



## Internal Audit Report: Complaints Received January 1, 2016 to June 30, 2016

Item 3A

October 19, 2016

Building Investment, Finance and Audit Committee

<b>Report:</b>	BIFAC:2016-123
<b>To:</b>	Building Investment, Finance and Audit Committee (BIFAC)
<b>From:</b>	Chief Internal Auditor
<b>Date:</b>	September 14, 2016
<b>Strategic Plan Priority:</b>	<b>Service Excellence:</b> <ul style="list-style-type: none"> <li>• Provide Excellent Customer Service</li> <li>• Demonstrate Value for Money and Public Accountability</li> </ul>

### PURPOSE:

To provide the Building Investment, Finance and Audit Committee (“the Committee”) with a statistical report with respect to complaints received by the Internal Audit Department for the period of January 1, 2016 to June 30, 2016.

### RECOMMENDATIONS:

It is recommended that the Committee receive this report for information.

### REASONS FOR RECOMMENDATIONS:

#### Complaints Received

The Investigations Unit of the Internal Audit Department is tasked with the responsibility of reviewing and investigating complaints received about Toronto Community Housing (“TCHC”) staff, tenants, and contractors. Complaints are received from several sources, including:

- The ‘Do What’s Right’ Hotline (“the Hotline”);
- EasyTrac;

- The City's Fraud and Waste Hotline;
- Staff and/or other internal sources; and
- Other means (e.g. letters, emails, telephone calls).

### **Complaint Data**

Previous iterations of the Committee requested that complaint data be reported to the Committee on a semi-annual basis.

**Attachment 1** to this report sets out an overview of the nature and scope of complaints that have been received for the first six months of 2016 ("2016 YTD"), with comparative data for the same time period in 2015 ("2015 YTD").

The attachment sets out a number of reporting parameters with respect to the complaints received, as discussed below.

### **Source of Complaints – Gross** (Table 1)

The data shows that for 2016 YTD there has been decrease in the gross number of complaints received – a decrease of 49 or 10.4%. For approximately 4 – 5 weeks in the early spring of 2016 the link to the Hotline portal on the TCHC website was not functioning properly – this explains the decrease in the gross amounts of complaints received.

There was, however, a significant increase in the number of complaints by Letter/Email (from 23 in 2015 YTD to 70 in 2016 YTD). We have no explanation for this increase.

The Hotline consistently produces approximately 55% of the complaints received (2015 YTD 67%). This is in line with previous years' results. What this tells us is that there are numerous ways complaints reach us.

### **Net Complaints Received** (Table 2)

Following previous years trends, approximately 26% of the gross complaints received:

- Are not fraud related; or
- Were reported more than once; or
- Do not pertain to a TCHC tenant, building or staff member; or
- Reported an unidentifiable address or tenant.

For the information of the Committee about some of these items:

- *Were reported more than once I* – it is not unusual for a complaint to be submitted to the Hotline, the City's Fraud and Waste Hotline, and EasyTrac;
- *Were reported more than once II* – for complaints received from the Hotline we record every time a complaint is received. There have been a number of instances where a Hotline complaint from the internet portal was submitted 3 – 6 times within a couple of minutes of each other. Though we do not know exactly why these occurred, we suspect that the complainant may have pushed the

'submit' button several times in a row resulting in numerous duplicate submissions. Such actions will skewer the number of duplicate complaints received; and

- *Do not pertain to a TCHC tenant et al* – we often receive complaints about units that are not TCHC units. Speculating, we suspect that with the sheer size of TCHC the public may think that TCHC is the only social housing provider in Toronto, which it is not. So if they have a complaint about a non-TCHC social housing tenant, they contact us. Such complaints are forwarded to the appropriate housing provider.

It should be noted that the 284 complaints about tenants represent approximately **0.483%** of TCHC's units (less than ½ of 1%).

### **Who the Complaints are About** (Table 3)

This identifies, on a net complaint basis, who the complaints were about – staff, tenants, contractors or other. Approximately 91% of net complaints received in 2016 YTD were about tenants. This statistic has been consistent since the inception of the Hotline on January 1, 2012.

There was an inexplicable small spike in 2016 YTD in the number of complaints received about TCHC staff.

