



# Management of Capital Building Projects

Independent Assurance Report: June 2026



Prince Edward Island

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Auditor General

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The Honourable Speaker and  
Members of the Legislative Assembly  
Province of Prince Edward Island

I have the honour of presenting this Report – **Management of Capital Building  
Projects** – to the Legislative Assembly.

Respectfully submitted,

Darren Noonan, CPA, CA  
Auditor General

Charlottetown  
Prince Edward Island  
June 26, 2026

# Management of Capital Building Projects – Highlights

## WHY WE DID THIS AUDIT

- The province’s investment in capital projects has grown significantly over the past number of years and is a main contributor to increasing levels of net debt.
- Our 2025 Annual Report included a chapter – *Capital Spending* – which presented information to inform legislators, the public and other users about recent trends in the province’s capital spending and what it could mean for the future. This work highlighted that the costs of capital building projects were often significantly higher than their original approved budgets.
- This audit report is a continuation of our office’s previous work, providing additional analysis of capital spending, to encourage the province to improve the accountability and transparency surrounding the management of capital projects and their capital budgeting process.

## OBJECTIVES

To determine whether government departments:

- submitted and received approval for cost increases to capital building projects in accordance with Treasury Board policy; and
- reviewed capital building projects within one year of completion in accordance with Treasury Board policy.

## CONCLUSIONS

- Government departments submitted and received approval for cost increases to capital building projects in accordance with Treasury Board policy.
- Government departments have not reviewed capital building projects within one year of completion in accordance with Treasury Board policy.

**Audit Scope Period: April 1, 2020 to March 31, 2025**

## WHAT WE FOUND

- Overall
- Total project costs for 11 of the 12 capital building projects exceeded their original capital estimates. In total, costs across the 12 projects grew from \$81.5 million to \$150.6 million – representing a \$69.1 million (85%) net increase in capital spending over the original estimated amounts.
  - Current policies do not establish minimum planning standards that must be met before capital building projects are included in capital budget submissions. This contributed to a substantial portion of the

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cost increases—\$29 million or 42% —identified before construction tenders were issued.

**RECOMMENDATION 1**

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Changes in  
Financial  
Requirements  
of Building  
Projects

- Increases in the financial requirements for the capital building projects examined were presented to Treasury Board.
  - Increases to the financial requirements of capital projects were approved as required in accordance with Treasury Board policy.
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Post-  
Completion  
Review  
Reports

- Post-completion review reports have not been completed for any capital building projects as required by Treasury Board policy.
- There is no policy guidance defining when capital building projects are considered complete for post-completion reviews. Instead, completion is determined on a project-by-project basis, with reported completion dates at least 12 months – and in some cases more than two years – after the buildings are available for use.

**RECOMMENDATIONS 2, 3 & 4**

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# Management of Capital Building Projects

## Why It Is Important

The province has approved record levels of investment in capital projects in recent years. The 2026-2027 Capital Estimates included a capital budget of \$486.5 million for the 2026-27 fiscal year. This represents a \$274 million (129%) increase from just five years earlier.

When the province's capital budget is approved by the Legislative Assembly each year, government is essentially committing to the projects included in it. Completing these projects within budget is a key aspect of capital project management. Significant cost increases can bring into question the reliability and completeness of the budgeting process and the information included in the capital estimates that are provided to the Legislative Assembly for approval.

Approximately 65% of the 2026-2027 capital budget is allocated to capital building projects. Historically, the initial capital project estimates presented to the Legislative Assembly are significantly lower than the actual cost to complete the projects. As the estimated costs of these projects increase, it is important that proper approvals are obtained and that government is transparent and accountable for any significant changes.

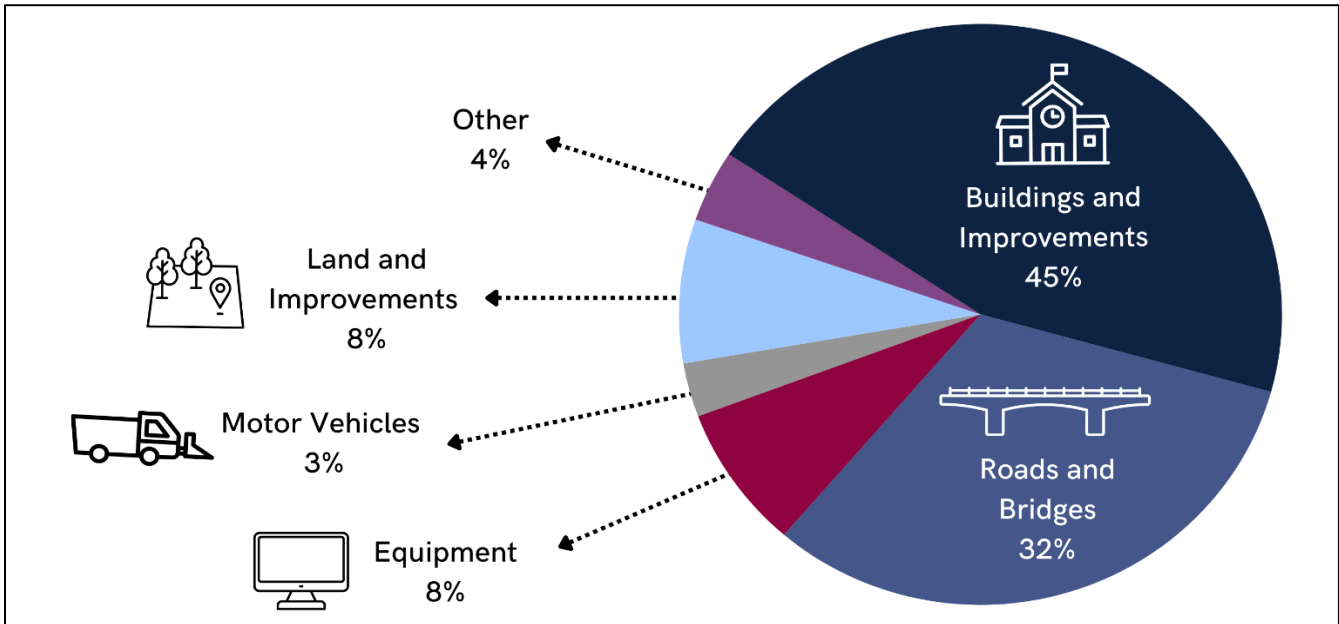
Following a \$728.5 million (32%) increase in net debt since 2020-21, the province introduced a new debt management strategy in March 2026. This strategy states that the recent growth in net debt is due to capital spending. This emphasizes the importance of adequately managing capital project budgets and providing well informed estimates when putting costs forward to the capital budget. If initial cost estimates for capital projects are significantly understated on a consistent basis, government cannot effectively manage its net debt levels and borrowing requirements.

## BACKGROUND

### Tangible Capital Assets

1. Tangible capital assets (TCAs) are assets with a useful life of more than one year. They include land and improvements, buildings and improvements, leasehold improvements, roads and bridges, equipment, and motor vehicles. These assets are a key component in the delivery of many government programs and services. With the exception of land, all have a limited useful life and, as they age, require significant investment to maintain or replace.
2. As of March 31, 2025, the net book value of the province's TCAs was over \$1.9 billion. Buildings and improvements – valued at \$864 million – represented 45% of this total and are the focus of this audit. **Exhibit 1** shows a breakdown of the province's TCAs by category as of March 31, 2025.

**EXHIBIT 1  
BREAKDOWN OF TANGIBLE CAPITAL ASSETS BY CATEGORY  
AS OF MARCH 31, 2025**



Source: Fiscal Year 2024-25 PEI Public Accounts Volume 1.

