



Office of the Auditor General

**Follow-up to the 2017 Review of the Management
of Emergency Shelter Providers – Contract
Management**

**Tabled at Audit Committee
September 30, 2020**

Table of Contents

Executive summary	1
Conclusion	2
Acknowledgement.....	2
Detailed report – Assessment of implementation status	3

Executive summary

The Follow-up to the 2017 Review of the Management of Emergency Shelter Providers – Contract Management was included in the Auditor General's 2019 Audit Work Plan.

The key findings of the original 2017 review were as follows:

- The City's *Emergency Shelter Standards* ('the Standards') provide shelter operators with a framework for delivering services to an acceptable level. However, they had not been updated since 2005, did not address areas covered in other Ontario municipalities' standards and lacked clarity on what constituted minimum acceptable service.
- The City had up-to-date executed agreements with each shelter provider.
- Required City inspections were occurring on a timely basis, however, gaps in some inspection tools and processes were noted.
- Not all requirements set out in the agreements and corresponding inspection results were being tracked in a consolidated manner.
- Records of the corrective actions taken as a result of inspections were not maintained.
- Based on a review of social assistance information for a sample of shelter clients, where the clients had Ontario Works income, it had been reflected in the national homelessness system used to track client contributions. However, the City did not periodically conduct similar tests or review shelter providers' intake procedures during inspections.
- Based on a review of a sample of the City's payment files for shelter operators, monthly shelter invoices complied with the per diem fee amounts in the agreements. As well, the number of shelter nights provided reconciled to the national homelessness system. However, the City did not have documented procedures to guide staff in completing a number of key financial processes.
- The City had an informal policy to pay shelters in cases where they provided lengthy/intensive services to clients, even if the clients did not stay overnight. Controls over these payments were limited.

Follow-up to the 2017 Review of the Management of
Emergency Shelter Providers – Contract Management

Table 1: Summary of status of completion of recommendations

Recommendations	Total	Complete	Partially complete	Not started	No longer applicable
Number	5	2	3	0	0
Percentage	100%	40%	60%	0%	0%

Conclusion

Management has made good progress in implementing the review’s recommendations. Three recommendations remain partially complete, primarily because while updates to the Emergency Shelter Standards have been drafted, they have not been finalized and approved by Committee and Council. Once this is completed, management will be able to implement other outstanding actions including updating the inspection processes and related checklists. Housing Services also plans to develop and administer a client satisfaction survey independent of the inspection processes.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded to the audit team by management.

Detailed report – Assessment of implementation status

The following information outlines management's assessment of the implementation status of each recommendation as of September 30, 2019 and the Office of the Auditor General's (OAG) assessment as of February 2020.

Recommendation #1

Table 2: Status

Management update	OAG assessment
Partially complete	Partially complete

Audit recommendation:

That the City review and update its Emergency Shelter Standards so that they are more comprehensive, detailed and measurable.

Original management response:

Management agrees with this recommendation.

Housing Services will review the Emergency Shelter Standards used in other municipalities for best practices to ensure that a comprehensive detailed set of standards to guide the operations of emergency shelter providers is in place. A working group of shelter stakeholders and other ancillary partners will be formed to review, revise and update the 2005 Emergency Shelter Standards.

Proposed revised standards will be reported to Community and Protective Services Committee/City Council in Q1 2019.

Management update:

Implementation of this recommendation is partially complete.

Housing Services will complete this recommendation in Q1 2020 to align with the provincially mandated 10-Year Housing and Homelessness Mid-Point Review.

Housing Services is conducting this mid-point review in consultation with the housing and homelessness sector and other stakeholders. Information gathered throughout the review process will reflect the changing housing and homelessness environment, which will better inform the new Emergency Shelter Standards.

Housing Services has completed a comprehensive review of Emergency Shelter Standards used in other municipalities for best practices and a working draft of the updated Emergency Shelter Standards is nearly complete. Consultation with key stakeholder and ancillary partners is currently being scheduled.

Follow-up to the 2017 Review of the Management of
Emergency Shelter Providers – Contract Management

OAG assessment:

City staff have reviewed the 2005 Emergency Shelter Standards and have drafted an updated version. Management indicates that they are using this draft in consultations with key stakeholders and ancillary partners and that they plan to table a final version at a future meeting of the Community and Protective Services Committee.

