

AUDIT AT A GLANCE

Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites: Understanding and Addressing Demand While Improving Financial Accountability to Stretch Dollars Further

WHY THIS AUDIT MATTERS

People experiencing homelessness are particularly vulnerable to illness and injury due to exposure to cold temperatures. Toronto Shelter and Support Services (TSSS) provides indoor spaces and services to support individuals experiencing homelessness during the cold winter months.

BACKGROUND

Our audit aimed to answer whether there are opportunities (1) to minimize people being turned away and (2) to operate programs more cost effectively and stretch funding further. Our audit scope included Winter Respite Sites, which are open 24/7 during the winter, and Warming Centres (including one Surge Site), which provide additional capacity on colder nights. These programs prioritize ease of access while requiring fewer onsite supports and amenities be provided, compared to shelters.

BY THE NUMBERS (Winter 2023/24)

- **5** Winter Respite programs, **4** Warming Centres, and **1** Surge Site offering **625** beds at the peak of winter
- **2,000+** clients stayed at these programs for a combined **52,900+** bed nights
- **174** unmatched callers to Central Intake daily, on average; and an **unknown number** of people experiencing homelessness turned away onsite
- **\$22.2M** spent for Warming Centres (including the Surge Site) and Winter Respite Sites, of which **\$12.5M** was paid to third-party operators, including nearly **\$2.9M** in surpluses not yet recovered by the City as of October 2024¹
- Range in per bed-night cost for third-party operated programs, including certain costs TSSS paid directly:

	Budget	Reported
Warming Centres	\$264 – 323	\$321 – 491
Winter Respite Programs	\$135 – 205	\$142 – 311

Excludes start-up/fit-up costs; Budgeted per bed night cost is based on the site being open every day, at full capacity; Reported cost per bed night is based on final costs reported by operators and actual bed nights provided

- **\$1.1M to \$1.8M** in funding can potentially be freed up, based on the examples identified during the audit (e.g., improving budgeting, standardizing rates for salaries and meals)

WHAT WE FOUND

A. Opportunities to Better Understand and Address Demand for Winter Respite Site and Warming Centre Beds

- People are turned away from the shelter system on a daily basis because it is often operating at or near full capacity. However, the total demand for beds in winter programs is unknown because TSSS does not track the number of walk-ins who are turned away when beds are not available onsite. Collecting more data will help TSSS better understand demand and plan accordingly.
- Additional bed nights potentially could be provided if changes are made to TSSS' practices. For example:
 - **4,331** bed nights were left vacant when **Warming Centres** were deactivating and no new clients were admitted.
 - **8,411** bed nights at certain **Winter Respite Sites** were not available as: programs ramped up and ramped down; beds were temporarily withheld by TSSS at the Better Living Centre; and some programs opened after the start date in their agreements.
- Contingency plans should be in place, outlining the steps to be taken when the system is full.
- Many clients often have needs for supports beyond what is typically offered at winter programs and could benefit from case management.

B. Improve Financial Accountability to Stretch Dollars Further

- TSSS can stretch its funding further by thoroughly reviewing budgets and costs, and promptly reconciling and finalizing third-party operator reported costs. In particular:
 - When analyzing costs against budgets, TSSS did not pro-rate for the actual number of days that sites were open to identify potential issues for further follow-up.
 - TSSS did not request source documents or obtain audited financial reports specific to the operation of the winter programs.
 - TSSS' agreements did not require pre-approval of changes made by operators (e.g., to re-allocate resources / funding to other programs)
 - TSSS budgeted significantly more than was needed for its directly operated sites.
- TSSS should establish guidelines for analyzing budgets and reasonable rates for certain costs (e.g., salaries, meals) and compare budgets across sites / programs.
- TSSS should review its practices for deactivating and closing sites, including how they prioritize sites for closure and taking into consideration each operator's cost structure, to potentially stretch funding further to provide more beds.

HOW RECOMMENDATIONS WILL BENEFIT THE CITY

In our view, implementing the 15 recommendations in this report will help TSSS potentially make more beds available to serve more clients and also stretch its funding further.

¹ On January 8, 2025, TSSS advised us that, of the nearly \$2.9 million to be recovered from the 2023/24 Winter Service Plan, TSSS had recovered \$1.5 million, and, that by January 15, 2025, TSSS expected to recover the remaining \$1.4 million.