Ministerial Travel, Meal and Hospitality Expenses

Second Report of the Auditor General

Bermuda

August 2026

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The Honourable Dennis P. Lister, JP, MP
Speaker of the House of Assembly
Sessions House
21 Parliament Street
Hamilton HM 12

Honourable Speaker:

Pursuant to Section 13 of the Audit Act 1990, I have the honour to submit herewith my audit report on Ministerial Travel, Meal and Hospitality Expenses and disclosure of ministers' travel expenses.

Respectfully submitted,

Heather Thomas CPA, CFE, CGMA
Auditor General

Hamilton, Bermuda
August 2026

Table of Contents

1. Overview

What we found

1.1 The observations reported for these in-scoped ministries reviewed for this second report are similar to and consistent with the findings reported in the first report. The in-scoped ministries for this report included Education, Health, Housing and Municipalities, Justice, National Security, Public Works and Environment and Youth, Social Development and Seniors.

1.2 The key differences are:

a. The volume of the ministers' travel expenses for these in-scoped ministries was much less.

	First Report	Second Report	Variance #	Variance %
Travel events Year 2	33	9	24	⇩ 73%
Travel events Year 1	39	7	32	⇩ 82%

b. Two of the in-scoped ministries are in the process of developing documentation of their processes and procedures for sustainable development with reference to our first report.

c. Some past ministers chose to use their personal credit card to pay for their travel expenses rather than use a government credit card and did not sign a Government Credit Card Usage Agreement issued by the Accountant General. The Government of Bermuda's Financial Instructions is a guide that set out the principles of the Government of Bermuda accounting and the ways they are applied in the day-to-day operations of government offices and departments. Financial Instructions (10.1.5) states all ministers should hold Government credit cards and are not eligible for subsistence. Exceptions must be approved by the Secretary to the Cabinet. We found no evidence that approval was obtained from the Secretary to the Cabinet.

1.3 The ministers' travel expense webpage was relaunched October 29, 2017, and includes the following components (https://www.gov.bm/ministers-travel):

A. The name of the ministry that bears the costs,

B. The purpose and duration of the travel event, and

C. Itemized costs (air fare, transport, accommodation, and meals.)

The costs of authorized ministerial travel, meals, and hospitality are ultimately borne by the citizens and residents of Bermuda, either directly or through reimbursement from public funds.

1.4 Although there is no legislative requirement to publish ministerial travel expenses, the Government of Bermuda proactively discloses ministers' official approved overseas travel on its website as part of its commitment to transparency.

Providing information on the use of public funds, particularly for government-approved travel, is widely recognized as the best practice for public administration. Accordingly, ministries should make every effort to accurately track and report travel activities and related expenses to ensure the information published is complete, accurate and reliable.

1.5 Travel expenses ultimately paid by the Government of Bermuda on behalf of a minister must be disclosed. Some travel activities and related costs may go unreported because ministries focus on factors such as the method of payment, the type of payment used, the credit card charge or which government office or cost center shared the cost. While these details are important for accounting and financial record-keeping purposes, they do not affect whether an expense should be reported on the Government's website. If the Government of Bermuda funded the minister's travel expense, it should be included in the proactive public disclosure.

1.6 The Government webpage does not provide the dates of the initial disclosure or any subsequent revisions to the disclosed information. A dated statement can be added to point to subsequent changes and reason(s) for the change or update of information.

1.7 These observations remain unchanged from those reported in the October 2025 report:

a. The ministers' travel webpage contains incomplete and inaccurate public disclosures as a result of incomplete supporting documentation provided by the ministries within the scope of the review.
b. The Ministerial Code of Conduct (the 'Code') set out the principles, rules, and responsibilities that outline expectations regarding Ministers visits overseas and expenses on travel, meal and hospitality, and free/subsidized travel but the enforcement of these principles varied across the scoped-in ministries.
c. Inadequate maintenance of record of overseas travel at public expense at the ministries. The Code specifies that a Minister should ensure that his Ministry prepares and maintains a comprehensive and central record of his travels overseas, such a record to contain details of the numbers and costs of all Ministerial delegations whose travel has been at the public expense.
d. Overseas travel expense claims were not all appropriately and adequately supported. Section 10.6.6 of the Financial Instructions [FI] states that detailed supporting documentation must be provided for every charge on the monthly statement. Summary

receipts are not acceptable, and that typical supporting documentation would include an original invoice or receipt detailing goods or services purchased.

