

# Municipal Affairs

## SUMMARY

### DEPARTMENT

#### Matters from the current audit

Various Departments—Contracting—see page 57

We repeat our two October 2005 seniors care recommendations to the Department of Municipal Affairs to improve:

- the effectiveness of the Seniors Lodge Program
- its processes for determine future needs of the Seniors Lodge Program—see page 183

### ALBERTA SOCIAL HOUSING CORPORATION

#### Matters from the current audit

There are no new recommendations to Alberta Social Housing Corporation.

## FINDINGS AND RECOMMENDATIONS

### DEPARTMENT

#### What we examined

In 2005<sup>1</sup> we performed an audit of provincial systems used to deliver services to seniors in long-term care facilities. As part of the audit, we made two recommendations related to the Seniors Lodge Program, at the time operated by the Department of Seniors and Community Supports. The department had to:

- improve the measures the department uses to assess the effectiveness of the Seniors Lodge Program and obtain sufficient information periodically to set the minimum disposable income of seniors used as a basis for seniors lodge rent charges
- improve its processes for identifying the increasing care needs of lodge residents and consider this information in its plans for the Seniors Lodge Program

The program was subsequently moved to the Department of Health, and finally in 2012 to the Department of Municipal Affairs. This follow-up audit report presents our work and conclusions on these two recommendations.

We conducted our field work between December 2013 and February 2014. We substantially completed our audit work on May 22, 2014. Our audit was conducted in accordance with the *Auditor General Act* and the standards for assurance engagements set by the Chartered Professional Accountants of Canada.

#### What we found

The Department of Municipal Affairs has not yet implemented the two recommendations. In 2013 the department initiated a review of the Seniors Lodge Program. This review is currently underway and the department expects its outcomes to be instrumental in implementing the two

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<sup>1</sup> *Report of the Auditor General on Seniors Care and Programs—May 2005*, page 53-69.

outstanding recommendations. Although the department is moving in the right direction, we are repeating these two recommendations because of how long they have remained outstanding.

### What remains to be done

The department needs to implement the two outstanding recommendations.

### Why this is important to Albertans

Without clearly articulated goals, targets and the performance measures to demonstrate achievements, the department cannot show that the Seniors Lodge Program is delivering the expected results. Without comprehensive information on the needs of seniors in lodges, the department may not be able to adequately set expectations, assess resource requirements and plan service delivery for the Seniors Lodge Program.

### Background

The Seniors Lodge Program was established in 1959 as a partnership with the Government of Alberta and local municipalities to offer housing and supports to aging populations.<sup>2</sup> The program is currently administered by the Department of Municipal Affairs and provides accommodation services to about 9,700 mainly low income seniors at 153 lodges across Alberta. Lodges provide room and board for seniors who are functionally independent but cannot live in the community on their own. Core services provided in lodges include basic room furnishings, meals, housekeeping services, linen services, security, 24-hour non-medical services and recreational activities.

In May 2005 we reported the following:

- The department did not identify specific objectives for the Seniors Lodge Program.
- The department measured and reported on the percentage of lodge residents who are satisfied with the quality of their accommodation in its annual report. However, this performance measure was not sufficient to determine whether the department is adequately meeting its goal for the Seniors Lodge Program.
- The department did not periodically obtain and review information to assess whether the monthly disposable income rate for lodge residents is appropriate. The monthly disposable income for lodge residents was set in 1994 at \$265 per resident.
- The department's projections of future needs did not include an assessment of the program's capacity to meet the personal care and health needs of the lodge residents in the future.
- The department did not obtain sufficient information from management bodies, municipalities and health authorities to plan program delivery and manage performance.
- Management bodies were required by legislation to prepare and annually submit to the department their three-year business plans. In 2005 we found that some of the management bodies did not prepare a business plan at all.

