

Chapter 27

Advanced Education – Approving Capital Projects

1.0 MAIN POINTS

By August 2018, the Ministry of Advanced Education implemented a recommendation we made in 2016 related to its processes to approve capital projects. In August 2018, the Ministry gave post-secondary institutions feedback about unapproved requests for funding for capital projects related to the 2018-19 budget cycle. In addition, the Ministry drafted a process to provide post-secondary institutions with annual feedback as part of its infrastructure planning cycle.

2.0 INTRODUCTION

This chapter describes our first follow-up of management's actions on the recommendation we made in 2016.

Our *2016 Report – Volume 2*, Chapter 24 reported that the Ministry of Advanced Education had, other than for the following area, effective processes to approve post-secondary capital projects. It needed to give post-secondary institutions timely feedback about capital project requests that are not approved. In 2017-18, the Ministry provided \$21.4 million in capital grants to post-secondary institutions.¹

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

To perform our follow-up audit, we discussed actions taken with Ministry management, and reviewed the Ministry's policies and documentation related to approving capital projects.

3.0 STATUS OF RECOMMENDATION

This section sets out the recommendation, the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation as of August 15, 2018, and the Ministry's actions up to that date. We found that the Ministry implemented the recommendation.

¹ *Ministry of Advanced Education Annual Report for 2017-18*, p. 25. Includes funding provided for preventative maintenance and renewal projects.



3.1 Feedback on Unapproved Capital Projects Provided

We recommended that the Ministry of Advanced Education give post-secondary institutions timely feedback about capital project requests that are not approved. (2016 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)

Status – Implemented

As of August 2018, the Ministry provided post-secondary institutions with timely feedback about unapproved requests for funding for capital projects via email. The email advised institutions about which project submissions had not been accepted, factors the Ministry used to evaluate the proposals, and key elements of successful proposals. These projects did not receive approval for funding as part of the Ministry's annual allocation of funding for strategic preventative maintenance and repair projects in the 2018-19 budget cycle.

In July 2018, the Ministry provided post-secondary institutions with a proposed process and related draft policies regarding infrastructure planning cycle and capital project approvals. The process is to include a debrief session after the announcement of Government's budget for the upcoming year. A debrief session would give post-secondary institutions an opportunity to discuss proposed capital projects that were not successful in obtaining approval for funding. The Ministry plans to finalize these policies in the fall of 2018.