Auditor General
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Report to the Legislative Assembly

Management of Provincial Tourism

Independent Audit Report

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January 2020

The Honourable Myrna Driedger
Speaker of the House
Room 244, Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Honourable Ms. Driedger:

It is an honour to submit my report titled, *Management of Provincial Tourism*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Sections 14(4) and 28 of *The Auditor General Act*.

Respectfully submitted,

Original Signed By
Norm Ricard

Norm Ricard, CPA, CA
Auditor General

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Auditor General's comments

The tourism sector is a strong contributor to Manitoba's economy. In 2017 just under 11.4 million people visited our province spending over $1.6 billion. It is estimated that tourism directly and indirectly employs almost 21,000 people and accounts for over $290 million in provincial tax revenue. Many stakeholders are involved in the tourism sector both in industry and in government. Given its many and diverse stakeholders, strong sector leadership, with a focus on collaboration and support, is essential to ensure continued growth.

In 2019, Travel Manitoba issued the Provincial Tourism Strategy. It has also issued companion strategies for two important niche tourism areas, being Northern and Indigenous tourism. Having a broad strategic plan is an important milestone but equally important is the need for detailed plans on how strategies will be implemented, how stakeholders will be engaged, and how risks will be mitigated. More work needs to be done in this regard.

We note that key performance indicators have been identified for the Provincial Tourism Strategy. Gathering sufficient and timely information on these indicators will help Travel Manitoba demonstrate the impact of the actions taken and investments made by the Province and other stakeholders.

Our report includes four recommendations.

We very much appreciated the cooperation and assistance provided by Travel Manitoba officials.

I would also like to take this opportunity to thank my audit team for their hard work.

Original Signed By
Norm Ricard

Norm Ricard, CPA, CA
Auditor General

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Management of provincial tourism

Since 2017, **Travel Manitoba** has been the lead marketing and development agency for tourism in Manitoba

Travel Manitoba's goal is to reach **12.6 million** visitors and **$2.2 billion** in tourism spending by 2022

Tourism is a strong contributor to Manitoba's economy

- **3rd** largest revenue generator, after agriculture and mining
- Nearly **11.4 million** visitors in 2017, spending over **$1.6 billion**
- Directly and indirectly employs **20,600** people
- Tax revenue of **$292** million in 2017

What we found

Planning

Plans in place:

- Provincial Tourism Strategy (2019)
- Northern Manitoba Tourism Strategy (2017)
- Manitoba Indigenous Tourism Strategy (2019)
- Travel Manitoba Business Plan (2019-2022)

- Tourism plans and strategies have goals and supporting objectives
- Risks that could impact success not fully considered; limited consideration of how to address or mitigate risks
- External stakeholders consulted during preparation of tourism plans and strategies, but no separate consultation with key government departments early in process
- No implementation plans; limited consideration of specific steps required

Monitoring

- Performance indicators in place for the Provincial Tourism Strategy
- Limited monitoring of Northern Tourism Strategy
- Performance data on 2 key performance indicators received 2 years after collection

Reporting

- Annual reports are issued on progress against Travel Manitoba Business Plan
- Plans and reports not easily found on the Travel Manitoba website

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Background

The tourism sector is a strong contributor to Manitoba's economy. In 2017, just under 11.4 million people visited Manitoba **(TABLE 1)** spending over $1.6 billion **(TABLE 2)**, according to the most recent data available. The sector directly and indirectly employs over 20,600 people and accounts for $292 million in provincial tax revenue, and is the third largest revenue generator in Manitoba, after agriculture and mining.

Table 1: Tourism visitation (in thousands)

Origin of visitors	2011	2012	2013	2014	2015	2016	2017
Manitoba	9,209	9,152	9,476	9,637	9,139	9,050	9,715
Other Canadian provinces	1,183	994	1,005	958	946	1,044	1,160
United States	371	378	358	354	400	395	413
Overseas	86	78	66	78	73	76	110
Total	**10,849**	**10,602**	**10,905**	**11,027**	**10,558**	**10,565**	**11,398**

Source: Travel Manitoba Annual Reports 2012/2013 to 2018/2019

Table 2: Tourism expenditure (in millions)

Origin of visitors	2011	2012	2013	2014	2015	2016	2017
Manitoba	880.6	922.0	986.6	1,014.0	895.8	906.7	957.7
Other Canadian provinces	399.0	389.3	364.2	319.8	325.8	373.8	420.4
United States	110.0	146.1	153.3	185.1	168.8	167.3	142.5
Overseas	58.1	60.2	52.0	84.5	83.3	124.3	123.3
Total $	**1,447.7**	**1,517.6**	**1,556.1**	**1,603.4**	**1,473.7**	**1,572.2**	**1,643.9**

Source: Travel Manitoba Annual Reports 2012/2013 to 2018/2019

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Travel Manitoba

Travel Manitoba is a Crown agency, established on April 1, 2005 under *The Travel Manitoba Act* (the Act). It is the lead marketing and development agency for tourism in Manitoba. It works with the tourism industry to foster development, growth and diversity in tourism in Manitoba. Travel Manitoba has defined its mission as increasing tourism's contribution to the provincial economy by leading the marketing of Manitoba as a tourism destination and by fostering a competitive and sustainable tourism industry.

