



# NORTHWEST TERRITORIES HOUSING CORPORATION

## **Response to Committee Report 2-16(2)**

# **Auditor General's Performance Audit of the Northwest Territories Housing Corporation**





## Introduction

During the May-June 2008 session of the 16<sup>th</sup> Assembly, the Standing Committee on Government Operations released its report on the review of the Auditor General's Performance Audit of the Northwest Territories Housing Corporation (NWT HC). This report is intended to meet the NWT HC's requirement to respond to their review within 120 days of its tabling.

### **From:**

### **THE STANDING COMMITTEE ON GOVERNMENT OPERATIONS REPORT ON THE REVIEW OF THE REPORT OF THE AUDITOR GENERAL ON THE NORTHWEST TERRITORIES HOUSING CORPORATION PUBLIC HOUSING AND HOMEOWNERSHIP PROGRAMS**

### **GENERAL COMMENTS**

*The Standing Committee on Government Operations is a new committee of the 16th Legislative Assembly. Its mandate includes the examination of the annual financial statements and public accounts of the Government of the Northwest Territories and the Reports of the Auditor General. The Committee firmly believes that public accountability is the foundation of good governance.*

*The performance audit on the Northwest Territories Housing Corporation was requested by Motion 17-15(4) of the 15th Legislative Assembly and adopted on March 2, 2006. The Committee shares the concerns expressed in the motion on whether the NWT Housing Corporation is making the most effective use of its resources to address the need for adequate, accessible and affordable housing and whether the quality and relevance of the business plans, main estimates and other documents put before the Legislative Assembly and its Committees are adequate and appropriate.*

*The performance audit of the Housing Corporation covered the period between 2005 and 2007. The Auditor General's Report was tabled during the second Session of the 16th Legislative Assembly on February 15, 2008. The auditors reviewed how the NWT Housing Corporation manages its public housing and homeownership programs, and how it conducts its planning and reporting.*

*The public review with the Auditor General and the President of the Housing Corporation provided opportunities for further exploration of the issues and shortcomings identified by the auditors. It is the intent of Committee to ensure that the recommendations of the report are addressed and that measurable improvements to the housing programs are initiated.*

*Ultimately, the Housing Corporation needs to deliver on its mandate of reducing the number of NWT households in core need of housing assistance and report on its progress toward this goal.*

*The Auditor General's Performance Audit Report makes 12 recommendations addressing three major areas of concern:*

- *the management of the public housing program;*

- *the management of the homeownership program; and*
- *the planning and reporting conducted by the NWT Housing Corporation.*

*The management of the Housing Corporation agreed to all of the audit recommendations. This is a positive first step towards improving the Corporation's program and operational management. However, the Committee found some of the management responses to the recommendations too broad and vague. The Committee was also disappointed with the lack of additional detail provided by the President of the Corporation during the public review.*

## **RECOMMENDATION**

***The Standing Committee on Government Operations recommends that the Minister table a detailed action plan no later than October 2008 outlining how the Northwest Territories Housing Corporation will address the recommendations of the Audit Report.***

***Furthermore, the Standing Committee on Government Operations recommends that this plan outline the following details:***

- ***Specific measures for actions addressing each recommendation;***
- ***An explanation of what each of the specific actions addresses;***
- ***Progress measures for each action;***
- ***Timelines for each action or measure; and***
- ***Organizational responsibility and accountability assigned to each specific action.***

## **NWTHC Response**

This report expands on the NWTHC's initial management responses to the Performance Audit and represents the first phase of its response to the Review by the Standing Committee on Government Operations. In the months since the Committee released its report, the NWTHC has undergone another change in leadership. While not resulting in a fundamental shift in Corporate priorities, this leadership change has resulted in a period of transition and adjustment for the NWTHC. Given these circumstances and given that it was initially expected that this report would coincide with the review of the Departmental Business planning process it appears that the appropriate step to take, at this juncture, is to obtain the 16<sup>th</sup> Assembly's approval of the NWTHC's overall planning approach in its 4-year Business Plan prior to NWTHC tabling a fully comprehensive planning document.

