

### AG recommendations where CAO has been specified as having a leading role:

CAO has a specified leading role in the following recommendations, per the AG report

#### Recommendation 9 – Director Training Program Enhancement

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:

CAO Response Efforts - Actions Taken	Status & Timing
CAO has initiated the planning work and is in the discovery phase with its Learning Management System (LMS) solutions partner to explore and implement measures available in the system to address the ability scroll through screens without reading material and to ensure that the knowledge check quizzes at the end of each section are answered to demonstrate their learning.	In Progress- Q3 (FY 2021-22)
<b>Next Steps for Recommendation 9A:</b> Implement Improvement to CAO learning management system in relation to integration, data collection, analysis on learning trends. Identify and implement potential ways CAO can ensure that a director is reviewing the material.	
<b>AG Rec 9B:</b> Annually solicit input from directors and condo owners on improvements that can be made to training material.	
CAO Response Efforts - Actions Taken	Status & Timing
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.	In Progress - Q4(FY 2021-22)
<b>Next Steps for Recommendation 9B:</b> Analysis underway 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.	
<b>AG Rec 9C:</b> Annually review and improve the director training materials	
CAO Response Efforts - Actions Taken	Status & Timing
Reviewing and improving in 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) and will establish the new in-depth director training material in six high priority areas for condominium corporations as identified in the survey.	In Progress Q4(FY 2021-22)/ Ongoing
<b>Next Steps for Recommendation 9C:</b> Establish Advisory panel and retain subject matter experts, to help with the annual review and improvement of the training material.	
<b>AG Rec 9D:</b> 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.	
CAO Response Efforts - Actions Taken	Status & Timing
CAO is currently in the discovery phase with LMS vendor to development new in-depth training modules in the priority areas identified in the Auditor General's report including overseeing condominium managers; procurement best practices; board governance best practices; issues management best practices; finance topics, including reserve funds, budgets, financial statements, and investments), and emergency planning and preparedness. These modules will include case studies and other practical applications for these key topics of condominium operations	In Progress - Q4 2021-22
<b>Next Steps for Recommendation 9D:</b> Retain subject matter experts and adult learning specialists to work with CAO team to develop content of new in-depth director training materials. Once finalized, upload new in-depth director training materials to learning management system.	

#### Recommendation 10 – Public Registry Searches and Verification of Self-Reported Condo Director and Manager Information

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:

CAO Response Efforts - Actions Taken	Status & Timing
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	In Progress - Q2 (FY2021-22)
<b>Next Steps for AG Recommendation 10A:</b> Develop and implement the required IT solution to allow for searching public registry based on the expanded search parameters.	
<b>AG Rec 10B:</b> 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 Response Efforts - Actions Taken	Status & Timing
Initiated discovery phase to identify business and systems requirements to prepare for the collection of elected vs appointed directors, and whether directors who are owners, occupants or neither.	CAO response efforts - in progress - Subject to MGCS
<b>Next Steps for AG Recommendation 10B:</b> MGCS has indicated that regulatory amendments are required, and MGCS is leading this. To assist with facilitating these regulatory changes, CAO will propose potential amendments for MGCS' consideration that could be made to Ontario Regulation 377/17 to allow for the collection and publication of this information.	
<b>AG Rec 10C:</b> 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 Response Efforts - Actions Taken	Status & Timing
CAO has introduced over 40 new automated validations/notifications across multiple data points in the 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. 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.	In progress/ Annual reviews of the returns system will be ongoing Q3(FY 2021-22)
<b>Next Steps for AG Recommendation 10C:</b> Besides the automated verification system, CAO will implement a business process for ongoing follow up with condo corporations to ensure they provide correct information and comply with the filing requirements of the Condo Act.	
<b>AG Rec 10D:</b> Publish the collected and verified information on the registry.	
CAO Response Efforts - Actions Taken	Status & Timing
Initiated discovery phase to identify business and systems requirements to prepare for publishing the collected verified information on the public registry.	CAO response efforts in progress Subject to MGCS
<b>Next Steps for Recommendation 10D:</b> MGCS has indicated that regulatory amendments are required, and MGCS is leading this. To assist with facilitating these regulatory changes, the CAO will propose for MGCS' consideration potential amendments that could be made to Ontario Regulation 377/17 to allow for the collection and publication of this information.	

#### Recommendation 13 – Condominium Owners Access to Information

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:

CAO Response Efforts - Action Taken	Status & Timing
CAO is in process of enhancing the Guided Steps to Records Issues, as well as developing additional materials for CAO's Resources page, to increase access and transparency with respect to records and the information included in these records listed in the Condominium Act	In Progress - Q1 (FY2021-22)
<b>Next Steps for AG Recommendation 13A:</b> Finalize and publish enhancements to Guided Steps to Records Issues on CAO's website.	
<b>AG Rec 13B:</b> 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.	
CAO Response Efforts - Actions Taken	Status & Timing
MGCS Lead – No action for CAO at this time	MGCS Lead: No action for CAO at this time Subject to MGCS
<b>Next Steps for AG Recommendation 13B:</b> MGCS has indicated that legislative/regulatory amendments may be required and MGCS is leading this. CAO will work with MGCS and evaluate how CAO can support analysis of options to expand and enable owners' right to access all reasonable information about the functioning of their condo corporation.	

