

Chapter 10

Provincial Capital Commission

1.0 MAIN POINTS

The 2020–21 financial statements of the Provincial Capital Commission are reliable. In 2020–21, the Commission had effective rules and procedures to safeguard public resources and complied with authorities governing its activities.

By March 2021, the Commission fully implemented the remaining three recommendations we originally made in our *2019 Report – Volume 2*, Chapter 10, about its processes for approving major developments in Wascana Centre. By law, the Commission and its Board are to ensure major developments in Wascana Centre are consistent with the Master Plan.¹

The Commission established new policies in relation to public consultations required when undertaking major developments in Wascana Centre or when making changes to the Wascana Centre Master Plan. The Commission also published Board summaries during 2020–21 outlining Board decisions made around major developments and those developments conformity to the Master Plan.

The Commission also finalized an agreement template and began signing agreements with building owners of major developments in Wascana Centre. These agreements facilitate control of the building use and conformity with the Master Plan.

2.0 INTRODUCTION

2.1 Background

The *Provincial Capital Commission Act* gives the Provincial Capital Commission the mandate to enhance quality of life stewardship 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 Saskatchewan's diverse heritage and culture to ensure that Saskatchewan's capital city, Regina, provides a source of provincial pride and significance. Moreover, it is dedicated to offering and enhancing visitor experiences and educational programming at Government House.³

The Commission is a statutory partnership of public landowners of the Wascana Centre located in Regina between the Provincial Government, the City of Regina, and the University of Regina. Wascana Centre comprises 2,300 land acres surrounding Wascana Lake. It extends from downtown Regina to the outskirts of the city. It is home to the Provincial Legislature, the University of Regina, a series of municipal parks, a centre for performing arts, and a waterfowl reserve.

¹ The Wascana Centre Master Plan is a public document intended to guide the future development and conservation of Wascana Centre—last updated in 2016. The next review and renewal date of the Master Plan is 2023.

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

³ The Provincial Capital Commission's *2020–21 Operational Plan*.



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 2020–21, the Commission generated revenues and expenses of \$11.6 million and \$13.0 million respectively, and a deficit of \$1.4 million. During the year, it received over 90% of its revenue through grants.

At March 31, 2021, it held net financial assets of \$9.8 million (financial assets like cash and receivables less liabilities) and tangible capital assets of \$0.6 million primarily comprised of equipment and vehicles.

In 2020–21, the Commission transferred its land and building and infrastructure assets totalling a net book value of \$2.3 million to the Ministry of SaskBuilds and Procurement.

Figure 1—Financial Overview for 2020–21 and 2019–20

	Actual 2020–21	Actual 2019–20
	(in millions)	
Grants – Government of Saskatchewan—Ministry of Government Relations	\$ 7.2	\$ 7.1
Grants – City of Regina	2.7	2.7
Grants – University of Regina	0.8	0.8
Service Revenue	0.5	0.6
Rental Revenue	0.1	0.2
Other Revenue	0.3	0.2
Total Revenue	\$ 11.6	\$ 11.6
Salaries and Benefits	4.9	5.2
Contractual Services and Materials	2.8	3.0
Accommodation	2.4	2.4
Restructuring Transaction ^A	2.3	-
Other	0.6	0.5
Total Expense	\$ 13.0	\$ 11.1
Surplus (Deficit) for the year	\$ (1.4)	\$ 0.5
Net Financial Assets at March 31	\$ 9.8	\$ 8.6
Tangible Capital Assets at March 31^A	\$ 0.6	\$ 3.2

Source: Adapted from the Commission's 2020–21 audited financial statements.

^A The Commission transferred land, building and infrastructure assets on March 31, 2021, with a net book value of \$2.3 million to the Ministry of SaskBuilds and Procurement.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

- **The Provincial Capital Commission had 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:**

The Provincial Capital Commission Act
The Provincial Capital Commission Regulations
The Executive Government Administration Act
The Crown Employments Contracts Act

- **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. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

Our audit focused on the Commission's processes to properly record revenue, approve construction and improvements consistent with applicable authorities, and transfer certain tangible capital assets to the Ministry of SaskBuilds and Procurement. In addition, it focused on the Commission's processes to accurately and completely track contractual arrangements and obligations.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Public Consultation Expectations Established

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—Implemented

During 2020–21, through *The Provincial Capital Commission Regulations*, Cabinet established requirements for public consultations. The Regulations require public consultations for all proposed major developments in Wascana Centre, major amendments to the Master Plan, and for each Master Plan review.⁴ The Regulations define what constitutes a major development in Wascana Centre and a major amendment to the Master Plan. The Regulations came into effect in February 2021.

The Provincial Capital Commission also developed and published policies and procedures for public consultations for major developments in Wascana Centre, and review and renewal of the Master Plan. In March 2021, the Commission published a *Public Participation Policy* and various public participation procedures (e.g., *Public Participation for Major Developments*, *Public Participation for Master Plan Procedure*, and *Public*

⁴ *The Wascana Centre 2016 Master Plan* is a public document intended to guide the future development and conservation of Wascana Centre. The next review and renewal date of the Master Plan is 2023.



