



Office of the Auditor General
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News Release

For Immediate Release

Auditor General's report finds capital building project costs increased 85 per cent over initial estimates

Charlottetown, PE, June 26, 2026 - A new report from the Office of the Auditor General has found that the Government of Prince Edward Island is spending significantly more on capital building projects than initially budgeted.

Expanding on previous work about record levels of capital investment, this report reviewed a sample of 12 capital building projects that cost over \$2 million and became available for use between April 1, 2020 and March 31, 2025. These capital projects included initiatives like the construction of new schools and major renovations of existing buildings.

Across the 12 projects, auditors found:

- Total costs grew from \$81.5 million to \$150.6 million, representing a \$69.1 million (85 per cent) net increase in capital spending.
- 11 of the 12 projects exceeded their original estimates.
- One project came in under budget.
- 42 per cent of the cost increases were identified before construction tenders were issued.
- Cost increases were presented to Treasury Board and later approved as required in accordance with policy, but the required post-completion reports that identify and explain significant changes to the cost and scope of the projects were not prepared.



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Capital spending is a key contributor to the province's net debt. Approximately 65 per cent of the 2026-2027 capital budget is allocated to new capital building projects.

"Clear and reliable capital budgeting information helps legislators understand project costs and set realistic spending limits," said Darren Noonan, Auditor General. "Without it, unexpected cost increases can result in more borrowing, rising net debt, and weakened confidence in the capital planning process."

The audit report made four recommendations to government, which were accepted and will be monitored over the next four years for progress.

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