A key element of the NWTHC's response will be a revised Framework for Action to be released early in 2009. The Framework is being revised to more closely resemble a traditional strategic plan. Specifically, the revised plan will target elements of the Performance Audit within its first two years, and will also be revised to coincide with the NWTHC's 2009/10 Annual Business Plan as well as subsequent Annual Business Plans. The NWTHC's Strategic Planning Committee will also be conducting an internal risk management exercise that will outline strengths, weaknesses, opportunities and threats to the organization.

Schedule A of this report provides an update on progress to date on the specific recommendations of the Auditor General.

#### Responses to Specific Committee Recommendations

**The Standing Committee on Government Operations recommends that the NWT Housing Corporation prioritize its Framework for Action to specifically address the Audit Report recommendations while focusing on its primary mandate of reducing the number of NWT households in core need of housing assistance.**

As stated above, the NWTHC is revising the Framework for Action as a strategic plan that will be released following the Legislative Assembly's approval of 4-year and annual business plans for the Corporation. In addition to revising the current format of the Framework, two additional compendium documents will be included: a work plan that assigns internal accountability for the Action Items of the Framework, as well as an appendix specifically addressing the action items which are targeted to the recommendations of the Auditor General.

Following the review of business plans, or during this review, the NWTHC will share its revised Framework with the Standing Committee on Economic Development and Infrastructure prior to tabling at the earliest available opportunity during the February sitting of the 16<sup>th</sup> Legislative Assembly.

**The Standing Committee on Government Operations recommends that the Minister provide periodic updates on the progress of the implementation of the actions through status reports to the appropriate Standing Committee.**

The NWTHC agrees with this recommendation and commits to provide regular status reports on progress in addressing both the recommendations of the Auditor General as well as progress on the Framework for Action. The first progress report will be tabled together with the revised Framework for Action in early 2009.

**The Standing Committee on Government Operations recommends that in order to deliver the public housing programs in a fair and equitable manner, and to sustain the programs over time in a cost-effective way, the Corporation monitor the District Offices and LHOs in order to ensure that policies are implemented, rent is collected, and operational and financial controls are in place.**

**The Committee further recommends that specific measures for monitoring and support be tailored to the LHOs' needs, based on risk assessments of their compliance with existing policies, procedures, rent collection, and financial management, with the level of practical**

**support, supervision, frequency, and detail of these monitoring activities being tailored accordingly, and furthermore, that the Housing Corporation report on these activities, targets, and progress in their action plan and periodic status reports.**

Changes to the Corporation's organizational structure which were implemented in February 2008 are designed to improve the NWTCH's capability and capacity to provide support to clients, LHOs, districts and communities. Organizational and operational changes will also improve consistency in the provision of program, policy, financial and infrastructure support. Examples of these changes include improved monthly and quarterly management reporting by divisions and districts and the implementation of deficit management agreements with LHOs. These changes will compliment operational changes made in areas such as the establishment of employee driven committees.

Two of the recommendations made in the Performance Audit related to the consistent use and documentation of point-ratings to determine eligibility and priority in the allocation of public housing and the assessment of applications for homeownership assistance through Housing Choices.

On April 4, 2008, the NWTCH issued a Directive to all District Offices advising of immediate procedural changes. District Offices were directed to:

- Enhance their monitoring of tenant applications and allocations to ensure NWTCH policies are followed;
- Enhance their monitoring of LHO maintenance activities including condition ratings.
- Implement by October 31, 2008, strict procedures governing technical inspection of public housing units;
- Assist LHOs in improving their rent collection rates;
- Ensure LHOs are applying NWTCH policies on tenant relations;
- Assist LHOs with resolving accumulated deficits, including implementation of the NWTCH's Deficit Funding Agreement; and
- Assist LHOs with budget management.

Monitoring of LHOs from District Offices has increased as a result of this directive. Community visits are completed on a more regular basis to ensure LHOs are in compliance with the policies and procedures of the NWTCH. Headquarter monitoring of District Offices is also increasing and serves as a means to provide support and training. Through increased monitoring, the NWTCH is building a formalized reporting process to ensure consistency in its district and LHO operations. The NWTCH's support systems are aimed to provide clear and consistent policies and procedures, better communication practices, and consistent operations that enhance the level of service it provides to the public.

In addition, the NWTCH is in discussions with ECE to set up a partnership to utilize ECE's Social Assistance Appeal Board.

A communications plan and a consultation paper are being developed and will target LHOs, community leaders, NGOs and other stakeholders. ECE and NWT HC will jointly complete public consultation. The advertising of the new appeals mechanisms will be completed by January 31, 2009.

The NWT HC and ECE are jointly drafting policies and procedures, which are scheduled to be finalized by February 28, 2009. A new formal housing appeals mechanism is scheduled to be implemented on April 1, 2009.

**The Standing Committee on Government Operations recommends that in order to deliver the homeownership programs in a fair and equitable fashion and within economic means, the Housing Corporation monitor the District Offices to ensure policies are implemented and mortgages are collected.**

**The Committee also recommends that a program evaluation of homeownership programs be carried out to verify how much existing programs contribute towards the goal of self-reliance and the reduction of households with core housing needs, and further, that such program evaluation be on-going, timely, and measurable against specific targets.**

The collection of homeownership mortgage payments historically has not received the attention required to be successful. The perception of limited political and executive council support to enforce collections has hindered previous collection attempts.

Mortgage payments are based on the client's income. No client pays more than 30% of their income towards housing including their mortgage payment.

In 2007, the NWT HC created a collection initiative, the **Mortgage Payment Plan** to:

- Provide opportunities for homeownership clients with mortgage arrears to become successful homeowners;
- Offer many of the same benefits as the new consolidated programs;
- Improve the NWT HC's collection rates on this portfolio; and
- All clients will be offered counselling on their mortgage through this plan over the next two years. At this time all clients will have defined a payment plan that works for both the client and the NWT HC.

Existing clients are encouraged to take the Solutions to Educate People (STEP) training courses offered by the NWT HC as one of its *Housing Choices* homeownership programs. The STEP program includes two financial skills courses that are designed to improve the financial skills of the applicants and to improve their knowledge of the home purchase process. The budgeting skills and knowledge about credit that the applicants learn in these courses can help them to avoid accumulating arrears.

The NWTHC has increased collections on their Homeownership Portfolio from 36% in October 2007 to 46% as of August 2008. This has resulted in an increased of \$377,000 in mortgage payments for this portfolio. The NWTHC is beginning to prepare files for legal action. In some situations, clients are not cooperating with the district efforts to counsel and assist in creating a repayment plan. For example, clients refuse to meet with staff, provide updated income assessments, sign program agreement and/or mortgages, or follow through with the option they have selected. In these cases, the NWTHC will be moving to the next step of legal action to try and collect the outstanding debts. In the area of program review and evaluation, the NWTHC agrees with this recommendation and is carrying out the following actions:

- The Corporation has conducted detailed program reviews in the past, including a thorough examination of existing programs during the creation of *Housing Choices* and is currently participating in a review of Phase I and II of the Affordable Housing Initiative in conjunction with our federal and provincial housing partners;
- As part of the plan to implement the *Housing Choices* homeownership program structure introduced in 2007, a program review had been scheduled following the first year of delivery; and
- A permanent review body, the *Housing Choices* Program Review Committee, has been established to monitor and review the programs on an ongoing basis.

A review of the *Housing Choices* programs, Providing Assistance for Territorial Homeownership (PATH), Contributing Assistance for Repairs and Enhancements (CARE) and the Homeownership Entry Level Program (HELP), was carried out during a program review meeting with all district program staff in December 2007. A review of STEP was also completed and the report is to be provided in October 2008. The purpose of the STEP review is to assess how successful STEP has been after its first year of implementation. Areas that were reviewed included:

- Does STEP meet the needs of current and future homeowners?
- Are the topics covered in the STEP modules appropriate to the audience?
- Is the presentation of the modules appropriate for the audience?
- Is information that would be beneficial for current or future homeowners missing?
- Do the materials adequately accommodate the literacy levels and socio-cultural backgrounds of the audience?

The review included focus group discussion at each of the five district offices with program advisors and technical staff delivering the STEP courses. Delivery of the STEP courses were observed in various NWT communities. Telephone interviews were also carried out with STEP participants in all five districts.

The final report of the *Housing Choices* review will be available in November 2008. This report follows a Corporation *Housing Choices* Program Review Committee three day meeting that included all programs staff from all districts.



