

Christopher Tyrell
Clerk of the Standing Committee on Public Accounts
Legislative Assembly of Ontario
Toronto, Ontario M7A 1A2

October 13, 2021

Dear Mr. Tyrell:

We are pleased to respond to your September 28, 2021, letter confirming that the Standing Committee on Public Accounts will be reviewing the Value-for-Money Audit: Condominium Oversight in Ontario from the 2020 Annual Report of the Office of the Auditor General of Ontario on October 27, 2021.

As requested, please find attached the completed Summary Status Table that outlines the progress to date for the Auditor General's recommendations involving the CAO either as lead or as having responsibility for supporting a component of the recommendations.

The CAO values the work conducted by the Auditor General as part of this Value-for-Money Audit and the findings contained in her Annual Report. Our Board of Directors and executive team are committed to continually improving the information, resources, and dispute resolution services we provide to condominium residents in Ontario to promote strong and vibrant condominium communities.

The CAO's commitment to addressing the recommendations has remained steadfast throughout the review and following the release of the AG's report. The CAO has developed a comprehensive plan to guide our work in the current year and year ahead to address the recommendations involving the CAO in a timely and responsive manner. We look forward to working closely with the Ministry of Government and Consumer Services and the Condominium Management Regulatory Authority of Ontario, and to engaging condominium sector stakeholders, as part of the implementation process.

Please let us know if you or any member of the Standing Committee on Public Accounts have any questions or comments. We would be pleased to provide additional background as required.

Sincerely,

Robin Dafoe
CEO & Registrar

cc: Renu Kulendran, Deputy Minister, MGCS
Michèle Sanborn, Assistant Deputy Minister, MGCS
Heather Zordel, Chair of the Board, CAO

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
CAO has a specified leading role in the following recommendations, per the AG report		
AG Recommendation 9: To better inform and educate condominium board directors to carry out their duties in managing their condo corporations, and comply with the training requirement, we recommend that the Condominium Authority of Ontario:		
<u>AG Rec 9A:</u> Analyze and review data on the time taken by directors to complete the training, by individual topic as well as the complete training program to implement measures to address the ability to scroll through screens without reading material (for example, put in quizzes to complete at the end of each section to demonstrate learnings that ensure material is being read).	CAO has completed the analysis of historical data and developed Power BI dashboards to report at a glance, the data on time taken by directors to complete training. The analysis can be done through these dashboards by individual modules as well as the complete training program. CAO has used this analysis to bring a number of enhancements to the Learning Management System to address the AG recommendations. List of the proposed enhancements to the modules is below; 1. Forced delay of 10 seconds before moving to next page to ensure that a director is reviewing the material. 2. 15min idle timeout feature to avoid false completion time reporting. 3. Script development to measure accurate time spent on screen in module tracker. 4. Solution to allow post initial update of learner's records for better reconciliation and data integrity. 5. Solution to ensure users cannot proceed to the next module unless they answer knowledge checks/quizzes on content correctly.	1. Complete quality testing of the four enhancements to the modules. 2. Deploy the enhancements to CAO's Live Director Training Modules (LMS solution production environment). 3. Post implementation review process will be put in place to monitor the effectiveness of the enhancements. Targeted Completion Date: 31 Dec 2021

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
<u>AG Rec 9B</u> : Annually solicit input from directors and condo owners on improvements that can be made to training material.	CAO has an existing process to collect input, using a survey, from directors, as well as any condo owners or others who take the training in the given year, at the completion of the current 21 foundational training modules.	1. Complete analysis to develop a plan and survey instrument to annually solicit input from all directors and condo owners on CAO's director training material, irrespective of whether they have ever taken training or not. 2. Develop survey instrument. 3. Deploy survey each year to receive the feedback on areas of improvement for director training material. Targeted Completion Date: 31 March 2022
<u>AG Rec 9C</u> : Annually review and improve the director training materials	Reviewing and improving the director training material is an ongoing process. CAO last improved its director training material in 2019-20 in which all 21 of the current foundational director training modules were enhanced. For 2021-22 improvements, CAO has reviewed and confirmed the Auditor General's survey results conducted in 2020 (with condominium boards). .	1. Develop the new in-depth director training material in six high priority areas for condominium corporations as identified in the AG's survey. 2. Establish advisory panel and develop business process, to annually analyze and prioritize the training material. 3. Develop and implement the business process for future years, to annually review input from the two surveys (see 9.2) and improve director training materials. Targeted Completion Date: 31 March 2022 and annually thereafter.

