Minutes – Executive Policy Committee – October 21, 2025

AUDIT COMMITTEE

Item No. 1 Affordable Housing Initiatives – Rapid Housing Initiative Audit

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the Affordable Housing Initiatives – Rapid Housing Initiative Audit Report be received as information.

DECISION MAKING HISTORY:

Moved by Councillor Duncan,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: Affordable Housing Initiatives – Rapid Housing Initiative Audit

Critical Path: Audit Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Egert City Auditor	J. Egert City Auditor		

EXECUTIVE SUMMARY

The audit assessed the adequacy of the risk management practices, processes and controls of the Rapid Housing Initiative (RHI) program to ensure that key risks have been identified and are being managed to meet the City's obligations under the RHI program and its intended outcomes.

The City of Winnipeg (the City) entered into agreements with the Canada Mortgage and Housing Corporation (CMHC) and the Manitoba Housing and Renewal Corporation (MHRC) for the Rapid Housing Initiative (RHI). The initiative provides funding for the rapid construction of new housing and/or acquisition of existing buildings for rehabilitation or conversion to permanent affordable housing. Over three funding rounds, the CMHC and the MHRC contributed over $40 million for the initiative.

In June 2025, the Public Service reported to the Standing Policy Committee on Property and Development (SPC-PD) that eight of the 12 RHI projects (67 percent) completed construction. In the same report, the Public Service anticipates that the projects will result in a total of 191 affordable housing units.

A summary of key observations include:

- The RHI was a new program to the City. The Public Service faced several challenges, including the non-existence of an established affordable housing team, tight deadlines for selecting grant recipients, and turnover in key roles from 2021 to 2024.

- Overall, we found that there were informal risk management processes, practices, and controls in place for the program. These included regular Technical Team meetings where risks were discussed and responses were documented, internal and external reporting to key stakeholders, and a documented process to analyze the funding's accounting treatment. However, we recognized opportunities to improve the risk management processes, practices, and controls to support the achievement of the RHI's goals and objectives.

- The RHI team has elements of a formal Project Charter in their Standard Operating Procedures (SOP) document, but it does not include key elements that would typically be included in a Project Charter such as clear roles and responsibilities and a formal risk register. A Project Charter formally authorizes the project to proceed and sets out the goals and objectives of the program, the key roles and responsibilities of all team members and describes the formalized risk management approach.
- There is a lack of guidance for similar projects involving non-City-owned assets.
- The RHI team met the grant recipient selection timelines of the CMHC. The selected grant recipients were approved by Council and CMHC for all three rounds. However, the Public Service informed us that the tight deadlines in the initial rounds made it difficult to obtain supporting documents for the selection process. As a result, we were unable to conclude on the effectiveness of the evaluation process for three out of the five proponents tested.
- The City has RHI agreements in place with the CMHC, the MHRC, and grant recipients. However, differences were noted in the agreements such as the minimum number of units required.
- Although the Corporate Risk Management Division has documented processes, they do not have clearly defined procedures to ensure the accuracy of the Insurance Tracking System records. Additionally, due to misinterpretation of the grant agreements, the Division did not begin requesting proof of professional liability insurance until after construction was already completed.

- We also found the reports to the CMHC, Standing Policy Committee on Property and Development (SPC-PD), Executive Policy Committee (EPC), and Council we reviewed met the reporting requirements.

RECOMMENDATIONS

1. That the Affordable Housing Initiatives – Rapid Housing Initiative Audit Report be received as information.

REASON FOR THE REPORT

The report is being submitted in accordance with the City Organization By-law 7100/97 section 19(d)(iv) that the Audit Committee will “receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee.”

IMPLICATIONS OF THE RECOMMENDATIONS

The most important component of an audit recommendation is its implementation. The Public Service is responsible for providing a management response to the report; their responses have been included in the audit report.

The Public Service has agreed to implement all eight recommendations.

HISTORY/DISCUSSION

The Affordable Housing Initiatives – Rapid Housing Initiative Audit was included in the Council approved 2024 Audit Plan.

The objectives of the audit were:

1. To assess if the keys risks with the RHI program have been identified and are being managed to ensure the City is meeting its obligations under the program to achieve the intended outcome.

2. To evaluate the adequacy of risk management processes, practices, and controls in place to achieve the RHI program's goals and objectives.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 29, 2025

Project Name:

Affordable Housing Initiatives – Rapid Housing Initiative Audit

Comments:

There are no financial implications associated with receiving this report as information.

Randy Bernard

Randy Bernard, CPA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Offices of the Chief Administrative Officer
Assets and Project Management Department
Planning, Property, and Development Department
Legal Services Department
Corporate Finance Department

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

1. Establish and implement priority actions through evidence-informed decision-making processes.
2. Promote trust and government responsiveness through meaningful, inclusive and informed community engagement.
3. Achieve community-responsive service delivery through an aligned, integrated, collaborative and results-oriented organizational culture.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Audit Department
Prepared by: J. Egert, City Auditor
Date: October 2025

Attachments: