Winnipeg | Audit

Affordable Housing Initiative - Housing Accelerator Fund Audit

September 2025

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Audit at a Glance

Summary of Recommendations

We recommend that the Housing Accelerator Fund (HAF) Program Sponsor and Program Manager:

- Update the HAF Program Charter with the responsibilities of the HAF Program Manager and Initiative Project Manager to include risk management activities and to proactively monitor and manage project costs as well as update the HAF Program risk register.
- Ensure conflict of interest declarations include the name of the committee member with a signature, meeting date, and location of the meeting.
- Document all procedures followed and any changes made to the process for selecting proponents who will receive the HAF funding.
- Develop and document procedures for the financial management and monitoring of HAF funds.
- Enhance reporting to the Executive Policy Committee to highlight high-level risks that have an impact on the achievement of the HAF goals and objectives and the plans to mitigate the risks.

Project Background

The City of Winnipeg (the City) entered into an agreement with the Canada Mortgage and Housing Corporation (CMHC) on December 5, 2023, to receive $122.4 million towards the City's Housing Accelerator Fund Program. The funding is based on achieving a total growth target of 14,101 permitted housing units by December 5, 2026 through eight separate initiatives led by the City.

This audit assessed the adequacy of the risk management practices, processes and controls of the Housing Accelerator Fund Program to ensure that key risks have been identified and are being managed to help ensure the City meets the City's obligations under the HAF Program and its intended outcomes.

Observations

With the initiation of the HAF Program, the HAF management team developed a draft HAF Program Charter. The Charter formally authorizes the project to proceed and sets out the goals and objectives of the HAF Program, defines the roles and responsibilities of all team members and describes the formalized risk management approach that includes developing the risk register, rating risks and developing risk responses.

A risk register identifying key risks was completed for the HAF Program as well as the eight initiatives with documentation of the risks and the risk responses. We reviewed the City's agreement with CMHC and found that some of the key risks to the HAF Program, such as recognizing fraud as a potential risk and that some initiatives could go over budget, were not identified in the risk register. We also observed that there were no descriptions of how the risks could impact the Program objectives and that all the risks identified in each Initiative Project Charter's risk register were not consolidated in the

overarching HAF Program risk register. This would allow for active monitoring and management of all risks that may compromise the goals and objectives of the HAF Program.

Roles and responsibilities for the HAF Program team are documented in the HAF Program Charter but the responsibilities for the HAF Program Manager and the Initiative Project Managers did not include risk management.

Overall, we found that the various risk management processes, practices and controls related to the eight separate initiates were operating as intended. However, we identified opportunities to improve the risk management processes to support the achievement of the HAF Programs' goals and objectives.

We found there is a lack of documentation to support the conflict-of-interest declarations by committee members evaluating the applications to the HAF Grant Program. The risk identification, monitoring and reporting by the Initiative Project Managers was insufficient and inconsistent across all initiatives. Monitoring, reporting and communication of risks between Initiative Project Managers, the HAF Program Manager, HAF Program Sponsor and Executive Policy Committee and Council can be enhanced through regular evaluation and consistent reporting of key risks. Additionally, improvements should be made to the monitoring and review process of all HAF expenses by the HAF Program Manager.

Acknowledging that the eight initiatives of the HAF Program started from scratch, with documentation, procedures and processes being developed as the program progressed, some of the recommendations from the audit findings were implemented during the audit period.

Audit Background

The intent of the audit is to:

- Assess the adequacy of the risk management practices, processes and controls of the Housing Accelerator Fund (HAF) Program to ensure that key risks have been identified and are being managed to meet the City's obligations under the HAF Program and its intended outcomes.

Audit Objectives

The objectives of this audit were:

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

- To evaluate the adequacy of risk management processes, practices, and controls in place to achieve the HAF programs' goals and objectives.

Conclusions

Conclusion 1

- With the initiation of the HAF Program, the HAF management team conducted a risk assessment and identified and documented key risks to the HAF Program in a risk register. A draft HAF Program Charter was developed setting out the high-level expectations for delivery of the HAF Program. The Charter also included the goals and objectives, roles and responsibilities of all team members and defined the formalized risk management approach. The approach consisted of developing the risk register, rating risks and preparing risk responses. The HAF Initiative Project Charters were developed for each HAF Program initiative including risk assessments. However, we identified opportunities to enhance the risk management processes followed by the HAF management team.
- We found the HAF Program can improve their risk management processes by enhancing the risk assessment process and identifying additional risks related to the agreement with CMHC that were not included on the initial risk register. This included recognizing fraud as a potential risk and that some initiatives could go over budget. The team should also consolidate all risks identified for the HAF Program initiatives into one HAF Program risk register and the HAF Program Manager should monitor and manage the risks on a regular basis. In addition, the

risk management responsibilities of the key roles for the HAF Program should be documented in the HAF Program Charter.

Conclusion 2

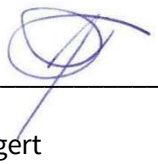
- The HAF Program includes eight separate initiates with various risk management processes, practices and controls developed to help achieve the goals and objectives of the HAF Program. Overall, we found that the processes and controls are working. However, we identified opportunities to improve the risk management processes, practices and controls in place to support the achievement of the HAF Programs' goals and objectives.
- We found there is a lack of documentation to support the conflict-of-interest declarations by committee members evaluating the applications to the HAF Grant Program. There are also opportunities to enhance the monitoring, reporting and communication of risks between Initiative Project Managers, the HAF Program Manager, HAF Program Sponsor and Executive Policy Committee (EPC) and Council. The HAF Program Manager should enhance documentation of processes to ensure proper monitoring and review of HAF expenses for the initiatives and the other departments supporting the HAF program.

Independence

The Audit Department team members selected for the audit did not have any conflict of interest related to the audit's subject matter.

Acknowledgement

The Audit Department wants to extend its appreciation to all the stakeholders who participated in this audit.



September 2025

Jason Egert — Date

City Auditor

Overview

1.1 Housing Accelerator Fund Background

In 2023, the Government of Canada, through the Canada Mortgage and Housing Corporation (CMHC), launched the Housing Accelerator Fund (HAF), a key part of Canada's National Housing Strategy. The program allocated $4 billion in contributions for local governments to fund incentives aimed at increasing the supply of housing. Local governments can use the funds to drive transformational change, within their control, on land use planning and development approvals and to remove barriers to housing construction, such as outdated zoning rules, and encouraging the development of affordable housing. The Fund's objective is to accelerate the supply of housing across Canada, resulting in at least 112,000 more housing units permitted than would have occurred without the program.

The City of Winnipeg (the City) applied for funding in June 2023 and on December 5, 2023, CMHC approved a total allocation of $122.4 million for the City of Winnipeg and CMHC and the City entered into the HAF Contribution Agreement (the HAF Agreement). Following the approval in December 2023, the internal working group that had led the development of the application began creating a detailed implementation plan to operationalize the HAF Program.

The City's allocation of funding is based on achieving building permit approvals for an additional 3,166 net new housing units resulting in a total growth target of 14,101 permitted housing units in Winnipeg over the next three years, by December 5, 2026. Specific targets by housing type are presented in the HAF Agreement:

Housing Unit Goals

Housing Type	Without HAF	With HAF	HAF Incented Units
Total	10,935	14,101	3,166
Single-detached	3,726	3,993	267
Rapid Transit	4,996	7,529	2,533
Missing Middle	852	1,026	174
Other Multi-Family	1,361	1,553	192
Affordable Units*	3.0%	9.6%	931

Source: HAF Program Charter

*The number of affordable units is based on the difference in percentage between the percent of affordable units with the HAF and the percent of affordable units without the HAF times the total number of units "with HAF" projected.

CMHC will provide the HAF funding to the City in four equal annual instalments of $30.6 million. The City received the first installment in December 2023 and the second installment in January 2025.

CMHC will provide the third installment in early 2026 and the last installment in early 2027 after the review and acceptance of the HAF Program annual report.

The HAF Agreement acknowledges that "pursuant to the Financial Administration Act (Canada), the obligations of CMHC to provide the funding to the City are subject to the Canadian Parliament authorizing the government to spend public money." A change in Canadian government could impact future funding installments the City is set to receive if the Federal Government changes spending on the HAF.

1.2 City of Winnipeg HAF Initiatives

The City's funding through the HAF supports eight Action Plan initiatives approved by Council in July 2023 and amended in November 2023. The eight initiatives were approved by CMHC as part of the City's Action Plan in the HAF Agreement with CMHC. The City's Action Plan will help the City achieve the housing supply growth target of 14,101 permitted housing units by December 5, 2026. The City's eight Action Plan Initiatives are:

1. Rapid Zoning By-law Amendments
2. Rapid Amendments to Local Area Plans
3. Incentive Program – Multi-family Dwellings in Downtown and Corridors
4. Land Enhancement Office (LEO)
5. City Concierge for Affordable Housing
6. Infrastructure Support Program
7. Digitize Permits
8. Housing Needs Assessment

By March 2024, an overarching program delivery framework had been developed. This included a Program Charter, an implementation plan, and a resourcing strategy. The implementation approach established a new dedicated team within the Offices of the Chief Administrative Officer (CAO) to oversee the HAF program delivery and coordinate new initiatives. This team was designed to work closely with existing departmental staff and resources, with additional staffing added where necessary to support increased workloads.

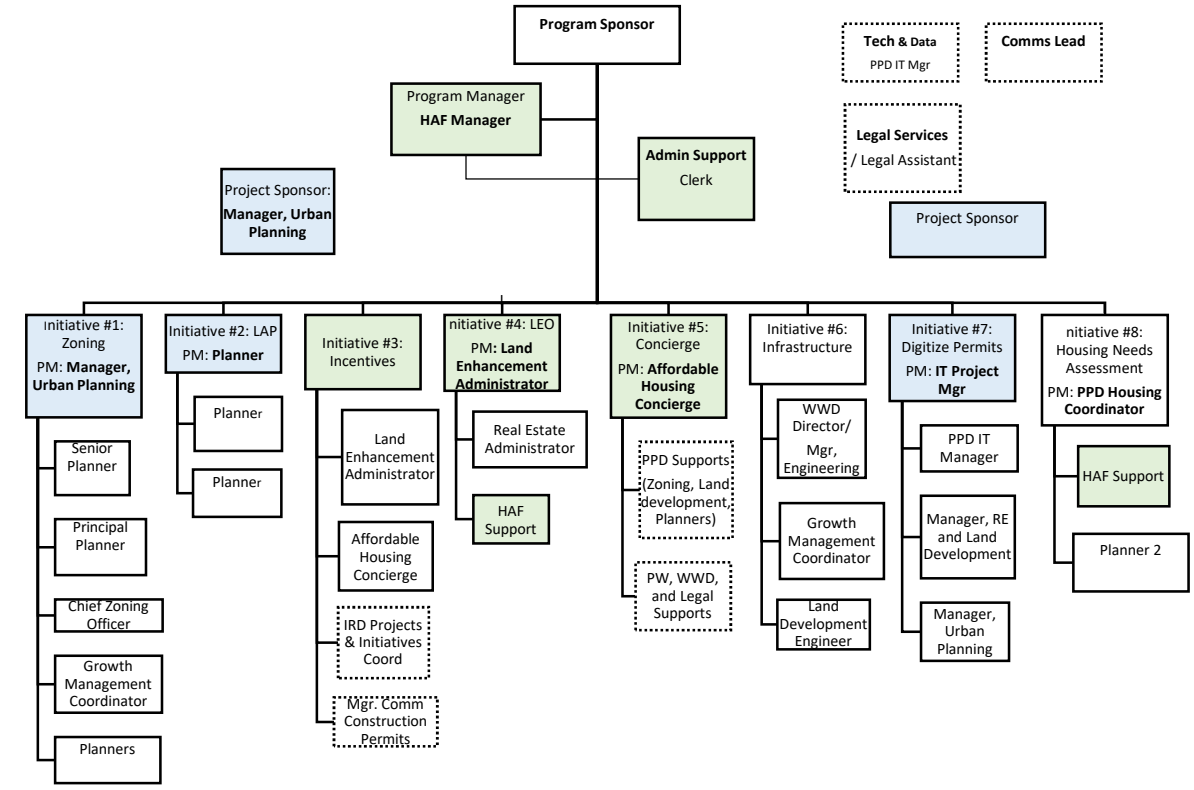
The City established the eight initiatives as separate projects, each with its own Initiative Project Manager, Project Charter, deliverables, and budget within an overarching HAF Program, to ensure leadership and accountability. This allows for the appropriate levels of project delivery controls for each separate initiative such as resource management, scope management, risk management, quality management and budget management. The overarching HAF Program was created given the scope and impact of the HAF funding and overlap among the initiatives.