**Capital Budgeting Process**

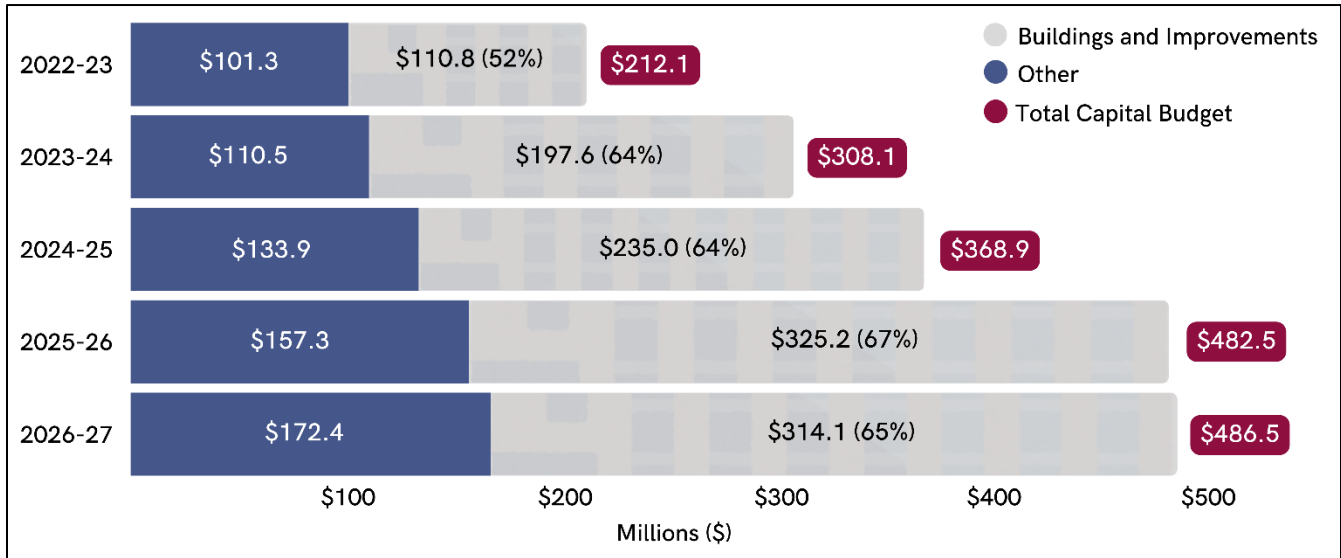
3. Treasury Board typically issues a call to government departments for capital budget submissions during the summer each year. Departments review existing capital projects and identify proposed new projects when preparing their submissions. Capital budget submissions generally include project descriptions, implementation timelines, total estimated costs, multi-year cash flow projections, and expected impacts on the operating budget.
4. Treasury Board will analyze departmental submissions and make recommendations for Budget Cabinet’s consideration. Budget Cabinet will consider the recommendations and decide the capital budget allocations for each department. Treasury Board is responsible to take these allocations and form the *Capital Estimates* for the province.
5. The *Capital Estimates* represent the province’s capital financial plan for the next five fiscal years. Year one represents the proposed capital budget for the upcoming fiscal year, and years two to five include forecasted amounts. The *Capital Estimates* are presented to the Legislative Assembly annually as part of government’s request to approve the capital budget – year one of the five-year plan – for the upcoming year. This request is formalized each year through the tabling of the *Appropriation Act (Capital Expenditures)*.

### Budget Cabinet

A committee of all government ministers that reviews budget proposals and approves the estimates before they are presented to the Legislative Assembly for approval.

6. In recent years, the capital budget has included record levels of investment. **Exhibit 2** illustrates the \$274 million (129%) increase in the capital budget from fiscal 2022-23 to 2026-27 and the portion allocated to capital building projects each year.

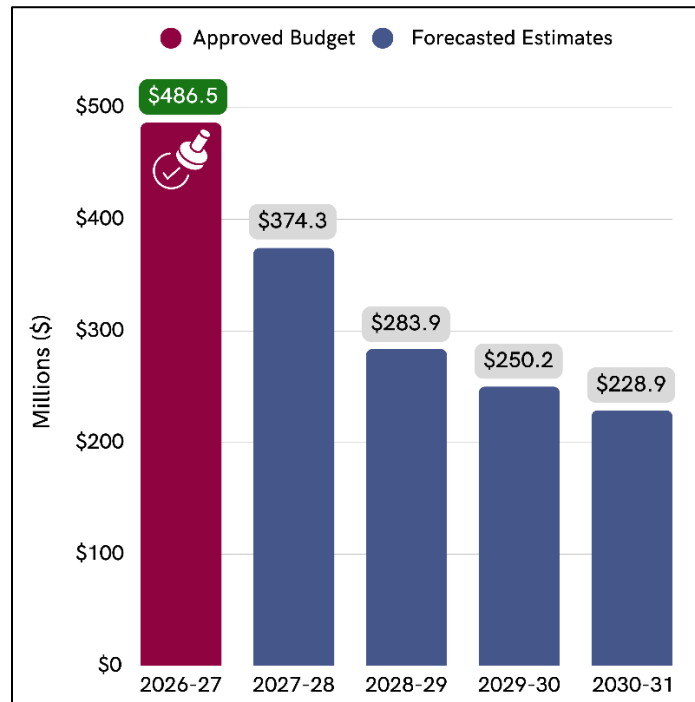
**EXHIBIT 2  
CAPITAL BUILDING PROJECT PORTION OF APPROVED CAPITAL BUDGET  
FIVE FISCAL YEARS ENDING 2026-2027**



Source: PEI Capital Estimates Fall 2021 – Fall 2025.

7. As shown in **Exhibit 3**, the Fall 2025 *Capital Estimates* included a capital budget appropriation of \$486.5 million – approved on November 27, 2025, for the 2026-27 fiscal year – and forecasted capital costs for the next four years resulting in a five-year capital plan totaling \$1.62 billion.

**EXHIBIT 3  
FIVE-YEAR CAPITAL PLAN  
2026-2027 TO 2030-2031**



Source: PEI Capital Estimates – Fall 2025.

**Capital Project Management**

8. The Building Services Division of the Department of Transportation, Infrastructure and Energy, supports the delivery of capital building projects for provincial departments and agencies. This division provides expertise in the planning, design, construction and renovation of both new and existing government facilities.

9. Departments planning new building projects (client department) most often rely on the Department of Transportation, Infrastructure and Energy to prepare the initial cost estimates for the capital budget submissions. If the project is approved, these initial estimates will be updated throughout the capital project management process as more detailed project information becomes available.

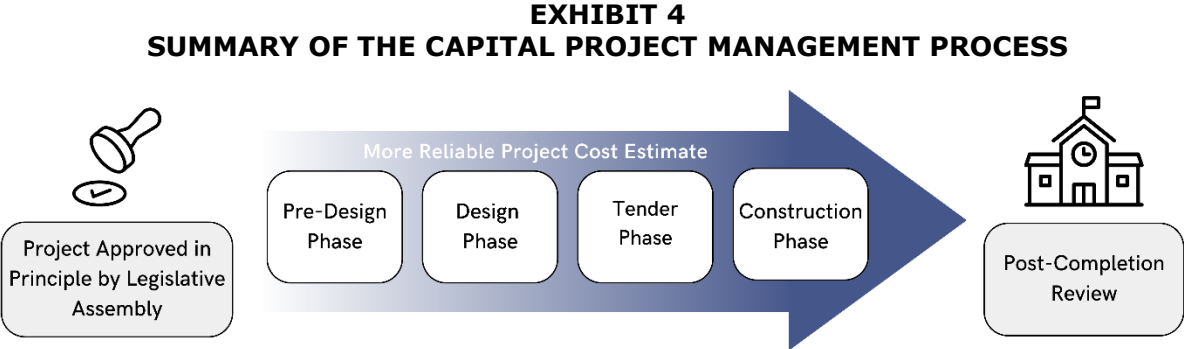
## Client Department

A client department is a government department that identifies the need for a capital building project.

The department works with the Department of Transportation, Infrastructure and Energy across all phases of the capital project management process.

10. Once the capital budget is passed in the Legislative Assembly, the client departments receive approval for capital projects, and a project manager is assigned. A project planning committee is usually formed and includes representatives from the client department, the Department of Transportation, Infrastructure and Energy and other stakeholders.

11. The project manager is responsible for coordinating all phases of the project, from pre-design through to the end of construction. This includes updating project cost estimates and notifying Treasury Board of any significant changes in the scope or the financial requirements of the project that require approval. **Exhibit 4** provides a summary of the capital project management process.



*Source: Compiled by OAG PEI based on Treasury Board policy and a presentation made by the Department of Transportation, Infrastructure and Energy to the Public Accounts Committee on October 21, 2025.*

**OBJECTIVES AND SCOPE**

12. The objectives of this audit were to determine whether government departments:
- submitted and received approval for cost increases to capital building projects in accordance with Treasury Board policy; and
  - reviewed capital building projects within one year of completion in accordance with Treasury Board policy.
13. Three government departments were included within the scope of this audit<sup>1</sup>:
- Department of Education and Early Years;
  - Department of Justice and Public Safety; and
  - Department of Transportation, Infrastructure and Energy.
14. The scope of this audit included 12 capital building projects, with costs in excess of \$2 million, that became available for use between April 1, 2020 and March 31, 2025. Where necessary, testing was extended beyond the scope period. See **Appendix C** for a summary of capital building projects tested as part of this audit.
15. This report includes four recommendations which are listed in **Appendix A**. Details on the audit standards, objectives, criteria and scope are included in **Appendix B**. The following sections of our report provide information on the observations, related recommendations and conclusions from our audit.

