

Newfoundland and Labrador Housing Corporation

Supply Management of Social Rental Housing Inventory

Independent Auditor's Report



March 2026



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

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Audit Overview



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR



Objective

To determine whether the Newfoundland and Labrador Housing Corporation effectively manages the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador.



Audit Scope Period

April 1, 2021 to
June 30, 2025



Why this Audit is Important

As the province's sole housing authority, the Newfoundland and Labrador Housing Corporation (the Corporation) is responsible for administering and managing over 5,500 social rental housing units. These units support some of the province's most vulnerable people. It is therefore vital for the Corporation to have and follow robust policies to maintain and manage these units. The Corporation must also have comprehensive plans and oversight to ensure its social rental housing meets current and future needs.



What We Found - Social Rental Housing

Demand Management		Supply Management	
	Waitlist grew 71% from 2021 to 2025		Inventory down 57 units since 2021
	Waitlist unreliable, and likely overstated		87% needed 1 or 2 bedrooms; only 28% of units had 1 or 2 bedrooms
	Corporation had only 71% of the units needed to meet demand		No units reconfigured from 2021 to 2025, to create 1 or 2 bedroom options
Inventory Management		Oversight	
	Failure to complete required inspections pervasive		No evidence of strategic or operational oversight from Board
	Maintenance records too unreliable to assess		All Board members overdue for reappointment or replacement



Conclusion

The Newfoundland and Labrador Housing Corporation has not kept pace with rising demand for social rental housing. As waitlists grew, supply was stagnant and remained poorly aligned with household needs. A failure to forecast left the Corporation poorly equipped to plan for future supply, while the management of aging inventory was impacted by inconsistent inspection and maintenance practices. Governance structures did not provide adequate oversight, leaving major operational problems unaddressed.

Audit Overview



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Recommendations

We recommend that the Newfoundland and Labrador Housing Corporation:

Demand Management	1. Develop and implement comprehensive waitlist policies and procedures for social rental housing, that formally document standardized processes and ensure consistency across regions.
	2. Ensure that the waitlist is kept current in accordance with policy, containing the accurate information required to support effective prioritization and processing of applicants.
	3. Develop and implement forecasting processes that consider demographic, economic, and housing market data, as well as data generated from Corporation activities and projects.
Supply Management	4. Develop a long-term, multi-year unit supply plan, based on forecasted information, to effectively manage the supply gap between social rental housing inventory and the waitlist.
	5. Adopt a reconfiguration policy and business-case template, including the documentation of decisions made.
	6. Update and enforce the Sale of Surplus Units and Land Policy, to provide clear criteria for when the sales process should be initiated, while ensuring consideration of forecasted demand and any approval requirements.
	7. Strengthen lease renewal policies and practices to identify housing size mismatches and guide appropriate action, and to identify and transition households who are no longer eligible for social rental housing.
Inventory Management	8. Update all inspection and maintenance policies to ensure they are complete and comprehensive, with formalized oversight mechanisms to ensure compliance.
	9. Improve the maintenance system's data accuracy, ensuring start and completion times reflect actual work, miscategorized work orders are corrected, and data entry errors are reduced.
	10. Develop an asset management plan which quantifies and addresses the overall backlog of deferred maintenance and the work needed to keep units in good condition.
Oversight	11. Align governance policies with the Housing Corporation Act, clarifying reporting relationships and approval authorities.
	12. Develop and implement a delegation of authority policy that clearly defines roles, responsibilities, and authority for management, committees, and the Board.
	13. Provide the Board of Directors with complete and timely information on key strategic and operational issues, as per legislation, and actively seek Board direction on these matters.
	14. Implement a policy review schedule.



After reading this report, you may want to ask the following questions of government:

Given its responsibility for providing social rental housing across the province, how will the Newfoundland and Labrador Housing Corporation:

1. Plan for and respond to the growing waitlist for social rental housing?
2. Address the issue of misconfiguration affecting most of its existing rental inventory?
3. Ensure that its Board of Directors appropriately discharges its oversight duties?

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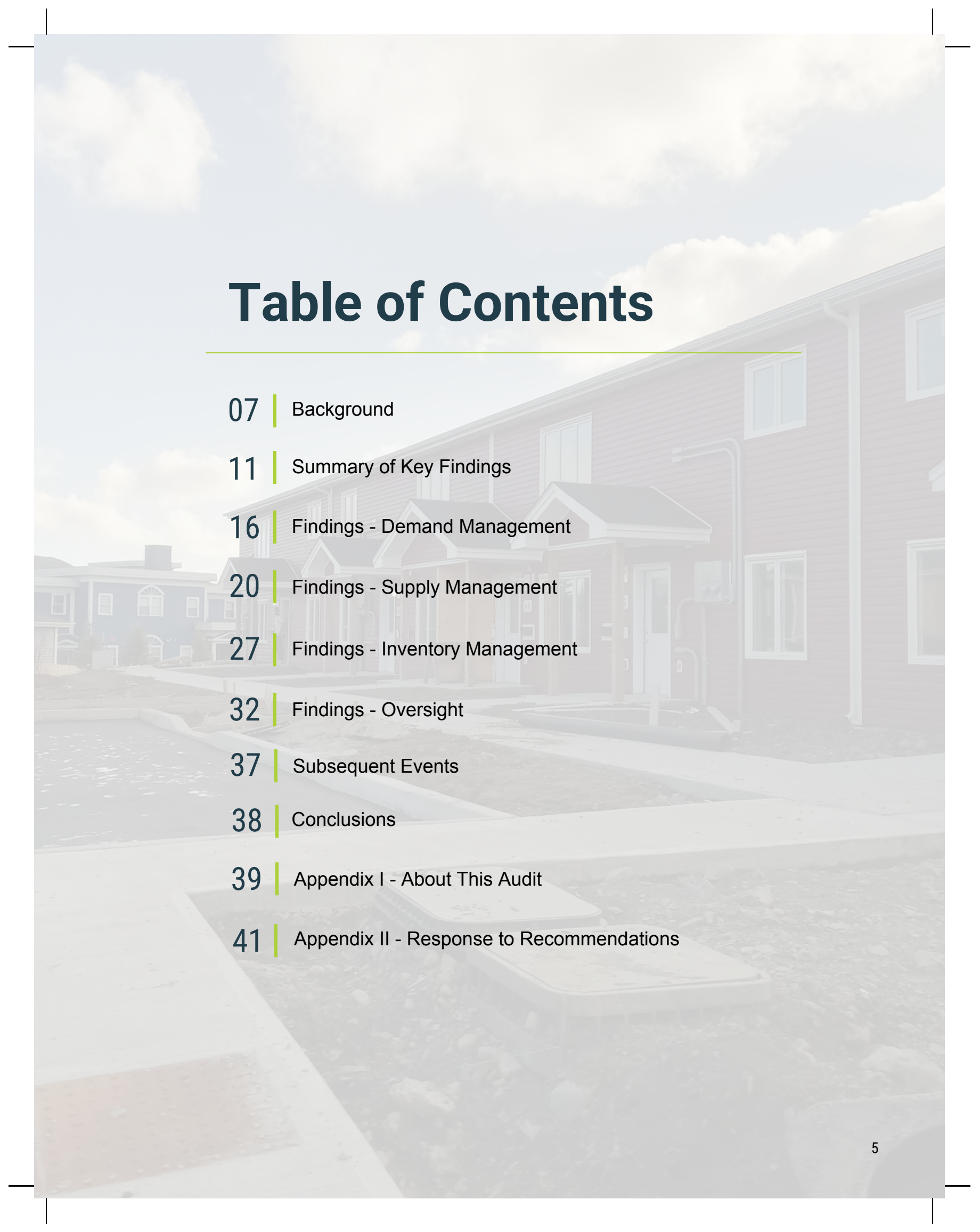


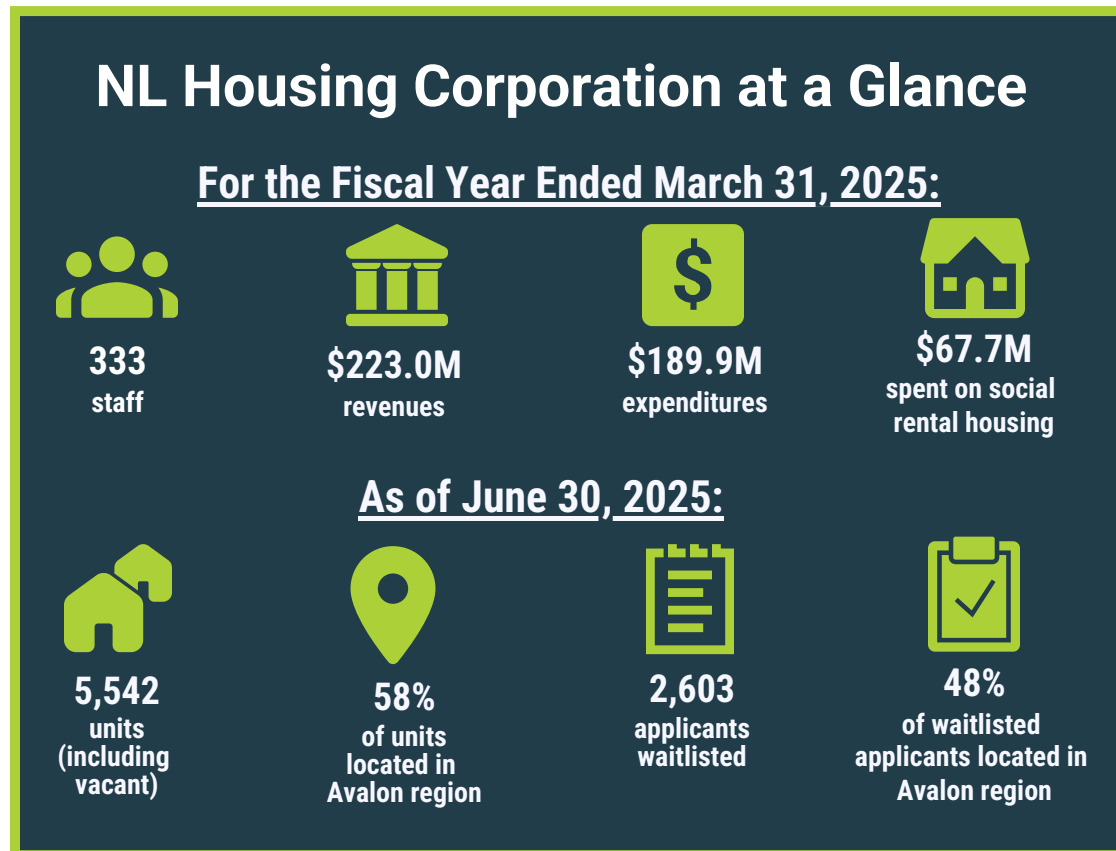
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Background

The Newfoundland and Labrador Housing Corporation (the Corporation) is a Crown corporation and operates under the authority of the Housing Corporation Act. Its Board of Directors, appointed by the Lieutenant-Governor in Council, governs the Corporation and reports to the Minister of Housing. The Corporation's Chief Executive Officer (CEO), who is also appointed by the Lieutenant-Governor in Council, holds primary responsibility for its day-to-day operations and acts as a non-voting Board member.



The Corporation is headquartered in St. John's with seven additional offices located across the province. As of March 31, 2025, the Corporation had 333 permanent, seasonal, and temporary positions, 229 (69 per cent) of which were located in St. John's. In fiscal 2024-25, the Corporation's total revenues were \$223.0 million, \$139.1 million of which (62 per cent) was provincial funding. The Corporation's total expenditures were \$189.9 million, \$67.7 million of which (36 per cent) was in support of social rental housing.

The Corporation is responsible for developing, promoting, and operating housing programs to support low to moderate income households. Current programs include social rental housing, partner-managed housing, private market rental assistance, affordable rental housing, supportive living grants, emergency shelter placements, and home repair financial assistance. These programs serve renters, homeowners, and vulnerable populations, including those experiencing homelessness, those fleeing gender-based violence, seniors, youth, Indigenous persons, and persons with disabilities.

