finally, travel in the North is expensive, so even a few questioned claims can quickly add up. A similar report on a Toronto Senator would only be in the thousands of dollars. Readers should consider that when looking at this report.

Senator Terry Stratton (retired)

Province: Manitoba

Appointment date: 25 March 1993

Retirement date: 16 March 2013

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$5,466

Findings—travel

We found two instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. From 15 to 18 June 2012, the Senator travelled round-trip from Ottawa to Calgary, instead of travelling home to Winnipeg, the location of his primary residence. His spouse travelled round-trip from Winnipeg to Calgary to accompany him and returned to Winnipeg on 20 June 2012. The Senator's calendar did not include any information on the nature of parliamentary business that took place in Calgary for that period. The Senator stated that the purpose was a farewell trip and that he also visited family. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. We received no additional documentation or explanations for the purpose of this trip or the events that took place during it. On the basis of the information available, we determined that these expenses had not been incurred for parliamentary business. The incremental cost of the trip, calculated as the cost of airfare for the Senator and his spouse, car rental, accommodations, and per diems, less the cost of airfare for the Senator flying home to Winnipeg and returning to Ottawa, was \$3,288.
2. From 22 to 26 November 2012, the Senator again travelled round-trip from Ottawa to Calgary. On the same dates, his spouse joined him from Winnipeg. According to the expense claims, the purpose of the trip was for meetings. The Senate Administrative Rules state that every person who uses Senate resources is responsible to account for that use. Based on the information available, including the explanations we received from the Senator on the purpose of the trip, we determined that these expenses had not been incurred for parliamentary business. The incremental cost of the trip, calculated as the cost of airfare for the Senator and his spouse, car rental, accommodations, and per diems, less the cost of airfare for the Senator flying home to Winnipeg and returning to Ottawa, was \$2,178.

The former Senator's comments

Since I have been told by you to limit my response to 500 words or less, I shall be brief. I also ask that there be no editing of this response.

My reaction to your latest letter is to disagree once again with its findings, even though there has been a reduction in the amount requested.

In the first instance of travel, as I reported to you previously, I travelled at the request of my leadership in order to deal with a sensitive issue that needed to be dealt with directly with the individual. It did not to my knowledge, involve the government; rather its aim was to limit embarrassment to two of the countries institutions. I view that as one of the roles of a senator and one that I have utilized at other times in my former role as a whip, with other individuals or senators. In each case I carried out meetings face to face with the individual involved in order to send a clear message, in an attempt, not always successful, of preventing a problem from occurring.

The second instance of travel can be resolved by accepting that I left the Senate two weeks early, recognizing that any expense on my part that was deemed to be inadmissible by you, could be covered off by the savings accrued to the Senate in air travel, hotels and per diem expenses for those two weeks. That was the primary reason that I left two weeks before my mandatory retirement date.

Lastly, I must implore the Prime Minister, at the time of the next election, in order to limit expense, to have a referendum on the abolition of the Senate. This despite the decision of the Supreme Court who seem to limit their decisions to narrow confines of their interpretation of the law.

After all, who governs Canada, the Supreme Court, or Parliament?

The Prime Minister has a higher obligation on behalf of all Canadians to call this question in order to put it behind us, once and for all.

Senator David Tkachuk

Province: Saskatchewan

Appointment date: 8 June 1993

For the period from 1 April 2011 to 31 March 2013	
Total amount of items referred to the Internal Economy Committee (including applicable taxes)	\$7,391

Findings—travel

We found several instances of travel expenses claimed by the Senator that were not for parliamentary business.

1. On 8 November 2011, the Senator flew from Saskatoon to Ottawa to attend a private corporation's board meeting and other non-Senate meetings in the afternoon and the following morning. He flew back to Saskatoon early in the afternoon of 9 November 2011. On the basis of the information available, we determined that the trip was for private business activities. The cost of the trip was \$3,800.
2. In November 2011, after Senate business in Ottawa, the Senator flew to Vancouver to attend the 50th wedding anniversary of another Senator. His spouse flew in from Saskatoon on the same day to join him. They spent the night in Vancouver and returned to Saskatoon the next day. The incremental cost for the Senator's travel was \$858, and the cost for his spouse's attendance was \$1,076. These costs included airfare, per diems, car rental, accommodations, and taxis. We determined that these expenses were primarily for personal activities.
3. On seven occasions, the Senator extended his stay in Ottawa or stopped in Toronto while travelling to Ottawa or elsewhere. While parliamentary business took place in Ottawa on each of these trips, the extended stays or stopovers were for private business activities or personal interests. The incremental cost of these stopovers or extended stays, including accommodations, per diems, and taxis, was \$1,657.

The Senator's comments

ITEM 1

- After reviewing the issue with the OAG, I agree this travel claim should have been shared, since it combined private and public business, and I will reimburse \$1,900. It was an administrative error for which I take responsibility.

ITEM 2

- Like funerals, anniversaries are personal for family and often political for politicians. Attendance at this event is permitted under the rules that allow attendance at funerals of parliamentary colleagues and participation in party activities and community events. Senator St. Germain, who lives in my region, was not only a parliamentary colleague of mine, but a political VIP.

ITEM 3

- The OAG concluded that on two of my trips to Ottawa I should not have stayed overnight after a day of conducting Senate business; expecting me, instead, to fly back to Saskatoon the same day as I flew into Ottawa. The Senate rules are clear that staying overnight and flying out the next day is allowed.
- Contrary to a Senator who rents or owns a place in Ottawa, and is compensated for every day of the year, I am compensated only for the time I spend in Ottawa. We are governed by an annual limit on meals and accommodation expenses.
- The 64-point system is designed so that Senators living at distance from Ottawa are not inordinately disadvantaged compared to those Senators who live in close proximity to the Senate and have access to their office every day of the year.
- Stopovers in Toronto on the way to Ottawa from Saskatoon and back are an unavoidable aspect of Canadian air travel. I organize my travel as efficiently as possible.
- All my tickets were seamless and in one case under question I spent extra time at the airport between flights so I could take advantage of a sale ticket (\$868.33 return). On two occasions, I left Saskatoon late on Sunday night, rather than early Sunday morning, and stopped over in Toronto.
- The last stopover in question was cleared by Senate finance before the travel began.
- On both issues (extended stay in Ottawa and stopovers), the determination of the OAG will put an undue strain on those Senators who have to travel great distances to be in Ottawa.
- The OAG and I are in dispute about two travel points out of the 57 I used over two fiscal years. While my record of attendance in the Senate is excellent, I used less than half of the 64 travel points allotted to me for each of the years under audit.

The OAG raised important issues on participation by Parliamentarians in events organized for other Parliamentarians and on how we arrange our travel. I understand that the issues in dispute will be submitted to the Internal Economy Committee. If they conclude that an error was made in interpreting the rules, I will reimburse any amount owed. I think all these issues merit careful review, however, so that Senators' ability to do their jobs is appropriately balanced against their obligation to taxpayers.

Subsequent event

On 7 May 2015, the Senate received a payment in the amount of \$1,900.22 to the Receiver General for Canada.