All eight initiatives were included in the scope of the audit. Please refer to **Appendix 1** for the Audit Methodology. Further details on the objectives of the City's HAF Program and all initiatives are provided in **Appendix 2 and 3**.

1.3 HAF Program Team

The HAF Program team is comprised of the HAF Program Sponsor, the HAF Program Manager, Initiative Project Managers and team members for each initiative from various supporting departments. The Program Sponsor is the single point of accountability for the program, ensuring program alignment to the City's objectives.

The HAF Program Manager leads the overall program and is responsible for tracking progress and outcomes from all the HAF Program initiatives. An Initiative Project Manager leads each initiative. Resources have been allocated to each initiative. Three Initiative Project Managers are allocated full-time positions with funding directly from the HAF and five Initiative Project Managers are sharing their work time with the HAF Program, using City employees that allocate a percentage of their time to the HAF initiatives. The HAF Program is administered out of the Offices of the CAO under the direction of the Deputy CAO.



Note on Positions:

Initiatives led by Planning, Property, and Development (PP&D) with existing City of Winnipeg employees

New positions hired with HAF resources

To meet the deadline for reaching the target of permitted housing units as well as the overall HAF objectives, the milestones established during the application development were incorporated into the agreement. The HAF Program Manager monitors progress towards the milestones and the achievement of the targeted number of permitted housing units. Please refer to **Appendix 4** for a timeline highlighting the key deliverables completed during 2024.

1.4 Key Challenges

Housing policy and programs have largely been the domain of the federal and provincial governments. However, over the past number of years the City has taken a more active role in responding to local housing needs and has developed strategic tools to help build and maintain homes to meet the needs of residents, one such tool is the HAF[1]. With the City's launch into the work on the HAF Program and the proposed initiatives, the HAF team faced several challenges.

- The nature of the Federal Government's HAF is to increase the number of available housing units at an accelerated pace. A deadline of December 5, 2026, was set to achieve the housing supply growth target of 14,101 permitted housing units through the eight initiatives including administering the HAF Capital Grant Program. This required developing the application process and ensuring applications were reviewed and approved within six to seven months of signing the agreement with CMHC. As a result, the City and the HAF team had to establish and implement the initiatives quicky.
- The original application by the City requested $192 million to achieve the work plan of the eight initiatives and milestones and the supply growth target of 14,101 permitted housing units. However, only $122 million was approved by CMHC, with the same target of 14,101 housing units. The approval also required additional milestones and work such as amending zoning for four dwelling units per residential lot, four units of up to four storeys within 800m of frequent transit, and as-of-right residential on malls sites & corridors[2].
- All the initiatives were essentially started from scratch as the City does not have an established affordable housing team or a Housing Office within the Planning, Property and Development Department (PP&D) and has limited experience in administering similar programs.
- Prior to the launch of the City's housing programs through the National Housing Strategy, the City had one position – a Housing Policy Coordinator.[3]

[1] https://www.winnipeg.ca/building-development/housing
[2] Council Minutes November 23, 2023, Report Item No. 19 Housing Accelerator Fund.
[3] City of Winnipeg Comprehensive Housing Needs Assessment Jan 2020, Institute of Urban Studies, pg. 209 ,https://legacy.winnipeg.ca/ppd/Documents/CityPlanning/Housing/ComprehensiveHousingNeedsAssessmentReport/Comprehensive-Housing-Needs-Assessment.pdf

- The City created a new HAF Program Manager position to lead and implement the HAF initiatives. Resources were obtained from the PP&D to assist with the development of the initiatives. These resources shared time between their City work and the work on the HAF Program.
    - Compared to other Canadian cities such as Edmonton and Calgary, the City of Winnipeg has a very small team, the majority of which are splitting their time between work on the HAF and their City work.
        - Calgary's Housing team grew from seven Full-Time Equivalent (FTEs) three years ago to 22 FTEs at the time of the audit. There is one Project Manager who oversees the HAF agreement and coordinates the different project teams. It is estimated that the Project Manager spends between 50 and 80 percent of their time on HAF. In March 2025, the City of Calgary created a new position – the Chief Housing Officer to oversee the implementation of the city's housing strategy to increase Calgary's housing supply.
        - Edmonton has approximately 38 employees on their Affordable Housing Team and 12 on the Housing Action Team. The Housing Action Team undertakes project management for all Housing Accelerator Fund work.
- During the first year of the HAF Program, the HAF team faced turnover and changes in key leadership positions.
    - The HAF Program Sponsor left their position with the City less than a year into the HAF Program and a new HAF Program Sponsor assumed the position.
    - The HAF Program Manager was on leave with one of the Initiative Project Managers accepting responsibility for both the HAF Program Manager role and continuing their responsibility as an Initiative Project Manager.
- The City lacks established guidance and processes for this type of Program. The City's housing initiatives prior to the HAF were sparse with some previous programs no longer active and limited program support for affordable housing. Overall, there is a lack of guidance for developing and overseeing housing programs.

Management explained that they relied on existing City guidance and employees in PP&D and other departments to support the initiatives in addition to their regular duties. Due to the timelines within which the HAF Program had to be established and the uncertainty with the future funding from the Federal Government, not all approved positions were posted for recruitment and filled.

Observations

2.1 Risk Management of the HAF Program

Risk management is an essential part of project management. It allows for proactive identification and mitigation of potential negative events, thereby leading to an increased likelihood of project success. By understanding, anticipating and addressing risks, projects can avoid delays, cost overruns, and other negative impacts.

The City developed a Project Management Manual (the PMM) that provides City project managers guidance on the best practices in project management. The PMM provides consistency and quality in how the City delivers capital projects. While the manual was designed to provide guidance for capital projects, the guidance related to risk management can largely apply to the project management of any City project or program involving non-City-owned assets. Risk is inherent in delivery of all projects. The objective of risk management is to reduce the chance that the project will not meet or delay in meeting its goals and objectives. The five processes of risk management established in the PMM are:

- Identify risks
- Perform qualitative risk analysis
- Perform quantitative risk analysis
- Plan risk responses
- Monitor and control risk

Observations

- The HAF Program Sponsor and the HAF Program Manager utilized the PMM to guide the project management of the HAF Program including risk management activities.
- The HAF Program Charter and the job descriptions of the HAF Program Manager and the Initiative Project Manager outline the responsibilities for their roles. The responsibilities, however, do not include risk management.
- The HAF Program Charter was developed, however, it was in draft form as it had not been formally approved by the HAF Program Sponsor. The draft HAF Program Charter was complete, however, it had not been updated with changes that occurred over the first year of the HAF Program such as changes to the HAF Program team members and project deliverables.
- Initiative Project Charters were developed for each of the eight Project initiatives. A detailed description of the changes made to the Project initiatives over the first year of the Program were not recorded in the change log with the sign-off of the HAF Program Sponsor or the HAF Program Manager in accordance with the HAF Program Charter.
- As part of risk management, the HAF Program Manager completed the risk register. However, we found some of the key risks such as recognizing fraud as a potential risk and that some initiatives could go over budget were not identified in the risk register, the impact of the risks on the Program objectives was not described and the risk register was not updated with all the risks identified by the Initiative Project Managers related to each of their initiatives.

Analysis

Roles and Responsibilities for Risk Management

The PMM and the Asset Management Administrative Standard FM-004 define the key responsibilities of a Project Sponsor and a Project Manager as they are the essential roles that are responsible for project delivery. These two roles are responsible for risk management, which includes preparing a project risk register, identifying and reporting program risk, developing mitigation plans, and monitoring all risks throughout a project.

The Project Charter formally authorizes the project to proceed and forms the agreement between the Project Manager and the Project Sponsor by setting out the high-level expectations for delivery and commits the organization to providing the identified capital (and/or operating) budget, resources, and project support. The completed Project Charter provides a clear set of expectations for the Project Manager and is used to develop the Project Delivery Plan, which is the baseline for monitoring progress and performance.

The HAF Program Manager created a HAF Program Charter for the City's HAF Program. We noted the HAF Program Charter was still in draft form and the HAF Program Manager informed us that the HAF Program Sponsor approved the HAF Program Charter in June/July 2024. There was, however, no evidence of the approved charter on the stated date. The HAF Program Charter was subsequently approved by the HAF Program Sponsor in June 2025.

We reviewed the draft HAF Program Charter to identify the key roles and responsibilities related to risk management.

- We confirmed that the roles and responsibilities of the HAF Program Sponsor, HAF Program Manager and Initiative Project Managers are defined in the HAF Program Charter. However, we noted that the HAF Program Manager and Initiative Project Managers do not have defined responsibilities related to risk management.
    - The HAF Program Sponsor is the "single point of accountability for the program, ensuring program alignment to City objectives." They are responsible for making final decisions related to budget, resources, risk mitigation measures, and timelines.
    - The HAF Program Manager is responsible for the delegation and oversight of the delivery of project deliverables to ensure the overall goals and objectives of the HAF Program are met.