### **Nature of Complaints** (Table 4)

This sets out, on a net complaint basis, the broad subject matter of the complaints received. For staff and tenant complaints, the data is further broken down to more specific subject matters:

#### Staff

A 'Staff Performance Complaint' is one which relates to a performance issue about a staff member (e.g. the hallway floors are not being cleaned). These complaints are not reviewed by the Investigations Unit – they are forwarded to the appropriate Operating Unit or department for follow up.

'Staff Complaints – Other' include all other complaints received about a staff member. These complaints are reviewed by the Human Resources Department. The Investigations Unit assists with the review of these matters on request from Human Resources.

#### Tenants

Complaints about tenants have been broken down into five main subject areas. The three main tenant complaint subject areas are set out in the following table:

<u>Nature of Tenant Complaint</u>	<u>2016 YTD</u>		<u>2015 YTD</u>	
	<u>No.</u>	<u>%<sup>1</sup></u>	<u>No.</u>	<u>%</u>
Unreported members in a unit	112	36.0	139	43.3
Unit/Room being sublet	89	28.6	67	20.9
Unreported income	<u>51</u>	<u>16.4</u>	<u>58</u>	<u>18.1</u>
Subtotal	<u>252</u>	<u>81.0</u>	<u>264</u>	<u>82.3</u>

These three complaint categories have consistently been the 'top three' types of complaints received since we started to keep these records.

Market Rent Units operate under different rules and regulations than RGI units. As such they are forwarded directly to the appropriate Operating Unit for follow up.

### **Distribution by Operating Unit (Table 5)**

This shows the number of net complaints received within a particular operating unit ("OU").

This allows the reader to compare (i) an OU's % of Complaints Received to (ii) that OU's number of units as a % of Total TCHC units. For example, Operating Unit C (Weston/Rexdale) contains 4.5% of TCHC's units and for 2016 YTD it has 2.6% of the complaints received.

Because approximately 91% of the complaints received are about tenants, this table is in no way whatsoever a reflection of the quality of service provided by TCHC staff or the third party vendors who manage the contract managed buildings.

We are not aware of any particular reason why one OU has more complaints (on a % basis) than other OUs. Nor do we know why a particular OU is in the 'red' (more % of complaints than their population) for one time period and be in the 'green' (less % complaints than their population) for the next time period.

In addition, though the results do fluctuate from year to year, there appears to be a pattern of some of the operating units being either consistently in the 'green' (less % of complaints than their population) or in the 'red' (more % complaints than their population). The reason(s) behind this phenomena is unknown.

### **Hotline Usage (Table 6)**

Actually two tables (Table 6a and Table 6b), they show how complainants have been accessing the Hotline.

Nearly 83% of the Hotline complainants have chosen to remain anonymous in YTD 2016 (Table 6a). This consistent with that for YTD 2015.

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<sup>1</sup> % of all Net Complaints received by TCHC.

There has been a significant decrease in the number of complaints received from the Hotline internet portal. As noted above, for 4 – 5 weeks in early spring of 2016 the link to the Hotline portal on the TCHC website was not functioning properly. We believe that is the reason for the decrease in complaints received via the internet.

### **Status of Complaints Received** (Table 7)

This table sets out the status of complaints received 2016 YTD and 2015 YTD, as at September 1, 2016.

It should be noted that these are cumulative status results for the time periods in question. For example, if a 2015 complaint was closed in 2016, that status will be reflected in the 2015 column. As such, there will always be a difference between the current year's results and the previously reported results.

There were only two unassigned files as at September 1, 2016. The reason why they were still unassigned is that we have yet to determine what TCHC address is being complained about.

Due to the volume of complaints received the Investigations Unit has to rely on the good work of operating unit staff to conduct the review and investigation of most of the tenant complaints received. This allows for the timely resolution of the complaint. Though this is not shown in Table 7, 2016 YTD nearly 72% of net complaints received were referred to Operating Unit and other departmental staff. We are very much appreciative of the assistance and work conducted by field staff in this regard.

Complaint reviews generally take some time to be completed. As such, a mid-year analysis of the outcomes of complaints received generally would not be reflective of the activities that are underway. A more detailed analysis of the results of complaints will be presented in my 2016 Annual Report.

