

Treasury Board and Finance—Air Transportation Services Program Follow-up

Air Transportation Services Program—changed circumstances

We audited the systems the Department of Treasury Board and Finance used to assess the Air Transportation Services Program in 2014 to ensure the program was meeting its objectives and considering risks, costs and benefits.

We made five recommendations¹ to the department in our August 2014 special duty report related to the ATS program. We recommended that the department:

- evaluate the ATS program and immediately communicate the results publicly
- clarify its aircraft use policies to deal with any partisan and personal use of government aircraft and requirements for cost effectiveness evaluations when requesting to use government aircraft
- develop a common government aircraft use policy with which all users must comply
- require that a cost benefit analysis be performed, documented and approved by the responsible minister or deputy minister requesting service prior to authorizing the use of government aircraft for out-of-province travel
- review its costing model for government aircraft and publicly report on the costs associated with travel on government aircraft

Premier Prentice announced in September 2014 that the Government of Alberta would sell its airplanes and discontinue the ATS program. The department put the aircraft up for sale in December 2014 and the service was discontinued. The government announced that three of the aircraft had been sold for \$6.1 million in February 2015.

The department recorded a \$4.7 million loss on the disposal of the three aircraft in its 2014–2015 financial statements. The loss was determined by taking the proceeds on the sale of \$6.1 million less the carrying value of the aircraft at the time of sale (approximately \$10.8 million).

At the time of our report, the department listed the remaining airplane (a 36-passenger De Havilland Dash 8-103) as being for sale.

The department discontinued the ATS program and, therefore, our recommendations are no longer relevant. To replace the services provided by the program, the government now uses a combination of commercial and charter flights. We have not audited the use of commercial or chartered aircraft services.

¹ *Special Duty Report on the Expenses of the Office of Premier Redford and Alberta's Air Transportation Services Program—August 2014*, nos. 2-6, pages 34, 37, 38 and 40.