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
<u>AG Rec 9D:</u> Add an emergency planning and preparedness component to the training material as well as case studies and other practical applications for key topics of condo operations.	Discovery phase with CAO's Learning Management System (LMS) vendor and adult learning specialists is completed. Best approach for development and delivery of more in-depth training, in six high priority areas has been identified (new advance module will include best practices, case studies and other practical applications for these key topics of condo operations). CAO has secured the services of an instructional designer and adult learning expert. CAO has also completed procurement process and secured content writers with expertise to develop the advanced director training modules for the 6 six high priority topics.	1. Draft advance level content, host Advisory Group consultation session(s), and incorporate their feedback. 2. Upload new in-depth condo director training materials to the online learning modules. 3. Make the training available to condo directors and all other stakeholders. Targeted Completion Date: 31 March 2022

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
AG Recommendation 10: To provide accurate, complete and useful information for condo owners through the public registry, we recommend that the Condominium Authority of Ontario work with the Ministry of Government and Consumer Services to:		
<u>AG Rec 10A:</u> Enable public searches for relevant information by entering the municipal addresses of condos and the names of directors.	CAO has developed the business/system requirements and project plan to enhance the search functionality of its Public Registry to allow users to search by the municipal addresses of condominiums and the names of directors. CAO has completed the technical development of the search functionality of its Public Registry to allow users to search by the municipal addresses of condominiums and the names of directors in the test environment.	1. Technical development in test environment to undergo external usability group testing 2. Incorporate feedback from external usability group testing. 3. Undertake data quality review of municipal addresses and take correctional steps as necessary. 4. Move all finalized enhancements to production/live CAO website. Targeted Completion Date: 30 September 2021

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
<u>AG Rec 10B:</u> Collect information related to condo board directors including whether directors have been elected by condo owners or appointed by the condo board, the directors' roles within the board, whether directors are owners, occupants or neither in the condo.	CAO has developed the technical ability to be able to collect additional information related to condo board directors. The Auditor General did not identify the Ministry as the lead for Recommendation 10.2, however, the Ministry advises that this recommendation will require regulatory amendments and extensive consultation with the public and stakeholders.	Pending ministry direction
<u>AG Rec 10C:</u> Regularly review and verify the information self-reported by condo corporations when filing their annual returns, including the names of licensed condo managers and management companies	CAO added over 40 new validations/notifications across multiple data points across its 2021-22 condo returns solution, notice of change system and public registry, to ensure that the data self-reported by condominium corporations is verified, including the names of licensed condo managers and management companies, is complete and accurate. To continuously review the data quality self-reported by condo corporations, CAO has established a Data steering committee, which is headed by the newly hired Compliance Officer who will work with the Data department and Policy and Program department to identify data/compliance gaps and implement strategies to close them. For the 2022-23 returns solution, CAO has completed the technical development in a test environment of 14 new validations/notifications to further strengthen the quality of the data at the source.	Conducting the final quality assurance testing of the 14 new validations/notifications for the 2022-23 returns solution before moving all enhancements to production/live CAO website for condo returns filing window of January to March, 2022. Targeted Completion Date: 31 March 2022

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
<i>AG Rec 10D:</i> Publish the collected and verified information on the registry.	CAO has developed the technical ability to be able to publish the collected and verified information on the registry. The Auditor General did not identify the Ministry as the lead for Recommendation 10.2, however, the Ministry advises that, this recommendation will require regulatory amendments and extensive consultation with the public and stakeholders.	Pending ministry direction