### **Future Complaints Statistics Reports to the Committee**

I seek guidance from the Committee with respect to the following items:

- *Frequency of Reporting to the Committee* – Complaints statistics are currently reported to the Committee on a semi-annual basis. Would the Committee like this reporting frequency to (i) decrease to annually, or (ii) increase to quarterly, or (iii) remain at semi-annually?
- *Nature of Information Reported On* –
  - Is there any information currently being provided that the Committee finds redundant or not meaningful?
  - Is there any other information or data that the Committee would like to see in future reports?

**IMPLICATIONS AND RISKS:**

The review and investigation of complaints about staff, tenants and contractors is an integral part of TCHC's risk management strategy. It also serves to ensure that there is accountability with respect to the actions of tenants and staff. Regular updates to the Committee about complaints received will assist in the identification and mitigation of risks faced.

**SIGNATURE:**

*"Michael Vear"*

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Michael Vear, CPA, CA, CPA (Illinois)  
Chief Internal Auditor

**ATTACHMENT:**

1. Internal Audit – Complaints Received January 1, 2016 – June 30, 2016 (with comparatives for 2015)

**STAFF CONTACT:**

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**Attachment 1**  
**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 1**  
**Source of Complaints - Gross**

*- this shows the sources of ALL complaints received*

	2016		2015		Change 2015 to 2016	
	No.	%	No.	%	No.	%
Fraud Hotline	234	55.6	317	67.4	(83)	(26.2)
EasyTrac	55	13.1	71	15.1	(16)	(22.5)
Other						
City Fraud Line	3	0.7	4	0.9	(1)	(25.0)
Call In - Telephone	0	0.0	2	0.4	(2)	(100.0)
Staff/Internal Emails	59	14.0	47	10.0	12	25.5
Letter/External Emails	70	16.6	28	6.0	42	150.0
Walk In/Person	0	0.0	1	0.2	(1)	(100.0)
Fax/Other	0	0.0	0	0.0	0	0.0
	<u>421</u>	<u>100.0</u>	<u>470</u>	<u>100.0</u>	<u>(49)</u>	<u>(10.4)</u>

**Attachment 1**  
**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 2**

**'Net' Complaints Received**

*- this table eliminates duplicate complaints, complaints about non-TCH properties, and non-fraud related complaints to arrive at the 'true' (or 'net') number of complaints received*

	2016		2015		Change 2015 to 2016	
	No.	%	No.	%	No.	%
Total Complaints Received 'Gross' (Table 1) <b>(A)</b>	421	100.0	470	100.0	(49)	(10.4)
<b>Other Matters</b>						
Item Reported is Not Fraud	18	4.3	24	5.1	(6)	(25.0)
Item Reported More Than Once	68	16.2	99	21.1	(31)	(31.3)
Not a TCH Tenant or Unit	24	5.7	26	5.5	(2)	(7.7)
Address Unknown	0	0.0	0	0.0	0	0.0
<b>Total Other Matters (B)</b>	110	26.1	149	31.7	(39)	(26.2)
<b>'Net' Complaints Received (A) - (B)</b>	311	73.9	321	68.3	(10)	(3.1)



**Attachment 1**  
**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 3**  
**'Net' Complaints Received Were About**

*- this table identifies if the 'net' complaints received were about Staff, Tenants, Contractors, or Other*

	2016		2015		Change 2015 to 2016	
	No.	%	No.	%	No.	%
Staff	26	8.4	10	3.1	16	160.0
Tenants	284	91.3	304	94.7	(20)	(6.6)
Contractors	0	0.0	0	0.0	0	0.0
Other	1	0.3	7	2.2	(6)	(85.7)
<b>Total 'Net' Complaints</b>	<b>311</b>	<b>100.0</b>	<b>321</b>	<b>100.0</b>	<b>(10)</b>	<b>(3.1)</b>