Recommendation #2

Table 3: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City continue with its efforts to consolidate the tracking of shelter agreement requirements and the related oversight activities.

Original management response:

Management agrees with this recommendation.

New tracking processes were put in place in Q3 2017 to consolidate the tracking of shelter agreement requirements and related oversight activities. The Master Shelter Tracking Sheet includes the following information:

- Document Checklist – tracks the receipt of all annual documentation that is required as part of each agency’s Service Agreement with the City of Ottawa;
- Inspection Tracking – records the dates, inspection types, details, corrective actions, and follow-ups of all shelter inspections (annual inspections and compliance reviews);
- Billing – records the details of each agency’s monthly per diem invoices, HIFIS data confirmations, and dates/notes regarding the verification process;
- Contributions and Purchase Orders – records annual client contributions and the approved Purchase Order amounts for each agency;
- The Family Shelter Bed Nights – records the HIFIS bed nights for the two City Family Shelters as well as each of the offsite locations that are used each month.

Management update:

Implementation of this recommendation is complete.

New tracking processes were developed and implemented in Q3 2017 to consolidate the tracking of shelter agreement requirements and related oversight activities. The Master Shelter Tracking Sheet includes the following information:

Follow-up to the 2017 Review of the Management of Emergency Shelter Providers – Contract Management

- Document Checklist – tracks the receipt of all annual documentation that is required as part of each agency’s Service Agreement with the City of Ottawa;
- Inspection Tracking – records the dates, inspection types, details, corrective actions, and follow-ups of all shelter inspections (annual inspections and compliance reviews);
- Billing – records the details of each agency’s monthly per diem invoices, Homeless Individuals and Family Information System (HIFIS) data confirmations, and dates/notes regarding the verification process;
- Contributions and Purchase Orders – records annual client contributions and the approved Purchase Order amounts for each agency;
- The Family Shelter Bed Nights – records the HIFIS bed nights for the City-owned Carling Family Shelter as well as each of the offsite locations that are used each month.

OAG assessment:

A spreadsheet is now being used to track compliance with shelter agreement requirements and related oversight activities. We reviewed the completed 2018 tracking spreadsheet.

Recommendation #3

Table 4: Status

Management update	OAG assessment
Partially complete	Partially complete

Audit recommendation:

That the City improve its emergency shelter inspection process:

- a. Maintain a list of completed corrective actions with the date that the corrective action was confirmed.
- b. Develop documentation that describes the overall inspections process framework which includes guidance when a status report on inspection findings is to be provided and when a re-inspection is to occur.
- c. Develop inspection tools directly linked to the Emergency Shelter Standards, which can capture the exact nature and extent of what was inspected and support the conclusion of whether specific standards were met or not met.
- d. Have City staff manage from start to finish the survey process undertaken as part of inspections.
- e. Develop and document the survey methodology that ensures objectivity in the survey process by having the City manage the entire survey process from start to finish. The survey methodology should be developed and implemented to ensure reasonable conclusions can be drawn from survey results. Such methodology should provide guidance on developing survey questions, sample selection and sizes and the mode of posing questions and collecting responses.
- f. Obtain signatures of Emergency Shelter operators acknowledging that they have understood the results of the inspections.

Original management response:

Management agrees with this recommendation.

- a. An Inspection Tracking tool was created in Q3 2017 and is in use to record corrective actions and follow-ups for all shelter inspections (annual inspection and compliance reviews).
- b. Housing Services will develop guidelines and procedures to guide the inspections/re-inspection process by Q4 2018.

- c. Current inspection tools are linked to the 2005 Emergency Shelter Standards. They will be revised to more clearly define the nature and extent of what is being inspected and detail more explicitly expected minimum requirements and supporting documents required. Once the 2005 Emergency Shelter Standards are reviewed, updated and approved by City Council in Q1 2019, the Inspection Tool will be revised to align with any updates to the standards. This will be completed by the end of Q2 2019.
- d. Housing Services will review the survey purpose and process prior to the next annual review inspection cycle in Q2 2018, in addition to other mechanisms that are already in place or could be implemented, to measure client services in relation to the standards. If the survey is still considered a valuable tool to measure client satisfaction and gather feedback on services, Housing Services will oversee the process from start to finish.
- e. If the survey is adopted, Housing Services will review methodologies and best practices used in other municipalities to survey clients and staff. Challenges such as recruiting participants, access to online technology and access to participants during the day will be considered when developing the survey process. The methodology will be documented and will focus on ensuring sample sizes are large enough to draw meaningful conclusions. This will be completed by Q2 2018.
- f. Shelter providers will now be asked to sign the Inspection report and findings to acknowledge receipt and understanding of the inspection findings and any required remedial actions. This will be implemented in Q3 2018.

Management update:

Implementation of recommendations 3a, 3b, 3d, 3e, and 3f is complete. Implementation of recommendation 3c is partially complete.

- a. An Inspection Tracking tool was created in Q3 2017 and is used to record corrective actions and follow-ups for all shelter inspections (annual inspections and compliance reviews).
- b. Housing Services developed internal guidelines and procedures to guide the inspections/re-inspections process. These internal guidelines and procedures include guidance on when a status report on inspection findings is to be provided and when re-inspection is to occur.

Follow-up to the 2017 Review of the Management of Emergency Shelter Providers – Contract Management

- c. Current inspection tools are linked to the 2005 Emergency Shelter Standards, which are currently being updated by Housing Services. Consultations are being scheduled. The completion of the revised Emergency Shelter Standards was postponed to align with, and to be able to incorporate the feedback from, the provincially mandated 10-Year Housing and Homelessness Refresh that will go to Committee and Council Q1 2020. The inspection tools will then be updated to align with the 2020 Emergency Shelter Standards. The revised completion date is Q1 2020.
- d. Housing Services conducted a comprehensive review of the current survey process and its purpose. The review concluded that a client satisfaction survey independent of the compliance review process will be developed. This survey will be implemented in Q4 2020 and will be overseen by Housing Services from start to finish.
- e. Housing Services will no longer conduct employee and management surveys as part of the compliance review process. Housing Services will engage clients and receive feedback through a different format, to be developed as indicated in the status update for 3d above.
- f. As of 2017, Housing Services requires shelter providers to sign the Inspection Report and findings to acknowledge receipt and understanding of the inspection findings and any required remedial actions.

OAG assessment:

The City has improved its emergency shelter inspection process by developing documentation to guide the inspection / re-inspection process. It also now obtains signatures from emergency shelter operators acknowledging that they have understood the results of the inspections. We reviewed the guidelines and procedures document. We also reviewed the 2018 annual inspection reports for each shelter and confirmed that all were signed by the shelter operators.

However, not all aspects of the recommendation have been implemented. For example, inspection checklists and responses remain high level. In addition, Housing Services has determined that the client satisfaction survey to be developed and expected to be implemented in late 2020 will be administered independent of the inspection processes.

Recommendation #4

Table 5: Status

Management update	OAG assessment
Partially complete	Partially complete

Audit recommendation:

That the City implement controls for determining whether shelter providers properly assess the financial needs of emergency shelter clients to determine whether clients should co-pay. Changes might include:

- a. Add intake activities to the Housing Services inspection processes.
- b. On a sample basis compare client’s income reported in HIFIS with their income reported/assistance received in the Ontario Works system.

Original management response:

To further encourage contributions and follow-up:

- a. Housing Services will review other municipalities’ best practices and shelter standards pertaining to intake processes, including client contributions. Adopted changes will be included in any revisions to the 2005 Emergency Shelter Standards and, aligned with the Inspection Checklist for Annual Inspections and Compliance Reviews. A standardized line of inquiry will be developed for the intake process to support consistency and reinforce the contributions expectation. This will be completed by Q2 2018.
- b. On an annual basis, Housing Services will select a client sample to compare client income reported in HIFIS with their income reported/assistance received in the Social Assistance Management System (SAMS). This will begin in Q4 2018.

Management update:

Implementation of recommendation 4a is partially complete. Implementation of recommendation 4b is complete.

