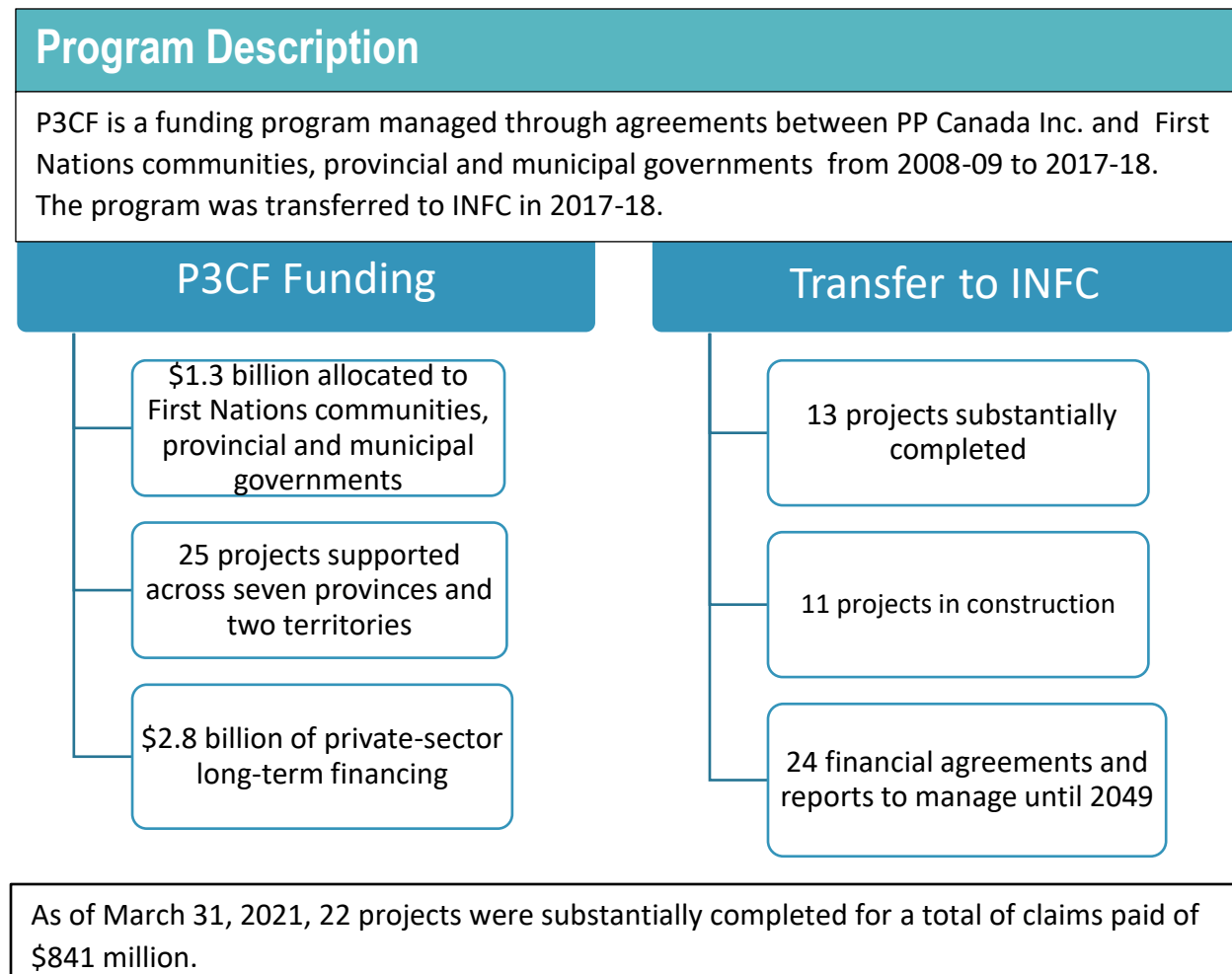


# Summary of the Combined Internal Audit and Evaluation of the Public Private Partnership Canada Fund (P3CF)

Infrastructure Canada’s internal audit assessed the effectiveness of the long-term project management framework, specifically the design and implementation of monitoring and oversight controls.