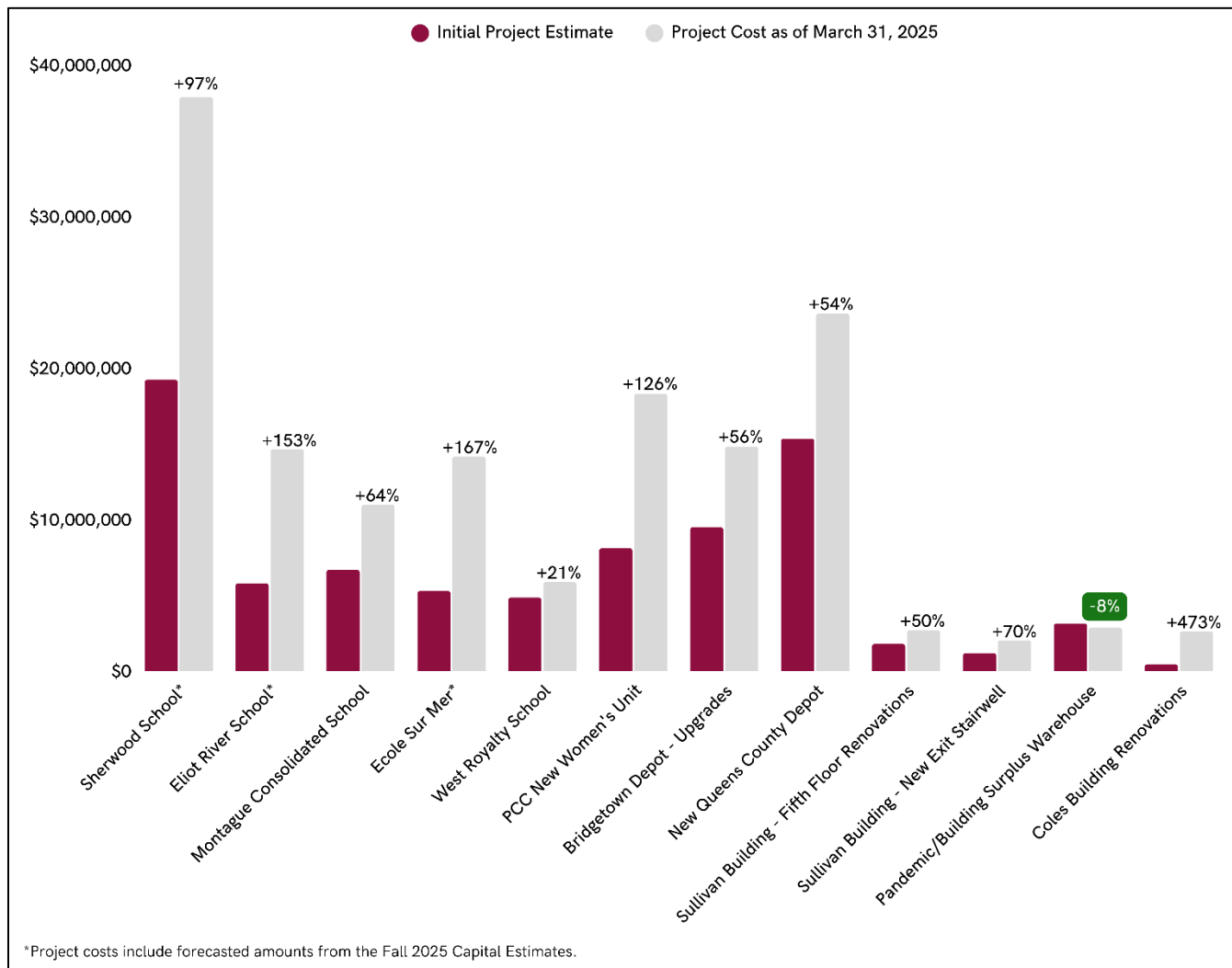
<sup>1</sup> Department names shown in this report reflect those in effect at the audit report date.

## Changes in Financial Requirements of Building Projects

### **Total Costs for 11 of 12 Capital Building Projects Exceeded Original Estimates**

16. As part of this audit, we selected 12 capital building projects, with costs in excess of \$2 million, that became available for use between April 1, 2020 and March 31, 2025. We compared the initial project cost estimates approved as part of the capital budgeting process to the actual capital costs and forecasted expenditures, to identify the changes in the financial requirements for each project.
  
17. We found that the total project costs for 11 of the 12 capital building projects exceeded their original capital estimates. In total, costs across the 12 projects grew from \$81.5 million to \$150.6 million – representing a \$69.1 million (85%) net increase in capital spending over the original estimated amounts. See **Exhibit 5** for a summary of changes in the financial requirements of the capital building projects which are presented in greater detail in **Appendix C**.

## EXHIBIT 5 CHANGES IN FINANCIAL REQUIREMENTS OF CAPITAL BUILDING PROJECTS



Source: Based on data extracted from the province's financial information system and detailed capital budget estimates.

### *Almost Half of Total Cost Increases Were Identified Before Construction*

18. Based on our analysis of project cost estimates submitted to Treasury Board, we noted that a substantial portion of cost increases were identified as part of planning during the projects' pre-design and design phases. Specifically, \$29 million—representing 42% of the total \$69.1 million increase in project costs—were identified before the first construction tenders were issued. The remaining cost increases were incurred as projects progressed through the construction phase.
  
19. Approval of the capital budget represents a commitment by the Legislative Assembly to fund projects based on the cost estimates provided. Despite the significance of this decision, current policies do not establish minimum standards for the quality and amount of the preliminary planning work used to develop initial project estimates. As a result, projects may be approved before the entire scope is determined, limiting the Legislative Assembly's ability to assess the full financial commitment required.

20. The impact of these project cost increases are particularly significant in the context of the province's new debt management strategy announced in March 2026. The objective of this strategy is "to borrow responsibly, keep costs low and reduce financial risk over time, while ensuring the province can access financial markets to raise capital when needed." Capital spending is the largest contributor to net debt and the strategy emphasizes the importance of aligning borrowing decisions with approved capital plans to manage net debt within established targets that inform budget planning.
21. The \$69.1 million net increase in project costs we reviewed as part of this audit demonstrates that changes to the capital budget process are needed for the province's debt management strategy to succeed. When initial project cost estimates approved as part of the capital budget process are significantly understated on a consistent basis, government cannot reliably forecast its future borrowing needs or effectively manage net debt within the strategy's fiscal anchor targets.
22. Strengthening the quality of information used to support initial capital project cost estimates should be prioritized to support the province's debt management strategy. Establishing improved standards for the quality and completeness of information included in capital budget submissions would enhance the reliability of project cost estimates, support more accurate borrowing forecasts, and reduce the risk that capital spending decisions result in unplanned increases to the province's net debt.

**Recommendation:**

- 1. The Department of Transportation, Infrastructure and Energy and Treasury Board should implement policy guidelines that outline minimum standards for project planning that must be met before capital building projects are included in capital budget submissions.**

**Increases to Financial Requirements of Capital Projects Were Submitted to Treasury Board**

23. Treasury Board Policy 7.02 requires project managers to notify Treasury Board of significant changes to the scope or financial requirements of a capital project they are managing by submitting revised cost estimates and details supporting the reasons for the changes. We reviewed all corresponding Treasury Board submissions for the 11 capital building projects examined that exceeded their original approved estimates and found that increases in the financial requirements for each project were submitted to Treasury Board as required.

## Increases to Financial Requirements of Capital Projects Were Approved in Accordance with Treasury Board Policy






24. Members of the Legislative Assembly approve each department's capital budget annually through an *Appropriation Act (Capital Expenditures)*. Based on the *Financial Administration Act*, departments are not allowed to spend beyond their approved capital budget appropriation. Treasury Board policy also requires any increased financial requirements that cannot be covered from within a project's contingency to be approved in advance of spending.
25. When additional capital costs arise and must be funded in the current fiscal year, Treasury Board policy provides departments with two options outside of the capital budget process. We refer to these as in-year funding options. Departments should first reallocate funding available from other approved projects within their capital budget appropriation. Second, departments can request funding through a Special Warrant. Special Warrants require review by Treasury Board and approval by Executive Council through an Order-in-Council. Neither of these in-year funding options require approval from the Legislative Assembly.
26. If additional costs for an existing capital project are identified but do not need to be funded in the current fiscal year, departments will submit revised project cost estimates for approval as part of the next capital budget process. Unlike the two in-year funding options presented above, this funding requires formal approval by the Legislative Assembly.
27. The cost of each of the 12 capital building projects we reviewed as part of this audit exceeded approved budgets at various points. As shown in **Exhibit 6**, our review found that departments funded 43% of these cost increases using in-year funding measures. Departments reallocated \$16.4 million from other projects and Special Warrants were used to fund \$13.2 million. The remaining \$39.5 million was approved by the Legislative Assembly as part of the capital budget process.



### In-Year Funding

In-year funding refers to additional funding obtained during the fiscal year outside the annual capital budget process. The two options for in-year funding are reallocations and special warrants, which do not require approval by the Legislative Assembly.

