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Report of the
**Auditor General
of Canada**
to the House of Commons

MAY

Chapter 6
Conservation of Federal Official Residences



Office of the Auditor General of Canada

The May 2008 Report of the Auditor General of Canada comprises A Message from the Auditor General of Canada, Main Points—Chapters 1 to 8, and eight chapters. The main table of contents for the Report is found at the end of this publication.

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Chapter

6

Conservation of Federal Official
Residences

All of the audit work in this chapter was conducted in accordance with the standards for assurance engagements set by The Canadian Institute of Chartered Accountants. While the Office adopts these standards as the minimum requirement for our audits, we also draw upon the standards and practices of other disciplines.

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Conservation of Federal Official Residences

Main Points

What we examined

The federal government provides official residences to the Governor General, the Prime Minister, the Leader of the Opposition, the Speaker of the House of Commons, and foreign dignitaries visiting Canada. The National Capital Commission (NCC) owns and manages the six official residences located in Ottawa-Gatineau, and Public Works and Government Services Canada manages the Governor General's secondary residence, La Citadelle, in Québec City.

We examined the management practices that the NCC and Public Works and Government Services Canada have adopted to ensure the conservation of the official residences.

This audit was conducted at the same time as our special examination of the NCC in 2007. Most Crown corporations are subject to a special examination, which is a type of performance audit, every five years. The NCC posted our special examination Report on its website in November 2007.

Why it's important

The official residences are more than just housing for Canada's top political leaders; they are part of Canada's heritage, and as such, they belong to all Canadians. They contribute to Canada's positive image abroad and are often a source of pride for Canadians who visit them. This is particularly true for the Governor General's residence, Rideau Hall, which was designated a national historic site in 1977. The official residences are used to fulfill official functions, such as welcoming foreign dignitaries and holding commemorative ceremonies and high-level work sessions. These require reception facilities and hospitality services on a scale not usually found in conventional homes. It is therefore important that they be equipped accordingly—with, for example, modern and efficient means of communication, access for persons with reduced mobility, and specialized kitchen services.

What we found

- The NCC has implemented sound management practices to ensure that the official residences are conserved. It regularly assesses the condition of the official residences and develops rehabilitation

programs based on these assessments. The Commission keeps the occupants of the official residences informed of the condition of their residence and of the work that will be required to conserve it.

- Based on NCC information, Rideau Hall and the Prime Minister's residence (24 Sussex Drive) are showing signs of fatigue and wear. At Rideau Hall, the roof, windows, walls, and foundations—more than two thirds of the exterior of the residence—are in only fair condition and need repair.
- The NCC believes that rehabilitating the Prime Minister's residence has become an urgent matter. It expects the work to take 12 to 15 months, if there are no unexpected complications. However, this will be possible only if the NCC has prolonged access to the residence to complete the needed work.
- The funding that the NCC received in 2005 enabled it to do a great deal of work on Rideau Hall and to improve the condition of the four other residences in the National Capital Region. Despite these improvements, the condition of many elements of these official residences is still only fair, and these residences need to be repaired in the next few years.
- Public Works and Government Services Canada uses sound management practices, such as a preventative maintenance program, to ensure the conservation of the residence at La Citadelle in Québec City.

Introduction

Functions of official residences

6.1 The federal government provides official residences to the Governor General, the Prime Minister, the Leader of the Opposition and the Speaker of the House of Commons. The government also owns and manages one official residence for foreign dignitaries visiting Canada. The following residences are provided to ensure that public figures have appropriate homes in which they can fulfill many of their official functions:

- Rideau Hall, principal residence of the Governor General of Canada;
- La Citadelle, the Governor General's secondary residence in Québec City;
- 24 Sussex Drive, residence of the Prime Minister of Canada;
- Harrington Lake (Lac Mousseau), secondary residence of the Prime Minister of Canada;
- Stornoway, residence of the Leader of the Opposition party in the House of Commons;
- The Farm (Kingsmere), residence of the Speaker of the House of Commons; and
- 7 Rideau Gate, residence for official visitors to Canada.

More information on each of these residences is provided in Exhibit 6.1.

6.2 What most distinguishes an official residence from a conventional home is the functions assigned to it. An official residence provides its occupant with more than just a place to live; it also allows its occupant to fulfill official functions, such as welcoming foreign dignitaries, and holding commemorative ceremonies and high-level working meetings. Rideau Hall and the La Citadelle residence are also used for public receptions. These functions require reception facilities and hospitality services not normally found in conventional homes. For example, accommodating people with reduced mobility may require universal access facilities. Holding high-level working meetings may require advanced communications technologies. Hosting state dinners may require specialized kitchen services.