Participation Policy and Procedures Reference Manual). The policy and procedures are available on the Government of Saskatchewan's publications website.⁵

Our review of the Regulations and related policies and procedures found it provides the public with sufficient information about the timing, nature, and extent of public consultations for major developments and amendments to the Wascana Centre Master Plan. For example, the Regulations [section 6(2)] require proponents to prepare and to submit a plan for public participation that is satisfactory to the Commission before the Commission will approve a proposed major development.⁶ The Regulations outline specific details required in the public consultation plan including: dates, frequency, and advance notice of public participation events; methods and venues to be used for public participation events; and representatives, associations, and interests to be invited to participate.

Having written expectations and procedures for public consultations provide proponents with a clear understanding of requirements when proposing major development projects in Wascana Centre. Public consultations help the proponent, and the Commission, understand the aspirations, interests, and wishes from various interested stakeholders before making decisions about proposed major development projects.

4.2 Documenting Conformity to the Master Plan in Published Board Meeting Summaries

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 Accounts Committee agreement February 26, 2020)

Status—Implemented

During 2020–21, the Board of the Provincial Capital Commission made, and summarized, in publicly available Board meeting summaries, its decisions about the conformity to the Master Plan for certain major improvements and developments in Wascana Centre.

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

In 2020, the Commission started the practice of publishing Board meeting summaries on its website.⁷ The purpose of these summaries is to increase transparency of the Board's key decisions including its decisions about how major developments align with the Master Plan.

Our review of the Board meeting summaries found it sufficiently sets out the Board's decisions about whether major improvements and developments in Wascana Centre conform to the 2016 Master Plan (see **Figure 2** for key 2020–21 Board decisions about

⁵ publications.saskatchewan.ca/#/categories/4554 (31 March 2021).

⁶ Proponent is a person who puts forward a proposition or proposal for major development or use of public land within Wascana Centre.

⁷ Provincial Capital Commission Board Summaries and Reports at publications.saskatchewan.ca/#/categories/4555 (31 March 2021).

projects in Wascana Centre). The Act requires the Board to make this determination when a project is at certain stages (steps).⁸

We also found the Board meeting summaries appropriately outline recommendations to the Board from the Commission's Architectural Advisory Committee. Three architect members comprise this committee. Under the Act, the Committee advises the Board on whether to approve a project submission based on its architectural merit and conformity to the Master Plan.

Figure 2—2020–21 Board Decisions on Major Development Conformity with 2016 Master Plan and Status of the Project

Project Name	Project Step as of March 31, 2021 ^A	Board Meeting Summaries Outlined Conformity with the Wascana Centre 2016 Master Plan
Canadian National Institute for the Blind	Step 23 (Detailed Design Approval)	No approvals in 2020–21 Board meeting summaries. Confirmed through discussions with management there was no project activity in 2020–21.
Wascana Pool	Step 23 (Detailed Design Approval)	Yes
College Avenue Campus	Step 33 (Under Construction)	Yes
Floral Conservatory	Step 23 (Detailed Design Approval)	Yes
Regina Minor Football Sign	Step 16 (Conceptual Design Approval)	Yes
Maintenance Depot Replacement	Step 16 (Conceptual Design Approval)	Yes
University of Regina North West Business Building	Step 16 (Conceptual Design Approval)	Approved with no requirement for any 2016 Master Plan amendment.
Hillsdale Pathway	Step 16 (Conceptual Design Approval)	Yes

Source: Adapted from Commission Board meeting summaries (publications.saskatchewan.ca/#/categories/4555) (31 March 2021).

^A Steps 6, 16, 23 require Board review and determination as to whether a project complies with the Master Plan. Project steps explained at pubsaskdev.blob.core.windows.net/pubsask-prod/115755/Proponent-Development-Checklist.pdf (31 March 2021).

Having clear documentation as to how proposed major developments in Wascana Centre conform to the Master Plan, shows how the Commission complied with the provisions of *The Provincial Capital Commission Act*.

4.3 Signing Formal Agreements with Owners of Buildings in Wascana Centre

We recommended the Provincial Capital Commission establish agreements with building owners of the 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 Accounts Committee agreement February 26, 2020)

Status—Implemented

The Provincial Capital Commission signed agreements with five building owners during 2020–21.

⁸ The Commission has a step-by-step Project Development Process Review checklist available at pubsaskdev.blob.core.windows.net/pubsask-prod/115755/Proponent-Development-Checklist.pdf (31 March 2021).



During the year, the Commission completed an agreement template for building use in Wascana Centre. It expects to use this template when entering into agreements with building owners of major developments in Wascana Centre. The Commission intends to sign further building use agreements, when required.

Our review of the agreement template found its provisions are designed to help the Commission facilitate control of building use and conformity to the Act and the Master Plan. For example, the provisions in the template require tenants wishing to occupy a portion of the building within Wascana Centre to obtain approval from the Commission. Its provisions require inclusion of key tenant information, space requirements, and the intended use of the space. It further requires tenants to explain how their business complies with one of the five purposes of the Master Plan's vision or how the business supports the intent of the Master Plan's principles and approved land uses.⁹

Our review of agreements signed in 2020–21 found each one of them was consistent with the template.

Having a formal mechanism such as agreements to approve key changes to, and tenants of, major buildings in Wascana Centre allows the Commission to ensure those buildings and their use conform to the five purposes in the Master Plan.

⁹ The five purposes of Wascana Centre outlined in the 2016 Master Plan include the seat of Government, education and research, cultural arts, recreational opportunities, and conservation of the environment.