        - This includes developing a program plan to guide the development and execution of the City's Action Plan and ensuring effective communication with the Program Sponsor, Project Managers, Project Teams and key stakeholders[1].
        - We noted that the responsibilities of the HAF Program Manager in the HAF Program Charter do not define any responsibilities related to risk management. These include preparing a project risk register, identifying, reporting program risk, developing mitigation plans and tracking all risks.
    - The key responsibilities of the Initiative Project Managers are to delegate and oversee the delivery of the initiative project deliverables and ensure effective communication with the HAF Program Manager, Project Sponsor, with and within the Project Team and with key stakeholders.
        - We noted that the responsibilities of the Initiative Project Manager do not include identifying, assessing and reporting project risks.
    - A key responsibility outlined in the HAF Program Charter for both the HAF Program Manager and the Initiative Project Managers is to ensure that the HAF Program and project are delivered according to the City's PMM: on time, on schedule, on scope, a high level of quality, and achieves the project objectives and benefits.
    - According to the HAF Program Sponsor and the HAF Program Manager, they discuss the risks to the HAF Program at weekly meetings. Risks are also identified, assessed and reported monthly by the Initiative Project Managers to the HAF Program Manager. Please refer to Section 2.3 Monitoring, Reporting and Communication of Risks for the detailed assessment of the monitoring and reporting on risks

We reviewed the job descriptions of the HAF Program Manager and the eight Initiative Project Managers to confirm if the job descriptions outline key risk management responsibilities, knowledge, skills and competencies for the positions.

- The job description of the HAF Program Manager does not include any responsibilities, knowledge, skills, abilities and competencies related to risk management.
- The job description of two out of the eight Initiative Project Managers reviewed included tasks, knowledge, skills, abilities and competencies related to risk management. The other six job descriptions did not.

HAF Program Charter – Risk Management Approach

The HAF Program Charter outlines the Project Delivery Plan, which describes how project management processes will be executed for a specific process. The Project Delivery Plan also provides

[1] Key stakeholders include Affordable Housing Developers, Downtown Developers, Manitoba Metis Federation, Treaty 1 Development Corporation, Homeless-serving agencies, Manitoba Non-Profit Housing Association, Neighborhood Associations, Business Group, Industry, Indigenous Organizations.

the Project Manager, Project Sponsor, Project Delivery Team, and stakeholders with a common understanding of the work plan and planning requirements throughout the project. It includes a description of the risk management processes.

The HAF Program Charter details the project delivery plan and includes the risk management approach. The detailed risk management approach includes the following:

- Identify program risk
- Detail risk on a risk register documents, including implications
- Report risk to program/project sponsor, steering committee and/or risk owner
- Determine risk response and actions
- Risk owner performs identified actions
- Evaluate changes
- Regular risk register updates
- Eliminate risk
- Close risk register

In addition to the HAF Program Charter, we confirmed that each of the eight initiatives has its own Project Charter. Each project charter includes a project summary, purpose & objective(s), project scope, key milestones and timelines, program and project controls, team structure, roles and responsibilities, budget, stakeholder list, project risks, barriers and opportunities and program charter change control.

Change Control

Events or issues may arise during a project that will require changes, such as unforeseen circumstances or a new risk is identified. The Program Charter Change Control serves to control the development and distribution of all revisions made to the HAF Program Charter after the initial approval of the Program Charter.

The 'Approval and Authority to Proceed' section of the HAF Project Charter identifies the Program Sponsor and HAF Program Manager as the final sign-off. The PMM states that the change control approach should include how a change request is initiated, analyzed, logged, tracked, approved and implemented. It identifies roles, activities, and the sequence of activities.

- We reviewed the Initiative Project Charter for each HAF initiative and noted several revisions to the initiative Project Charters based on the 'Date of Revision' history, except for one of the initiatives which did not record any revisions. We found:
    - The HAF Program Sponsor signed off and approved changes recorded in one initiative Project Charter.

    - The HAF Program Manager signed off and approved changes recorded in three initiative Project Charters.
    - Neither the HAF Program Sponsor nor the HAF Program Manager signed off and approved changes recorded in three initiative Project Charters.
        - However, we noted that the Initiative Project Sponsor and the Initiative Project Manager signed off and approved the changes recorded in one of these Initiative Project Charters.
- We found the Initiative Project Managers did not consistently document, in the Initiative Project Charters, a description of the changes made. A description of the changes provides for clear communication and monitoring of changes.
- There have been changes to the HAF Program team and in some of the initiative's process/delivery approach. We identified the following changes during the first year of the Program:
    - Changes to the process used by the established Adjudication Committee Parameters and Framework process to approve funding to three projects categorized as transformational downtown projects from the HAF
    - The Initiative Project Managers for three of the initiatives have changed since the start of the program
    - The HAF Program Charter is in draft form and has not been updated with modifications to the Program Team, to reflect the current HAF team members and their new roles.

According to the HAF Program Sponsor, any significant changes are communicated to Council. Our review of the Council minutes from the meeting on December 12, 2024, confirmed that these changes were communicated. However, we noted that there is no change log in accordance with the HAF Program Charter to show the initiation, analysis, approval and tracking of the changes.

Analysis of the Risk Register

According to the City's PMM, the risk register is the record of risk events identified and assessed, and actions developed to address those risk events. Project risk may be identified by the Initiative Project Manager. After the risk identification process, the details of the individual risks are listed on a risk register for managing and tracking.

- We confirmed the HAF Program Manager prepared a risk register for the HAF Program with the risks they identified at the initiation of the Program. We reviewed the Initiative Project Charters and identified that the Initiative Project Managers identified and recorded risks related to their initiatives in the risk management section of their Initiative Project Charter.
    - We noted the HAF Program Risk Register was completed with the initiation of the HAF Program. However, it was not updated with identified project risks across all

initiatives to allow for comprehensive managing and monitoring by the HAF Program Manager.

- In reviewing the HAF financial management process and the City's Agreement with CMHC, we noted that the following risk events were not identified and recorded in the HAF Program risk register:
    - The risk related to the distribution of the HAF funds to the HAF initiatives and the potential that some initiatives could go over budget. Please refer to Section 2.4 Financial Management Process for further details.
    - The potential for fraud in consideration of clause 7.5 in the CMHC Agreement "If the Recipient (or a representative thereof) commits fraud, misconduct, criminal acts, gross negligence, misrepresentation or willful misconduct in respect of any matter related to this Agreement, then CMHC may immediately terminate this Agreement and declare HAF Funding to be repayable to CMHC in whole or in part and may exercise any other rights and remedies it has by operation of law or equity."
- According to the HAF Program Charter, the risk details on a risk register document should include risk implications. A risk implication is the potential consequence that a risk could have on the project objectives.
    - We found that the HAF Program risk register does not include risk implications as defined in the charter.

RECOMMENDATION 1

We recommend that the Asset and Project Management Department establish high-level guidance for projects involving non-City-owned assets.

At a minimum, the guidance should include:

- Relevant sections of the Project Management Manual (e.g. Project Charter, Project Delivery Plan, Plan Resource Management, Risk assessment and Management)
- Roles and responsibilities
- Consideration of any relevant committee including the composition and the committee's role and responsibilities, based on project's size, risks and impacts.

RISK AREA	Governance	**ASSESSMENT**	Moderate Risk
BASIS OF ASSESSMENT	Documented guidance for projects involving non-City-owned assets will provide clear, consistent direction and accountability, ensuring alignment with the program's goals and implementation.		

MANAGEMENT RESPONSE

Management is agreeable to creating a short, high-level guidance document to accompany the City's Project Management Manual, as a resource for potential future projects involving non-City-owned assets. This document would point to established City documents such as the City's Project Management Manual (PMM), Bid Evaluation Guide and/or potential future Grants by-laws.

Management notes that this document will not be exhaustive – some programs may need to refer to clauses not cited in the document due to their unique nature.

IMPLEMENTATION DATE	Q1 2026

RECOMMENDATION 2

We recommend that the HAF Program Sponsor update the HAF Program Charter and the HAF Program Manager's job description with the responsibilities related to:

- Risk management, including preparing a project risk register, identifying and evaluating risks, developing mitigation plans, and tracking and reporting the status of all key risks, existing and emerging.
- Regularly monitoring, managing and reporting project costs.

The HAF Program Manager should clearly define and document the roles and responsibilities of the Initiative Project Managers related to the risk management process in both the HAF Program Charter and each Initiative Project Charter. Initiative Project Managers must communicate risk information to the HAF Program Manager to ensure the HAF Program Risk Register is kept up to date.

The HAF Program Sponsor should ensure that the HAF Program Manager job description is updated with the necessary knowledge, skills, abilities and competencies required to carry out risk management responsibilities.

RISK AREA	Governance	**ASSESSMENT**	High Risk
BASIS OF ASSESSMENT	Identifying, managing, reporting on and tracking risks is important to the achievement of the HAF Program goals and objectives. A lack of clearly defined roles leads to misunderstandings about who is responsible and what they are responsible for. Documentation of risk responsibilities ensures defined risk management tasks are carried out, especially where there is turnover or movement in positions, ultimately improving performance management and accountability.		

MANAGEMENT RESPONSE

Management agrees with recommendation.

The HAF Program Charter is in the process of being updated to include more details on risks, including expanding on the role of Program Manager, Program Sponsor and Initiative Project Managers beyond the current template outline of roles. The Program Charter will be updated and approved with these additions before the end of 2025. Initiative Project Managers have been asked to similarly incorporate updates for approval before the end of 2025 and the Program Manager will work with initiative Project Managers to ensure roles related to risk are included in all.

Updates to the job description will be explored with HR and if the addition is recommended/agreed upon with HR, the edit will be initiated before the end of 2025.

IMPLEMENTATION DATE	Q4 2025

RECOMMENDATION 3			
We recommend that the HAF Program Manager should update the HAF Program Charter with the names and positions of HAF team members and their respective roles and responsibilities to reflect staffing changes and turnover. In addition, the HAF Program Manager or the HAF Program Sponsor should approve all revisions to the initiative Project Charters and ensure all Project Charters have been approved and signed off by the HAF Program Sponsor or the HAF Program Manager. The HAF Program Manager should ensure the HAF Program Charter is approved.			
RISK AREA	Business Process	**ASSESSMENT**	High Risk
BASIS OF ASSESSMENT	An outdated HAF Program Charter increases the risk of relying on outdated information related to the budget, scope, timelines and team members. All Key team members and key stakeholders might not be informed of updates to the Program, which can negatively impact the HAF Program's goals and objectives. Approval of revisions and updates to the Project Charters ensures that only authorized changes that have been reviewed and approved by the appropriate authority are implemented. This process also helps justify the use of City and program resources in meeting the HAF Program goals.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. Between February and June 2025, the HAF Manager updated the Program Charter to reflect staffing changes and turnover. In June 2025, the HAF Sponsor approved these changes and updates were outlined in the Change Control section. Written approval of the Charter by the Sponsor will always be secured moving forward. In March 2025, a reminder was also sent to all Initiative Project Managers to update their charters with any changes and submit for approval. As of June 2025, six out of the eight charters have been updated and approved. Two are still in the process of revisions as workplans are still in flux and are being finalized now given the Spring Federal election confirms the ongoing existence of the HAF Program. The political uncertainty affected potential work plans in some initiatives and subsequent changes to charters are being made.			
IMPLEMENTATION DATE	Q4 2025		

RECOMMENDATION 4			
We recommend that the HAF Program Manager and Initiative Project Managers include a brief description of any changes and updates made to the HAF Program Charter or Initiative Project Charters in the Change Control section of the applicable Program/Initiative Charter. All changes should be documented and the process communicated to the Initiative Project Managers. The HAF Program Sponsor or the HAF Program Manager should review and approve updates made to any of the Initiative Project Charters going forward.			
RISK AREA	Business Process	**ASSESSMENT**	Low Risk
BASIS OF ASSESSMENT	A description of the changes and updates provides for clear communication and monitoring of changes. Unapproved changes may be implemented, which could have a negative impact on the HAF Program goals if the changes are not properly recorded, reviewed, or approved by the appropriate authority.		
MANAGEMENT RESPONSE			
Management agrees with this recommendation. Changes made between March and June 2025 are summarized in the Change Control section. Moving forward additional changes will be summarized in the Change Control section.			
IMPLEMENTATION DATE	Q2 2025 (Implemented)		

RECOMMENDATION 5

We recommend that the HAF Program Manager update the HAF Program risk register to include:

- The risks related to the distribution of HAF funds and the potential that initiatives could go over budget.
- The potential for fraud risk occurrence.
- The implication of each risk on the Program objectives.
- All risks identified in each Initiative Project Charter to ensure all high risks are actively managed, monitored and reported on.
- The appropriate risk response plan, risk owner and risk rating based on risk assessments conducted for all identified risks.

