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RHRA CORPORATE OVERVIEW

Profile

The Retirement Homes Regulatory Authority (RHRA) is a self-funded, not-for-profit corporation established under the *Retirement Homes Act, 2010* (Act) and its regulations. The RHRA is responsible for administering the Act and is accountable to government through the Ontario Seniors' Secretariat (OSS). The RHRA was established in 2011 and commenced licensing and regulating retirement homes in 2012.

The RHRA's core responsibility is to enhance the safety and consumer protection of residents in Ontario's retirement homes. The fundamental principle of the Act reflects this responsibility by emphasizing that "a retirement home is to be operated so that it is a place where residents live with dignity, respect, privacy, and autonomy, in security, safety and comfort and can make informed choices about their care options." The RHRA meets its mandate through its strategic objectives of licensing, education, compliance and enforcement, with the maintenance of a public register and establishment of the emergency fund. The Vision, Mission, Mandate and Values, and their connection to the strategic objectives, are illustrated below.



STRATEGIC PRIORITIES AND BUSINESS PLANNING

Overview

Fiscal 2014/15 (April 1, 2014 to March 31, 2015) was the first year in the RHRA's refreshed three-year strategic directions implementation, reflecting its relatively early stages of 'full' regulatory operations. The plan focuses on building capacity, and 2014/15 began to see the early results of those efforts. The RHRA's central information system became fully functional, concurrent with a large increase in the total number of mandatory reporting and routine inspections. Early analysis of the resulting data is already helping to inform regulatory activities, and will continue to focus the organization as it monitors and refines business priorities and begins measuring the effectiveness of its interventions. For 2015/16 (April 1, 2015 to March 31, 2016), the RHRA will prioritize data analysis and operational risk control strategies to effect robust measurement and continual review and adjustment of resources to those activities that most improve resident safety and choice.



PRIORITY 1: REGULATORY EFFECTIVENESS

Improve resident safety and choice through regulation

Initiatives

Baseline Protection: Establish consistent standard of resident safety and consumer protection throughout the retirement home sector.

The RHRA exceeded its original goal of conducting 350 inspections by completing an initial routine inspection in almost all of the 700+ licensed homes by the start of the 2015/16 fiscal year. This increased effort to inspect more homes will facilitate completion of baseline compliance data collection. Early results have shown that non-compliance has been most prevalent in the areas of:

- Staff training [specifically in areas of personal assistance services devices (restraints), residents' bill of rights; and licensees' complaints procedures];
- Annual testing of the emergency plan;
- Behaviour management strategies and monitoring; and
- Licensees' policies and practices to promote zero tolerance of abuse and neglect.

Ongoing monitoring is required in 2015/16 to ensure these early results are refined, both to inform regulatory activities and to provide a baseline for measuring improvements in resident safety and protection. Regulatory efforts will be focused on these priorities, with enhanced compliance monitoring for specific improvements in those homes found to have non-compliance.



Build Capacity: Build the organizational capability to identify and control risks relating to resident safety and choice.

In 2014/15, the RHRA saw the population of its central information system with all relevant compliance data. This data is a key source of insight for setting regulatory priorities and for designing and measuring the effectiveness of interventions. In 2015/16, the RHRA will augment its data analytics capacity through dedicated resource allocation, oversight accountability and enhanced staff capability in this area. Additionally, the RHRA will implement a new operational risk control strategy, based on best practices and the work of leading experts on regulation, by dedicating specific resources toward the full adoption and integration of these methods following an initial pilot project.

Licensing: Refine and improve licensing administration processes.

In 2015/16, the RHRA will focus on the roll-out of capabilities developed in the previous year for an online licensee portal. In this initial roll-out, focus will be placed on allowing licensees to conduct routine transactions online in an effort to streamline interactions, and to determine future development of the portal's functionality.

Unlicensed Homes: Refine approach to dealing with unlicensed homes.

The RHRA will explore possible solutions to the issue of unlicensed homes through its pilot project under the newly-established operational risk control strategy, including thorough analysis of the relevant issues, and identification of the best methods to evaluate the success of the RHRA's interventions.

Legislative Review: Provide advice to the Minister/Government in its review of the Act.

The RHRA expects the required legislative review to commence during the 2015/16 year, and will use its experience to date, data analysis and sector knowledge to support the government in its review of the Act.



PRIORITY 2: CORPORATE ALIGNMENT

Develop the RHRA into a financially sustainable regulator that is seen as transparent, accountable and providing good value

Initiatives

Statutory Oversight: Continue to establish processes to support statutory oversight.