6.3 The official residences are part of Canada's heritage. Rideau Hall has been a national historic site since 1977, and the other official

Conservation—All actions or processes (maintenance, repairs, renovation, rehabilitation) designed to safeguard the character-defining elements of a cultural resource so as to retain its heritage value and extend its physical life.

residences are designated federal heritage buildings. As such, these buildings recall the lives and history of the men and women who built this country, illustrate the development of Canadian society, and help foster Canadians' sense of belonging to their country. **Conservation** of official residences also helps preserve the environment. Improvements to existing structures reduce the consumption of resources.

Exhibit 6.1 Brief description of the official residences of the federal government

Rideau Hall, Residence of the Governor General of Canada

Rideau Hall, which is a 32-hectare estate, includes the Governor General's residence, 27 buildings, and six greenhouses. The estate of Rideau Hall houses the Office of the Secretary of the Governor General, as well as offices for the Royal Canadian Mounted Police, the National Capital Commission, Public Works and Government Services Canada, and the Governor General's Foot Guards. Rideau Hall is open to the public year-round and hosts various events, ceremonies, and state visits. About 150,000 members of the public visit Rideau Hall each year. The first Governor General of Canada moved in as a tenant when Ottawa became the capital of the new province of Canada in 1857. The federal government later purchased Rideau Hall and gradually enlarged it. The residence, which was built in 1838 by a local builder, has 175 rooms spread over 9,000 square metres.

24 Sussex Drive, Residence of the Prime Minister

Built between 1866 and 1868, this private residence became public property in 1943. The Government of Canada had extensive renovation work done on it between 1949 and 1951 to make it an official residence. The first occupant was Louis St-Laurent. This 1,000 square-metre official residence has three storeys and 34 rooms. It is located on a two-hectare property overlooking the Ottawa River. Three other buildings are located on the grounds.

Harrington Lake (Lac Mousseau), Secondary residence of the Prime Minister

Constructed in 1925 by a local builder, this residence covers 5.4 hectares in Gatineau Park. The Government of Canada purchased it in 1951, and it became the Prime Minister's secondary residence in 1959. In addition to the main building, nine other buildings are located on this property.

The Farm (Kingsmere), Residence of the Speaker of the House of Commons

Built in 1891 and enlarged in the 1930s, this residence became the government's property when William L. Mackenzie King died in 1950. It has been the residence of the Speaker of the House of Commons since that time. It was designated an official residence in 1971. It is situated in Gatineau Park on a terrain, covering 1.74 hectares, that houses six other buildings.

Stornoway, Residence of the Leader of the Opposition

This three-storey home was built in 1914 for an Ottawa grocer. It covers 0.42 hectares in the upscale Rockcliffe Park neighbourhood in Ottawa. The Government of Canada purchased it in 1970 for leaders of the Opposition.

7 Rideau Gate, Canada's official guest house

This 790-square-metre private home was built in 1862 and purchased by the government in 1966 as lodgings for visiting dignitaries who are guests of Canada, and who are attending official meetings or events held by the Department of Foreign Affairs and International Trade. The property covers 0.2 hectares near 24 Sussex Drive and Rideau Hall.

La Citadelle, Secondary residence of the Governor General of Canada

Québec City's La Citadelle has been the Governor General's secondary residence since 1872. It is situated on a 1.23-hectare property. The main building was erected in 1831 and was used as barracks for military officers. A fire destroyed half of the residence in 1976. Renovations were carried out by the federal government from 1976 to 1984. The Office of the Secretary to the Governor General uses these premises, and a number of national or international meetings and official ceremonies are held there. The interior of the residence is open to the public and welcomes approximately 15,000 visitors each year.

Source: National Capital Commission and Public Works and Government Services Canada

Roles and responsibilities of organizations involved

6.4 The National Capital Commission, which is a federal Crown corporation, owns and manages six official residences located in the National Capital Region. Among other things, it is responsible for planning long-term capital work, for undertaking property management activities, for providing curatorial and interior-design services, and for performing maintenance of the grounds and gardens. Public Works and Government Services Canada plays the same role for La Citadelle in Québec City.

6.5 Transport Canada's Crown Corporation Secretariat examines the National Capital Commission's funding requests and submits its recommendations to the Minister of Transport, Infrastructure and Communities, which has been responsible for the Commission since February 2006. The Minister's role is to establish the Commission's comprehensive strategic policies while respecting its operational autonomy. The Treasury Board of Canada Secretariat examines those of the Commission's submissions that involve official residence funding, and submits its recommendations to Treasury Board. The Privy Council Office sits, as an observer, on the [Advisory Committee on the Official Residences of Canada](#), one of the committees of the National Capital Commission.

Advisory Committee on the Official Residences of Canada—A committee mandated to advise the National Capital Commission and its Executive Committee on the management of official residences. The Committee is composed of specialists in architecture, interior decoration, heritage conservation, and property development.

Specific challenges

6.6 The official residences in the National Capital Region were built, first and foremost, as private residences. None of them was built for the purpose of accommodating heads of state and political leaders. This is particularly true of Rideau Hall, which was originally an 11-room villa, and which was gradually transformed into a 175-room residence for heads of state. The official residences were not designed to support today's state functions. As a result, specific care is required to preserve their historic character, and interior retrofitting is sometimes required to make them more functional.