A more comprehensive evaluation of *Housing Choices*, covering goals, objectives, outputs and outcomes will be carried out by the Strategic Planning, Policy and Communications branch in the 2009/10 fiscal year. This will be completed in conjunction with the Program Review Office established within the Department of the Executive.

**The Standing Committee on Government Operations recommends that the Housing Corporation include a risk management component in its strategic plan that:**

- identifies and analyzes the risks for the NWT HC;**
- plans for specific actions with details addressing the identified risk;**
- includes measures to report on the success of the action plan; and**
- evaluates how the risks are mitigated in a timely fashion.**

The NWT HC is in full agreement with this recommendation. A risk-analysis study is underway at the NWT HC. This risk assessment process is feeding into the revisions to the Framework for Action, and a matrix developed through this process will identify risks, and tie their mitigation directly to specific action items under the Framework for Action. Risk mitigation evaluation will be an important component of future status reports on the NWT HC's response to the Performance Audit as well as progress reporting on the Framework for Action.

Schedule A of this document provides an update on the progress that the NWT HC has made to date in responding to the specific recommendations made in the Auditor General's Report.

**SCHEDULE A**

Update on NWTCH Management Responses to OAG Performance Audit

Recommendation	NWTCH Management Response	Update
<p><b><u>OAG Recommendation #18.</u></b></p> <p><b>The Corporation should regularly monitor the LHOs to ensure that they consistently point-rate all applicants as part of assessing an applicant's eligibility and relative priority for housing assistance. It should also ensure that LHOs provide adequate documentation in the files to support their allocation decisions.</b></p>	<p><b>Management's response.</b> The Corporation agrees that point-rating should be conducted consistently, the appropriate documentation including exceptions should be provided in client files to support allocation decisions and we should be regularly monitoring the process.</p> <p>The Corporation agrees with the recommendation to perform random property inspections to confirm the appropriateness of condition ratings. The Corporation will provide training to LHOs based on the results of random inspections, as appropriate.</p> <p>The Corporation, in consultation with LHOs, will undertake a review of the MMOS to determine its effectiveness as a consistent planning, scheduling, budgeting, and expenditures monitoring tool for maintenance activities.</p>	<p>NWTCH officials recently met with LHO Managers on issues related to assessment of eligibility and priority allocations.</p> <p>District office personnel are tasked with performing random checks on tenant files during LHO visits. Any deviations are recorded and corrected once detected.</p> <p>The Appeals process, to be introduced on April 1, 2009, will ensure that the allocation of public housing at the community level will be done based entirely on policy and program criteria. Random inspections to ensure that allocations to clients that are not brought before the appeal board will also be conducted.</p> <p>A review of the effectiveness of Maintenance Monitoring Operating System (MMOS) is underway and consultation with LHOs and Regional staff on this item are conducted on an ongoing basis. This review would address issues going forward with the application, such as provision of technical expertise to support the program, need for training of NWTCH staff, and enhancement of the software to meet our current and future business needs.</p>

Recommendation	NWTCH Management Response	Update
<p><b><u>OAG Recommendation #25.</u></b></p> <p><b>The Corporation should:</b></p> <ul style="list-style-type: none"> <li>• improve its monitoring to ensure that the LHOs perform the annual property inspections and report the condition ratings of the housing units to the Corporation on a timely basis;</li> <li>• perform random property inspections to confirm the appropriateness of the condition ratings reported by the LHOs;</li> <li>• ensure that all LHOs have access to the Corporation's Maintenance Management Operations System (MMOS) and that they use the system to report regularly on their maintenance activities; and</li> <li>• regularly report on the condition of its public housing portfolio.</li> </ul>	<p><b>Management's response.</b> The Corporation agrees that regular monitoring and reporting on the condition of the public housing portfolio is a key management responsibility. We have since 2006 formalized mandatory yearly condition rating inspections and reporting for the Public Housing portfolio and will continue to monitor LHO performance on the proper completion and timely submission of annual condition ratings.</p>	<p>Annually, the NWTCH reviews and updates the status of the condition ratings of all public housing units.</p> <p>This review will inform and revise, in consultation with LHOs, a long-term plan for modernization and improvement of its public housing stock.</p> <p>Technical staff will ensure that consistent standards are applied during property inspections through random evaluations and ongoing training of LHO maintenance staff.</p> <p>Pending a review of the effectiveness of MMOS, the NWTCH will develop and implement a plan for training based on the needs of NWTCH and LHO staff.</p>
<p><b><u>OAG Recommendation #30.</u></b></p> <p><b>The Corporation should:</b></p> <ul style="list-style-type: none"> <li>• obtain explanations from LHOs for any significant variances from budget and ensure that LHOs take any necessary corrective action on a timely basis;</li> <li>• ensure that it receives audited financial</li> </ul>	<p>The Corporation undertakes a comprehensive approach in developing LHO budgets and establishing maximum rental rates on an annual basis. This process considers the number of units, cost differentials in remote communities due to geographical considerations and we distribute fixed operating costs over the number of units under administration in each community. These factors result in higher operating costs in more remote communities, particularly those with a limited number of</p>	<p>The NWTCH stands by its response to this recommendation and continues to conduct variance reporting, and conducts annual audits of each LHO.</p> <p>The NWTCH continues to work with each LHO that has accumulated a deficit on plans to recovering their deficit and prevent further expenditure overruns.</p>

