

SHS CONSULTING AND RE/FACT CONSULTING
OPERATIONAL REVIEW 2016
CITYHOUSING HAMILTON

SHS Consulting Operational Review - Appendix A - Status Checklist

Section of the Report	Directive	Timeline	Status
6.0 Financial Review - 6.15 Corporate Records - Access Confidentiality, Retention - Housing Services Act, s. 7991) and s. 169	Institute a policy around file retention and confidentiality, including storage and disposal of all financial, legal, project data, tenant and other files as per MFIPPA.	Q2 2018 - updated to Q1 2019	<input type="checkbox"/>
8.0 Building, Safety, Maintenance and Renewal 8.2 Elevator Safety	That the Incident Reporting Policy (1.4.5) be updated, finalized and approved by the Board to incorporate TSSA obligations and procedures.	Q3 2017	<input checked="" type="checkbox"/>
8.0 Building, Safety, Maintenance and Renewal 8.4 Roof Anchors	That regular inspections of all roof anchors be undertaken on a rotating basis for all buildings four stories or higher, as per the Occupational Safety and Health Act 1910.66.	Q3 2017 - Updated to Q2 2018	<input checked="" type="checkbox"/>
Section of the Report	Recommendation	Timeline	Status
2.0 Corporate Requirements - 2.2 Minutes and Meetings	That a review of committees of the board be undertaken to re-confirm their role in Board oversight, clarify lines of accountability and ensure suitable reporting mechanisms are in place to maintain Board oversight for the business of the corporation.	Q2 2018 - Update to Q3 2018	<input type="checkbox"/>
2.0 Corporate Requirements - 2.5 Housing Services Act and Regulations, and O. Regs 298/01 and 339/01 REGULATIONS / MANUALS / DIRECTIVES	That in the process of completing the Policy and Procedure manual, key HSA policy areas be addressed on a first-priority basis as follows: (b) The Internal Review policy/procedures be updated, finalized, approved by the Board, <u>provided to the Service Manager, and made accessible to the public.</u> (e) The Guest Policy be updated, finalized, approved by the Board, provided to the Service Manager, and made accessible to public.	Q3 2017	<input checked="" type="checkbox"/>
6.0 Financial Review - 6.4 Financial Reports	That a balance sheet, including a profit and loss statement, be prepared quarterly for review by the Finance & Audit Committee and the Board of Directors.	Q3 2017	<input checked="" type="checkbox"/>
6.0 Financial Review - 6.5 Revenues	That CHH prioritize collecting the more than \$730,000 in former tenant arrears remaining on the books as of December 31, 2015. This collection process should include an emphasis on establishing and monitoring repayment agreements in order to reduce write-offs of uncollectable amounts and should also clarify the practice of reclassifying former tenant households with previous payment arrangements in place.	Q3 2017 - Updated to Q2 2019	<input type="checkbox"/>
6.0 Financial Review - 6.7a Joint Health and Safety	The minutes of the Joint Health and Safety Committee are to record the number of incidents of each type on a monthly basis, and report on action taken to report the incident as appropriate.	Q3 2017	<input checked="" type="checkbox"/>
6.0 Financial Review - 6.10 Disbursements	That an invoice tracking sheet for capital purchases be retained in the capital projects file. Ideally the tracking sheet would be generated by a tracking tool (e.g. Northgate, Excel spreadsheet, etc.) which identifies total amounts invoiced and remaining amounts to be invoiced, as well as invoice dates, invoice numbers, net cost, HST and total cost.	Q2 2018	<input type="checkbox"/>
6.0 Financial Review - 6.11 Non-Shelter Agreements	Ensure lease provisions regarding financial terms/rent escalators are clear and unequivocal, particularly for active leases with longer terms/multiple renewal options.	2017/2018 - Updated to 2018/2019	<input type="checkbox"/>
6.0 Financial Review - 6.13 Capital Reserve Fund (O. Reg. 367/11, s. 98)	That the CityHousing Hamilton Investment Policy be reviewed at least annually to confirm that reserve investment objectives are being met by the end of Q4 2017.	Q4 2017	<input checked="" type="checkbox"/>
6.0 Financial Review - 6.14 Financial Position	That a strategy be developed to maximize residential and commercial rent potential (i.e. market rents) in order to increase revenues.	2018 - ongoing	<input type="checkbox"/>
8.0 Building Safety, Maintenance and Renewal 8.3 Fire Safety	That Fire Code Policy (1.3.5) be updated to ensure consistency with current standards.	Q3 2017	<input checked="" type="checkbox"/>
8.0 Building Safety, Maintenance and Renewal 8.4 Roof Anchors	That load testing of all roof anchors be undertaken on a priority rotating basis for all buildings four stories or higher.	Q4 2017	<input checked="" type="checkbox"/>
	That roof anchor inspection log books are available and up to date at all buildings four stories or higher.	Q2, 2018	<input checked="" type="checkbox"/>

