



Alberta Advanced Education Collaborative Initiatives Among Post-secondary Institutions

October 2017

Introduction

Alberta has 21 publicly funded post-secondary institutions, such as universities, colleges and technical institutes. They largely developed independently of one another, each running its own programs and maintaining its own support services. However, in recent decades they have begun to work together, and in 2002 the government created Campus Alberta—A Policy Framework,¹ designed to formalize and encourage collaborative initiatives among post-secondary institutions.

We performed an audit in 2013² to determine if the Department of Advanced Education and public post-secondary institutions had adequate systems to plan, govern, implement and sustain the collaborative initiatives among Alberta's institutions. We sampled three collaborative initiatives to determine how they fit into the department's plans for institutions to work together to provide learning opportunities for Albertans in a cost-effective and sustainable manner.

In the original audit, we found institutions executed collaborative initiatives with no ministry strategic or business plan for collaboration. Institutions did not understand what the department expected Campus Alberta to achieve or how to achieve it. There were:

- complex and poorly understood governance structures for collaborative initiatives
- no targets to ensure objectives were being met
- planning deficiencies related to sustainable funding for collaborative initiatives
- no methods for monitoring and reporting on collaborative efforts

We recommended that the department work with institutions to develop:

- a strategic plan and accountability framework
- processes and guidance to plan, implement and govern collaborative projects

Audit Objective and Scope

Our objective in this follow-up audit was to determine if the department has implemented the two recommendations from our July 2013 report. To understand how collaborative initiatives are being planned, monitored and reported now compared to our original audit, we examined the Campus Alberta Unified Services program. The program was designed to provide small-to medium-size Alberta-based post-secondary institutions access to a common information technology system for financial operations, human resource management and student service administration.³

We limited our scope to the department's processes, including using reports received from the University of Alberta. We did not audit the processes related to Campus Alberta Unified Services at the University of Alberta.

We conducted our audit in accordance with the *Auditor General Act* and the standards for assurance engagements set out in the CPA Canada Handbook—Assurance.

1 Per the policy framework, "Campus Alberta is not a program, nor is it an institution. Rather, it is a concept, a set of principles and a way in which the learning system works together to deliver seamless learning opportunities for Albertans." (Campus Alberta—A Policy Framework, page 1).

The vision of Campus Alberta is, "Albertans will have opportunity to participate in lifelong learning supported by a learning system in which learning providers collaborate to deliver quality and innovative learning opportunities - where and when Albertans need them - to enhance their social cultural and economic well-being." (Campus Alberta—A Policy Framework page 2).

2 *Report of the Auditor General of Alberta—July 2013*, pages 41–54.

3 Campus Alberta Unified Services Business Case—March 2014, Version 3.2, updated April 01, 2015.

What We Examined

We interviewed department management and reviewed documentation to learn how management responded to our recommendations. We also examined the department's processes for overseeing the planning and delivery of the Campus Alberta Unified Services program.

We conducted our field work from July 2016 to February 2017, and substantially completed our audit on March 17, 2017.

Conclusion

In this follow-up audit, we concluded that the Department of Advanced Education has not implemented our recommendations to work with institutions to:

- develop and communicate a strategic plan that clearly defines
 - the minister's expected outcomes for Campus Alberta
 - initiatives required to achieve those outcomes
 - resources and funding needed to carry out the strategic plan
- develop relevant performance measures and targets to assess if the outcomes are being achieved
- publicly report results and the cost of achieving them
- review and clarify the accountability structures for governing collaborative initiatives
- develop processes and guidance on how to plan, implement and govern collaborative initiatives

Collaboration allows post-secondary institutions to share costs, resources and best practices. Alberta's students are not getting the full benefits of collaboration because the department still has no plan for how institutions should work together.

Why This Conclusion Matters to Albertans

Alberta's 21 public post-secondary institutions spend about \$5.4 billion annually. They contribute to the government's priorities of building a knowledge-based economy and improving the social well-being of Albertans. The government wants these institutions to collaborate⁴ in an effort to improve services to students and make the advanced education system more efficient, effective and sustainable.