- a. Housing Services conducted a comprehensive review of current intake and contribution processes in Ottawa. In addition, Housing Services conducted an environmental scan of six other municipalities. From this process, draft guidelines for the intake and contributions process were developed. These draft guidelines will be reviewed and amended during stakeholder consultations and will be included in the updated Emergency Shelter Standards that will be presented to Committee and Council Q1 2020.
- b. Housing Services has developed a process where a sample of client files in HIFIS are compared to the Social Assistance Management System (SAMS) on an annual basis as an additional control for assessment of client financial contributions and data integrity. The 2018 HIFIS/SAMS comparison is complete.

OAG assessment:

We reviewed the draft Emergency Shelter Standards and the draft guidelines for the intake and contributions process. The roles and responsibilities of shelter operators as they relate to assessing the financial needs of emergency shelter clients have been clarified. However, intake activities have not yet been added to the City's inspection processes.

A process document and template have been developed to reconcile HIFIS and SAMS data. This reconciliation was carried out for 2018. However, not all shelters are using HIFIS to record client income. Therefore, the reconciliation was of limited value.

The draft updated Emergency Shelter Standards require that all shelters enter client income information into HIFIS. If the standards are adopted in their current form, the HIFIS-SAMS reconciliation will be more useful.

Recommendation #5

Table 6: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City improve the emergency shelter invoice verification process:

- a. Develop documentation guiding and explaining the monthly invoice verification process.
- b. Maintain original copies of reports supporting invoice verification on file.
- c. Reconcile the HIFIS system at pre-defined intervals and ensure that changes made to the HIFIS system subsequent to invoice approval are properly accounted for.
- d. Develop and communicate to the shelters a formal policy regarding cases where lengthy/intensive services are provided without a corresponding overnight stay.
- e. Develop procedures to verify the accuracy of amounts invoiced by shelters lengthy/intensive services provided to clients without a corresponding overnight stay.

Original management response:

Management agrees with this recommendation.

- a. Housing Services will develop procedures to guide and explain the monthly invoicing process by Q2 2018.
- b. Original copies of all reports supporting income verification are now being retained as of Q3 2017.
- c. Housing Services will reconcile the HIFIS system semi-annually to ensure that changes made to the HIFIS system subsequent to invoice approval are properly accounted for. This will begin semi-annually in Q2 2018.
- d. The practice of emergency shelter billing for per diem expenses where an overnight stay has not occurred but lengthy/intensive services are provided, will be reviewed. Should this practice continue, a formal policy will be developed and communicated to all emergency shelters by Q2 2018.

Follow-up to the 2017 Review of the Management of
Emergency Shelter Providers – Contract Management

- e. As per the response above, should the practice be continued, procedures will be developed to track and verify the accuracy of amounts invoiced by shelters for this service. This will be completed by Q3 2018.

Management update:

Implementation of this recommendation is complete.

- a. Housing Services has developed a final version of the Monthly Billing Procedure. This documentation explains the process for invoice verification.
- b. Original copies of all reports supporting income verification are now being retained as of Q3 2017.
- c. Housing Services developed and documented the procedure for reconciling shelter billing with HIFIS data. Housing Services has completed reconciliations of the HIFIS database for Q3-Q4 2017, Q1-Q2 2018 and Q3-Q4 2018. HIFIS reconciliations will continue semi-annually each calendar year. As per procedure, Q1-Q2 2019 reconciliation will be completed in December 2019.
- d. Housing Services reviewed the billing practice when lengthy/intensive services were provided by emergency shelters without a corresponding overnight stay. The practice was discontinued effective August 31, 2018. The impacted shelter was notified of the change.
- e. The City of Ottawa discontinued the practice of allowing billing for non-overnight stays effective August 31, 2018. The impacted shelter was notified of the decision.

OAG assessment:

The City has improved its emergency shelter invoice verification process as recommended. We reviewed the new procedure document and a sample of invoice-HIFIS reconciliations. We also reviewed one monthly invoice for the applicable shelter to confirm that services without a corresponding overnight stay are no longer billed.

Table 7: Status legend

Status	Definition
Not started	No significant progress has been made. Generating informal plans is regarded as insignificant progress.
Partially complete	The City has begun implementation; however, it is not yet complete.
Complete	Action is complete, and/or structures and processes are operating as intended and implemented fully in all intended areas of the City.
No longer applicable	The recommendation is obsolete due to time lapses, new policies, etc.