The evaluation examined the relevance, progress towards outcomes, and design and delivery of the P3CF. The evaluation focused on the P3CF objectives related to supporting and promoting P3 procurement models for infrastructure renewal and includes the government-wide commitment to include Gender-Based Analysis Plus (GBA+) in all evaluations as outlined in the Directive on Results.



### P3CF National Objectives



### P3CF Outcomes

Leveraging private sector expertise and capital in support of efficient, innovative, and timely infrastructure investments

Helping in managing public sector exposure to project risks, including cost overruns

Increasing private sector capital financing for infrastructure renewal and acting as a catalyst for the development of the P3

## The internal audit found that:



**Governance:** Elements of a sound program management structure are in place to effectively achieve P3CF's objectives and outcomes, but some improvements are required to strengthen the long-term project management framework.



**Risk Management:** The risk management processes currently in place for the identification, assessment and mitigation of project and program risks are not always well-documented and should be followed consistently for all P3 projects to facilitate the implementation of a risk-based monitoring approach.



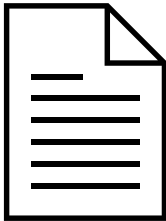
**Monitoring and Resourcing:** P3CF has put in place some compensating controls to adequately monitor the successful delivery of the P3CF projects. Further improvements could benefit P3CF and improve the monitoring of ongoing projects and future programs.

## The evaluation found that:



P3CF was aligned with federal government priorities and helped provinces and territories invest in green infrastructure, public transit, highway and roads, and brownfield redevelopment infrastructure.

P3CF supported P3 market development, particularly in inexperienced jurisdictions by providing advice, tools and guidance that helped municipalities navigate the P3 model and develop capacity to pursue P3 projects in the future.



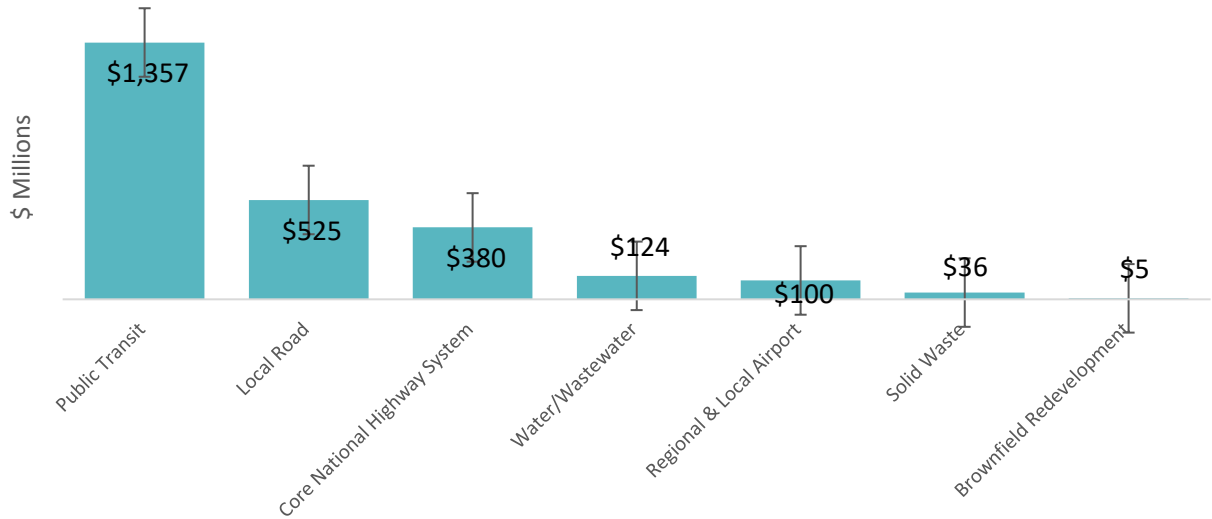
Identifying communication processes and practices could help adequately support recipients' project management needs and could have supported the project development, particularly in Northern communities. Supplemental support following the transfer to INFC could have been contributed to improve communication between recipients and INFC.