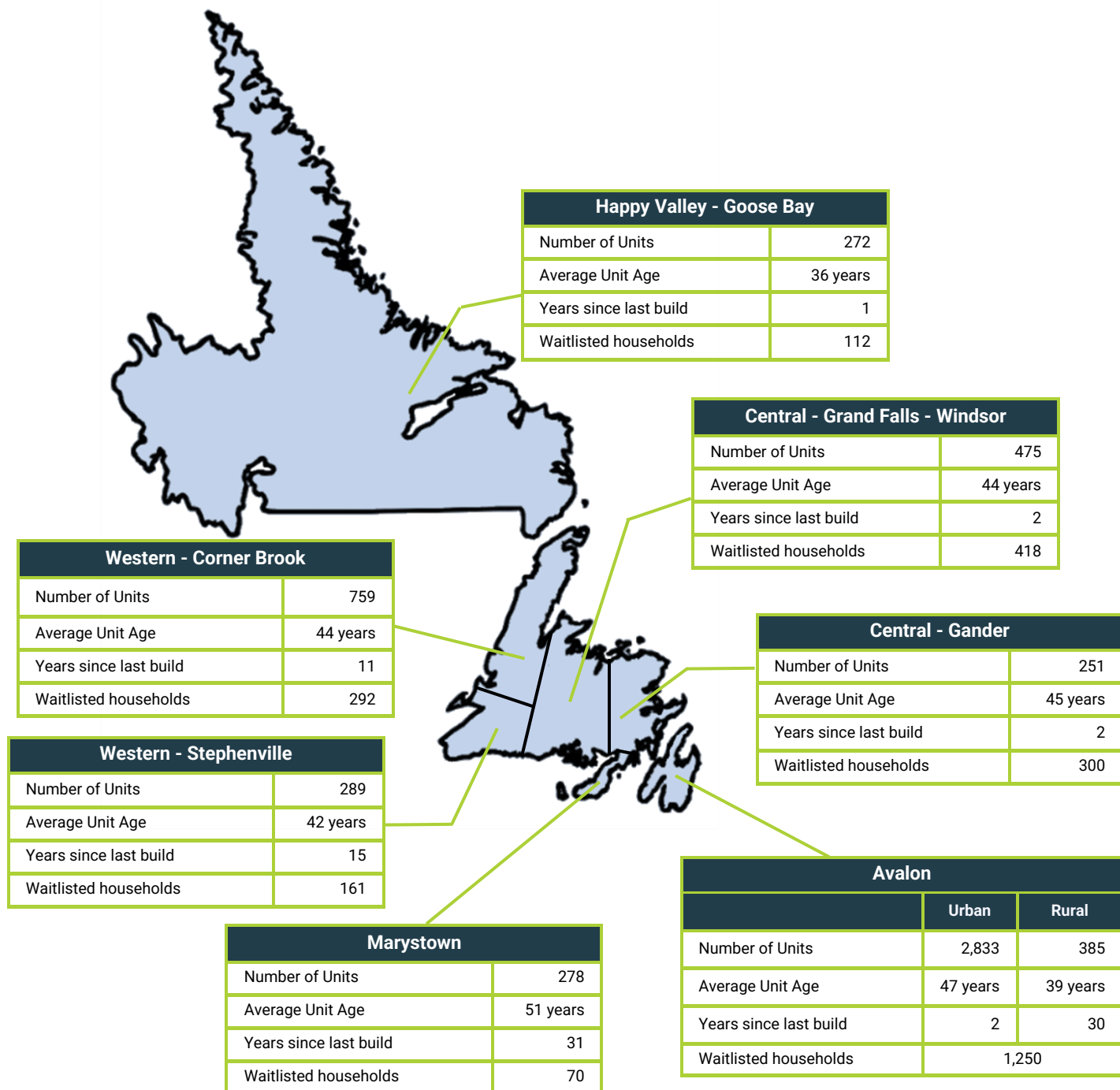
In 2018-19, the Corporation signed a nine-year bilateral agreement with the Canada Mortgage and Housing Corporation. Under this agreement, investments would be directed toward preserving, renewing, and expanding social and community housing, as well as addressing diverse housing needs throughout the province.

Background

At the end of June 2025, the Corporation's social rental housing portfolio consisted of 5,248 occupied units housing 12,198 clients, 222 vacant units, and 72 units unavailable for use, with a waitlist of 2,603 households. Vacant units include units requiring maintenance prior to further occupancy, units ready to offer, units offered, or units where there is no demand. Unavailable units include units requiring significant renovations or repairs, and those that have been identified for sale.

The Avalon region has the highest proportion of the Corporation's social rental housing units, accounting for 58 per cent of the overall inventory as of June 30, 2025, as illustrated in Figure 1.

Figure 1: Corporation Social Rental Housing Units as of June 30, 2025



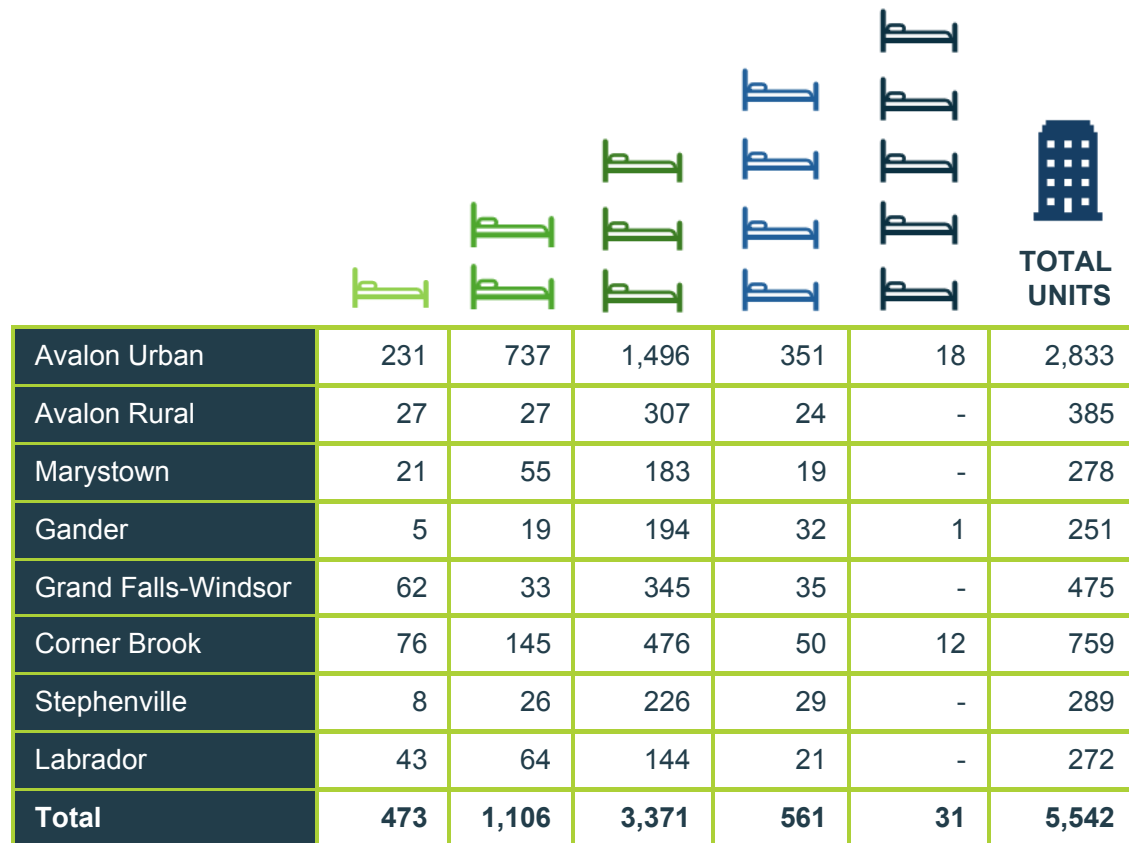
Source: Prepared by the Office of the Auditor General from information provided by the Newfoundland and Labrador Housing Corporation, unaudited.

Note 1: Waitlist presented across seven regional offices, as broken down and provided by the Corporation.

Note 2: The waitlist for the Avalon region could not be broken down between urban and rural with the information provided.

Units range in size from one- to five-bedrooms, with three-bedroom units representing over 60 per cent and one- and two-bedroom units representing 28 per cent of the Corporation's social rental housing inventory as of June 30, 2025, as illustrated in Figure 2.

**Figure 2: Corporation Social Rental Housing Units by Number of Bedrooms
As of June 30, 2025**



Source: Prepared by the Office of the Auditor General from information provided by the Newfoundland and Labrador Housing Corporation, unaudited.

To be eligible for social rental housing, applicants must meet criteria set out in the Corporation's policy. Households must have an annual net income under \$32,500, except in Labrador West and Labrador's northern coastal communities where net income must be under \$65,000. Rent rates are set at 25 per cent of a household's net monthly income.

Under Corporation policy, the number of unit occupants is intended to match the number of bedrooms to support the efficient use of space. The terms under- and over-housing are used by both the Newfoundland and Labrador Housing Corporation and the Canada Mortgage and Housing Corporation and are therefore applied throughout this report for clarity and consistency. Over-housing occurs when a unit has fewer occupants than the number of available bedrooms, while under-housing occurs when a unit has more occupants than the bedroom count accommodates, in accordance with the National Occupancy Standard.

The Corporation uses a customer relationship management software system to manage its social rental housing inventory. This system logs the Corporation's properties and unit statuses, including vacancies, and approved applications from the system generate the waitlist for units. It also tracks maintenance work on these units.

Our scope period covered April 1, 2021, to June 30, 2025, and included one line of inquiry: to determine whether the Newfoundland and Labrador Housing Corporation effectively manages the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador. Four criteria were established to assess this line of inquiry.

Background

We note the Office of the Auditor General issued a report in 2008 on the Corporation's Rental Housing Program, resulting in four recommendations. Recommendations included:

- Development of a long-term accommodation plan to address the discrepancy between client demographics and its rental inventory;
- Implementation of recommendations from an internal study that addressed the following areas:
 - waitlist management
 - rental unit administration specific to lease renewals
 - completion of inspections;
- Ensuring staff comply with policies; and
- Ensuring all information in the management system is accurate.

In our 2009 follow-up, the Corporation indicated all recommendations had been implemented; however our current audit identified many of the same issues.

Summary of Key Findings

Demand Management

Demand for Social Rental Housing

- The Corporation's waitlist grew by 71 per cent, from 1,523 households to 2,603, between April 1, 2021, and June 30, 2025. (page 16)
- On average, by the end of June 2025, households had been waiting over a year for housing support. (page 16)
- 361 of 2,603 households (13.9 per cent) had been on the waitlist for two years or longer, with one household waiting for 2,733 days - almost 7.5 years. (page 16)
- The waitlist had increased significantly from the November 2007 total reported in our 2008 audit. (page 17)
- The 2,603 waitlisted households as at June 30, 2025 were more than 2.5 times (or 274 per cent) the 951 total noted from 2007. (page 17)
- While the Corporation's waitlist had grown, the Corporation's total number of units declined between April 1, 2021, and June 30, 2025, and remained almost unchanged from the 5,500 in its 2007-08 Annual Report. (page 17)
- The Corporation had only 71 per cent of the units needed to accommodate tenants and waitlisted households as of June 30, 2025. (page 17)

Waitlist Management

- The Corporation's waitlist policies were incomplete and did not always reflect the processes that were carried out. (page 17)
- The Corporation failed to keep its waitlist current in accordance with its policies, possibly resulting in it being inaccurate. (page 17)
- Similar issues were identified with the Corporation's waitlist in our 2008 report, which noted that the Corporation had not contacted all households on the waitlist for longer than 12 months as required, that the list was not updated accordingly, and that the waitlist may not have been accurate as a result. (page 18)
- Waitlist codes used to prioritize households were potentially inaccurate, relying on applicants to self-identify relevant information. (page 18)
- Similar issues were identified with waitlist accuracy in our 2008 report. (page 18)

Demand Forecasting

- The Corporation did not effectively forecast demand for its social rental housing units. (page 18)
- The Corporation did not fully capitalize on several opportunities to generate demand forecasts. (page 19)
- While the Corporation provided \$227,640 in funding for assessments for six municipal regions, it did not ensure the information generated was useful for its own planning needs and did not use the data from these or the other assessments it supported to produce information that could support forecasting for its own social rental housing portfolio. (page 19)

Supply Management

Supply Management

- The Corporation was unsuccessful in repeated attempts to implement a comprehensive social rental housing inventory plan. (page 20)
- In the absence of an approved plan, the Corporation approached construction of new units on an ad hoc basis, depending on whether requested funds were approved. (page 20)
- The Corporation was approved for \$36 million in Budget 2024 which was intended to cover 104 new builds in areas of demand, \$11.7 million of which they received by June 30, 2025. By the end of our audit - almost 16 months after budget approval - only four of these new units were under construction. (page 20)
- The Corporation's total inventory of social rental housing units decreased between April 1, 2021, and June 30, 2025. (page 20)
- The Corporation often built social rental housing units slowly, as planning and construction sometimes took an extended period. (page 21)

- Between April 1, 2021 and June 30, 2025, the average timeframe from approval to construction completion was 614 days and uncompleted projects at the end of the period had been outstanding for an average of 656 days. (page 21)