e. No reporting timeline mandating when to publish the authorized travel expense details to the Government webpage. Ministries post travel expenses between a month or some months after the travel expense claim was prepared/processed.

f. Varied awareness that the FI *apply to every person concerned in or responsible for the collection, receipt, custody, issue or payment of public monies, stores, stamps, investments, securities, negotiable instruments or any other property*. Ministers are bound by the provisions of the Public Treasury (Administration and Payments) Act 1969 which provide legal authority to the FI. For instance, use of the Government credit card meant they understood and acknowledged responsibility to comply with the FI upon signing of Government Credit Card Usage Agreement issued by the Accountant General.

1.8 This report was circulated to scoped-in ministries for feedback prior to being finalized.

Editorial comments were received but no objections to the findings presented. We now look to the Government to act on the enclosed recommendations.

2. About the audit

Introduction

2.1 The objective of the audit was to assess whether ministries (and their departments) have a framework in place specific for ministerial travel, meal and hospitality expenses, and its disclosure.

2.2 The office followed a rotational approach, so that we audit each ministry once over a two-year period.

2.3 The following ministries were selected for this audit:

- Education
- Health
- Housing and Municipalities*
- Justice
- National Security*
- Public Works and Environment
- Youth, Social Development and Seniors

***No travel reported for this review period.**

2.4 The audit covered the framework, and the processes to account for any minister's travel expense claims and disclosure of the travel expenses on the Government of Bermuda webpage for the period January 2024 to December 2025.

2.5 The audit approach included a review of the Government of Bermuda – Ministerial Code of Conduct, Accountant General's Department – Financial Instructions, other policies and documents, interviews with the accounting officers and staff, and examination of travel expense claims.

2.6 The audit criterion was developed specifically for this audit and was discussed with, and accepted, as appropriate by the accounting officers for the above-named ministries.

Criterion

2.7 We examined whether ministries had a framework in place that guides decisions and sets the boundaries for the consistent and uniform implementation to account for ministers' overseas travel claims and disclosure of the travel expenses on the Government of Bermuda webpage.

Why we chose this subject matter

2.8 The subject of ministerial travel expenses is of significant public interest. As stewards of public resources, ministers and government officials are accountable for ensuring that public funds are used responsibly and in accordance with the principles of transparency, accountability, and sound public financial management.

2.9 Independent audits that examine whether ministers' travel expense claims comply with the Code and Financial Instructions are an important component of a rigorous oversight framework. The results of these audits could be used to identify potential improvements and promote diligence and discipline from all individuals who are responsible for travel expense claims. Reports such as this encourages the continuous improvement in the Government of Bermuda's financial administration and management.

What we examined

2.10 We have spent considerable time understanding the processes used by each scoped-in ministry to prepare, review, and upload ministers' overseas travel expense information to the travel webpage. We examined credit card statements [where available], travel expenses claims, purchase orders, along with all supporting documentations (transactions) available for the period January 2024 to December 2025 for the scoped-in ministries.

2.11 For the ministries scoped-in as a part of this review, we reviewed the following events and transactions:

2025	9 travel events comprising of 91 transactions*	**$63,558**
2024	7 travel events comprising of 102 transactions*	**$39,616**

*These numbers excluded local transactions, credit card fees and charges, and overseas transaction fees.

2.12 A government credit card usage agreement [per Financial Instruction section 10.6] was issued and signed by each minister scoped-in as a part of this review, except for previous ministers of Justice, and Public Works and Environment, who utilized personal credit cards. Ministers of the scoped-in ministries attested to having read, understood, and accepted their responsibility to adhere to the Financial Instructions by signing the Government Credit Card Usage Agreement.

Use of personal credit card and expense claims are processed using the Government's 'pro forma invoice' forms. Whereas 'overseas travel expense claim form' is used when expenses are paid using government credit card. The difference between the two forms is that the latter requires 'purpose of travel' and the expense claimant to sign, apart from the authorized officer. However, in the former, no reasons documented on why the reimbursement was required.