**EXHIBIT 6**  
**SOURCES OF FUNDING FOR ADDITIONAL PROJECT COSTS**  
**Millions (\$)**

		\$
	Reallocation of Funding from within Capital Budget	<b>16.4</b> (24%)
+		
	Additional Costs Funded by Special Warrants	<b>13.2</b> (19%)
+		
	Total Project Funding Approved Through In-Year Funding Options	<b>29.6</b> (43%)
+		
	Additional Project Funding Approved in Subsequent Capital Budgets	<b>39.5</b> (57%)
+		
	<b>Total Additional Capital Project Funding</b>	<b>69.1</b> (100%)

*Source: Compiled by OAG PEI based on financial information obtained during the Public Accounts audit and detailed capital budget estimates.*

28. Overall, we found that departments obtained the required approvals to fund additional capital project costs, whether through reallocations, Special Warrants, or the capital budget process. However, the amount of funding approved outside of the capital budget process and without legislative oversight is concerning.
29. The Legislative Assembly has the final authority for approval of how public money is spent. A stronger capital budgeting process, with more reliable cost estimates would help to reduce government's reliance on funding approved outside of the capital budget process. This would also improve oversight by allowing the Legislative Assembly to hold government accountable for all capital expenditures.

## Post-Completion Review Reports

### Post-Completion Review Reports Were Not Done for Any Capital Building Projects

30. Treasury Board Policy 7.02 requires project managers to review all capital projects, which cost more than \$2 million within one year of completion. Treasury Board policy states that post-completion review results should be reported at a level of detail appropriate for the project and include:
  - a comparison between the original estimates and final costs;
  - explanation of major changes required;

- suitability of final project to meet program needs;
  - energy efficiency results; and
  - recommendations for improving design, implementation and management of future projects.
31. These post-completion reviews can be very useful for departments and project managers to identify and document how their capital project management processes – including the initial project cost estimates – could be improved going forward.
  32. It is also important for departments and project managers to be transparent and accountable for the significant spending required to complete major capital building projects. Members of the Legislative Assembly and the public should have access to timely information they can use to identify and understand significant changes to the cost and scope of major capital building projects.
  33. Based on the project completion dates provided by the Department of Transportation, Infrastructure and Energy as of April 2026, post-completion review reports should have been available for 7 of the 12 projects we examined. For these seven projects, we expected the reviews to address all of the information requirements of Treasury Board policy as well as be documented in a single report which could be easily shared upon request.
  34. We found that no post-completion review reports have been prepared for these seven building projects. Further, the Department of Transportation, Infrastructure and Energy could not provide an example of any post-completion review reports from other capital projects upon our request.

#### *Post-Completion Review Information Not Formally Captured*

35. The Department of Transportation, Infrastructure and Energy informed our office that the post-completion review process occurs informally. They further noted that the information requirements of Treasury Board policy may be captured within the project manager's records, or documented within Treasury Board and Executive Council submissions, but are not compiled into a single shareable document.
36. Documenting the information for each project into an easily accessible report would enable it to be shared upon request, and remain accessible in the future, regardless of employee turnover.

### Recommendations:

2. **The Department of Transportation, Infrastructure and Energy should complete post-completion reviews for all capital projects with costs greater than \$2 million within one year of completion as required by Treasury Board Policy 7.02.**
3. **The Department of Transportation, Infrastructure and Energy should document post-completion reviews in a single report that includes all information required by Treasury Board Policy 7.02.**

### No Policy Exists to Define When Capital Building Projects are Considered Complete

37. Timely post-completion review reports are important so that key insights, lessons learned, and recommendations for future projects are documented while project information remains current and relevant. Delays in establishing a project completion date can defer this process and reduce the usefulness of the information. Although Treasury Board policy requires these reviews within one year of completion, it does not clearly define how project completion dates should be determined.
38. The Department of Transportation, Infrastructure and Energy informed our office that there is no single criterion used to determine when a project is complete. Instead, project managers assess the completion status on a project-by-project basis.

#### *Reported Project Completion Dates Were at Least One Year After a Building Was Available for Use, Impacting Timeliness and Relevance*

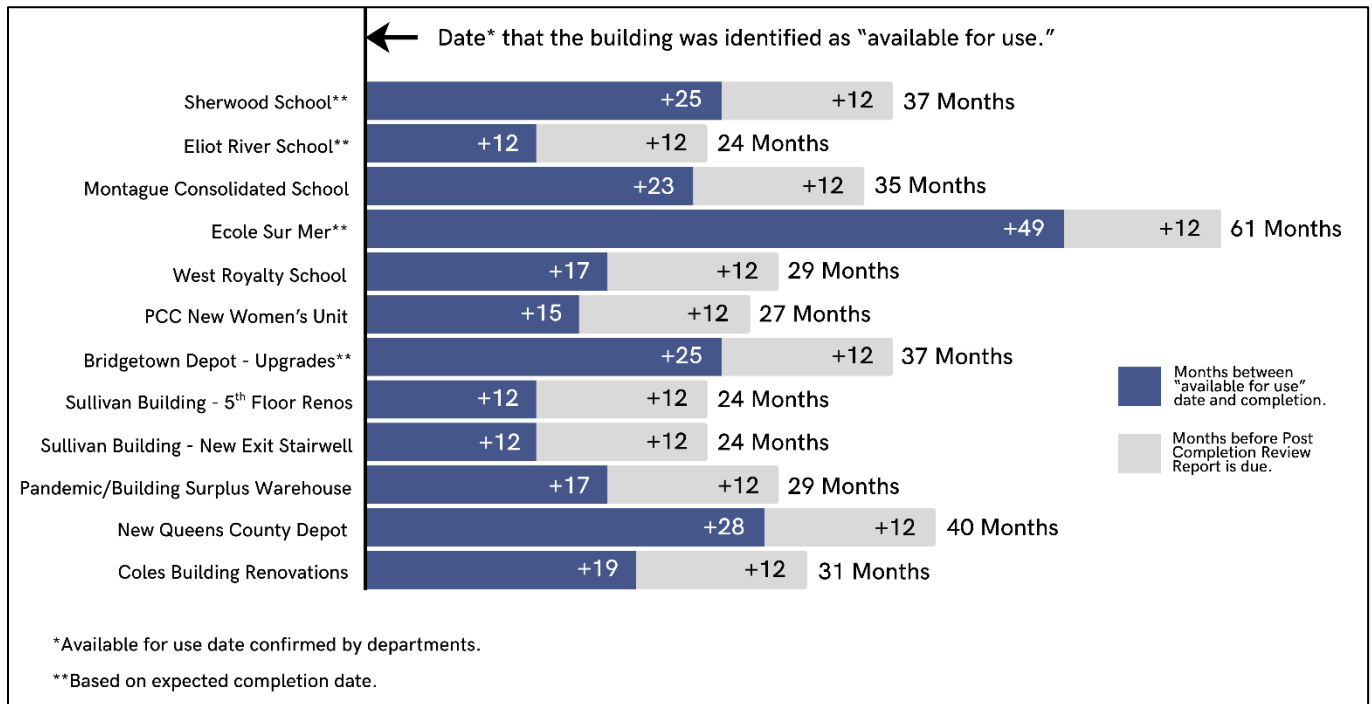
39. We found the completion dates reported by project managers for all projects tested were at least 12 months after the building was considered available for use. In four of the twelve projects, the reported completion dates were more than two years later, including one project that was reported as complete more than four years after it was available for use. **Exhibit 7** illustrates the number of months between when the projects were reported as available for use and the one-year post-completion review reporting deadline.



### Available For Use

A building is considered available for use when it reaches substantial completion and can be occupied, even if minor work is still ongoing.

**EXHIBIT 7  
BUILDINGS AVAILABLE FOR USE AS COMPARED TO POST-COMPLETION REVIEW  
REPORTING DEADLINES**



Source: Compiled by OAG PEI based on information obtained from the Public Accounts audit and confirmations provided by Departments.

40. One of the purposes of post-completion review reports is to identify and explain significant changes to the cost and scope of major capital building projects. Our analysis showed that most of the projects had incurred 99% of total costs before the reported completion dates, with 9 of the 12 projects reaching this point 8 to 26 months earlier. This further supports that completing these reviews closer to when buildings become available for use would still capture meaningful project cost information and improve the timeliness of reporting.

**Recommendation:**

**4. The Department of Transportation, Infrastructure and Energy should establish clear guidance for project managers on determining an appropriate project completion date to support timely post-completion reviews and reporting.**

**CONCLUSIONS**

- 41. Government departments submitted and received approval for cost increases to capital building projects in accordance with Treasury Board policy.
- 42. Government departments have not reviewed capital building projects within one year of completion in accordance with Treasury Board policy.

**Recommendation 1:**

The Department of Transportation, Infrastructure and Energy and Treasury Board should implement policy guidelines that outline minimum standards for project planning that must be met before capital building projects are included in capital budget submissions.