8.0 Building Safety, Maintenance and Renewal 8.6 WHMIS - Workplace Hazardous Material Information System	WHMIS training protocol to be reviewed to ensure that WHMIS training is available to all staff as required, including security residents.	Q3 2017	<input checked="" type="checkbox"/>
8.0 Building Safety, Maintenance, and Renewal - 8.9 Preventative Maintenance Accessible and Special Units	Establish a corporate standard that all units be inspected once annually. If any units are not inspected within the calendar year, they shall be inspected on a priority basis as early as possible in the following year.	Q4 2017/Q2 2018	<input checked="" type="checkbox"/>
2.0 Corporate Requirements - 2.1 Members, Officers & Directors	Institute a more formal policy on Board orientation either by revising current policy or creating a new one.	Q2 2018	<input checked="" type="checkbox"/>
2.0 Corporate Requirements - 2.5 Housing Services Act and Regulations, and O. Regs 298/01 and 339/01	That the Policy and Procedure Manual be completed on a priority basis given that this was a recommendation of the 2010 operational review and remains outstanding.	Q4 2018	<input type="checkbox"/>
REGULATIONS / MANUALS / DIRECTIVES	That the process of completing the Policy and Procedure manual, key HSA policy areas be addressed on a first-priority basis as follows: (d) The Absence Rule be approved by the Board, and be clearly communicated and accessible to all CHH households including new residents.	Q4 2018	<input checked="" type="checkbox"/>
4.0 Succession Planning	Create and implement a succession plan for upcoming job vacancies due to retirements or resignations in non-management positions. The following items to be addressed in current job descriptions: 1. Review the Job Title on each job description to ensure it reflects the job titles in the current organizational chart. 2. Ensure any references to other positions within job descriptions reflect the job titles in the current organizational chart. 3. Ensure that any relevant legislation (i.e. Housing Services Act, Residential Tenancies Act) is correctly identified in job descriptions. 4. Ensure that adherence to the Customer Service Performance Standards is reflected in each job description. 5. Ensure that any current operating software noted in job descriptions is correctly identified (i.e. Northgate). 6. Finalize job descriptions for Manager Operations, Manager Maintenance and Manager Tenancy Administration including addressing any concerns around overlap of roles. 7. Provide additional job descriptions for Collections Officer, Manager Housing Tech Services, and Receptionist (in Tenancy Administration).	Q2 2018 - Updated to Q2 2019	<input type="checkbox"/>
6.0 Financial Review - 6.10 Disbursements	That a policy around automatic renewal of contracts be established which sets out a limitation on the number of years a contract can be renewed without the formal bidding process being utilized.	Q4 2017	<input type="checkbox"/>
6.0 Financial Review - 6.11 Non-Shelter Agreements	To actively pursue and secure paid occupancy agreements for all leasable non-shelter space, preferably in partnership with the City of Hamilton. Where such partnership is established, a formal service agreement to be established between CHH and the City of Hamilton which clearly sets out roles and obligations.	Q2 2018	<input checked="" type="checkbox"/>
7.0 Resident/Tenant Relations - 7.7 Tenant/Member Review File	Undertake an analysis of the outcomes of applications filed with the Landlord and Tenant Board to determine the number of applications settled with mediation and the success rate of that approach.	Q2 2018	<input type="checkbox"/>
8.0 Building Safety, Maintenance and Renewal 8.7 Emergency Maintenance Plan	The Contingency Plan Procedures and Details Template should be finalized and implemented for each property.	Q4 2018	<input type="checkbox"/>
8.0 Building Safety, Maintenance and Renewal 8.8 Maintenance Records	That regular reporting to the Board on operational maintenance activities (i.e. non-capital) be undertaken using key indicators/statistics.	Q2 2018	<input checked="" type="checkbox"/>
8.0 Building Safety, Maintenance and Renewal 8.10 Capital Reserve Study	Establish a formal 5 year rolling plan for capital works projects, to be integrated with the existing software program (e.g. Northgate) and reviewed annually as part of the capital budget approval process.	Q1 2019	<input type="checkbox"/>
SHS Consulting Operational Review - Appendix B - Outstanding Items Update			