Reconfiguration of Housing Units

- The Corporation did not have a policy or formal process to direct and manage reconfiguration of its social rental housing units. (page 21)
- The Corporation had insufficient one- and two-bedroom units for its needs. (page 21)
- Tenants in 2,887 of the Corporation's 5,248 occupied social rental housing units (55 per cent) were over-housed as of June 30, 2025. (page 21)
- The over-housing issue had grown and remained significant. The 2008 audit conducted by our office found 40 per cent of occupants were over-housed, compared with the 55 per cent reported for June 30, 2025. (page 22)
- The Corporation did not have a plan to remediate misconfigured units. (page 22)
- The Corporation did not perform any reconfiguration between April 1, 2021, and June 30, 2025. (page 22)
- No detailed analysis was carried out to determine whether to proceed with units that were under consideration for reconfiguration. (page 22)
- The Corporation did not perform formal analysis on reconfiguration as a general approach, to compare cost to potential benefit. (page 22)
- The Corporation chose not to undertake reconfiguration despite pilot projects from 2011 that demonstrated positive results - such as creating accessible units and improving the mix of smaller units. (page 23)

Sale of Housing Units

- The Corporation had a policy providing authority to sell surplus units; however, it failed to provide guidance on when to initiate sales and timelines for how long sales should take. (page 23)
- The Corporation did not have an operational plan to guide the sale of vacant social rental housing units. (page 23)
- In addition, the Corporation did not sell units where appropriate, with vacant units sometimes held for years with no activity to sell them. (page 23)
- The Corporation's property sales did not comply with its own policy because it did not forecast future demand for units as required, and several sales occurred in areas with high demand. (page 23)

Placement Management

- Shortcomings were identified in the Corporation's handling of tenant placements, and there were possible concerns with how long the process took. (page 24)
- The Corporation's records were insufficient to determine whether it complied with the timelines in the Tenant Selection Policy. Acceptance dates documented in the housing management system were not accurate, making it impossible to assess whether offers were accepted in accordance with the timelines in policy. (page 24)
- Applicants who refused a unit were not always removed from the waitlist in accordance with policy. (page 24)
- The time required to place applicants increased throughout our audit period. (page 24)

Utilization

- The Corporation had policies in place to address over- and under-housing; however, neither had been updated since 2017. (page 24)
- The Corporation did not follow its policy or procedures for identifying and addressing over or under-housing. (page 24)
- The Corporation did not have a standard report to identify over and under-housed tenants, despite having the information required. (page 24)
- The Corporation did not comply with its own Lease Renewals Policy, which was intended to identify over and under-housing, among other functions. (page 25)
- As of June 30, 2025, 1,927 of 5,248 leases (37 per cent) were overdue for renewal. (page 25)

Transitioning Out Ineligible Tenants

- The Corporation's Lease Renewals Policy required a reassessment of tenants, but it did not have policies, procedures, or programs to address tenants who were no longer eligible for social rental housing. (page 25)
- The Corporation was hesitant to transition tenants out when their income exceeded defined limits; we were advised this was due in part to the lack of a policy. (page 25)
- Tenants sometimes exceeded the maximum household income permitted under policy. (page 25)
- The number of households over income thresholds increased each year between April 1, 2021, and March 31, 2025, from 316 in 2022 to 429 in 2025. (page 25)
- In some cases, tenants significantly exceeded the allowable income threshold. (page 25)
- In one case, a single individual in a unit since 2009 had an income of more than \$120,000 which exceeded the Corporation's maximum allowable income by more than \$89,000. (page 25)
- The household income information used by the Corporation to determine eligibility for social rental housing was not reliable. (page 25)
- Widespread discrepancies existed between income information in the Corporation's housing management system and income data obtained from the Canada Revenue Agency. (page 25)

Inventory Management

Inventory Age

- The Corporation did not appropriately perform maintenance and inspection functions on its social rental housing inventory. (page 27)

Policies and Procedures

- Deficiencies existed in the Corporation's five inspection policies and procedures (move-in, move-out, vacancy, cyclical, and building condition reports), as policies were incomplete and did not contain guidance in key areas. (page 28)
- Deficiencies also existed in the Corporation's maintenance policies, which were incomplete and did not contain guidance in key areas. (page 28)

Operations

- The Corporation frequently failed to document required inspections, with certain categories of required inspections not being documented at all. (page 29)

Move-In, Move-Out, and Vacancy Inspections

- The Corporation did not perform move-in, move-out, or vacancy inspections according to its policies. (page 29)
- The Corporation did not consistently document move-in inspections as required by policy. (page 29)
- The Corporation could not provide 43 of the 58 (74 per cent) move-in inspection reports required. This was a significant deterioration from our 2008 report, in which we found that eight per cent of move-in inspections could not be provided. (page 29)
- The Corporation did not complete and document move-out inspections as required by policy. While 69 move-out inspections were required by policy for our sample, the Corporation could not provide any. This was, again, a significant deterioration from our 2008 report, in which we found that 42 per cent of move-out inspections could not be provided. (page 29)
- The Corporation did not consistently complete and document vacancy inspections as required by policy. (page 29)
- The Corporation could not provide 27 of the 69 initial vacancy inspection reports (39 per cent) required by policy for our sample. (page 29)
- There was no evidence the Corporation completed vacancy inspections for properties that were not to be rented, as required by policy. The Corporation could not provide any of the 345 subsequent vacancy inspection reports required by policy for our sample. (page 29)
- In our sample, the Corporation did not complete any move-in, move-out, or vacancy inspections in Labrador. (page 29)

Summary of Key Findings

- It was not possible to confirm if units were efficiently prepared for occupancy, as required by policy. (page 29)
- 15 of 45 properties sampled (33 per cent) had gaps longer than three months between occupancy. (page 29)
- Inconsistencies existed in record-keeping, data collection, and form use for move-in, move-out, and vacancy inspections. (page 30)

Cyclical Inspections

- The Corporation did not conduct cyclical inspections based on the assessed risk of damage to units, as required by policy. (page 30)
- The Corporation changed the inspection dates for 1,572 units, resulting in those units having their inspection cycle modified without consideration of their condition. (page 30)
- The Corporation could not generate an accurate list of inspections required each month, as outlined in its policy. (page 30)
- The Corporation did not meet its cyclical inspection requirements between April 1, 2021, and June 30, 2025. (page 30)

Asset Management Inspections

- The Corporation did not follow its asset management policies and could not report on the condition of its units. (page 30)
- The Corporation had not completed any asset management inspections since 2021-22, and no future inspections were scheduled. (page 30)
- The Corporation did not quantify the condition of its units or required deferred maintenance, using a metric such as a Facility Condition Index. (page 30)
- The Corporation did not have a lifecycle management plan for its inventory. (page 30)

Maintenance

- The Corporation could not rely on the accuracy of dates recorded in its maintenance work order system, which affected preventive, emergency, and routine maintenance. (page 31)
- It was impossible to assess how long the Corporation took to complete maintenance, or whether timelines complied with policy. (page 31)
- Repairs were frequently miscategorized, potentially impacting appropriate prioritization. (page 31)
- 41 of 61 emergency work orders sampled (67 per cent) did not meet the Corporation's own criteria for an emergency. (page 31)
- The Corporation could not determine or confirm whether the minimum standard for inspections maintenance work was performed. (page 31)

Oversight

Governance Structures

- Internal policy called into question whether the Corporation's CEO took direction from the Board, in accordance with the Housing Corporation Act. (page 32)
- The Corporation's Board of Directors Mandate Policy, which detailed the responsibilities of the Board and the CEO, stated the CEO reported directly to the Minister, not the Board of Directors, in contradiction to legislation. (page 32)
- In practice, the Corporation's CEO often did not receive direction from the Board. (page 33)
- The Board of Directors did not provide effective oversight to ensure the Corporation fulfilled its social rental housing mandate and provided little governance on the significant issues the Corporation faced. (page 33)
- While certain key performance indicators were presented to the Board, they did not address critical issues such as the growing waitlist or the misconfiguration of units. (page 33)
- A longstanding significant strategic issue (unit configuration) was dropped from the Corporation's 2023-2026 strategic plan without being resolved. (page 33)
- The Corporation had unclear authority and delegation structures as it did not have a delegation of authority policy. (page 34)
- Corporation management made decisions, such as the purchase and sale of social rental housing units, without this documented delegated authority. (page 34)

Summary of Key Findings

- In the absence of clearly delegated approval authority, inconsistencies existed in management's approach to the sale of social rental housing units. (page 34)
- All Board members were overdue for replacement or reappointment, including the Chair, who had served for over 18 years. (page 34)

Policies

- The Corporation did not regularly update its policies and procedures. (page 35)
- 81 per cent of its policies had not been updated in five or more years. (page 35)
- Our 2008 audit noted similar issues with outdated policies, citing an internal Corporation report which recommended policy review every two years. (page 35)



Findings – Demand Management

Objective

To determine whether the Newfoundland and Labrador Housing Corporation effectively manages the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador.

Criteria 1

The Corporation effectively evaluates and monitors current and forecasted social rental housing demand.



What We Expected

We expected the Corporation to have comprehensive and well-defined processes to evaluate and monitor demand for social rental housing. We expected them to maintain an up-to-date waitlist, supported by clear, complete, and consistently applied policies and procedures across all regions. We also expected household information to be reflected accurately and supported by sufficient information to ensure the appropriate prioritization of applicants.

In addition, we expected the Corporation to use credible, forward-looking methods to forecast future social rental housing needs. We expected forecasts to be based on demographic trends, economic indicators, community-level housing pressures, and data generated through the Corporation's own programs. We expected this analysis to inform planning and decision-making to ensure the Corporation could anticipate emerging pressures and align its housing strategies to meet both current and future needs.

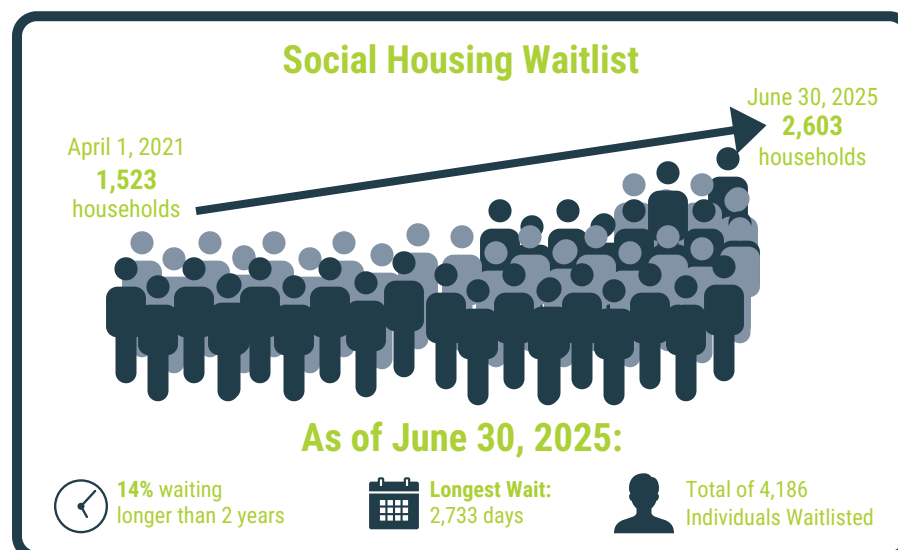


What We Learned

Demand for Social Rental Housing

We found the Corporation's waitlist grew by 71 per cent, from 1,523 households to 2,603, between April 1, 2021, and June 30, 2025. These 2,603 households represented 4,186 people on the waitlist. As of June 30, 2025, the Corporation had 5,542 active units, 5,248 of which were occupied (95 per cent), leaving 222 vacant units available for new families on the waitlist, and 72 not available for rent.

