

Chapter 11 Provincial Capital Commission

1.0 MAIN POINTS

The 2019-20 financial statements of the Provincial Capital Commission are reliable.

In 2019-20, the Provincial Capital Commission had effective rules and procedures to safeguard public resources and complied with authorities governing its activities other than certain processes related to major developments in Wascana Centre.

By March 2020, the Commission implemented two of five recommendations made in our *2019 Report – Volume 2* about its process for approving major developments. It published a clear checklist outlining its process to review and approve proposed developments in Wascana Centre. It began providing the public with periodic status updates on all major development projects within Wascana Centre.

While it made some improvements to partially implement the remaining three recommendations more work is needed to:

- Develop written expectations for public consultations proponents are to undertake in relation to major developments.
- Clearly document in its Board minutes how major developments conform to the Master Plan as required by *The Provincial Capital Commission Act*.
- Establish agreements with building owners of major developments in Wascana Centre to facilitate control of the building use and conformity with the Master Plan. The Commission signed two agreements in June 2020.

The Provincial Capital Commission Act places the onus on the Commission and its Board to make sure major developments in Wascana Centre are consistent with the Master Plan.¹ Wascana Centre includes land extending from downtown Regina to the outskirts of the City with various pieces owned by the Province, the City of Regina, and the University of Regina.

2.0 INTRODUCTION

2.1 Background

The Provincial Capital Commission Act gives the Provincial Capital Commission the mandate to enhance quality of life for Saskatchewan citizens through the celebration and creation of opportunities, stewardship of the land, and engagement of youth about democracy and provincial history.² The Commission also promotes, preserves, and strengthens diverse heritage and culture to ensure Saskatchewan's capital city is a source of provincial pride and significance. It is dedicated to providing and enhancing visitor experiences and educational programming at Government House.

¹ The Master Plan is a public document intended to guide future development and conservation of Wascana Centre for about a seven-year period.

² *The Provincial Capital Commission Act* established the Provincial Capital Commission effective June 12, 2017.



The Commission is a statutory partnership of public landowners of the Wascana Centre located in Regina, Saskatchewan between the Provincial Government, the City of Regina, and the University of Regina.

A cabinet-appointed Board is responsible for overseeing the Commission. The Board is comprised of one City of Regina nominated member, one University of Regina nominated member, and three government-appointed members.

2.2 Financial Overview

As set out in **Figure 1**, in 2019-20, the Commission had revenues and expenses of \$11.6 million and \$11.1 million respectively, and a surplus of \$0.5 million. During the year, the Commission received over 90 percent of its revenue through grants. At March 31, 2020, it held net financial assets of \$8.6 million (financial assets like Due from the General Revenue Fund less liabilities) and tangible capital assets of \$3.2 million. Its tangible capital assets are primarily comprised of land, buildings and improvements, and equipment.

Figure 1-Financial Overview for 2019-20 and 2018-19

	Actual 2019-20	Actual 2018-19
	(in millions)	
Grants – Government of Saskatchewan – Ministry of Central Services	\$ 7.1	\$ 7.1
Grants – City of Regina	2.7	2.7
Grants – University of Regina	0.8	0.8
Service Revenue	0.6	0.8
Rental Revenue	0.2	0.2
Other Revenue	<u>0.2</u>	<u>0.2</u>
Total Revenue	\$ 11.6	\$ 11.8
Salaries and benefits	5.2	4.5
Contractual services and materials	3.0	2.4
Accommodation	2.4	2.1
Other	<u>0.5</u>	<u>0.5</u>
Total Expense	\$ 11.1	\$ 9.5
Surplus for the year	\$ 0.5	\$ 2.3
Net Financial Assets	\$ 8.6	\$ 7.9
Tangible Capital Assets	\$ 3.2	\$ 3.4

Source: Adapted from Provincial Capital Commission 2019-20 audited financial statements.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Provincial Capital Commission had except as noted below, effective rules and procedures to safeguard public resources**

- **The Provincial Capital Commission complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except as noted below:**

The Provincial Capital Commission Act
The Executive Government Administration Act
The Crown Employments Contracts Act
 Orders in Council issued pursuant to the above legislation

- **The Provincial Capital Commission had reliable financial statements**

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audit. We used the control framework included in *COSO's Internal Control—Integrated Framework* to make our judgments about the effectiveness of the Commission's controls.