Section of the Report	Recommendation	Timeline	Status
Governance (To enhance its governance capacity and effectiveness)	1. Expand Board orientation around roles, responsibilities, accountabilities and funding by: (a) Providing a more fulsome orientation package on the full span of CHH obligations and the environment in which it operates	Q2 2018	<input checked="" type="checkbox"/>
	1. (b) Developing a specific primer on key facets of CHH's accountability/funding mechanisms	Q2 2018	<input checked="" type="checkbox"/>
	2. Clarify the role of CHH committees in transacting business of the Board by: (a) Reviewing/evaluating the Terms of Reference for all committees of the Board	Q2 2018	<input checked="" type="checkbox"/>
	2. (b) Defining formal committee accountabilities with regards to decision making and managing Board agenda's within the context of this accountability framework	Q2 2018	<input checked="" type="checkbox"/>
	2. (c) Ensuring that committee minutes are provided to the Board for information and in the case of recommendations/decisions, that these are ratified by the Board	Q2 2018	<input type="checkbox"/>
	3. Enhance reporting on maintenance and resident issues by: (a) Adding maintenance and resident issues as standard agenda items for Board reporting at regular frequencies	Q2 2018	<input type="checkbox"/>
	4. Working with City staff in the Housing Services Division, clarify accountability roles with regards to City oversight by: (a) Refining shareholder versus Service Manager accountabilities and the associated compliance monitoring process to be used	Q2 2018 - Updated Q2 2019	<input type="checkbox"/>
	4. (b) Adjusting City/Shareholder agreements where necessary to clarify accountabilities while maintaining CHH autonomy	Q2 2018 - Updated to Q4 2018	<input type="checkbox"/>
Organizational Effectiveness (To enhance its organizational effectiveness)	5. Refine its strategic planning framework to align and guide efforts at the business level by: (a) Enhancing the existing framework and its strategic planning layers	Q2 2017	<input checked="" type="checkbox"/>
	5(b) Linking strategic directions with operational work planning and staff performance plans	Q1 2018 - Updated to Q2 2018	<input type="checkbox"/>
	6. Improve the effectiveness/alignment of maintenance management by: (a) Clarifying the division of labour for maintenance and property management functions	Q4 2017	<input checked="" type="checkbox"/>
	7. (c) Updating job descriptions where needed and communicating staff responsibilities across the organization	Q2 2018 - Updated to Q2 2019	<input type="checkbox"/>
	9. Working with City staff in the Housing Services Division, develop a more formal shareholder/Service Manager reporting framework by: (a) Establishing a formal reporting template for shareholder/Service Manager metrics; and	Q2 2018 - Updated to Q2 2019	<input type="checkbox"/>
	9(b) Establishing formal policies governing shareholder/Service Manager approvals.	Q2 2018	<input type="checkbox"/>
Financial Stability (To enhance its overall financial stability)	11. (b) Re-examining the 'new' funding model under which it operates and ensuring understanding and awareness of the model's dynamics with regards to CHH sufficiency	Q1 2018	<input type="checkbox"/>
			<input type="checkbox"/>