The Risk Register should be reviewed and updated regularly.

RISK AREA	Business Process	**ASSESSMENT**	High Risk
BASIS OF ASSESSMENT	Updating the HAF Program risk register with the risks related to the distribution of HAF funds, the potential that some initiatives could go over budget, and the potential risk of fraud, enhances the risk management process. This is because the HAF Program team is better prepared with an adequate risk response plan to implement if the risk occurs. Risk implications ensure risks are correctly assessed, categorized and rated for effective risk management, monitoring and realization of the HAF program targets as agreed with CMHC.		

MANAGEMENT RESPONSE

Management agrees with this recommendation.

The HAF risk register was updated in February 2025 to include all the risks identified above, including incorporating risks from other initiatives into the central risk register. The risk register is monitored on an ongoing basis.

IMPLEMENTATION DATE	Q1 2025 (Implemented)

2.2 HAF Capital Grant Incentive Program

On May 30, 2024 the (Grant Program By-law) was enacted by Council.[5] The HAF Capital Incentive Grant Program (the Grant Program) launched on May 31, 2024, with the City accepting applications for the first round of funding until July 12, 2024.

Observations

- The Adjudication Committee reviewed and approved applications for the Grant Program in accordance with the Adjudication Committee Parameters and Framework.
- A conflict-of-interest declaration process was developed and followed, however, documentation to support the declaration did not record the necessary details such as the date and signature of committee members.
- We noted three projects identified as "downtown transformation projects" were awarded funding through the HAF Grant Incentive Program. These projects did not follow the established adjudication process and there was a lack of documentation around the selection of the projects.

Analysis

The Grant Program Initiative is one of eight initiatives included in the HAF agreement with CMHC. This initiative provides direct funding to create more housing supply, specifically multi-family housing on key corridors including the Downtown and near high frequency transit, as well as for the delivery of new affordable and non-profit housing.

City of Winnipeg HAF Capital Incentive Grant Adjudication Process

The Grant Program Initiative established an Adjudication Committee Parameters and Framework to ensure a transparent and fair adjudication process. We evaluated the adequacy and effectiveness of the risk management processes in place related to the selection of the applicants to receive funding through the first round of the HAF Capital Grant funding. The second round of HAF grants would be awarded in 2025 to the highest-scoring eligible projects that did not receive a HAF Capital Grant in the Program's first round.

Adjudication Committee Parameters

The Adjudication Committee Parameters define the Adjudication Committee composition, conflict of interest declaration, independent review, scoring system, decision making by consensus, documentation and transparency process.

- There were six committee members with various types of expertise relevant to the applications received through the first round of the Grant Program. Five of the committee members represented different departments in the City, including Indigenous Relations, PP&D

[5] https://clerkdmis.ad.cityofwpg.org/ClerksDMIS/docext/ViewDoc.asp?DocumentTypeId=1&DocId=8736

and the HAF team in the Offices of the CAO. One member was from Manitoba Housing Renewal Corporation.

- The Adjudication Committee Parameters require committee members to declare any potential conflicts of interest prior to the first Committee meeting. The review of applications cannot take place until any actual or perceived conflict of interest is resolved.
    - The Initiative Project Manager provided the committee members with the Adjudication Committee Parameters via email and advised that they were required to review the parameters prior to starting any review. This included reviewing the conflict-of-interest declaration. The Initiative Project Manager informed us that prior to the consensus meetings, they read out loud the conflict-of-interest declaration and asked committee members to declare any potential conflicts before starting review.
        - Committee members verbally declared no conflict of interest.
    - We found that the document in place to record the conflict-of-interest declaration was inadequate as it did not include relevant information to sufficiently support the process such as the meeting date, attendees with their signatures and the location of the meeting.
    - There was no documentation to support the declaration of independence by committee members prior to reviewing any applications.

Adjudication Committee Framework

The Adjudication Framework provides guidelines around the adjudication of the applications including the initial screening, independent review, consensus meeting, final decision, feedback to successful and unsuccessful applications and reporting to the CAO on the outcome of the funding process. We reviewed a sample of the Adjudication Committees' independent evaluations from the first round of applications received.

- We confirmed that the Adjudication Committee evaluated and prioritized all applications using a point system based on established criteria. Committee members evaluated the applications on the four criteria shown below:
    - Readiness to construct
    - Social impact
    - Financial feasibility and efficiency of funding
    - Planning alignment
- Committee members independently reviewed and scored the applications against the evaluation criteria. They met after the individual scoring to discuss their scores and rationales. The Committee reached consensus and determined the final scores and rankings of applications.

- We reviewed the Consensus Committee notes, rank and score for all projects evaluated.
    - We observed that eight projects with higher ranks and scores than those selected for the projects did not receive funding in the first round. The justifications for not selecting the eight projects with score and rank higher than some selected projects were found reasonable based on additional information and consideration of risk factors highlighted from discussions with other stakeholders - CMHC, Manitoba Housing, City Planners and Centre Venture.
    - The Initiative Project Manager provided the following reasons for not selecting the projects for the first round of funding:
        - One project was categorized as a transformational project. The HAF Program Sponsor informed the Initiative Project Manager that all the committee members should review and assess the application. However, the project would be evaluated separately due to the project's large nature and impact on Downtown housing and may access other funding in addition to the HAF Grant.
            - Upon further inquiry, we found that there were three projects categorized as transformational projects that did not go through the Adjudication Committee Parameters and Framework process.
        - For two of the projects, CMHC, Manitoba Housing, and City planners, provided further information that the projects could not realistically attain a building permit within the 12 months required by the Grant Program's By-law.
            - The Affordable Housing Concierge provided their services to the two proponents so that their projects could be at an advanced enough stage of development for construction to begin by the time the second round of capital grants became available.
                - This is in accordance with the Grant Program Committee Adjudication Framework and Parameters which states that – "Offer detailed feedback to successful applicants. Unsuccessful applications with strong potential will be contacted by the Project Lead for feedback and suggestions for improvement prior to subsequent funding rounds."
        - Other reasons provided included:
            - The project was at a lower stage of readiness compared to other projects and the proponent did not yet own the property.
            - A risk of funding two projects from one application due to lack of clarity on the number of buildings on a project's drawings and site plans.

- Risks identified by the committee related to the stability and viability of the project's proposed ownership model.
- The committee was informed the project was not facing a financial shortfall and could proceed without HAF funding.
- A property owner significantly increased the asking price of their property once they found out that government funds might be used for the purchase. Furthermore, PP&D flagged concerns about the proposed density of the number of units exceeding the currently allowed number of units.

- The Initiative Project Manager informed us that the decision not to select the eight projects was based on information from discussions with relevant stakeholders such as CMHC, Manitoba Housing, City planners, Centre Venture, the City's Downtown and Heritage planners, after the adjudication process and scoring of applications.
  - This complies with the Adjudication Committee Parameters and Framework which states that "Applications will be ranked based on the consensus scores and recommended for funding according to the rank and available budget. Additional information provided by Manitoba Housing, CMHC, Water and Waste, End Homelessness Winnipeg, and Winnipeg Foundation to also be considered in final ranking."

Selection Process of projects recommended for the HAF funding

The City received 66 applications for the first round of funding from the HAF Capital Grant Program. The HAF team disqualified 19 applications following an initial screening and eligibility check by the Initiative Project Manager for not meeting basic eligibility criteria such as projects must demonstrate the ability to secure a building permit within one year of grant approval and projects must include at least five dwelling units. Forty-seven applications were adjudicated, and ultimately the HAF team selected and recommended funding for 11 applications.

- We selected a sample of four applications to review and test compliance with the Adjudication Committee Parameters and Framework.
- We selected three successful applications and one unsuccessful application and found that the processes followed to assess the applications complied with the Adjudication Committee Parameters and Framework.
- A Conditional Approval form signed by the Affordable Housing Concierge and the CAO or Designate was in place for the three selected applications. A letter of Conditional Approval from the Offices of the CAO was issued to the proponents of the selected projects.

- The City sent a feedback letter to the proponent of the unsuccessful application, informing the proponent that their application was not selected for funding from round one after a careful evaluation by the adjudication committee. The letter also informed the applicant that they were eligible for access to the HAF Affordable Housing Concierge Service. The service is designed to assist proponents in navigating City of Winnipeg processes and would provide the applicant with feedback on their application to possibly strengthen it for future submissions.
- A total amount of $25 million in grants was approved and allocated to the proponents of the 11 selected projects. The amount allocated per project ranged from $0.25 million to $5 million.

Downtown Transformational Projects

We met with the HAF Program Manager and the Initiative Project Manager to discuss the process followed for the three projects categorized as transformational downtown projects that did not follow the established Adjudication Committee Parameters and Framework process.

- The HAF Program Manager and the Initiative Project Manager for the HAF Capital Grant Initiative confirmed that the selection of these three projects did not follow the same process as the other projects selected to receive funding through the HAF Capital Grant.
    - For the second round of the HAF Capital Grant Program, the Public Service budgeted $29 million from a total of $30.6 million. In a report to Council on December 12, 2024, the Public Service recommended the following allocation of funds, that Council approved:
        - $17 million was awarded to the highest-scoring projects that applied in the first round of the HAF Capital Grant program but did not receive funding, and
        - $12 million of the funding was awarded towards the three “Transformational Downtown Projects”
- We reviewed the process around the selection of the three downtown transformational projects. The Adjudication Committee from round one of the HAF Capital Grant Program did not assess these projects as part of the HAF Capital Grant adjudication process.
    - We requested documentation from meeting minutes or notes from discussions with the individuals involved with the selection of the projects. We found there were no meeting minutes for the selection of the three projects. The HAF Project Manager provided their assessment of the three projects which they had provided to the HAF Program Sponsor for consideration. However, there was no further documentation on the adjudication of the three projects.
    - The audit team also identified that the HAF Program Sponsor had left their position with the City while discussions were occurring with the projects selected to receive

funding from the second round the HAF Capital Grant Program. The HAF Program Sponsor moved to a position at an organization that applied for funding from the HAF Capital Grant Program.