Tourism industry: The people, activities, and organizations involved in providing services for people travelling to and staying in places outside of their usual environment for leisure, business and other purposes.

Prior to April 1, 2017, the Tourism Secretariat was responsible for the development and implementation of the government's tourism policies. The Secretariat administered grant programs to create and expand tourism experiences within Manitoba, and collaborated with other provincial departments as well as federal and municipal governments to support the development of tourism policies and programming. Travel Manitoba supported the Tourism Secretariat through marketing Manitoba as a desirable tourist destination, providing appropriate visitor and information services, stimulating the growth and competitiveness of the tourism industry and enhancing public awareness of the importance of the tourism industry. The provincial government dissolved the Tourism Secretariat as of April 1, 2017. Travel Manitoba is now the lead for fostering and promoting Manitoba's tourism industry. In this role, it has carried on many of the programs formerly administered by the Secretariat, as well as worked on improving industry alignment by hosting summits to seek input on planning and through a place-branding program to assist communities understand the potential for tourism in their region.

A Board of Directors, consisting of a minimum of nine and maximum of 15 individuals, oversees Travel Manitoba. The Board's role is to review management's advice and analysis, assess situations, opportunities and issues affecting Manitoba's tourism industry, and identify desired results for Travel Manitoba to achieve within a defined period. Travel Manitoba reports to the Minister of the Department of Economic Development and Training (formerly Growth, Enterprise and Trade). According to the *Act*, Travel Manitoba is responsible for:

a. marketing Manitoba as a desirable tourist destination;
b. providing appropriate visitor and information services;
c. stimulating the productivity, development and growth of persons, businesses and organizations engaged in the tourism industry;
d. enhancing the quality, competitiveness and marketing of tourism products and services;
e. encouraging, participating in and co-operating in consultations and undertakings with
    i. persons, businesses, organizations or agencies, and
    ii. the government of Manitoba or other governments, which have a purpose or any duties related to those of Travel Manitoba;

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f. enhancing public awareness of tourism;
g. promoting the training, development and employment of persons involved in the tourism industry;
h. carrying out any other functions assigned by the minister.

Tourism Stakeholders

Traditional stakeholders in the tourism industry are those businesses and services that cater directly to tourists. This includes restaurants, as well as businesses that provide accommodations and transportation. Increasingly tourists have begun seeking out new and different experiences. To meet this growth, there is a larger role for other groups outside of these traditional tourism stakeholder groups, such as the service industry also acting as tourism ambassadors. There is also a need for collaboration and support between government and industry.

In Manitoba, several provincial government departments play a role in supporting provincial tourism. These are:

- Economic Development and Training (formerly Growth, Enterprise and Trade) – Responsible for supporting and encouraging economic development within the province.
- Conservation and Climate (formerly Sustainable Development) – Responsible for the provincial parks and related programming and infrastructure, such as campgrounds and amenities.
- Sport, Culture and Heritage – Responsible for assisting Manitoba's cultural institutions, museums, festivals, and sporting events.
- Infrastructure – Responsible for roadways and provincial roadway signage.
- Education (formerly Education and Training) – Supporting workforce development and training for the service and tourism industries.

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Planning

Since 2015, Travel Manitoba has created a number of plans and strategies to guide their vision for tourism in Manitoba. As of August 2019, Travel Manitoba has four plans and strategies in place (CHART 1):

Chart 1: Travel Manitoba plans

** Managed by the Indigenous Tourism Association of Canada (ITAC) through a Memorandum of Understanding with Travel Manitoba*

Source: Travel Manitoba Business Plans and Strategies

As required under the Act, a three-year business plan is prepared for the Minister of Economic Development and Training (the Minister responsible for tourism). The business plan outlines Travel Manitoba's organizational goals and supporting activities. Equally required under the Act, annual reports are prepared which detail the results of Travel Manitoba's activities during the course of the fiscal year.

Beyond its operational planning, Travel Manitoba has developed several strategies that focus on specific areas of tourism development, including the Provincial Tourism Strategy. Travel Manitoba is the lead agency for the development of these strategies and involved stakeholders through consultation and opportunities for feedback.

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Funding

Travel Manitoba receives funding from the Department of Economic Development and Training.