**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 4**  
**Nature of Complaints**

*- this sets out the general nature of the 'net' complaints received*

	2016		2015		Change 2015 to 2016	
	No.	%	No.	%	No.	%
<b>Staff</b>						
Staff Performance Complaints	6	1.9	3	0.9	3	100.0
Staff Complaints - Other	20	6.4	6	1.9	14	233.3
Waste	0	0.0	1	0.3	(1)	(100.0)
<b>Total Staff Complaints</b>	<b>26</b>	<b>8.4</b>	<b>10</b>	<b>3.1</b>	<b>16</b>	<b>160.0</b>
<b>Tenants</b>						
Unreported Extra Members in Unit	112	36.0	139	43.3	(27)	(19.4)
Unit/Room Being Sublet	89	28.6	67	20.9	22	32.8
Unreported Income	51	16.4	58	18.1	(7)	(12.1)
Miscellaneous Fraud	16	5.1	10	3.1	6	60.0
Over housed Unit	7	2.3	14	4.4	(7)	(50.0)
Market Rent Units	9	2.9	16	5.0	(7)	(43.8)
<b>Total Tenant Complaints</b>	<b>284</b>	<b>91.3</b>	<b>304</b>	<b>94.7</b>	<b>(20)</b>	<b>(6.6)</b>
<b>Contractor</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Other</b>	<b>1</b>	<b>0.3</b>	<b>7</b>	<b>2.2</b>	<b>(6)</b>	<b>(85.7)</b>
<b>Total 'Net' Complaints</b>	<b>311</b>	<b>100.0</b>	<b>321</b>	<b>100.0</b>	<b>(10)</b>	<b>(3.1)</b>

**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 5**  
**Distribution by Operating Unit**

- this shows the distribution of the 'net' complaints received by Operating Unit (OU)

- it also compares (i) the OU's % of Complaints Received to (ii) the OU's number of units as a % of Total TCH units

means the OU's % of Complaints Received is LESS than it's % of Total TCH units  means it is GREATER than

	2016			2015			Change 2015 to 2016	
	<u>Complaints</u> No.	%	% of Total Units	<u>Complaints</u> No.	%	% of Total Units	No.	%
OUA - Seniors & Single Family East	8	2.6	11.6	6	1.9	13.3	2	33.3
OUB - Seniors & Single Family West	10	3.2	11.0	19	5.9	11.0	(9)	(47.4)
OUC - Weston/Rexdale	8	2.6	4.5	15	4.7	5.4	(7)	(46.7)
ODU - York Black Creek	8	2.6	6.1	14	4.4	6.1	(6)	(42.9)
OUE - Etobicoke South High Park	16	5.1	7.3	20	6.2	7.3	(4)	(20.0)
OUF - Yorkdale Lawrence	25	8.0	3.7	17	5.3	3.7	8	47.1
OUG - Willowdale Don Valley	13	4.2	4.1	29	9.0	4.1	(16)	(55.2)
OUH - Scarborough	15	4.8	3.9	13	4.0	5.1	2	15.4
OUI - Scarborough Southwest	17	5.5	5.8	31	9.7	5.8	(14)	(45.2)
OJJ - Grange Bathurst St Lawrence	22	7.1	6.3	18	5.6	6.3	4	22.2
OUK - Central Sherbourne	49	15.8	5.8	22	6.9	6.7	27	122.7
OUL - Don Valley Beaches	16	5.1	5.2	25	7.8	5.2	(9)	(36.0)
OUM - Central Parliament	19	6.1	3.2	14	4.4	3.2	5	35.7
OUW - Contract Managed West	26	8.4	6.6	15	4.7	5.7	11	73.3
OUX - Contract Managed Central	21	6.8	4.8	16	5.0	4.0	5	31.3
OUY - Contract Managed East	30	9.6	10.1	32	10.0	7.1	(2)	(6.3)
Corporate Offices/Staff	1	0.3	N/A	5	1.6	N/A	(4)	0.0
Rent Supplement	5	1.6	N/A	7	2.2	N/A	(2)	(28.6)
Non-TCHC	2	0.6	N/A	3	0.9	N/A	(1)	(33.3)
Other Unknown	0	0.0	N/A	0	0.0	N/A	0	0.0
<b>Total 'Net' Complaints</b>	<b>311</b>	<b>100.0</b>	<b>100.0</b>	<b>321</b>	<b>100.0</b>	<b>100.0</b>	<b>(10)</b>	<b>(3.1)</b>