Recommendation	NWTCH Management Response	Update
<p>statements from LHOs on a timely basis; and</p> <ul style="list-style-type: none"> <li>work with LHOs that have accumulated deficits to help them develop a plan for recovering their deficit and bringing their future expenditures into line with their funding levels.</li> </ul>	<p>units under administration.</p> <p>The Corporation agrees that reporting from LHOs should provide explanations for any significant variances from budget and the Corporation should work with the LHO to ensure proper analysis is completed on these variances. This information will be used to support the annual funding levels for the LHOs and will also be used to help the LHOs take the necessary actions to ensure deficits are not incurred in future years.</p> <p>The Corporation requires audited financial statements from the LHOs on a timely basis. The time frame for completion of these audits is included in the "Terms of Reference" for the LHO audits but there are circumstances where the availability of auditors to undertake this work in a timely basis is limited.</p> <p>The Corporation has committed to working with all LHOs, particularly those that are in an accumulated deficit position, to ensure that their future expenditures do not exceed their budget. The Corporation will continue to promote sound fiscal management at the LHO level and will monitor their operations and provide the necessary support to work towards achieving this goal.</p>	<p>The NWTCH funded all deficits as of March 31, 2007, however several LHOs have accumulated deficits since that date.</p>
<p><b><u>OAG Recommendation #35.</u></b></p> <p><b>The Corporation should:</b></p> <ul style="list-style-type: none"> <li>review rent collection by each LHO that is having difficulty collecting 90 percent of its assessed rent and determine the likely causes of non-payment by tenants; and</li> <li>develop an action plan jointly with each affected LHO to improve the collection of</li> </ul>	<p><b>Management's response.</b> The Corporation agrees with the recommendation and has committed to work with the LHOs to collect their assessed rents, to determine why tenants are not paying their rent, and to develop an action plan to improve collections.</p>	<p>The NWTCH recently compiled data on rent assessments for the fiscal year ending March 31, 2008. During that year, rental collection rates had increased to 87%. The NWTCH is confident that LHOs can reach the 90% threshold for the fiscal year ending March 31, 2009.</p> <p>The NWTCH continues to work closely</p>

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assessed rents.		with ECE to continually improve the assessment and collection process. LHOs and Community Service Officers (CSOs) work together at the regional and community level.
<p><b><u>OAG Recommendation #39.</u></b></p> <p><b>The Corporation should:</b></p> <ul style="list-style-type: none"> <li>• establish and implement a strategy for monitoring and annually assessing the LHOs' operations, as required under the agreements; and</li> <li>• establish a formal process to follow up on any significant problems and issues identified by the assessments and internal audit reports and ensure that they are addressed on a timely basis, including providing any necessary training and support to the LHOs.</li> </ul>	<p><b>Management's response.</b> The Corporation agrees with this recommendation. As outlined in "Universal Partnership Agreements" (UPA) between the Corporation and LHOs, both parties are to act as partners in conducting annual assessments of the social housing operations to determine operational and program effectiveness and to ensure compliance with established principles, program guidelines, and standards.</p> <p>Based on the completion of these assessments on a timely basis, the parties will jointly develop a training work plan with the intention being to build capacity at the community level.</p>	<p>The NWTCH will develop deficit management plans that will be implemented by LHOs as agreed to under Deficit Funding Agreements signed in Spring 2008.</p> <p>Through its monitoring procedures, the NWTCH completes compliance testing of LHO operations. Problems and issues are identified and the appropriate corrective action is also completely immediately, or a plan developed.</p> <p>The NWTCH continues work on enhancing it's formal process through the updating of its operational procedures for LHOs and District Offices. These processes are scheduled for release by April 1, 2009.</p>
<p><b><u>OAG Recommendation #44.</u></b></p> <p><b>The Corporation should evaluate its homeownership programs on a regular basis to ensure that they are achieving their stated objectives in a cost-effective manner.</b></p>	<p><b>Management's response.</b> The Corporation agrees with this recommendation. As part of the plan to implement the Housing Choices homeownership program structure introduced in 2007, an evaluation has been scheduled following the first year of delivery. This evaluation will be conducted by officials at the Corporation in conjunction with program evaluation training expected to be offered through the Financial Management Board Secretariat</p>	<p>A comprehensive evaluation of <i>Housing Choices</i>, covering goals, objectives, outputs and outcomes will be carried out in the 2009/10 fiscal year.</p>

Recommendation	NWTHC Management Response	Update
	<p>and the University of Melbourne in 2008.</p> <p>A permanent review body, the Housing Choices Program Review Committee, has been established to monitor and evaluate the programs on an ongoing basis.</p> <p>The Corporation has conducted detailed program reviews in the past, including a thorough examination of existing programs during the creation of Housing Choices and we are currently participating in an evaluation of Phase I and II of the Affordable Housing Initiative in conjunction with our federal and provincial housing partners.</p>	
<p><b><u>OAG Recommendation #49.</u></b></p> <p><b>The Corporation should take appropriate steps to ensure that its mortgages receivable are collected on a timely basis.</b></p>	<p><b>Management's response.</b> The Corporation agrees with the recommendation and has recently implemented a new "Mortgage Collection Initiative," which raises the profile and the priority for mortgage collections. Under this initiative, homeowners are offered opportunities to resolve their mortgage arrears and still allow them to remain in a Corporation homeownership program.</p>	<p>The NWTHC has increased collections on their Homeownership Portfolio from 36% in October 2007 to 46% as of August 2008. This has resulted in an increased of \$377,000 in revenues for this portfolio. Further work is ongoing to counsel and support our mortgage clients to make positive choices towards their responsibilities under homeownership.</p>
<p><b><u>OAG Recommendation #54.</u></b></p> <p><b>The Corporation should monitor the district offices regularly to ensure that in allocating homeownership assistance to eligible NWT residents they comply with the Corporation's policies and procedures, including consistent use of the point-rating tool in assessing</b></p>	<p><b>Management's response.</b> The Corporation agrees with this recommendation and commits to building upon existing processes and approaches for review and monitoring of district office operations and program delivery. As an example, the Corporation has conducted several compliance audits to ensure program allocation policies are adhered to by district operations. It is anticipated that the Corporation will increase its focus</p>	<p>The NWTHC has begun conducting compliance reviews at the district level. Initial compliance reports will be made available in 2009 in conjunction with the <i>Housing Choices</i> evaluation process.</p> <p>The <i>Housing Choices</i> program is a highly-automated system that includes</p>

