

AUGUST 2014 SPECIAL DUTY REPORT ON THE EXPENSES OF THE OFFICE OF PREMIER REDFORD AND ALBERTA'S AIR TRANSPORTATION SERVICES PROGRAM

RECOMMENDATIONS

RECOMMENDATION 1: OVERSIGHT OF PREMIER'S OFFICE EXPENSES AND USE OF GOVERNMENT AIRCRAFT

We recommend that the Treasury Board:

- establish a process to provide oversight through monitoring of the Office of the Premier's expenses and usage of government aircraft
- consider what type of oversight should be used for the expenses of ministers' offices

KEY FINDINGS

- The office did not comply with the expense policy because those who were responsible for approving expenses did not document their rationale for key decisions that impacted travel costs. These key decisions included the type and class of transportation used by and the standard of accommodation provided to Premier Redford and office staff.
- The government does not require a premier to certify that costs incurred by a premier or on behalf of a premier are for government business and are a reasonable use of public resources.
- There was no formal oversight structure to monitor the office's travel expenses and use of government aircraft.
- Government aircraft policy was not followed. There was personal use and partisan use of the aircraft by Premier Redford.

Implications and risks if recommendation not implemented

Those who work in the Office of the Premier have considerable influence over the way business is conducted within that office and also within the public service. Because of this significant influence, the Government of Alberta needs to have a proper check and balance system established to oversee the spending by that office to ensure that expenses and use of government aircraft are appropriate. Without a system that provides oversight through monitoring of the spending of the office underpinned by clear corporate policies and procedures, the risk will remain that those in the office can use their influence to spend public resources inappropriately or inappropriately use public assets.

RECOMMENDATION 2: CONDUCT PERIODIC AIR TRANSPORTATION SERVICES PROGRAM EVALUATIONS

We recommend that the Department of Treasury Board and Finance complete an evaluation of the Air Transportation Services program and immediately communicate the results publicly.

KEY FINDINGS

- The department evaluated the ATS program as part of the government's results-based budgeting initiative but did not report publicly the results of that evaluation.
- After this analysis, the ATS operations were moved to the Edmonton International Airport.
- The department has not updated its evaluation since the program's relocation.

Implications and risks if recommendation not implemented

Without evaluating and reporting on the ATS program's results, it is difficult for those responsible for oversight of the program to demonstrate the value and benefits of having government aircraft.

RECOMMENDATIONS 3 & 4: CLARIFY AIRCRAFT USE POLICIES

We recommend that the Department of Treasury Board and Finance clarify its aircraft use policies to deal with:

- any partisan and personal use of government aircraft
- requirements for cost effectiveness evaluations when requesting to use government aircraft

We recommend that the Department of Treasury Board and Finance develop a common government aircraft use policy that all users must comply with.

KEY FINDINGS

- The department's policies do not deal with personal or partisan use of the government aircraft.
- Multiple government aircraft use policies exist because some departments have developed their own policies.

Implications and risks if recommendation not implemented

Without clear aircraft use policies, user departments are left to interpret policy; as a result, they may use the aircraft inappropriately. Without compliance with these policies, the department and user departments cannot demonstrate whether their use of the government aircraft is appropriate.

RECOMMENDATION 5: RE-EVALUATE OUT-OF-PROVINCE USE OF GOVERNMENT AIRCRAFT

We recommend that the Department of Treasury Board and Finance 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 its aircraft for out-of-province travel.

KEY FINDINGS

- The costs associated with flying government aircraft to out-of-province locations are generally more than the commercial alternative.
- The government aircraft are not designed to fly beyond certain distances and, therefore, incur added costs associated with long distance flights.

Implications and risks if recommendation not implemented

Without appropriately costing out-of-province travel, the department and user departments risk making inefficient or cost ineffective travel decisions.

RECOMMENDATION 6: REPORT THE COST OF USING GOVERNMENT AIRCRAFT

We recommend that the Department of Treasury Board and Finance review its costing model for government aircraft and publicly report on the costs associated with travel on government aircraft.

KEY FINDINGS

- The department's variable costs for use of its aircraft are different than comparable industry benchmarks.
- The department does not publicly report its flight costs and the methodology it uses to cost the services it provides.

Implications and risks if recommendation not implemented

To ensure transparency, cost of use information should be made publicly available.