

Atlantic Pilotage Authority

Policy on Travel, Hospitality, Conferences, and Events

This policy is effective from July 1, 2016, and amended on July 1, 2017 and March 13, 2019.

The federal government expects the Atlantic Pilotage Authority (APA) to be well managed with the prudent stewardship of funds, and the effective, efficient and economical use of its resources. In doing so, the government expects the APA to act at all times with the highest standards of integrity, fiscal prudence, accountability, transparency, and values and ethics. These fundamental management principles apply to all APA expenditures.

It is understood that a range of travel, hospitality and conference related activities are necessary in order for the APA to effectively deliver service to its customers. This policy is a key financial management instrument that requires the APA to have oversight mechanisms, accountabilities, and controls in place to ensure that expenditures related to travel, hospitality, conferences and events are managed in an effective, efficient, and economical manner.

Travel expenditures will be focussed on core mandate activities, and where travel is required the APA will maintain financial business processes that minimize expenditures. In addition, the APA will maintain effective travel planning, approval and reporting processes and ensure the consideration of alternatives to travel such as virtual presence and other remote meeting solutions.

Travel Expense Policy for Board Members and Employees

- 1.1 Travel covers a wide spectrum of legitimate activities that are necessary to support the APA's statutory and regulatory requirements to provide services to the marine industry. Travel supports the direct delivery of the mandate of the APA, but may also support other objectives and priorities in maintaining customer relations, ensuring adequate consultation with industry, and ensuring that Members and employees have an adequate familiarization with the geographic and operational scope of the APA.
- 1.2 The objective of this policy is to ensure that travel expenditures are managed with prudence and probity and represent the most economic and efficient use of funds given the nature of the activity in relation to the achievement of the APA's core mandate.
- 1.3 The APA will have effective oversight mechanisms, accountabilities and controls in place for travel to ensure:
 - a) Expenditures incurred are focussed on achieving the APA's core mandate;
 - b) Expenditures are minimized and where they are necessary are managed in an effective, efficient and economical manner;
 - c) Where travel is required, justification is provided regarding: why virtual presence (teleconferencing or videoconferencing) were not used to meet operational requirements; the selection of the mode of transportation, the accommodation, and the number or travellers necessary to conduct the required business.

2.1 The CEO is responsible for:

- a) Approving the departmental total annual budgets for travel.
- b) Ensuring that effective departmental oversight and control mechanisms are in place so;
 - i. An accountability framework and decision support and reporting system is in place to manage approval processes, including to support necessary Board approvals, consistent with the specific approval authorities set out in this policy;
 - ii. Means to avoid or minimize travel costs have been considered in the approval process, including; the used of virtual presence and other remote meeting solutions whenever available and appropriate to meet the objectives; ensuring the most economical means considering the location and the scale of activities or events; the minimum number of appropriate attendees are selected; and that travel is targeted to the APA's core mandate, provides value for money, and is justified;
 - iii. Individual proposals for travel are reasonable and appropriate and support the APA's core mandate, objectives, and priorities;
 - iv. Expenditures with respect to the annual APA budgets for travel are periodically reviewed during the year and managers with financial authorities have access to timely reporting to support effective monitoring and fiscally prudent decisions; and
 - v. The requirements for travel set out in this policy are applied.
- c) Under the authority of the Chair of the Board, approving the APA's delegation of authority matrices relative to travel.
- d) Disclosing the total annual expenditures for each of travel, hospitality, and conference fees for the APA, through its website, including a brief description of the main variances from the previous year's actual expenditures. The timing of this disclosure is to coincide with the tabling of the APA's Annual Report.

3.1 The Chief Financial Officer is responsible for:

- a) Providing the CEO with independent and objective advice and recommendations on the annual budgets and proposals, priorities and expenditures pertaining to the management of travel, hospitality, conferences and event expenditures.
- b) Supporting the CEO and Director-level managers in establishing sustainable and robust departmental frameworks and plans, policies, financial management systems, decision support information, monitoring and reporting necessary to meet the requirements of this policy.
- c) Supporting periodic reviews of expenditures necessary to meet the requirements of this directive.
- d) Ensuring that delegated financial authorities and associated responsibilities relative to travel are clearly communicated and adhered to by managers.