	12. Reduce lost revenue from resident rents and non-shelter leases by: (a) Defining and implementing a short term plan for capturing lost revenue due to resident vacancies, especially in terms of market units, and monitoring progress through active tracking/reporting	Q3 2018	<input type="checkbox"/>
	12. (b) In collaboration with City Real Estate services, defining and implementing a short term plan for capturing lost revenue due to non-residential leased space, and monitoring progress using active tracking/reporting	Q3 2018	<input type="checkbox"/>
	14. (b) Reviewing and refining CHH practice for pursuing collections and writing off accounts	Q3 2017 - Updated Q4 2020	<input type="checkbox"/>
	15. (b) Ensuring PH&N reserves are maintained at prescribed levels	Q1 2018	<input type="checkbox"/>
	16. Establishing a long term financial strategy for the organization by: (a) Developing a formal long range financial plan to help guide decision making and support CHH sustainability	Q4 2018	<input type="checkbox"/>
Operations (To improve its overall operational performance)	17. Promote a more responsive approach to maintenance and property management functions by: (a) Increasing maintenance monitoring and follow-up to ensure completion of planned work	Q4 2017	<input checked="" type="checkbox"/>
	17. (b) Providing regular dashboard reporting to the Board on maintenance Activity	Q1 2018	<input checked="" type="checkbox"/>
	18. (b) Modifying standard operating procedures as necessary to reduce unit turnover times and maximize revenues	Q1 2018 - Updated to Q3 3018	<input type="checkbox"/>
	20. Improve preventative maintenance by: (a) Adopting innovative preventative maintenance practices that target high value maintenance activities which reduce component failure and minimize operating costs over time	Q3 2018	<input type="checkbox"/>
	20. (b) Integrating preventative maintenance practices into existing maintenance plans and inspection procedures to support a more proactive approach for regularly scheduled activities	Q3 2017	<input checked="" type="checkbox"/>
	21. Establish a complete suite of corporate policies and procedures by: (a) Completing the current procedures and policy manual update on a priority basis	Q4 2018	<input type="checkbox"/> <input type="checkbox"/>
	22. Enhance coordination of City departments/resources by: (a) Clarifying the scope of existing partnership arrangements with City departments to ensure they formally reflect current service arrangements	Q3 2018	<input type="checkbox"/> <input type="checkbox"/>
Asset Management (To improve its overall performance with regards to asset management and	29. Establish a strategy for long term capital planning by: (a) Formalizing a rolling 5 year capital plan to accompany the annual capital budget request	Q2 2020	<input type="checkbox"/>

to build on LHC practices used in other jurisdictions)	29. (b) Developing a formal long range capital plan which informs the Strategic Asset Management plan and links requirements with the long range financial plan	Q2 2020	<input type="checkbox"/>
	30. Address depleted/insufficient capital reserves by: (a) Pursuing asset leveraging strategies and external resources to offset capital needs (public/private), provided these are done within the context of an approved Strategic Asset Management Plan	2018/2019	<input type="checkbox"/>
	30. (b) Establishing a dialogue with the shareholder regarding capital funding adequacy, risks and strategies for addressing the growing capital gap	Q2 2018 - Updated to Q4 2019	<input type="checkbox"/>
	31. Establish a more coordinated approach to asset leveraging by: (a) Developing a comprehensive Strategic Asset Management Plan to help rationalize CHH asset priorities, guide decision-making and secure shareholder approvals	Q4 2019	<input type="checkbox"/>
	32. Enhance coordination of energy efficiency efforts by: (a) Articulating and integrating an overall portfolio energy strategy into the Strategic Asset Management Plan	Q4 2019	<input type="checkbox"/>