Our audit focused on the Commission's processes to properly record revenue, accurately and completely track contractual arrangements and obligations, and approve construction projects and improvements consistent with applicable authorities.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Public Consultation Expectations for Major Developments Needed

We recommended the Provincial Capital Commission make public written processes about the timing, nature, and extent of public consultations for major amendments to the Wascana Centre Master Plan. (2019 Report – Volume 2, p. 69, Recommendation 1, Public Accounts Committee agreement February 26, 2020)

Status—Partially Implemented

During 2019-20, the Commission began drafting but did not finalize expectations and procedures for public consultations it expects proponents to undertake for major developments in Wascana Centre.³

Public consultation helps the proponent and the Commission better understand the aspirations, interest, wishes, and proposals from various interested stakeholders before making decisions about proposed major development projects.

Having written expectations and procedures for public consultations would provide proponents a clear understanding of requirements when proposing major development projects in Wascana Centre. In addition, sharing established processes with the public would show the Commission is committed to obtaining public input when making decisions about major development proposals.

³ Proponent is a person who puts forward a proposition or proposal for major development or use of public land within Wascana Centre.



4.2 Design Review Process and Status Updates for Major Developments Communicated

We recommended the Provincial Capital Commission publish, using clear language, its design review process for major developments in Wascana Centre. (2019 Report – Volume 2, p. 72, Recommendation 2, Public Account Committee agreement on February 26, 2020)

Status—Implemented

We recommended the Provincial Capital Commission keep the public informed about the status of each proposed and approved major development in Wascana Centre until its completion. (2019 Report – Volume 2, p. 72, Recommendation 3, Public Account Committee agreement on February 26, 2020)

Status—Implemented

During 2019-20, the Commission published its process to review and approve proposed developments in Wascana Centre. In January 2020, the Commission also initiated a practice of providing the public with periodic status updates on all development projects within Wascana Centre.⁴

During the year, the Commission developed a step-by-step Development Process Review checklist (as well as a Proponent Development checklist).⁵ The checklist includes eight phases comprised of 38 steps.⁶ These steps take place both at a review and administration level throughout the duration of a project. It also outlines the roles and responsibilities the Commission, the Board, and proponents of major developments must follow. The Board reviewed and approved the Development Process Review checklist, and makes it publicly available through the Commission's website.

We found the checklist clear and easy to follow. Making well-defined, understandable steps and procedures publicly accessible promotes awareness and understanding by both potential proponents and the public.

To improve major development transparency, in 2019, the Board also approved the practice of publishing a summary document of the Board's proceedings and decisions on the Commission's website. These documents include status updates on major development projects.

We found it had published summary documents for its January 2020 and April 2020 meetings. We found the April 30, 2020 Board meeting summary provided a status update on the four major development projects underway in Wascana Centre, and indicated at which step—out of 38 steps each project is.

⁴ www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/provincial-capital-commission#minister-and-board-of-directors (15 June 2020).

⁵ pubsaskdev.blob.core.windows.net/pubsask-prod/115755/Proponent-Development-Checklist.pdf (15 June 2020).

⁶ The eight phases include: Preliminary Proposal (steps 1 to 5), Statement of Intent (steps 6 to 15), Conceptual Design (steps 16 to 22), Detailed Design (steps 23 to 28), Engineering Advisory Committee Review (steps 29 to 32), City of Regina Building Permits (steps 33 and 34), Construction (steps 35 and 36), and Project/Closeout (steps 37 and 38).

Keeping the public informed about the status of each proposed major development in Wascana Centre helps promote transparency and understanding of major projects in Wascana Centre, and public opportunities to provide input.

4.3 Plan to Document Conformity to the Master Plan in Published Board Meeting Summary

We recommended the Provincial Capital Commission clearly document in its Board minutes how major improvements and developments it approves conform to the Wascana Centre Master Plan. (2019 Report – Volume 2, p. 73, Recommendation 4, Public Account Committee agreement on February 26, 2020)

Status—Partially Implemented

During 2019-20, the Board did not make any decisions about the design of major improvements and developments in Wascana Centre and conformity to the Wascana Centre Master Plan.⁷ The Board plans to use the Board meetings summaries published on its website to communicate these decisions (see **Section 4.2** for detail).