        - As part of the second round of HAF Capital Grants, the Public Service recommended, and Council approved, awarding the organization funding.
    - We identified a potential conflict of interest with the HAF Program Sponsor. We confirmed the HAF Program Sponsor identified their conflict of interest prior to leaving the City. They advised the interim CAO on August 27, 2024, that they would be moving to a position with another organization. The HAF Program Sponsor signed a conflict-of-interest declaration statement on October 4, 2024, confirming they had removed themselves from the process and would not be involved in any discussions related to the HAF Capital Grant Program.
    - We confirmed with the Manager of Economic Development that the HAF Program Sponsor had not participated in any of their meetings related to providing funding to the three downtown transformational projects.
- We reviewed the Project Charter for initiative 3 and noted that the Charter identified "Applicants seeking exemptions from the HAF Capital Grant Program criteria" as a high risk. One of the plans to mitigate this risk was to ensure the adjudication process is transparent and removes any real or perceived bias.
    - We noted that this risk was not listed on the HAF Program Risk Register resulting in a lack of monitoring and risk management by the HAF Program Manager. Please refer to recommendation 5 in the Section 2.1 Risk Management of the HAF Program.

Monitoring Compliance with the HAF Capital Grant Program By-Law.

The Grant Program By-law includes affordability criteria and requirements to be complied with by selected proponents for a minimum period of 10 and 20 years, depending on the amount funded per dwelling unit for an approved property.

- At the time of the audit, the Initiative Program Manager informed us they were working on developing a process to monitor successful applicants' compliance with the affordability criteria in the Grant Program By-law over the term of their agreement.
    - At the time of the audit, final approval had not been issued to successful applicants and the City had not disbursed any funds. Conditional approval is in place for 12 months from the date of issuance. In addition, successful applicants will be required to enter into an Agreement with the City pursuant to meeting the requirements of the Grant Program By-law.

- The City sent Conditional Approval letters to all successful applicants that stated: "Any funding approved under this program will be paid in accordance with the HAF Capital Grant Program By-law and subject to the terms of the HAF Capital Grant Program Agreement."
- During the audit period, a legal agreement template with reporting requirement to ensure compliance with the Grant Program By-law affordability criteria was developed. Section 7.1 (b) of the agreement states that- “The recipient agrees that it shall deliver an Annual Attestation by the end of December in the first year of occupancy and each year in December thereafter, in a form acceptable to the City, which shows that the Project is maintaining at a minimum the number of Affordable Housing Dwelling Units and at maximum Rental Rates specified in Section 4.1(f) for the Term of this Agreement.”
    - Proponents of the selected projects will be required to sign the legal agreement prior to receiving any money.

- The HAF team informed us they also plan to leverage the monitoring process of other levels of government that have provided or will be providing housing funds to proponents of selected projects.
- We noted the Grant Program Initiative Charter identified the risk of not having a mechanism for long term monitoring of affordability in projects by proponents and the response to mitigate the risk. We identified that the risk was not captured in the HAF Program risk register which is the comprehensive record of all identified risks associated with the HAF Program. Please refer to recommendation 5 in the Section 2.1 Risk Management Process.

RECOMMENDATION 6			
We recommend that the HAF Program Sponsor and the HAF Program Manager update the documentation requirements for the Conflict-of-Interest Declaration to include the meeting date, location, and names of committee members with their signatures.			
RISK AREA	Business Process	**ASSESSMENT**	High Risk
BASIS OF ASSESSMENT	A properly executed and documented conflict of interest declaration enhances the transparency of the HAF Grant Program adjudication and selection process and protects the City against potential reputation and legal risks.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. Conflict of interest was verbally confirmed prior to the Adjudication Committee meetings and if any conflicts were noted, appropriate processes were followed. Moving forward in future rounds of adjudication, written conflict of interest declarations will be kept along with the meeting date, location, names of committee members and signatures.			
IMPLEMENTATION DATE	Q3 2025		

RECOMMENDATION 7			
We recommend that the HAF Program Manager document any changes to established processes that are formally documented (e.g. the Adjudication Committee Framework). The documentation should include the reason for the change in process, when the change occurred, what the impact is, and who is involved.			
RISK AREA	Business Process	**ASSESSMENT**	High risk
BASIS OF ASSESSMENT	The selection process for the three downtown transformational projects was not documented and was not transparent, potentially resulting in a real or perceived bias. If the selected projects do not meet the criteria in the HAF Grant By-law and the criteria established by CMHC, the funding for the projects could be taken back.		
MANAGEMENT RESPONSE			
Management agrees that processes and changes to processes should be documented. The process for approvals for the Transformational Projects were outside the established process and were therefore referred to a public process of Council approval. This follows other processes for Transformative Development, such as in alignment with the Council-approved TIF Policy. The process followed ensured that anything outside of standard process was presented to Council for full transparency and ultimate decision-making. Management will use the results of the Audit to update future changes to process, including to record changes and identifying alignment with other Council approved policy.			
IMPLEMENTATION DATE	Q3 2025		

2.3 Monitoring, Reporting and Communication of Risks

Monitoring, reporting and communication of risks is essential for effective risk management. These practices ensure risks are identified, understood, and addressed with an appropriate risk response. Providing information on risks to decision makers on a timely basis improves decision making, enhances organization resilience, provides greater transparency, builds trust and assists in ensuring goals are achieved. We evaluated the adequacy and effectiveness of monitoring, reporting and communication of risks.

Observations

- The HAF Project Management team meet regularly, both informally and formally, to discuss the project's progress and other key areas such as risks. However, there is a lack of reporting on high-level risks related to the initiatives and the potential impact on the achievement of the Program's goals and objectives.
- Weekly discussions regarding these risks are not documented and there is insufficient monitoring, evaluation and communication of the risk by the Initiative Project Managers.
- An annual report presented to Council discussed the high-level risks to the HAF Program and provided an update on the HAF Program initiatives. However, the high-level risks related to the HAF Program initiatives were not discussed in the report.

Analysis

Reporting by HAF Program Sponsor and HAF Project Manager

The PMM states that reporting on the risks is a key responsibility of the Project Manager. Reporting provides decision makers information to ensure they are aware of key risks, the response, and the potential impact to the Program. The objective of risk management is to reduce the chance that the project will not meet its goals and objectives.

- The HAF Program Manager informed us that they meet with the Program Sponsor on a weekly basis to discuss the Program, the status of all Program initiatives and any issues or concerns.
    - We requested documentation from discussions between the HAF Program Manager and the Program Sponsor on risks and we learned that the meetings are not documented. The HAF Program Manager informed us that they discuss the risks and any planned response or mitigation of the risks. However, this is not documented in meeting minutes or an agenda.
- Weekly meetings also occur between the HAF Program management team. We confirmed that the HAF Program Manager recorded the meeting notes for these meetings and noted that the agenda includes topics such as CMHC, staffing, project charters, reporting and tracking and an update and discussion on all Program initiatives. While the HAF Program management team may discuss the risks related to the various topics, we noted that risks were not listed as an agenda item.

Initiative Project Managers

Each of the eight Program initiatives has an Initiative Project Manager responsible for their initiative. The HAF Program Charter states that the Initiative Project Managers are responsible for ensuring the project is delivered according to the PMM and the approved Project Charter as well as ensuring effective communication with the Program Manager, Program Sponsor and within the Project Team. The HAF Program Manager informed us that Initiative Project Managers report monthly to the HAF Program Manager on the status of their initiative as well as with an update on the risks to the initiative. We evaluated the monitoring, evaluating, and updating of the risks as part of the risk management process through the reporting by the Initiative Project Managers.

- At the March 21, 2024 Council meeting, Council approved an expenditure of $2.5 million for staffing and consultants to develop and deliver the HAF program. With the development of the HAF Project initiative teams, the HAF Program Manager developed a template for monthly reporting by the Initiative Project Managers. Formal monthly reporting began between June and August 2024. The HAF Program Manager informed us that regular communication with all Initiative Project Managers occurs throughout the month.
    - We reviewed the monthly reporting template for the Initiative Project Managers and confirmed updates on risks to the initiatives were requested and reviewed. The template includes the following:
        - What has occurred during the month and status of the initiative?
        - Has anything occurred in the reporting period that puts the initiative at risk at meeting timelines?
        - An update on the initiative milestones and status
        - Risk to budget or timeline
        - Any other risks or issues to report
    - We found the process for reporting on risks via the monthly report by the Initiative Project Managers to the HAF Program Manager was consistent across the different initiatives. However, the process for identifying new risks, monitoring, evaluating, and reporting on the risks for each initiative was not consistent.
        - Initiative Project Managers did not conduct further evaluations or risk assessments for all the risks identified in the monthly reports.
            - We selected a sample of two monthly reports for each initiative and found that many reports listed only one risk with minimal details on their assessment of the risk.
            - We noted the Project Charters for the initiatives identified additional risks, however, there did not appear to be updates to the risks.
        - The HAF Program Manager did not update the HAF Program risk register with the risks identified and reported on by Initiative Project Managers.
    - We found one Initiative Project Manager did not complete the reporting template and did not submit a formal monthly report during the audit.

- The Acting HAF Program Manager stated that the Initiative Project Manager provided verbal updates at team meetings, however, the monthly updates were not documented.
- We noted the Initiative Project Charter listed two risks, however, there was no assessment of the likelihood or impact of the risks. The Charter identified plans to mitigate the risks.

In addition to the monthly one-on-one meetings between the Initiative Project Managers and the HAF Program Manager, the HAF Program Management team meets quarterly with all Initiative Project Managers.

- We confirmed an agenda is prepared for the quarterly meetings and minutes are recorded. The HAF Program Manager provides an update on the overall status of HAF Program and any items that are coming up. The Initiative Project Managers also provide an update on their initiative and there is an opportunity to discuss challenges or risks the initiative is facing.

Overall, the risk documentation, reporting and communication by the Initiative Project Managers to the HAF Program Manager is not sufficient. We found insufficient monitoring, evaluation and communication of risks by the Initiative Project Managers. We noted the responsibilities in the HAF Program Charter for the Initiative Project Manager do not include monitoring and managing project risks. Please refer to recommendation #2 for further details.

Reporting to the Executive Policy Committee (EPC)

The HAF Program Manager reports monthly to EPC with an update on the various supportive housing, addiction, and social indicators. At the March 23, 2023 Council meeting, Council directed the Public Service to provide monthly updates to the EPC on several supportive housing, addiction, and social action indicators. When the City entered into an agreement with CMHC to deliver 14,101 new housing units by December 5, 2026, the HAF Program Manager updated the report to include information on the number of housing units approved through development applications, development and building permits and housing grant programs, including affordable housing.

Monthly Reporting

We confirmed that the HAF Program Manager reported monthly to EPC on the number of approved housing units. We reviewed a monthly report presented at EPC to determine what information was included on risks. The report presented the progress made towards reaching the target of 14,101 new housing units by December 5, 2026. It also included the number of housing units with approved building permits along with the breakdown of permits by category. The HAF Program Manager and the HAF Program Sponsor determined reporting on approved building permits in the monthly housing

report was a key compliance metric under the HAF Agreement with CMHC. There was no further direction from Council or EPC regarding what to include in the monthly report.