**Management Response**

Treasury Board Policy & Procedures Manual Sections 7.01 and 7.02 contain general policy guidelines related to capital project approvals. The Department will work with Treasury Board on suggested enhancements to Treasury Board's capital project approval and planning process that could improve the quality of capital project submittals.

**Timeline:** 12 months

**Recommendation 2:**

The Department of Transportation, Infrastructure and Energy should complete post-completion reviews for all capital projects with costs greater than \$2 million within one year of completion as required by Treasury Board Policy 7.02.

**Management Response**

The Department is currently formalizing internal processes to summarize post-completion data into a summary report and will establish guidance on determining project completion dates for the purpose of post-completion reports so that project managers have better line of sight on when the post-completion reports are due to be complete.

**Timeline:** 12 months

**Recommendation 3:**

The Department of Transportation, Infrastructure and Energy should document post-completion reviews in a single report that includes all information required by Treasury Board Policy 7.02.

**Management Response**

A single report that summarizes the post-completion data, that project managers collect, would make the information more accessible and improve knowledge transfer. The Department is currently developing a post-completion data summary report template that will be used on applicable projects going forward.

**Timeline:** 12 months

**Recommendation 4:**

The Department of Transportation, Infrastructure and Energy should establish clear guidance for project managers on determining an appropriate project completion date to support timely post-completion reviews and reporting.

**Management Response**

The Department agrees that timely post-completion reports improve relevance. The Department will establish guidance for project managers on determining a completion date for the purpose of producing post-completion reports.

The Departments post completion data summary report template will include guidance on collecting the required post-completion report data and criteria for when the required post-completion report data can be considered substantially available and incorporated into a meaningful post-completion report.

The Department will also share their internal guidance on completion date determination with Treasury Board in case their requirements need to be aligned.

**Timeline:** 12 months

## **AUDIT STANDARDS, OBJECTIVES, CRITERIA, AND SCOPE**

### **STANDARDS**

This independent assurance report was prepared by the Office of the Auditor General of Prince Edward Island. Our responsibility was to provide objective information and independently conclude whether government departments submitted and received approval for cost increases to capital building projects in accordance with Treasury Board policy and reviewed capital building projects within one year of completion in accordance with Treasury Board policy.

Work conducted for this audit was performed to a reasonable level of assurance in accordance with the Canadian Standards on Assurance Engagements (CSAE) 3001 – Direct Engagements set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook – Assurance.

The Office of the Auditor General of Prince Edward Island applies the Canadian Standard on Quality Management 1 (CSQM 1), which requires our office to design, implement, and operate a system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with independence and other ethical requirements of the Rules of Professional Conduct of the Chartered Professional Accountants of Prince Edward Island and the Code of Conduct of the Office of the Auditor General of Prince Edward Island. Both the Rules of Professional Conduct and our office’s Code of Conduct are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

### **OBJECTIVES AND CRITERIA**

**Objective 1: To determine whether government departments submitted and received approval for cost increases to capital building projects in accordance with Treasury Board policy.**

**Criteria:**

- 1.1 Changes to the financial requirements of capital projects were submitted to Treasury Board in accordance with Treasury Board policy.
- 1.2 Changes to the financial requirements of capital projects were approved as required in accordance with Treasury Board policy.

**Objective 2: To determine whether government departments reviewed capital building projects within one year of completion in accordance with Treasury Board policy.**

**Criteria:**

- 2.1 Capital building projects with costs more than \$2 million have been reviewed within one year of completion by the project manager or their designate.
- 2.2 Post-completion reviews include the content requirements outlined within Treasury Board policy.

Audit criteria for this engagement were developed primarily from Treasury Board policy.

In accordance with our regular audit process, we obtained the following from management:

- confirmation of management’s responsibility for the subject matter;
- acknowledgment of the suitability of the criteria used in the audit;
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided; and
- confirmation that the audit report is factually accurate.

## **SCOPE AND APPROACH**

Three government departments are included within the scope of this audit. They are as follows:

- Department of Education and Early Years;
- Department of Justice and Public Safety; and
- Department of Transportation, Infrastructure and Energy.

The audit scope included 12 capital building projects, with costs more than \$2 million, that became available for use between April 1, 2020 and March 31, 2025. Where necessary, testing was extended beyond the scope period.

Our approach included:

- interviews and correspondence with management and employees of the departments;
- analysis of actual capital expenditure data;
- review of project cost estimates approved as part of the capital budget process; and
- review of Orders-in-Council, Treasury Board submissions and decisions.

The following was not assessed as part of this engagement:

- the timing of project completion as compared to original timelines;
- whether requests for Treasury Board approval were submitted as soon as it was known that the changes were required or desirable;
- whether Treasury Board approved all changes to a project's scope that did not impact cost estimates;
- changes in capital revenue estimates corresponding to capital projects.

It is important to note our observations and conclusions relate only to the practices of government departments and consequently, our comments and conclusions do not pertain to the practices or performance of any third parties.

## **DATE OF REPORT**

We obtained sufficient and appropriate audit evidence on which to base our conclusions on June 19, 2026, in Charlottetown, Prince Edward Island.

## **AUDIT TEAM**

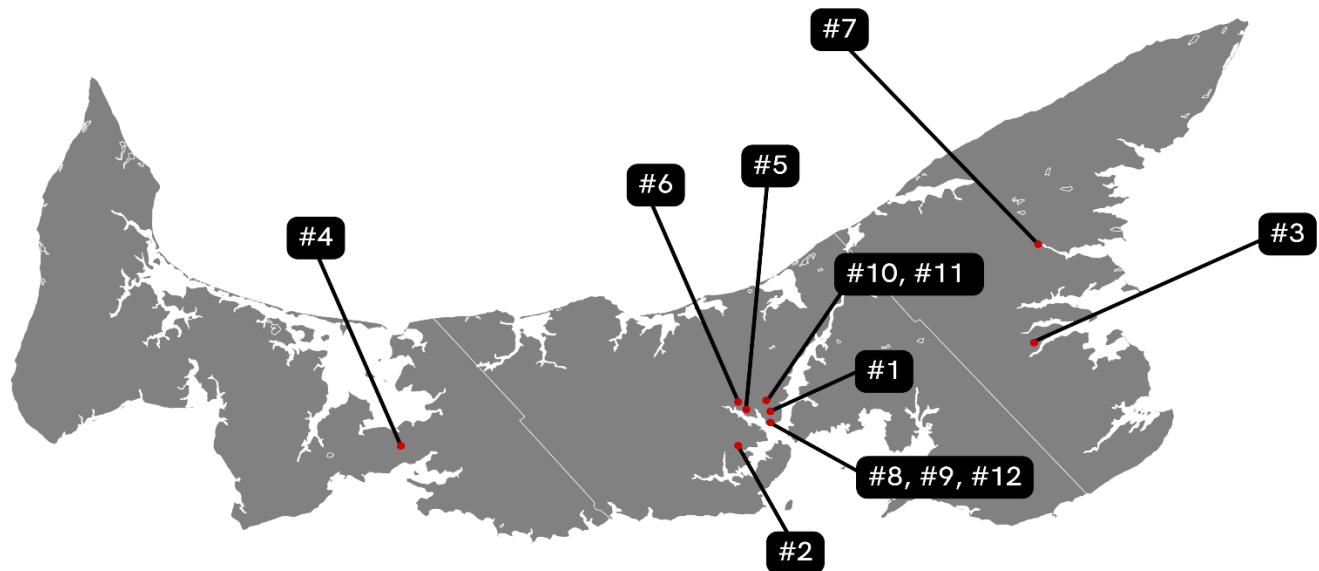
Auditor General	Darren Noonan
Assistant Auditor Generals:	Sheri Griffin Jennifer Bowness
Principal:	Justin Ellis
Directors:	Sarah Taylor Patricia Cameron-McDonald
Auditor:	Ryan Carr