Alberta's students are not getting the full benefits of collaboration.

⁴ The department has several policy frameworks that highlight the importance of collaboration among institutions: Campus Alberta—A Policy Framework; A Learning Alberta; and the Roles and Mandates Policy Framework.

Findings and Recommendations

Develop strategic plan and accountability framework—**recommendation repeated**

Context

Alberta's post-secondary institutions have the potential for numerous collaborative initiatives, but there must be an effective strategic plan to identify, prioritize and coordinate these. A strategic plan, together with an accountability framework, would allow the department and institutions to:

- set specific measurable results and responsibilities
- plan to achieve results
- complete the work and monitor progress
- report on results
- evaluate results and provide feedback (results analysis)

The Minister of Advanced Education's oversight, through the department, should be to ensure institutions have implemented sustainable processes and are working collaboratively to achieve their mandates. The board of governors of an institution focuses its fiduciary duty on that specific institution's mandate; only the department has the overall perspective and insight to see that all institutions are effectively and consistently carrying out the minister's overall mandate.

Criteria: the standards of performance and control

The department and institutions should have a clearly defined governance and accountability framework for collaboration among post-secondary institutions. Such a framework should include:

- clear plans for initiatives, the costs to implement and sustain them, funding strategies, timelines, deliverables, risk assessments and mitigating strategies
- relevant performance measures and targets to assess if desired outcomes are being achieved and to report the results
- accountability, roles and responsibilities for overseeing the planning, implementation and ongoing operation of initiatives

Our audit findings

Key Finding

The department still does not have a strategic plan or accountability framework for collaboration among institutions.

Strategic plan

The department developed an interim Campus Alberta strategic plan for fiscal 2015. The purpose of the interim plan was to outline the commitments of the department to strengthen collaboration, as well as lay the groundwork for the development of a permanent collaboration strategic plan. Although the plan did identify system-level outcomes and broad actions for how they would be achieved, it did not define the resources required or sources of funding necessary. Nor did the plan identify relevant

performance measures and targets to assess if the department had achieved its desired outcomes. The department posted this interim strategic plan on its intranet; however, there was no evidence to show the department had formally communicated this plan to the institutions or what the department expected institutions to do with the plan.

Management asserted to us in September 2014 that “work is currently underway to develop the Campus Alberta strategic plan for 2015–2016 intended to identify gaps and shared priorities for the advanced learning system, through a process of co-development.” We found no evidence the department had done any work in developing the 2015–2016 Campus Alberta strategic plan.

After the 2015 provincial election, the department abandoned a Campus Alberta strategic plan and chose to outline its vision and principles for the Adult Learning System, which encompasses all post-secondary institutions, whether publicly or privately funded. Despite this transition, the desired outcomes of Advanced Education have not changed. Outcome three of the Advanced Education Business Plan 2017–2020 states: “A coordinated adult learning system is accountable for collaborating strategically and providing learning opportunities across a spectrum of programs and services.”⁵ However, there is still no plan on how collaboration will help achieve these outcomes.

Communication with institutions

Since the completion of our original report, management was not able to provide evidence of how it has clarified to institutions what collaboration should be and how to achieve it.

Performance measures and public reporting

The department does not have relevant performance measures and targets to know if they are collaborating effectively to eliminate duplication, save costs and improve services for students. They do not publicly report progress towards achieving the desired outcomes and the associated costs and savings.

Governance and accountability structures

As outlined in our original report, there are many committees and separate legal entities that institutions created for collaborating. Complex governance and accountability structures can complicate effective planning, risk management, resource allocation, coordination and accountability. Further, complexity works against the department’s goal of a more efficient and cost-effective post-secondary system. The department has not comprehensively reviewed the mandates, roles and responsibilities of these committees and entities.

Department management indicates that two current government reviews of post-secondary institutions have delayed implementation of the recommendation. Management is examining post-secondary institution funding allocations and is participating in a government-wide review of agencies, boards and commissions that includes a specific review of post-secondary institutions. Both reviews plan to be finished in fiscal 2017–2018, and management is waiting to see if the results of these reviews impact the department’s design of an effective strategic plan and accountability framework for collaborative initiatives.