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2017-03
CITYHOUSING HAMILTON REVIEW - PROCUREMENT PRACTICE

Recommendation	Timeline	Status
1. That management update the procurement policies and develop related procedures. The policies and procedures should then be reviewed and updated annually and signed off by management.	Q2 2018 - Updated to Q3 2018	<input type="checkbox"/>
2. That management implement measures to evaluate staff compliance with the procurement policies and procedures and address instances of non-compliance.	Q4 2017 - Updated to Q4 2018	<input type="checkbox"/>
3. That management develop a procedure directing staff to obtain approval from the appropriate authority prior to extending a contract award. The procedure should address how approvals and contract awards are to be documented, including signatures and dates.	Q2 2018	<input type="checkbox"/>
4. That management update all General Conditions in the solicitation documents.	Q4 2018	<input type="checkbox"/>
5. That management develop and use a checklist to ensure that all necessary documents are available to prospective bidders.	Q4 2018	<input type="checkbox"/>
6. That management simplify and streamline approval authorization limits, and implement measures to validate compliance.	Q2 2018 - Updated to Q4 2018	<input type="checkbox"/>
7. That management review and update all job roles and authorization limits in the Northgate system.	Q4 2017	<input checked="" type="checkbox"/>
8. That management develop and implement a policy and procedure to address changes to job roles and authorization limits in the Northgate system.	Q4 2017 - Updated to Q1 2018	<input checked="" type="checkbox"/>
9. That management eliminate the use of the log sheet and enters contract information directly into the Northgate system.	N/A - Did not agree with recommendation	N/A
10. That management develop and implement a checklist outlining the documents and information required and measures to ensure compliance.	Q4 2018	<input checked="" type="checkbox"/>
11. That management implement measures to evaluate staff compliance (Contracts Records Management).	Q2 2018 - Updated to Q4 2018	<input type="checkbox"/>
12. That management revise the Northgate system regarding the reporting of extra work (i.e. Change Orders).	Q2 2018	<input type="checkbox"/>
13. That management set a standard outlining what information is to be entered into the Northgate system and develop a procedure for staff to follow.	Q1 2019	<input type="checkbox"/>
14. That Finance staff pay for additional work only if accompanied by an appropriately authorized Change Order Form and supporting documentation.	Q1 2019	<input type="checkbox"/>
15. That management implement measures to evaluate staff compliance (related to Change Orders).	Q2 2018	<input type="checkbox"/>
16. That management revise and segregate staff duties and implement controls to check for errors and/or irregularities.	Q4 2018	<input type="checkbox"/>
17. That management develops procedures to approve and enter vendors into Arcori before funds are paid.	Q3 2018	<input checked="" type="checkbox"/>
18. That management implement measures to ensure staff compliance (Payment of Vendors) .	Q3 2018	<input checked="" type="checkbox"/>
19. That management implement a process to identify duplicate payments and work with representatives from Arcori systems to develop the necessary reports or exception texts.	Q1 2019	<input type="checkbox"/>
20. That management adopt the City of Hamilton's Cash Handling Policy.	Q4 2017 - Eliminated the need to receive cash	<input checked="" type="checkbox"/>

21. That management no longer accept cash as bid and performance securities	Q4 2017	<input checked="" type="checkbox"/>
22. That management review significant spending and follow the appropriate competitive process required by the policy.	Q4 2019	<input type="checkbox"/>
23. That management investigates the feasibility of procuring similar goods/services in a combined effort.	Q4 2018	<input type="checkbox"/>
24. That management investigate the implementation of an on-line tendering system similar to the City of Hamilton's Bidding.	Q2 2017	<input checked="" type="checkbox"/>