Condominium
Authority of
Ontario

November 11, 2021

Taras Natyshak
Chair of the Committee
Standing Committee on Public Accounts
Legislative Assembly of Ontario
Toronto, Ontario M7A 1A2

Dear Mr. Natyshak,

I would like to thank you and your fellow members of the Standing Committee on Public Accounts for having the Condominium Authority of Ontario (CAO) appear before you to speak about our efforts to implement the Auditor General's recommendations and other initiatives underway as the CAO continues to serve Ontario's condominium communities.

The CAO understands the importance of protecting condominium owners and renters across the province and fostering a strong and vibrant sector for everyone. This begins with strong corporate governance and a commitment to accountability, integrity, and fairness.

In response to your request dated November 1, 2021, I am following up with additional details about resignations from the CAO's Board of Directors, in addition to providing details about how the Board filled these vacant positions and the processes that are in place to prevent perceived or real conflicts of interest from occurring.

2020 Board Resignations

In April 2020, the four original members of the CAO's Board chose to resign from their roles. As articulated during the CAO's hearing before the Committee, one member of the Board's elected members had been considering stepping down from director duties due to the appearance of a potential conflict of interest.

During a Board meeting which was scheduled to establish a process for reviewing matters related to conflicts of interest and other governance matters, a total of four directors chose to step down.

We cannot speak to their motivations. These board directors played critical roles in establishing the CAO's initial online suite of services to support condominium communities across Ontario. The CAO is grateful for their combined efforts.

Unfortunately, I cannot speak about individual motivations related to any of the resignations. These were personal decisions made by each individual. The resignations were accepted by the remaining board members, and we moved swiftly to recruit for the vacant elected director positions.

Filling Vacant Board Positions

To ensure the Authority continued to serve the interests of condominium residents, the remaining board members conducted a thorough process that involved evaluating candidates based on their skills and experience against the competency criteria established in Schedule D to the Administrative Agreement between the CAO and the Minister of Government and Consumer Services.

The new directors were elected at the CAO's Annual Meeting on September 16 2020, one of whom was subsequently replaced at the most recent annual meeting on September 24, 2021, following the end of her one-year term as an elected director.

We strive to ensure the Board's composition reflects a diversity of backgrounds and perspectives from the condominium sector and across Ontario. The current board is comprised of individuals who are current or past condo owners, who have condo board governance experience, and who represent a mix of corporate, legal, tech, and finance backgrounds – essential skills and competencies for overseeing the operations and to fulfill the broad mandate of the CAO.

The newly constituted board has been fully engaged and has provided the oversight and strategic guidance to the organization to support condominium communities throughout the COVID-19 pandemic. It is important to note that at no time did efforts to fill these vacancies interrupt the operations of the CAO.

The critical work undertaken to fill these vacancies was done while the CAO continued to serve the interests of condominium communities across the province. The CAO is focused on ensuring that its services continue to help condominium communities across the province, and the new board is fully committed to providing the guidance and leadership necessary to help accomplish this mandate.

Preventing Conflicts of Interest on the Board: Conflict of Interest Guidelines

The CAO is governed by an independent Board of Directors, comprised of four elected directors and three ministerial appointed directors. Ministerial appointments are filled through a process administered by the Government of Ontario's Public Appointments Secretariat. According to the CAO's governing by-law, elected directors' terms will be for staggered terms of one, two or three years, for business continuity purposes.

The CAO has established a skills-based board governance model. Elected director positions are filled through a Nominating Committee process which evaluates and recommends candidates, based on their skills and experience, as against the competency criteria established in Schedule D to the Administrative Agreement.

The Board operates according to a Code of Conduct (Schedule E in the Administrative Agreement) that governs the conduct of the CAO's Board of Directors. It sets out Conflict of

Interest Guidelines for avoiding and disclosing conflicts of interest and keeping information confidential.

Specifically, board members are required to exercise vigilance for and declare any apparent or real personal conflict of interest, or the interest of particular constituencies, in accordance with the Corporation's Bylaws and policies, and in particular with the Code of Conduct. Directors are required to conduct themselves at all times in a manner that avoids real or perceived conflicts of interest.

The Guidelines are intended to ensure the highest standards and maintenance of the integrity of the Board. Directors must act in the best interests of the Corporation rather than in their own interest or the interests of particular constituencies. This means putting the interests of the Corporation ahead of any personal interest or the interest of any other person or entity. It also means performing his or her duties and transacting the affairs of the Corporation in such a manner that promotes public confidence and trust in the integrity, objectivity, and impartiality of the Board.

The Guidelines include principles for dealing with conflicts of interest, both prior to while serving on the board and during a member's term of office. These include principles such as disclosure requirements; processes to deal with potential, perceived, or real conflicts; abstaining on any resolution votes on an issue that involves a conflict; and consultation with legal counsel when appropriate.

We are proud of the work we have done to establish strong policies to prevent and manage conflicts of interest. We fully appreciate the importance of this issue and the opportunity to provide the Standing Committee with this additional background information related to the resignations in April 2020. We believe the CAO dealt with the resignations in an effective manner and filled the vacancies with strong and highly skilled board members while continuing our work for condominium communities.

Again, I would like to thank you for your time and attention. I hope this letter is helpful in providing additional context on this matter.

Sincerely,

Heather Zordel

Heather Zordel
Board Chair, Condominium Authority of Ontario

cc: Bonnie Lysyk, Auditor General