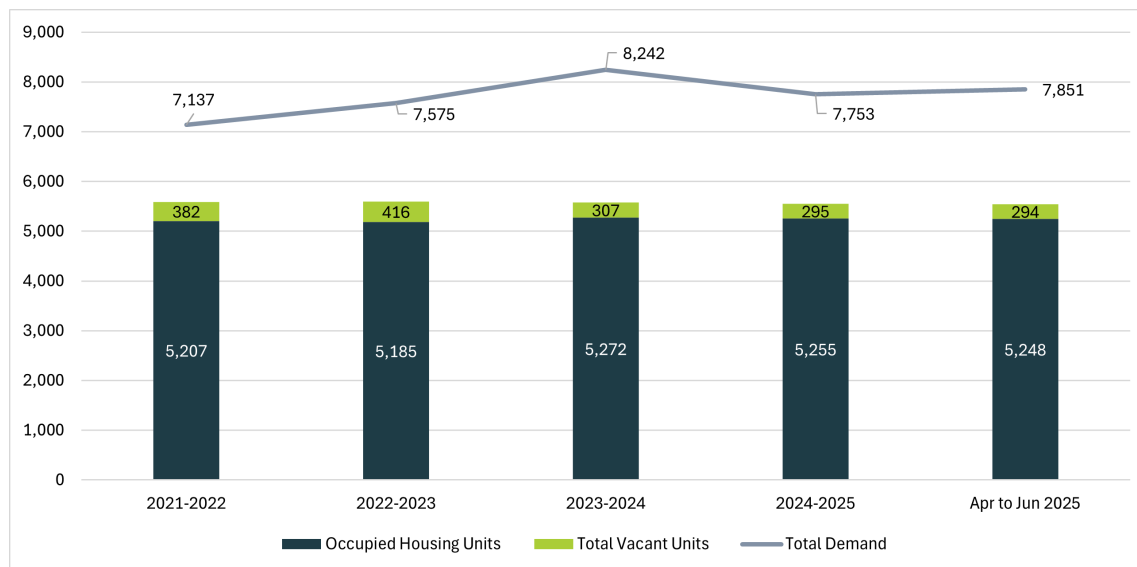
On average, by the end of June 2025, households had been waiting over a year for housing support. We found 361 of the 2,603 households (14 per cent) had been on the waitlist for two years or longer, with one household waiting for 2,733 days - almost 7.5 years. We found wait times were the highest in the Gander area, where households waited an average of 569 days (1.6 years) for a home, and in the Grand Falls-Windsor area, where the average wait was 555 days (1.5 years).



We also found the waitlist had increased significantly from the November 2007 total reported in our 2008 audit. While the provincial population increased by eight per cent between 2007 and 2025, we found the 2,603 waitlisted households as at June 30, 2025 were more than 2.5 times (or 274 per cent) the 951 total noted from 2007. At that time, 248 households (26 per cent) had been waiting over a year for a unit. As of June 30, 2025, 964 of 2,603 households (37 per cent) had been waiting over a year; almost four times the number from November 2007, and greater than the entire waitlist at that time.

We found, while the Corporation's waitlist had grown, the Corporation's total number of units declined between April 1, 2021, and June 30, 2025, and remained almost unchanged from the 5,500 in its 2007-08 Annual Report. We found the Corporation had only 71 per cent of the units needed to accommodate tenants and waitlisted households as of June 30, 2025. Figure 3 shows the supply and demand for social rental housing.

Figure 3: Supply Versus Demand by Year



Source: Compiled by the Office of the Auditor General from information provided by the Newfoundland and Labrador Housing Corporation.

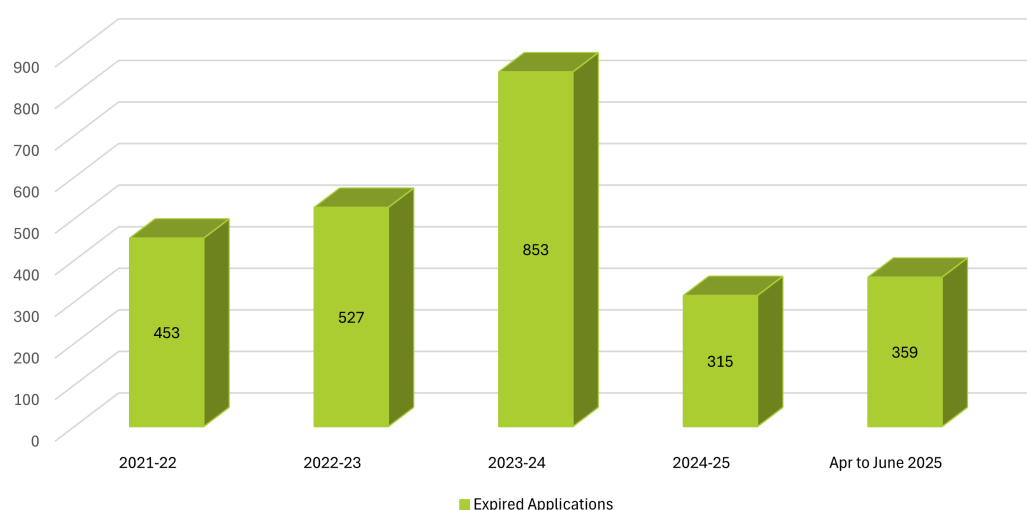
Waitlist Management

We found the Corporation's waitlist policies were incomplete and did not always reflect the processes that were carried out. The Corporation documented its waitlist policies and procedures in its Tenant Selection Policy and its application form. However, these documents did not include all waitlist policies and procedures in use. For example:

- The Corporation had a process to remind households to reapply within 90 days of the 12-month expiry date to retain their position on the waitlist. This was not documented in policies or procedures; and
- The Corporation had an informal practice of letting households in its six highest-need groups stay on the waitlist without having to reapply. This was not documented in policy to ensure consistent application.

We also found practices for entering waitlist applications into the housing management system were inconsistent across regional offices.

We found the Corporation failed to keep its waitlist current in accordance with its policies, possibly resulting in it being inaccurate. Corporation policy indicated that a weekly report noting applications requiring removal should have been generated. Housing officers were required to manually review this report and perform removals as necessary. Officials stated that applications had to be manually reviewed and removed from the waitlist because the housing management system was not capable of performing the function. However, housing officers did not perform all required cancellations, and we found households outside of the six highest-need groups often remained on the waitlist past the 12-month limit without reapplying, as illustrated in Figure 4.

Figure 4: Waitlist Applications Requiring Cancellation

Source: Compiled by the Office of the Auditor General from information provided by the Newfoundland and Labrador Housing Corporation.

We noted the volume of expired applications on the Corporation's waitlist decreased in 2024-25, due in part to efforts to remove outdated applications that no longer required housing support. This action was taken after our audit began.

If the Corporation's policy of removing expired applications been applied appropriately, the waitlist on June 30, 2025, would have been 2,244, compared to the 2,603 reported, an overstatement of 16 per cent. As a result of this overstatement, we found the Corporation could not be certain how many of the households on its waitlist still required housing support.

We found similar issues with the Corporation's waitlist in our 2008 report, which noted the Corporation had not contacted all households on the waitlist for longer than 12 months as required, the list was not updated accordingly, and the waitlist may not have been accurate as a result. This issue had not been corrected in the 17 years since that audit.

We found waitlist codes used to prioritize households were potentially inaccurate, relying on applicants to self-identify relevant information. The Corporation used 12 waitlist codes to classify applications on their waitlist; however, the application form did not provide guidance on what information was relevant for determining an applicant's position on the waitlist. For example, the Corporation's policies assigned the highest priority to victims of violence, but this was not noted on the application form. The Corporation assigned all households the lowest priority code by default, unless applicants volunteered relevant information for specific codes. Often staff did not follow up with households to seek additional detail.

We found similar issues with waitlist accuracy in our 2008 report. In its response to our recommendations at that time, the Corporation indicated: "NL Housing considers the issue of data integrity very important and has set up an internal senior management committee led by the Senior Executive Director to review and make recommendations to ensure that the data is accurate and reliable." We found these issues persisted.

Demand Forecasting

We found the Corporation did not effectively forecast demand for its social rental housing units. Instead, the Corporation used its waitlist as its indicator of demand for social rental housing. In comparison, we note the Canada Mortgage and Housing Corporation used various projections to forecast demand, including population growth, household sizes, incomes and other economic data, vacancy rates, and housing availability.

We found the Corporation did not fully capitalize on several opportunities to generate demand forecasts. For example, the Corporation provided support to municipalities, including financial assistance, to develop Housing Needs Assessment reports which described the current and future housing needs of the community. Officials indicated the reports did not provide data that could be used to determine future social rental housing needs. The Corporation also created and chaired a Housing Needs Assessment Working Group to address data gaps in current and projected housing supply and demand. However, **we found, while the Corporation provided \$227,640 in funding for assessments for six municipal regions, it did not ensure the information generated was useful for its own planning needs and did not use the data from these or the other assessments it supported to produce information that could support forecasting for its own social rental housing portfolio.**



Why It Matters

Accurate and current demand information is vital to understanding the number, types, and locations of people in need of social rental housing. When waitlists are outdated, overstated, or inconsistent with policy, decisions about resource allocation and service delivery become unreliable. Without a clear and complete picture of demand, the Corporation cannot effectively plan for future needs, address growing waitlists, or make informed decisions that improve housing access for vulnerable residents. Effective demand forecasting is essential to ensure the Corporation uses its limited resources strategically to support long-term housing availability across the province to better position itself to help more of the vulnerable sectors.



What We Recommend

The Newfoundland and Labrador Housing Corporation should:

1. Develop and implement comprehensive waitlist policies and procedures for social rental housing, that formally document standardized processes and ensure consistency across regions.
2. Ensure the waitlist is kept current in accordance with policy, containing the accurate information required to support effective prioritization and processing of applicants.
3. Develop and implement forecasting processes that consider demographic, economic, and housing market data, as well as data generated from Corporation activities and projects.

Findings – Supply Management

Objective

To determine whether the Newfoundland and Labrador Housing Corporation effectively manages the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador.

Criteria 2

The Corporation effectively implements plans to manage its social rental housing inventory, including deficiencies between demand and supply.



What We Expected

We expected the Corporation to have an approved plan for developing and managing its social rental housing portfolio, including clear strategies for constructing and reconfiguring units to address gaps between demand and supply. We expected decisions related to new construction, reconfiguration, and the sale of units to comply with policy, be supported by analysis, and reflect both current and projected demand.

We also expected the Corporation to maintain and follow processes to address over-housing, under-housing, and tenants who no longer qualified for social rental housing, so that units could be allocated to those with the greatest need.



What We Learned

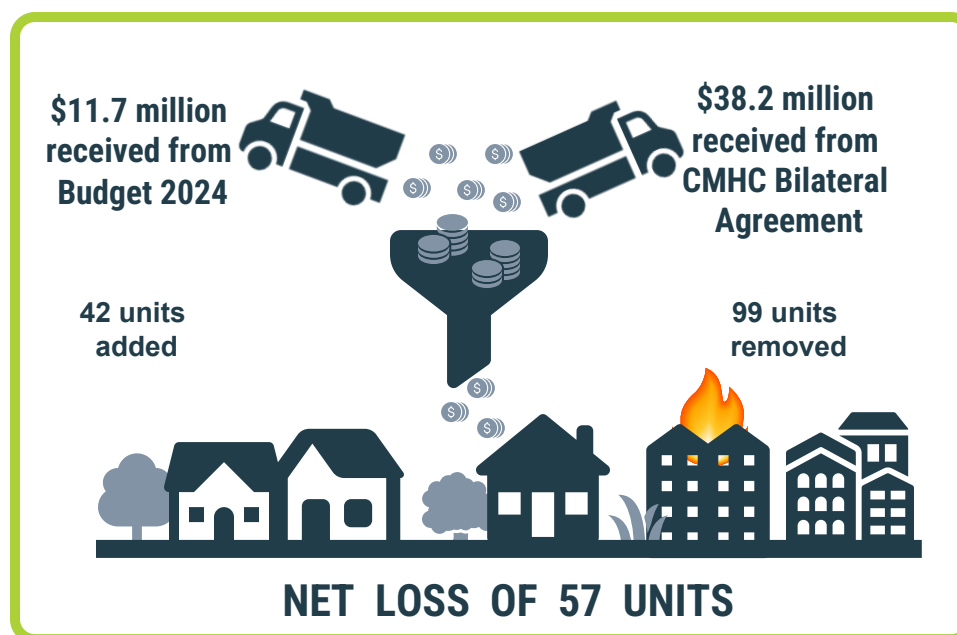
Supply Management

We found the Corporation was unsuccessful in repeated attempts to implement a comprehensive social rental housing inventory plan. The Corporation had drafted a 2021-22 Housing and Homelessness Plan, which addressed the supply of social rental housing. This plan was never approved or implemented. Officials stated the actions in the proposed plan were intended to be merged into the Department of Children, Seniors and Social Development's Social Well-Being Plan in Fall 2023, which was ultimately not released. Instead, in November 2023, this department released a Poverty Reduction Plan which did not include a commitment to construct new social rental housing units.

We found, in the absence of an approved plan, the Corporation approached construction of new units on an ad hoc basis, depending on whether requested funds were approved. The Corporation was approved for \$36 million in Budget 2024 which was intended to cover 104 new builds in areas of demand, \$11.7 million of which they received by June 30, 2025. By the end of our audit - almost 16 months after the budget approval - only four of these new units were under construction.

The Corporation also received \$38.2 million between April 1, 2021, and June 30, 2025, under the 2019-2028 bilateral agreement with the Canada Mortgage and Housing Corporation. This funding was intended to preserve and repair existing housing units and to expand its social rental housing inventory. To meet the expansion requirement of the agreement, the Corporation counted repairs to units, which were already part of its inventory, as an increase in its inventory. While this satisfied the language of the contract, we found tenants were already living in 92 per cent of these units as of April 1, 2021, before these repairs were made.

