

Chapter 17

Central Services—Building Maintenance

1.0 MAIN POINTS

The Ministry of Central Services (formerly the Ministry of Government Services) provides centralized support services to Government ministries and agencies, and manages an extensive portfolio of property.¹

In this chapter, we report that the Ministry has addressed all five of the recommendations we made in our *2009 Report – Volume 1*, Chapter 6. These recommendations related to improvements to the Ministry's processes to maintain its buildings.

2.0 INTRODUCTION

As part of providing centralized support services, the Ministry is directly and indirectly involved in maintaining all of the buildings it owns and leases. For the year ended March 31, 2014, the Ministry estimated expenses of \$180 million and recoveries of \$169 million from ministries and agencies for the operation and maintenance of buildings.² The Ministry has 704 leased or owned buildings.³ These buildings include office buildings, highway storage and repair buildings, healthcare facilities, technical schools, museums and art galleries, correctional centres, laboratories, courthouses, and historic properties. Without adequate building maintenance, the Ministry risks loss of asset value, poor quality of working space, potential health and safety problems, and the probability of higher repair costs in the future.

Our *2009 Report – Volume 1*, Chapter 6, concluded that the Ministry of Government Services did not have adequate processes to maintain its buildings. We made five recommendations. Our *2011 Report – Volume 1*, Chapter 5, reported that up to March 31, 2011, the Ministry had not completed action on all five recommendations. This chapter reports the results of our second follow-up.

To conduct this review, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation, the Ministry's actions up to January 31, 2014, and the status of the recommendation. We found that the Ministry has addressed our recommendations.

¹ Ministry of Central Services, *2012-13 Annual Report*, p. 5.

² Government of Saskatchewan, *2013-14 Estimates*, p. 42.

³ Ministry of Central Services, *2012-13 Annual Report*, p. 5.



3.1 Accurate, Complete, and Available Information

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) establish and implement processes to ensure the information on its buildings is accurate, complete, and available. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented

The Ministry manages its buildings using four different software systems. It must reconcile these systems to each other to ensure its information is accurate. The Ministry has documented and implemented its procedures to reconcile information on its four systems. The procedure requires the reconciliation process to be conducted annually.

Also, to help ensure building information is up to date following a completed project, the Ministry includes specific requirements for preparing and submitting project information in contracts with the related design consultants.

3.2 Adequate Maintenance Plans

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) approve adequate maintenance plans for all the buildings the Ministry owns. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented

The Ministry has approved adequate maintenance plans for all buildings it owns.

3.3 Adequate Agreements with Clients

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) sign adequate agreements with its clients that describe each of the parties' responsibilities. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented

The Ministry has signed adequate agreements with its clients. These agreements outline the responsibilities of both parties with respect to minor, major, and preventative maintenance. The Ministry indicated that it is negotiating an agreement with one client.

For this building, the Ministry conducted an inspection in 2013 and has developed a maintenance plan. It expects to have a signed agreement in place by May 31, 2014.

3.4 Processes for Effective Maintenance

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) have processes so that maintenance is effectively carried out on all of its buildings. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented

The Ministry has established effective building maintenance processes for all of its buildings. The Ministry provides all maintenance on the majority of its buildings. When an agreement has been made where a client is responsible for some maintenance, the Ministry conducts annual building inspections to ensure that maintenance is being carried out as agreed. The Ministry has adequate follow-up procedures.

3.5 Adequate Monitoring of Reports

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) provide senior management adequate reports to monitor the process to maintain its buildings. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented

The Ministry prepares preventative maintenance reports each month. Senior management reviews them on a monthly basis. As well, the Ministry prepares exception reports that list any overdue maintenance activities and provides them to senior management on a monthly basis. These reports contain sufficient information to enable senior management to monitor its maintenance processes.