6.7 Political leaders live in the official residences, and they have numerous professional and family activities on their agendas. The National Capital Commission and Public Works and Government Services Canada must ensure they have access to the residences for sufficiently long periods of time to carry out the maintenance and rehabilitation work required for their conservation. They must therefore come to an agreement with the occupants of the official residences or their representatives as to the appropriate timing for this work.

6.8 The National Capital Commission regularly receives requests for access to information concerning the work carried out on the official residences, particularly 24 Sussex Drive. It is important that the public and the media thoroughly understand the nature and the necessity of the work carried out by the National Capital Commission.

Focus of the audit

6.9 Our objective was to determine whether the federal government, in particular the National Capital Commission and Public Works and Government Services Canada, had adopted the management practices required for the conservation of the official residences. Among other things, we examined the data that these two entities have on the condition of official residences, their planned conservation work, the funding available, and the communications strategies that these entities use with the occupants of the residences or their representatives.

6.10 This audit was conducted as a parallel to the quinquennial special examination of the National Capital Commission that we carried out in 2007. The National Capital Commission has had our special examination posted on its website since November 2007.

6.11 More details on the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this chapter.

Observations

Condition of the official residences

Reasonable practices are used to assess the condition of the official residences

6.12 The National Capital Commission has been collecting data for the past twenty years on the condition of the official residences for which it is responsible. The Commission conducted an initial assessment of their condition in the late 1980s, after Public Works and Government Services Canada ceded custody of the residences to the Commission in 1987. It re-assessed the condition of the official residences in 1999 and in 2005 as part of applications for capital funding from the federal government. Since 2006, it has adopted management practices that enable it to annually update its data on the condition of the residences, based on the results of its rehabilitation projects, based on its regular maintenance activities and, as required, based on its extensive studies of specific elements of the exterior and interior systems.

6.13 The official residences include not only the main building where the occupants live, but also other buildings, infrastructures, grounds, and gardens that contribute to their character. The main building is normally divided into three elements: the exterior, the interior systems, and the interior elements subject to cyclical renewal. The main building’s exterior includes the roof, walls, windows, doors, foundations, and chimneys. The interior systems include heating, ventilation, air conditioning, electrical, plumbing, fire safety, and universal accessibility. The interior elements subject to cyclical renewal (carpets, decor, lighting) are found in the public and private areas of the residence as well as in service areas (kitchens, laundry).

6.14 In 2006, the National Capital Commission rated the condition of all elements of official residences on a scale from 1 to 10. A rating of 1 is critical, a rating of 3 is poor, a rating of 5 is fair, a rating of 7 is good, and a rating of 10 is excellent. When it assigns a rating to an element, the National Capital Commission takes into account a number of factors, all of which are interdependent (Exhibit 6.2). The National Capital Commission has set a rating of 8 as the target condition of the various elements of the residences. An element with this rating is in good enough condition to fulfill the operational requirements assigned to it, and poses no threat to personal safety, heritage preservation, or the environment.

Exhibit 6.2 Rating system for the condition of various elements of the official residences

Rating	Degree of deterioration of the element	Life cycle stage	Fulfillment of occupants’ requirements	Degree of threat to personal safety, heritage preservation, or the environment
1 (critical condition)	Greatly deteriorated	End of life cycle—must be repaired or replaced immediately	Cannot fulfill operational requirements	Immediate threat
3 (poor condition)	Greatly deteriorated	Nearing end of life cycle—should be repaired in the near future	Fulfills operational requirements with difficulty only	Potential threat
5 (fair condition)	Somewhat damaged or showing signs of failure	Midpoint of life cycle—preventative repair	Fulfills operational requirements minimally	No threat
7 (good condition)	In good condition	Near beginning of life cycle—normal maintenance	Fulfills most operational requirements	No threat
10 (excellent condition)	Practically new or entirely restored	At beginning of life cycle	Fulfills all operational requirements	No threat

Source: National Capital Commission

6.15 Public Works and Government Services Canada is the custodian of the official residence located at La Citadelle in Québec City. The Department assessed the condition of the La Citadelle residence in 2001, after which it prepared a five-year management plan, to determine what work needed to be done and to plan its budget accordingly. The Department regularly inspects the elements of the main building, the three adjacent buildings, and the grounds. It has implemented a maintenance program.

6.16 We tested the reliability of the data on the condition of the official residences by visiting them and consulting experts. We concluded from our examination work that the National Capital Commission and Public Works and Government Services Canada have reasonable practices in place for assessing the condition of the residences and that their data on the condition of the latter are reliable.

To fully understand the condition of the official residences, their functions must be taken into account

6.17 Exhibit 6.3 shows that most residences have serious (1-3) deficiencies in, among other things, universal accessibility, air conditioning, and service areas. These deficiencies have little impact on the structure of the residences. However, they limit the capacity of the official residences to offer occupants a reasonable level of comfort, hindering the occupants' ability to carry out their official duties efficiently.

6.18 With the help of the Advisory Committee on the Official Residences of Canada, the National Capital Commission has developed management principles for the official residences (see Appendix). These principles were established as a general guide for the National Capital Commission as it fulfills its mandate for, among other things, long-term development and maintenance of official residences in the National Capital Region.

6.19 The management principles take into account current standards for construction, health and safety, and heritage building conservation, as well as the intended functions of the official residences. One of these principles requires that each residence have a life cycle management plan, which serves as the basis for an ongoing cycle of maintenance, repair, and property management. Other management principles are tied to the functions of the residences. These require, for example, that all residences be divided into two parts: public areas and private areas. The decor of public areas must be maintained for

one generation (on the order of 20 years) before it may be completely redecorated. The public areas in Rideau Hall and the Prime Minister’s residence take up approximately sixty percent of the living area of these residences. The decor in private areas may reflect the preferences of the occupants of the residences.

6.20 Other countries use management practices comparable to those of the National Capital Commission for the conservation of official residences: hiring experienced staff to be on site for daily management of residences; creation of consultative committees charged with the responsibility of advising occupants or their representatives on the conservation of residences, on their decoration and furnishing, and on the protection of artifacts; division of residences into public areas and private areas; use of public areas for state functions, working sessions, and public receptions.

Exhibit 6.3 All the official residences, in particular 24 Sussex Drive, have elements in poor to critical condition (1 to 3)

Official Residence	Main Building			Other buildings	Infrastructure and grounds
	Exterior	Interior systems	Interior life cycle renewal		
Rideau Hall	Walls	UA	N/A	13 of 27 buildings are in poor to critical condition	Fences
24 Sussex Dr.	Windows	HVAC, UA, electricity, plumbing, absence of sprinklers	Support areas	N/A	Sewers, fences, landscaping
Stornoway	N/A	Limited number of sprinklers	N/A	N/A	N/A
The Farm	N/A	UA, plumbing	N/A	3 of 6 buildings are in poor to critical condition	N/A
7 Rideau Gate	Windows and walls	HVAC, UA	N/A	N/A	Fences, landscaping
Harrington Lake (Lac Mousseau)	Windows and walls	UA	N/A	4 of 9 buildings are in poor to critical condition	Bridges
La Citadelle	N/A	AC of West Wing	N/A	1 of 3 buildings is in poor to critical condition	N/A

HVAC: Heating, ventilation, air conditioning; **UA:** Universal Access; **AC:** air conditioning

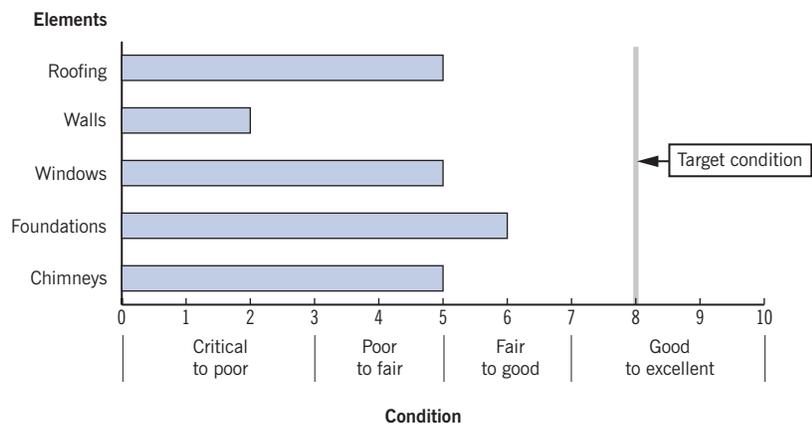
Source: National Capital Commission (31 March 2007) and Public Works and Government Services Canada

The residences in the National Capital Region are showing signs of fatigue and wear

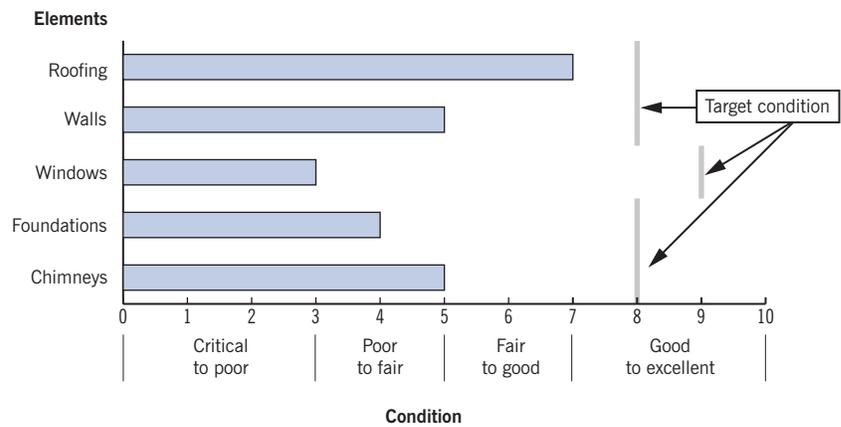
6.21 Exhibit 6.3 shows that certain elements of the exterior of the four residences, several interior systems, and a number of other buildings are in critical or poor condition. The National Capital Commission needs to pay special attention to them, in the near future. The fact that elements of a residence are in poor or critical condition does not necessarily mean that the residence is unsafe. However, it does mean that costs for maintaining and operating these residences will be higher, and that occupants will suffer some discomfort. For example, improperly insulated windows add to heating costs. The lack of central air conditioning in certain residences reduces the level of comfort afforded the occupants.

