

## Reporting on infrastructure

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## Main points

This chapter describes the status of recommendations we made in 2002 and 2003 about the adequacy of the information that four government agencies made public about their key infrastructure. These agencies are SaskEnergy Incorporated, Department of Highways and Transportation, Saskatchewan Transportation Company, and Saskatchewan Property Management Corporation.

SaskEnergy has fully addressed our recommendation for improved public information. The other three agencies improved the quality of information they publish about their key infrastructure, but need to make further improvements. We recognize that some of these improvements will occur in conjunction with improvements expected under the Government's Accountability Framework.

## Introduction

In recent years, our Office has encouraged the Government to assess its management of infrastructure and improve the information it publishes about it.

In Chapter 4 of our 2000 Fall Report – Volume 3, we discussed the key risks that governments face related to infrastructure. To reduce these risks, governments must adequately manage how they:

1. Plan for infrastructure needs,
2. Set clear responsibility for infrastructure,
3. Maintain the capacity of infrastructure,
4. Maintain good information, and
5. Keep the public informed.

In Chapter 2 of our 2002 Fall Report – Volume 2 and Chapter 12 of our 2003 Report – Volume 3, we reported on how well SaskEnergy Incorporated (SaskEnergy), Department of Highways and Transportation (Highways), Saskatchewan Transportation Company (STC), and Saskatchewan Property Management Corporation (SPMC) kept the public informed about their infrastructure. In those chapters, we made recommendations to improve public information. The Standing Committee on Public Accounts concurred with our recommendations in May 2004.

In this chapter, we set out the actions each agency took to address our recommendations. We asked each agency to identify actions taken since our last report. In addition, we reviewed key information (e.g., annual reports, performance plans) each agency provided to the public.

In the following sections, we set out the recommendation related to each agency, and provide a summary of actions taken. In addition, we note the status of the recommendation.

## SaskEnergy Incorporated

In our 2002 Fall Report – Volume 2, we recommended that SaskEnergy give the public additional information about the condition of its natural gas transmission and distribution systems, and the ability of these systems to meet peak demands for gas.

SaskEnergy used its 2003 Annual Report, its web site, and news releases to provide the public with this additional information.

SaskEnergy published additional information about the condition of its infrastructure. It explained its processes to detect problems with the condition of its transmission and distribution systems. Information about the condition of these systems included highlights of the results of its risk assessments, and the nature and extent of inspections it carried out in 2003. Its risk assessments consider the age, materials, location, and other facts about specific sections of the system. It uses inspections to detect problems in the condition of the systems. SaskEnergy disclosed that in 2003 it had no detectable natural gas leaks caused by corrosion or other deterioration of the system.

To inform the public about its ability to meet peak demands for gas, SaskEnergy described its storage capacity (i.e., 30 petajoules) and the amount of gas used on extreme cold temperature days (i.e., 1.2 petajoules/day). It noted that it was able to meet record demands for gas in January 2004 and that it can respond to even higher demands if necessary.

## **Department of Highways and Transportation**

In our 2002 Fall Report – Volume 2, we recommended that Highways give the public additional information on its key plans related to highway condition, safety and reliability, as well as comparisons of plans to actual results with any differences explained.

Highways provided the public with most of this information in its 2003-04 Annual Report and 2004-05 Performance Plan.

Highways provided its key plans for highway condition, safety, and reliability along with its basis for measuring its results. However, consistent with the *Content Requirements for 2004-05 Performance Plans*, Highways does not include targets within its performance plan. Targets are quantifiable estimates of results expected over a specific period.

In its 2003-04 Annual Report, Highways compares the status of each of its measures to the status in prior years. This helps the public understand

whether performance is improving. Without targets, the Annual Report does not fully compare actual results to those planned. Inclusion of targets will help describe the extent to which Highways has achieved its intended result for each measure.

Highways expects to publish targets and report its performance against these targets in future annual reports. We will examine these future reports for comparisons of planned and actual results and for explanations of significant differences between them.

## **Saskatchewan Transportation Company**

In our 2003 Report – Volume 3, we made two recommendations for STC to improve the information it publishes about its infrastructure. We recommended that STC provide the public with additional information about:

- ◆ the current condition of its facilities to help explain their capacity, and
- ◆ strategies used to manage major risks facing its facilities by describing the actions it is taking to reduce these risks to an acceptable level.

STC used its 2003 Annual Report and its quarterly corporate reports to provide the public with most of this information.

STC has facilities (i.e., depots and garages) in Regina, Prince Albert, Saskatoon, and Moose Jaw. In its 2003 Annual Report and its first and second quarter corporate reports for 2004, STC describes the condition of its Regina facilities and related risks (e.g., accessibility and structural). STC explained that because of the age of these facilities and because the Regina depot did not meet current accessibility standards, STC would have to extensively renovate or replace these facilities (i.e., strategy to mitigate risks). STC also disclosed that a structural assessment of its Regina garage facility recommended STC carry out structural repairs as soon as possible. In STC's first quarter 2004 corporate report, STC reports completion of these repairs and notes the facility has now passed inspection.

STC does not yet provide information about the condition of facilities in Saskatoon, Prince Albert, and Moose Jaw (e.g., age, remaining service life, and key maintenance processes) or explain how it manages related risks, if any. STC notes that it expects to provide this information in future reports.

## **Saskatchewan Property Management Corporation**

In our 2003 Report – Volume 3, we made two recommendations for SPMC to improve the information published about its infrastructure.

We recommended that SPMC provide the public with additional information about:

- ◆ the capacity of its facilities and vehicles including their current condition and potential volume of service, and
- ◆ the extent to which the use of key infrastructure (i.e., facilities, vehicles, and aircraft) achieved its operational and financial plans, and significant differences between actual and planned results.

SPMC used its 2003-04 Annual Report, 2004-05 Performance Plan, and web site to provide additional information about key infrastructure.

SPMC provided additional information about the capacity of its facilities that partially addresses our recommendation. It disclosed the volume of services it can provide (i.e., square metres of space) and described plans to report on the condition of its facilities by using an industry standard called the “Facility Condition Index” (FCI). Use of the FCI will provide the public with adequate information about the capacity of its facilities.

In 2004, SPMC published adequate information about the capacity of its vehicles and aircraft. For example, it describes the volume of services available (e.g., number of vehicles) and the processes used to maintain vehicles and aircraft. Further, SPMC published the performance measures used to assess the adequacy of the condition of its vehicles.

SPMC has improved the information it publishes about the extent to which its use of infrastructure achieved operational and financial plans. However, more work remains. In 2004, SPMC published improved

information about the achievement of its financial plans. For example, in its 2004 Annual Report, SPMC informs the public that it completed a significant capital project, the Wascana deepening project, within budget.

In its 2004-05 Performance Plan, SPMC disclosed the key operational performance measures it intends to use to measure the results from facilities and vehicles. SPMC has not published the performance targets it will use for these measures. As a result, SPMC has not provided a comparison of its planned and actual results for these measures.

In common with Highways, SPMC follows the guidance issued by the Department of Finance under the Government's Accountability Framework when preparing its performance plans and annual reports. As such, SPMC was not yet expected to publish targets. SPMC expects to provide its targets and report against them in future reports.

We will examine future information that SPMC publishes about the condition of its facilities, as well as comparisons of planned and actual operational results from the use of its infrastructure.

## **Next steps**

Our Office will continue to monitor the information that Highways, STC, and SPMC make public about their infrastructure. In a future Report to the Legislative Assembly, we will report whether these agencies have published information that addresses the remaining aspects of the recommendations that we made.

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