

## Chapter 15

### Central Services—Planning Accommodations

#### 1.0 MAIN POINTS

The Ministry of Central Services is responsible for providing centralized support services to government ministries and agencies (clients),<sup>1</sup> including managing the Government's leased and owned office space and program space.<sup>2</sup> In 2015-16, the Ministry spent \$182.6 million on property management. It recovered almost all of these costs from its clients.

This chapter reports the results of our second follow-up of the four recommendations related to planning for accommodations that we initially made to the Ministry of Central Services (formerly the Ministry of Government Services) in 2011.

By February 2017, the Ministry had implemented two recommendations. It identified the gap between its existing accommodation portfolio and future accommodation needs, and approved an overall accommodation plan in August 2016.

The Ministry has more work to do on the other two recommendations. Senior management did not yet receive regular status reports describing progress against the recently approved overall accommodation plan. In addition, the Ministry needs to confirm that client ministries have either met the Cabinet-directed space standard or have obtained Treasury Board approval to exceed the space standard. Without obtaining this information, the Ministry does not know if it is complying with the directive from Cabinet and if office space is being effectively managed.

#### 2.0 INTRODUCTION

As part of providing centralized support services, the Ministry is involved in accommodation planning, which includes providing clients with appropriate space to enable them to deliver programs and services. Accommodation planning includes planning for the acquisition, alteration, repair, maintenance, management, operation, and disposal of real property.

Our *2011 Report – Volume 1*, Chapter 5 included six recommendations to improve the Ministry's processes to plan accommodations for clients. Our *2014 Report – Volume 1*, Chapter 18 reported that, by January 2014, the Ministry had implemented two 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 2011 audit. The Ministry's management agreed with these criteria. To do this follow-up, we discussed the relevant actions taken by the Ministry to implement our recommendations, and reviewed documentation (e.g., accommodation plan).

<sup>1</sup> At December 2016, this included 15 government ministries and approximately 40 other agencies such as the Conexus Arts Centre, Government House Foundation, and the MacKenzie Art Gallery.

<sup>2</sup> Ministry of Central Services, *2015-16 Annual Report*, p. 4.



## 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 February 28, 2017, and the Ministry's action up to that date. We found that the Ministry implemented two recommendations, and made progress on the other two.

### 3.1 Overall Accommodation Plan Developed

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) identify the gap between its existing accommodation portfolio and future accommodation needs. (2011 Report – Volume 1; Public Accounts Committee agreement August 28, 2012)

**Status** – Implemented

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) develop an overall accommodation plan. (2011 Report – Volume 1; Public Accounts Committee agreement August 28, 2012)

**Status** – Implemented

The Ministry worked with clients to identify gaps between its existing accommodation portfolio and future client accommodation needs. It summarized this information into an overall accommodation plan.

In August 2016, the Ministry completed and approved the 2015-16 overall accommodation plan. Management indicated it plans to review and update the plan on an annual basis.

### 3.2 Key Staffing Information Not Confirmed

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) verify staffing information provided by its clients for the Ministry's buildings. (2011 Report – Volume 1; Public Accounts Committee agreement August 28, 2012)

**Status** – Partially Implemented

In 2010-11, Cabinet directed the Ministry to implement a firm space standard of 18.6 square metres of office space per full-time equivalent employee (FTE). This standard does not apply to program space (e.g., correctional facilities, space required to house and maintain snow-clearing equipment). Cabinet requires clients, who require more than the

standard office space, to obtain Treasury Board's approval prior to the Ministry entering into a new Accommodation Space and Services Agreement.

Before 2015, the Ministry required its clients to provide annual updates on the number of FTEs, and asked a financial services representative from each client to sign off on the annual update form. The Ministry had used this information to compare actual space use to the standard for office space.

Since 2015, the Ministry no longer requests clients to give the number of FTEs. Management indicated that it found the FTE information received was not useful because the information included employees who may not require office space (e.g., corrections workers or Conservation Officers). The Ministry continues to request FTE information when a client requests a change in accommodation space; but it does not check the accuracy or reasonableness of that information.

Our review of the Ministry's 2015-16 overall accommodation plan found:

- › Thirteen of the 15 ministries had more office space than the standard of 18.6 square metres per FTE; 5 of the 13 ministries had at least 50% more than the standard (e.g., 28.3 to 33.6 square metres per FTE)
- › Two of the 15 ministries did not give the Ministry information to enable comparisons of actual space utilization against the standard

Management indicated that it is developing a communication strategy to continually remind its clients of the office space standard. Additionally, as current leases expire, management stated the Ministry plans to work with clients to reduce space utilization.

Also, management indicated that it plans to revise the standard Accommodation Space and Services Agreement to require client ministries to confirm that they either meet the office space standard or have obtained Treasury Board approval to exceed the standard. Without obtaining this information, the Ministry does not know if it is complying with the directive from Cabinet and if office space is being effectively managed.

### 3.3 Monitoring of Implementation of Plan Expected

We recommended that the Ministry of Central Services (formerly Ministry of Government Services) monitor and report on implementation of an overall accommodation plan. (2011 Report – Volume 1; Public Accounts Committee agreement August 28, 2012)

**Status** – Partially Implemented

By February 2017, the Ministry had only recently approved its overall accommodation plan (i.e., in August 2016). As such, it did not have an opportunity to monitor or report on its implementation. The Ministry indicated that it plans to regularly (e.g., semi-annually) monitor and report on the status of the overall accommodation plan to senior management.