During the period of under examination, there was a change to the funding model for Travel Manitoba. Up until 2016, Travel Manitoba received a provincial funding allocation of $7.471 million, approximately 3% of provincial tourism tax revenue and below the Canadian average of 7%.

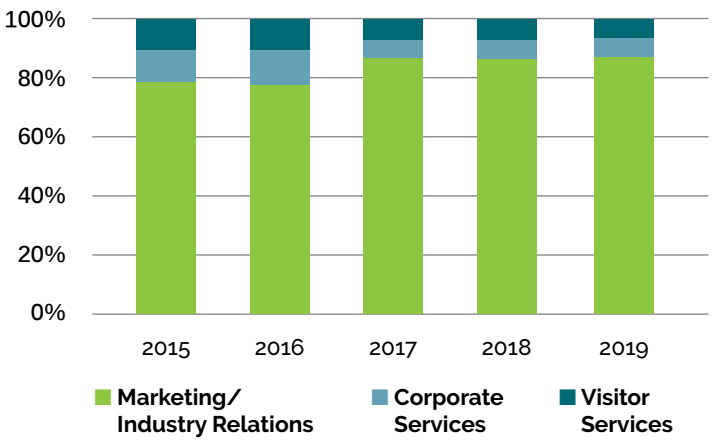
Continuing funding at this level was identified as an issue in Travel Manitoba's 2012-2015 business plan. After researching alternative funding models, Travel Manitoba recommended to the province that tourism funding be dedicated at 4% of tourism tax revenue, resulting in an increase in tourism funding to ensure that provincial funding did not continue to fall further below average.

Since 2016, Travel Manitoba's annual funding is based on 4% of provincial tourism tax revenues. In 2018/2019, this totaled $12.07 million. Provincial tourism tax revenue has increased from $277 million to $292 million in this period.

Travel Manitoba undertakes a number of activities to engage the tourism industry, such as industry summits, workshops, and face-to face meetings. It has also created co-op marketing campaigns with an increasing number of partners who invest in marketing and product development services (known as "leveraged marketing"). This investment has increased from $1.07 million in 2015/2016 to $1.15 million in 2018/2019.

On average, the majority of Travel Manitoba's expenditures are on marketing and industry relations **(CHART 2)** which is about 84% of its budget. This includes traditional print and video marketing as well as non-traditional methods such as social media, and expenses incurred in bringing in bloggers and travel industry representatives. Travel Manitoba spent the balance of funding on corporate services (staffing and administrative costs) and visitor services (staffing and costs related to the Travel Manitoba Visitor Information Centres).

Chart 2: Travel Manitoba Expenditures 2014/15 – 2018/19



Source: Travel Manitoba 2014/2015 - 2018/2019 Annual Reports

Travel Manitoba's marketing has been recognized by the travel industry. The brand "Manitoba – Canada's Heart Beats" has received multiple awards since its introduction in 2014. More recently, travel publisher *Lonely Planet* recognized Manitoba as one of the top 10 regions in the world to visit in 2019.

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Audit objective, scope and approach

Audit objective

The objective of the audit was to determine whether the Province has established adequate systems and practices to support the achievement of tourism goals and objectives.

For our audit, we defined adequate as having plans and processes for their implementation, as well as processes for monitoring progress and for reporting on results achieved.

Scope and approach

The period covered by the audit was April 1, 2015 to August 31, 2019.

The audit focused on Travel Manitoba's responsibilities related to tourism in Manitoba. We did not assess the quality or merits of the objectives and initiatives, only the processes involved in planning, risk assessment, monitoring and reporting.

We reviewed documentation related to tourism in Manitoba – such as provincial legislation, plans, strategies, and reports, as well as websites and other media. We interviewed representatives from Travel Manitoba, other provincial departments, tourism partners, and stakeholders. We also reviewed publicly available tourism data and comparisons with selected provincial jurisdictions (British Columbia, Alberta, Saskatchewan, and Ontario). A site visit to Brandon, Manitoba to observe a Travel Manitoba stakeholder facilitation session for the Provincial Tourism Strategy also occurred.

Criteria

To determine whether the Province has established adequate systems and practices to support the achievement of tourism goals and objectives, we used the following criteria:

Criteria	Sources
The Province should have strategic and implementation plans that adequately identify and support the achievement of tourism goals and objectives	Criteria on Control
The Province should have systems and practices to enable adequate monitoring and reporting of progress towards stated goals.	Criteria on Control

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1 Planning

We expected that Travel Manitoba would develop plans that identify tourism objectives, consider the risks to achieving tourism objectives in Manitoba and how best to mitigate them. Such plans would also identify areas where development would promote the growth of the industry, the actions required to implement the objectives, and the resources required.

1.1 Tourism plans identified objectives but did not fully consider risks or their mitigation

During the period reviewed, Travel Manitoba formulated and published a number of individual business plans and tourism strategies to increase visitation to the province **(REFER TO CHART 1)**.