⁵ <http://www.finance.alberta.ca/publications/budget/budget2017/advanced-education.pdf>, page 9.

RECOMMENDATION: Develop strategic plan and accountability framework —recommendation repeated

We again recommend that the Department of Advanced Education, working with institutions:

- develop and communicate a strategic plan that clearly defines the minister's expected outcomes for Campus Alberta, initiatives to achieve those outcomes, the resources required and sources of funding
- develop relevant performance measures and targets to assess if the outcomes are being achieved
- publicly report results and the costs associated with collaborative initiatives
- review and clarify the accountability structure for governing collaborative initiatives

Consequences of not taking action

Without a strategic plan and accountability framework, there is a high risk that the department will not achieve its collaborative initiative goals cost effectively—or at all.

Develop processes and guidance to plan, implement and govern collaborative projects—recommendation repeated

Context

Project management is the discipline of planning, organizing, managing, leading and controlling resources to achieve specific objectives and outcomes. Projects need a clearly defined accountability framework to achieve their objectives.

To be accountable, entities should follow this project life cycle:

- plan what needs to be done by identifying specific deliverables, costs, funding sources, timelines and responsibilities
- complete the work
- monitor progress against plans and report the analysis to those responsible
- evaluate progress and adjust plans and actions as required

For the three initiatives we looked at in our original audit, key aspects of a project life cycle were missing. The department and institutions did not identify sustainable funding sources at the start of each project. Further, institutions had complex governance structures, did not compare actual costs with budgeted costs, and did not publicly report on results.

We selected the Campus Alberta Unified Services program as the collaborative initiative to examine for this follow-up audit.

Campus Alberta Unified Services

In May 2011, a consortium of six small post-secondary institutions presented a business case for a centrally hosted and managed enterprise resource planning system. This system was to include financial operations, human resource management and student service administration. The department supported this initiative and forwarded the business case to Treasury Board and Finance for approval, but by spring 2013 the initiative remained suspended, awaiting funding.

In April 2013, the University of Alberta came forward and offered an alternate administrative service solution, the Campus Alberta Unified Services program. The aim of the program was to provide a lower-cost alternative for post-secondary institutions that wanted to implement an enterprise resource planning solution but were unable to proceed because of budgetary

constraints, lack of trained/skilled resources, inadequate technical infrastructure or an inability to deal with the massive organizational change. Through Campus Alberta Unified Services, these post-secondary institutions could instead leverage the University of Alberta’s in-house enterprise resource planning application, technical infrastructure and financial administration expertise.

The first shared services module was for financial operations, providing participating institutions the ability to use the U of A’s finance module. Institutions would process their financial transactions through the U of A’s system, and the university’s financial administration team would provide financial back-end services to the institutions, including reporting, receivable/payable oversight, financial applications and support.

In 2014, the Board of Governors of Olds College approved a project to replace the college’s financial, payroll and student services systems with an integrated shared services system from Campus Alberta Unified Services. The college implemented the finance module in November 2015 but has not implemented the other two modules as college management is re-examining the future cost sustainability of the system. Olds College is the only institution to implement any module under the Campus Alberta Unified Services program to date.

Potential benefits of enterprise resource planning shared services

An effectively delivered shared services environment accessible by all post-secondary institutions in Alberta has the potential to streamline business processes, reduce the cost of delivery, and improve service for Albertans.

Shared service benefits enabled by a common ERP include:

- information technology cost savings
- business process efficiency
- a catalyst for business innovation
- a common look and feel, simplifying training and optimizing usage⁶

Criteria: the standards of performance and control

The department and institutions should have an effective project and risk management system to plan, govern, implement and report on collaborative projects.

Our audit findings

Key Finding

The department has not worked with post-secondary institutions to develop processes and guidance to plan, govern, implement and report on collaborative projects.

⁶ <http://www.gartner.com/it-glossary/enterprise-resource-planning-erp/>

Planning

Planning should include detailed project plans to clearly define objectives and outcomes, alternative ways to achieve them, costs to implement and sustain initiatives, resources required, funding sources, risks and management plans.