Recommendation	NWTHC Management Response	Update
applications for assistance.	on compliance audits at the district level and take steps to improve support to district offices.	several checks and balances to ensure applications are in compliance with program policy. Testing is done both at the district level and randomly at the headquarter level.
<p><b><u>OAG Recommendation #59.</u></b></p> <p>The Corporation should finalize its strategic plan as soon as possible and should ensure that in its plan it describes clearly how it will</p> <ul style="list-style-type: none"> <li>• meet the housing needs of all NWT residents over the long term;</li> <li>• incorporate all of the various elements of housing together into a comprehensive northern housing strategy; and</li> <li>• describe the changes made in existing programs and services to reflect its new mandate.</li> </ul>	<p><b>Management's response.</b> The Corporation agrees with this recommendation. While, in the past, the Corporation has conducted long-term planning through the business planning process, it is currently undertaking a strategic planning process that includes traditional strategic planning activities, a strengthened capital planning process, and a long-term needs assessment using data on current and forecasted need. This process is being driven primarily by input from residents and stakeholders through a public consultation process on the Corporation's mandate held in 2006.</p> <p>The Corporation has developed a four-year Framework for Action that will be released to the public in early 2008. The Framework for Action will renew and focus the time and money spent on housing initiatives, inform and engage members of the public and partners at all levels of government to become better informed of housing initiatives in order to assist them in their involvement, and build on the Corporation's mandate to ensure that there is an adequate supply of affordable housing in all communities.</p>	<p>The Framework is being revised to more closely resemble a traditional strategic plan. Specifically, the revised plan will target elements of the Performance Audit within its first two years, and will also be revised to coincide with the NWTHC's 2009/10 Annual Business Plan as well as subsequent Annual Business Plans.</p>
<p><b><u>OAG Recommendation #63.</u></b></p> <p>The Corporation should</p> <ul style="list-style-type: none"> <li>• identify, assess, and rank the significant risks it faces;</li> <li>• develop specific strategies and action plans</li> </ul>	<p><b>Management's response.</b> The Corporation agrees that there is a need to strengthen our risk management activities. However, given the size of the organization and the limited resources available, we intend to focus our efforts on an annual environmental scan with management to consider the main factors that impact</p>	<p>The NWTHC's Strategic Planning Committee will also be conducting an internal risk management exercise that will outline strengths, weaknesses, opportunities and threats to the organization.</p>

Recommendation	NWTHC Management Response	Update
<p>that clearly describe in sufficient detail how it will address the risks identified; and</p> <ul style="list-style-type: none"> <li>• measure, monitor, and report regularly on the risks to ensure that it is addressing them appropriately and on a timely basis.</li> </ul>	<p>our core business activities.</p>	<p>This analysis will be completed in November 2008 during planned senior management committee meetings.</p>
<p><b><u>OAG Recommendation #71.</u></b></p> <p>The Corporation should improve its performance measurement and reporting by</p> <ul style="list-style-type: none"> <li>• identifying performance measures that include an appropriate balance between outputs, outcomes, and efficiency measures in order to provide a more comprehensive and balanced assessment of its performance; and</li> <li>• eliminating inconsistencies between its business plan and results report in measuring and reporting on the achievement of its targets and expected results.</li> </ul>	<p><b>Management's response.</b> The Corporation agrees with this recommendation. Future performance measurement will be coordinated through the Corporation's Framework for Action 2008–2011, which includes output and outcome measures. Additionally, it will continue to meet the results reporting requirements of the Government of the NWT through the business planning process. Commencing with the 16th Legislative Assembly, the Government's business planning process will adopt a four-year planning cycle, requiring annual progress updates.</p>	<p>Together with GNWT Departments, the NWTHC is conducting business planning using the new formats and procedures for 4-year and Annual Business Plans. Together with planned progress reporting for the Performance Audit and the Framework for Action, this will greatly strengthen planning and reporting on a short, medium and long-term basis.</p>
<p><b><u>OAG Recommendation #76.</u></b></p> <p>Until new information is available from the NWT Bureau of Statistics on the number and percentage of NWT residents in core need of housing assistance, the Corporation should regularly report on its construction of new housing units and its repair and renovation of existing units, as a way to report on its progress in reducing the number of NWT households in core need of housing assistance.</p>	<p><b>Management's response.</b> The Corporation has committed, through Framework for Action 2008–2011, to table a full report on the success of the Affordable Housing Initiative following the completion of 2008–2009 construction. This report will include information such as the number and type of units constructed in each community and the associated capital investment. The Corporation commits to further regular reporting of progress to the Legislative Assembly through the business planning process.</p>	<p>The NWTHC will table a comprehensive report on the Affordable Housing Initiative in 2009 following the end of the construction season.</p> <p>The NWTHC measures changes in core need through the Housing Needs Survey. Between surveys, the NWTHC measures housing needs through the demand for its programs on a community specific basis. The monitoring of the amount of</p>



	Recommendation	NWTCH Management Response	Update
			<p>applications received and the income levels of public housing tenants provide the NWTCH with a good indication of what the needs of communities are.</p> <p>The planning for the 2009 Housing Need Survey is underway.</p>