As a result, **we found the Corporation's total inventory of social rental housing units decreased between April 1, 2021, and June 30, 2025.** During this period, the Corporation added 42 units through purchases, construction, and partnerships. However, 99 units were removed from its portfolio, resulting in a net loss of 57 units. Units were removed due to demolitions, demolitions for replacement projects, fire losses, repurposing for office storage, and sales.



We found the 35 new units constructed between April 1, 2021, and June 30, 2025 were the one- and two-bedroom configurations in the highest demand. We also found new units built and planned between April 1, 2021 and June 30, 2025 were in locations of high demand.

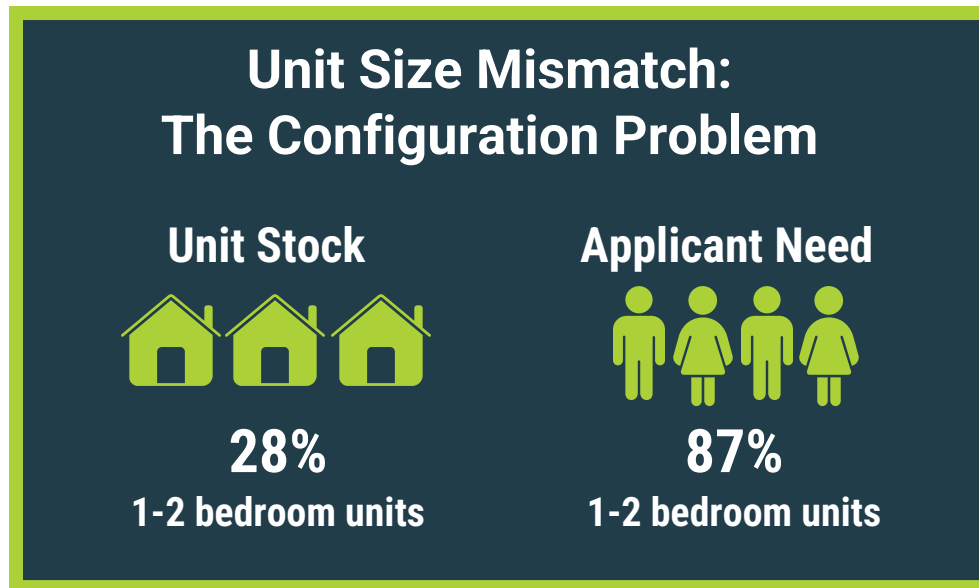
We found the Corporation often built social rental housing units slowly, as preparation and construction sometimes took an extended period. Between April 1, 2021 and March 31, 2024, 211 new units were approved, 140 of which (66 per cent) had not started construction as of June 30, 2025. **Between April 1, 2021 and June 30, 2025 the average timeframe from approval to construction completion was 614 days and uncompleted projects at the end of the period had been outstanding for an average of 656 days.** Officials attributed delays to various factors, including municipal approvals, site selection, funding timing, and federal program approval. Specific examples included:

- 32 units in the Pleasantville area of St. John's were under construction and still incomplete as of June 30, 2025 (3.5 years after approval).
- A second development of 40 units in Pleasantville, approved in November 2023, had not been tendered as of June 30, 2025 (1.7 years after approval).
- 10 units in Grand Falls-Windsor were still in the early stages of planning 1.3 years after approval.
- The Corporation tendered the construction of 50 units in Corner Brook in October 2024, but did not receive any appropriate bids. The project was split into smaller parts, with the first six units offered for tender in May 2025.

Reconfiguration of Housing Units

We found the Corporation did not have a policy or formal process to direct and manage reconfiguration of its social rental housing units. The Corporation defined reconfiguration as changing a unit to create at least one additional unit. The Corporation indicated that reconfiguration would be considered for existing units that had extensive damage and were being renovated, such as fire damage.

We found the Corporation had insufficient one- and two-bedroom units for its needs. As previously stated, the term over-housing refers to situations in which tenants are housed in a unit that has too many bedrooms for their needs. **We found tenants in 2,887 of the Corporation's 5,248 occupied social rental housing units (55 per cent) were over-housed as of June 30, 2025.** Of these 2,887 over-housed households, 87 per cent required one- or two-bedroom units. Similarly, 87 per cent of families on the waitlist at that time were seeking one- or two-bedroom units. As of June 30, 2025 only 28 per cent of existing inventory had a one- or two-bedroom configuration.



We found the over-housing issue had grown and remained significant. The 2008 audit conducted by our office found 40 per cent of occupants were over-housed, compared with the 55 per cent reported at June 30, 2025.

We found the Corporation was aware of the significant configuration issues since 2006. Strategic plans released between 2006 and 2020 repeatedly noted the mismatch of units to households' needs because the rental portfolio consisted mainly of three or more bedroom units, while applicants were looking for one- and two-bedroom units. A 2018 internal report and related presentation on optimizing the Corporation's housing units also recognized the issue and recommended units be considered for reconfiguration to help fulfill waitlist demand. We found that reconfiguration was not included in the 2023-2026 Strategic Plan.

We found the Corporation did not have a plan to remediate misconfigured units. Corporation officials stated that its engineering division provided strategic direction on reconfiguration, but that division indicated there were no requests for reconfigurations between April 1, 2021, and June 30, 2025, and stated that misconfiguration would be addressed only through new construction.

We found the Corporation did not perform any reconfiguration between April 1, 2021, and June 30, 2025.

While the Corporation did consider reconfiguration for 21 of its 5,542 units (0.4 per cent) between April 1, 2021, and June 30, 2025, it did not proceed with any of them. Five of the 21 properties considered for reconfiguration were refurbished back to their original three-bedroom layouts, with the Corporation indicating that there was no funding for reconfiguration. The other 16 units were demolished to make room for the 50 new units to be built in Corner Brook.

We found no detailed analysis was carried out to determine whether to proceed with units that were under consideration for reconfiguration. Some decisions were made through email exchanges, and the analysis in these exchanges contained general estimates with no detail. Other projects noted reconfiguration was not preferred, without any specific reason provided.

We also found the Corporation did not perform formal analysis on reconfiguration as a general approach, to compare cost to potential benefit. Officials stated reconfiguration was not feasible due to the cost approaching or possibly exceeding that of new construction, as well as incomplete knowledge of units' existing construction materials, however they did not provide any documentation to support their assertion. Additionally, this conflicted with its 2020-23 Strategic Plan, which stated that "investments in opportunities to redevelop or repurpose some of the existing portfolio will continue to be explored."

We found the Corporation chose not to undertake reconfiguration despite pilot projects from 2011 that demonstrated positive results - such as creating accessible units and improving the mix of smaller units.

Together, the two pilot projects reconfigured four three-bedroom units into seven one-bedroom units at an average cost of approximately \$278,000 per incremental unit created (approximately \$381,000 in 2025 dollars). While this was more than the cost of recently approved new builds, which averaged \$342,000 per unit, the reconfiguration had the added benefits of creating accessible, fully renovated, modernized units, while eliminating deferred maintenance.

Sale of Housing Units

We found the Corporation had a policy providing authority to sell surplus units; however, it failed to provide guidance on when to initiate sales and timelines for how long sales should take. The policy also included references to staff roles that were no longer accurate.

We found the Corporation did not have an operational plan to guide the sale of vacant social rental housing units. In addition, we found the Corporation did not sell units where appropriate, with vacant units sometimes held for years with no activity to sell them. The policy empowered the Corporation to sell units that met three criteria: the unit was vacant for more than six months; there were no qualified applicants in the area; and there was no forecasted demand for the area.

The Corporation maintained a list of 19 properties under consideration for sale between April 1, 2021, and June 30, 2025. However, as of June 30, 2025, 18 of these properties were still in the Corporation's possession, with only one having been sold. None of the remaining 18 properties had been placed for sale, as of June 30, 2025. Thirteen of these 18 units had been vacant for five years or longer. Six of these properties had been recommended for sale in a 2018 internal report. We found the approximate cost to the Corporation to hold these properties - including municipal taxes and utility charges - was \$164,400 for the period between April 1, 2021, to June 30, 2025.

We found the Corporation's property sales did not comply with its own policy because it did not forecast future demand for units as required, and several sales occurred in areas with high demand. Between April 1, 2021, and June 30, 2025, the Corporation completed nine sales, comprised of 32 units, including one of the 19 properties noted above. One sale included 19 units in Marystown, sold in mid-2023 for \$252,000 in total (\$13,263 per unit). Officials indicated the sale was approved because the properties had been vacant for many years, had been permitted to fall into disrepair, contained environmental issues, and there was no demand in the area at the time. However, demand increased the year after the sale closed and the waitlist for the area had reached 86 households by June 30, 2025.

We found the Corporation sold units in areas where there was clear demand for social rental housing, which was against the written criteria of the policy. Two sales, comprising six units, involved multi-unit buildings in downtown St. John's at a time when 941 applicants were waiting for housing in that area. Officials indicated the properties had been damaged by fires and were sold for \$214,900 in total, due in part to the high cost of demolition and renovation. However, there was no language in the policy to allow for the sale of properties based on renovation or restoration costs. While policy allowed for variances from sales eligibility criteria, there was no documentation available to confirm that a variance had been considered.

Similarly, five units in Burin were sold together in 2024-25 despite demand. At the time, 86 applicants were waitlisted for the broader Marystown area, including 29 who had selected Burin as one of their preferred locations. Officials stated the units were sold because they were vacant for an extended period, had been permitted to fall into disrepair, and local developers expressed interest in purchasing them.

Placement Management

We found shortcomings in the Corporation's handling of tenant placements, and possible concerns with how long the process took. The Corporation had a Tenant Selection Policy for matching and placing households. The policy covered waitlist prioritization, consideration of bedrooms needed, preferred area of residence, and the required timelines for applicants to accept or decline a housing offer.

We found the Corporation's records contained insufficient detail to determine whether applicant selection complied with the Tenant Selection Policy. We selected 41 samples to determine whether households were placed in accordance with policy and found 17 of the 41 applications (41 per cent) were matched by a selection committee, rather than the ranking suggested by the housing management system. Of these 17 applications, no reason for the change was documented in the system for 14 applications (82 per cent).

We also found the Corporation's records were insufficient to determine whether it complied with the timelines in the Tenant Selection Policy. The Tenant Selection Policy stated that an offer must be accepted within three days by phone or seven days by written notification if the applicant could not be reached by phone. **We found acceptance dates documented in the housing management system were not accurate, making it impossible to assess whether offers were accepted in accordance with the timelines in policy.** Officials stated the acceptance date documented was the date that staff created the rental account in their system, rather than the date the applicant accepted. The only way to confirm the actual date of acceptance was to manually review the notes for each file.

We found 165 of the 359 offers (46 per cent) refused by applicants between April 1, 2021, and June 30, 2025, exceeded the policy's seven-day maximum for response. Three per cent were more than 180 days overdue.

We found applicants who refused a unit were not always removed from the waitlist in accordance with policy. The Tenant Selection Process Policy stated that, where an applicant refused a unit without good cause, the offer was to be withdrawn and the application cancelled and removed from the waitlist. We found 72 of 359 applicants (20 per cent) who refused units between April 1, 2021 and June 30, 2025 were not removed within 30 days. Twenty-seven of the 359 (eight per cent) were not removed from the waitlist within a year, and 12 (three per cent) had no cancellation date. No documentation of good cause was provided for any of these applicants.

We found the time required to place applicants increased throughout our audit period. We found households placed in 2021-22 spent an average of 175 days on the waitlist, which had increased to 220 days by 2024-25. Further, 315 of the households placed between April 1, 2021, and June 30, 2025, had waited over a year.

Utilization

We found the Corporation had policies in place to address over- and under-housing; however, neither had been updated since 2017.

We found the Corporation did not follow its policy or procedures for identifying and addressing over- or under-housing. According to policy, housing officers were responsible for identifying over-housing situations within their portfolios. Officials stated the Corporation did not actively identify over-housing because it lacked the social rental housing inventory with the correct configuration to accommodate tenant transfers and had a long waitlist of families seeking these units. Officials stated the Corporation relied on tenants to self-identify as under-housed, or for cyclical inspections to identify such instances. As noted later in Criteria 3, the Corporation was behind on its cyclical inspections, meaning they could not be relied on to identify under-housing situations.

We found the Corporation did not have a standard report to identify over- and under-housed tenants, despite having the information required. Occupancy information was not readily available when requested by our audit team, and the Corporation indicated it was a lengthy manual process to gather the data.