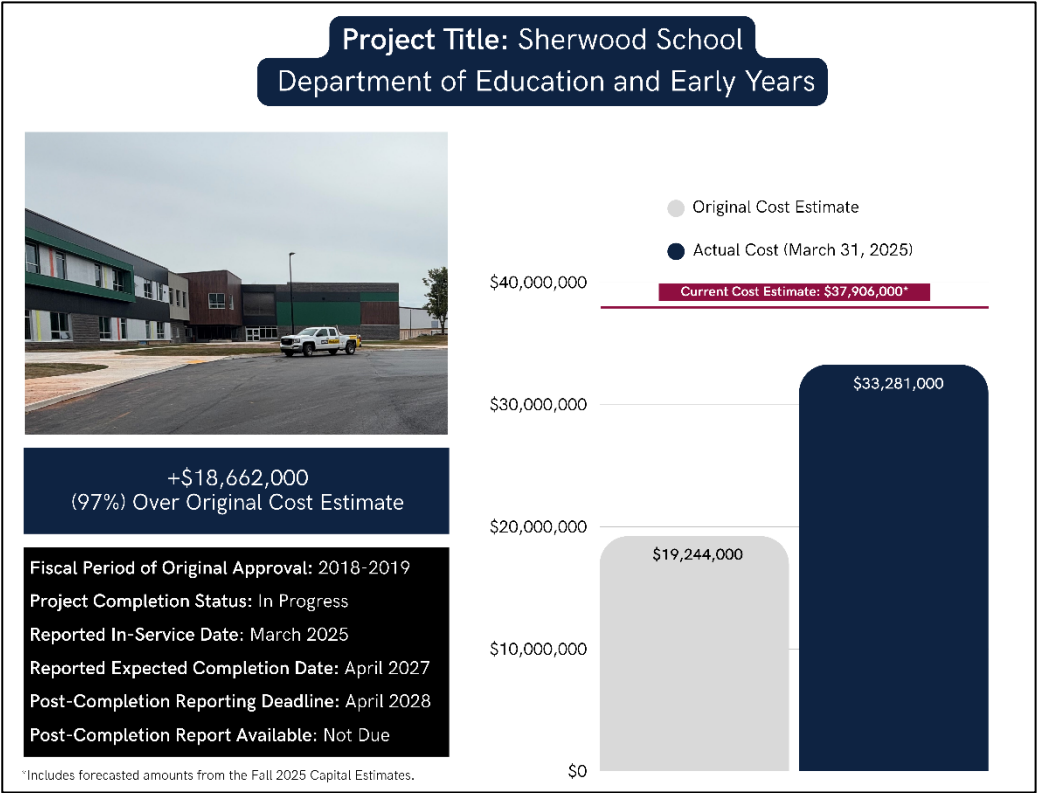
**SUMMARY OF MAJOR CAPITAL BUILDING PROJECTS TESTED**

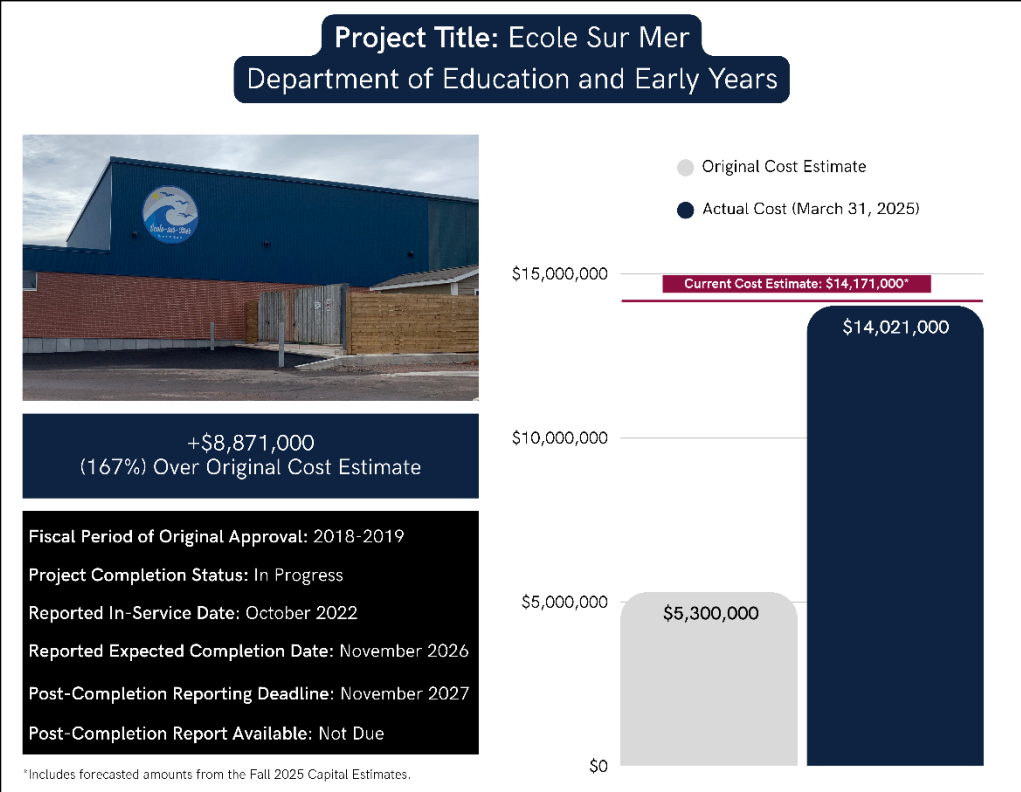
Major Capital Building Project	Dept	Year of Initial Approval in Capital Estimates	Original Approved Project Cost Estimate	Revised Project Costs	Change (\$)	Change (%)	Reported Available for Use	Reported Completion Date
1 Sherwood School	EEY	2018-19	\$19,244,000	\$37,906,000	\$18,662,000	97%	Mar-25	Apr-27*
2 Eliot River School	EEY	2020-21	\$5,800,000	\$14,661,000	\$8,861,000	153%	Aug-25	Sep-26*
3 Montague Consolidated School	EEY	2020-21	\$6,700,000	\$10,986,000	\$4,286,000	64%	Oct-23	Sep-25
4 Ecole Sur Mer	EEY	2018-19	\$5,300,000	\$14,171,000	\$8,871,000	167%	Oct-22	Nov-26*
5 West Royalty School	EEY	2018-19	\$4,864,000	\$5,889,000	\$1,025,000	21%	Jun-22	Nov-23
6 Provincial Correctional Centre - New Women's Unit	JPS	2017-18	\$8,118,000	\$18,308,000	\$10,190,000	126%	Jan-24	Apr-25
7 Bridgetown (Kings County) Depot - Upgrades	TIE	2022-23	\$9,500,000	\$14,793,000	\$5,293,000	56%	Jul-24	Jul-26*
8 Sullivan Building - 5 <sup>th</sup> Floor Renos	TIE	2022-23	\$1,800,000	\$2,702,000	\$902,000	50%	Feb-24	Feb-25
9 Sullivan Building - New Exit Stairwell	TIE	2022-23	\$1,200,000	\$2,040,000	\$840,000	70%	Apr-24	Mar-25
10 Pandemic/Building Surplus Warehouse	TIE	2021-22	\$3,150,000	\$2,888,000	(\$262,000)	-8%	Aug-22	Dec-23
11 New Queens County Depot	TIE	2014-15	\$15,350,000	\$23,610,000	\$8,260,000	54%	Jul-20	Oct-22
12 Coles Building Renovations	TIE	2019-20	\$460,000	\$2,635,000	\$2,175,000	473%	Jan-21	Jul-22
<b>Total</b>			<b>\$81,486,000</b>	<b>\$150,589,000</b>	<b>\$69,103,000</b>			

