



# Alberta Infrastructure Government of Alberta Capital Planning



Audit Report Executive Summary

October 2017

## Who

Alberta Infrastructure

## What

Performance audit

## When

We conducted our field work from June 2015 to April 2017. We substantially completed our audit on June 22, 2017.

## Quick Facts

- In its April 2016 capital plan, the Government of Alberta outlined plans to spend \$35 billion over the next five years.
- Funding for capital maintenance and renewal, roads and bridges, schools, and health facilities and equipment, makes up over 50% of the capital plan.

## Learn More

[infrastructure.alberta.ca](http://infrastructure.alberta.ca)

## Why we did this audit

Planning for capital is essential to any long-term strategic planning process. Governments must have well-designed long-term planning processes so that the capital investments they make today will meet the needs of tomorrow.

The Department of Infrastructure develops, implements and monitors compliance with policies and processes that support the Government of Alberta's capital planning system. Annually, departments give Infrastructure a ranked list of capital projects and programs that they need funded. Infrastructure gives departments' capital planning submissions to government committees. The committees decide how much to spend on capital, as part of the budget process, and which programs and projects to spend it on.

The objective of our audit was to determine whether the Department of Infrastructure has an adequate capital planning system to:

- guide departments in identifying and assessing capital needs
- confirm that departments' capital needs align with their long-term program needs and service delivery plans
- make capital investment recommendations to government committees

## What we concluded

Between the March 2015 and April 2016 capital plans, the Department of Infrastructure made improvements to the capital planning system. Infrastructure needs to improve its capital planning processes by updating its guidance to departments, clarifying its phased approach to capital planning and approval, and examining maintenance programs and how those programs are funded.

While several departments have done some long-term program or service delivery planning to support their capital planning submissions, the planning varies in breadth and depth. Without comprehensive long-term plans for strategic program or service delivery, Infrastructure cannot verify that departments' capital needs, which they submit to Infrastructure, align with their long-term program or service delivery plans.