We found the Corporation did not comply with its own Lease Renewals Policy, which was intended to identify over- and under-housing, among other functions. The Lease Renewals Policy required staff to perform lease renewals and assess tenants to ensure accommodations continued to be suited for their household size. **As of June 30, 2025, 1,927 of 5,248 leases (37 per cent) were overdue for renewal.** These renewals were overdue, despite the Corporation's Housing Officer Manual requiring officers to address overdue renewals monthly.

Given renewals were the Corporation's means of gathering information to validate continuing eligibility, the number of overdue renewals represented a significant gap in the Corporation's knowledge.

Transitioning Out Ineligible Tenants

We found the Corporation's Lease Renewals Policy required a reassessment of tenants, but it did not have policies, procedures, or programs to address tenants who were no longer eligible for social rental housing.

We found the Corporation was hesitant to transition tenants out when their income exceeded defined limits; we were advised this was in part due to the lack of a policy. Corporation officials indicated they had an informal procedure for housing officers to contact tenants who exceeded income thresholds for several years, which was not documented in formal policies or the manual. The housing officer would discuss the continued eligibility for social rental housing, but would not take any action, due to the lack of a policy or program to provide direction.

We found tenants sometimes exceeded the maximum household income permitted under policy. The number of households over income thresholds increased each year between April 1, 2021, and March 31, 2025, from 316 in 2022 to 429 in 2025.

The Corporation's policies allowed regions the flexibility for up to 10 per cent of social rental housing units to be occupied by tenants who exceed the income threshold. However, we found the number of tenants exceeding the threshold had been trending upwards, with the Central and Western regions exceeding the allowable 10 per cent threshold by June 30, 2025.

We found, in some cases, tenants significantly exceeded the allowable income threshold. While our audit did not address the collection of rent, we sampled 38 tenant leases identified as being above the income threshold, to assess the accuracy of the data. **In one case, a single individual in a unit since 2009 had an income of more than \$120,000,** as confirmed through Canada Revenue Agency documentation and the Corporation's records. **This exceeded the Corporation's maximum allowable income by more than \$89,000.** This individual was over-housed and remained in this unit as of June 30, 2025, paying between \$1,100 and \$2,100 a month during the audit period. Of the 38 samples reviewed, 16 (42 per cent) were confirmed to have earned over \$80,000 annually while residing in a social rental housing unit.

We also found the household income information used by the Corporation to determine eligibility for social rental housing was not reliable. We found clear errors in the incomes documented for nine of 38 samples (24 per cent). Six of the 38 (16 per cent) resulted from errors by the Corporation during data entry, which falsely placed the households above the income threshold. The other three (eight per cent) appeared to be under the maximum income threshold, but this could not be confirmed as the Corporation failed to include the income of all household members.

Furthermore, **we found widespread discrepancies existed between income information in the Corporation's housing management system and income data obtained from the Canada Revenue Agency.** Although the Corporation had access to Canada Revenue Agency records for the purposes of assessing household income, the information in its system did not match incomes gathered from the Canada Revenue Agency for 33 of 38 samples (87 per cent) we examined. Inconsistencies included both higher and lower amounts, raising concerns about the reliability of the Corporation's overall income data.



Why It Matters

Effective housing supply management is an essential function of the Corporation to ensure it is able to provide the services it is mandated to deliver. Addressing the gap between housing demand and supply requires deliberate and well-executed planning. Without approved, comprehensive strategies for expansion, reconfiguration, and investment, the Corporation cannot effectively respond to rising demand or to mismatches between unit sizes and applicant needs. Ineffective planning contributes to construction delays, missed opportunities to reconfigure units, and the ongoing over-housing of tenants. When the Corporation does not have policies in areas such as transitioning out ineligible tenants, it can limit housing availability for vulnerable families and erode confidence in its stewardship of resources. Strong planning and implementation practices are essential to ensure that housing supply evolves to meet both current and future needs.



What We Recommend

The Newfoundland and Labrador Housing Corporation should:

4. Develop a long-term, multi-year unit supply plan, based on forecasted information, to effectively manage the supply gap between social rental housing inventory and the waitlist.
5. Adopt a reconfiguration policy and business-case template, including the documentation of decisions made.
6. Update and enforce the Sale of Surplus Units and Land Policy, to provide clear criteria for when the sales process should be initiated, while ensuring consideration of forecasted demand and any approval requirements.
7. Strengthen lease renewal policies and practices to identify housing size mismatches and guide appropriate action, and to identify and transition households who are no longer eligible for social rental housing.

Findings – Inventory Management

Objective

To determine whether the Newfoundland and Labrador Housing Corporation effectively manages the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador.

Criteria 3

The Corporation effectively evaluates and monitors the current social rental housing supply.



What We Expected

We expected the Corporation to have well-documented and current inspection and maintenance policies that provide clear guidance on responsibilities, timeframes, and procedures. We expected inspections and maintenance to be completed regularly and documented consistently, in accordance with policy. We expected the Corporation to maintain an effective asset management framework, including lifecycle planning and the use of unit condition metrics to support strategic decision-making.

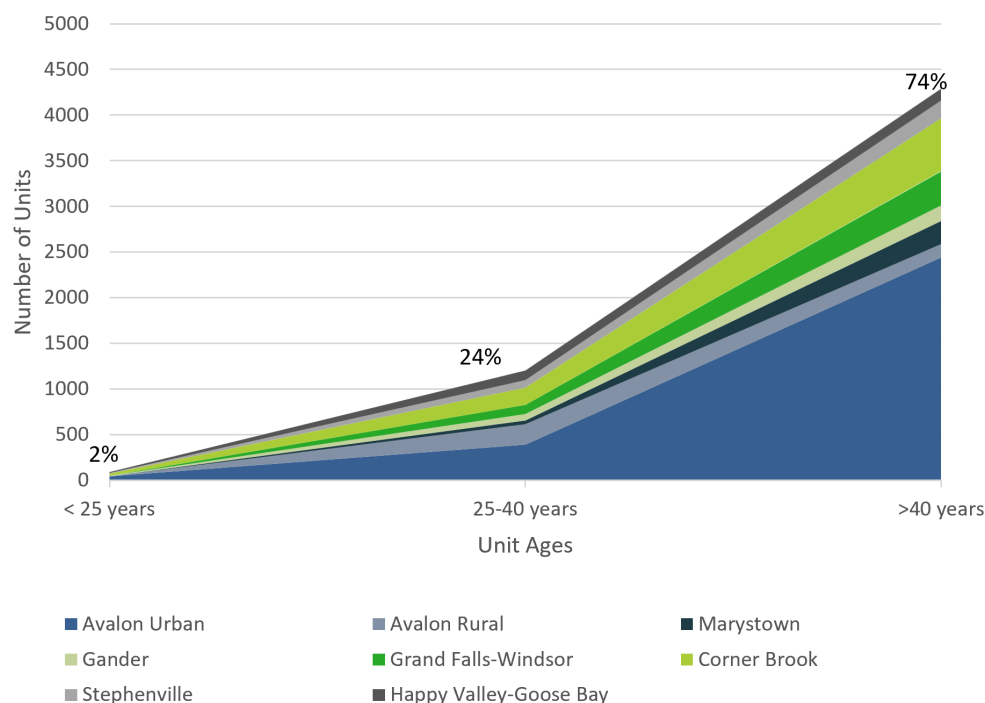


What We Learned

Inventory Age

We found the Corporation did not appropriately perform maintenance and inspection functions on its social rental housing inventory. Aging infrastructure increases the importance of inspections, maintenance, and life-cycle planning and 4,121 (74 per cent) of the Corporation's inventory of units was over 40 years old as of June 30, 2025.

**Figure 5: Age Proportions of Social Rental Housing Units by Region
As of June 30, 2025**



Source: Compiled by the Office of the Auditor General from information provided by the Newfoundland and Labrador Housing Corporation, unaudited

Policies and Procedures

We found deficiencies in the Corporation's five inspection policies and procedures (move-in, move-out, vacancy, cyclical, and building condition reports), as policies were incomplete and did not contain guidance in key areas. Concerns were identified in the policies' coverage of timeframes for completion, quality assurance, responsibility for oversight, and detailed procedures. Additionally, three of five policies related to inspections were approximately five years old and one was more than 10 years old (see Table 1).

Table 1: Status of Inspection Policies

Policy	Has a Timeframe Provided for Completion?	Contains a Quality Assurance Component?	Responsibility for Oversight Outlined?	Procedures Provided?	Years Since Update
Leasing Move-In	No	No	No	No	4.8
Leasing Move-Out	Partial	No	No	No	4.8
Cyclical Inspections 2019	Yes	No	No	Yes	5.7
Building Condition Reports	Yes	No	Yes	Yes	11.0
Vacancy Inspections	Yes	Partial	Yes	Yes	1.3

Source: Analysis of policies provided to the Office of the Auditor General by the Newfoundland and Labrador Housing Corporation

We also found deficiencies existed in the Corporation's maintenance policies, which were incomplete and did not contain guidance in key areas. Shortcomings were identified in the policies' coverage of required frequency and timelines for completion, quality assurance, responsibility for oversight, and detailed procedures. The Corporation categorized its maintenance into four categories - emergency, preventive, regular/routine, and vacancy refurbishment. There were five policies that addressed the four maintenance categories. **None of the policies related to maintenance had been updated in the last six years** as of June 30, 2025, as shown in Table 2.

Table 2: Status of Maintenance Policies

Policy	Has a Timeframe Provided for Completion?	Contains a Quality Assurance Component?	Responsibility for Oversight Outlined?	Procedures Provided?	Years Since Update
Emergency Maintenance-Determination	No	No	Yes	No	10.5
Preventive Maintenance-Repairs	No	No	Yes	No	7.8
Routine Maintenance-Repairs	No	Partial	Yes	Yes	7.8
Vacancy Maintenance-Scope of Work	No	Partial	Yes	Yes	8.1
Vacancy Maintenance-Repairs	No	Partial	Yes	Yes	6.4

Source: Analysis of policies provided to the Office of the Auditor General by the Newfoundland and Labrador Housing Corporation

Operations

We found the Corporation frequently failed to document required inspections, with certain categories of required inspections not being documented at all.

Move-In, Move-Out, and Vacancy Inspections

We found the Corporation did not perform move-in, move-out, or vacancy inspections according to its policies. We selected a sample of 45 properties across all regions and requested all move-in, move-out, and vacancy inspection reports from April 1, 2021 and June 30, 2025.

We found the Corporation did not consistently document move-in inspections as required by policy. The Leasing Move-In Policy required an inspection report to be completed and signed by the incoming tenant, outlining any deficiencies for new tenants. There were 58 instances of a tenant moving into the properties we sampled. **We found the Corporation could not provide 43 of the 58 (74 per cent) move-in inspection reports required. This was a significant deterioration from our 2008 report, in which we found that eight per cent of move-in inspections could not be provided.**

We found the Corporation did not complete and document move-out inspections as required by policy. While 69 move-out inspections were required by policy for our sample, the Corporation could not provide any. The policy required a move-out inspection to identify any tenant damage. **This was, again, a significant deterioration from our 2008 report, in which we found that 42 per cent of move-out inspections could not be provided.**

We found the Corporation did not consistently complete and document vacancy inspections as required by policy. The Vacancy Inspection Policy required a vacancy inspection to be carried out once the Corporation obtained vacant possession of a unit. The purpose of this inspection was to assess the general condition of the unit to determine what repairs or refurbishment were required prior to being offered to a family. **We found the Corporation could not provide 27 of the 69 initial vacancy inspection reports (39 per cent) required by policy for our sample.** Corporation officials indicated that vacancy inspections were completed, but forms were saved only when refurbishment was contracted out to a service provider, despite the policy for vacancy inspections requiring all inspections to be documented.

MISSING INSPECTIONS		
	74% MISSING	Move-In Inspection Reports
	100% MISSING	Move-Out Inspection Reports
	39% MISSING	Initial Vacancy Inspection Reports
	100% MISSING	Subsequent Inspection Reports

We found no evidence the Corporation completed vacancy inspections for properties that were not to be rented, as required by policy. The Corporation's Vacancy Maintenance Repairs Policy stated that where a unit was not to be rented, quarterly maintenance inspections were to be carried out and documented. **We found the Corporation could not provide any of the 345 subsequent vacancy inspection reports required by policy for our sample.**

In our sample, we found the Corporation did not complete any move-in, move-out, or vacancy inspections in Labrador. The Corporation indicated that inspection report forms were not completed for units in Labrador; rather they relied on photos and verbal confirmation from local contractors to determine maintenance required. However, the Corporation was unable to provide any documentation to confirm this process occurred for our samples.

We found it was not possible to confirm if units were efficiently prepared for occupancy, as required by policy. The Vacancy Maintenance Repairs Policy required units to be prepared for new tenants as quickly as possible; however, **we found 15 of 45 properties sampled (33 per cent) had gaps longer than three months between occupancy**, with no indication of work completed and no reason provided by the Corporation. Nine of the 15 samples (60 per cent) were vacant for more than a year. We note that four of these were in areas with high demand.

