

Chapter 24

Parks, Culture and Sport—Provincial Parks Capital Asset Planning

1.0 MAIN POINTS

The Ministry of Parks, Culture and Sport (Ministry) is responsible for the provincial park system, including capital assets in provincial parks. In 2009, we reported that the Ministry needed to make several improvements to its capital asset planning.

At January 2015, we found the Ministry had taken some steps to address our 2009 recommendations by continuing implementation of its new capital asset management approach, supported by a new computer system. The Ministry has procured a computerized enterprise asset management system which is expected to allow data to be collected and analyzed to assess usage patterns on the life span of capital assets, and also assist in modelling maintenance scenarios and estimating life-cycle costs. The Ministry expects the system to be fully operational in 2017. It expects this system, once operational, to address the outstanding recommendations.

2.0 INTRODUCTION

The Ministry is responsible for the provincial park system including the “administration, management, planning, development, and maintenance of all park land.”¹ The provincial park system includes 140 recreation sites and parks, 24 protected areas, 17 historic parks and sites, and 15 wilderness and natural environment parks, covering a total of 1.4 million hectares.²

This chapter describes our second follow-up of management’s actions on three recommendations we initially made in our *2009 Report – Volume 3*, Chapter 18. In that report, we concluded that the Ministry had an adequate long-term capital asset plan for the provincial park system except the capital asset plan did not include:

- › Projected use of key capital assets and related risks
- › Principles for operating and maintaining key capital assets
- › Estimated life-cycle costs for key capital assets

In our *2011 Report – Volume 2*, Chapter 25, we reported that as of September 15, 2011, the Ministry had not implemented the three related recommendations.

To conduct this review engagement, 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.

¹ *The Parks Act*, section 13.

² www.pcs.gov.sk.ca/AboutSaskatchewanParks (29 January 2015).



3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at January 31, 2015, our expectations (in italics), and the Ministry's actions up to that date.

3.1 Projected Future Use of Capital Assets Needed

We recommended that the Ministry of Parks, Culture and Sport (formerly Ministry of Tourism, Parks, Culture and Sport) include in its capital asset plan for the provincial park system the projected future use levels for key capital assets (including assumptions and factors influencing trends) and a summary of capital asset risks for the projected use levels. (2009 Report – Volume 2; Public Accounts Committee agreement June 6, 2011)

Status – Partially Implemented

We expected a capital asset plan to describe the gap between the existing capital asset capacity and anticipated long-term needs. Better information about projected future demand would help decision-makers assess the resources required to upgrade capital assets in the provincial park system. It would also help the Ministry assess whether capital assets (such as docks and roadways) have adequate capacity for the long term.

By January 2015, the Ministry had identified some general trends (e.g., desire for larger campsites with enhanced services such as electrified sites) that it uses when considering expanding and upgrading park services. It reflected these in its *2015/16 Parks Capital Infrastructure Plan*. However, its Plan does not set out specific projections about the level of demand or its intentions to meet those demands.

In addition, in November 2014, the Ministry contracted for the development of a computerized enterprise asset management system (EAM system). The Ministry anticipates the EAM system will enable it to better consider future use trends for capital assets. It expects the EAM system will have the ability to allow the Ministry to analyze the impacts of use patterns on the life span of capital assets. The Ministry expects the EAM system to be available for use by fall 2015 and fully operational within two years thereafter.

3.2 Principles for Capital Asset Planning Needed

We recommended that the Ministry of Parks, Culture and Sport (formerly Ministry of Tourism, Parks, Culture and Sport) set out principles in its capital asset plan to guide how it operates and maintains key capital assets in the provincial park system. (2009 Report – Volume 3; Public Accounts Committee agreement June 6, 2011)

Status – Partially Implemented

We expected a capital asset plan to set out strategies to manage capital assets including how to operate and maintain assets at a reasonable cost and without unplanned service disruptions. When an agency does not maintain its capital assets, it shortens the useful life of the capital assets, increases operating costs over the long term, and increases the risk of service disruption due to the sudden failure of capital assets. Failure to maintain capital assets increases the risk of harm to visitors or staff (e.g., playgrounds, heavy equipment).

The Ministry has set out general principles in its *2015/16 Parks Capital Infrastructure Plan* (e.g., the protection and management of Saskatchewan's park lands). In conjunction with a review and identification of specific principles for operation and maintenance of Park assets, the Ministry plans to use the new EAM system to analyze both overall asset conditions and level of use. It also expects the EAM system to model the impacts of different maintenance scenarios. For example, if the Ministry prioritizes maintenance based on health and safety concerns, the system will determine how much that will cost, and the impact, given limited financial resources, on work needed for other assets. Analyzing different maintenance scenarios will help allow the Ministry to prioritize capital asset maintenance.

3.3 Financial Implications of Capital Asset Strategies Needed

We recommended that the Ministry of Parks, Culture and Sport (formerly Ministry of Tourism, Parks, Culture and Sport) include estimated life-cycle costs in its long-term capital asset plan for the provincial park system. (2009 Report – Volume 3; Public Accounts Committee agreement June 6, 2011)

Status – Partially Implemented

Better information about estimated life-cycle costs (e.g., costs to obtain, operate, maintain, and dispose of the asset) would help decision-makers assess the amount and timing of resources required to maintain capital assets in the provincial park system.

By January 2015, the Ministry had not included estimated life-cycle costs in its long-term capital asset plan for the provincial park system. It expects a function in the new EAM system will be the ability to capture determined life-cycle costs for all capital assets.