All the plans we reviewed have an objective related to the expansion of tourist visitation, which is expressed as a target expenditure amount by a specified year. The most recent plan, the Provincial Tourism Strategy, sets the annual target at $2.2 billion spent by 12.6 million visitors to be achieved by 2022.

Both the business and strategic plans identify specific objectives to support reaching the overall target, with some variation between plans. All had an objective of strengthening relationships and partnering with industry and the government. Other common objectives focused on leading Manitoba's tourism industry, ensuring a strong brand recognition, or increasing investment. The common theme prevalent throughout all plans is that Manitoba is marketed with a strong, unified message. The most recent business plan includes the specific Travel Manitoba initiatives found in the Provincial Tourism Strategy.

Identification of a specific risk, along with consideration of how likely it could occur and the impact on the organization should it occur, are important components in planning. This also ensures that mitigation planning is done only for risks identified as significant to the organization. Best practices for risk management also include involving stakeholders in the risk management process, ensuring that there is an awareness and assessment of risk throughout the organization, and continuous monitoring of the risks.

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We found that risks that could affect tourism were not fully considered. The business plan identified risks and ranked them as either high, medium, or low. Management told us risks were assessed on a three-year period, because the business plan spanned three years. However, there was no discussion of how these risks would be mitigated.

Table 3: Travel Manitoba current plans and strategies – Expected elements for risk assessment and mitigation

OAG Expectation	2019 – 2022 Business Plan	Provincial Tourism Strategy	Northern Manitoba Tourism Strategy	Manitoba Indigenous Tourism Strategy
Risk identified and assessed	Yes	No	No	No
Risk mitigation	No	No	No	No

Source: 2019-2022 Business Plan, Strategies

None of the three strategic plans included a consideration of related risks **(TABLE 3)**.

When we benchmarked other jurisdictions, we noted that some of the risks identified by these jurisdictions were relevant to Manitoba, but were not identified by Travel Manitoba in its business plan. Specifically, skill shortages, a lack of export-ready tourism products, and the refresh of existing experiences that will affect the province's ability to compete globally for visitors.

An example of a risk that is not fully considered is that of the external environment. Churchill is one of the main drivers of tourism to Manitoba and a centerpiece of Travel Manitoba's marketing. The loss of the polar bear's environment due to climate change would have a significant impact on tourism. Yet, the plan identifies climate change as a low risk to tourism.

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Recommendation 1

We recommend that Travel Manitoba conduct a risk assessment for all tourism strategies, including short, medium and long-term risks, and identify measures to mitigate significant risks.

1.2 Niche tourism plans developed in two of four areas

Niche tourism refers to a type of specialty tourism that focuses on a specific concept or topic, where tourists travel to a destination specifically to experience and participate in unique activities and events. Travel Manitoba has identified the following areas of niche tourism in Manitoba:

- Northern tourism
- Indigenous experiences
- Francophone tourism
- Winter experiences

Travel Manitoba identified niche tourism as an area with development potential for Manitoba tourism as far back as 2012. Two strategies have been released to date:

- The Northern Manitoba Tourism Strategy (2017).
- The Manitoba Indigenous Tourism Strategy (2019).

Niche tourism provides further incentive for tourists to visit the province. However, plans for two of the niche strategies identified in the Provincial Tourism Strategy have yet to be developed. This results in missed opportunities to create strong connections between visitors and Manitoba's unique tourism experiences.

1.3 Minimal consultation of other government departments during development of the Tourism Strategies

The Act states that Travel Manitoba is expected to consult with its external stakeholders as well as with other government departments on matters related to its responsibilities. This has been reinforced by the current government, which stressed in the mandate letter to the Chair of the Travel Manitoba Board the need for all ministers to support and deliver on commitments with their colleagues, and specifically for Travel Manitoba to adopt a 'Team Manitoba' approach with the other provincial partners and government.

We found that Travel Manitoba conducted stakeholder consultations with the business community and incorporated this feedback into the business plans and strategies **(TABLE 4)**.

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Table 4: Travel Manitoba current plans and strategies – Expected elements for consultation				
OAG expectation	2019 – 2022 Business Plan	Provincial Tourism Strategy	Northern Manitoba Tourism Strategy	Manitoba Indigenous Tourism Strategy
External stakeholder	Yes	Yes	Yes	Yes
Government departments	N/A	2 departments consulted	No	No

Source: 2019-2022 Business Plan, Strategies

We were told, however, that there were no separate consultations with key government departments when developing the Provincial Tourism Strategy. Only the Departments of Conservation and Climate and Economic Development and Training had a representative on the Provincial Tourism Strategy's Steering Committee when the strategy was being prepared. We are of the view that other departments should have been involved in developing the tourism strategy, such as the Department of Sport, Culture and Heritage and the Department of Infrastructure. However, we were told that these departments were made aware of it in the fall of 2018 when the draft strategy was presented to the Deputy Ministers.