The Provincial Capital Commission Act places an onus on the Commission and its Board to make sure improvements and buildings in Wascana Centre are consistent with the Master Plan.

The Board made minute summaries available on the Commission's website for its January and April 2020 Board meetings. Neither of these minutes indicated any Board approvals in relation to major improvement design and conformity with the Master Plan.

As noted in the Board's April 30, 2020 board minute summary, there are four major developments ongoing in Wascana Centre. The status of each of these projects vary:

- For the project at step 36 (Construction phase) of the 38 steps, the remaining project-closeout steps do not require any further decisions of the Board about conformity with the Master Plan.⁸
- For the project at step 23 (Detailed Design phase) of the 38 steps, the Architectural Advisory Committee review of the detailed design is underway.^{9,10} This review includes assessing proposed sustainability measures that show how the design minimizes the impact on the environment in keeping with the Wascana Centre Master Plan's conservation mandate. The Board had not yet decided whether the detailed design of this project conforms to the Master Plan.¹¹

⁷ The Master Plan is a public document intended to guide the future development of Wascana Centre. The five purposes outlined in the 2016 Master Plan include the seat of Government, education and research, cultural arts, recreational opportunities and conservation of the environment.

⁸ Referred to as The Conexus Development Project. As noted in our 2019 Report – Volume 2, Chapter 10, the prior Board of Wascana Centre Authority approved this major development as non-conforming with the Master Plan.

⁹ Referred to as The Canadian Institute for the Blind project.

¹⁰ The Architectural Advisory Committee is comprised of architects who advise the Board on whether to approve a project submission based on its architectural merit and conformity with the Master Plan.

¹¹ In our 2019 Report – Volume 2, Chapter 10, we did not see evidence of the Board approving this major development as consistent with the Master Plan at the conceptual stage.



- For the other project at step 23 (Detailed Design phase) of the 38 steps, the Board approved the conceptual phase in November 2017, and the Architectural Advisory Committee review of the detailed design is underway but project timing is unclear as the proponent is presently raising funds to finance the development.¹² The Board had not yet decided whether the detailed design conforms to the Master Plan.
- For the project at step 19 (Conceptual Design phase) of the 38 steps, the Architectural Advisory Committee is reviewing the conceptual design.¹³ The Board had not received a recommendation from the Committee and had not decided whether the conceptual design conforms to the Master Plan.

Earlier, for this project, as part of the Statement of Intent phase, the Board approved a Statement of Intent in its November 2019 Board minutes, after the Architectural Advisory Committee recommended it for approval. The Committee's recommendation included a statement it aligns with the Master Plan. As of mid-June 2020, the Board had not provided the public with information on whether this project conforms to the Master Plan.

Without clear documentation as to how proposed major developments in Wascana Centre conform to the Master Plan, the Commission cannot show it complied with the provisions of *The Provincial Capital Commission Act*.

4.4 Formal Agreements with Owners of Buildings in Wascana Centre Needed

We recommended the Provincial Capital Commission establish agreements with building owners of major developments in Wascana Centre to facilitate control of building use and conformity with The Provincial Capital Commission Act and the Wascana Centre Master Plan in effect. (2019 Report – Volume 2, p. 74, Recommendation 5, Public Account Committee agreement on February 26, 2020)

Status—Partially Implemented

During 2019-20, the Commission began drafting a template agreement about building use in Wascana Centre. It expects to use this template when entering into agreements with building owners of major developments in Wascana Centre to help it facilitate control of building use and conformity to the Act and the Master Plan.

The Commission did not have any agreements signed with building owners by March 31, 2020. In June 2020, the Commission signed agreements with two tenants of buildings in Wascana Centre.

Having a formal mechanism (through agreements) to approve key changes to and tenants of major buildings in Wascana Centre will allow the Commission to ensure those buildings and their use conform to the five purposes in the Master Plan.

¹² Referred to as the Regina Garden Association—Floral Conservatory.

¹³ Referred to as the City of Regina—Wascana Pool.