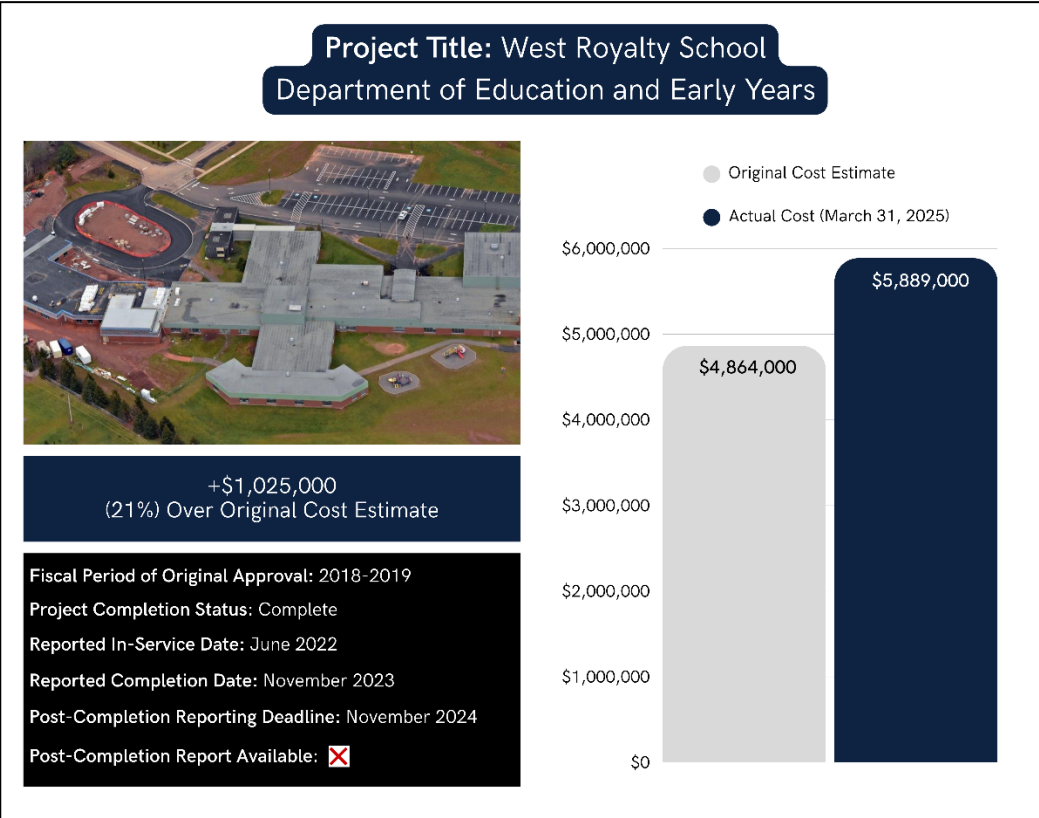
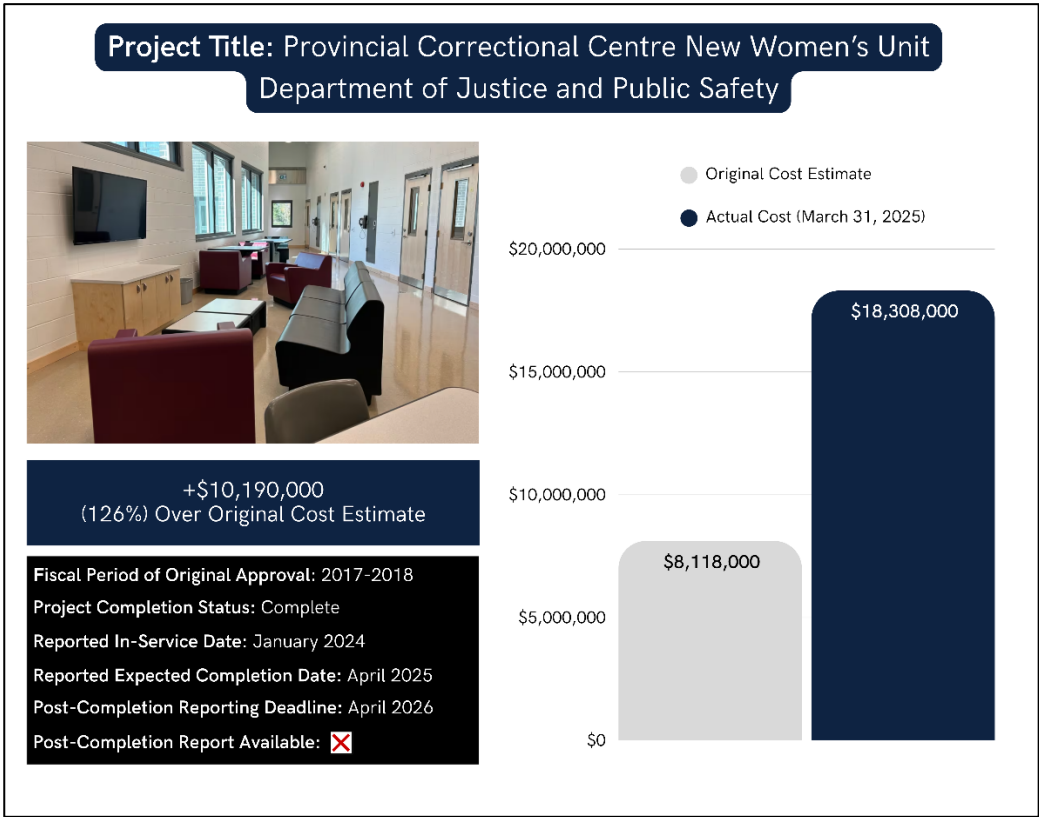
\*Expected completion dates provided for these projects effective April 2026. Revised project costs may include forecasted amounts approved in the Fall 2025 Capital Estimates.  
\*\*Project costs in Appendix C have been rounded to the nearest thousand.

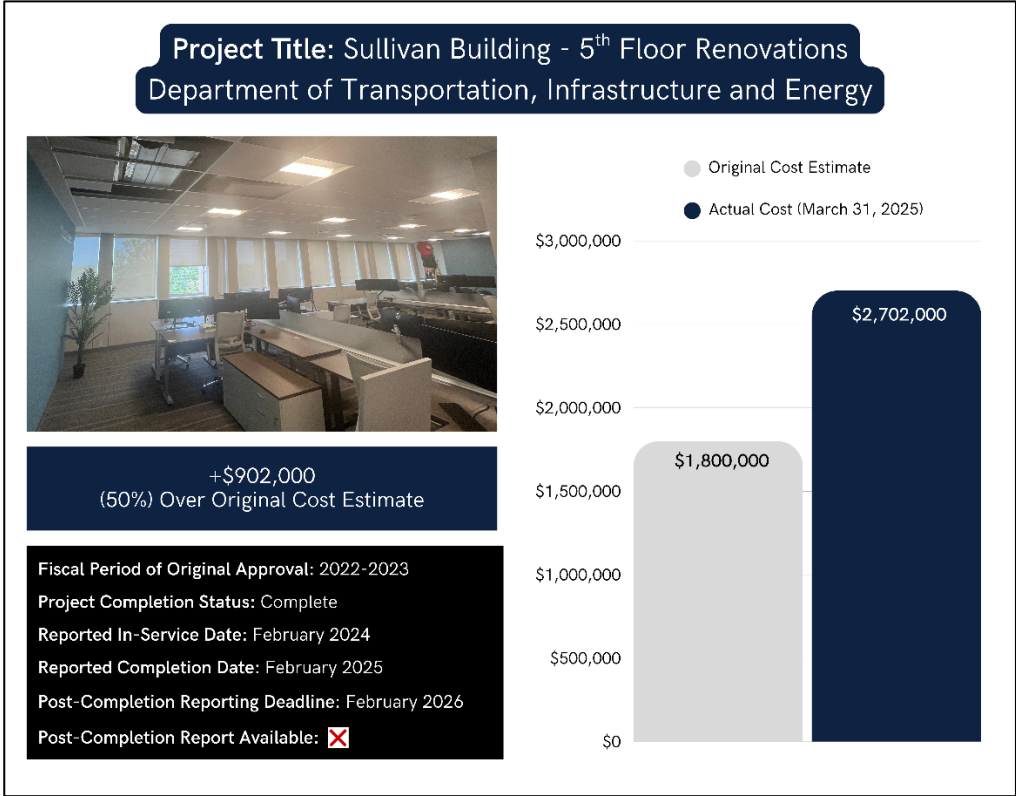
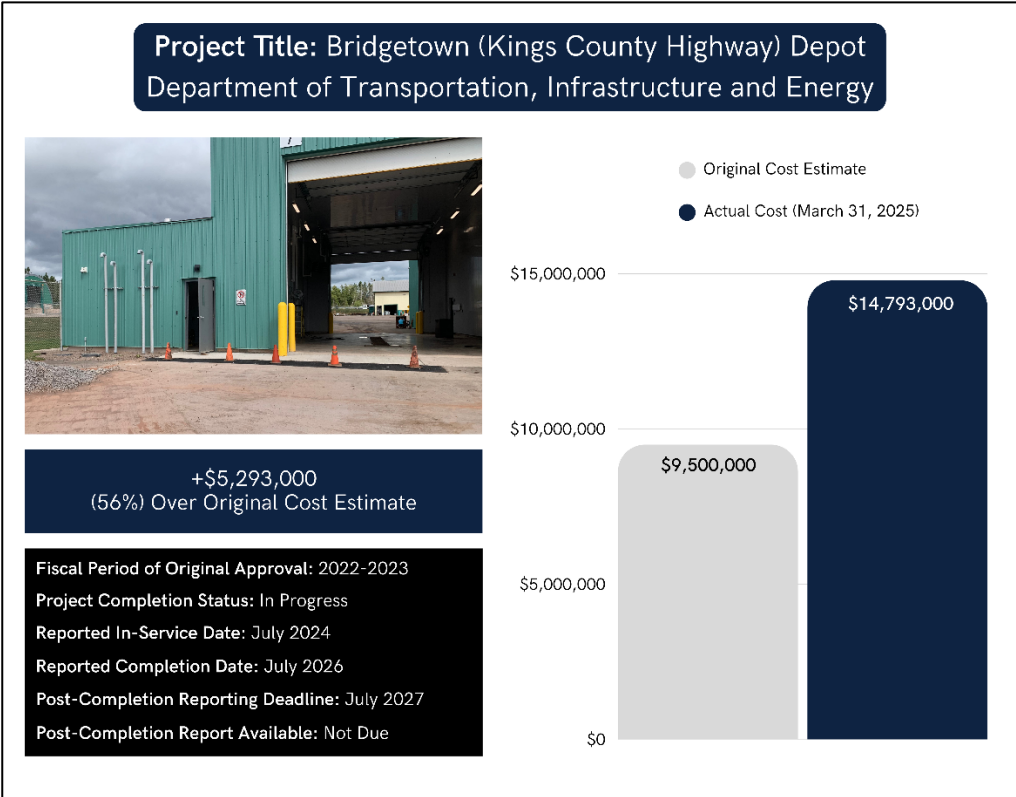
Acronym	Department
EEY	Education and Early Years
JPS	Justice and Public Safety
TIE	Transportation, Infrastructure and Energy