During the previous year, two newly appointed independent statutory roles – the Complaints Review Officer and the Risk Officer – were integrated into the RHRA's overall operations. This year will see the first annual report of the Risk Officer, with the RHRA's response to it being a priority for the organization. Discussions will continue into 2015/16 with the Ontario Seniors' Secretariat (OSS), with the intent of achieving an updated Memorandum of Understanding (MOU) that meets all oversight requirements and helps continually improve the RHRA's relationship with the government.

Regulatory Impact: Board reporting on regulatory impact.

The RHRA will continue efforts from the prior year in developing its impact framework. This effort will be greatly facilitated by a focus on developing data analysis capabilities, and improved reporting capabilities relating to regulatory interventions. Further, the RHRA has made significant strides in implementing enterprise risk management (ERM) practices and will continue with its implementation plan, which includes additional elements to be phased in throughout 2015/16.

Financial: Build an organization that is financially stable providing predictability to licensees, and demonstrates good value.

In addition to completing its fee schedule review for 2016, the RHRA will undertake a review of its longer-term office and facilities needs, and expects to complete negotiations on a new lease within the fiscal year, due to the expiry of its current lease at the end of 2016.

Human Capital: Continue to develop our human capital resources building toward a highly effective organization that is characterized by an engaged, capable and dedicated staff.

With the results of its engagement survey in hand, the RHRA will focus its priorities on staff development in the areas identified through this survey. Targeted staff development remains a priority for the RHRA, as many staff members are still relatively new to their role and operating in a young organization where priorities, initiatives and targets are frequently refined and adjusted.



**PRIORITY 3:
STAKEHOLDER COLLABORATION AND OUTREACH**

Engage stakeholders to support RHRA awareness and effective partner collaboration

Initiatives

Awareness: Build awareness and enhance understanding of the RHRA.

Efforts to broadly communicate the RHRA's role and mandate continued throughout the past year, including, for example, providing articles for publication to news editors in Ontario, revising the RHRA resident information brochure and establishing a partnership with Consumer Protection Ontario (<http://www.ontario.ca/consumers/consumer-protection-ontario>). The RHRA will use the results of its stakeholder engagement survey, conducted in 2015/16, to identify previous successes, along with opportunities to enhance its communications efforts, and to establish benchmarks for measuring success of future communications activities.

Partnerships: Work with partners to support increased resident safety and choice.

Among its partnership activities for the 2015/16 year, the RHRA will prioritize establishing partnerships with other relevant agencies and regulatory organizations, with the goal of enhancing our regulatory impact through specific initiatives. The RHRA will also boost its crisis handling capacity through the development and implementation of a crisis communications strategy and plan.

FISCAL YEAR 2015/16 ACTIVITIES AND TARGETS

To support these strategic priorities and initiatives, the RHRA has identified related activities and targets. The priorities and initiatives are largely multi-year and many persist throughout the timeframe of the strategic plan, with a good deal of consistency from the previous year. Specific activities and targets, however, are typically updated each fiscal year, and the plan for 2015/16 reflects this practice. The RHRA reports on its success against the activities and targets in its annual report. In 2014/15, many of the RHRA's activities and targets reflected efforts to build out infrastructure and establish baseline metrics. With basic capacity established, and a significant amount of data collected, in 2015/16 the general focus will turn to effectively using the data now available, and to becoming increasingly evidence-based in prioritizing and evaluating regulatory interventions. For 2015/16, the RHRA has set activities and targets for the organization, which can be found beginning below.

Regulatory Effectiveness Improve resident safety and choice through regulation 		
Initiatives	Activities	Targets
Establish consistent standard of resident safety and consumer protection throughout the retirement home sector	Through inspection and analysis, evaluate baseline compliance and validate initial assessment of critical compliance requirements Align interventions, including educational or outreach activities, to improve compliance on identified priority items Continue to develop and enhance effective, risk-based compliance monitoring activities	Overall decrease in rate of non-compliance found on routine inspections Conduct a minimum of 10 educational/outreach activities in areas of staff and volunteer training, written policies and strategies, emergency plans and licensee complaints processes Material aggregate and individual decrease in non-compliance in areas of staff and volunteer training, and written policies and strategies Implement centralized compliance monitoring function to develop best practices and improve follow-up and resolution relating to inspections and other regulatory activities
Build the organizational capability to identify and control risks relating to resident safety and choice	Implement operational structures and protocols to support the identification and control of specific compliance problems (and patterns of non-compliance) that may involve harm or risk of harm to retirement home residents Develop capacity and implement strategy for rigorous focus on analytics to support evidence-based decision making in planning and evaluating effectiveness and efficiency of regulatory activities	Institute operational risk control model of regulatory activities, by: <ul style="list-style-type: none"> • Selecting executive sponsor and project team to oversee implementation of model • Developing written protocols, including process and criteria for identifying critical regulatory problems • Starting one pilot project, including problem selection, project team selection, project plan and outcome measures to determine success of project strategies Institute RHRA analytics strategy by: <ul style="list-style-type: none"> • Selecting executive sponsor and project team to oversee implementation • Reviewing and creating directory of all RHRA data holdings • Reviewing IT system capabilities • Identifying business experts and data stewards • Training staff in data governance • Begin next phase of analysis of inspections data Identify a minimum of three key metrics to evaluate staff performance in each of: <ul style="list-style-type: none"> • Inspections • Complaints • Intake • Licensing