**P3CF has contributed to leveraging private sector financing for building infrastructure projects. P3CF projects were facilitated by public-private partnerships where recipients benefited from the financial resources of, and transfer of risk to, the private sector. P3CF helped in managing public sector exposure to project risks, including cost overruns. P3CF has contributed to increased private sector capital financing for infrastructure renewal**

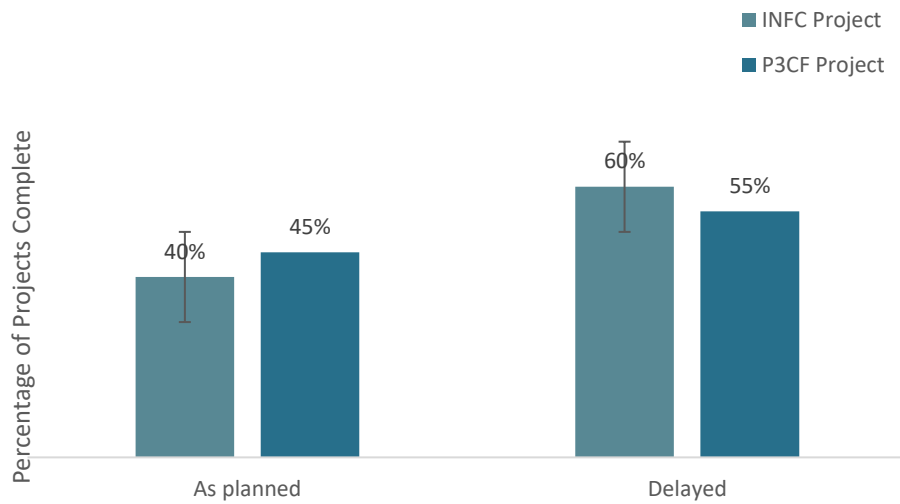
While P3CF has leveraged private sector capital in support of efficient infrastructure investments, a lack of data following substantial completion prevents a full assessment of their performance.

**P3CF project demonstrated estimated value for money across project categories**



P3CF project delivery time was shorter than the Canadian average for P3 projects. Although some experienced delays, these were comparable to traditionally procured projects.

**The timeliness of P3CF projects was comparable to INFC’s conventional projects**



## Audit and Evaluation Recommendations

### Recommendation

# 1

It is recommended that IPI document a complete risk-based forward-looking management control framework, incorporating existing documented processes (e.g., Program Overview and Standard Operating Procedures), and in collaboration with the Grants & Contributions Centre of Expertise, Corporate Services Branch, re-evaluate the program risks and include the following key elements:

- Established and understood effective oversight procedures;
- Clearly defined and communicated roles and responsibilities;
- Risk management that includes senior management's risk tolerance and mitigation measures; and
- Updated relevant monitoring control, such as a centralized repository of project information, including the conduct of recipient audits (where applicable) and lessons learned. This would be conducted with the objective of ensuring operational efficiencies and that cost-benefits are achieved in terms of establishing appropriate monitoring controls over the long-term management for this legacy program, which should be aligned to the program's and recipients' risk profiles as a best practice.

### Recommendation

# 2

It is recommended that IPI document and implement a performance measurement strategy that aligns to the existing program structure and available financial and performance information given the requirements of the FAs. This would enable effective long-term results tracking and reporting on P3CF's projects over the full monitoring period.

## Considerations for Future Programming

Going forward, INFC should ensure adequate resources are assigned within the Department and a formal integration process (e.g., program management guidance, training and tools) is provided to program delivery staff when existing programs are transferred from Other Government Departments or Crown Corporations, including:



- Design and delivery: defining/identifying communication processes and best practices that could adequately support the recipients' project development and management needs, particularly in Northern communities; and
- Accountability: developing management control and performance measurement strategies upon program transfer to help effectively monitor and assess the achievements of program objectives and outcomes.