In March 2013, the department issued a grant award letter to the U of A to develop the Campus Alberta Unified Services program on behalf of the department. The grant award letter indicated the grant was in support of the development of a business case and a final enterprise resource planning service and identified the stakeholders involved. The department awarded the funding without requesting the U of A to detail program deliverables, costs, timelines and responsibilities.

The letter did not specify:

- allocation of funding
- roles and responsibilities of the stakeholders
- necessary modules and deliverables of the shared services

The U of A presented the draft business case to the Campus Alberta Unified Services Steering Committee⁷ in April 2014. The steering committee did not approve the business case until April 2015. During this one-year period prior to the approval:

- Olds College began preparing for the 2015 implementation of the first module of the Campus Alberta Unified Services system
- the deputy minister approved three disbursements to the U of A totaling \$1.5 million

The U of A produced a grant allocation document in April 2015, but it was not until March 2016 (almost 2.5 years after the initial disbursement) that the deputy minister approved it.

The approved business case did not have:

- a clearly stated program objective—without an objective for the Campus Alberta Unified Services program, it is difficult for the department to determine if the program achieved its intended results for the public funding provided
- evidence of stakeholder support—the business case includes a list of stakeholders, but there is no evidence of explicit stakeholder commitment
- an adequate cost-benefit analysis—there was no program-level detail identifying how many institutions were required to join for the shared services to be sustainable and cost effective

Governance

Oversight means being vigilant, ensuring that processes and systems are working well, and signalling preferred behaviour, all in the pursuit of desired results.

The U of A established a steering committee to implement and operate the Campus Alberta Unified Services program. The role of the steering committee is to provide executive leadership and oversight, and the members act as the senior advisory and decision-making body of the program.

The steering committee receives a monthly report on the progress of the initiative, which includes actual costs and high-level progress. The department's chief information officer

Planning should include detailed project plans to clearly define objectives and outcomes.

⁷ The steering committee consists of the chair (a non-voting member from the U of A) and three voting members: one from the U of A, one from Advanced Education, and a post-secondary institution representative from the stakeholder committee. The committee also includes non-voting advisory members from the institutions and department.

(voting member) provides ad hoc, informal updates to the deputy minister, but there was no documented evidence of the substance of this communication.

When a disbursement of the grant funding is required, a member of the Campus Alberta Unified Services Steering Committee prepares a briefing note for review and approval by the deputy minister. However, there is no formal process to provide ongoing updates to the deputy minister, nor is there any evidence of the department requesting this information.

Measure, monitor and report

Before an organization can know what it needs to improve to achieve desired outcomes, it must measure and analyze the results it is achieving. We would have expected the department to:

- identify expected results; and strategies to achieve the results
- create relevant performance measures for internal and external reporting
- set targets for the performance measures
- analyze the current results for the performance measures against the targets, as well as analyze trends in relation to prior years
- identify ways to improve
- develop and implement a plan to improve
- report results in relation to desired outcomes, including lessons learned and plans for improvement

The department has developed objectives for the Campus Alberta Unified Services program. However, it has not established performance measures and related targets. As a result, it is unclear if the initiative is meeting its desired outcomes. In addition, there is no formal reporting by the department to the public for this initiative. We would have expected reporting from the department that answered questions including:

- What is the expectation for the use of the remaining allocated funds?
- How many institutions are expected to join the Campus Alberta Unified Services program to conclude it is a viable program?
- Is the ongoing cost of the Campus Alberta Unified Services program sustainable?
- What are the barriers identified by Olds College in implementing the Campus Alberta Unified Services program human resource management and student service administration modules, and can the department rectify those barriers?

RECOMMENDATION: Develop processes and guidance to plan, implement and govern collaborative projects—recommendation repeated

We again recommend that the Department of Advanced Education, working with institutions, develop systems and guidance for institutions to follow effective project management processes for collaborative initiatives.

Consequences of not taking action

Ineffective project management systems increase the risk that the department and institutions will not complete collaborative initiatives on time, on scope, within budget and with desired results.