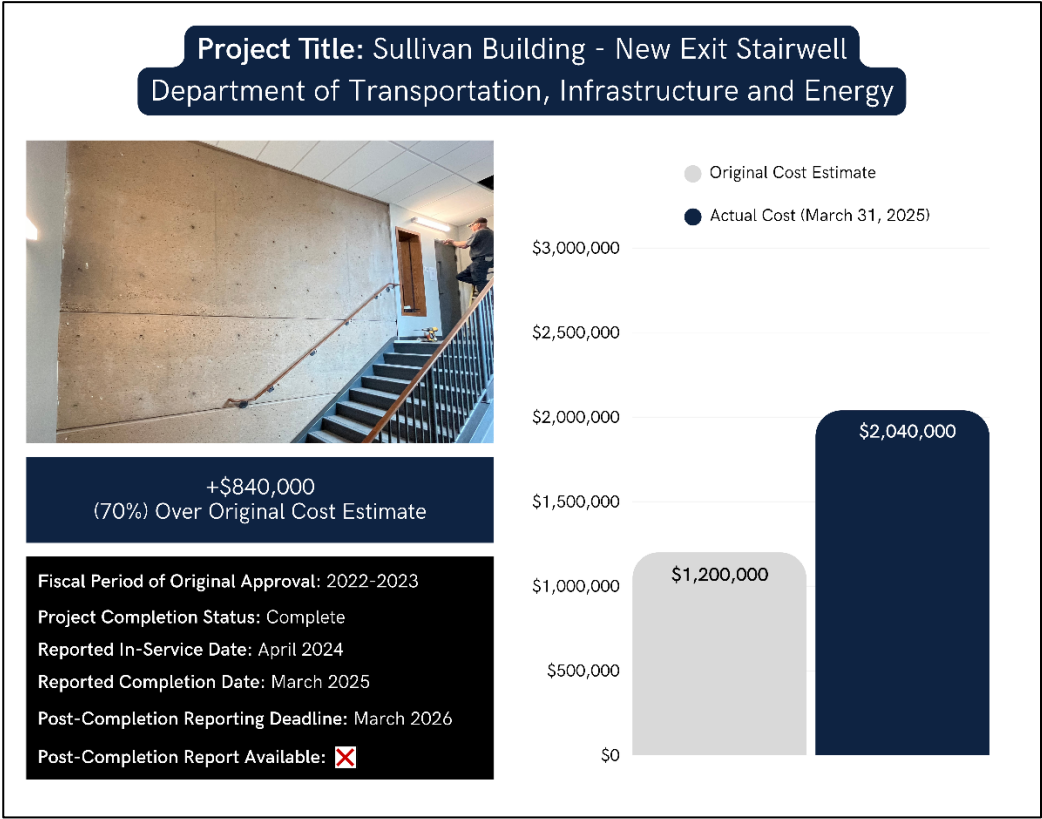


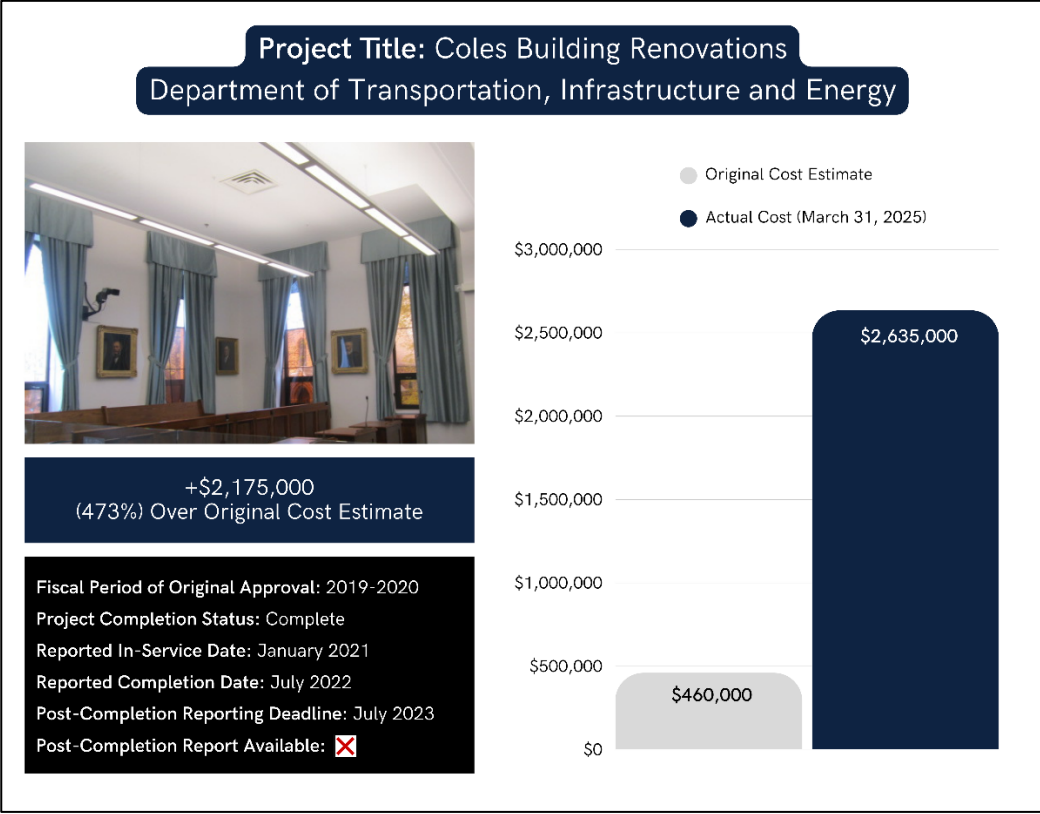
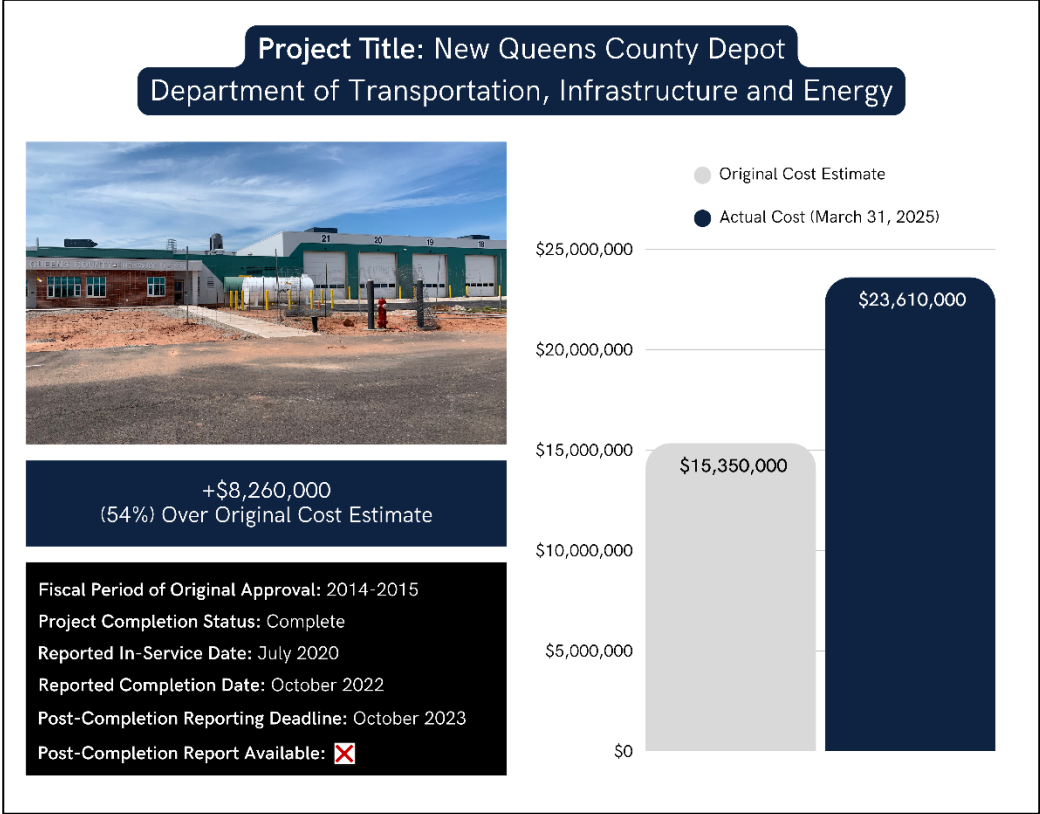












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