4.1 The Director of Operations and Director of Human Resources are responsible for ensuring within their areas of responsibility:

- a) Means to avoid or minimize travel costs have been considered in the approval process, including; the use of virtual presence and other remote meeting solutions whenever available and appropriate to meet the objectives; ensuring the most economical means considering the location and the scale of activities or events; the minimum number of appropriate attendees are selected; and that travel is targeted to the APA's core mandate, provides value for money and is justified;
- b) Individual proposals and expenditure decisions for travel demonstrate that they are necessary to achieve APA's core mandates, objectives or priorities while demonstrating value for money;
- c) Expenditures with respect to travel are monitored throughout the year and are considered as part of periodic reviews with recurring travel periodically assessed to ensure continued relevance; and
- d) The specific requirements for travel set out in this Policy are applied.

5.1 **Monitoring and Reporting**

The CEO is responsible for ensuring appropriate monitoring frameworks are in place to support their oversight of the sustained and effective implementation of this policy. The CFO is responsible for supporting the CEO by overseeing the implementation and monitoring of this directive, bringing to the CEO's attention any significant difficulties, gaps in performance or compliance issues and developing proposals to address them.

6.1 **Non-Compliance**

In the case of non-compliance, the CEO is responsible for taking corrective measures within the organization with those responsible for implementing the requirements of this policy. In support of the CEO, the CFO is to ensure corrective actions are taken to address instances of non-compliance with this policy. Corrective actions can include requiring additional training, changes to procedures and systems, the suspension or removal of delegated authority, disciplinary action and other measures as appropriate.

Travel Procedures

7.1 **Planning**

Prudent planning for travel applies to both APA employees and Board Members. Travel is to be avoided where cost effective alternatives are appropriate and available. Virtual presence and other remote meeting solutions are to be considered for every travel situation, and if not used the reason is to be documented on the Travel Pre-Approval Form. The number of travellers is to be limited to the minimum necessary to deliver the business of the APA. The total number of travellers attending the same event or activity is to be justified on each Travel Pre-Approval.

The most economical means is to be selected given the nature of the trip when booking transportation, accommodations and meeting facilities, including giving preference to using appropriate government or stakeholder facilities. Where possible the travel arrangements should be booked in advance to obtain optimal discounted rates.

The following categories of travel are to be identified and form part of the Travel Pre-Approval for each proposed trip:

1. Travel that is required in support of the direct delivery of the core mandate of the APA or legislative or legal requirements;
2. Travel that is necessary to engage key stakeholders in relation to policy, program, service, operational issues, financial issues, regulatory development, or other matters that support the APA's ongoing working relationship or operations with such communities;
3. Travel that is necessary to support sound internal governance of the APA including management meetings, Departmental meetings, or meetings that are necessary for the recruitment or hiring of employees;
4. Travel to enable the training of employees to meet the assigned duties of their positions; and
5. Other travel (where other travel is selected as the category for travel, a detailed explanation of the purpose of the travel is required as part of the Travel Pre-Approval).

7.2 **Travel Authorization**

When a trip is pre-approved by the designated manager, no further approval of a completed expense claim is required if the completed claim is within 20% of the pre-approved claim.

The CEO may delegate the authority to pre-approve and approve travel claims to the CFO.

The CEO may delegate the authority to pre-approve and approve travel claims to the Director of Human Resources and/or the Director of Operations when the following conditions are met:

- a) Where the potential for delay in obtaining approval at the CFO level could be injurious to the public interest or timely delivery of the APA services or operations; and
- b) The CFO is not present to provide authorization.

7.3 **Exceptions to pre-authorizations:**

- i. Pre-authorization is not required for pilot travel in the course of providing pilotage service, or in attending local meetings as requested by the CEO or his designate. Any travel costs incurred by pilots must comply with this policy with respect to travel, meals, and accommodation.
- ii. In the case of travel associated with Board Member's travel to Board or Board Committee Meetings, or meetings with stakeholders, Port Authorities, industry, or government officials as requested by the Board Chair, a group travel pre-approval may be utilized. Any travel costs incurred by Board Members must comply with this policy with respect to travel, meals, and accommodation. The group travel pre-approval will be approved by the CEO or the Chair of the Board.

- iii. In the case of travel requested by the CEO where several members of the management group are to attend meetings outside the Headquarters area, a group travel pre-approval may be utilized. While there may be individual expense claims (in compliance with this policy), the travel and hotel expenses for the group may be covered under a group travel pre-approval. The group travel pre-approval will be approved by the CEO or his designate.