- The report provides further details as the agreement with CMHC specifies the number of units required in each category:
    - 7,529 multi-unit housing near rapid transit,
    - 1,026 missing middle housing units,
    - 1,553 other multi-unit housing units, and a
    - 9.60 percent of housing supply growth in affordable units.
- We found the report accurately presents the number of dwelling units created and lost (e.g. through demolition or repurposing of the property). The agreement with CMHC is premised on *net new* dwelling units of various types.
- At the time of the audit, the Program's management team and the Innovation and Technology Division of PP&D were working on identifying new building units that are within 1,500 meters of a transit stop. The report to EPC that we reviewed did not include this information, but the HAF Program Manager has since incorporated this information into the report and we confirmed reporting on the building units within 1,500 meters of a transit stop began in March 2025. They also added the number of affordable housing units to the report. The Affordable Housing Concierge program maintains a listing of all housing units that are deemed affordable, the properties are also identified in the PP&D AMANDA[6] system.
- We found that the monthly housing stats report to EPC does not communicate the Program risks or their impact on the achievement of the Programs goals and objectives.
    - The Program has eight initiatives that each contribute to achieving the goal of 14,101 approved building permits by December 6, 2026. Reporting and communicating on the status of the high risks to the Program would help ensure decision makers understand the key risks to the Program and the risk response efforts.

Annual Reporting

The HAF Program Manager presented an annual report to EPC and Council in December 2024[7]. This marked the end of the first year of the program and was a directive from Council. At the March 21, 2024 Council meeting, Council directed the Public Service "to report back before the end of 2024 with a plan to implement the remaining Council-approved HAF Action Plan Initiatives."

- We found the annual report communicated the goals of the program, provided an update on all eight Council-approved initiatives and discussed the high-level risks to the overall HAF

[6] AMANDA is a PPD software application used for work-flow management. AMANDA is used to process information by capturing details about applications, permits and other related transactions.
[7] Item 10 Housing Accelerator Fund (HAF) – 2025 Proposed Initiatives, December 12, 2024 Council Meeting

Program. The report also discussed how the potential change in the federal government could impact the future funding of the Program.
    - However, we found the report did not discuss the key risks related to each initiative and the impact of the risks to the overall achievement of the program goals. A key responsibility of a Project Manager is to ensure "capital project reporting to Council is open, transparent and fully discloses all material facts."[8]
- We reviewed the HAF Program risk register for the high-risks to the Program and noted that while some of the high-risk items were mentioned in the report, the report did not consider the impact of the risks on the achievement of goals and objectives of the HAF Program such as challenges to staffing all eight initiatives and delays to zoning changes due to delays in approval of changes to zoning by-laws.
- We identified an instance where Council's decision to delay amendments to the zoning by-law would increase the risk of not meeting the completion date to "Legalize four dwelling units per residential lots." The Initiative Project Manager identified this as a major risk and communicated it to the Director of PP&D who raised it to the attention of the CAO.
    - We noted that there was no discussion of this risk in the annual report to Council, however, the Acting HAF Program Manager and the Interim CAO discussed the risk with Council at the December 12, 2024 Council meeting.

In reviewing the 2025 Proposed Initiatives Report, we noted the Public Service recommended three projects, identified as *Transformational Downtown Projects,* to receive funding through initiative 3 – the HAF Grants Program (Portage Place Mall at 393 Portage Ave, 450 Portage Ave and Parcel 9 Affordable Housing Project at the Forks Railside). Please refer to Section 2.2 HAF Capital Grant Incentive Program for further details on the *Transformational Downtown Projects*.

[8] Administrative Standard FM-004 Asset Management, Pg. 19.

RECOMMENDATION 8			
We recommend that the HAF Program Manager develop a standardized agenda template for meetings with the HAF Program Sponsor. The agenda must include a standing agenda item for HAF Program risks and updates on the status of outstanding risks that may affect the achievement of the HAF Program's goals and objectives. High-risk items should be considered for further reporting and communication to EPC.			
RISK AREA	Reporting	**ASSESSMENT**	Moderate Risk
BASIS OF ASSESSMENT	A lack of reporting to the Program Sponsor on key risks, the status of the risks, and the potential impact could result in the HAF program not achieving the goals and objectives and/or missing key deadlines due to limited oversight.		
MANAGEMENT RESPONSE			
Management agrees with the intent of the recommendation. A more formal tracking of risks can be included in a formal agenda. A standing agenda for weekly meetings was prepared in June 2025 and includes a point on Program risks.			
IMPLEMENTATION DATE	Q2 2025 (Implemented)		

RECOMMENDATION 9			
We recommend that the HAF Program Manager and the HAF Program Sponsor include in their reporting to EPC a summary of the high-level risks that could have an impact on the achievement of the HAF goals and objectives and outline the plan to mitigate the risks. Reporting should be at minimum four times a year and in the HAF annual report on the implementation of HAF Action Plan Initiatives.			
RISK AREA	Reporting	**ASSESSMENT**	Moderate risk
BASIS OF ASSESSMENT	A lack of communication regarding significant program risks and their potential impact on achieving the goals and objectives prevents EPC from having a complete understanding of the Program's status. As a result, decisions made by EPC without this critical information could negatively affect the achievement of the HAF Program's goals and objectives.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation and will incorporate a summary of high-level risks into reports to EPC on HAF Initiatives. If existing HAF reports are less than four times/year, additional reports on risk will be brought forward to ensure regular reporting.			
IMPLEMENTATION DATE	Q4 2025		

2.4 Financial Management Process

Cost overruns create a risk of exceeding the project budget and having insufficient resources to fully fund the project. The PMM states that "The Project Manager must proactively monitor and manage costs; reviewing the project routinely to confirm that costs and expenditures are as planned."

The HAF Program is fully funded by the money received from CMHC, further increasing the importance of active financial management of the HAF Program. The HAF Program Sponsor and the HAF Program Manager have established a budget for each initiative with City employees performing work for both the HAF initiatives as well as their own City work. Furthermore, the agreement with CMHC contains clauses where funding could be withheld or required to be repaid if not properly accounted for. These items increase the financial risk to the HAF Program.

Observations

- The City's PMM defines the roles and responsibilities of the Project Manager for monitoring and managing project costs.
- The HAF Program Charter defines the project milestones, the deliverables related to the finances and budget of the HAF Program, the financial role and responsibilities for the HAF Program Sponsor, the estimated budget per initiative and the funding source. However, it does not include the responsibilities of the HAF Program Manager for managing and monitoring the HAF program costs.
- The HAF Project Manager submitted the required report to CMHC on the use of HAF funding within the reporting timeline.
- The total expenditure of $1.1 million for staffing and consultants to develop and deliver the HAF Program as of December 31, 2024, was within the approved $2.5 million Council approved HAF Program budget for the first installment of the HAF.
- The monthly reporting template for Initiatives Project Managers included a section for reporting on anything that has put the initiatives budget at risk. However, during the first year of the HAF Program, the HAF Program Manager did not actively monitor the use of HAF funds by the initiatives in other departments on a regular basis. The Campus Finance team was working to prepare a quarterly report to review with the HAF Program Manager starting in April 2025. We confirmed this occurred in May 2025.
- There are no documented procedures related specifically to managing and monitoring the HAF Program's use of funds with defined responsibilities of the HAF Program Manager and Initiative Project Managers. We confirmed a budget was established for all the eight initiatives in the Initiative Project Charters, except for one that was awaiting Council's direction, as management decided to allocate the budget in the third year of the HAF Program, once funding became available. This was due to the uncertainty about the program's future. A total of $15.1 million was recorded for the initiative in the 2025 HAF Program budget provided by the Campus Finance team.
- The HAF Program Risk Register does not include the risk related to the distribution of the HAF funds to the HAF initiatives and the potential that initiatives could go over budget.

Analysis

Section 7.1.2 of the City's PMM identifies that a Project Managers key responsibilities include regularly managing and monitoring project costs, to ensure that they are used as planned and within the approved budget.

Roles and responsibilities for Financial Management of HAF funds

We reviewed the HAF Program Charter and noted that the HAF Program Sponsor is responsible for making final decisions related to budget, resources, risk mitigation measures, and timelines. They are also responsible for the approval of the HAF program charters, financial expenditures and approval of project/initiative budget change requests.

- At the December 2024 Council meeting, the HAF Program Manager presented the following budget for the HAF Program that includes all initiatives. The budget was for the first two installments received from the CMHC[9] and was approved by Council at the meeting.
- We noted a budget for the entire program and a budget for each Project initiative is documented in the HAF Program Charter and initiative Project Charters, except for one initiative.

Financial Budget for HAF Program (All Initiatives)

Funding (in millions)			**$61.2**
Expenditure			
Program Administration		**$**	**0.4**
Initiative			
1 and 2	Zoning By-Law and Local Area Plan Amendments	$	0.6
3	Grants Incentive Program		
	General applicants	$	42.0
	Portage Place	$	5.0
	SCO	$	5.0
	Forks	$	2.0
4	Land Enhancement Office	$	1.0
5	City Concierge Affordable Housing	$	1.4
6	Infrastructure Support	$	-
7	Digitize Development and Permit Approvals	$	3.7
8	Housing Needs Assessment	$	0.1
Total Expenditure			**$61.2**

Source: Council Minutes December 12, 2024, Report Item No. 10 *Housing Accelerator Fund (HAF) 2025 Proposed Initiatives.* Page 23.

Infrastructure Support: The program to support infrastructure investment was determined to best occur in year three of the HAF Program, subject to future rounds of HAF funding.

The HAF Program Manager informed us that the HAF Program Sponsor approved the Project initiative budgets and that the HAF Program Manager provided approval for each Project initiative either through email or the initiative Project Charter. The 'Approval and Authority to Proceed' section of the HAF Project Charter identifies the HAF Program Sponsor or the HAF Program Manager as the final sign-off.

- We reviewed the initiative Project Charters to confirm that the HAF Program Sponsor or the HAF Program Manager approved the budgets for each of the eight initiatives.

[9] Council Minutes December 12, 2024, Report Item No. 10 Housing Accelerator Fund (HAF) 2025 Proposed Initiatives.

- We confirmed that the HAF Program Manager approved the budget for two of the initiatives through email and the budget of three initiatives through the Project Charter.
- The Initiative Project Charter for two of the initiatives contained the project budget but there was no documented approval by either the HAF Program Sponsor or HAF Program Manager. Please refer to recommendation 3 in the Section 2.1 Risk Management of the HAF Program.
- We noted that one of the initiatives did not have a budget documented in the Project Charter. The budget section was completed as "TBD" at the time we reviewed the Project Charters. The HAF Program Manager informed us that a program to support the infrastructure investment was likely to occur in year three of the HAF Program and was subject to future rounds of HAF funding, therefore no budget was documented in the Project Charter. However, a total of $15.1 million was recorded for the initiative in the 2025 HAF Program budget provided by the Campus Finance team.

The HAF Program Charter also defines the role and responsibilities of the HAF Program Manager. A key responsibility of the HAF Program Manager is to ensure that the HAF Program is delivered according to the City's PMM. This includes the project being delivered on time, within scope and schedule, at a high level of quality, and in a way that achieves the project's objectives and benefits – while effectively controlling the pace, direction and intensity of efforts.

- We noted that the HAF Program Charter does not identify monitoring and managing the HAF Program costs as a responsibility of the HAF Program Manager. The HAF Program Manager informed us that the Program expenses were reviewed when the year-end report was prepared and presented to Council; however, there was no documented evidence of the review by the HAF Program Manager. Please refer to recommendation 2 in the Section 2.1 Risk Management of the HAF Program.

We observed that the total expenditure of the HAF Program as of December 31, 2024, was within the approved HAF Program budget.

- On March 21, 2024, Council approved $2.5 million for staffing and consultants to develop and deliver the HAF program funded by the first instalment of the HAF. The total expenditure of the HAF Program as of December 31, 2024, was $1,164,675.

Monitoring, Review and Approval of Finances

Section 5.1 of the CMHC agreement lists out the purposes for which the City can use the funding through the HAF. The four categories permitted for the use of HAF funding are investments in:

(i) Approved HAF action plans
(ii) Affordable housing
(iii) Housing-related infrastructure

(iv) Community-related infrastructure that supports housing.

The funding that the City receives from CMHC will be used to fund the approved HAF action plans laid out in the HAF Agreement.

The City's HAF Program expenses are categorized under the eight initiatives and the General HAF Program[10] in the HAF 2024 Forecast report. In 2024, the initiatives spent funds on the following expenses related to the approved HAF action plans: Consultant Services, Non-Professional Services, Allocated Departmental Costs[11], Advertising, Rentals and Luncheons, Receptions & Events. At the time of the audit, there had been no disbursements related to the HAF Capital Grant Program.

The expenditures in 2024 for the HAF Program initiatives totaled approximately $1.2 million. We tested a sample of four expenses from 2024, representing twenty percent of the total expenditures, to confirm that the funds spent were within the permitted use in the CMHC Agreement and that the expenses were reviewed and approved appropriately. We selected two consultant service expenses, one allocated departmental cost, and one luncheon, reception, and event's expense. The Initiative Project Manager is responsible for managing their initiative budget and approving initiative related expenses.

- We confirmed that the selected expenses tested were within the CMHC permitted use of funds and related to the approved HAF action plans that include programing costs, incentives and grants, staffing, consulting and professional service fees.
- According to the HAF Program Manager, authorities were delegated to supporting departments to operate within the approved budgets and timelines, and to follow the existing City's procedures and approval authorities within the existing process. In May 2024, the HAF Program Manager informed the Initiative Project Manager of one of the supporting departments, of their discussion with Corporate Finance about HAF funded activities in other departments.
- According to the email, HAF Management approves the initiative budget and the department finance team will handle the day-to-day accounting. Roles and responsibilities related to the approval of expenses by the departments was not mentioned. All four expenses tested required review and approval for proper managing and monitoring of project costs.
    - We confirmed one of the four expenses was reviewed and approved by the appropriate Initiative Project Manager, a member of the HAF Program team at the time the expense was processed.

[10] Expenses spent on the HAF Program, not on any specific initiative.
[11] Amounts paid to employees or new FTEs of other departments, sharing their work hours with the HAF program, based on an approved percentage by the Program Sponsor.

    - One was approved by an employee of a supporting department of the HAF Program and not the Initiative Project Manager. According to the Initiative Project Manager, the employee is responsible for approving expenses in the department.
    - The remaining two expenses that occurred in other departments, outside the HAF Team operating from the Offices of the CAO, did not have evidence of review by the Initiative Project Manager.
        - One was reviewed and approved by the Initiative Project Manager subsequent to our request for approval through an email.
        - One had no evidence of review or approval. The spreadsheet of Allocated Departmental Costs for 2024, provided by the Initiative Project Manager, did not indicate when and who reviewed and approved the hours and amount recovered from the HAF funds. Employees who dedicate a portion of their time to the HAF initiative Projects record their hours in a spreadsheet that is used to determine the amount to be recovered from the HAF Program. The HAF Program Manager informed us that they had reviewed the Allocated Departmental Costs of employees sharing their work hours with the HAF Program as the year-end report was compiled.
            - We reviewed Peoplesoft Financials and confirmed that the appropriate Finance Manager reviewed and approved the recovered Allocated Departmental Costs tested from the HAF fund at year end.

The City's PMM states that the Project Manager must proactively monitor and manage costs; reviewing the project routinely to confirm that costs and expenditures are as planned.

- The HAF Program Manager informed us that the processes and procedures related to monitoring and managing the HAF funds in other departments are not formally documented, as the existing departmental financial management procedures will be followed. The HAF management team operates within the City's financial management procedures and policies.
- According to the HAF Program Manager, the use of HAF funds by the supporting departments was not monitored on a regular basis. However, the use of HAF funds internal to the Offices of the Chief Administrative Officer (CAO) was approved and tracked in accordance with the City's processes and procedures.
    - The HAF Program Manager further stated that in 2024, work did not commence until summer and minimal funds were expended. In 2024, there was a six-month review at year-end. The HAF Program Manager indicated that going forward they will monitor the use of HAF funds on a quarterly basis starting April 2025, using a report prepared by the Campus Finance team. We inquired and confirmed with the HAF Program Manager that the first quarter of 2025 HAF actuals and projections report was made available and reviewed with the Campus Finance team in May 2025.

Management of Financial Risk

We reviewed the HAF Program risk register to determine if risks related to the financial management of the HAF Program were identified. We found:

- The risk related to the City not receiving expected funds from CMHC due to new government changes or cancellation of the program was recorded in the risk register with a documented risk response. However, the risk register did not identify the risk related to the allocation and distribution of the HAF funds received for each initiative. This includes the potential for initiatives to exceed their budgets and cost the City more than the funding received from CMHC. Please refer to recommendation 5 in the Section 2.1 Risk Management of the HAF Program.

Reporting

Section 6.1 of the signed agreement between the City of Winnipeg and CMHC requires the City to submit a report on the use of HAF Funding, prior to each subsequent advance and within 30 days following the first, second and third anniversary of the Effective Date, December 5, 2023, respectively. The reporting template contains the four categories of the permitted use of the HAF funds mentioned under the 'Monitoring, Review and Approval of Finances' section above. We reviewed the reporting to CMHC.

- We confirmed that the HAF Program Manager submitted the report to CMHC on December 19, 2024 in advance of the required report submission date of January 4, 2025.
- The amount spent and reported to CMHC was $1,076,214 for the 'Investment in HAF action plans.' All initiatives are included in the approved action plan and fall into this category.
- The Campus Finance team responsible for the financial management and reporting of the HAF funds provided the HAF Program Manager the financial data used to prepare the report.
- The Coordinator of Financial Services, Campus Finance informed us that the HAF budget sits in a reserve account[12], therefore, there is no internal reporting required to Corporate Finance. In May 2025, the Campus Finance team prepared a quarterly report highlighting the budget, year to date actual expense amount, projected actual expense amount and the forecast variance. This report was reviewed with the HAF Program Manager. The HAF Program Manager stated that the process for monitoring the use of the HAF funds will continue quarterly.

[12] Reserve allows the fund to stay in one spot as against being in an operating- set budget for a time where any unspent budget goes back to the City, which is not applicable here as the fund is not from the City.

RECOMMENDATION 10

We recommend that the HAF Program Sponsor and HAF Program Manager work with the Coordinator of Financial Services, Campus Finance Branch of Corporate Finance to develop and document procedures for the financial management and monitoring of the HAF funds.

The document should align with Section 7.1.2 of the City's PMM and the process should include, at a minimum, the following elements:

- Review and approval of expenses incurred by the HAF Management team and the supporting departments (documenting the reviewer, approver and corresponding dates)
- Review of the quarterly HAF expenses and budget by the HAF Program Manager (documenting the reviewer, approver and corresponding dates)
- Account for any additional and unanticipated costs as soon as possible.
- Identify and track potential changes and additional expenditures.
- Account for inflation and other types of escalation throughout the project.
- Ensure the total costs are within the approved budget. If they are not, the Project Manager must inform the Project Sponsor and a recovery plan must be produced and added to the Project Delivery Plan.
- Responsibilities of the Initiative Project Managers related to the initiative budget and approval of expenses.

The document must be communicated to members of the HAF Program team, the Initiative Project Managers and the Coordinator of Financial Services, Campus Finance Branch.

RISK AREA	Business Process	**ASSESSMENT**	High
BASIS OF ASSESSMENT	Developing and documenting procedures for financial management and monitoring the use of HAF funding prevents subjectivity, ambiguity and inconsistencies in the process. Documentation of financial management ensures the expenses related to the HAF Program are monitored to stay within the approved budget, thereby mitigating the City from potential financial and reputation risk as the City has no financial provision for the HAF Program.		

MANAGEMENT RESPONSE

Management agrees with this recommendation, and its intention to clearly document roles related to financial management. Management has already developed standards on financial management and monitoring of HAF Funds.

(Continued on next page)

MANAGEMENT RESPONSE
(Continued from previous page) To be clear, there are two distinct processes which occur for the monitoring and management of HAF Funds. The first would refer to funds approved from the HAF budget, allocated to other Departments for execution of HAF Initiatives. Management agrees this process should be more clearly documented, in that, Departments are responsible for ensuring HAF funds are expensed according to existing accounting standards and approval authorities, following Council and HAF Office approval. The second part addresses finances within the HAF Team within the Offices of the CAO and this work is well underway. A detailed documented process was developed in March 2025 in collaboration with Legal and Corporate Financial for the HAF Capital Grants. Internal procedures for day-to-day monitoring for funds within the HAF Office have also been developed and are live documents, updated as changes arise. As indicated, quarterly review of expenses within the Office are coordinated between Management and Finance.

IMPLEMENTATION DATE	Q1 2026

RECOMMENDATION 11			
We recommend that the HAF Program Manager ensure the Project Charter for the initiative without a documented budget is updated and approved.			
RISK AREA	Business Process	**ASSESSMENT**	Medium
BASIS OF ASSESSMENT	Each initiative contributes to the overarching HAF Program housing target, at agreed timelines with the CMHC. Having an approved project charter with budget in place will ensure the realization of this target within the agreed timeline and within the approved budget. An approved budget ensures effective management and monitoring of project costs, and timely implementation of the established risk response where an initiative might be going over budget.		

MANAGEMENT RESPONSE
Management agrees. The project charter without a budget has since been added, after Council approved funds for the program in December 2024.

IMPLEMENTATION DATE	Q1 2025 (Implemented)

2.5 CentreVenture

At the March 12, 2024 Council Meeting, Council approved the recommendation of the EPC that "CentreVenture may be assigned by the City to directly administer the Housing Concierge and the Land Enhancement Funding Programs developed through the HAF." We evaluated the City's risk management processes in place related to the role CentreVenture and any other third parties may have in the HAF Program.