6.22 Exhibits 6.4 and 6.5 give examples showing that many of the elements of official residences are in fair condition, that is, they are fulfilling their functions minimally. This is true in particular for the elements of Rideau Hall’s main building exterior, and for 24 Sussex Drive’s exterior. Overall, very few elements of the official residences are in good condition (with a rating of 7) or have reached the Commission’s target condition (with a rating of 8). Consequently, a large number of extensive rehabilitation projects will be required over the next few years to bring these elements up to the desired condition.

Exhibit 6.4 Rideau Hall’s main building needs significant work to bring it to target condition



Source: National Capital Commission

Exhibit 6.5 24 Sussex Drive needs significant work to bring it to target condition

Source: National Capital Commission

Rideau Hall and 24 Sussex Drive require extensive repairs

6.23 Rideau Hall. Rideau Hall has many deficiencies, despite the fact that most of the National Capital Commission's rehabilitation work was done at this site over the past few years.

6.24 Main building. Exhibit 6.3 shows that the walls of the main building are generally in poor condition (2), and that a number of areas of the residence are not universally accessible. Exhibit 6.4 shows that the roof, windows, and chimneys are in fair condition. This means that over two thirds of the exterior (4,000 square metres of roofing, 1,200 square metres of masonry, 2,715 square metres of stucco-covered surface, 400 metres of gutters, 474 metres of foundations, 300 windows, and 29 doors) in the Governor General's residence are in fair condition and need repair or rehabilitation. Several areas of the building have no central air conditioning. Over the past few years, the National Capital Commission has restored the basement of the Minto Wing, the mechanical room, the ballroom, the ceiling of the Oval Suite, and the main steam lines. At the time of our audit, the Commission had almost completed the rehabilitation of the facade of the main building (Mappin Wing). Among other things, this project will make it possible to correct some of the shortcomings observed in the exterior walls of the main building.

6.25 Other buildings. Despite the fact that in recent years the National Capital Commission has undertaken a number of large projects, such as the renovation of the stables, half of the 27 other buildings situated on the Rideau Hall property are in poor to critical

condition. These include the Visitors' Centre at 11 Rideau Gate, the Foot Guard house, the Gasometer or Dome Building, and the Farm Building. The Dome Building provides office accommodations for a number of Rideau Hall employees.

6.26 Infrastructure and grounds. A large amount of work has been done in recent years to improve the irrigation, sewage, and electrical supply systems. Work remains to be done to complete the rehabilitation of the 2.3 kilometres of perimeter fencing with heritage value.

6.27 24 Sussex Drive. The most recent work of an extensive nature carried out at 24 Sussex Drive dates back to when it was purchased by the government, over fifty years ago. It is therefore not surprising to note that a number of the residence's systems are reaching the end of their useful lives, are in poor condition, and will have to be replaced in the near future.



Exterior air conditioning units and entrance of 24 Sussex Drive

6.28 Exhibit 6.3 shows the elements of the residence that are in poor or critical condition. The windows and caulking are cracked; and the tracks and windows are loose. These deficiencies cause extensive heat loss, increase the building's heating costs, and greatly reduce the energy efficiency of the residence. The air conditioning units installed in the windows are nearing the end of their useful lives. They are noisy and inefficient; they weaken the windows in which they are installed. The house was wired for electricity some fifty years ago, and the electrical system is operating at nearly maximum capacity. It cannot meet increases in demand or new operational requirements. The plumbing system is deficient. This building, which functions as a reception area for distinguished national and international guests, does not have universal access for persons with reduced mobility. The service elevator dates back to the 1950s and cannot accommodate modern wheelchairs. Service areas such as the kitchen and the basement laundry are not functional. Exhibit 6.5 shows that the only element of the exterior at 24 Sussex that is in good condition is the roof, which was re-done in 1998. The other elements are in poor or fair condition.

The condition of the other residences has improved

6.29 The National Capital Commission has made improvements to the condition of the other official residences in recent years. At the residence of the Leader of the Opposition, **Stornoway**, the National Capital Commission restored the roofing, modernized the kitchen, and landscaped the exterior grounds in 2000–01. At **Harrington Lake**

(**Lac Mousseau**) in 2005–06, the National Capital Commission rebuilt the roof, repaired part of the building foundations, and upgraded the electrical, plumbing, and fire protection systems. The solarium and a number of verandas were restored. Despite this progress, the windows and exterior walls still need repair work. Four of the nine other buildings located on this property are in critical condition.