7.4 Travel Expense Pre-Approvals and Travel Expense Claims must be approved as follows:

Claimant	Approver
Chair of the Board	CEO or designate under 7.2
Board Members	CEO or Chair of the Board
CEO	Chair of the Board or Audit Committee Chair
CFO	CEO or Chair of the Board
Director Level – DOO or DHR	CEO or CFO
Manager Level	CEO, CFO, DOO, or DHR
Administration Staff	CEO, CFO, DOO, or DHR
Dispatchers	CEO, CFO, DOO, or DHR
Pilots (other than 7.3 (i))	CEO, CFO, DOO, or DHR

Key for Acronyms above
CEO – Chief Executive Officer
CFO – Chief Financial Officer
DOO – Director of Operations
DHR – Director of Human Resources

7.5 Reimbursements under the APA travel policy will adhere to the National Joint Council Travel Directive except as modified in this policy statement.

7.6 Use of Personal Transportation (Automobile) and Rental vehicles

- 1) The reimbursement rate for personally owned automobiles is set by Treasury Board effective April 1 and October 1 each year.
The new kilometer rates will be distributed twice each year after receipt from Treasury Board.
- 2) The actual cost of parking, tolls, taxis, and ferries will be paid in addition to these rates. When possible, receipts should be obtained to support these expenditures.
- 3) Privately owned vehicles used on APA business shall, as a minimum, have basic insurance coverage. The cost of this insurance is provided for in the kilometeric rates.

- 4) When other adequate transportation is not available or practical, the CEO or his designate may authorize the rental of a vehicle. The standard for rentals is a mid-size vehicle.

7.7 **Air, Train, or Taxi travel**

- 1) The standard for air or train travel is economy class (subject to 3 below), unless pre-authorized by the CEO or Chair. Discount or reduced fares are to be selected rather than full fare economy where those rates are available.
- 2) Reservations for Chair or Director's air travel should be booked through the APA when possible.
- 3) Business/Executive Class air travel may be authorized with the following principles:
 - a. Upgrading the class of air travel is a consideration, which relates to the actual duration of a single flight and/or the duration of continuous travel.
 - b. When a Member, Officer, or Director of the company is required to travel on a continuous flight of more than two and one-half hours, upgrading to Business/Executive class may be authorized.
 - c. When upgrading under section (b), consideration should also be given to using *upgrading vouchers* whenever possible with the purchase of full economy fare, or in obtaining *seat sales* whenever appropriate.
 - d. Where Business or Executive class is unavailable, economy (or reduced) fares are to be used. The APA does not provide for reimbursement of the difference between Business and Economy fares.
 - e. The authorization of upgrading does not entitle persons accompanying the above to upgrade their fare at the APA's cost.
- 4) Seat selection fees may be authorized with the following principles:
 - a. When an employee of the company is required to travel on a continuous flight of more than two and one-half hours.
 - b. When space on a flight is limited and seat selection assures the employee access to a seat.
 - c. When the employee requires a specific seating arrangement due to laptops or materials required to conduct business while flying.
- 5) Actual taxi fees shall be paid by the APA. When in the Halifax area, the member or officer should obtain taxi chits that allow the fees to be invoiced directly to the APA. Taxi fees in excess of \$10 paid by the Member or employee must be supported by a receipt.

7.8 **Accommodation**

- 1) The APA will reimburse Members and employees for the actual and reasonable expenses for commercial accommodation while travelling on APA business. Travelers are expected to

reserve a single room with private bath and take advantage of Government of Canada room rates. Receipts will be required to support all claims for accommodations.

- 2) Submitted receipts should be for room only, and not include extra costs for room service or other hotel amenities.
- 3) If Members and employees choose to stay at private accommodations rather than commercial accommodation, they may claim \$50 for each overnight stay.

7.9 Meals and Incidentals

- 1) Meal allowance claims will be made for the daily meal allowances under Treasury Board guidelines. Incidentals (for each overnight stay) are based on the Treasury Board guidelines.
- 2) For Board Members, Officers, and Directors meal and incidental allowance claims may be made for the daily meal and incidental allowances under Treasury Board guidelines, or for actual and reasonable meal and incidental expenses based on receipts. Whenever the actual and reasonable expenses are claimed, the Travel expense Claim must include a brief statement describing why the meal or incidental allowances were inadequate under the specific circumstances.

Please note the following:

- Actual meal expenses submitted by receipt shall not include alcohol, costs associated with guests, or additional costs of room service.
- If a meal is provided by the APA or another party, or is included as part of the hotel stay, no allowance may be claimed for that meal.
- The payment of Incidentals is intended to cover personal telephone calls, tips, internet access fees, coffee, etc.
- Usual meal times are 0700 to 0900 for breakfast, 1130 to 1330 for lunch, and 1730 to 1930 for dinners. In order to claim for meals based on the daily allowance or actual meal expenses, the Member must be away from the normal place of residence, or actively engaged in a board meeting during the normal meal time noted above. Employees must be away from their normal place of residence during the normal meal time to claim for meals. If a meal is provided by the APA or a third party, no expense claim may be made for that meal.
- One payment of incidentals shall be made for each overnight stay. No incidentals will be paid for days that do not include an overnight stay.