2.13 Table 1 - Summary of travel transactions by dollar value.

	Per the Government travel webpage	Travel reviewed and should be disclosed	Disclosed but no support at ministry
$	Disclosed	Undisclosed in the travel webpage	In the travel webpage
2025	44,104	19,454	-
2024	26,690	15,980	3,054
Total	70,794	35,434	3,054

2.14 Table 2 - Summary of findings for the ministries scoped-in.

				Ministry						
Finding	Policy	Conclusion	Year	Education	Health	Housing and Municipalities (a)	Justice	National Security	Public Works and Environment	Youth, Social Development and Seniors
Travel and travel-related expenses without receipts	Financial Instructions secs. 10.6.6, 10.1.5, 10.1.8	Non-compliant	2025	☑	☑	n/a	X	n/a	X	X
			2024	X	X	n/a	n/a	n/a	☑	X
Supporting documentation was not submitted within 30 days of the charge in all cases	Financial Instructions secs. 10.6.13, 10.6.6	Non-compliant	2025	X	X	n/a	X	n/a	☑	X
			2024	X	X	n/a	n/a	n/a	☑	X
Lack of comprehensive and central record of ministerial travels at the ministries available for review on short notice	Ministerial Code of Conduct sec. 16.3	Non-compliant	2025	☑	☑	n/a	X	n/a	X	X
			2024	X	X	n/a	n/a	n/a	☑	X
Signed government credit card usage agreement	Financial Instructions sec. 10.6	Compliant	2025	☑	☑	Ngcc	Ngcc	☑	Ngcc	☑
			2024	☑	☑	n/a	Ngcc	☑	Ngcc	☑
Use of personal credit card	Financial Instructions sec. 10.1.5	Compliant	2025	☑	☑	n/a	☑	☑	X	☑
			2024	☑	☑	n/a	☑	☑	☑	☑

"n/a" means not applicable because there were no travel reported
"Ngcc" means no government credit card issued to minister at the time
"(a)" Ministry created in March 2025
☑ means compliant

Conclusion

2.15 The process for ministerial travel expense claims requires existing internal controls to be enforced and supported by appropriate training and guidance. Ministries should implement onboarding and periodic refresher training for staff involved in the administration and processing of travel arrangements and travel expense claims. We also noted that two ministries have begun documenting their processes, which is a positive step toward improving consistency and compliance.

2.16 Knowledge of the rules cannot be assumed but rather exhibited in transaction execution and processing of travel expenses.

2.17 Ministries should keep in mind that regardless of how a travel expense is paid, any costs ultimately borne by the Government of Bermuda must be appropriately recorded and included in the disclosure of ministerial travel expenses. To pay for a transaction that is effectively utilizing the Government's allocated funds for official approved business travel means:

a. The Financial Instructions apply even if individual categories are not mentioned therein;
b. There is an onus to provide appropriate authorization and support regarding the purpose of each transaction as being relevant to government business, not merely that it needs to be paid. Otherwise, the transaction cost is not approved government business, and someone owes the Government;
c. The cost attributable to ministerial travel must be disclosed with completeness and accuracy in the Government's webpage.

2.18 Travel expenses of ministerial delegations are not part of public disclosure in the travel webpage. We did not audit the travel expenses currently attributed to the ministerial delegations, although we came across many of them. We recommend that the travel webpage include information on all ministerial delegations whose travel was funded by public resources, including the number of delegates and the total costs incurred. This disclosure should also include any event registration fees, attendance fees, or other related expenses paid with public funds.

Why this Conclusion matters

2.19 Ministries are expected to comply with applicable laws and demonstrate responsible stewardship of public funds. Ministers who incur expenses using public resources are accountable for those expenditures and must be able to account for them to the people of Bermuda.

To support this accountability, ministries should maintain effective internal systems, processes, and procedures that ensure travel expenses are consistently managed, properly documented, and comply with established policies and requirements. These controls will also enable expenses to withstand public and audit scrutiny.

