



CITY OF HAMILTON
City Manager's Office
Audit Services

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	August 13, 2014
SUBJECT/REPORT NO:	Follow Up of Audit Report 2012-12 - Housing Services - Rent Supplement Programs (AUD14019) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ann Pekaruk 905-546-2424 x4469
SUBMITTED BY:	Ann Pekaruk Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

That Report AUD14019, respecting the follow up of Audit Report 2012-12, Housing Services – Rent Supplement Programs, be received.

EXECUTIVE SUMMARY

Audit Report 2012-12, Housing Services - Rent Supplement Programs was originally issued in May 2013 and management action plans with implementation timelines for the 15 recommendations were included in the Report. In May 2014, Internal Audit conducted a follow up exercise to determine if appropriate and timely action had been taken. Of the 15 recommendations made in the original report, there is varied implementation ranging from “Not Completed” to “Completed”. Details of implementation specific to each recommendation are in Appendix “A” of Report AUD14019.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial: None.
Staffing: None.
Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

Audit Report 2012-12, Housing Services – Rent Supplement Programs was originally issued in May 2013. The report included 15 recommendations for improving controls, increasing oversight and accountability and making efficiency improvements.

It is normal practice for Internal Audit to conduct a follow up review within the 12-18 month period following issuance of the original report to determine whether management action plans committed to by department management have been implemented.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Ontario Housing Services Act, 2011, Regulation 298/01
- Ontario Residential Tenancies Act, 2006

RELEVANT CONSULTATION

The results of the follow up were provided to management responsible for the operations and administration of the Rent Supplement Programs, i.e. the Housing Services Division of the Community and Emergency Services Department.

ANALYSIS AND RATIONALE FOR RECOMMENDATION (Include Performance Measurement/Benchmarking Data if applicable)

The report attached as Appendix “A” to Report AUD14019 contains the first three columns as originally reported in Report 2012-12 along with an added fourth column indicating Internal Audit’s comments as a result of the follow up work.

The original report contained 15 recommendations. Two are completed and one is now no longer applicable. The 12 remaining recommendations are in various stages of implementation.

Four recommendations are initiated (administrative procedures, additional follow up action if required documentation is not provided by the tenant, payments withheld if a Rent Supplement Agreement (RSA) is not signed and a tracking spreadsheet for operational review deficiencies).

Three are in progress (standards for documenting income inclusions and exclusions, a centralized listing to detail utilities and services offered at individual housing units and a listing to support the rent-geared-to-income).

Five recommendations remain not completed (requirement of a Service Manager Delegation Agreement (SMDA) and a RSA for all housing providers under the Ontario Community Housing Assistance Program (OCHAP), tracking of tenant enforcement

letters, timely signing of RSAs, a monthly summary of rental adjustments and its management review. Appendix "A" to Report AUD14019 should be examined for details of implementation by recommendation.

Audit Services conducted this follow up assignment in conformity with the *International Standards for the Professional Practice of Internal Auditing*. Audit Services believes that the work performed provides a reasonable basis for the follow up comments and conclusions.

ALTERNATIVES FOR CONSIDERATION

(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)

Not Applicable.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report AUD14019

ap:jg