Hospitality, Conference and Event Policy

8.1 The provision of hospitality is often necessary to support the conduct of the APA’s business and to deliver on the APA’s core mandates and priorities. Hospitality may support the conduct of business with government, industry, and public stakeholders, as well as APA business meetings. All APA employees and board Members are responsible for exercising rigorous management of hospitality, including taking measures to minimize and/or avoid costs. Decisions to offer hospitality must be carefully considered and demonstrate the necessity based on the circumstances and/or courtesy, diplomacy or protocol. It is the APA’s policy to extend hospitality in an economical, consistent and appropriate manner when it:

- will facilitate the Authority’s stakeholder rapport;
- is considered desirable as a matter of courtesy;
- will enhance relationships;
- will recognize employee’s achievements, awards for long service, or retirement;
- will improve staff morale;
- or will be used to discuss ideas or issues in an informal manner.

8.2 As a guideline, the cost per person that should be expensed on hospitality should be consistent with Treasury Board guidelines.

The provision of food and beverages will be in accordance with the cost limits in the table below where the Standard Cost per Person is the expected meal cost per person to be applied in normal circumstances;

Table – Maximum Food and beverage Cost Per Person (based on allowances set out in the National Joint Council Travel Directive)

Food and beverages	Standard Cost per Person	Maximum Cost per Person
Breakfast	1.5 X (Times) Breakfast Allowance	1.5 X (Times) Standard Cost per Person
Refreshment	0.5 X (Times) Breakfast Allowance	
Lunch	2.0 X (Times) Lunch Allowance	
Reception	2.0 X (Times) Breakfast Allowance	
Dinner	1.75 X (Times) Dinner Allowance	

Planned costs exceeding the standard amounts above will require approval of the Chair of the Board of Directors.

8.3 The standard for hospitality is the provision of non-alcoholic beverages. The provision of alcoholic beverages is permitted where it is a matter of courtesy, diplomacy or protocol involving non-APA participants. Alcoholic beverages will not be provided as hospitality at events involving only APA personnel, Board Members, public servants, or employees of other crown corporations.

- 8.4 In exceptional situations, the offering to non- APA employees of tickets to the theatre or sporting events, tours of local areas or other places of interest, and other similar entertainment activities as well as other reasonable measures deemed appropriate for reasons of courtesy, diplomacy, or protocol may be offered as part of an APA or government event. APA employees who are required to accompany non-APA persons can similarly partake in the entertainment activities.
- 8.5 The provision of local transportation to and from an event or activity is not considered part of hospitality. Facility rental and associated costs such as audio/video equipment and technical support are not considered part of hospitality.
- 8.6 Facility rental and associated costs such as audio/video equipment and technical support or translation services are not considered as part of hospitality except in special circumstances for reasons of courtesy, diplomacy or protocol (e.g. in circumstances where the costs are directly and inherently for hospitality purposes, such as the rental of a room to be used only for hosting a lunch). These costs, however, do form part of the approvals of events under this policy.
- 8.7 APA employees and Board Members can be provided hospitality only in situations where;
- a) APA employees and Board Members are required to participate in operations, business meetings, training or events that extend beyond normal working hours. This includes situations where employees are required to work through normal break and meal periods. It may include situations where there are no nearby or appropriate facilities to obtain refreshments or meals.
 - b) APA employees are required to be part of an event, or to participate in an APA, crown corporation, or government hosted conference, which includes participants that are not APA employees and for whom hospitality will be provided as a matter of courtesy, diplomacy or protocol.
- 8.8 Non-APA employees and non-public servants can be provided hospitality in events where it is a matter of courtesy, diplomacy or protocol, or is necessary to facilitate the achievement of the APA's business.
- 9.0 The approval of the Chair is required when the following hospitality components are present:
- a) Total hospitality costs associated with the event exceed \$5,000; or
 - b) Alcoholic beverages will be provided; or
 - c) Food and beverage costs exceed the standard cost per person in the above table; or
 - d) Entertainment will be provided; or
 - e) Hospitality or entertainment will be provided to the spouse or guest accompanying the event participant; or
 - f) Hospitality will be extended at the residence of an APA employee or Member.
- 9.1 The Chair may choose to delegate to the CEO, or another Officer, in writing, any element of the approval authorities indicated in a) through f) above to meet operational requirements. If the CEO or another Officer has increased delegation under a) to f) above, approvals will still be required as set out below.

