



# County of Oxford Subsidized Housing Operations Optimization Review

Final Report

—

December 2, 2022



# Disclaimer

This report has been prepared by KPMG LLP (“KPMG”) for the County of Oxford (“Client”) pursuant to the terms of our Agreement with the Client dated June 27, 2022. KPMG neither warrants nor represents that the information contained in this report is accurate, complete, sufficient or appropriate for use by any person or entity other than Client or for any purpose other than set out in the Engagement Agreement. This report may not be relied upon by any person or entity other than Client, and KPMG hereby expressly disclaims any and all responsibility or liability to any person or entity other than Client in connection with their use of this report.

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Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the County of Oxford. KPMG has not and will not perform management functions or make management decisions for the County of Oxford.

This report may include or make reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in the County of Oxford nor are we an insider or associate of the County of Oxford. Accordingly, we believe we are independent of the County of Oxford and are acting objectively

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County of Oxford

Subsidized Housing Operations  
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Chapter I - Executive  
Summary



# Executive Summary

### A. Background to the Review

KPMG has been retained by the County of Oxford (the “County”) to undertake a review of its workflow processes for the County’s subsidized housing services (the “Division”) including but not exclusive to financial and non-financial processes. The goal of the review was to identify efficiencies and opportunities for process improvements and focus on reducing and eliminating potentially duplicative processes and/or process tasks.

As part of the engagement, KPMG worked to complete the following:

- Documentation of the business and work flow processes of the County’s subsidized housing services; and
- Identify potential changes in the Division’s business and work flow processes with more detail including exploring the potential for changes to increase efficiency and effectiveness in the County’s delivery of subsidized housing services.

Our review is being undertaken in connection with funding received by the County the Municipal Modernization Program (the “Program”). The Program was established by the Province to assist municipalities in identifying potential cost savings from operational efficiencies and other strategies.

### B. Key Themes

During the course of our review, a number of common themes emerged with respect to Housing Services and its processes:

- **The need to explore the current system’s ability to provide the level of service for Housing Services**

In the identification of potential changes within the Human Services Department - Housing Division’s workflows, it appears that there are a number of limitations within the County’s operating systems. The result of these limitations results in the use of manual processes and the duplication of efforts. Additionally and as a by-product of the limitations previously noted, this can have the potential to increase the frequency of errors in day-to-day work efforts and potentially increase the County’s exposure to risk.

While this remains as an apparent challenge for the County and the Human Services Department - Housing Division, the organization appears to be implementing changes that will assist in increasing upon operational efficiency and effectiveness. The continued progress to a new system for the Human Services Department - Housing Division may address a number of the potential opportunities for change identified within the report.

# Executive Summary

### B. Key Themes (Continued)

- **There appears to be a need to refresh and/or develop policies to assist in service delivery**

There are a number of instances within the Housing Services' operations where there appears to be an absence of policy or in other cases, policies were established in the past and have not been subject to a refresh.

- **There are processes within the Human Services Department - Housing Division's that are reliant on manual processes**

Over the course of the review, KPMG conducted a series of workshops with County staff with the objective of breaking down various Housing Services related processes into the individual worksteps required to complete a task. In a number of cases, it appears that the Human Services Department - Housing Division uses more manually based processes such as the development of multiple spreadsheets and physical copy based activities versus making use of technology.

### C. Potential Courses of Action

Our report outlines the potential process based opportunities for the consideration of the Human Services Department - Housing Division where KPMG identified process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value. Based on the outcomes of the 26 workflow processes that were mapped, 38 process based opportunities were identified for the consideration of the Division.

### D. Acknowledgement

We would like to take the opportunity to acknowledge the assistance and cooperation provided by staff of the Human Services Department - Housing Division that participated in the process mapping workshops and overall review.. We appreciate that reviews such as this require a substantial contribution of time and effort on the part of staff and we would be remiss if we did not express our appreciation for the cooperation afforded to us.



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Chapter II - Introduction  
to the Review



# Introduction to the Review

### Overview of our engagement

KPMG has been retained by the County of Oxford (the “County”) to undertake a review of its workflow processes for the County’s subsidized housing services (the “Division’) including but not exclusive to financial and non-financial processes. The goal of the review was to identify efficiencies and opportunities for process improvements and focus on reducing and eliminating potentially duplicative processes and/or process tasks.

As part of the engagement, KPMG worked to complete the following:

- Documentation of the business and work flow processes of the County’s subsidized housing services; and
- Identify potential changes in the Division’s business and work flow processes with more detail including exploring the potential for changes to increase efficiency and effectiveness in the County’s delivery of subsidized housing services.

Our review is being undertaken in connection with funding received by the County the Municipal Modernization Program (the “Program”). The Program was established by the Province to assist municipalities in identifying potential cost savings from operational efficiencies and other strategies. Pursuant to the provisions of the Program, the County is required to:

- Retain a third party advisor for the purposes of the review, rather than undertaking the review internally;
- Provide public disclosure as to the results of the review, including a statement from its advisors as to the quantum of potential cost savings; and
- Establish that front line service reductions and increases in user fees are not outcomes of the review.

The terms of reference for our review is based on our signed agreement dated June 27<sup>th</sup>, 2022.

***Our review relied heavily on the contributions and knowledge of County personnel and we would like to express our appreciation and thanks for the assistance provided to us by staff.***

# Introduction to the Review

### Our Approach

Our review involved a series of facilitated virtual working sessions with municipal staff to discuss the current processes used by the Human Services Department - Housing Division for the delivery of services detailed on the previous page. During these working sessions, KPMG facilitated discussion with staff to identify the individual steps in the process under review, as well as any items that were perceived as impacting operating efficiencies, customer service, internal controls or risk management.

The approach adopted to review the Division's processes reflected the Lean concept of value-stream mapping. While there are many different definitions of Lean, we define Lean thinking as the belief that there is a simpler, better way through a continuous drive to identify and eliminate waste, or inefficiencies and errors, in day-to-day work. It is about making work environments efficient and effective, so organizations can provide higher quality of services to their customers. Lean helps create time for quality improvement to be part of everyday routine activity.

There are five common principles of Lean thinking:

1. Value is defined by the **voice of the client**. If a process or function doesn't create value for the client (recognizing that clients can be internal or external), the question is why is it being performed.
2. Lean requires that you **understand your process**. Process mapping allows you to have a picture of your process so that you can begin to make improvements. Without this understanding, it is difficult to have transparency and see where the problems are. It also helps teams gain an understanding of everyone's involvement in the process.
3. Lean seeks to develop **flow**, so that products or services move fluidly and without interruptions through the process.
4. Lean seeks to establish **pull**, so that activities are undertaken in response to what a client needs when they need it, by reacting to a trigger. This is contrary to how many processes are structured, which involves a push to the next user regardless of whether they are ready or not.
5. Lean is a means of **continuous improvement**. When done right, Lean is not a one-time event but rather a journey to continually improve processes and constantly strive to supply value, from the perspective of the client.

# Introduction to the Review

### Lean Methodology

Lean methodologies are intended to help organizations identify and address one of eight typical types of inefficiencies.

| Inefficiency   | Description   | Examples  |
|--|---|---|
|  <b>Defects</b>             | Work or services that are not completed correctly the first time.                 | Departments key in hours worked incorrectly, requiring payroll to fix errors.         |
|  <b>Overproduction</b>      | Doing more than what is required to complete the task.                            | Generating reports that are not used by management.                                   |
|  <b>Waiting</b>             | Idle time when material, information, people or equipment are waiting.            | Waiting for approvals prior to issuing cheques.                                       |
|  <b>Non-utilized talent</b> | Not utilizing all of the skills of employees.                                     | Incurring overtime because staff working in other departments cannot be used.         |
|  <b>Transportation</b>      | Moving equipment, supplies or equipment from place to place.                      | Transferring paper files from one location to another rather than using email.        |
|  <b>Inventory</b>          | Having more material and supplies on hand than what its needed.                   | Stocking extra stores inventory to prevent stockouts caused by poor order management. |
|  <b>Motion</b>            | Unnecessary movement by employees to complete an activity.                        | Having staff attend meetings in person rather than by video or teleconference.        |
|  <b>Extra processing</b>  | Spending extra time and effort for an activity, including duplication of efforts. | Developing Excel spreadsheets to track information that is already available in MIS.  |



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Chapter III – Divisional  
Overview



# Divisional Overview

The County is one of 47 Service Managers established by the Province for the delivery of human services, including:

- Community Services – provides financial assistance and coordinates with community services. The Division provides Ontario Works, housing subsidy and discretionary benefits;
- Child Care and EarlyON – plans and manages child care system (through external partners), provides child care fee subsidy for qualifying families and delivers early years programming. The Division provides licensed child care system management, child care subsidies, EarlyON child and family centres and special needs resourcing.; and
- Housing – offers various programs for the provision of affordable housing and individuals experiencing homelessness. The Division provides system management of affordable housing, housing with related supports and homelessness as well as direct delivery of subsidized housing to residents in the County.

The Human Services Department - Housing Services Division provides shelter services in the following two ways which support overall community wellbeing within the County.

- Shelter (Direct Delivered) – Provides units of shelter to eligible residents of the County; and
- Shelter (Subsidy) – Provides subsidies to community partners delivering shelter to the residents of the County.

Both of these services seek to improve upon the quality of life by reducing the incidence of homelessness and ensuring housing affordability for residents of the County.

### A. Organizational Structure

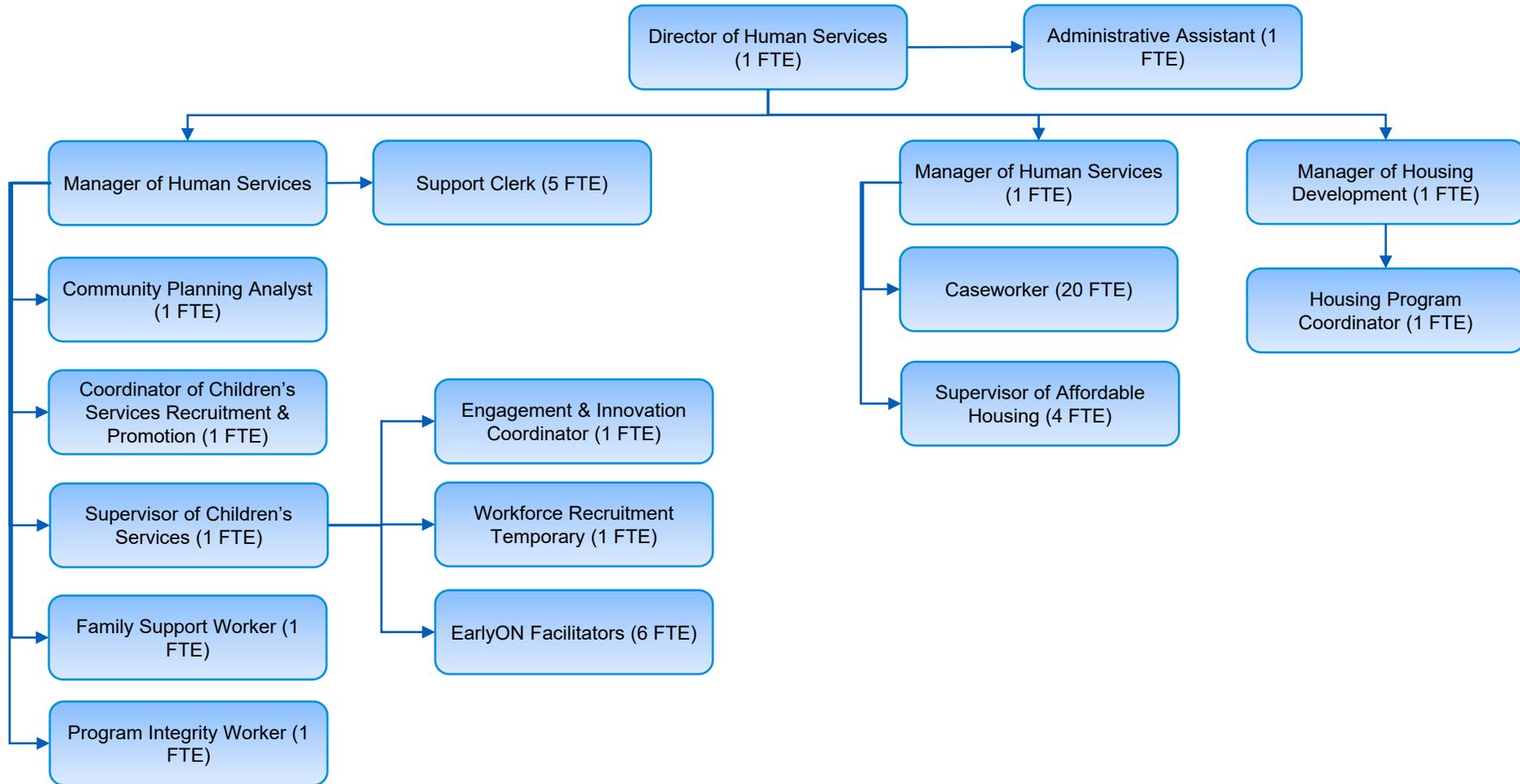
Reporting up to the County's Chief Administrative Office, the County's Human Services Department is each headed by a manager and reporting to the Director of Human Services. Overall, the Department employs a total of 46.3 full-time equivalent employees ("FTE's"), with a total operating budget of \$46.5 million (excluding capital which was budgeted for an additional \$1.4 million in 2022).

A detailed organizational structure is provided on the following page which includes the Human Services Department - Housing Division.