As of July 2019, representatives from the Departments of Infrastructure, Sport, Culture and Heritage, and the Economic Development Office (which replaced Economic Development and Training) were added as part of the Provincial Tourism Strategy's Steering Committee. Along with Conservation and Climate, this group is overseeing implementation of the Provincial Tourism Strategy.

By not having key stakeholders in the provincial government involved earlier in the process with planning, specific concerns, barriers to achievement or other information not previously identified may have been overlooked or omitted. This, in turn, could jeopardize the success of the plan, or the achievement of tourism goals.

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1.4 Tourism plans do not have an implementation plan with clear steps, milestones and required resources

An implementation plan is important because it sets out the steps required to achieve the overall goal. It identifies the expected results, estimated costs, resources required, and a timeline for completion. Timelines are particularly important for identifying what has been completed, and ensuring accountability for results.

The plans and strategies developed by Travel Manitoba set out a number of initiatives to achieve the tourism objectives. However, we noted that initiatives often lacked specificity or clarity and were vaguely worded on what they were to accomplish. For example, the Provincial Tourism Strategy's objective to foster collaboration included an initiative to "*(a)ssess the merits of a new approach to delivering regional tourism initiatives.*" However, it did not identify if there is a current approach in place, if this was for one or multiple regions, or how the merits of changing this new approach would be assessed.

As **TABLE 5** shows, the business plan and strategies did not consistently identify the information we expected to see to facilitate the implementation of these initiatives.

Table 5: Travel Manitoba current plans and strategies – Expected elements for implementation

OAG expectation	2019 – 2022 Business Plan	Provincial Tourism Strategy	Northern Manitoba Tourism Strategy	Manitoba Indigenous Tourism Strategy
Overall goal	Yes	Yes	Yes	Yes
Supporting objectives	Yes	Yes	Yes	Yes
Clear steps for implementation	No	No	No	No
Timeline for implementation	No*	No	Yes	No
Resources identified				
Current	No	No	Yes	Yes
Future	No	No	No	No

** No specific timeline in plan, but business plans are for three years*
Source: 2019-2022 Business Plan, Strategies

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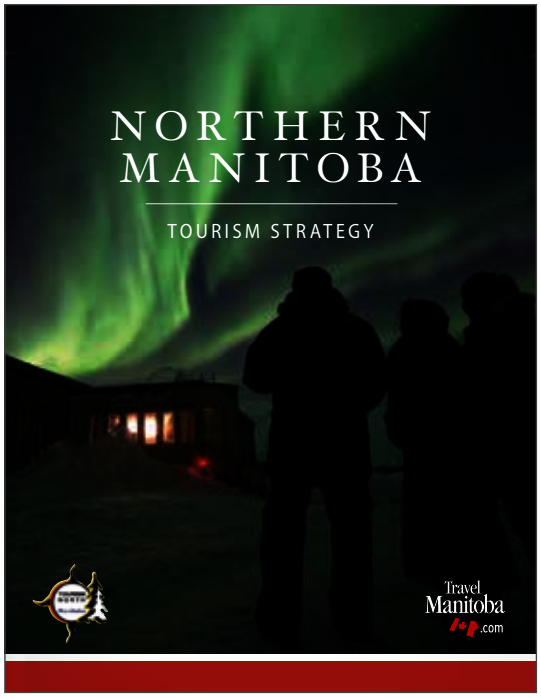
For example, the Northern Manitoba Tourism Strategy identifies a lack of tourism education and trained staff as a challenge in the North. The strategy sets objectives to determine what training and education needs exist among the communities. It also identifies partners with the ability to execute training programs. However, it does not indicate if these are pre-existing programs, if they need to be developed, or if there is a funding source to pay for these programs.



Additionally, the strategy did not identify the number of communities that require this training.

Another example, the 2018-2021 Business Plan identifies the creation of a Provincial Events Strategy. However, the plan does not identify the key planning steps, what resources might be available in rural communities, and does not identify the funding necessary to implement an events strategy.

Travel Manitoba management stated that implementation plans were yet to be developed, as the Provincial Tourism Strategy was recently released and they were waiting for government's decision on which initiatives to pursue.

An evaluation of existing and required resources is an important component for any plan. Without this information, organizations may find themselves committing to an initiative when expected returns are below what would be needed to justify the required investment. As well, not having a time frame for completing the objectives increases the risk that Travel Manitoba will be unable to provide meaningful information on progress.