- 9.2 The CEO's approval of hospitality is required when the total hospitality costs exceed \$1,500 but are less than \$5,000, and none of the elements in a) through f) above are present.
- 9.3 The CFO's approval of hospitality is required when total hospitality costs associated with the event are \$1,500 or less, and none of the elements in a) through f) above are present.
- 9.4 With the exception of the Chair of the Board, an individual who is a participant at a hospitality event may not approve the hospitality. In situations where the CEO is in attendance, the Chair or CFO will be the approval authority. In situations where the CFO is in attendance, the CEO will approve. If both CEO and CFO are in attendance at the event, the Chair or the CFO will approve.
- 9.5 The CEO has authority to provide for awards to employees and may approve hospitality as part of a related ceremony consistent with this Policy.
- 9.6 When an APA employee or Board Member is the recipient of hospitality, he/she is responsible for ensuring that he or she does not seek reimbursement for equivalent meals or refreshments as part of a travel claim or other expense claim.
- 9.7 The APA will have appropriate internal controls and an associated monitoring system in place to support periodic reviews of hospitality expenditures. This will contribute to the validation of the annual report on the total annual spending on hospitality as set out in 2.1 (d).

Conferences

- 10.1 Conferences or similar events often provide unique opportunities for exchange, debates or discussion of specialized or professional information, including establishing or maintaining relationships necessary for the conduct of the APA's business. Conferences tend to be organized by external organizations and participants are charged fees to attend. Conference approvals must be made in a prudent and practical manner.
- 10.2 The objective of attending a conference will be principally to support the delivery of the core mandate of the APA. The number of employees or Members attending a conference or event from the APA will be the minimum necessary to achieve this objective. Where travel is involved, the travel authorization set out in section 7.4 will apply as well as the rationale for the minimum number of necessary conference participants.
- 10.3 Where multiple employees will be attending the same conference which constitutes an event, the total planned conference costs will be provided for approval to the most senior approval authority as defined in section 7.4.
- 10.4 The APA will have appropriate internal controls and an associated monitoring system in place to support periodic reviews of conference expenditures. This will contribute to the validation of the annual report on the total annual spending on conferences as set out in 2.1 (d).

11.0 Events

- 11.1 Events typically represent or support the business activities and governance of the APA and may include both employees and non-employees. In keeping with the provisions of this policy, the approval of planned spending on events will be subject to appropriate disclosure that supports the Chair of the Board and the CEO's oversight of the APA.
- 11.2 The APA will determine the maximum number of employees that are appropriately attending the same event in considering an appropriate event approval authority.
- 11.3 In situations where the primary purpose of an event relates to the direct delivery of the core mandate of the APA, approvals as set out below are not required.
- 11.4 Training activities are considered events. The following criteria define training that does not require approvals:
- a) Formalized programs approved and delivered by the APA to ensure that staff are qualified to perform their assigned duties;
 - b) Formalized program of instruction approved by the APA and delivered by a third party to ensure that employees are qualified to perform their assigned duties. The third party provider may be college, university, or other recognized training institution.
 - c) Formalized program of instruction, professional development, or accreditation approved by a professional body as recognized by federal or provincial statute and delivered by organizations certified by the professional body, including for the purpose of acquiring or maintaining those accreditations required by employees as part of their duties.

11.5 Event Authorization

- a) Approval from the Chair of the Board is required when total APA costs associated with an event will exceed \$25,000.
- b) The approval of the CEO is required when total APA costs associated with the event exceed \$5,000 but are less than \$25,000.
- c) The approval of the CFO or delegate is required when the total APA costs associated with an event has costs of \$5,000 or less.
- d) For the calculation of the total departmental costs for a single event in order to determine the required approval authority, total costs are to include items such as conference fees, professional services charges, hospitality, accommodation, transportation, meals, taxes, gratuities and service charges, costs incurred by APA staff directly attributable to the event, and other relevant costs directly attributable to the particular event. These costs exclude salary costs and other fixed operating costs that are part of the on-going operations of the APA.
- e) The CEO has authority to provide for awards to employees and may approve an event as a part of a related ceremony consistent with this policy.
- f) The APA will have appropriate internal controls and associated monitoring system in place to support periodic reviews of event expenditures.