We also found inconsistencies in record-keeping, data collection, and form use for move-in, move-out and vacancy inspections. There were 13 instances across 10 samples with inconsistencies, such as: units with no inspections despite having changes in status, move-in dates missing for new tenants, the wrong form used for an inspection, the inspection form provided was blank and undated, and the inspections were dated before the inspection was to have occurred.

Cyclical Inspections

We found the Corporation did not conduct cyclical inspections based on the assessed risk of damage to units, as required by policy. According to policy, cyclical inspections are required on a one-, two-, or three-year schedule, based on turnover and the condition of a unit in its last inspection.

The Corporation updated its policy in 2019 and created a schedule for cyclical inspections based on the criteria in the policy. However, the schedule was interrupted during COVID-19 pandemic restrictions, at which time no inspections were completed. In an effort to catch up, the Corporation updated all inspection dates and grouped inspections by community rather than the criteria outlined in policy. This change was made to enable inspectors to do all units in a community at once. Follow-up inspections were to be scheduled according to the policy thereafter.

We found the Corporation changed the inspection dates for 1,572 units, resulting in those units having their inspection cycle modified without consideration of their condition. As a result of this change, 684 units had their inspection cycle changed from one year to either two or three years, which increased the risk of undetected damage for those units. Similarly, 561 units had their inspection cycle changed from three years to one year and 327 units had their inspection cycle changed from two years to one year without evidence of an increase in the risk of damage.

We found the Corporation could not generate an accurate list of inspections required each month, as outlined in its policy. The new cycle assigned a due date of December 1 for all inspections in a given year instead of assigning inspections across all months in the year.

We found the Corporation did not meet its cyclical inspection requirements between April 1, 2021, and June 30, 2025. We found 2,234 occupied units (43 per cent) did not receive a cyclical inspection, and one-third of required follow-up inspections (277 of 838) were not completed. Under the updated schedule, inspections were spread across three years. We found the Corporation missed 1,333 of the inspections scheduled for 2023 and 2024.

We also found 130 of 561 (23 per cent) required follow up inspections were performed later than required, and 54 per cent (301 of 561) were inspected earlier than required.

Asset Management Inspections

We found the Corporation did not follow its asset management policies and could not report on the condition of its units. The Asset Management Policy required the Corporation to maintain the appropriate procedures and systems to allocate funding for assets in a consistent and strategic manner. The Corporation was required to maintain an asset management system, oversee the collection of information for this system, produce reports from the system, and ensure its procedures and processes were maintained. **We found the Corporation had not completed any asset management inspections since 2021-22, and no future inspections were scheduled.** The last report on the status of asset management inspections of social rental housing inventory was in 2018.

We found the Corporation did not quantify the condition of its units or required deferred maintenance, using a metric such as a Facility Condition Index. The Facility Condition Index is a standardized measure of an asset's condition at a point in time. While the Corporation's Asset Management Guidance Document noted its potential value as a measure of replacement cost versus the cost to repair an asset to an acceptable level of service, the Corporation did not use the approach. In the absence of a Facility Condition Index or similar tool to quantify the condition of its units, **we also found the Corporation did not have a lifecycle management plan for its inventory.**

Maintenance

We found the Corporation could not rely on the accuracy of dates recorded in its maintenance work order system, which affected preventive, emergency, and routine maintenance. Completion dates in the work order management system reflected when records were closed, not the date tasks were completed. Additionally, there was evidence of errors and incompleteness in data entry. Some work orders had completion dates predating start dates, and a significant number had no completion date at all (16 per cent of emergency and 31 per cent of routine samples).

As a result, **we found it was impossible to assess how long the Corporation took to complete maintenance, or whether timelines complied with policy.** Many of the dates recorded in the work order system were inaccurate and did not provide a meaningful basis for analysis. For example, the average time to complete the 61 emergency work orders we sampled from the system was 448 days (1.2 years).

In addition to unreliable dates, we found other issues with the Corporation's maintenance records. **We found repairs were frequently miscategorized, potentially impacting appropriate prioritization.** For example, **41 of 61 emergency work orders sampled (67 per cent) did not meet the Corporation's own criteria for an emergency.** Thirteen of the 61 routine work orders we sampled (21 per cent) were incorrectly classified in the Corporation's systems, such as being coded as routine when they were preventive maintenance.

We also found the Corporation could not determine or confirm whether the minimum standard for inspections maintenance work was performed. The policy stated that regional directors or designates should conduct a minimum of five per cent monitoring of routine inspections assigned to both the Corporation's employees and to contractors. We found this was not recorded or tracked.

Finally, we found the Corporation did not create preventive maintenance plans, as required by policy. The Corporation's Preventive Maintenance Repairs Policy required the creation and approval of a regional plan, and scheduled tasks for staff. We found there were no regional plans in place to address preventive maintenance requirements. Further, the policy required the regional director to schedule and monitor tasks while updating the plan regularly, as needed. We found preventive maintenance work orders were not scheduled, and staff were permitted to address maintenance issues at their own discretion throughout the year.



Why It Matters

Effective management of social rental housing requires accurate, timely, and complete information on the condition and availability of units. When the Corporation does not complete inspections, it lacks the information needed to plan maintenance effectively. In turn, ineffective maintenance puts the long-term sustainability of social rental housing units at risk. Aging housing infrastructure requires planned investment, and without reliable data the Corporation cannot prioritize repairs, allocate capital efficiently, or protect the value of its portfolio. A well-managed and well-monitored housing inventory is essential to ensure that suitable, safe, and functional units are available for the residents who depend on them.



What We Recommend

The Newfoundland and Labrador Housing Corporation should:

8. Update all inspection and maintenance policies to ensure they are complete and comprehensive, with formalized oversight mechanisms to ensure compliance.
9. Improve the maintenance system's data accuracy, ensuring start and completion times reflect actual work, miscategorized work orders are corrected, and data entry errors are reduced.
10. Develop an asset management plan which quantifies and addresses the overall backlog of deferred maintenance and the work needed to keep units in good condition.

Findings – Oversight

Objective

To determine whether the Newfoundland and Labrador Housing Corporation effectively manages the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador.

Criteria 4

The Corporation effectively reports to the Board of Directors and its Minister on its management of social rental housing inventory.



What We Expected

We expected the Board of Directors of the Corporation to provide effective governance and oversight, and to ensure the Corporation fulfilled its mandate to deliver social rental housing programs. We also expected management to operate in accordance with the Housing Corporation Act, reporting to the Board, seeking direction and approvals. We further expected the Board to be well informed, with meaningful performance measures of progress regarding the key issues facing the Corporation.

Finally, we expected the Corporation to have a structured review process to ensure all policies were updated regularly, aligned with current legislation and organizational needs.



What We Learned

Governance Structures

Governance and oversight of public services in Newfoundland and Labrador are delivered through two separate structures: government departments and Crown entities. Departments operate under the direct control of Ministers, whereas Crown entities, comprised of agencies, commissions, and boards (including Crown corporations and oversight bodies), are accountable to government, but operate outside departments with some degree of autonomy.

As an example of how these structures work in practice, the province's kindergarten to Grade 12 education system is directly governed by the Department of Education, which provides leadership and direction for K-12 education. In contrast, the Newfoundland and Labrador Housing Corporation is overseen by a Board of Directors, responsible for governance and oversight, and ensuring the Corporation fulfills its mandate to deliver social rental housing programs.

We found internal policy called into question whether the Corporation's CEO took direction from the Board, in accordance with the Housing Corporation Act. Section 7(2) of the Act indicated the CEO operated "subject to the direction of the membership of the Corporation", which is its Board of Directors. The Corporation's official organization chart reflected legislation, with the CEO reporting to the Board, and the Board reporting to the Minister. However, **we found the Corporation's Board of Directors Mandate Policy, which detailed the responsibilities of the Board and the CEO, stated the CEO reported directly to the Minister, not the Board of Directors, in contradiction to legislation.**

Figure 6: Newfoundland and Labrador Housing Corporation Organization Chart

Source: Prepared by the Office of the Auditor General from information provided by the Newfoundland and Labrador Housing Corporation

We also found, in practice, the Corporation's CEO often did not receive direction from the Board. While the CEO made regular presentations to the Board, they were predominantly informational rather than direction seeking. There was little evidence of the Board rendering decisions, apart from procedural approvals of financial statements, annual reports, and budgets to be provided to the Minister. In one instance, we note the Board's budget approval was documented after the budget had already been submitted to the Minister.

We found the Board of Directors did not provide effective oversight to ensure the Corporation fulfilled its social rental housing mandate and provided little governance on the significant issues the Corporation faced. We reviewed 18 sets of Board minutes for the period of April 1, 2021 to June 30, 2025 and found, other than approving the action plan for the National Housing Strategy, no decisions were documented regarding key issues identified in this audit, including:

- waitlist management and demand forecasting;
- space utilization and misconfiguration of units; and
- missing and late inspections and inconsistent maintenance efforts.

Furthermore, **while certain key performance indicators were presented to the Board, they did not address critical issues such as the growing waitlist or the misconfiguration of units.**

We also found a longstanding significant strategic issue (unit configuration) was dropped from the Corporation's 2023-2026 strategic plan without being resolved. The issue of reconfiguration had been included in 2017 and 2020 strategic plans, and the misconfiguration of units had been identified since the 2006-2008 Strategic Plan. Unit configuration continued to be an issue for the Corporation, as noted by the rate of over-housing in the inventory. The Corporation's annual reports, which addressed the 2020 Strategic Plan, did not indicate that this issue had been corrected. We found no evidence in meeting minutes of discussion with the Board to explain this omission. Officials of the Corporation indicated that configuration issues were covered in sections focused on optimizing the stock within the strategic plan, but these sections did not directly discuss the configuration issue. Further, officials stated that reconfiguration was not considered feasible, which implied the configuration issue was not to be addressed.

We found the Corporation had unclear authority and delegation structures as it did not have a delegation of authority policy. Officials confirmed there was no delegation of authority policy, stating delegation was informal, based on established workflows, and not defined in policy. **We also found Corporation management made decisions, such as the purchase and sale of social rental housing units, without documented delegated authority.** Management approved matters such as asset purchases and sales, new policies, and new positions for ministerial approval without referral to the Board for its approval.

In the absence of clearly delegated approval authority, we found inconsistencies in management's approach to the sale of social rental housing units. Section 23 of the Housing Corporation Act empowers the Corporation with the purchase and sale of assets, including social rental housing units. Between April 1, 2021, and June 30, 2025, the Corporation completed nine sales, comprised of 32 units and three parcels of land. According to minutes, only one sale (which included 19 of the 32 units sold) was discussed at a Board meeting, however, no decision was documented to provide approval for the sale. None of the remaining eight sales were presented to the Board for approval. One sale of four units was approved directly by the Minister with no evidence of Board review. For the remaining six sales, approval was provided by the Corporation's management. While the Corporation had legislated authority to sell units and land, policy failed to clearly define whether approval authority rested with the Board or management. This was compounded by the lack of documented delegation of authority.

Despite concerns regarding the Board's oversight, we found **all Board members were overdue for replacement or reappointment.** Where Board appointments expired, it was a departmental responsibility to notify the Independent Appointments Commission that recruitment was required. According to the Housing Corporation Act, Board members could serve two consecutive three-year terms, after which they could continue serving until replacement.

As of June 30, 2025, six of 10 Board members (60 per cent) were past due for replacement, **including the Chair, who had served for over 18 years.** The other four members, who were eligible for reappointment, were all overdue for either reappointment or replacement by more than a year and a half. There was no active recruitment effort for Board members as of June 30, 2025. Officials of the Corporation stated that, after the announcement in Budget 2024 that the Housing Corporation would be integrated into core government, the Corporation was instructed to halt recruitment efforts for the Board. As of June 30, 2025, this integration had not yet occurred.

Table 3: Board of Directors Composition as at June 30, 2025

Title	Original Appointment	Re-Appointment Date	Expiry Date	Days Overdue as at June 30, 2025
Overdue for Replacement				
Chairperson	14-Mar-07	16-Nov-20	15-Nov-23	593
Vice-Chairperson	20-Dec-18	12-May-22	11-May-25	50
Member	20-Dec-18	12-May-22	11-May-25	50
Member	20-Dec-18	12-May-22	11-May-25	50
Member	20-Dec-18	12-May-22	11-May-25	50
Member	20-Dec-18	12-May-22	11-May-25	50
Overdue for Re-Appointment				
Member	16-Nov-20	N/A	15-Nov-23	593
Member	16-Nov-20	N/A	15-Nov-23	593
Member	16-Nov-20	N/A	15-Nov-23	593
Member	16-Nov-20	N/A	15-Nov-23	593

Source: Prepared by the Office of the Auditor General from information on the Independent Appointments Commission website

We noted the Corporation's Board was classified as Level 2. Boards classified as Level 1 do not require members to have any special knowledge or expertise while Level 2 Boards require members to have professional credentials and/or expertise. Table 4 provides examples of government entities and the associated compensation level for their governance structure.