Regulatory Effectiveness (cont'd)		
Initiatives	Activities	Targets
Refine and improve the RHRA's licensing activities	Enable improved interaction with the RHRA for licensees by deployment of online administration and processing capability	Pilot and launch of online portal for licensees with functionality that supports: <ul style="list-style-type: none"> • Notices of change • Annual reporting requirements • Fee administration
Refine organization's approach to unlicensed homes	Identify key issues relevant to unlicensed homes (e.g. reasons behind unlicensed operation) Determine appropriate ongoing allocation and method of deployment of internal resources Enhance strategies and activities to control risks relating to resident safety, including seeking opportunities for partner collaboration in identification of homes	Based on operational risk control model protocols, begin initiative by: <ul style="list-style-type: none"> • Selecting project team • Developing project plan • Reviewing information relating to unlicensed homes • Identifying tactics and strategies for addressing unlicensed home issue • Identifying outcome measures to determine success of strategies
Provide advice to the Minister/government in its review of the Retirement Homes Act, 2010	Participate in development of policy regarding proposed legislative changes, including presentation of relevant data collected through regulatory activities, as requested by the Minister Participate in public and stakeholder communications and consultations regarding any proposed legislative changes Provide timely information and recommendations for legislative change to the Minister regarding issues/ concerns related to the administration of the Act	Complete comprehensive review, analysis, and submit recommendations to government regarding legislative change

Corporate Alignment

Develop the RHRA into a financially sustainable regulator that is seen as transparent, accountable and providing good value



Initiatives	Activities	Targets
Continue to establish processes to support statutory oversight	Further establish the Risk Officer role by working with the incumbent on reporting and related processes Continue to enhance the RHRA's relationship with government through OSS and the Minister by identifying and addressing opportunities for improving processes commensurate with the RHRA's maturity as an organization and regulator	Respond to the Risk Officer's first annual report Complete review in collaboration with OSS and the Minister to update the MOU as appropriate
Board reporting on regulatory impact	Develop plan to move toward regular reporting to Board on regulatory impact Establish RHRA value by identifying outcome measures to evaluate RHRA success and impact (Regulatory Impact Framework) that aligns with legislative requirements, strategic priorities, government accountability requirements, and operational risk control strategy Develop analytics model to support regulatory impact framework	Begin development of regulatory impact framework by: <ul style="list-style-type: none"> • Identifying key RHRA inputs and activities necessary to cause desirable regulatory outcomes • Identifying key short-term outcomes relating to stakeholder learning or attitude changes

Corporate Alignment (cont'd)		
Initiatives	Activities	Targets
Board reporting on regulatory impact	Continue development and integration of ERM practices into the management of the organization, alongside the Board's ongoing oversight practices, including regular reporting	Continue ERM implementation including: <ul style="list-style-type: none"> Validating risks identified and completing prioritization Developing response plan for prioritized risks Adopting documented risk review processes
Build an organization that is financially stable providing predictability to licensees, and that demonstrates good value	Conduct the annual review of the RHRA's fee schedule, as required by the RHRA Fee Setting Policy Use analysis of regulatory interventions to inform resource allocation requirements, including addressing any pressures resulting from growth in specific regulatory activities As part of the corporate plan, define long-term facilities requirements	Implement the 2016 fee schedule Select vendor and complete negotiations on suitable lease that meet facilities requirements
Continue to develop the RHRA's human resources, building toward a highly effective organization characterized by an engaged, capable and dedicated staff	Continue building organizational capacity by maintaining and enhancing a focus on staff development for mid- and long-term needs Enhance organizational development practices in the areas of highest priority, based on organizational need and employee feedback survey results	Incorporate documented staff development goals into resource and work assignment practices to support longer-term career and succession planning After completion of inaugural employee survey: <ul style="list-style-type: none"> Identify priority items for improvement Draft and implement plans for improvement; and Define timing for follow-up measurement to assess improvement