3. Findings and observations

3.1 Here are our detailed observations and recommendations:

3.1.1	Travel and travel-related expenses without receipts.
2025	a) During our examination, we reviewed 7 transactions representing 8% of the 91 transactions reviewed, totaling $4,753 that lacked supporting receipts. b) The 7 transactions reviewed that lacked supporting receipts involved transactions values greater than $20, totaling $4,753. o Public Works and Environment – 4 occurrences o Youth, Social Development and Seniors – 2 occurrences o Justice – 1 occurrence
2024	c) During our examination, we reviewed 18 transactions representing 18% of the 102 transactions reviewed totaled $1,079 that lacked supporting receipts. Of these 18 transactions, 7 included memos in compliance with FI that the travel expenses submitted on the travel expenses claims were bona fide Government related travel expenditures. These transactions including memos totaled $483. d) Of the 18 transactions reviewed that lacked supporting receipts, 11 involved transactions with values greater than $20 totaling $972. 3 transactions above $20 came with memos, totaling $427. o Education – 7 occurrences o Health – 1 occurrence o Youth, Social Development and Seniors – 3 occurrences
Policy Financial Instructions	10.6.6 Supporting Documentation. Detailed supporting documentation must be provided for every charge on the monthly statement. Summary receipts are not acceptable. 10.1.8 All claims for payment of travel expenses should have proper supporting documentation, such as detailed invoices or receipts. Original receipts must be attached to the travel claim. Credit card statements / receipts are not acceptable as sole support for any travel expense. 10.1.5 Per Diem... Receipts are required for all expenses.

	On the rare occasion a receipt could not be obtained the following applies: No more than $20 – a memo detailing the item signed by the spending officer. Greater than $20 – a memo detailing the item, also signed by the responsible manager. If this occurs more than 3 times these expenses will have to be borne by the traveling officer.

3.1.2	Supporting documentation was not submitted within 30 days of the charge in all cases.
2025	42 transactions represented 46% of 91-travel expense claims transactions reviewed were not processed within 30 days of the charge and incurred total finance charges of $318 borne by scoped-in ministries. Not all credit card statements were available for review at the ministries.
2024	22 transactions represented 22% of 102-travel expense claims transactions reviewed were not processed within 30 days of the charge and incurred total finance charges of $70 borne by scoped-in ministries.
Policy Financial Instructions	10.6.6 Supporting Documentation. The credit card charges will be the responsibility of the card holder if the documentation is not provided within 30 days of the charge. 10.6.13 Payments. The monthly credit card statement must be paid in full and on time to avoid any interest or other late payment charges. Under no circumstances should payment be delayed or late. Payment of any interest, late payment or over credit limit charges incurred on the card will be the personal responsibility of the cardholder, not the department.

3.1.3	Lack of comprehensive and central record of ministerial travels at the ministries available for review on short notice.
2025	Out of the 9 travel events reviewed: 4 travel events disclosed on webpage with understated differences, totaling $9,701 o Education o Public Works and Environment o Youth, Social Development, and Seniors 2 travel events were undisclosed on webpage, totaling $9,744 o Justice
2024	Out of the 7 travel events reviewed: 1 travel event disclosed on webpage with understated difference of $24 for Youth, Social Development, and Seniors 3 travel events disclosed on webpage totaling $3,526, where transaction supports are unavailable o Health o Public Works and Environment o Youth, Social Development, and Seniors 3 travel events were undisclosed on webpage, totaling $16,428 o Education o Youth, Social Development, and Seniors
Policy Ministerial Code of Conduct	16.3 Ministers should make it their personal responsibility to approve the size and composition of any Ministerial delegations for which their Ministries are responsible. Each Minister in charge of a Ministry should ensure that his Ministry prepares and maintains a comprehensive and central record of his travels overseas, such record to contain details of the numbers and costs of all Ministerial delegations whose travel has been at public expense. This record should be maintained in such a way that an up-to-date list of visits and the costs of those visits can be made available by Ministries at short notice in the event of their Ministers being asked to account for any travel undertaken by their Ministries. Ministers should take the lead in paring down the size of groups travelling overseas on official business by keeping their own Ministerial delegations as small as possible.

3.1.4	Signed government credit card usage agreement.

Ministry	Minister Signed
Education	Yes
Health	Yes
Justice	Yes*
National Security	Yes
Public Works and Environment	Yes*
Youth, Social Development and Seniors	Yes

*In 2025

- "*I have read and understood these Instructions and I hereby acknowledge and accept my responsibility to comply with them. I also hereby authorize the Accountant General to make any deductions from my salary accordingly*."

Policy Financial Instructions	10.6 Use of Government Credit Cards See Appendix II for the full text.
3.1.5	Use of personal credit card.

Ministry	Gov't credit card issued to minister(s)	Travel
Justice	No	No
Housing and Municipalities	No	No
Public Works and Environment	No	Yes

Ministers in some ministries did not have a government credit card at some point in the period reviewed. There is no evidence of approval from the Secretary to the Cabinet of these circumstances.

Policy Financial Instructions	10.1.5 Per Diem …All Ministers should hold Government credit cards and are not eligible for subsistence. Any exceptions… must be approved by the Secretary to the Cabinet.

