

September 28, 2018

## Homelessness Outreach Audit

### Background

#### Homelessness Outreach program services

The Homelessness Services Outreach program was formally established in 2016 as its own business unit within the City's Arts, Culture & Community Services (ACCS) department to provide support and resources to homeless or under-housed residents of Vancouver in an accessible manner. Prior to this, Outreach services were managed through the Carnegie Centre. Program services include:

- Engaging homeless residents and conducting needs assessments;
- Referral to housing options and assisting with ID applications;
- Operating winter response shelters to provide clients relief from cold weather;
- Providing financial aid through rent supplements to maintain housing; and
- Providing food through free / low cost meals and groceries.

#### Annual budget of \$1.5M jointly funded by BC Housing and City of Vancouver

The program's \$1.5M annual budget is jointly funded by the City of Vancouver and BC Housing through the Homeless Prevention Program Support Services Agreement. The agreement was recently renewed in August 2018.

Financial aid is provided to clients in the form of housing rental supplements, moving expenses, or grocery gift cards. Details of financial aid provided to clients are stored in a BC Housing database. Key metrics are outlined in the agreement such as total number of clients served, number of clients maintaining housing, and number of first time clients served.

The Outreach program team is led by the Director, Homelessness Services and includes Planners, Outreach supervisors, and auxiliary Outreach workers. Demand for the program has increased in recent years, from over 1,200 clients served in 2013 to approximately 4,000 clients served in 2017:

Outreach Metrics 2013 - 2017					
Item	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
TOTAL number of clients served	1257	1866	2620	3609	4000*
TOTAL number of clients served for the first time - new to the service	695	1287	1689	1848	2027

**\*Estimate provided by Outreach department**

Internal Audit was engaged by the ACCS General Manager's Office to review the business processes supporting the Outreach program to determine adherence to the City's financial policies and identify any areas of improvement to ensure effectiveness and efficiency in delivering program objectives.

**Scope**

The audit objectives were to review the following areas related to the Homelessness Services Outreach program:

- Process for issuing rent supplement payments to landlords for securing tenant occupancy;
- Tracking and reporting of housing outreach services provided;
- Procurement of goods for purposes of providing outreach services and approval process; and
- Reimbursement of petty cash claim statements and supporting documentation.

Our work included:

- Interviews with management and staff in the Homelessness Services Outreach program;
- Review of key housing agreements outlining Outreach services;
- Analysis of financial information and reports in SAP; and
- Review of purchase card and petty card statements including supporting receipts.

The audit is not designed to detect fraud. Accordingly there should be no such reliance.

### Conclusion

In our opinion, internal controls over Outreach business processes are weak and require improvement. Overall, the Outreach program is meeting the objectives of the Homeless Prevention Program by providing rent supplements to secure and maintain housing for homeless clients. Management has proactively committed to address the recommendations in this report. Enhancing the payment process for rent supplements, adhering to established City processes for procurement, and strengthening documentation of Outreach expenses will improve the business process effectiveness and efficiency.

The more significant findings and recommendations are:

#### **Improve process for issuing rent supplement payments**

Management has agreed to improve the rent supplement payment process to ensure housing units are secured in a timely, efficient manner and in compliance with established City financial policies.

#### **Enhance reconciliation and review of rent supplement payments**

Management has agreed to enhance the review process for rent supplements to prevent discrepancies, including attaching a detailed listing of rent supplements to facilitate the reconciliation and review process.

#### **Ensure purchases are made in accordance with Purchasing Policy**

Management has agreed that Outreach purchases will be procured in accordance with the City's existing Supply Chain management process and ensure assets of significant value are tracked and accounted for.