# County of Oxford Subsidized Housing Operations Optimization Review

## Divisional Overview

### A. Organizational Structure (Continued)



## County of Oxford Subsidized Housing Operations Optimization Review

# Divisional Overview

### B. Financial Overview

The following table is representation of budgeted revenues associated with Housing Services for the County. Over the course of the past five years, budgeted revenues associated with Housing Services appear to have increased by an annual average of 5.4%. General revenues decreased by an annual average of 1.8% from 2018 to the current budget year (2022). The majority of budgeted general revenues are provided by senior levels of government which accounts for nearly 60% of budgeted general revenues in 2022.

| Revenues                    | 2018                | 2019                | 2020                | 2021                | 2022                |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Revenues</b>     |                     |                     |                     |                     |                     |
| Provincial Grants           | \$3,078,380         | \$2,599,975         | \$3,630,263         | \$4,316,931         | \$2,814,185         |
| Federal Grants              | \$1,705,905         | \$1,476,768         | \$1,313,643         | \$1,129,501         | \$1,042,137         |
| User Fees and Charges       | \$286,500           | \$277,660           | \$271,450           | \$271,650           | \$275,123           |
| Other                       | \$2,112,915         | \$2,181,142         | \$2,198,210         | \$2,236,070         | \$2,314,800         |
| <b>Sub-Total</b>            | <b>\$7,183,700</b>  | <b>\$6,535,545</b>  | <b>\$7,413,566</b>  | <b>\$7,954,152</b>  | <b>\$6,446,245</b>  |
| <b>Capital Revenues</b>     |                     |                     |                     |                     |                     |
| Prov. Grant Capital Funding | \$3,154,928         | \$3,766,713         | -                   | -                   | -                   |
| <b>Transfers</b>            |                     |                     |                     |                     |                     |
| Reserves Transfer           | -                   | -                   | \$2,218,788         | \$4,085,888         | \$4,699,096         |
| Capital Reserves Transfer   | -                   | -                   | \$1,214,200         | \$1,195,500         | \$1,390,374         |
| <b>Total Revenues</b>       | <b>\$10,338,628</b> | <b>\$10,302,258</b> | <b>\$10,846,554</b> | <b>\$13,235,540</b> | <b>\$12,535,715</b> |

Source: Housing Services Budgets

## County of Oxford Subsidized Housing Operations Optimization Review

# Divisional Overview

### B. Financial Overview

The following table is representation of budgeted expenses associated with Housing Services for the County. For the five budget years reviewed, budgeted operating expenses appear to have decreased by an annual average of just over 5%. Meanwhile, the net budgeted cost for Housing Services increased by an annual average of just above 5% which appears to be driven by increased capital costs and contributions to reserves.

| Expenses                    | 2018                | 2019                | 2020                | 2021                | 2022                |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Operating Expenses</b>   |                     |                     |                     |                     |                     |
| Operating Expenses          | \$19,073,474        | \$16,294,450        | \$12,904,659        | \$15,264,103        | \$14,788,285        |
| <b>Debt Repayment</b>       |                     |                     |                     |                     |                     |
| Debt Repayment              | \$336,835           | \$360,221           | \$277,692           | \$230,537           | \$226,485           |
| Interest                    | \$130,229           | \$106,843           | \$81,808            | \$63,646            | \$49,333            |
| <b>Capital</b>              |                     |                     |                     |                     |                     |
| Capital                     | \$1,221,500         | \$1,293,000         | \$1,214,200         | \$1,229,300         | \$1,390,374         |
| <b>Other</b>                |                     |                     |                     |                     |                     |
| Contributions to Reserves   | \$700,000           | \$975,000           | \$1,475,000         | \$1,250,000         | \$1,325,000         |
| Contributions from Reserves | (\$6,394,737)       | (\$3,916,237)       | -                   | -                   | -                   |
| Interdepartmental Charges   | -                   | -                   | \$244,564           | \$275,850           | \$462,263           |
| <b>Total Expenses</b>       | <b>\$15,067,301</b> | <b>\$15,113,277</b> | <b>\$16,197,923</b> | <b>\$18,313,436</b> | <b>\$18,241,740</b> |
| <b>NET COST</b>             | <b>\$4,728,673</b>  | <b>\$4,811,019</b>  | <b>\$5,351,369</b>  | <b>\$5,077,896</b>  | <b>\$5,706,025</b>  |

Source: Housing Services Budgets

## Divisional Overview

### C. Key Performance Indicators

Each year, Housing Services publishes their key performance indicators ('KPI') as part of the County's budget document. Housing Services tracks four KPIs for the purposes of reporting back. The County tracks the following:

- # of clients served through the Homelessness Prevention Program ('HPP')
- # of new clients housed (RGI, rent supplement programs)
- # of new Affordable Housing units created (rental, ownership)
- % of clients served/housed from waitlist

The following table is a summary of the Housing Services KPIs for the years 2017 up to the 2022 budget year.

| Key Performance Indicator                                       | 2017  | 2018  | 2019 | 2020 | 2021 Forecast | 2022 Budget | Target |
|---|-------|-------|------|------|---------------|-------------|--------|
| # of clients served through the Homelessness Prevention Program | 1,203 | 1,311 | 875  | 730  | 750           | 800         | 1,325  |
| # of new clients housed (RGI, rent supplement programs)         | 162   | 270   | 175  | 134  | 155           | 165         | 300    |
| # of new Affordable Housing units created (rental, ownership)   | 35    | -     | 72   | 3    | 88            | 50          | 50     |
| % of clients served/housed from waitlist                        | 13%   | 10%   | 7%   | 6%   | 6%            | 7%          | 15%    |

Source: Housing Services Budgets



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Chapter IV – Key Themes



# Key Themes

During the course of our review, a number of themes emerged concerning both positive aspects of the County's Housing Services and areas of potential improvements (which support the rationale of the review and its focus on enhancing the effectiveness and efficiency of the Division's service delivery), which we have summarized below:

### **1. The need to explore the current system's ability to provide the level of service for the Division.**

In the identification of potential changes within the Human Services Department - Housing Division's workflows, we noted that there are a number of limitations within the County's operating systems. These limitations have driven the need for staff to use manual workaround processes and have also resulted in duplication of efforts. Examples of this identified during the course of the review are but not exclusive to an apparent lack of integration between systems, the inability to add a second tenant to an account which then creates the need for a workaround to accept payments from one tenant in an unit, and the lack of reporting functionality in certain areas which requires many spreadsheets to be manually developed for Ministry reporting etc. These limitations have the potential to increase the frequency of errors in day-to-day work efforts and potentially increase the Division's exposure to risk.

While this remains as a challenge for the Human Services Department - Housing Division, we understand that the Division is implementing changes that will assist in increasing upon operational efficiency and effectiveness. The continued progress to a new system for the Human Services Department - Housing Division may address a number of the potential opportunities for change identified in the next chapter.

### **2. There appears to be a need to refresh and/or develop policies to assist in service delivery**

There are a number of instances within the Housing Services' operations where there appears to be an absence of policy or in other cases, policies were established in the past and have not be subject to a refresh. The establishment and/or refresh of policy for the Division's purposes provides opportunity to reduce risk to the Division's operations as well as provide guidance when addressing internal and/o external issues. Refreshed policies can also contribute to increased efficiencies and consistency within the Division. Examples identified later on within the report include revising policies to allow for NSF chargebacks to clients as well as policies to address the administration of rent.

### **3. There are processes within the Human Services Department - Housing Division's that are reliant on manual processes**

Over the course of the review, KPMG conducted a series of workshops with staff with the objective of breaking down various Housing Services related processes into the individual worksteps required to complete a task. In a number of cases, the Human Services Department - Housing Division uses more manually based processes such as the development of multiple spreadsheets and physical copy based activities versus making use of technology. Shifting away from manual worksteps within processes provides the Division with the ability to potentially free up capacity to address other high priority organizational needs as well as reducing potential risk of error and/or duplication of work efforts.



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Chapter V – Process  
Maps and Potential  
Courses of Action



# Process Maps and Potential Courses of Action

### How to read our report

For each process under review, we have provided process maps that outline the individual worksteps undertaken as part of this section. These maps are outlined in flowchart form and are intended to assist in understanding (i) the individual worksteps performed by County personnel; (ii) the sequential ordering of the worksteps; and (iii) decision points included in the process.

Where an area for potential improvement has been identified, they have been indicated in the process maps through the following lenses:

- Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value
- Client service limitations, representing aspects of the County's operations that may adversely impact on customer satisfaction
- Financial risk, representing areas where the County's system of internal controls is insufficient to prevent the risk of financial loss
- Litigation risk, consisting of potential areas where the County's processes may expose it to risk, including areas where existing measures to mitigate risk are considered insufficient

Included with the process maps are the potential areas for improvements, as well as potential courses of action that could be adopted by the Division to address the identified issues.

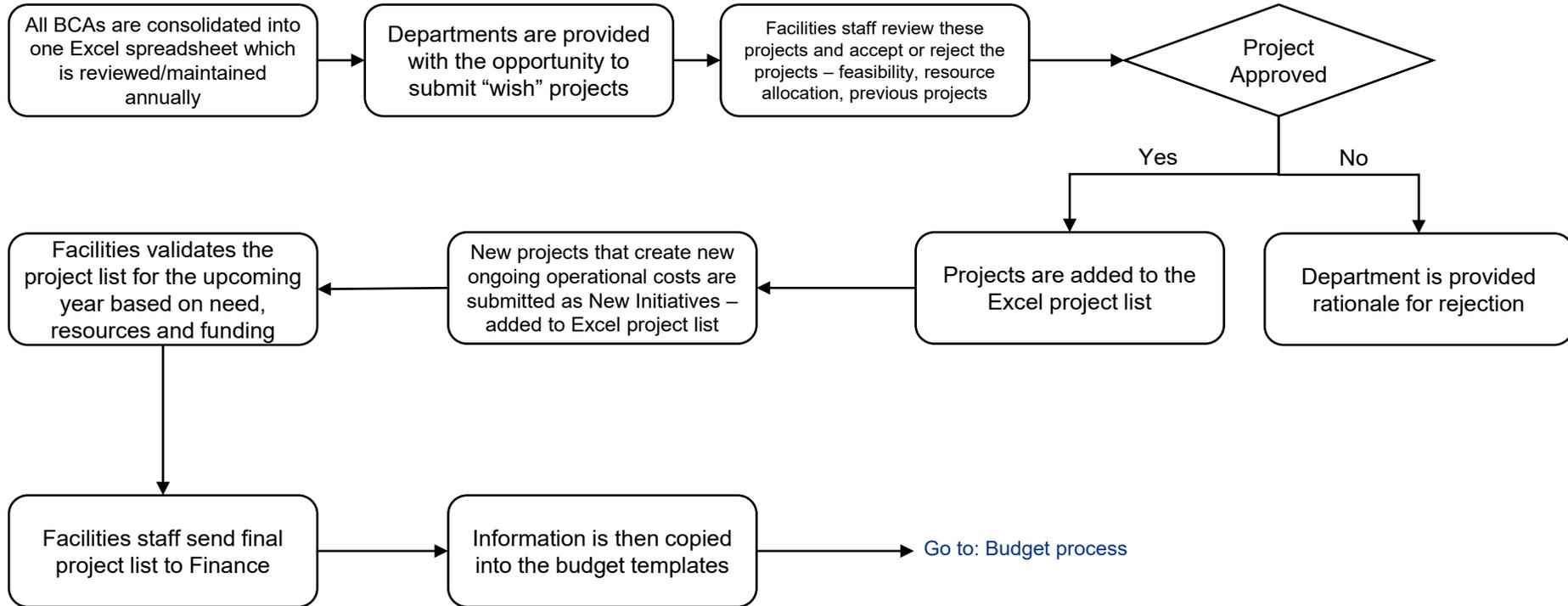
# Process Maps and Potential Courses of Action

### Abbreviations

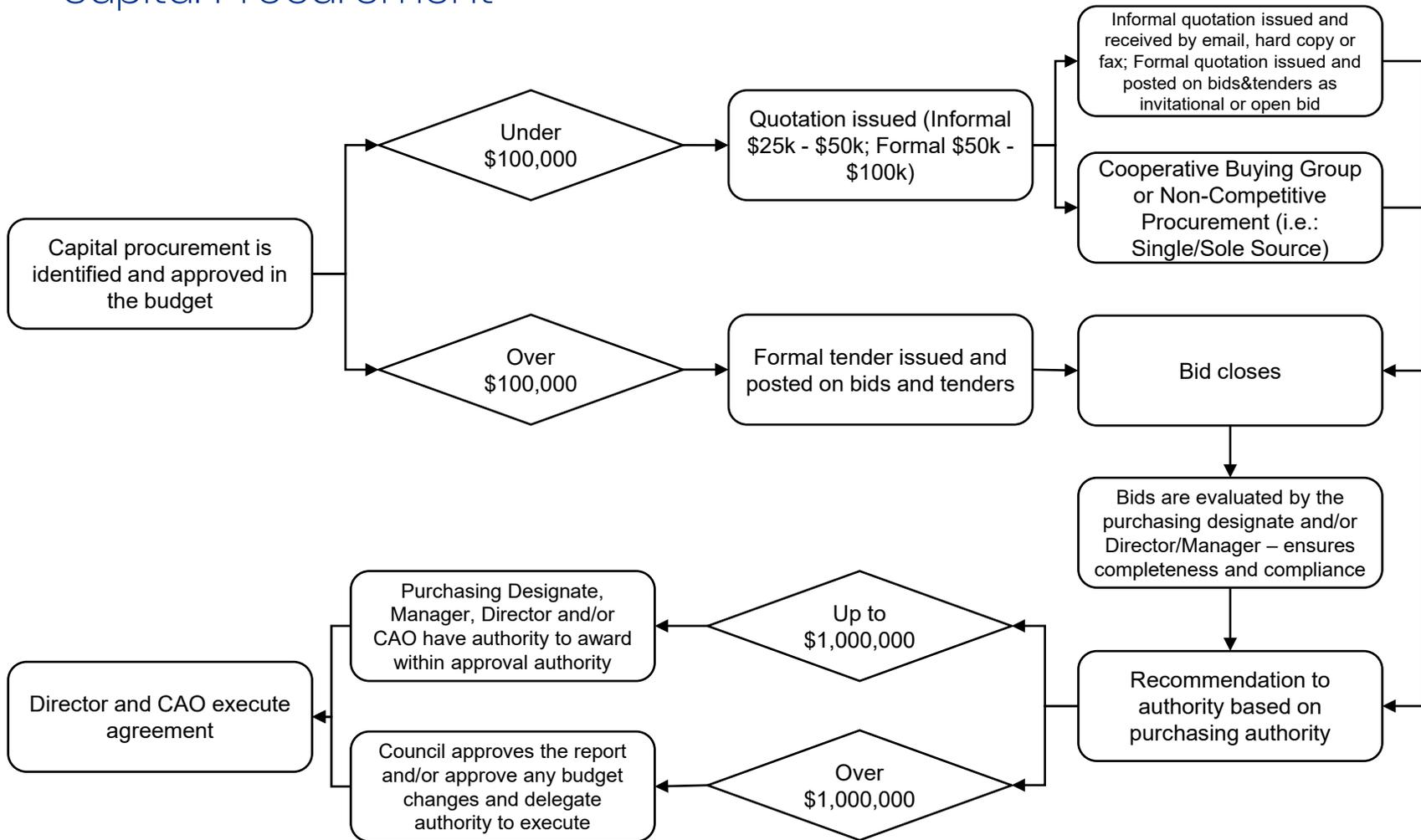
For the purposes of reading this section of the report, a series of abbreviations have been included:

|      |   |
|------|---|
| AP   | Accounts Payable                          |
| AR   | Accounts Receivable                       |
| BCA  | Building Condition Assessment             |
| CW   | Case Worker                               |
| DHS  | Director of Human Services                |
| FA   | Financial Analyst                         |
| FM   | Finance Manager                           |
| GP   | Great Plains                              |
| HS   | Housing Services                          |
| MGR  | Human Services Manager                    |
| MHD  | Manager of Housing Development            |
| OW   | Ontario Works                             |
| OPGT | Office of the Public Guardian and Trustee |
| SAH  | Supervisor of Affordable Housing          |
| SAMS | Social Assistance Management System       |
| SC   | Support Clerk                             |
| YTD  | Year to Date                              |