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Recommendation 2

We recommend that Travel Manitoba identify:

- existing resources;
- funding required and its sources;
- staff requirements; and
- which other stakeholders are required to support the initiatives identified by the strategies

2 Monitoring

Monitoring is an important management practice to ensure continued progress towards goals, and the achievement of desired results. Monitoring also provides decision makers with the information needed to inform future decisions and maintain accountability. The results of monitoring should be reported regularly and accurately. This is reinforced in the mandate letter from the Minister of Economic Development and Training (the minister responsible for Travel Manitoba) to the Chair of the Board for Travel Manitoba, which specifically states the need for accurate and timely information to assist the Minister in making the best decisions possible.

We expected that Travel Manitoba would have key performance indicators in place to allow for monitoring progress of the overall target, as well as progress made on the objectives. Furthermore, that information for the key performance indicators would be collected within a time frame allowing for its use in assessing results and amending decisions.

2.1 Monitoring of some strategies is at the early stages

Travel Manitoba has developed and uses a number of key performance indicators for monitoring the business plans (TABLE 6). These include activities with tourism industry stakeholders, and tracking website and social marketing statistics to assess how well marketing campaigns are reaching the target markets.

The Provincial and Indigenous strategies were released in 2019 and Travel Manitoba has recently developed key performance indicators for the Provincial Strategy.

The Northern Manitoba Tourism Strategy was released in 2017 and has key results with completion dates as early as October 2017. In the section on implementation, the strategy committed to an annual review and update as required. As such, we expected that regular monitoring would be occurring. However, key performance indicators have only recently been developed, and minimal monitoring has occurred to date.

If performance indicators had been developed with the strategies, it would be possible to monitor from the adoption of the plan, establish a baseline to monitor against, and determine what corrective actions are needed.

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Table 6: Travel Manitoba current plans and strategies – Expected elements for monitoring				
OAG expectation	2019 – 2022 Business Plan	Provincial Tourism Strategy	Northern Manitoba Tourism Strategy	Manitoba Indigenous Tourism Strategy
Key performance indicators – overall target	Yes	Yes	Yes	Yes
Timely collection – tourism visitation and expenditure data	No – 2-year delay	No – 2-year delay	No – 2-year delay	No – 2-year delay
Key performance indicators – supporting objectives	Yes	Yes	Yes	No
Timely collection of needed data	Yes	N/A*	N/A*	N/A

** Key performance indicators only recently (2019) developed.*
Source: 2019-2022 Business Plan, Strategies, Provincial Tourism Strategy Key Performance Indicators, Northern Tourism Strategy Performance Framework

2.2 Performance data on two key performance indicators is not timely

Two key performance indicators identified in Travel Manitoba's business and strategic plans are total annual visitation and tourism expenditures. Tourism visitation and expenditure are calculated using data gathered by Statistics Canada from two surveys, one for international travelers, the other for domestic travelers. However, because of the time needed by Statistics Canada to prepare the information, Travel Manitoba only receives this data two years after collection **(TABLE 6)**. This makes it of limited use for adjusting activities, such as changing marketing to specific tourism markets. It is difficult to connect increases in tourism visitation and expenditure to increases in expenditures or resources, and the data is not sufficiently detailed to identify visitation or expenditures to specific regions within the province.

Travel Manitoba obtains some current data, such as the number of border crossing or arrivals at Winnipeg's airport. While this provides an idea of the amount of traffic into the province, this data does not provide insight as to the reason for visiting Manitoba, and is not usable for determining progress towards the tourism visitation or expenditure goals.

Travel Manitoba management has told us that all Provincial Marketing Organizations in Canada are facing the same challenges in obtaining timely data from Statistics Canada. They are exploring alternative data sources in order to obtain timelier information. They indicated that it is also possible to obtain additional data from the Statistics Canada information. However, they noted that both of these options are costly.

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3 Reporting

The current government has stated that its expectation is for decisions and policies to be communicated clearly, regularly and transparently. To assist with this, the Department expects accurate and timely information to assist the Minister in making the best decisions possible. Public reporting, in particular, illustrates government accountability by demonstrating how they are using resources for taxpayer's benefit.

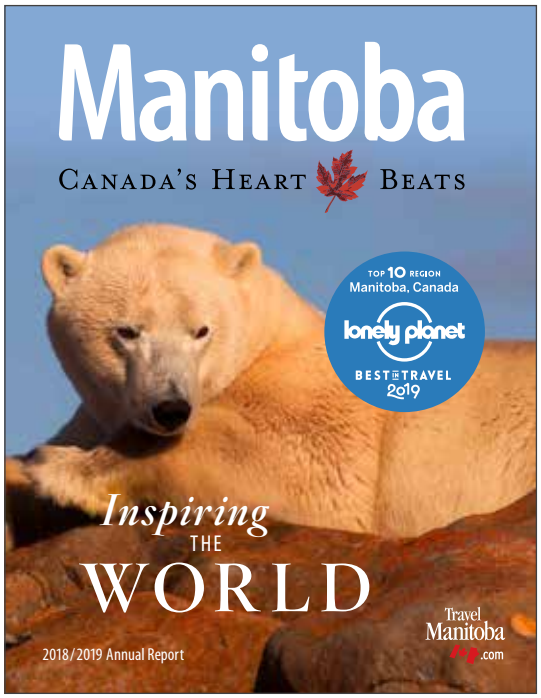
We expected that Travel Manitoba would report results on the business plan and on the strategies on a regular basis, and that this reporting would clearly indicate the progress towards achieving its objectives. We also expected that this reporting would be publicly accessible.