At **7 Rideau Gate**, the Commission has redone the electrical wiring and has installed fire alarm systems and emergency lighting. However, repair work is still needed for the windows and exterior doors, the stone walls must be repointed, and the air conditioning system must be expanded to include the entire building. The Main Building at **The Farm (Kingsmere)** is in relatively good condition, except for the plumbing system. Over the past few years, the National Capital Commission has installed a new emergency generator and an automatic sprinkler system, built a garage, and improved the landscaping at The Farm. However, three of the six other buildings are in critical condition.

6.30 Public Works and Government Services Canada rebuilt the East Wing of the residence at La Citadelle in Québec City, which had burned down in 1976. This work was completed in 1984. Since then, the Department has re-fitted the public and private areas. It also modernized the fire alarm system in 2004–05. The residence is in relatively good condition and the Department has implemented a preventative maintenance program. One of the three other buildings (La Redoute) is in poor condition.

6.31 Despite the improvements made to these residences, their constituent elements are not all in good condition. It is important that the National Capital Commission continue to invest in these residences to improve safety and comfort, and to ensure they function efficiently.

Conservation of official residences

The National Capital Commission has launched a large-scale rehabilitation program for official residences

6.32 The budget restrictions of the 1990s forced the National Capital Commission, like the rest of the federal administration, to scale back its capital plans. Consequently, the National Capital Commission could perform only the most urgent rehabilitation work, and postponed other important work. This helped create a backlog of key rehabilitation work for official residences.

6.33 In 1999, the National Capital Commission developed a ten-year capital plan called the Life-Cycle Management Program, to upgrade

the official residences. Through an initial six-year funding program (from 1999–2000 to 2004–05), the Commission was able to conduct rehabilitation work to ensure the health and safety of the occupants. In 2005, the Commission updated its ten-year capital property plan and asked the government for additional funding to enable it to bring up to an acceptable level those elements whose condition had been rated critical to poor, and to enable it to maintain the official residences thereafter. At the time, the Commission estimated that the cost of the work to be undertaken would be approximately \$30 million over four years. The government gave the Commission an additional capital and operating budget of \$32 million over four years (2005–06 to 2008–09), to clear out the backlog of urgent work to be done. It will also provide to the Commission a recurring amount of \$6.7 million, starting in 2009–10.

6.34 Exhibit 6.6 shows the National Capital Commission’s capital funding and expenditures over the past ten years.

Exhibit 6.6 Capital work: funding received and expenditures

Year	Funding received (in millions of \$)	Expenditures (in millions of \$)	Capital funding used mainly for
2006–07	5.7	5.9	Rideau Hall 24 Sussex
2005–06	0.8	2.5	Harrington Lake (Lac Mousseau) 24 Sussex Rideau Hall
2004–05	1.1	0.6	Rideau Hall
2003–04	5.7	5.3	
2002–03		7.3	
2001–02	10.5	5.7	
2000–01	11.0	3.2	
1999–00	5.4	2.9	
1997–99		4.0	
Total	40.2	37.4	

The variance between capital funding received and capital expenditures is mainly due to transfers of funds to cover operating expenditures for official residences’ upkeep and repairs.

Source: National Capital Commission

6.35 In 2005–06 and 2006–07, the National Capital Commission undertook several official-residence rehabilitation projects, particularly at the Harrington Lake (Lac Mousseau) residence and at Rideau Hall, where the Commission rehabilitated the facade of the main building. The Commission’s five-year capital plan (2007–08 to 2011–12) includes large-scale rehabilitation work for Rideau Hall and 24 Sussex Drive. It also includes maintenance and repair programs at Stornoway, The Farm, Harrington Lake (Lac Mousseau), and 7 Rideau Gate. The Commission estimates that the capital work planned for the next five years will cost about \$24 million. The Commission bases this estimate on its knowledge of the condition of the buildings and on its experience with rehabilitation work. The actual cost could differ due to unpredictable factors such as deterioration proving more advanced than anticipated, or contracts escalating in cost due, for example, to increases in the price of materials and manpower. Public Works and Government Services Canada is planning rehabilitation work at La Redoute (in La Citadelle) in 2007–08. Exhibit 6.7 presents a summary of the work planned for all the residences in the next five years.