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
AG Recommendation 13: To provide condominium owners with appropriate access to important information and increase the transparency of the operations of their condo corporations, we recommend that the Condominium Authority of Ontario:		
<u>AG Rec 13A:</u> Clarify the existing legislative and regulatory requirements with respect to records and the information included in these records listed in the Condominium Act, 1998 and regulations.	The CAO has completed updating our public information about records, including a comprehensive review of the CAO's Guided Steps to Records Issues, to provide additional clarity about the types of records to which owners are entitled under the Condominium Act, 1998 (the Condo Act) and Ontario Regulation 48/01 (O. Reg. 48/01). This update includes: 1. Updated <i>Guided Steps</i> to Records Issues content. 2. The CAO's <i>Guide to Condominium Corporation Records</i> outlining all of the different classes of records to which owners are entitled under the Condo Act and its regulations. 3. A <i>Guide to Requesting Core Records</i> providing a step-by-step overview of the process to request core records. 4. A <i>Guide to Requesting Non-Core Records</i> providing a step-by-step overview of the process to request non-core records. 5. An updated <i>Application intake checklist</i> to assist applicants in filing complete and accurate Records Cases with the CAT. As part of the process, a thorough User Testing Review was conducted with owners, condominium managers, and condominium board members and they were asked for their feedback. These materials should serve as a very useful resources for owners and condo corporation representatives who are looking for information about the process to request core and non-core records, and to better understand the types of records to which owners are entitled.	Fully Implemented

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
<u>AG Rec 13B:</u> Work with the Ministry of Government and Consumer Services to expand and enable owners' right to access all reasonable information about the functioning of their condo corporation.	Not yet initiated - The Auditor General did not identify the Ministry as the lead for Recommendation 13.2, however, the Ministry advises that this recommendation would require legislative or regulatory amendments and extensive consultation with the public and stakeholders.	Pending ministry direction
CAO has a specified supporting role in the following recommendations, per the AG report		
AG Recommendation 5: As required under the Condominium Management Services Act, 2015, to enforce that only valid license holders perform condominium management services, we recommend that the Condominium Management Regulatory Authority of Ontario work with the Condominium Authority of Ontario to:		
<u>AG Rec 5A:</u> Share the data on property managers and management companies collected by both authorities regularly.	CAO and the CMRAO established a Data Sharing Framework to facilitate the validation of the licensing status of condominium managers and companies when they are added to CAO's database through condominium returns or notices of change (NOC).	CAO response effort completed

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
<u>AG Rec 5B</u> : Reconcile and confirm the completeness and accuracy of the data.	CAO developed an automated two-way data sharing solution to verify licensing information added to the CAO's database against the CMRAO's public registry data to automatically reconcile and confirm the completeness and accuracy of data in the CAO's database and public registry.	CAO response effort completed
<u>AG Rec 5C</u> : Identify the names of property managers and management companies that are not licensed	CAO has enhanced its condo returns system, notice of change system and public registry system to display only the names of licensed condo managers and firms. CAO has developed an automated notification system which: Informs the board of the condominium corporation that unverified/unlicensed condo manager and/or management provider (company) information has been added through a condo return or notice of change, and that the corporation has an opportunity to update the information within 30 days. (See 5b,5c) Informs the CMRAO that unverified/unlicensed condo manager or management provider information has been filed with CAO, where a condo corporation has not updated information about an unverified/unlicensed condo manager and/or management provider within 30 days.	CAO response effort completed. Identification and communication with condominium corporations and data sharing with CMRAO are ongoing.