**Attachment 1**  
**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 6**  
**Hotline Usage**

- these two tables show how complainants have been accessing the Do What's Right Hotline
- Table 6a analyzes whether or not complainants choose to remain anonymous
- Table 6b shows how complainants access the Do What's Right Hotline (e.g. internet, telephone etc.)
- Tables 6a and 6b are based on the 'gross' number of complaints received on the Do What's Right Hotline (refer Table 1)

	2016		2015		Change 2015 to 2016	
	No.	%	No.	%	No.	%
<b>Table 6a - Anonymous vs. Not Anonymous</b>						
Anonymous	194	82.9	262	82.6	(68)	(26.0)
Not Anonymous	40	17.1	55	17.4	(15)	(27.3)
	234	100.0	317	100.0	(83)	(26.2)
	234	100.0	317	100.0	(83)	(26.2)
<b>Table 6b - Method Used to Access Hotline</b>						
Internet	61	26.1	138	43.5	(77)	(55.8)
Telephone	172	73.5	179	56.5	(7)	(3.9)
Email	1	0.4	0	0.0	1	100.0
Letter	0	0.0	0	0.0	0	0.0
	234	100.0	317	100.0	(83)	(26.2)
	234	100.0	317	100.0	(83)	(26.2)

**Attachment 1**  
**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 7**  
**Status of Complaints Received**

*'- for 'net' complaints received up to June 30th of the year noted, this sets out the status of the complaint as at September 1, 2016*

		Complaints Received	Closed		In Progress		To Be Assigned			
			Unfounded No.	%	Founded No.	%	No.	%	No.	%
<b>Tenants</b>										
Unreported Extra Members in Unit	<b>2016</b>	112	44	39.3	22	19.6	46	41.1	0	0.0
	<b>2015</b>	139	81	58.3	43	30.9	15	10.8	0	0.0
Unit/Room Being Sublet	<b>2016</b>	89	23	25.8	26	29.2	39	43.8	1	1.1
	<b>2015</b>	67	25	37.3	32	47.8	10	14.9	0	0.0
Unreported Income	<b>2016</b>	51	21	41.2	2	3.9	28	54.9	0	0.0
	<b>2015</b>	58	25	43.1	18	31.0	15	25.9	0	0.0
Miscellaneous Fraud	<b>2016</b>	16	7	43.8	3	18.8	5	31.3	1	6.3
	<b>2015</b>	10	4	40.0	4	40.0	2	20.0	0	0.0
Overhoused Unit	<b>2016</b>	7	4	57.1	3	42.9	0	0.0	0	0.0
	<b>2015</b>	14	9	64.3	5	35.7	0	0.0	0	0.0

**Attachment 1**  
**Internal Audit - Complaints Received**  
**January 1, 2016 - June 30, 2016 (with comparatives for 2015)**

**Table 7 (cont'd)**  
**Status of Complaints Received**

		<u>Complaints Received</u>	<u>Closed</u>				<u>In Progress</u>		<u>To Be Assigned</u>	
			<u>Unfounded No.</u>	<u>%</u>	<u>Founded No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
<b>Staff</b>										
Other	<b>2016</b>	20	11	55.0	4	20.0	5	25.0	0	0.0
	<b>2015</b>	6	6	100.0	0	0.0	0	0.0	0	0.0
Waste	<b>2016</b>	0	0	-	0	-	0	-	0	-
	<b>2015</b>	1	1	100.0	0	0.0	0	0.0	0	0.0
<b>Contractor</b>	<b>2016</b>	0	0	-	0	-	0	-	0	-
	<b>2015</b>	0	0	-	0	-	0	-	0	-
<b>Other</b>	<b>2016</b>	1	0	0.0	1	100.0	0	-	0	-
	<b>2015</b>	7	2	28.6	5	71.4	0	-	0	-
<b>Total</b>	<b>2016</b>	296	110	37.2	61	20.6	123	41.6	2	0.7
<b>Total</b>	<b>2015</b>	302	153	50.7	107	35.4	42	13.9	0	0.0

*NB: 2016 and 2015 Total Complaints Received will not agree to Table 4 because this table does not include Staff Performance Complaints nor Market Rent Complaints. These complaint types are automatically referred to an Operating Unit.*