4. Appendix I

Independent Assurance Report

This independent assurance report was prepared by the Office of the Auditor General of Bermuda on the Ministerial Travel, Meal and Hospitality Expenses. Our responsibility is to provide objective information, advice, and assurance to assist the Legislative Assembly in its scrutiny of the ministerial travel, meal and hospitality expenses and disclosure on the travel calendar webpage.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001 – Direct Engagements set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook – Assurance generally accepted in Bermuda. The Office of the Auditor General applies the Canadian Standard on Quality Management 1 – Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with the independence and other ethical requirements of the Rules of Professional Conduct of Chartered Professional Accountants of Bermuda and the Code of Professional Conduct of the Office of the Auditor General of Bermuda. Both the Rules of Professional Conduct and the Code are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In accordance with our regular audit process, we obtained the following from management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the findings in this report are factually based

PERIOD COVERED BY THE AUDIT: The audit covered the period January 2024 to December 2025. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters outside of this period as deemed necessary.

DATE OF THE REPORT: We obtained sufficient and appropriate audit evidence on which to base our conclusion on August 30, 2026.

5. Appendix II

Government Credit Card Usage Agreement issued by the Accountant General (per Financial Instruction 10.6)

1. Government credit cards are to be used primarily for overseas travel on official Government business. Use of credit cards for local or other purchases is prohibited without prior approval from the Accountant General. Payment for prohibited purchases will be the responsibility of the cardholder. The Accountant General reserves the right to automatically deduct these amounts from the next salary payment of the cardholder.
2. Expenses charged must be for costs associated with accommodation, meals, local ground transportation and other incidental expenses. Expenses without receipts, excessive private phone calls or any other non-business expense must be paid by the cardholder personally. (See #8)
3. Use of credit cards for personal expenses, even where these form part of an official expense, e.g. hotel accommodation, is strictly prohibited. Any such personal expenses must be paid for by the cardholder and must not be charged to the Government credit card.
4. It is the responsibility of the cardholder to ensure that the statement and supporting documentation is submitted in ample time to avoid any late payment or interest charges.

   Any late payment, interest charges or other fees / penalties are the responsibility of the cardholder and must be paid by him/her. The Accountant General reserves the right to deduct these amounts from the next salary payment of the cardholder.
5. Every effort must be made to keep expenses within the approved travel allowance. If the cardholder is aware that the travel allowance rate will be exceeded, approval must be obtained from the Department Head and the Accountant General prior to travel.
6. Every Government Credit Cardholder must make himself/herself aware of the credit limit on the card. The amounts likely to be charged to the card should be estimated in advance for overseas travel. In instances when the card limit is likely to be exceeded for a specific trip, a request for a temporary increase should be made to the Manager, Compliance & Disbursement at least five (5) days prior to travel. Requests received from overseas to increase limits immediately will not be honored.
7. The Government of Bermuda Overseas Travel Expense Claim Form – Exhibit 7 (see attached) should be used to detail and summarize all travel expenses.

   Note: Receipts and invoices can be submitted to The Accountant General's Department for payment before the statement is received. A printout of account activity from HSBCNet should always accompany such a payment.
8. Detailed supporting documentation must be provided for every charge on the monthly statement including cash advances and related fees. Typical supporting documentation includes an original invoice or receipt detailing goods or services purchased. Summary receipts are not acceptable. Where no supporting documentation is provided, these charges may become the responsibility of the cardholder. The Accountant General reserves the right to automatically deduct these amounts from the next salary payment for the cardholder in the event that acceptable supporting documentation is not provided..
9. The cardholder is personally responsible for the security of the card and must notify the bank and the Accountant General's Department immediately if the credit card is lost or stolen.

   Credit card privileges will be withdrawn, and the cardholder may be surcharged in accordance with Financial Instructions, if the card is not used in accordance with these instructions. (FI Section 2.9 states: - All Government employees are personally responsible for the performance of the financial duties entrusted to them and for inaccuracies in the accounts prepared under their authority, and may be surcharged in this respect under 29(1) of the Public Treasury (Administration and Payments) Act 1969.)
10. The Accountant General reserves the right to exercise discretion and judgment in the application of these instructions.

I have read and understood these Instructions and I hereby acknowledge and accept my responsibility to comply with them. I also hereby authorize the Accountant General to make any deductions from my salary accordingly.

Agreed, signed and dated as below: