

Chapter 26

Saskatchewan Housing Corporation—Housing Maintenance

1.0 MAIN POINTS

Since our 2012 audit of Saskatchewan Housing Corporation's (SHC) processes to maintain the housing units it owns, SHC has made progress in addressing one of our four recommendations. SHC is currently entering information about its housing units into an asset management software system. SHC plans to work on the other three recommendations after it has entered all of the housing unit information into this system.

2.0 INTRODUCTION

The Saskatchewan Housing Corporation Act makes SHC responsible for matters related to affordable housing and gives it the power to own and maintain housing units. At December 31, 2012, SHC supported approximately 29,600 affordable and social housing units in the province that were government-funded in various ways. SHC owned about 62% or 18,352 of the 29,600 housing units.¹

Our *2012 Report – Volume 1*, Chapter 24 concluded that SHC did not have effective processes to maintain the housing units it owns. We made four recommendations. This chapter reports the results of our first follow-up on those recommendations.

To conduct this review, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate SHC's progress towards meeting our recommendations, we used the relevant criteria from the original audit. SHC's management agreed with the criteria in the original audit.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation, the status of the recommendation, and SHC's actions up to January 31, 2014. At March 31, 2014, the Public Accounts Committee had not yet considered these recommendations.

At January 2014, SHC had partially implemented one recommendation and had not implemented three recommendations.

¹ Saskatchewan Housing Corporation, *2012 Annual Report*, p. 8.



3.1 Better Documented Information on Housing Condition and Risks Needed

We recommended that the Saskatchewan Housing Corporation better document key information about the condition and risks of all its housing units to facilitate corporate-wide maintenance decision-making and planning. (2012 Report – Volume 1; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

In June 2013, SHC entered into a contract with a capital asset consultant for consulting services and use of an asset management software system. SHC plans to use this system to document and store key information about its housing units.

SHC, with the help of the consultant, started to collect and enter into the system information on SHC's housing units such as the age, type, size, and components of the units. Upon completion, SHC expects to use the system to create a life-cycle profile for each asset based on industry standards, including the replacement cost and renewal timeline for each asset. It expects SHC staff with more direct knowledge about each asset (e.g., recent upgrades, improvements, known deficiencies) to validate this information.

SHC expects to complete this work on all of its housing units by the end of 2014.

3.2 Service Objectives Need to be Set

We recommended that the Saskatchewan Housing Corporation set long-term, corporate-wide service objectives for its housing projects and use them to guide maintenance planning and priorities. (2012 Report – Volume 1; Public Accounts Committee has not yet considered this recommendation)

Status – Not Implemented

SHC has not yet set long-term, corporate-wide service objectives for its housing projects. Once it has collected information for all of its housing units as noted in **Section 3.1**, SHC plans to use this information along with financial and program information to begin working on the long-term, corporate-wide service objectives.

3.3 Corporate Maintenance Plan Needed

We recommended that the Saskatchewan Housing Corporation develop a corporate maintenance plan for the medium to long term timeframe. (2012 Report – Volume 1; Public Accounts Committee has not yet considered this recommendation)

Status – Not Implemented

SHC has not yet developed a corporate maintenance plan. Once the asset management software system is populated, SHC will assess the information produced and determine how it can be used to develop the corporate maintenance plan.

3.4 Better Reporting on Maintenance Needed

We recommended that the Saskatchewan Housing Corporation regularly give senior management and the Board appropriate written reports on planned and completed maintenance activities and the overall condition and key risks to the housing units it owns. (2012 Report – Volume 1; Public Accounts Committee has not yet considered this recommendation)

Status – Not Implemented

Management indicated that once SHC has collected information for all of its housing units as noted in **Section 3.1**, it plans to use the system to produce standard and customized reports outlining the condition of its housing units, areas of risk, and completed maintenance activities. SHC expects to use these reports to monitor trends and make decisions about the type or frequency of housing unit inspections.

As of January 2014, senior management and the Board do not receive written reports on planned and completed maintenance activities. Nor do they receive reports on the overall condition and key risks to the housing units owned by SHC.