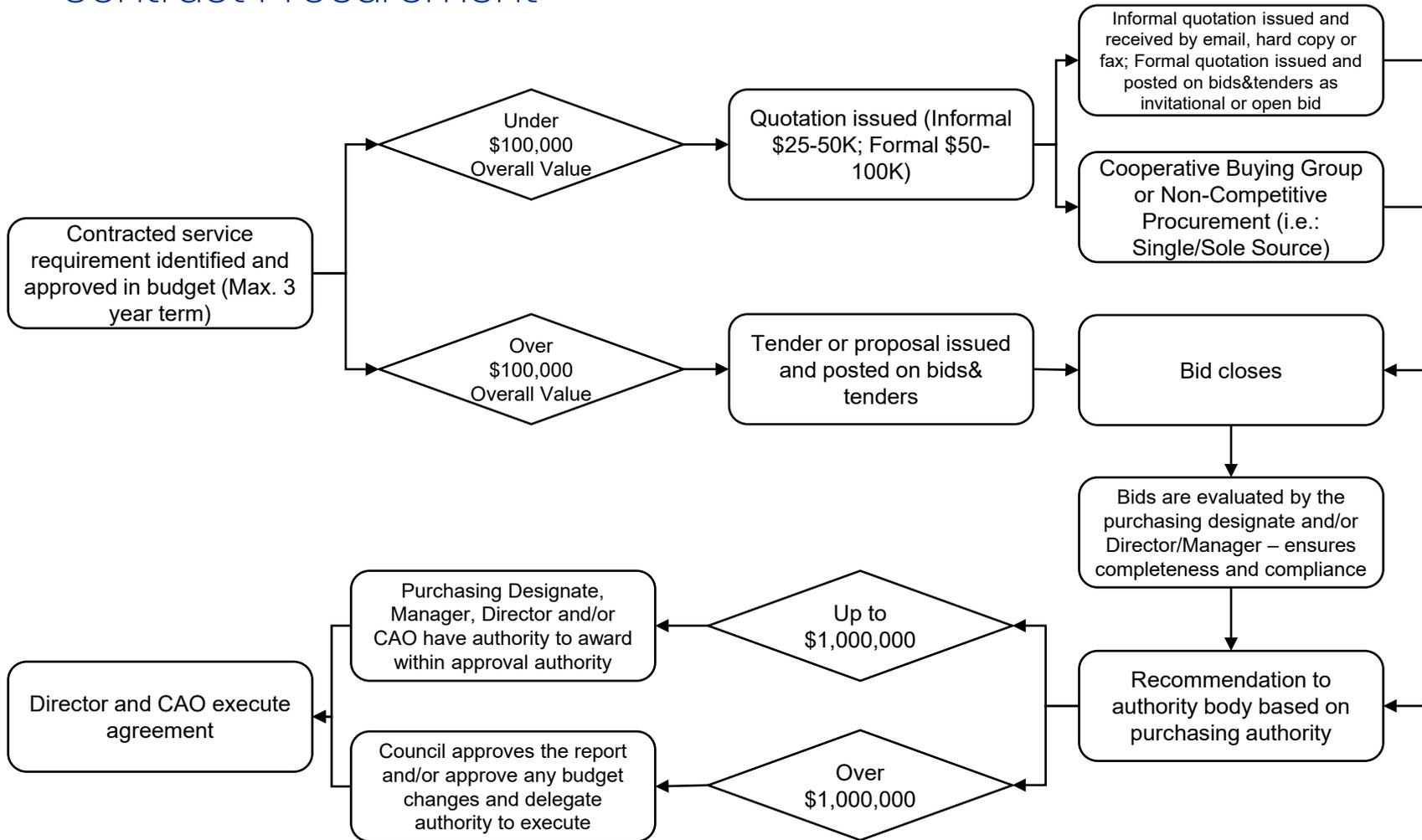
## Capital Planning and Budgeting



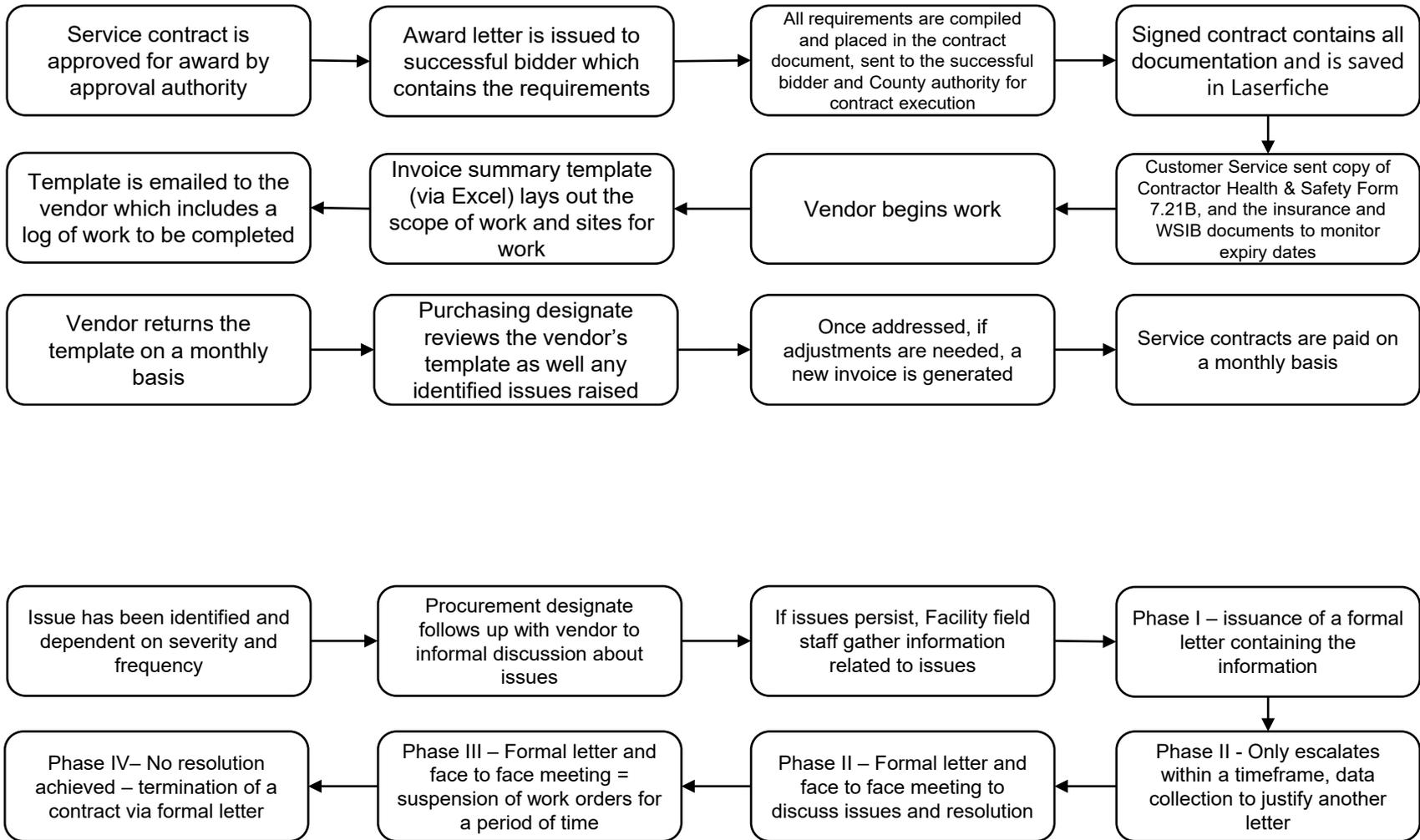
# Capital Procurement



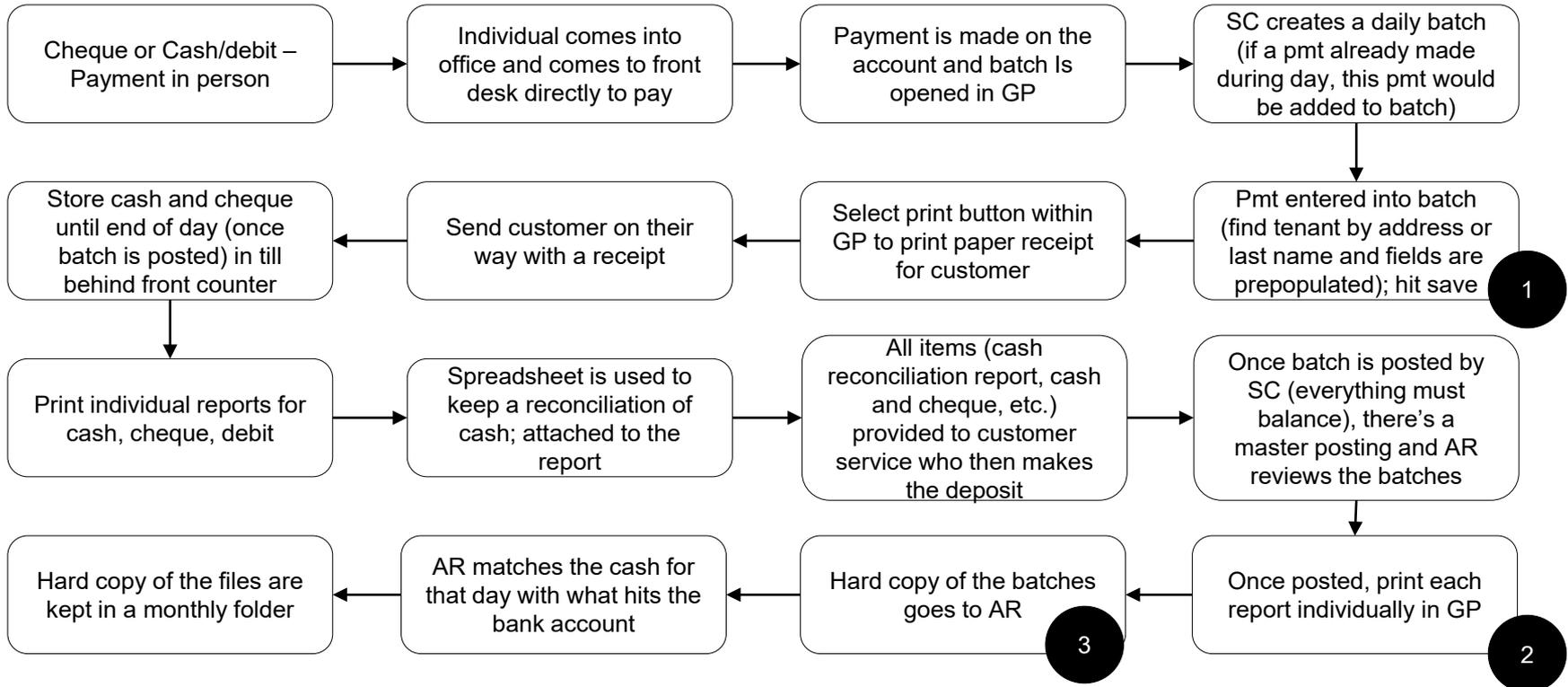
# Contract Procurement



# Service Contract Management



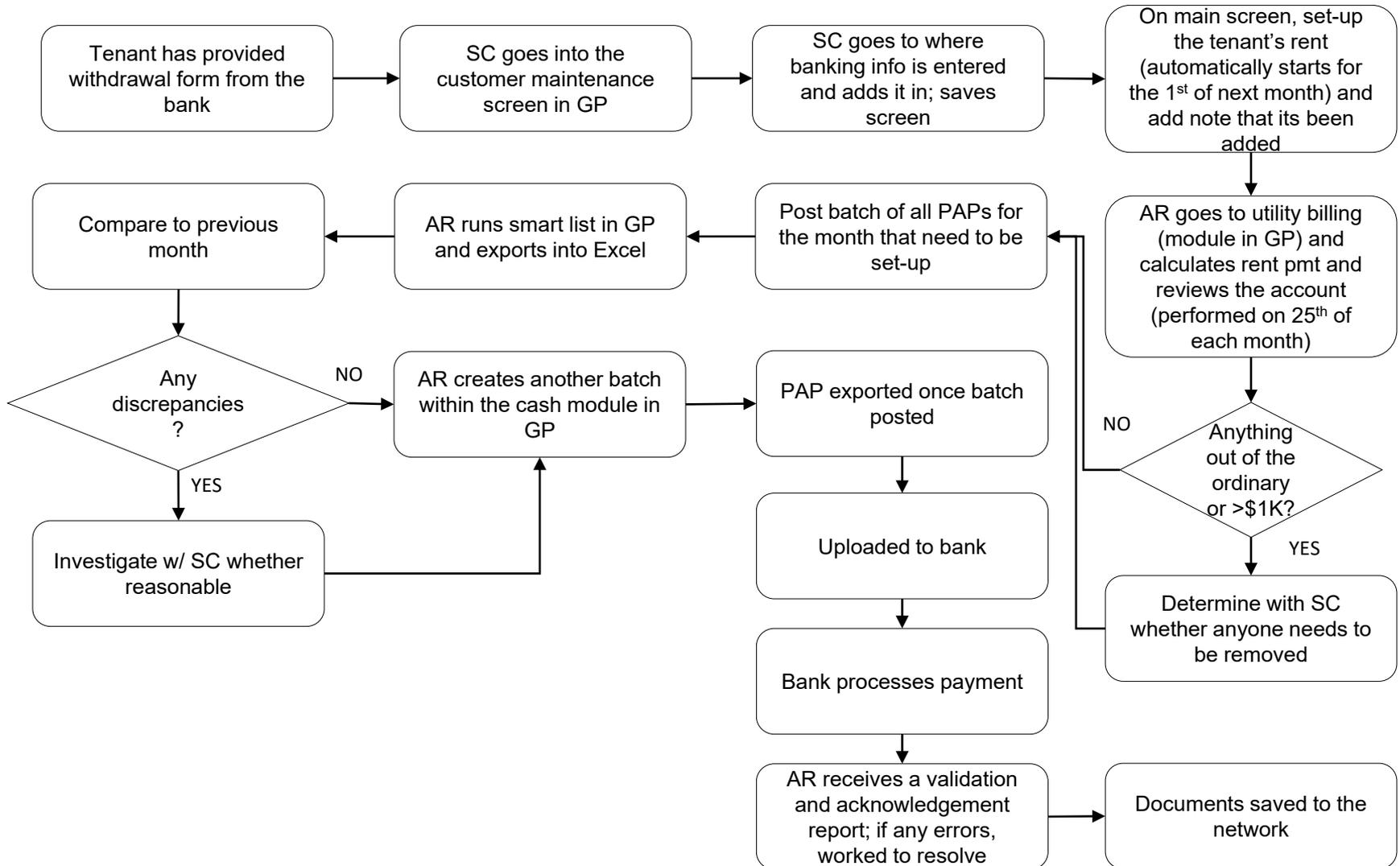
# Rent Receivable - Cheque, Cash, Debit



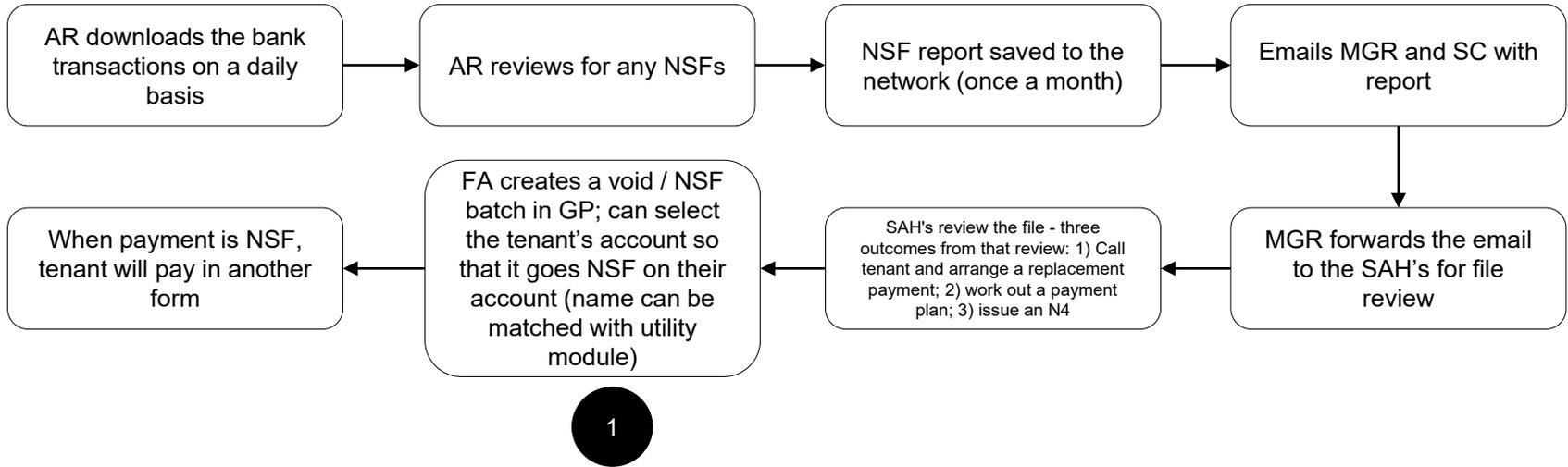
# Rent Receivable – Cheque, Cash, Debit – Potential Courses of Action

| Issue   | Potential Course of Action  |
|---|---|
| <p><b>1</b> In GP there is not the functionality to pull up monthly rent payment amounts (only the outstanding balance in total shows) so when a client comes in to pay it takes extra time to go into extra screens to find monthly payment amount that is required.</p>   | <p>Developing a formal rent roll and integrating it into a property management system will help to alleviate this extra work that is required to pull up simple information for a client.</p>                                     |
| <p><b>2</b> Multiple reports are printed from GP – they don't always generate properly or consistently, leading to extra work effort to reprint and ensure data is accurate. Multiple batches are needed in this process, one to establish rent and one to reflect payment of rent, which adds time to the process.</p> | <p>Investigate the use of a new system for property management function that would generate consistent reports with the data that is needed and automatically generate rent receivables so multiple batches are not required.</p> |
| <p><b>3</b> Paper reports are generated and physically sent to AR. The use of paper causes inefficiencies as it adds time to the process and there is a risk of loss and utilization of costly resources.</p>   | <p>Consider digitizing this process whereby reports can be printed to PDF and saved on a shared folder so that AR can access them digitally to complete their part of the process.</p>  |

# Rent Receivables - PAP



## NSFs

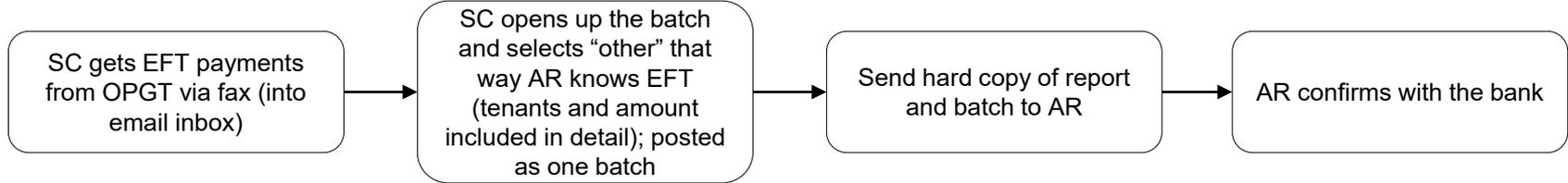


# NSFs - Potential Courses of Action

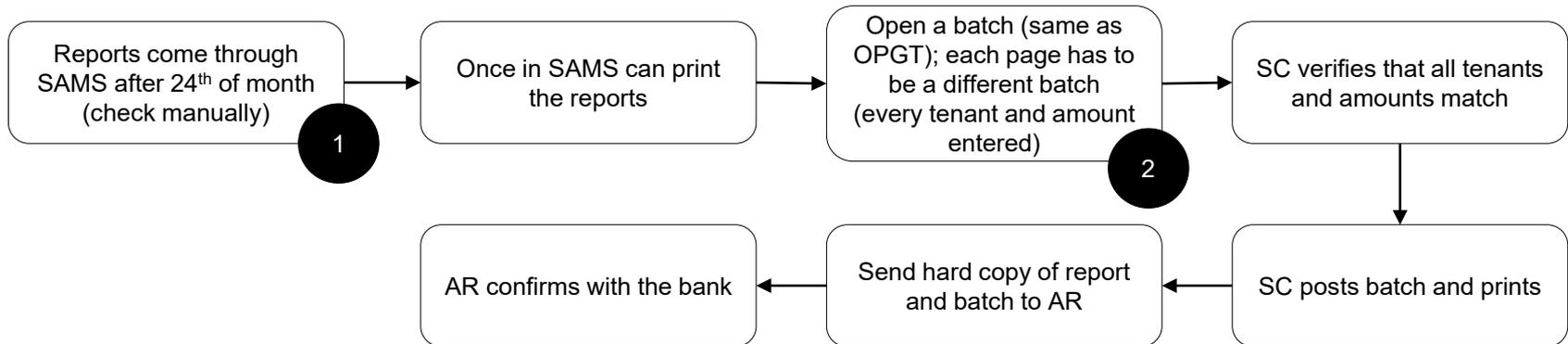
| Issue   | Potential Course of Action   |
|---|--|
| <p>1 The County currently does not charge a fee for NSF payments or have a limit on the number of NSF payments that are allowed before PAPs get terminated. This costs the County money if the bank charges them NSF fees that should be passed along to the client. Leaving a client on a PAP that regularly has NSFs adds to the risk of collectability of rent and causes additional time for the County staff to process non-payment and payment of rent.</p> | <p>The County should revise their policy to allow the charge of NSF fees back to clients. They should set a limit on the number of NSFs before a client is removed from the PAP option of making payments.</p> |

# EFT Payments

## OPGT



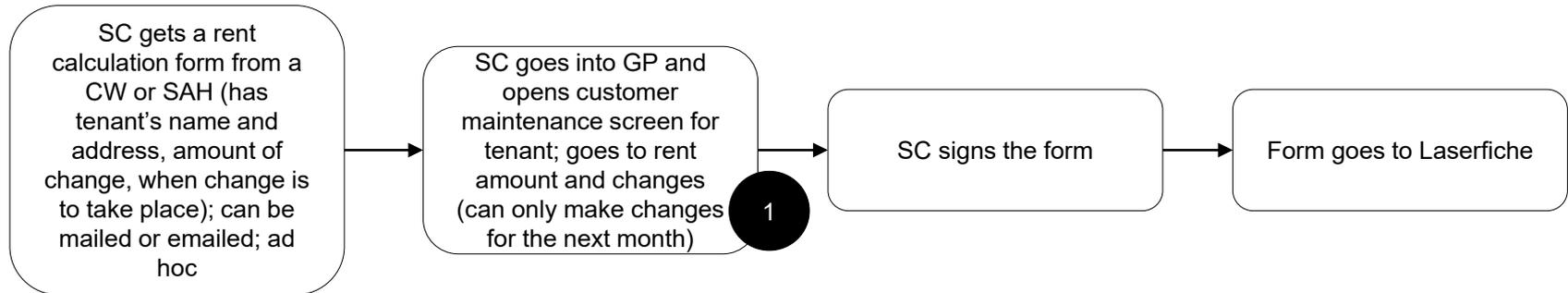
## OW/ODSP



# EFT Payments - Potential Courses of Action

| Issue  | Potential Course of Action  |
|--|---|
| <p>1 SC has to manually check when OW/ODSP reports are available in SAMS. This causes additional time in the process.</p>  | <p>The County should investigate whether SAMS has the ability to notify SC when reports are available so there isn't wasted time checking for them if they are not there.</p>   |
| <p>2 In GP, County staff create a batch for every page of the OW/ODSP transactions and have to manually enter in each tenant and payment amount. This is an inefficient use of time.</p> | <p>Investigate the ability of a system that can automatically upload from SAMS in order to avoid batch entries being required. Alternatively, consider doing one batch per report and reconciling the balance to cash in another way.</p> |

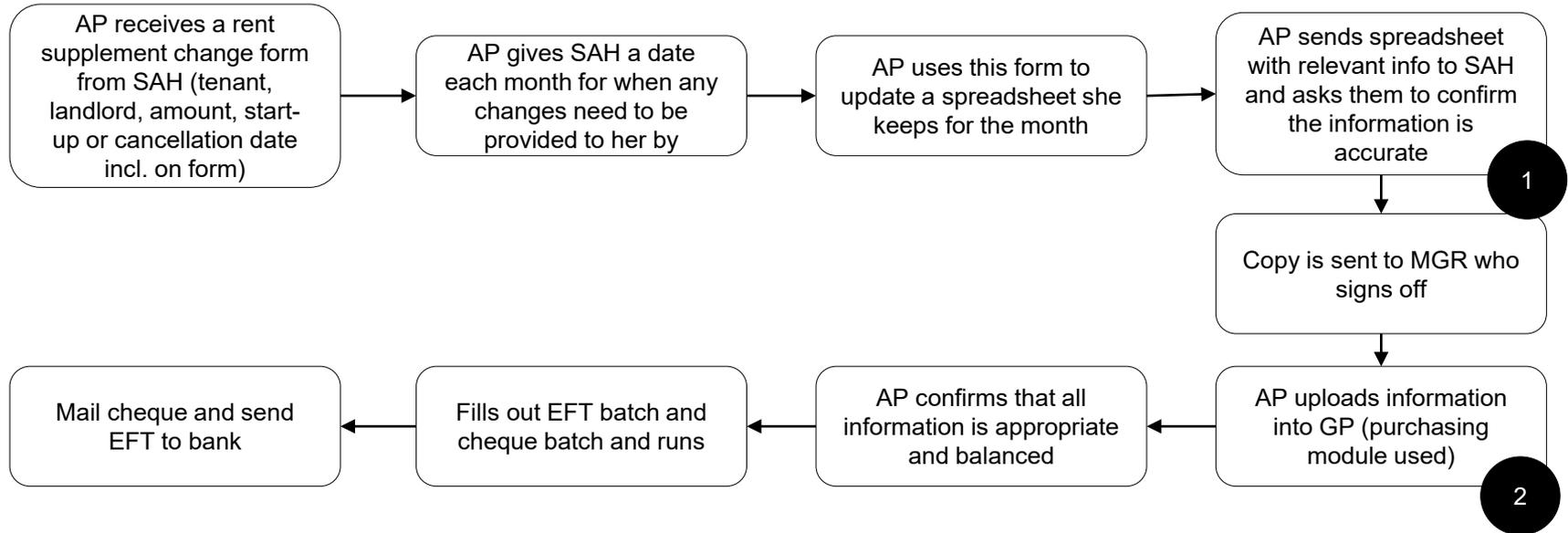
## Changes in Rent



# Changes in Rent - Potential Courses of Action

| Issue  | Potential Course of Action   |
|--|--|
| <p><b>1</b> GP has several system limitations that are creating inefficiencies in the rent change process. For example, only allows for rent changes to be made starting the next upcoming month (you cannot add a start date in the future to the changes), cannot retroactively make changes without reposting each month that was affected, no option to show a tenant as on a PAP so have to remember to update PAP screens. This creates extra time in the process as it takes extra time to track and enter changes.</p> | <p>The use of a property management system should allow for prospective and retroactive changes and their related start dates to be entered into the system so the SC only has to do this once. Ideally the system would also allow a tenant to be flagged as PAP and automatically update PAP information for any rent changes.</p> |

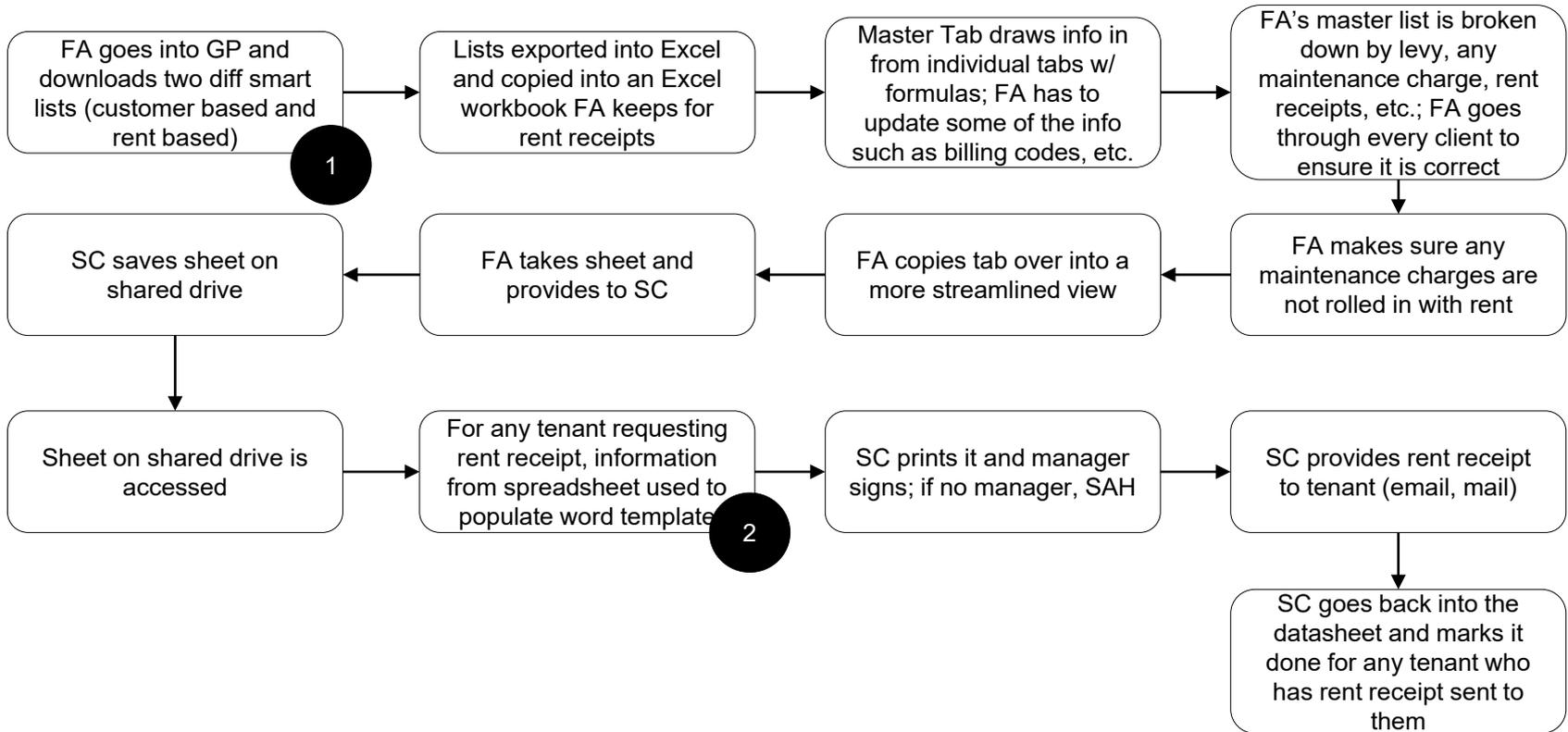
# Rent Supplements



# Rent Supplements – Potential Courses of Action

| Issue  | Potential Course of Action  |
|--|---|
| <p><b>1</b> This process relies on the review and confirmation of accuracy of SAH and clerks via email. This is time consuming and can lead to delays in the process. There is also no level of review on the batch before it is posted – giving the opportunity for fraudulent payments to be included.</p> | <p>Consider the use of an automated workflow to track and speed up approvals from SAH. The batch should be reviewed prior to posting to ensure payments being made in aggregate are appropriate.</p>            |
| <p><b>2</b> The County uses Notes in GP (which are in Notepad) to track important information that isn't captured in other fields. There is a risk that this information could be inappropriately deleted or modified with no trail.</p>   | <p>The use of a property management system would allow for data to be input into the proper fields that are needed and eliminate the risk of important information being deleted or edited inappropriately.</p> |

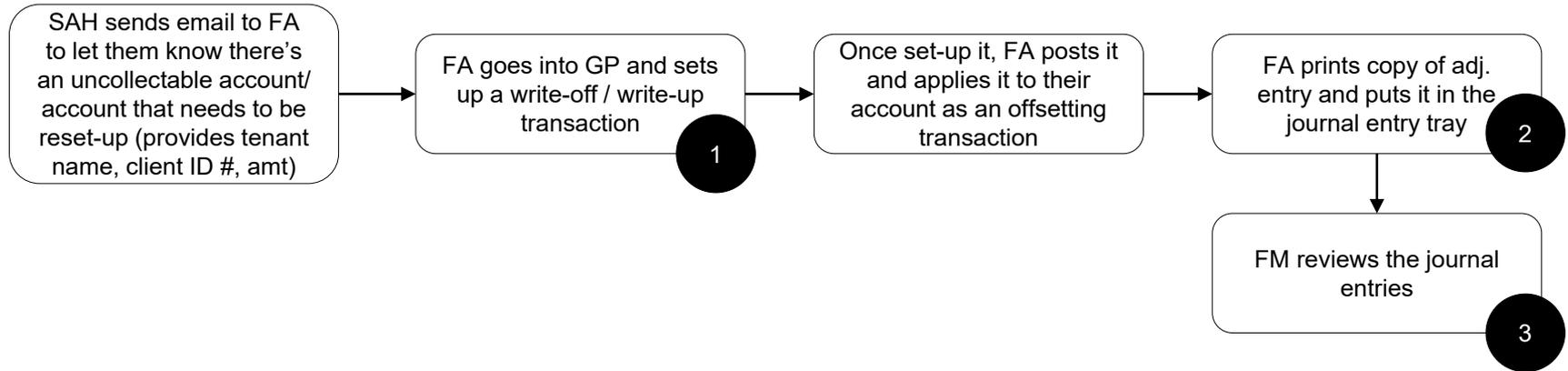
# Year-End Rent Receipts



# Year-End Rent Receipts – Potential Courses of Action

| Issue   | Potential Course of Action   |
|---|--|
| <p>1 This is a very manual process which consumes much of the FA's time. Client by client reconciliations are done and receipts are tracked manually through a shared data sheet. Reconciliations are done for every tenant even though receipts are only issued to tenants on request.</p> | <p>The use of a property management system would allow for the automation of this process whereby rent receipts could be calculated and generated automatically by the system.</p> |
| <p>2 A Word document is being used as a template for rent receipts. This provides an opportunity for receipts to be modified and/or inappropriate receipts issued using template.</p>   | <p>The use of a property management system would allow for rent receipts to be system generated with appropriate controls in place to prevent error and/or inappropriate use.</p>  |

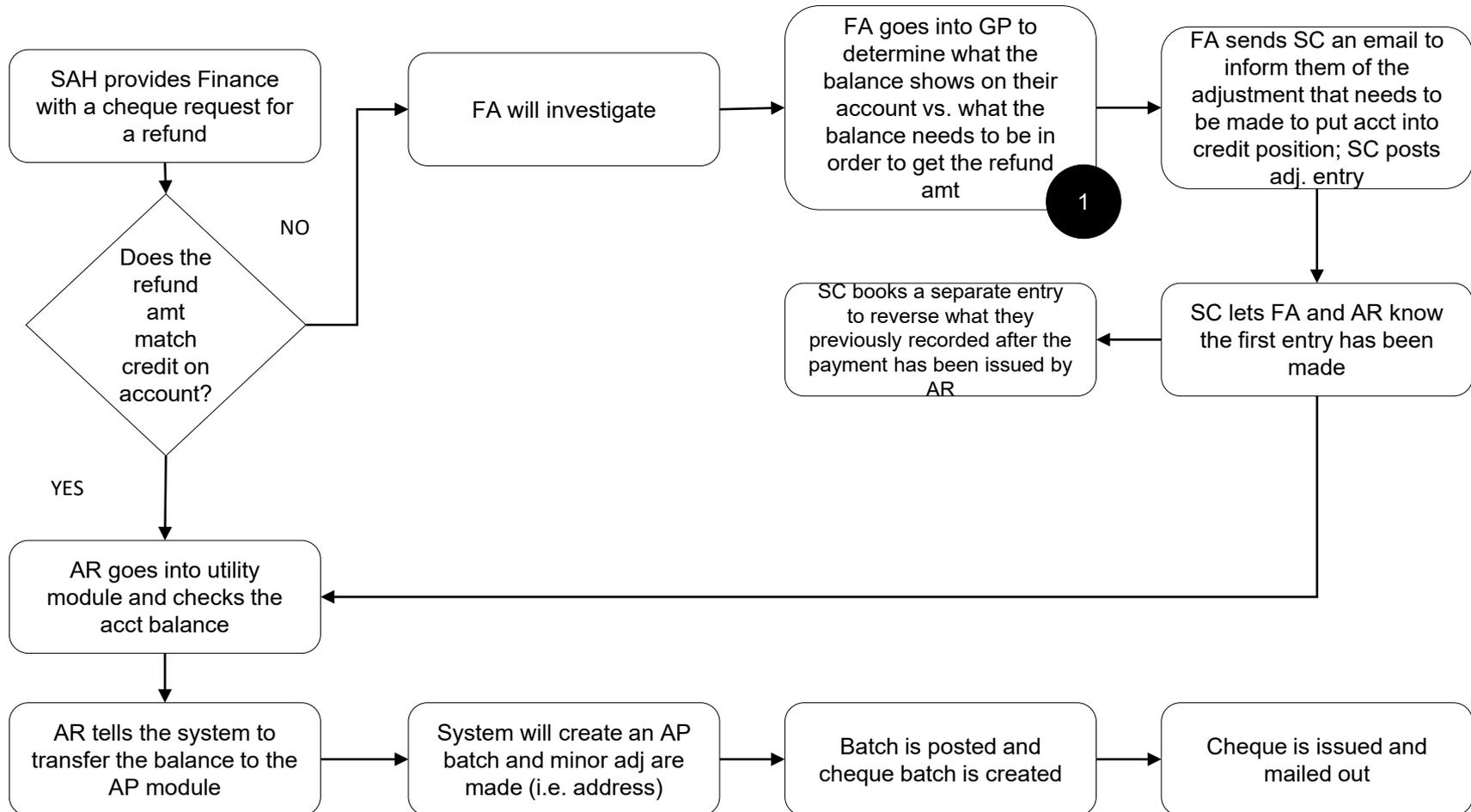
# Write-Offs and Write-Ups



# Write-Offs and Write-Ups – Potential Courses of Action

| Issue  | Potential Course of Action   |
|--|--|
| <p>1 Process to adjust for write offs and write ups is very manual. Multiple manual journal entries need to be entered to properly record these transactions.</p>  | <p>Consider whether there is a way to automate these entries once an account has been identified as collectible or recoverable.</p>  |
| <p>2 Paper reports are generated and physically sent to FA. The use of paper causes inefficiencies as it adds time to the process and there is a risk of loss and utilization of costly resources.</p>               | <p>Consider digitizing this process whereby reports can be printed to PDF and saved on a shared folder so that FA can access them digitally to complete their part of the process.</p>   |
| <p>3 There is no formal process in place to review AR on a regular basis. This could result in inaccurate financial reporting if there are balances that are known to be uncollectible that are not written off.</p> | <p>The County should implement a process whereby AR balances over a certain threshold are reviewed on a quarterly basis and adjusted for if they are determined to be uncollectible.</p> |

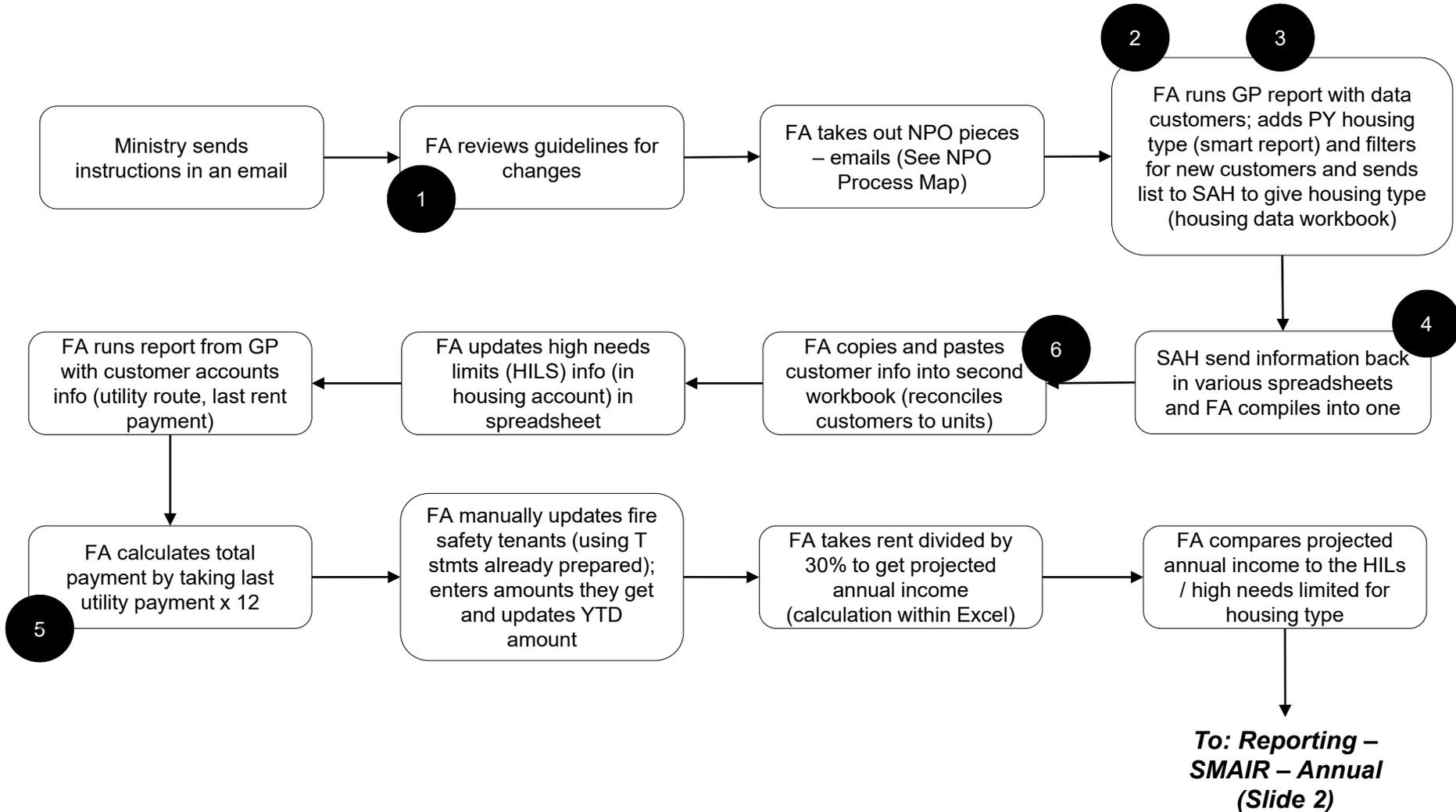
# Refund Cheques



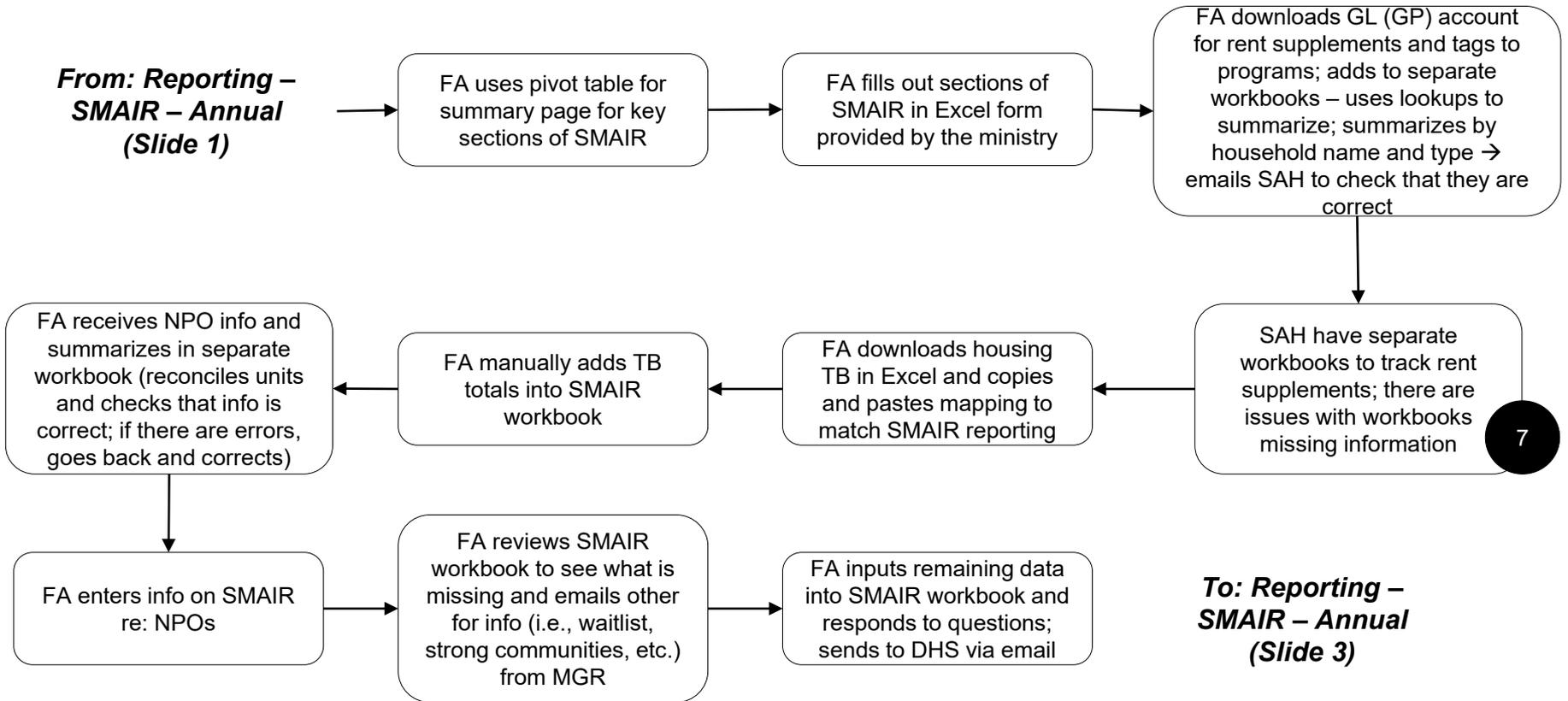
# Refund Cheques – Potential Courses of Action

| Issue  | Potential Course of Action  |
|--|---|
| <p><b>1</b></p> <p>There is a limitation in GP in that refund cheques cannot be issued unless the refund balance matches the credit balance in a tenant account. The County has created a very manual, time consuming workaround as there are often instances where refunds should rightfully be issued even though the total tenant account does not show a credit balance.</p> | <p>Consider the functionality of a new property management system and its ability to allow for refund cheques to be issued in order to eliminate the workaround process and thereby save time and effort of County staff.</p> |

# Reporting - SMAIR - Annual



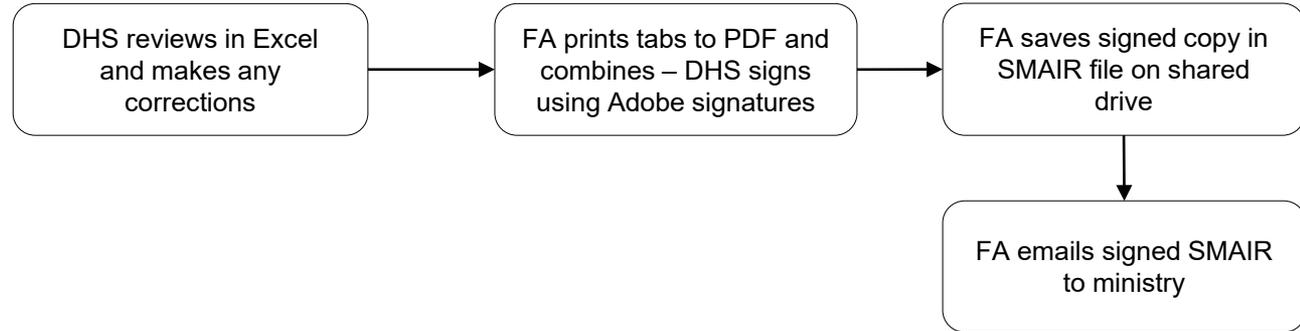
# Reporting - SMAIR - Annual - Continued



7

# Reporting - SMAIR - Annual - Continued

**From: Reporting –  
SMAIR – Annual  
(Slide 2)**



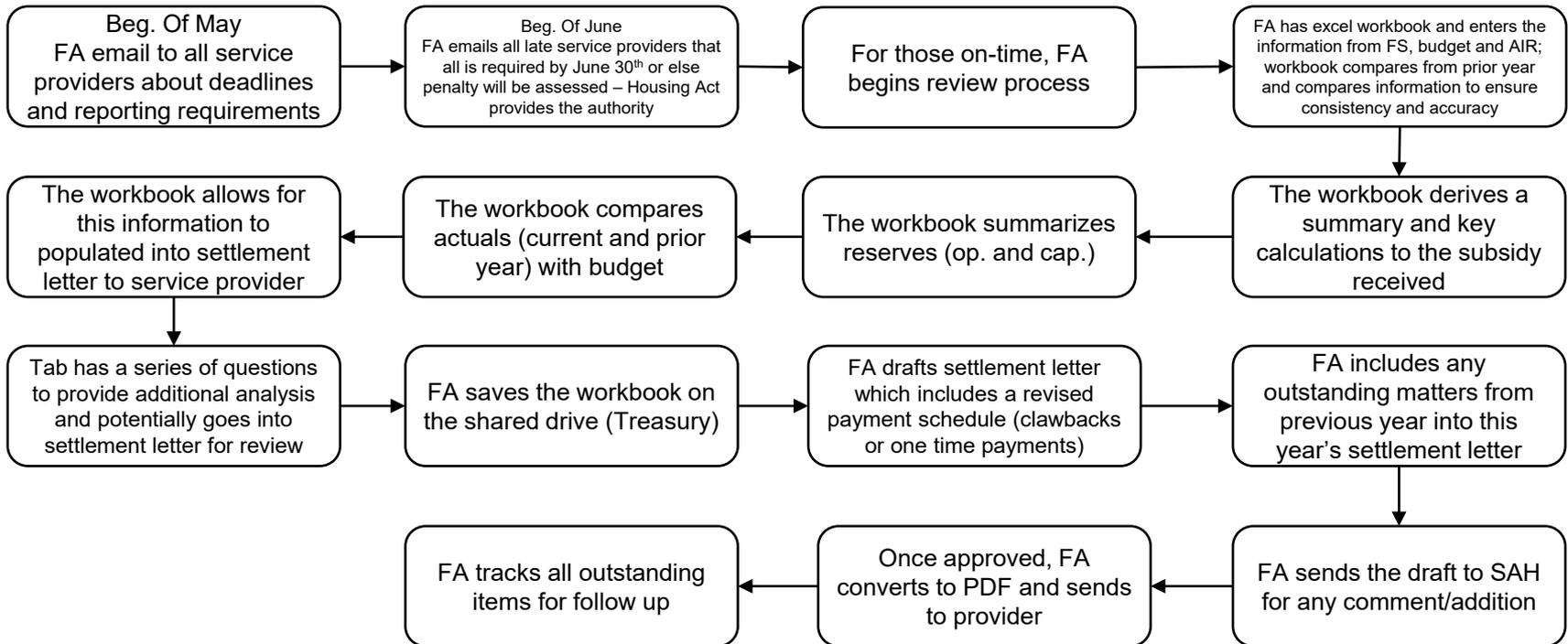
# Reporting - SMAIR - Annual - Potential Courses of Action

| Issue  | Potential Course of Action  |
|--|---|
| <p>1 Financial Analyst performs the entire process and doesn't have all the relevant information. Inefficiencies in the process relating to manual information gathering from others, leading to extra waiting time and compiling of information being required.</p>   | <p>The use of a property management system would allow the relevant data points to be tracked in one place that the FA would have access to, therefore reducing the reliance on others' spreadsheets etc. in order to obtain the information needed for this reporting.</p>                         |
| <p>2 The customer housing type is not readily available in the system and has to be entered into a spreadsheet as part of this process. There is also no formality in tracking the unit numbers that the Division manages. The utility functionality in GP system is being used, which is not property management oriented and therefore doesn't have a place to easily include the required relevant information for housing.</p> | <p>The use of a property management system such as Yardi would allow for housing type and unit numbers to be tracked within the system, reducing the need for manual and error prone inputting of data and wasted time waiting for data to be sent back and forth between individuals.</p>          |
| <p>3 Entering the housing type is a manual process and therefore could result in errors.</p>   | <p>Utilizing a system which would track housing type would allow for a report to be exported from the system rather than relying on manual inputting of data.</p>   |
| <p>4 The Financial Analyst has to compile multiple spreadsheets from supervisors which results in inefficiencies</p>   | <p>The use of a system with the required data which could generate reports for this purpose would alleviate the need to track data in multiple spreadsheets managed by multiple people and therefore reduce time and error.</p>   |
| <p>5 The total payment is determined to be the last utility payment x 12. This is considered an estimate rather than an exact amount and could lead to errors.<br/>The County does not have a formal rent roll. This could lead to errors and inefficiencies as rent data is not consistently maintained and accessible.</p>   | <p>The use of a system which could track payments by tenant could generate a report with the required data which would lead to more accurate financial reporting. A formal rent roll will also help with this process to determine how much rent should be received by unit on an annual basis.</p> |

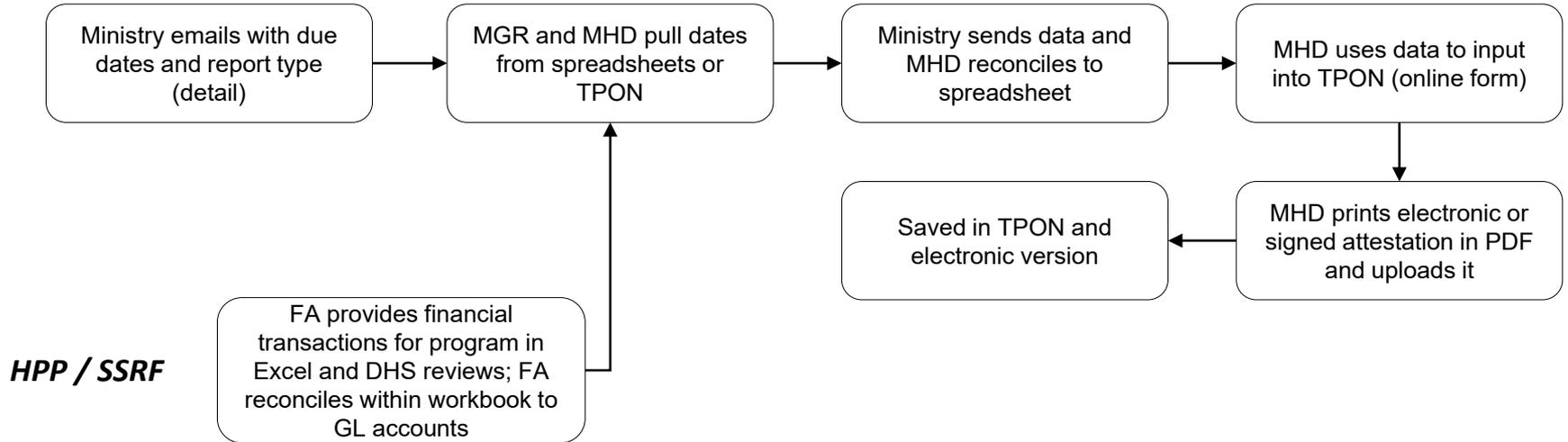
# Reporting - SMAIR - Annual - Potential Courses of Action

| Issue  | Potential Course of Action  |
|--|---|
| <p><b>6</b> The overall process is done in Excel and / or is manual in nature which can lead to errors and is more time consuming.</p> | <p>The use of a system to track information will eliminate the need for many of the Excel workbooks currently being used in this process.</p>   |
| <p><b>7</b> Issues have been noted in the workbooks such that information is missing.</p>  | <p>The manual process of tracking information in various spreadsheets increases the risk of error and the time it takes to ensure all required data is provided. The use of a system to track relevant data points and generate reports will reduce this risk of error.</p> |

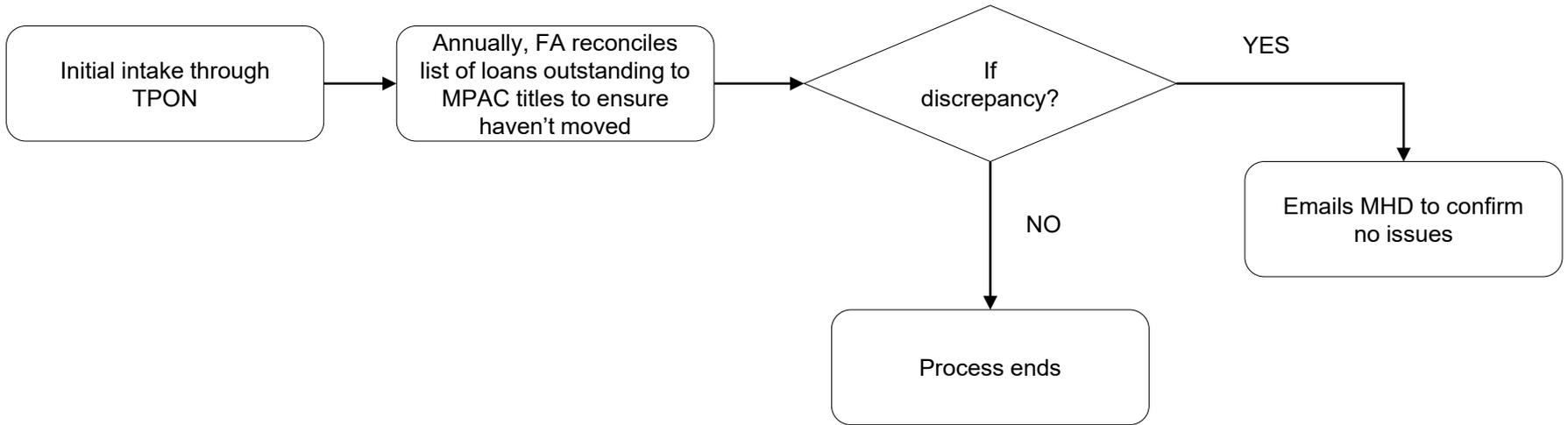
# Reporting - AIR - Annual



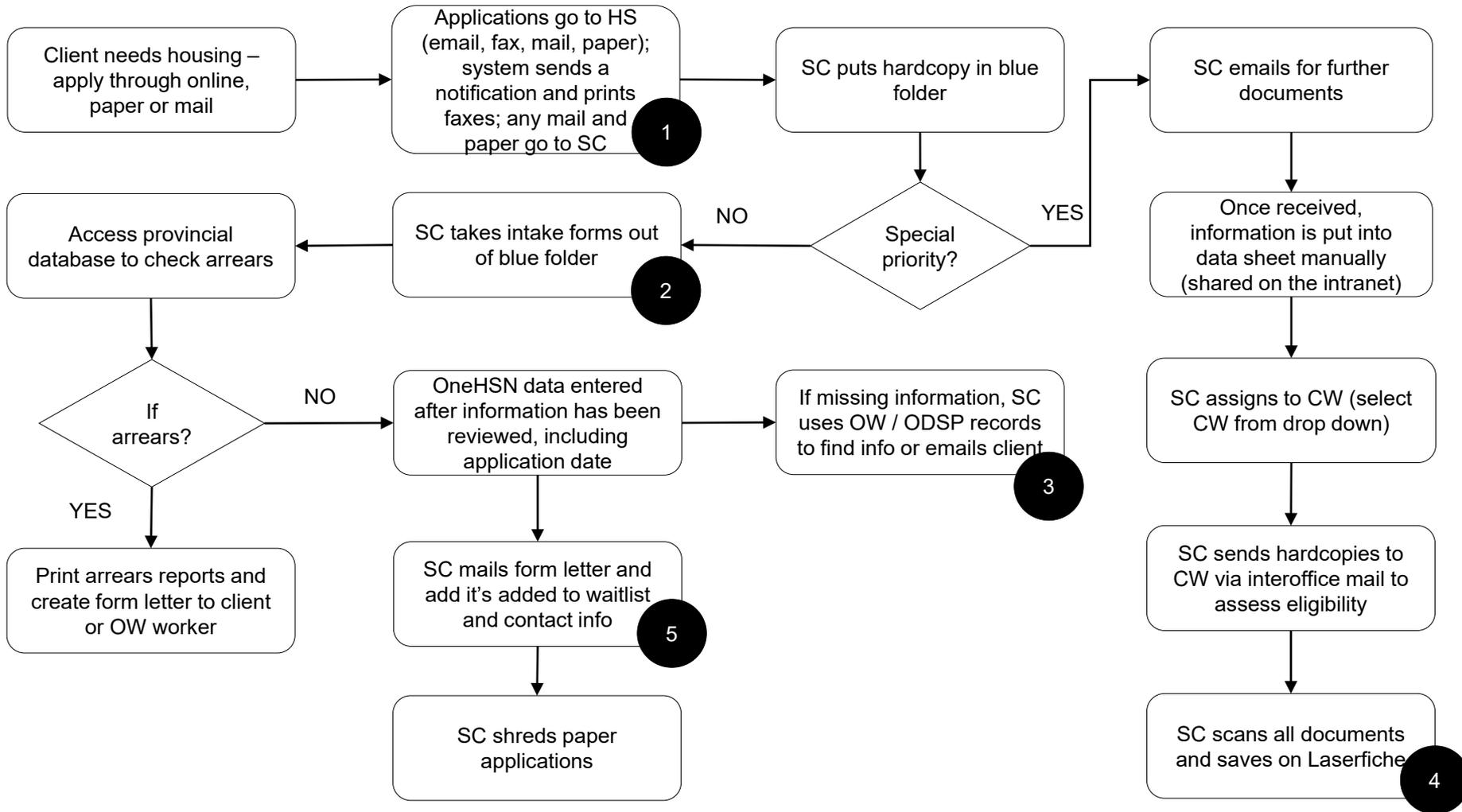
# Reporting - TPON (IAH, COHB, COCHI, OPHI, and HPP/SSRF) - Quarterly



# Reporting - TPON - Home Ownership Program



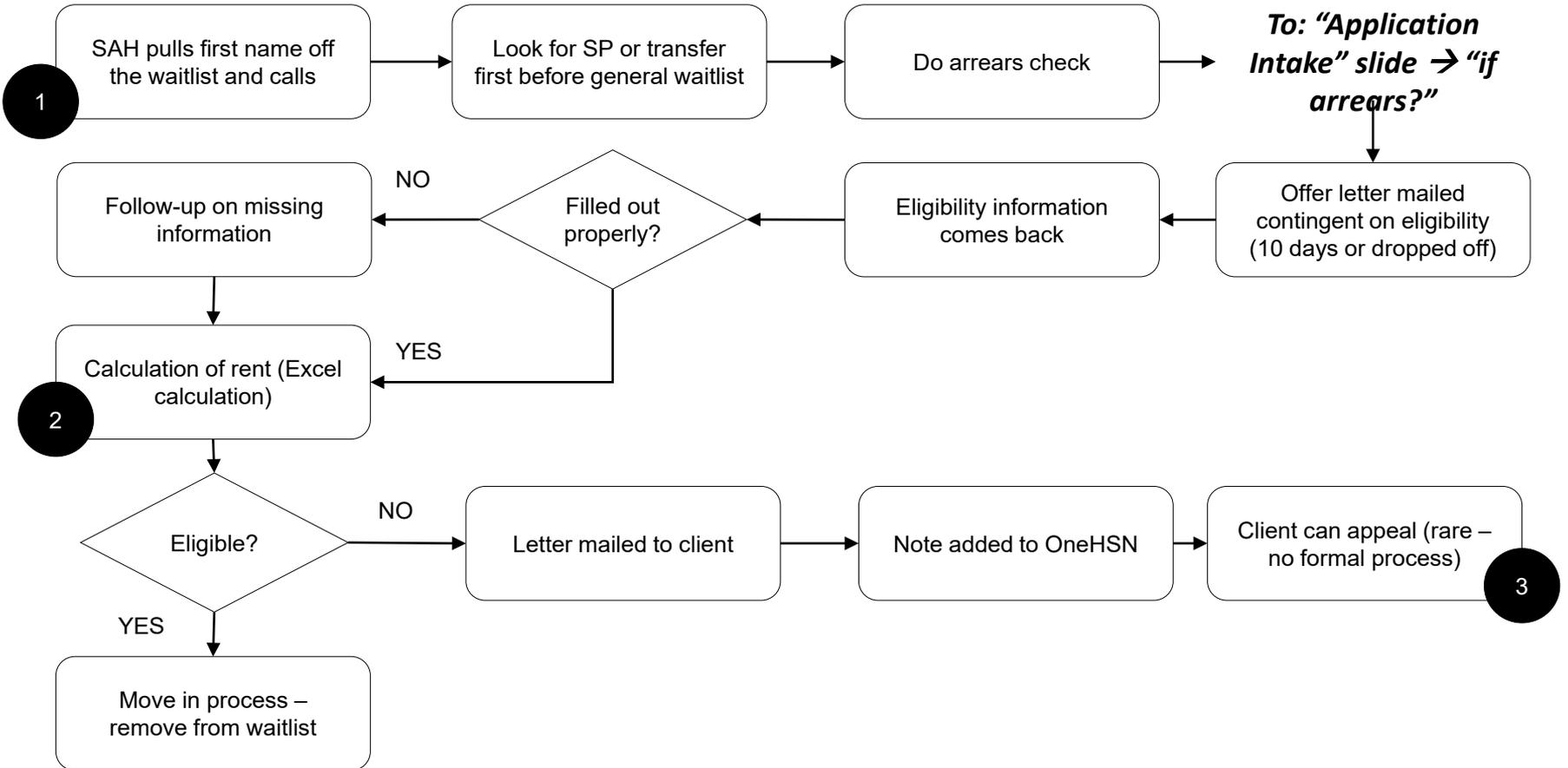
# Application Intake



# Application Intake - Potential Courses of Action

| Issue  | Potential Course of Action   |
|--|--|
| <p>1 This process involves paper forms which can come into the County through various points. With the movement of paper there is the risk that documents could get lost.</p>  | <p>Consider digitizing the process such that any paper forms would be scanned and saved digitally to allow for ease of access as well as prevention of lost documents.</p>                           |
| <p>2 Given the length of the housing waitlist, applications are entered into the waitlist on an ad hoc basis when the SC has time to enter them. This could mean the housing waitlist is not up to date or complete at any given time.</p>   | <p>The County should utilize software as well as electronic intake forms to build efficiency into this process as well as help maintain the accuracy of the housing waitlist.</p>                    |
| <p>3 Forms often contain errors or incomplete information, leading to delays in inputting data as well as time for staff to try to obtain the correct information.</p>   | <p>The County should adopt the use of fillable electronic forms that have drop down choices for input fields as well as alerts that notify the user when information is incorrect or incomplete.</p> |
| <p>4 The team was uncertain whether documents were being destroyed at the end of this process. If documents are being kept there is a risk that the County is not following requirements regarding destruction of sensitive records.</p>   | <p>The County should revisit this process to build in the destruction of records once the client is housed.</p>  |
| <p>5 The County does not have a process in place for waitlist maintenance. Also, financial eligibility for non special priority clients is not done until housing becomes available. This could mean that there are many people on the waitlist who are not eligible or no longer need housing. There is also a risk that legislative requirements such as RGI verification within 7 days is not being met. There is also a risk that decision making regarding housing needs and turnover in the community is not appropriate given there is not accurate housing waitlist information to inform those decisions.</p> | <p>The County should utilize software and implement a formal process for waitlist management, including regular review of waitlist and removal of clients who have been housed.</p>                  |

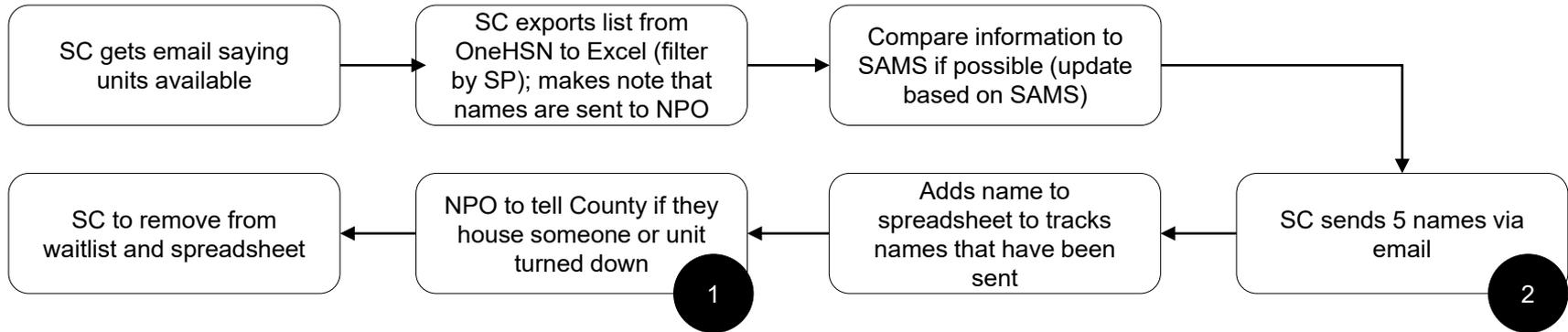
# Eligibility - Internal



# Eligibility - Internal - Potential Courses of Action

| Issue  | Potential Course of Action   |
|--|--|
| <p>1 County staff spend excessive time trying to fill units when housing becomes available because they have to reach out to many people to find one who still needs housing given the housing waitlist is not maintained.</p> | <p>The use of software to maintain the waitlist will help make this process more efficient given only those who still need housing should be on the waitlist in the first place.</p>   |
| <p>2 Manual input is needed into this calculator, as well as a knowledge of the legislation.</p>   | <p>Staff should work together to refine calculator and ensure areas of judgment are minimized and calculator is processing appropriately. Ideally the use of a property management system may alleviate the need for an internally developed calculator.</p> |
| <p>3 There is no formal process for this.</p>  | <p>The County should develop a formal process to follow in the event that there are appeals.</p>   |

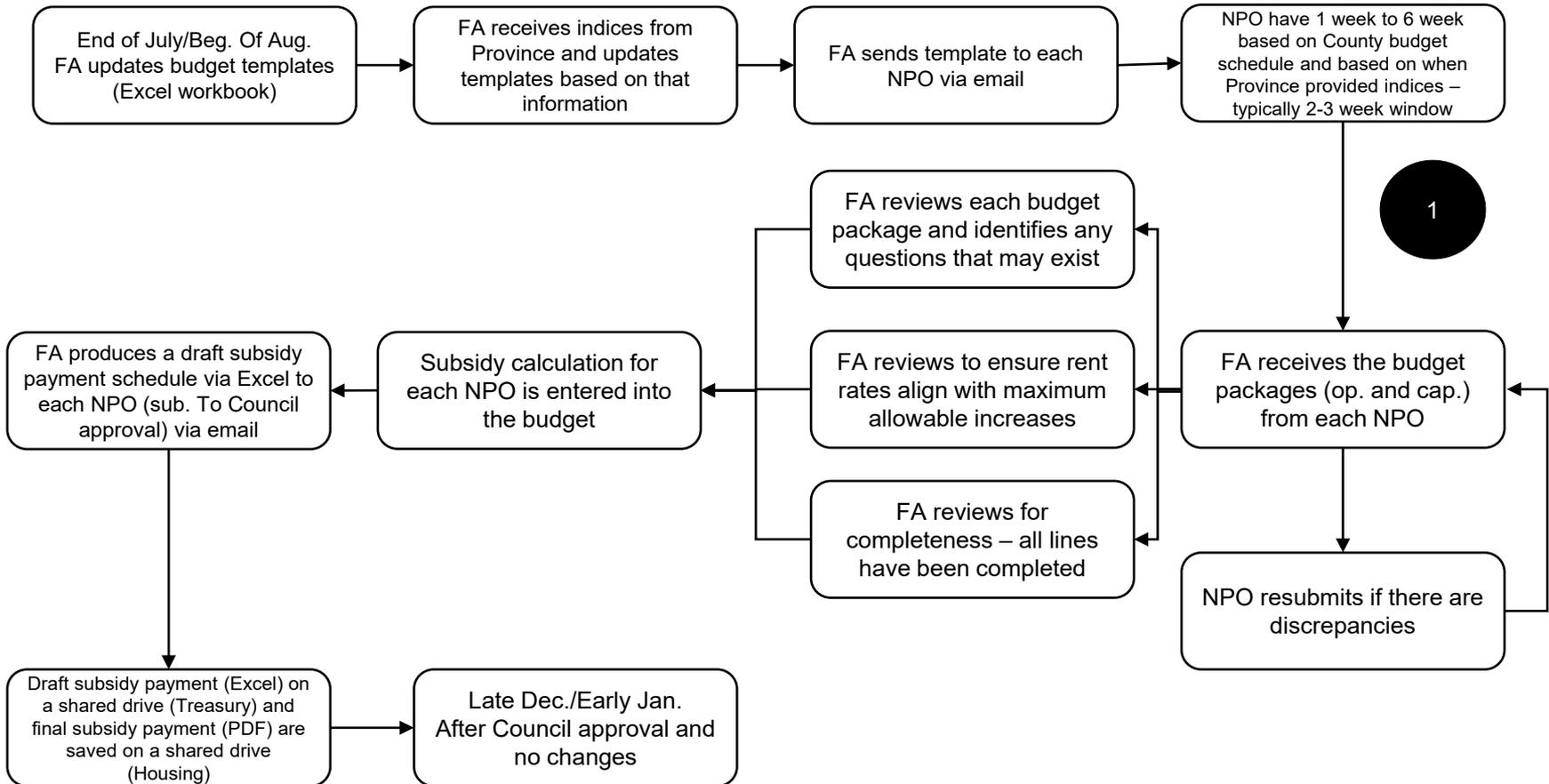
## NPO Requests



# NPO Requests – Potential Courses of Action

| Issue  | Potential Course of Action   |
|--|--|
| <p>1 Staff spend time providing names of waitlist clientele to NPO housing providers to help fill available housing. People aren't being taken off the waitlist when they are housed.</p>  | <p>The County should consider allowing NPO housing providers read only access to the waitlist so they can evaluate and reach out to clients themselves. NPOs should be required to notify the County when clients should be removed from the waitlist as part of the waitlist maintenance process.</p> |
| <p>2 There are some inconsistencies in process between the County and its NPO housing providers. There are times when the NPO providers are only using phone and email (and not mail) to offer units to tenants which is not in accordance with the desired process.</p> | <p>The County should consider formal communications to its NPO housing providers with important reminders such as process and communication to ensure the next eligible tenants are being housed in correct order.</p>   |

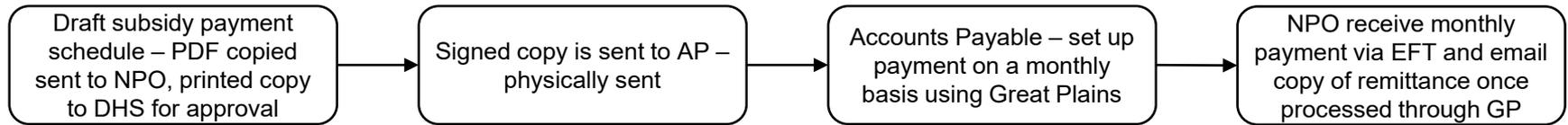
# NPO Budgeting and Allocation



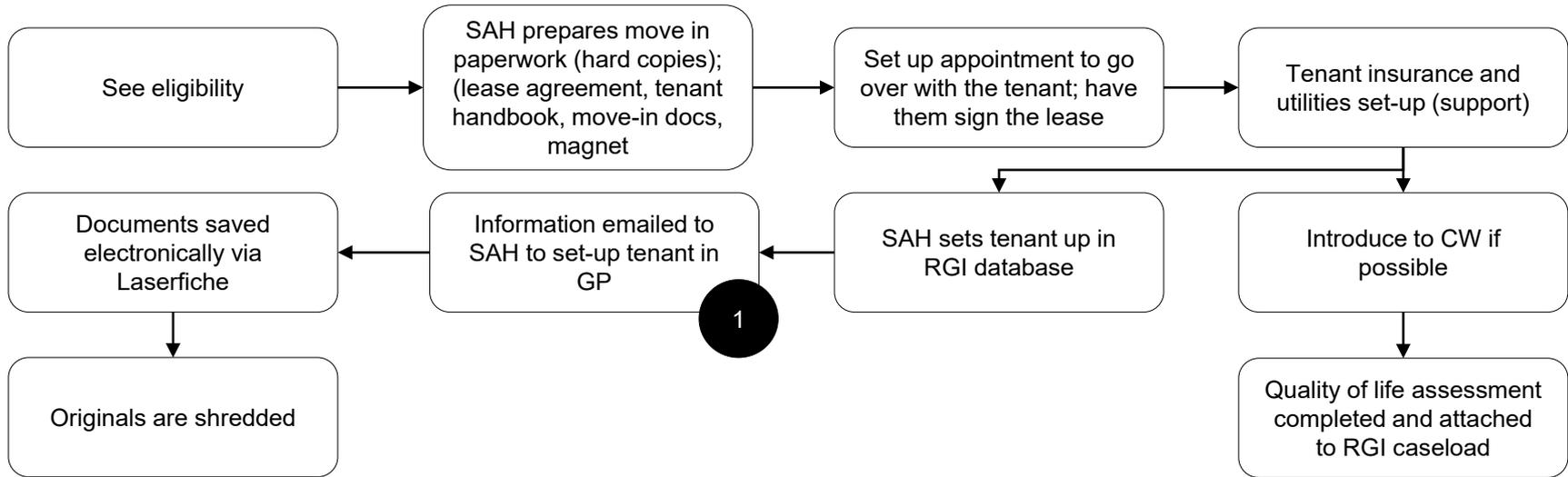
# NPO Budgeting and Allocation- Potential Courses of Action

| Issue  | Potential Course of Action  |
|--|---|
| <p>1 NPO housing providers may not meet the deadlines established by the County. In some cases, the challenges are related to capacity challenges faced by the NPO housing providers whereas others are related to technical challenges.</p> | <p>The County should consider hosting an annual workshop with the NPO housing providers to provide an opportunity to discuss the completion of the templates as well as address any other emerging trends/issues within the sector.</p> |

# NPO Subsidy Payment Process



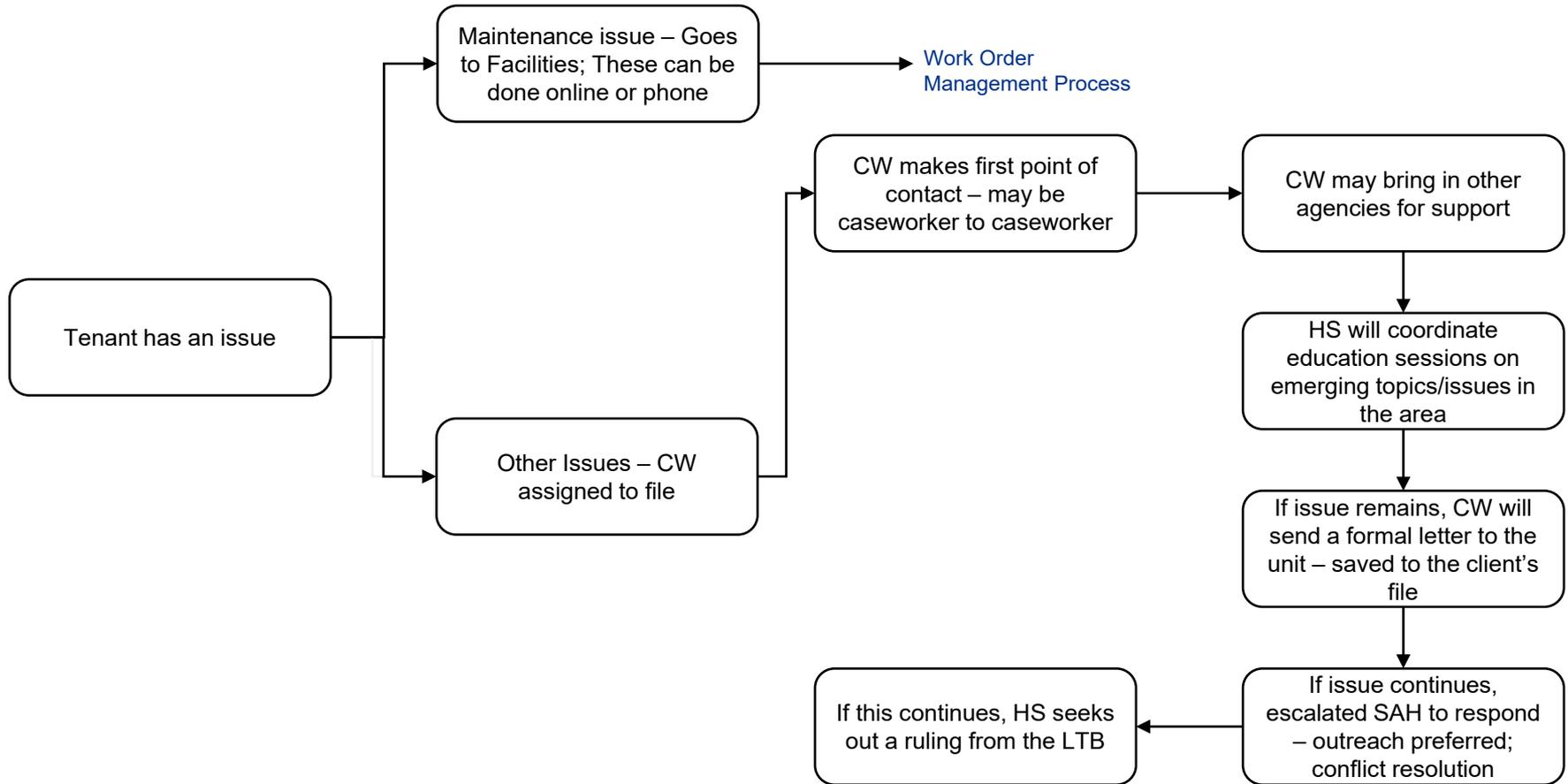
## Move-Ins



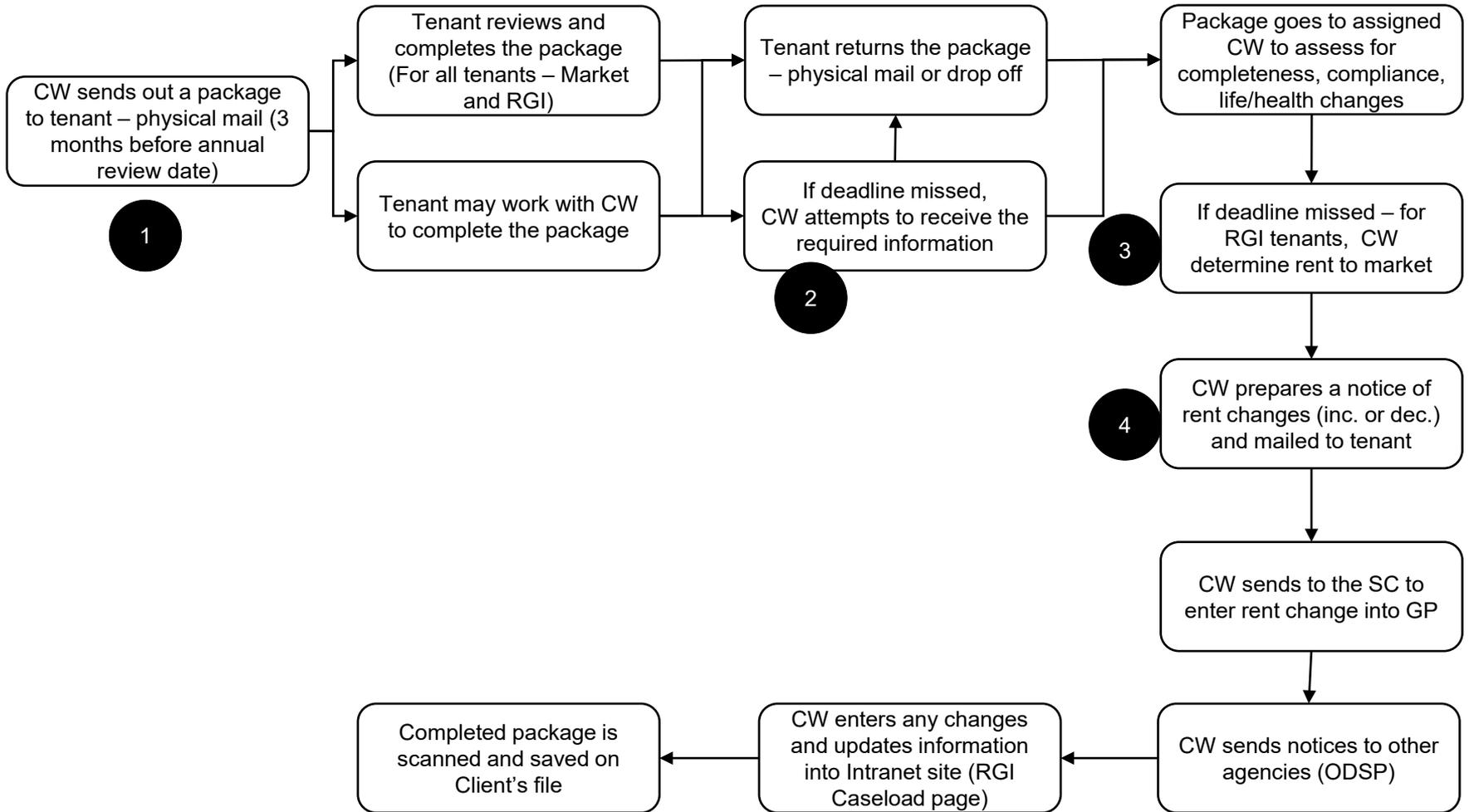
# Move-Ins - Potential Courses of Action

| Issue  | Potential Course of Action   |
|--|--|
| <p>1 There are limitations in the GP system that cause extra work for the County staff. This includes the fact that only one tenant can be listed as a payor in GP (even though there may be multiple tenants making payments for a unit), as well as the fact that only the primary tenant can be searched for within the system. So there is a manual process to determine data related to other than primary tenants.</p> | <p>The County should implement a property management software that has the ability to track multiple tenants per unit such that information on each tenant is readily available within the system.</p> |

# Property Management - Tenant Management



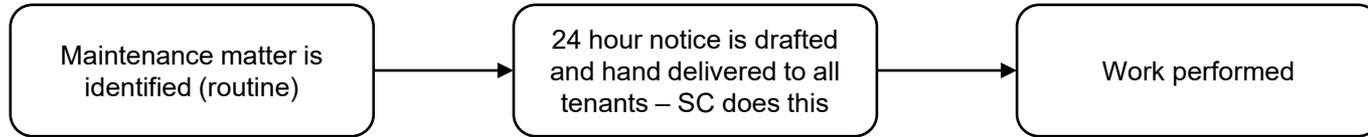
# Property Management - Annual Review



# Property Management - Annual Review - Potential Courses of Action

| Issue   | Potential Course of Action   |
|---|--|
| <p>1 There appear to be two areas of interest at the onset of this process. First, the package provided by the Caseworker to the tenant may need to be updated. Second and based on information shared, the Caseworker may have limited to no contact with the new tenant.</p>                    | <p>The County should review the package to ensure that the package still reflects the needs of the County and all information is relevant. Additionally, the County should attempt to have Caseworkers and tenants to interact at this point to establish a relationship.</p>                                      |
| <p>2 The package submissions are manually tracked by Caseworkers with the use of Excel spreadsheets.</p>  | <p>The County should explore the potential of tracking late package submissions through the use of technology. In the absence of a technological solution, the County may want to consider standardizing the template to track and establish a process for each Caseworker to follow with respect to tracking.</p> |
| <p>3 If a tenant misses the deadline for submitting the package, the Caseworker has the ability to adjust the tenant's rent from RGI to market rent. This decision appears to be done on a case by case basis without any formal timeline by which would automatically trigger this decision.</p> | <p>The County should explore the potential to establish a policy by which the Caseworker can trigger a shift of rent moving from RGI to market.</p>  |
| <p>4 The County has not increased market rent since 2012.</p>   | <p>The County should explore the potential of adjusting market rent within the established framework provided by the Province of Ontario.</p>  |

# Property Management – Notice Provision





County of Oxford

Subsidized Housing Operations  
Optimization Review

Appendix A -  
Comparative Analysis

# Comparative Analysis

The primary purpose of the comparative analysis is to bench the Division's financial performance with a group of similar municipalities. To accomplish this, the Human Services Department - Housing Division and KPMG collectively selected five comparator municipalities for the purposes of the review. The following municipalities were used for comparative purposes:

| Municipality | Population | Private Dwellings | Designated Service Manager   |
|--------------|------------|-------------------|------------------------------|
| Oxford       | 121,781    | 49,445            | County                       |
| Chatham-Kent | 103,988    | 46,752            | Municipality of Chatham-Kent |
| Grey         | 100,905    | 50,183            | County                       |
| Huron        | 61,366     | 29,455            | County                       |
| Lambton      | 128,154    | 60,322            | County                       |
| Perth        | 81,565     | 34,062            | City of Stratford            |

Source: Statistics Canada – Census Profiles (2021)

The comparative analysis was performed through the collection and analysis of each comparator municipality's 2022 budget. The potential drawbacks to this type of analysis are:

- It is point-in-time analysis; and
- There is an assumption that the other comparator municipalities are doing things 'right.'

Based on the comparative indicators used for the purposes of the review, it would appear that the Human Services Department - Housing Division is consistent with the comparator group and particularly so when a comparator outlier is removed from the analysis. The table on the following page summarizes the analysis.

# County of Oxford Subsidized Housing Operations Optimization Review

## Comparative Analysis

|   | Oxford       | Chatham-Kent | Grey         | Huron       | Lambton      | Perth             | Comparator Average |
|---|--------------|--------------|--------------|-------------|--------------|-------------------|--------------------|
| <b>(1) Service Manager Information</b>              |              |              |              |             |              |                   |                    |
| Population (2021 Census)                            | 121,781      | 103,988      | 100,905      | 61,366      | 128,154      | 81,565            |                    |
| Private Dwellings (2021 Census)                     | 49,445       | 46,752       | 50,183       | 29,455      | 60,322       | 34,062            |                    |
| Designated Service Manager                          | County       | City         | County       | County      | County       | City of Stratford |                    |
| <b>(2) Statistical Information</b>                  |              |              |              |             |              |                   |                    |
| Provincial Service Level Standard (# of units)      | 1,020        | 1,365        | 1,210        | 526         | 1,075        | 993               | 1,034              |
| Total Low Income Population (LICO) (2021 Census)    | 2,970        | 3,385        | 2,305        | 1,875       | 4,210        | 2,250             | 2,805              |
| <b>(3) Financial Information</b>                    |              |              |              |             |              |                   |                    |
| Budgeted Costs                                      | \$15,026,726 | \$14,243,562 | \$15,192,800 | \$8,267,672 | \$17,132,046 | \$2,632,150*      | \$11,493,646       |
| Budgeted Non-Municipal Revenue                      | \$6,446,245  | \$5,887,566  | \$9,263,600  | \$5,256,081 | \$6,412,447  | -                 | \$5,361,939        |
| Budgeted Municipal Support                          | \$8,580,481  | \$8,355,996  | \$5,939,200  | \$3,011,591 | \$10,719,599 | \$2,632,150       | \$6,131,707        |
|   |              |              |              |             |              |                   |                    |
| Budgeted Cost per Household                         | \$304        | \$305        | \$303        | \$281       | \$284        | \$77              | \$250              |
| Budgeted Cost per Provincial Service Level Standard | \$13,978     | \$10,435     | \$12,556     | \$15,718    | \$15,937     | \$2,651           | \$11,459           |
| Municipal Support - % of Total Costs                | 57.1%        | 58.7%        | 39.1%        | 36.4%       | 62.6%        | 100.0%            | 59.4%              |
| Municipal Support per Household                     | \$174        | \$179        | \$118        | \$108       | \$178        | \$77              | \$131              |

\* - County of Perth contributes to the City of Stratford for Housing Services

Source: Municipal Budgets (2022)



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