Stakeholder Collaboration / Outreach

Engage stakeholder effectively to support RHRA awareness and effective partner collaboration



Initiatives	Activities	Targets
Build awareness and enhance understanding of RHRA	Support stakeholder understanding and gain feedback from stakeholders regarding RHRA's activities Continued development of targeted educational materials to support interventions on priority RHRA and compliance items with retirement homes Continued development of targeted education and outreach activities to enhance resident, families, and public awareness and understanding of the RHRA	Through third-party provider, complete survey design, delivery and analysis of the RHRA's stakeholder effectiveness survey Use analysis of survey to identify communications priorities and measurement of improvements Complete 20 education/ outreach activities with retirement home operators and staff Complete a minimum of 10 education/outreach activities targeting residents, families and public, including completion of resident video, participation in tradeshow, and publishing three to six articles/advertisements to support greater knowledge of the RHRA's role and activities
Improve capacity for the RHRA to effectively and efficiently deal with external issues	Engage third-party provider to develop crisis communications strategy and plan	Develop and implement crisis management strategy and plan
Work with partners to support increased resident safety and choice	Prioritize development of partnerships with key regulatory organizations and other agencies that support specific RHRA initiatives	Establish a minimum of three proactive partnership arrangements with other agencies and regulatory organizations

GOVERNANCE

The governance of the RHRA is established through the Act, its regulations, by-laws and a MOU with the government through Ontario Seniors' Secretariat to the Minister Responsible for Seniors Affairs. The MOU requires the RHRA to specify how it will meet French language requirements and address complaints related to its administration. The RHRA will continue to make its communications and information available in French in accordance with its French Language policy and address complaints received by the RHRA by working with the complainant to resolve the complaint and management reviewing resolutions. The Board of Directors is accountable to the Minister through the Chair of the Board.

The Board of Directors is composed of nine members, five of whom are elected and four appointed by the Lieutenant Governor in Council. Board member profiles are available at www.rhra.ca/en/about/board/.

Throughout 2014/15, the RHRA worked with the appointed Risk Officer to establish the protocols and processes related to this office. This statutory role reports to the Board and is responsible for independently reviewing, monitoring and assessing the effectiveness of the RHRA's administration of the Act, including its activities directed at ensuring that licensees meet care and safety standards, and ensuring the rights of residents are respected. The Risk Officer is expected to issue the first annual report from this role, and the Board will review and respond to the report at its Annual General Meeting, in the 2015/16 fiscal year.

A second independent statutory role, the Complaints Review Officer, issued the first review from this office in 2014/15. Appointed by, and reporting to, the Board of Directors, the Complaints Review Officer is responsible for reviewing complaints in matters where a complainant is not satisfied by the conclusion of the Registrar to take no further action in relation to a complaint. The Complaints Review Officer will continue to conduct eligible reviews as requested by complainants.

The Board maintains its role in enterprise risk management of the RHRA and is committed to ongoing efforts that continually strengthen its governance practices and oversight of the organization and maintains its support of government's public accountability mandate.

Stakeholder Engagement

In the governance of the RHRA's operations, the Board and management have consistently adopted an approach of seeking input from, and consulting with, its various stakeholders, including its Stakeholder Advisory Council (SAC), which includes representatives of key stakeholder groups. Over the past year, the Board expanded the membership on SAC to include an additional resident representative. The RHRA has adopted a working practice of referring matters that may have a consequential impact upon residents, their families, operators or other stakeholders to SAC for feedback and advice, although the RHRA is not bound by the deliberations or a decision reached by SAC. Members must agree to abide by the relevant sections of the MOU, by-laws and policies of the Board, including the Code of Ethics and the Access and Privacy Code. Its scope includes that members:

- provide advice on issues pertinent to the business of the Board, and advice of an 'ongoing' or 'ad hoc' nature on specific issues; and
- may identify issues that they recommend to the statutory officers and Board for specific attention.



RESOURCE REQUIREMENTS

Human Capital

Fiscal 2015/16 represents continued evolution of the organization, particularly within the regulatory affairs areas. Going into 2015/16, the RHRA's resource requirements are largely constant from the prior year, though, as described above, changes in the areas of compliance monitoring, data analysis and operational risk control strategy will be prioritized to effectively meet the performance plan set out in pages 5-7. The organizational structure is as generally laid out in the diagram below.



Financial

The RHRA has successfully transitioned from government start-up funding and is now fiscally self-sustaining. Through prudence in spending, the RHRA has been able to establish the strong financial position that it carries into 2015/16, despite increasing demands on resources resulting from increases in inspection activity and enforcement activities. The RHRA continues to refine its understanding of likely future work volumes and continues to monitor resource requirements closely.

The RHRA will enter 2015/16 in a strong financial position, augmented in part by better-than-expected results in 2014/2015, largely resulting from deferring staffing additions until need was clearly confirmed. The RHRA was able to make contributions to its operating reserve in 2013/14, and expects to do so again before the conclusion of 2014/15 within the applicable policy parameters. These contributions create sufficient capacity for the RHRA to absorb unanticipated costs should they occur in 2015/16, without having to make any significant changes in annual licence fees.



Revenue

The 2015 fee schedule was distributed in September 2014. Annual licence fees are the primary source of revenue for the RHRA, and are billed in advance for the calendar year. The 2015 fee schedule included an increase in the annual licence fee of 1% over the 2014 rate (aligned with Consumer Price Index), and will impact Q1 through Q3 of the 2015/16 fiscal year. Other changes included in the 2014 fee schedule to improve cost recovery on licensing and process-related activities had a positive effect on overall revenue, though representing only approximately 6% of total revenue.

Growth in the number of licensees and suites is expected to create additional revenue in annual licence fees. It is forecasted that in 2014/15, the sector will have added approximately 1,600 suites by the end of the year, representing an increase of about 3%. A similar growth pattern has been included into the revenue projections for 2015/16.

Expenses

Compensation costs are the primary expense for the RHRA, and are expected to increase in 2015/16. The increase will result from a full year of employment for staff added throughout the previous year, as well as from select staffing changes in 2015/16, as required to fully implement the business priorities identified in this plan. Over the past year, the RHRA has made a number of efficiency improvements, some of which are a direct result of the implementation of its central information system. Continued evaluation of work processes and staffing requirements will help to maintain stability in overall expenses, despite continued growth in operational demands.

The Board of Directors authorized a significant allocation into the Emergency Fund, a restricted fund set out in the Act, leading into 2014/15. A further decision regarding additional allocation(s) will be made near the conclusion of 2014/15. Any such contribution may affect the contribution that the RHRA may make to its operating reserve, but is not expected to have an impact on the 2015/16 budget.

The RHRA completed its implementation of a central information management system in 2014/15. The RHRA deferred \$372,000 of the final tranche of government transfer payments to fund this project as part of the government's contribution to supporting the start-up of the organization. Of this amount, \$151,650 remained as deferred revenue at the beginning of the 2014/15 year, and the RHRA expects to fully recognize this amount within the year, so no further recognition will apply to 2015/16 or beyond. For illustration purposes, this amount has been included in the statement of operations, however in the final year end statements it will not be presented in the statement of operations but rather in the Notes to Financial Statements relating to deferred revenue where a more detailed accounting will be provided.

General expenses are forecasted to stabilize or reduce at rates comparable to 2014/15, except those connected directly to staffing levels. Some small contingency provision for litigation costs will continue through 2015/16. However, with increased experience, the RHRA expects it will continue to narrow variances between budget and actual results within the current year and into subsequent years.

With its lease expiring in 2016, the RHRA has already commenced its analysis of long-term needs for facilities. While no impact is expected for 2015/16, the RHRA will be placing focus on negotiating a multi-year lease arrangement that will establish future facilities costs and consequent financial predictability into subsequent years.

Other investments with select new projects, and renewal of assets including computer hardware and software, will continue throughout 2015/16 and are factored into the forecast as capital expenditures.

A summary of the forecasted statement of operations is shown on the next page.

STATEMENT OF OPERATIONS

Comparative Analysis for three years

	Budget	Forecast	
	2016	2015	2014
	\$	\$	\$
Revenues			
Annual licence fees	6,228,293	6,026,809	5,864,919
Application fees	436,250	415,107	228,355
Administrative monetary penalties	-	8,290	5,500
Province of Ontario grant	-	151,650*	-
Interest income	115,400	97,468	106,864
Amortization of deferred capital contributions	78,000	60,500	82,639
	6,857,943	6,759,824	6,288,277
Expenses			
Salaries, wages and benefits	4,899,000	4,212,555	3,824,746
Operating	1,709,553	1,411,767	1,094,864
Amortization of capital assets	171,000	119,048	83,194
Amortization of deferred liability	78,000	60,500	10,680
	6,857,553	5,803,870	5,013,484
Excess of revenue over expenses	390	955,954	1,274,793

*for illustration purposes only



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