Exhibit 6.7 Major rehabilitation projects planned for official residences (April 2007 to March 2012)

Official residence	Estimated cost of work (\$ millions)	Main building			Other structures	Infrastructure and grounds
		Exterior	Interior systems	Interior life cycle renewal		
Rideau Hall	12.2	Mappin Wing Ongoing rehabilitation program: roofing, walls, and windows	Wing 1865 Ongoing rehabilitation program: interior HVAC, UA, and electricity systems	Tent Room	Five buildings	Surrounding fence
24 Sussex Drive	9.7	Windows	HVAC, UA, electricity, plumbing, and sprinklers	Service areas	N/A	Landscaping
Stornoway	0.3	N/A	Limited number of sprinklers	N/A	N/A	N/A
The Farm	0.5	N/A	N/A	UA	N/A	N/A
7 Rideau Gate	0.4	N/A	N/A	UA	N/A	N/A
Harrington Lake (Lac Mousseau)	0.5	N/A	Walls and windows	UA	Bridge	N/A
La Citadelle	0.5	N/A	N/A	N/A	Redoubt	N/A

HVAC: Heating, ventilation, air conditioning; **UA:** Universal access

Source: National Capital Commission (31 March 2007) and Public Works and Government Services Canada

6.36 Our review of the National Capital Commission's official residence rehabilitation program showed that the Commission has taken into account elements that are in poor or critical condition, and that the program reflects the management principles established for official residences. The available funding will enable the Commission to decrease the gap between the current condition of the residences and the desired condition (a rating of 8).

Complete rehabilitation of 24 Sussex Drive will require prolonged access to the residence

6.37 The National Capital Commission, like any other real property manager, must be able to access the residences or buildings in its custody in order to perform the maintenance and rehabilitation work it deems necessary. It is important that the National Capital Commission be able to count on the support of the occupants of the official residences and their representatives to properly fulfill its mandate.

6.38 The issue of access to official residences is a complex one because the role and functions of their occupants must be supported, their and their family's private lives respected, and the heritage value of these residences protected. Ease of access varies from one residence to the next. For example, the secondary residences of the Governor General in Québec City and of the Prime Minister of Canada at Harrington Lake (Lac Mousseau) are not occupied full time, and are therefore more readily accessible than the principal residences. The same is true for 7 Rideau Gate, which accommodates foreign dignitaries only on certain occasions or during events scheduled well ahead of time. It is also easier to access a residence when the work to be done is on the exterior or is short-term. Such short-term work can be carried out when the occupants are absent (while they are on vacation, for instance). The relatively good condition of the Harrington Lake (Lac Mousseau), La Citadelle, Stornoway, and 7 Rideau Gate residences seems to go hand-in-hand with their greater accessibility.

6.39 We examined the National Capital Commission's practices in giving the occupants of official residences notification of the condition of their residence and of the rehabilitation work planned to conserve it. Normally, the National Capital Commission communicates with an occupant of a residence through its on-site staff. This makes it possible for the Commission to notify the occupant of the condition of the residence and the work it plans to carry out. The Commission occasionally communicates with the occupant directly. We also noted that the Commission had written to the Privy Council Office to notify

it of the condition of 24 Sussex Drive and of the work required for preservation of the residence. We found that these were reasonable communication practices.

6.40 Because of the Prime Minister's many duties, and because the window of opportunity for completing work tends to be relatively small, planning work for 24 Sussex Drive is somewhat more complex. In the past few years, the National Capital Commission has carried out various work projects that were either short-term or that did not interfere in a significant way with the daily lives of the occupants of the residence. However, more extensive rehabilitation work is now required. Among other things, the ceilings and interior walls of the residence will have to be opened up to install new air ducts for ventilation and air conditioning, to replace old electrical wiring, to install a sprinkler system for fire protection, to remove toxic materials, such as asbestos, or to monitor such materials, and to retrofit the service areas. The National Capital Commission estimates that this rehabilitation work will take about 12 to 15 months to complete, assuming there are no unexpected complications and that no unforeseen repairs are found to be needed after the opening of the ceilings and walls in the residence. The nature of the planned work, and the disruption it may cause to the lives of the Prime Minister and his family, is such that asking the Prime Minister to move out of the residence for the duration of the work must be considered as a practical solution. It would be more efficient to carry out all this work at the same time than to spread it out over several years, inconveniencing the occupants each time. The implementation of this type of solution would, however, mean that the National Capital Commission would have to offer the Prime Minister and his family a temporary, secure residence that would meet their needs.

6.41 The constant postponement of the rehabilitation of 24 Sussex Drive may entail a number of consequences, notably

- further deterioration of this heritage property,
- an increase in rehabilitation costs,
- more discomfort for its occupants,
- more difficulty fulfilling official functions, and
- the risk of fostering a negative image of Canada with visiting foreign dignitaries.

Public information

6.42 The public follows the condition of the official residences of the federal government with interest. We examined the information that the National Capital Commission provides on this topic in its corporate plan summary and annual report. We found that the National Capital Commission provides information that is mainly financial (funding received, capital and operating expenditures) on the official residences it is responsible for. It also provides information on some of the larger projects it is undertaking. Such is the case with the rehabilitation of the facade of the Mappin Wing at Rideau Hall. A little information is also available on the Commission's website.