3.1 Some internal reporting on all plans, no public progress reporting on strategies

Travel Manitoba reports annually on the activities and progress made in implementing its business plan. It also provides quarterly updates on its activities to its Board of Directors.

With the most recent annual report, Travel Manitoba has started reporting on the Northern Manitoba Tourism Strategy. Travel Manitoba is also reporting internally to the Northern Manitoba Tourism Strategy Steering Committee, having issued three updates up to July 2019.

The Northern Manitoba Tourism Strategy was released in 2017 and had several commitments to be achieved in the first two years of the strategy. **TABLE 7** identifies the five "key results" with completion dates by December 2018. To date, reporting that has occurred on the Northern Manitoba Tourism Strategy identifies progress on specific initiatives, although most of this reporting relates to updating marketing efforts. There has been no reporting to indicate if the entire key result has been implemented, nor any evaluation of performance.



The Provincial Tourism Strategy remains too recent to have any reporting.

As noted in **CHART 1**, the Indigenous Tourism Association of Canada, in partnership with Travel Manitoba, is advancing the Manitoba Indigenous Tourism Strategy. There is no mention of any reporting, public or otherwise, in this Strategy or in the Memorandum of Understanding signed between these parties. Travel Manitoba management told us they are receiving updates on the implementation of this strategy.

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Travel Manitoba management has stated that reporting on the Provincial and Northern strategies is done through Travel Manitoba's Annual Report. While we found some discussion of results against the strategies, it was not a fulsome reporting of progress against commitments. A separate progress document for each strategic plan is part of a clear accountability framework, and would demonstrate the impacts of Travel Manitoba's activities. Identifying clear progress towards completion of a plan's goals and objectives enhances accountability and transparency.

Table 7: Pre-December 2018 commitments of the Northern Manitoba Tourism Strategy, and reporting results, to August 2019

Key Result #	Due date	Result reported	Reporting location	Key result achieved
1.1 – Reconsider the structure, accountability and funding of Tourism North and pilot a more effective regional model	October 2017	Creation of the Northern Tourism Advisory Committee	Press release – December 2017	No
2.1 – Awareness and positioning of Northern Manitoba within the Travel Manitoba marketing plan is revised to align with the Northern Manitoba Tourism Strategy	June 2018	Promotional Initiatives Content marketing, digital advertising and visitor experience metrics	June 2018, September 2018 and July 2019 updates to Steering Committee High level update in 2018/2019 Annual Report	Partially
2.2 – Collaborative marketing strategies, leveraging industry and community investment and new product developments are prepared and executed in destination areas	June 2018	Partial update – listing of newly developed tourism products	July 2019 updates to Steering Committee High level update in 2018/2019 Annual Report	Partially
3.1 – Creation and execution of Destination Assessment Plans for Northwest Country, Thompson and Churchill	March 2018	Indication that Destination Area Assessments are complete	Update in 2018/2019 Annual Report	Partially
3.2 – Collaborative development strategies, leveraging industry and community investment and new product development are prepared and executed	March 2018	None	N/A	No

Source: Travel Manitoba – Northern Manitoba Tourism Strategy (2017), June 2018, September 2018 and July 2019 Updates, and Tourism Manitoba 2018/2019 Annual Report

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Recommendation 3

We recommend that Travel Manitoba issue separate progress reports on the Strategies, which would include what other parties involved in implementing the initiatives have achieved.

3.2 Public reporting on plans and progress is not easily found

Public reporting is important, but if interested parties cannot find the information easily, the effect is the same as not having the information available. Reporting and public documentation should be easily locatable to the public without extensive searching. As outlined in the mandate letter to the Board Chair, it is expected that Travel Manitoba do its part in fulfilling the government's commitment to transparency.

Travel Manitoba's plans, strategies, and reports are not easy to locate on its website. We noted that these documents are found under a tab marked "Industry Resources" on the "Tourism Industry" web page, which is itself located several pages off the main public site.

Recommendation 4

We recommend that Travel Manitoba ensure that monitoring and reporting information is easily locatable and publicly accessible.

Website Version

Conclusion

We concluded that the province does not have adequate systems and practices to support the achievement of tourism goals and objectives.

