

Outstanding Recommendations

Assessment of Implementation Report

Alberta Treasury Board and Finance

Government of Alberta Capital Planning

(October 2017)

Summary of Recommendations

In August 2021, we completed our assessment of implementation of whether Alberta Treasury Board and Finance has implemented our recommendation to improve capital planning standards and phased approach to capital planning and approval. We found that our recommendation has been implemented:

IMPLEMENTED Recommendation:

Improve capital planning standards and phased approach to capital planning and approval

Introduction

In 2017, we audited the Government of Alberta's capital planning systems to:

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

We made three recommendations to Alberta Infrastructure. In 2019, responsibility for the Government of Alberta capital planning systems was transferred from Alberta Infrastructure to Alberta Treasury Board and Finance. We completed the assessment of implementation based on these updated responsibilities.

The scope of our assessment of implementation includes one recommendation related to capital planning standards and phased approach to capital planning and approval. We will assess implementation of the remaining two recommendations related to maintenance funding and programs, once management completes their action plans and asserts the recommendations are implemented.

We focused our work on assessing if the enhanced capital planning standards and systems were designed adequately and implemented. Our assessment did not include capital planning standards and systems for capital maintenance and renewal, information technology, public-private partnerships or COVID-19 capital stimulus funding.

In our assessment of implementation, completed on August 31, 2021, we found Alberta Treasury Board and Finance implemented our recommendation to improve capital planning standards and phased approach to capital planning and approval.

The implemented recommendation includes an updated capital planning manual, clarification of the capital planning phases and deliverables, and an enhanced review process for capital planning submissions.

Recommendation:

Improve capital planning standards and phased approach to capital planning and approval

IMPLEMENTED

Context

In our original audit, we found:

- capital planning standards were not up to date or sufficient
- the capital planning and approval phases were not clear
- Alberta Infrastructure's⁷² systems were inadequate to verify and report to government committees if departments had completed sufficient planning

Our current findings

Alberta Treasury Board and Finance implemented our recommendation to update its capital planning standards, clarify capital planning phases and deliverables, and verify if departments have completed sufficient and appropriate planning.

We found that Alberta Treasury Board and Finance updated its Capital Planning Manual for the Government of Alberta capital planning process. The manual includes:

- updated roles and responsibilities
- requirements and guidance for capital planning submissions and review processes
- guidance for in-year capital requests

Alberta Treasury Board and Finance has also defined the capital planning phases. The Capital Planning Manual defines the deliverables for entering each phase and provides an overview of how projects move through the phases.

⁷² Alberta Infrastructure was responsible for the Government of Alberta capital planning systems in 2017 when we completed the original audit. Responsibility for the Government of Alberta's capital planning system was transferred to Alberta Treasury Board and Finance in 2019.

Alberta Treasury Board and Finance has implemented processes to verify that departments have completed sufficient and appropriate planning, based on the phases outlined in the Capital Planning Manual. These new processes include an internal tracking tool to ensure departments have completed the appropriate planning deliverables and a technical review process. Alberta Treasury Board and Finance also provides government committees with its capital planning review comments and recommendations, after discussing them with the Deputy Minister Capital Committee.