There are gaps in the information provided on the nature and impact of future work

6.43 The National Capital Commission does not provide much information on the condition of each residence, the nature and cost of the work to be done in the coming years, or on the impact of the necessary work on the condition of the residences. In our opinion, this type of information would help parliamentarians and the public better understand the nature of the deficiencies found, the risk that these deficiencies cause to the occupants and to heritage property, and the conservation challenges that they pose.

6.44 The National Capital Commission is aware of these shortcomings. Last November, the Commission announced new initiatives for improving its openness and transparency.

Conclusion

6.45 The National Capital Commission has implemented reasonable management practices to ensure that the official residences are conserved. It regularly assesses the condition of the official residences and develops rehabilitation programs based on its knowledge of the condition of the residences and on the applicable management principles. The Commission keeps the occupants of the official residences or their representatives informed of the condition of their residence and of the work that will be required to conserve it.

6.46 The official residences, particularly Rideau Hall and 24 Sussex Drive, are showing signs of fatigue and wear, and require extensive repair work. Thanks to the funding it received in 2005, the National Capital Commission undertook an extensive official residence rehabilitation program. Prolonged access to 24 Sussex Drive will be required for rehabilitation of the residence.

6.47 Public Works and Government Services Canada has adopted sound management practices for ensuring the conservation of La Citadelle residence in Québec City. Minor projects are planned in the next five years.

About the Audit

Objective

The objective of this audit was to determine whether the federal government has adopted the management practices required for the conservation of its official residences.

Scope and approach

This audit was carried out at the same time as the quinquennial special examination of the National Capital Commission that we conducted in 2007. The National Capital Commission published the report on that special examination in November 2007.

We examined

- relevant data and documents on the condition of the official residences of the federal government;
- conservation work planned and performed, the assessment of risks posed by the variable condition of the official residences, the timely availability of financial resources, and the strategy for communicating with the occupants of the residences in order to obtain the access necessary when work is to be performed; and
- information provided to Parliament concerning the condition of the official residences and the conservation work planned and carried out.

We did not verify the accuracy of the information on the estimated costs of rehabilitation projects.

Our audit method included

- analyzing various documents, reports, and data on the conservation management of the official residences of the federal government;
- reviewing conservation activity files;
- meeting with representatives of the federal organizations concerned; and
- touring the official residences.

We carried out our examination work at

- the National Capital Commission,
- Public Works and Government Services Canada,
- Transport Canada,
- the Treasury Board of Canada Secretariat, and
- the Privy Council Office.

Our examination did not include those of the conservation activities carried out by Public Works and Government Services Canada that involve the buildings on Parliament Hill.

Criteria

We expected the federal organizations concerned to have

- assessed the condition of the official residences,
- developed conservation plans based on these assessments,
- conducted the rehabilitation projects included in its plans in a timely manner,
- requested access to the official residences in order to perform their rehabilitation work in a timely manner, and
- informed Parliament of the results of their conservation work on the official residences.

Sources for our criteria were

- applicable administrative policies of the National Capital Commission and Public Works and Government Services Canada,
- real property management policy developed by Treasury Board, and
- standards and guidelines for the conservation of heritage sites in Canada.

Audit work completed

The audit work for this chapter was substantially completed on 30 September 2007.

Audit team

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Appendix Management principles for the official residences of Canada

The management principles applicable to the official residences were developed by the National Capital Commission, with the support of the Advisory Committee on the Official Residences of Canada, in order to establish general guidance for the Commission to meet its responsibilities concerning policy development, strategic planning, long-term accommodation, and maintenance involving the official residences located in the National Capital Region.

Planning principles

- All the residences are divided into two parts: public areas and private areas (dictating the guidelines for management and decor).
- All the grounds are divided into separate landscaping zones (dictating the guidelines for utilization, maintenance, and activity).
- The decor of public areas must be maintained for one generation before the premises may be redecorated.
- The heritage features of the residences as defined by the Federal Heritage Buildings Review Office must be preserved.
- There is a plan for each residence that covers the preferred strategies in terms of building, grounds, and infrastructure development.
- There is a life cycle management plan for each residence.
- There is an emergency response plan for each residence.
- All the residences must be operational at all times (unless specific arrangements have been made).
- All the residences and all the grounds must be universally accessible (guidelines on access through the main entrance and to the floor reserved for guests).
- All technical equipment in buildings must meet current standards.
- All the residences must be equipped with alarms and fire extinguishers (in order to evacuate the occupants and safeguard property).
- All the residences must be equipped with emergency systems capable of providing back-up if the main systems fail (for example, emergency energy supply sources capable of meeting health, safety, and operating requirements, should a power outage occur).
- All the residences must be equipped and furnished at all times.
- The content of all the residences must be regularly inventoried, inspected, and maintained.
- Although steps must be taken in all the residences to safeguard heritage collections and furnishings, they cannot be subject to standards applicable to museums.
- Environmentally friendly practices must be used to manage the residences.

Source: National Capital Commission

Report of the Auditor General of Canada to the House of Commons—May 2008

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