Observations

- At the time of our audit, the HAF Program Sponsor and HAF Program Manager had not engaged in any conversations with CentreVenture.
- A report presented at the December 2024 Council meeting provided an update on the 2025 Proposed initiatives and stated that the City's HAF team would administer the HAF Capital Grant Program with the CAO's office.

Analysis

Through discussions with the HAF Program Manager and HAF Program Sponsor, they informed us that there have been no discussions with CentreVenture regarding the role CentreVenture would have with the HAF Program.

- The HAF Program Sponsor informed us, that during the first year of the HAF Program at the City CentreVenture was in the process of recruiting a new CEO and that the City would continue to administer all HAF Programs. A new CEO was hired in January 2025.
- We reviewed the HAF report presented to Council in December 2024, which included an update on the 2025 Proposed Initiatives. The report confirmed that the City's HAF team would administer the HAF Capital Grant Program within the Offices of the CAO.
- We examined the HAF risk register and noted that there were no risks identified for CentreVenture or any other third party assuming any administrative responsibilities for the HAF Capital Grant or the Land Enhancement Programs. We advised the HAF Program Manager to update the risk register with any identified risks and responses related to CentreVenture's potential role in administering the HAF Program in the future.
- The HAF Program Manager should ensure they monitor the risks on an ongoing basis.

RECOMMENDATION
There are no recommendations for this section.

Appendix 1 – Audit Methodology

The City Auditor is a statutory officer appointed by City Council under *The City of Winnipeg Charter*. The City Auditor is independent of the Public Service and reports directly to the Executive Policy Committee, which serves as the City's Audit Committee.

The City Auditor conducts examinations of the operations of the City and its affiliated bodies to assist Council in its governance role of ensuring the Public Service's accountability for the quality of stewardship over public funds and for the achievement of value for money in City operations.

Once an audit report has been communicated to Council, it becomes a public document.

Project Risk Analysis

Our audits are conducted using a risk-based methodology. A risk assessment was performed to identify the areas of focus.

Audit Scope

The audit focused on the HAF Program risk management processes and controls to identify, assess, mitigate, and monitor HAF Program risks. The audit included all eight HAF Project Initiatives.

The audit examined the risk management systems, processes, practices, and controls in place to identify, manage, monitor and report on risks internally and externally to achieve the HAF programs' goals and objectives. The areas we examined are the:

- Risk Management process and practices relating to the HAF Program
- HAF Capital Grant Incentive Program
- Monitoring, Reporting and Communication of Risks
- Financial Management Process

The audit did not reassess risk ratings or rankings assigned by the HAF Program management team.

The scope period of examination for this audit was December 2023 to May 2025.

Approach and Criteria

We conducted our audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our observations and conclusions, based on our audit objectives. We believe the evidence we have obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Procedures for this audit consisted of the following:

- Reviewing the following information:
    - Administrative Standard FM-004 Asset Management and the City's Project Management Manual
        - The Project Management Manual (PMM) provides guidance and best practices in project management and is intended for City Project Managers to use in the delivery of all capital projects. The PMM is based on the Project Management Book of Knowledge (PMBOK) and guides the Project Manager through the process of properly initiating, planning, executing, monitoring/controlling and closing the project. It also provides guidance on the best practices in risk management.
    - The HAF Program Charter and the Initiative Project Charters developed for each of the eight initiatives.
        - The Project Charter initiates the transition from the pre-project phase to project initiation phase and formally authorizes the project to proceed. The Project Charter forms the agreement between the Project Manager and the Project Sponsor. It provides a clear set of expectations for the Project Manager.
        - The HAF Program Charter defines the:
            - HAF Program Team and their roles and responsibilities
            - Program scope and objectives
            - Program milestones,
            - Program controls including the change control approach and the risk management approach,
            - Program cost estimate and sources of funding,
    - The HAF Risk Register
    - Job descriptions for the HAF team members
    - Monthly reporting by the HAF Program Manager to Executive Policy Committee (EPC)
    - Monthly reporting conducted by the Initiative Project Managers to the HAF Manager.
    - The HAF Contribution Agreement between CMHC and the City of Winnipeg
    - Reporting to CMHC
    - Applicable EPC and Council meeting minutes – related to the HAF Program.
    - By-Law No. 64/2024 Housing Accelerator Fund Capital Grant Program
    - The HAF Capital Incentive Grant Adjudication Committee Parameters and Framework
- Selection of non-statistical samples used to review and assess key aspects of the HAF Program:
    - Selecting and analyzing a sample of HAF financial expenses.

        - We reviewed the supporting documentation to confirm that the expenses were reviewed and approved, and that a process is in place to monitor HAF expenditures on an ongoing basis.
    - Selecting a sample of applications submitted for the first round of funding through the HAF Capital Grant Program.
        - We examined the documentation completed by the Adjudication Committee, along with the application review process, to confirm that the HAF Capital Incentive Grant Adjudication Committee Parameters and Framework were followed as designed.
- Discussions with the HAF Program Sponsor, HAF Project Manager, all Initiative Project Managers and Campus Finance Branch employees.

The relevant City administrative standards, policies, procedures, best practices and By-law used as criteria throughout the audit include:

- Administrative Standard FM-004 Asset Management
- City of Winnipeg Project Management Manual
- The Housing Accelerator Fund Contribution Agreement between CMHC and the City of Winnipeg
- By-Law No. 64/2024 Housing Accelerator Fund Capital Grant Program
- The HAF Program Charter
- The HAF Capital Incentive Grant Adjudication Committee Parameters and Framework

Appendix 2 – The City's HAF Program Objectives

1. Creating a supply of housing at an accelerated pace and enhancing certainty in the approvals building process.

2. Supporting the development of complete communities that are walkable, consisting of appropriate residential density and a diverse mix of land uses, providing access to a wide variety of amenities and services through public and active transportation.

3. Supporting the development of affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum.

4. Supporting the development of low-carbon and climate resilient communities.

5. Increasing the number of housing units, to a total of 14,101 new housing units over a three-year term, including increasing the percentage of affordable housing units in the city over the term to 9.6%, resulting in 1,354 affordable units and 931 incented housing unit.

6. Increasing the capacity of the City of Winnipeg and external stakeholders/partners to deliver and support housing and affordable housing.

Appendix 3 – HAF Action Plan Initiatives 1 to 8

Initiative 1 - Rapid Zoning By-law Amendments
A series of changes to the City's zoning by-laws to help speed up housing development. The process aims to improve how zoning rules are applied in areas covered by the Winnipeg Zoning By-law No. 200/2006 and the Downtown Winnipeg Zoning By-law No. 100/2004. This will involve a full re-write of both the City's zoning by-laws. This initiative is expected to be completed by late 2027.
Initiative 2 - Rapid Amendments to Local Area Plans
Identifying and updating required changes to the Complete Communities Direction Strategy (CCDS), local area plans, and Planned Development Overlays (PDO's) where necessary to align with the major zoning changes occurring as part of Initiative 1.
Initiative 3 - Incentive Program – Multi-family Dwellings in Downtown and Corridors
The HAF Grant Program provides grants directly to developers to create more housing supply, specifically multi-family housing on key corridors including in Downtown and near high frequency transit, as well as to enhance the delivery of new affordable and non-profit housing. The HAF Capital Grant Program was launched on May 30, 2024 with the HAF Capital Grant Program By-law enacted by Council.
Initiative 4 - Land Enhancement Office (LEO)
The LEO facilitates the development of affordable, supportive and mixed-income housing on strategic City-owned land. This includes preparing City-owned land for sale/lease to non-profits, Indigenous groups, and housing developers to build affordable housing. This initiative includes the Predevelopment Grant, added to the HAF Grant Program that will help streamline the process for LEO projects on City of Winnipeg owned land. The Grant provides developers funding to ensure that key predevelopment activities, such as environmental assessment, rezoning, and site preparation works are resources and proceed on schedule to meet the City's commitment to accelerate affordable housing development.

Appendix 3 – HAF Initiatives 1 to 8 (Continued)

Initiative 5 - City Concierge for Affordable Housing
The Affordable Housing Concierge Service acts as a single point of contact, assisting non-profit housing providers and Indigenous organizations in planning their affordable housing applications, coordinating expedited review times where feasible, and providing guidance on next steps at different stages of the development and building permit processes.
Initiative 6 - Infrastructure Support Program
The City will invite developers to apply for financial assistance for infrastructure upgrades that could otherwise impede development. This initiative supports infrastructure upgrades and/or services works at sites under development. Through the use of a financial assistance program, the City will help developers with upsizing costs associated with upgrading, extending, or installing infrastructure needed for new housing.
Initiative 7 - Digitize Permits
The goal of this initiative is to transition the current paper-based and manual processes to a digital-first approach. The Innovation and Technology Department has been working to modernize the city-building processes by providing a digital transformation of development applications. This involves moving from a paper-based system to electronic, integrating applications into the systems Permits Online, the web-based customer portal. This initiative includes a multitude of development applications, such as subdivision and rezoning applications.
Initiative 8 - Housing Needs Assessment
A requirement of the City and CMHC funding agreement is for the City to complete a housing needs assessment by December 1, 2025 and include a reoccurring scheduled review date moving forward. The objectives of the housing needs assessment are to: i. Identify housing demand and supply ii. Assess housing affordability iii. Address special housing needs iv. Inform housing and related policies and activities.

Appendix 4 – HAF Program – 2024 Timeline

2024 HAF Program Highlights
Action Plan Completion Date: December 2025

DEC 2023

- The City enters into an agreement with CMHC to receive $122 million through the HAF.

JAN TO MAR 2024

- The HAF team is established with a HAF Program Manager, resource requirements for all initiatvies, project budgets, develoment of project charters, reporting and communication requirements.
- The first proposed changes to the zoning by-laws, focused on creating development permit exemptions, are approved by City Council.
- Council approves $25 million to support a new HAF Capital Grant Program and $2.5 million to recruit staff and consultants to launch all eight action plan initiatives.

APR TO JUN 2024

- The second round of proposed changes to the zoning by-law are approved by Council in May 2024 and include a number of amendments that support different types of "misssing middle" housing.
- An Affordable Housing Concierge was appointed at the end of May 2024. Work began on launching and establishing the service.
- Work began on builiding a team for Initiative 7 with the first phase involving developing a digital development application process enabling electronic processing in AMANDA (the city's application database.

JUL TO SEP 2024

- The HAF Capital Grant By-law is enacted by Council. The first round of the HAF Capital Grant Program is launched on May 31, 2024. A total of 66 applications were received the submission deadline of July 12, 2024.
- In Sept 2024 Council approved amending the Real Estate Policy Framework to declare a list of City-owned properties, identified for affordable housing, as surplus. The properties were identified through work conducted by the LEO. Authority was delegated to the CAO to approve any sale or lease of the properties.
- Council approves changes to the Development Procedures By-law simplifying the submittal requirements associated with City-led development applications.

OCT TO DEC 2024

- Eleven projects were announced as conditionally approved for HAF Capital Grants from round one.
- The thrid round of proposed zoning by-law amendments regarding building multi-unit homes along the major Corridors and large mall sites is discussed at Council in November 2024.
- Council approves $29 million for HAF grant incentives and $4.7 million for staff and consultants to deliver the program.