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
AG Rec 12: To better protect condo owners as they face condominium-living issues and disputes, we recommend that the Ministry of Government and Consumer Services work with the Condominium Authority of Ontario to include key areas relating to condominium fees, repairs to common areas, board misconduct, reserve funds, commercial units or other areas considered appropriate within the Condominium Authority Tribunal's jurisdiction.	Based on an analysis of the common issues of interest to condominium owners, directors, and other members of the condominium community, along with the key areas identified above from the AG's report, the CAO has considered the operational and adjudicative readiness for CAO and the CAT and has provided advice to the Ministry to inform the Ministry's planning for Tribunal expansion.	The CAO will be conducting public consultations this summer/fall regarding the expansion of CAT's jurisdiction after receiving a request to do so by the Minister on August 12, 2021. Analyze high-volume issues and operational readiness and prepare and share advice to the government on potential future expansions of CAT's jurisdiction. Subject to government regulatory amendments, modify the online CAT dispute intake system to include the expanded scope of disputes to be received by the Tribunal. Subject to government appregulatory amendments, hire additional CAT members as needed to mediate or adjudicate disputes, and undertake the necessary training.
AG Rec 14: In order to provide condominium owners a level playing field in their disputes with condo boards, we recommend that the Ministry of Government and Consumer Services work with the Condominium Authority of Ontario (which includes the Condominium Authority Tribunal) and the Ministry of the Attorney General to implement best practices such as requiring equal legal representation by parties to the dispute.	Research is underway regarding the legal expense insurance (LEI) that may be available by insurance providers for condominium owners. Additionally, the CAO has been tasked by the Minister to consult on equal legal representation as part of the policy consultations on the next phase(s) of CAT jurisdiction expansion, as per the Minister's letter dated August 12th, 2021.	Analyze information and options for legal expense insurance services information for condominium communities and how best to communicate information with the condominium sector. Conduct externally targeted and broader stakeholder/public consultations to obtain feedback on AG's recommendation regarding equal legal representation, as per the Minister's letter dated August 12th, 2021.

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
In addition, the following are some CAO activities in support of other AG recommendations and their intent, including:		
AG Recommendation 1: To better protect buyers of new condominium units, we recommend that the Ministry of Government and Consumer Services look to implement the following:		
<u>AG Rec 1A:</u> Set standard terms and forms for key documents relating to the purchase of new condo 24 units, such as the agreement for purchase and sale (contract), declaration and disclosure statement; and <u>AG Rec 1B:</u> Require developers to comply with these standard terms and forms when selling new condos to buyers and clearly identify where the documents used differ from the standard.	The Ontario's Residential Condominium Buyers' Guide is developed by the Condominium Authority of Ontario (CAO) in collaboration with the Ministry of Government and Consumer Services and approved by the Minister and published on January 1, 2021. This Guide is a helpful resource for protecting buyers of new/pre-construction condominium units and includes information to better inform purchasers about the process of buying a condo unit and about condominium living.	
AG Recommendation 8: To better educate boards of directors on carrying out their duties and increase compliance with the training requirement under the Condominium Act, 1998 (Act), we recommend that the MGCS expand and strengthen the roles and responsibilities of the CAO overseeing directors' training under the Act with the purpose of protecting the public interest and advancing the principle of ensuring a fair, safe and informed condo community, specifically looking to:		

**Summary Status Table in Response to the
Report of the Auditor General of Ontario**
[CAO's Status Report - Actions Taken To-Date 31 Aug 2021]
[Value-for-Money Audit: Condominium Oversight in Ontario (2020)]
[Ministry of Government and Consumer Services]

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
<u>AG Rec 8A:</u> Expand the information the Condo Authority can collect and publish relating to individual directors who have not completed the mandatory training within the prescribed time requirements. <u>AG Rec 8B:</u> Require the ineligible individuals to stop acting as directors of their condo boards	Through the CAO's Learning Management System (LMS), CAO retains a Records of Completion for all directors and other individuals who take the director training program. The CAO supports condominium directors and condominium corporations regarding the legislated requirement for directors to complete the mandatory director training through a newly built automated notification system that invites directors to take the training and issues subsequent reminders to directors in advance of their training deadline, as well as a final advisory to the condominium corporation and the individual when, according to CAO's LMS records, they have missed their legislated deadline to complete the training. The Auditor General did not identify the Ministry as the lead for Recommendation 10.2, however, the Ministry advises that this recommendation will require regulatory amendments and extensive consultation with the public and stakeholders.	