While overall goals have been consistently identified in the multiple plans that have been prepared, it is only recently that the focus has shifted to an overarching, Provincial Tourism Strategy for tourism in Manitoba. In relation to the Provincial Tourism Strategy, Travel Manitoba has not outlined the steps and processes necessary to implement the overall tourism strategic plan. Monitoring and reporting processes were also not fully developed.

Website Version

Website Version

Additional information about the audit

This independent assurance report was prepared by the Office of the Auditor General of Manitoba on the Management of Provincial Tourism. Our responsibility was to provide objective information, advice and assurance to assist the Legislature in its scrutiny of the government's management of resources and programs, and to conclude on whether or not the subject matter complies in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard for 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 applies Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, 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 the independence and other ethical requirements of the Roles of Professional Conduct of Chartered Professional Accountants of Manitoba and the Code of Values, Ethics and Professional Conduct of the Office of the Auditor General of Manitoba. Both the Rules of Professional Conduct and the Code are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

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

1. confirmation of management's responsibility for the subject under audit
2. acknowledgment of the suitability of the criteria used in the audit
3. confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided; and
4. confirmation that the audit report is factually accurate.

Period covered by the audit

The audit covered the period between April 1, 2015 and August 31, 2019. This is the period to which the audit conclusion applies.

Date of the audit report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on November 27, 2019, in Winnipeg, Manitoba.

Website Version

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Response from Travel Manitoba

Travel Manitoba is pleased to have the opportunity to respond to the Independent Auditor's Report "Management of Provincial Tourism". We would like to thank the Auditor General (OAG) for its review and recommendations. This report will inform the future efforts of Travel Manitoba and the Provincial Government in continuing to grow the tourism economy, generating additional revenue and more jobs.

Travel Manitoba will advance the following actions to address the recommendations and we look forward to continuing to make improvements to the services that we provide to Manitobans. These actions include:

- Risks assessments will continue to be completed for existing and future tourism strategies using a revised format that clearly outlines short, medium and long-term risks as well as mitigation strategies. These documents will be available to the public on request.
- Travel Manitoba, in consultation with the Government of Manitoba, will continue to identify resources, funding and staffing requirements as well as which stakeholders should be engaged in supporting the implementation of strategies.
- Progress reports for existing and future strategies will be completed annually. (e.g. Northern Tourism Strategy, Provincial Tourism Strategy)
- Monitoring and reporting information will be easily locatable and publicly accessible. (A "Corporate Reports" link has been set up on the upper navigation of travelmanitoba.com. It should be noted that the Tourism industry is a very competitive sector and reports such as the rolling three-year business plan will not be posted on the website and will be provided on request.)

Travel Manitoba acknowledges that written documentation to verify progress in the delivery of the Northern Tourism Strategy was not available during the period of the Audit. A detailed report outlining significant progress on the items noted on page 22 of the report is in production. The report will confirm the key results highlighted have been achieved.

Travel Manitoba undertakes regular consultation with industry to seek input into its three year rolling business plan. We are committed to working with stakeholders to identify and implement best practices that will grow the tourism economy in Manitoba. Since 2016, increased provincial government investments in tourism marketing have generated a strong return on investment resulting in an additional $170 million in tourism spending and an additional $35 million in provincial tourism tax revenues.

Website Version

The Provincial Tourism Strategy is a Government of Manitoba, Manitoba Chambers of Commerce and Travel Manitoba partnership which aims to double tourism's contribution to provincial GDP from the current level of 3% to 6%. The strategy is built on extensive consultations with industry stakeholders and core customers as well as a review of tourism industry trends that influence Manitoba's current and future visitors. We are seeking input from the Provincial Tourism Strategy Steering Committee into the formulation of specific implementation plans for each of the initiatives identified in the strategy.

Strong collaboration with industry stakeholders as well as a whole-of-government approach to tourism will be required to achieve our target to increase visitor spending by 40% to $2.2 billion by 2022. Our collective vision is: Manitoba is a must-visit four-season destination generating significant and sustainable economic growth by delivering inspiring and authentic experiences in its unique urban, rural and wild settings.

The Auditor General's findings will assist Travel Manitoba in improving its plans and reporting processes. We will continue to collaborate with the relevant government departments and with the private sector to respond to these recommendations.

Website Version

Our Vision

Valued for positively influencing public sector performance through impactful audit work and reports.

Our Mission

To focus our attention on areas of strategic importance to the Legislative Assembly, and to provide Members of the Legislative Assembly with reliable and efficient audits.

Our mission includes easy-to-understand audit reports that include discussions of good practices within audited entities, and recommendations that, when implemented, will have a significant impact on the performance of government.

Our Values

Accountability | Integrity | Trust | Collaboration | Innovation | Growth

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