Table 4: Examples of Board Member Remuneration Rates for Agencies, Boards and Commissions

Agency/Board/Commission	Daily Rate ¹ - \$145	Daily Rate ¹ - \$240
	Level 1	Level 2
C.A Pippy Park Commission	X	
Central Regional Service Board	X	
Human Rights Commission	X	
Newfoundland and Labrador Liquor Corporation	X	
Provincial Health Authority Board of Trustees	X	
Accessibility Standards Advisory Board		X
Fish Processing Licensing Board		X
Innovation and Business Investment Corporation		X
Oil and Gas Corporation of Newfoundland and Labrador		X
Newfoundland and Labrador Housing Corporation		X

Source: Prepared by the Office of the Auditor General from information from the Independent Appointments Commission website.

¹ Other rates apply to specialized members, such as Board Chairs.

Policies

We found the Corporation did not regularly update its policies and procedures. The Corporation did not have guidance to direct the review frequency of its policies and procedures. In the absence of such direction, **we found 81 per cent of its policies had not been updated in five or more years.** We reviewed 518 policies and procedures, 365 of which (70 per cent) had not been updated since the Housing Corporation Act was amended in December 2018. We also found 147 policies (28 per cent) had not been updated in over a decade.

As a result, we found the Corporation had policies that failed to align with more recently updated legislation, such as the Public Procurement Act. We found policies also contained outdated references to government departments.

Our 2008 audit noted similar issues with outdated policies, citing an internal Corporation report which recommended policy review every two years. While our report recommended the Corporation should continue to implement the recommendations of this internal report, we found outdated policies continued to be an issue.



Why It Matters

Effective governance begins with the clear allocation of authority in alignment with legislation. Without these foundations, key decisions may not receive appropriate oversight or approval, undermining transparency and public trust. Governance is further weakened when policies are outdated, as this can lead to ineffective or inconsistent practices across the organization.

Effective oversight also depends on relevant, complete, and accurate information. When the Board is not given meaningful information on critical matters it cannot provide effective oversight or make informed decisions. Strong governance and reporting practices are essential to ensure that Crown corporations manage public resources responsibly and that housing programs meet the needs of the province.



What We Recommend

The Newfoundland and Labrador Housing Corporation should:

11. Align governance policies with the Housing Corporation Act, clarifying reporting relationships and approval authorities.
12. Develop and implement a delegation of authority policy that clearly defines roles, responsibilities, and authority for management, committees, and the Board.
13. Provide the Board of Directors with complete and timely information on key strategic and operational issues, as per legislation, and actively seek Board direction on these matters.
14. Implement a policy review schedule.



Subsequent Events

On July 31, 2025, the Corporation announced that a contract valued at \$2.6 million had been awarded to build a multi-unit building with six new one-bedroom homes in Corner Brook.

On December 19, 2025, the Corporation announced the award of a contract valued at \$17 million to build a 40-unit apartment building in Pleasantville, St. John's, featuring one- and two-bedroom apartments.

On January 23, 2026, the Corporation announced that a contract had been awarded to build 10 new micro homes in St. John's. The contract, valued at \$1.67 million, will cover the construction of two buildings – one with six studio-style apartments and the other with four units.

On January 30, 2026 the Corporation announced the award of a contract to build a 20-home apartment complex in Corner Brook. The contract, valued at \$9.8 million, will see the construction of a three-story apartment building. The building will feature 10 one-bedroom and 10 two-bedroom apartments.

Conclusions

We conclude the Newfoundland and Labrador Housing Corporation did not effectively manage the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador during the audit period.

Systemic weaknesses limited the Corporation's ability to align supply with need. Demand monitoring was not reliable enough to guide decisions, and the absence of credible forecasting meant future pressures were not projected or considered in decision-making. At the same time, the Corporation lacked an approved, long-term strategy to address supply gaps; delivery efforts proceeded on an ad hoc basis with delays, while long recognized configuration issues (shortages of smaller units) remained unaddressed.

Core asset stewardship processes did not provide a sound operational foundation. Inspection and maintenance practices were inconsistently applied and poorly documented, and asset condition information was insufficient to support risk-based planning, lifecycle management, and timely unit turnover.

Governance and oversight did not drive corrective action. Reporting to and direction from the Board were not sufficient to address persistent risks in demand, supply, and asset condition, and policies were not kept current to support consistent practices across the organization.

Overall, without strengthening governance, data quality, planning, and execution, the Corporation will remain limited in its ability to provide timely, appropriate social rental housing to the most vulnerable who rely on this essential public service. It is concerning that many of the issues in this report were also found in our 2008 audit, and had not been corrected.

Appendix I – About This Audit

Why This Audit is Important

As the sole housing authority in the province, the Newfoundland and Labrador Housing Corporation is responsible for developing and providing housing assistance programs across Newfoundland and Labrador. This includes administering and managing over 5,500 social rental housing units within the province. As these units are for the benefit of some of the most vulnerable members of the population, the Corporation must have robust systems and policies to maintain these units and appropriately administer their operation. There must also be comprehensive plans and oversight in place to ensure that the inventory of social rental housing units is able to effectively meet the current and future need for housing.

Objective

The objective of our audit was to determine whether the Newfoundland and Labrador Housing Corporation effectively manages the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador.

Criteria

Audit criteria were developed based on discussions with the Newfoundland and Labrador Housing Corporation management, review of relevant documentation, legislation, policies and procedures, and literature reviews, including reports of other legislative auditors. The Office of the Auditor General defined four criteria regarding the objective, which senior management of the Newfoundland and Labrador Housing Corporation accepted as suitable.

The Office of the Auditor General assessed whether the Newfoundland and Labrador Housing Corporation effectively managed the supply of social rental housing inventory to meet the needs of Newfoundland and Labrador against the following criteria:

1. The Corporation effectively evaluates and monitors current and forecasted social rental housing demand.
2. The Corporation effectively implements plans to manage its social rental housing inventory, including deficiencies between demand and supply.
3. The Corporation effectively evaluates and monitors the current social rental housing supply.
4. The Corporation effectively reports to the Board of Directors and its Minister on its management of social rental housing inventory.

Scope and Approach

The audit scope period was April 1, 2021 to June 30, 2025. The focus was on the effective management of the supply of social rental housing inventory in Newfoundland and Labrador. We conducted our audit using a risk-based approach built upon our understanding of the responsibilities, systems, risk factors, and activities of the Newfoundland and Labrador Housing Corporation as they relate to the management of demand, supply, and oversight of social rental housing.

Our audit procedures included discussions with select representatives of the Newfoundland and Labrador Housing Corporation. These procedures considered legislation, guidelines, policies, and procedures, as well as planning, reporting, and oversight processes. We reviewed information from the Corporation on its waitlist, placement, maintenance, expansion, divestiture, and planning activities. We completed detailed testing on samples across various areas of operations of the Corporation. We evaluated the communication of information between the Newfoundland and Labrador Housing Corporation and its Board of Directors.

We did not assess the social rental housing application, eligibility, and rent revenue processes of the Newfoundland and Labrador Housing Corporation. We also did not assess the physical condition of the social rental housing inventory or the Corporation's other housing programs: private market rental assistance, partner-managed social rental housing, tenant and community relations support and services, supportive living grants, emergency shelter funding, transition housing funding, and home repair financial assistance.

Audit Standards

This independent assurance report is addressed and directed to the Chief Executive Officer of the Newfoundland and Labrador Housing Corporation. It was prepared by the Office of the Auditor General of Newfoundland and Labrador after auditing the Newfoundland and Labrador Housing Corporation through our audit objective and criteria.

Appendix I – About This Audit

This audit was performed to a reasonable level of assurance with the Canadian Standard in Assurance Engagements 3001 - Direct Engagements set out by the Chartered Professional Accountants of Canada and under the authority of the Auditor General Act, 2021.

This Office applies the Canadian Standard on Quality Management. This standard requires our Office to design, implement, and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with the independence and other ethical requirements of the Rules of Professional Conduct of the Association of Chartered Professional Accountants of Newfoundland and Labrador.

Management Representations

The Chief Executive Officer of the Newfoundland and Labrador Housing Corporation confirmed that senior management had provided the Office of the Auditor General with all the information they were aware of that had been requested or that could significantly affect the findings or conclusions of the audit report on behalf of the Newfoundland and Labrador Housing Corporation.

Date Conclusions Reached

We obtained sufficient and appropriate audit evidence on which to base our conclusions on March 10, 2026 in St. John's, Newfoundland and Labrador.

A handwritten signature in blue ink, appearing to read 'D Hanrahan', with a long horizontal flourish extending to the right.

DENISE HANRAHAN, CPA, MBA, ICD.D
AUDITOR GENERAL

Appendix II

Response to Recommendations

Recommendation 1

The Newfoundland and Labrador Housing Corporation should develop and implement comprehensive waitlist policies and procedures for social rental housing, that formally document standardized processes and ensure consistency across regions.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 2

The Newfoundland and Labrador Housing Corporation should ensure that the waitlist is kept current in accordance with policy, containing the accurate information required to support effective prioritization and processing of applicants.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 3

The Newfoundland and Labrador Housing Corporation should develop and implement forecasting processes that consider demographic, economic, and housing market data, as well as data generated from Corporation activities and projects.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 4

The Newfoundland and Labrador Housing Corporation should develop a long-term, multi-year unit supply plan, based on forecasted information, to effectively manage the gap between social rental housing inventory and the waitlist.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 5

The Newfoundland and Labrador Housing Corporation should adopt a reconfiguration policy and business-case template, including the documentation of decisions made.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 6

The Newfoundland and Labrador Housing Corporation should update and enforce the Sale of Surplus Units and Land Policy, to provide clear criteria for when the sales process should be initiated, while ensuring consideration of forecasted demand and any approval requirements.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 7

The Newfoundland and Labrador Housing Corporation should strengthen lease renewal policies and practices to identify housing size mismatches and guide appropriate action, and to identify and transition households who are no longer eligible for social rental housing.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 8

The Newfoundland and Labrador Housing Corporation should update all inspection and maintenance policies to ensure they are complete and comprehensive, with formalized oversight mechanisms to ensure compliance.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 9

The Newfoundland and Labrador Housing Corporation should improve the maintenance system's data accuracy, ensuring start and completion times reflect actual work, miscategorized work orders are corrected, and data entry errors are reduced.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 10

The Newfoundland and Labrador Housing Corporation should develop an asset management plan which quantifies and addresses the overall backlog of deferred maintenance and the work needed to keep units in good condition.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 11

The Newfoundland and Labrador Housing Corporation should align governance policies with the Housing Corporation Act, clarifying reporting relationships and approval authorities.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 12

The Newfoundland and Labrador Housing Corporation should develop and implement a delegation of authority policy that clearly defines roles, responsibilities, and authority for management, committees, and the Board.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 13

The Newfoundland and Labrador Housing Corporation should provide the Board of Directors with complete and timely information on key strategic and operational issues, as per legislation, and actively seek Board direction on these matters.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

Recommendation 14

The Newfoundland and Labrador Housing Corporation should implement a policy review schedule.

Response:

The Newfoundland and Labrador Housing Corporation accepts this recommendation.

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Vision

Promoting positive change and accountability in the public sector through impactful audits.

Mission

To promote accountability in government's management and use of public resources and encourage positive change in its delivery of programs and services.

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Above all else, the Office of the Auditor General must have independence, credibility and integrity. These are essential to everything we do; and critical to our success. The Office of the Auditor General complies with professional and office standards to produce relevant and reliable audit reports. The Office of the Auditor General's independence of government, in fact, and in appearance, provides objective conclusions, opinions and recommendations on the operations of government and crown agencies. Our staff work in a professional and ethical manner, ensuring respect, objectivity, trust, honesty and fairness.

Audit Team

The Auditor General and Deputy Auditor General wish to thank the diligent audit team who performed their work with independence, credibility and integrity:

Brad Brown, CPA - Assistant Auditor General
Adam Martin, CPA - Audit Principal
Jennifer Tuttle, CPA - Audit Principal
Lynette Hann, MEd - Audit Manager
Jillian Kennedy, CPA - Audit Manager
Tanya Billard, MSW, RSW - Audit Senior
Stephen Chislett, CPA - Audit Senior
Adam Lippa, CPA - Engagement Quality Reviewer

The Auditor General also would like to thank Taranjit Kaur and Chrysta Collins for report editing and design.

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