<sup>2</sup> Municipal Affairs 2013-2014 Annual Report, <http://www.municipalaffairs.alberta.ca/documents/2013-2014-MA-Annual-Report.pdf>

## Effectiveness of the Seniors Lodge Program and determining future needs of the residents—repeated

### RECOMMENDATION 20: EFFECTIVENESS OF THE SENIORS LODGE PROGRAM AND DETERMINING FUTURE NEEDS—REPEATED

We again recommend that the Department of Municipal Affairs:

- improve the measures it uses to assess the effectiveness of the Seniors Lodge Program and obtain sufficient information periodically to set the minimum disposable income of seniors used as a basis for seniors lodge rent charges
- improve its processes for identifying the increasing care needs of lodge residents and consider this information in its plans for the Seniors Lodge Program

#### Criteria: the standards for our audit

The department should have systems to:

- define the purpose and objectives of the Seniors Lodge Program
- obtain reliable performance and cost information
- analyze the performance information to assess the effectiveness of the services provided at the lodges
- obtain sufficient information from lodges to enable it to set minimum disposal income as a basis for seniors' rent charges
- obtain and analyze information to prepare projections, based on the capacity to provide future needs of the residents—i.e., considering personal and healthcare needs

#### Our audit findings

##### KEY FINDINGS

- After taking over the Seniors Lodge Program in 2012, the Department of Municipal Affairs has moved forward by initiating a review of the Seniors Lodge Program in 2013.
- However, we repeat the recommendations because they have been outstanding with the government since 2005.

We were informed by the Department of Municipal Affairs that the two outstanding recommendations have not yet been implemented. The department took responsibility for the Seniors Lodge Program in 2012. It is working to implement the recommendations. In 2013 the department initiated a review of the Seniors Lodge Program. It expects that the outcome of this review will be instrumental in implementing the two outstanding recommendations.

The department established a Lodge Program Advisory Committee to assess and make recommendations on the following:

- The purpose of the lodge program is clearly defined, articulated and endorsed, ensuring relevancy, efficiency and effectiveness.
- Whether there is long-term sustainability of the lodge program.
- The funding model is transparent, efficient and effective, meeting the needs of communities and residents served.

In our 2005 audit we had noted that the department did not periodically obtain and review information to assess whether the monthly disposable income rate for lodge residents is appropriate. The monthly disposable income for lodge residents was set in 1994 at \$265 per resident. In May 2014 the Government of Alberta announced that effective July 1, 2014, the residents of seniors lodges would see a \$50 increase in their disposable monthly income, up from \$ 265 to \$315, under the *Alberta Housing Act*.

**Implications and risks if recommendation not implemented**

Without clearly articulated goals, targets and performance measures to demonstrate their achievements, the department cannot show that the Seniors Lodge Program delivers the expected results. Without comprehensive information on the needs of seniors in lodges, the department may not be able to adequately set expectations, assess resource requirements and plan service delivery for the Seniors Lodge Program.

## OUTSTANDING RECOMMENDATIONS

### DEPARTMENT

The following recommendations are outstanding and not yet ready for follow-up audits:

**Improve monitoring processes—July 2013, no. 12, p. 90**

We recommend that the Department of Municipal Affairs improve its monitoring processes to ensure affordable housing grant recipients comply with their grant agreements by:

- developing and conducting risk-based monitoring activities
- following procedures and processes when performing monitoring activities

**Develop an evaluation system—July 2013, no. 13, p. 92**

We recommend that the Department of Municipal Affairs improve its evaluation processes by:

- developing performance measures and adequate information systems so that the department can better evaluate and report on its affordable housing grant programs
- completing periodic evaluations of its affordable housing grants programs

**Seniors care: Effectiveness of the Seniors Lodge Program and determine future needs—October 2014, no. 20, p. 183**

(Originally October 2005, no. 12, p. 66 and October 2005, p. 67)

We again recommend that the Department of Municipal Affairs

- improve the measures it uses to assess the effectiveness of the Seniors Lodge Program and obtain sufficient information periodically to set the minimum disposable income of seniors used as a basis for seniors lodge rent charges.
- improve its processes for identifying the increasing care needs of lodge residents and consider this information in its plans for the Seniors Lodge Program.

### ALBERTA SOCIAL HOUSING CORPORATION

The following recommendations are outstanding and not yet ready for follow-up audits:

**Social housing contracting policy—November 2011, no. 17, p. 120**

We recommend that the Alberta Social Housing Corporation develop a contracting policy for capital additions to its social housing portfolio and strengthen related contract management processes.

**Review housing management body cash reserve policy—October 2013, no. 11, p. 145**

We recommend that the Alberta Social Housing Corporation review the housing management body cash reserve policy to determine if the policy continues to meet its objective of providing appropriate short-term operational cash flow requirements to the housing management bodies.