

Chapter 41

Parks, Culture and Sport—Provincial Parks Capital Asset Planning

1.0 MAIN POINTS

By August 2017, the Ministry of Parks, Culture and Sport had strengthened its long-term capital planning for the provincial park system. It implemented the related three recommendations that we first made in our 2009 audit.

The Ministry has a long-term capital plan for the provincial park system. This plan includes estimated life-cycle costs for key capital assets (e.g., service centres). In addition, the Ministry provides its staff with sufficient guidance for operating and maintaining its key capital assets. The Ministry has obtained additional information to help it estimate the future long-term use of capital assets in the park system, and related key risks.

2.0 INTRODUCTION

This chapter describes our third follow-up of management's actions on three recommendations we initially made in our *2009 Report – Volume 3*, Chapter 18 about the adequacy of the Ministry's long-term capital asset plan for the provincial park system. In our *2015 Report – Volume 1*, Chapter 24, we reported that as of January 2015, the Ministry had not fully implemented the three related recommendations.

The Ministry of Parks, Culture and Sport is responsible for the provincial park system, including capital assets in provincial parks.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Ministry management agreed with the criteria in the original audit.

We reviewed key Ministry processes and controls related to capital asset planning. This included observing key aspects of the enterprise asset management IT system, reviewing key documents related to the Ministry's year-to-year and five-year capital infrastructure plans (e.g., survey results, prioritization matrixes), and interviewing Ministry staff responsible for provincial parks capital asset planning.

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 August 31, 2017, and the Ministry's actions up to that date.



3.1 Financial Implications of Capital Asset Strategies Included in Long-Term Capital Asset Plan

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 – Implemented

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 – Implemented

By August 2017, the Ministry used estimated life-cycle costs in the development of its long-term capital asset plan. In addition, it used its new IT system along with supporting guidance to guide how it operates and maintains key capital assets in the provincial park system.

In February 2016, the Ministry implemented a new IT system (enterprise asset management IT system). This system allows the Ministry to track important information for life-cycle costing (e.g., estimated useful life, current condition, replacement cost, expected year of outlay) for both capital assets (e.g., a building) and their components (e.g., the roof). The system assesses different maintenance elements and prioritizes maintenance projects based on those categories.

The Ministry gave staff the necessary guidance for the use of the new IT system. For example, the Asset Management System User Guide includes direction on both the operation and maintenance of key capital assets. Also, the Ministry's draft 2018-19 Capital Infrastructure Plan included a set of guiding principles to guide the capital planning process.

The Ministry plans to update and re-assess the condition of all major assets every five years. To keep information in the new IT system up to date and relevant, the Ministry makes five area specialists responsible for periodically assessing the condition of each asset and its components. By August 2017, we found they had assessed the condition for all buildings and campsites listed in the IT system. Assessments on other asset classes (e.g., roads) were ongoing.

In addition, the Ministry developed a Capital Planning Process Prioritization Matrix User Guide. This Matrix provides members of its Capital Planning Committee with guidance on how to assess each potential project. This ensures that all projects (both maintenance and new purchases) are reviewed and approved prior to being included in the capital asset plan.

Also, we found that the Ministry used information from its IT system to develop a priority matrix each year. The priority matrix helped the Ministry decide which projects to select

when finalizing its year-to-year capital asset plan. We noted that the highest priority projects (e.g., replacing a service centre at a selected provincial campground) formed part of its Capital Infrastructure Plan for the upcoming year.

3.2 Projected Future Use of Key Capital Assets Incorporated Into Planning

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 3; Public Accounts Committee agreement June 6, 2011)

Status – Implemented

By August 2017, the Ministry obtained and utilized additional information about projected future use levels and risks to the provincial park system in the development of its long-term capital asset plan.

Since 2015 (the time of our last follow-up), the Ministry analyzed detailed trends (e.g., results of surveys of park visitors and park supervisors), and conducted environmental scans to better determine both the current and future use of provincial parks and emerging risks facing the Ministry with respect to the provincial park system. For example, it expected a continued population increase in Saskatchewan to result in the need for expanded and upgraded facilities to meet growing park visitor demands.