#### AG recommendations where CAO has been specified as having a supporting role:

CAO has a specified supporting role in the following recommendations, per the AG report

#### Recommendation 3 - Reserve Funds

So that condominium corporations are required to set aside sufficient resources to safely and properly maintain condominiums, we recommend that the Ministry of Government and Consumer Services look to:

CAO Response Efforts - Action Taken	Status & Timing
Planning underway regarding review and updating of Reserve Fund Study information on CAO's website, and promotion of updates to raise awareness of the importance for condo corporations to set aside sufficient resources to safely and properly maintain their condominiums.	In Progress - Q2 (FY2021-22)
<b>Next Steps for AG Recommendation 3C:</b> Develop/enhance existing public materials on CAO's website for the condo sector regarding the importance of condo corporations setting aside sufficient resources to safely and properly maintain their condominiums. Share draft materials with MGCS for feedback and discuss plans to raise awareness and communicate to the condo sector.	

#### Recommendation 5 - Licensed Condominium Managers/Firms

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:

CAO Response Efforts - Action Taken	Status & Timing
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
<b>AG Rec 5B:</b> Reconcile and confirm the completeness and accuracy of the data.	
CAO Response Efforts - Action Taken	Status & Timing
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
<b>AG Rec 5C:</b> Identify the names of property managers and management companies that are not licensed	
CAO Response Efforts - Action Taken	Status & Timing
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

#### Recommendation 12 - Condominium Authority Tribunal Jurisdiction

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.

CAO Response Efforts - Action Taken	Status & Timing
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, CAO has considered the operational and adjudicative readiness for CAO and the Condominium Authority Tribunal and has provided advice to the Ministry of Government and Consumer Services to inform the ministry's planning for Tribunal expansion.	CAO response efforts- in progress Subject to MGCS
<b>Next Steps for AG Recommendation 12:</b> MGCS has indicated that regulatory amendments are needed for CAO to expand the jurisdiction of the Condominium Authority Tribunal, and MGCS is leading this.CAO and MGCS to meet to discuss possible roadmap. Analysis and proposal to be submitted to the Minister for consideration	

#### Recommendation 14- Equal Legal Representation

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.

CAO Response Efforts - Action Taken	Status & Timing
CAO has identified a commitment within its 2021-22 Strategic Business Plan to investigate information and options for legal services and/or third-party insurance for condominium communities.	CAO response efforts in progress Q2 (FY2021-22)
<b>Next Steps for AG Recommendation 14:</b> MGCS has indicated that legislative/regulatory amendments may be needed to implement proposed best practices. If so, MGCS will be leading this.CAO will investigate legal service reference materials and legal insurance options. Share materials for condo owners/corporations and collaborate with MGCS prior to posting on CAO's website	

#### AG recommendations supported by other CAO initiatives:

In addition, while CAO does not have a specified lead or supporting role, the following are some CAO activities in support of other Auditor General recommendations and their intent, including:

#### Recommendation 1 - Protection for Buyers

To better protect buyers of new condominium units, we recommend that the Ministry of Government and Consumer Services look to implement the following:

CAO Response Efforts (as per MGCS response in AG Report)
A: 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 B: 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 was 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.

#### Recommendation 2 - Common Expense Fees

To better protect buyers of new condos and minimize the risks of developers understating common area expenses, we recommend that the Ministry of Government and Consumer Services look to implement the following:

CAO Response Efforts (as per MGCS response in AG Report)
A: Require additional disclosure by developers of expected increases to common area expenses; B: Give condo boards more time, such as 90 days, to claim increased amounts spent on common area expenses compared with the developer's budget statement; and C: Implement best practices from other jurisdictions, such as requiring developers to place money in trust to be available to the condo corporation if the developer understates common area expenses; or that developers have to pay a penalty if they were found to understate condo expenses by a set percentage compared with their budget statements
The Ontario's Residential Condominium Buyers' Guide was published on January 1, 2021 (see Recommendation #1 above) to better protect buyers of new condominiums and to provide a general warning that common expense fees may increase over time.

#### Recommendation 8 - Director Training Completing

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:

CAO Response Efforts
A: 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. B: 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.

#### Recommendation 11- Non-Resident Condo Directors

To enable the Ministry of Government and Consumer Services (Ministry) to evaluate protections for condo owners who reside in their units, and to promote transparency and support informed choices by condo buyers, we recommend that the Ministry:

CAO Response Efforts - Actions Taken	Status & Timing
Initiated discovery phase to identify business and systems requirements to prepare for the collection of non-resident directors or directors with commercial interests.	CAO response efforts in progress Subject to MGCS
<b>Next Steps for AG Recommendation 11A:</b> MGCS has indicated that regulatory amendments are required and MGCS is leading this. To assist with facilitating these regulatory changes, CAO will propose potential amendments for MGCS' consideration that could be made to Ontario Regulation 377/17 to allow for the collection and publication of this information.	
<b>AG Rec 11B:</b> Analyze this information to evaluate whether increased protections are required for condo owners who reside in their units.	
CAO Response Efforts - Actions Taken	Status & Timing
No action for CAO at this time.	MGCS Lead: No action for CAT at this time Subject to MGCS
<b>Next Steps for AG Recommendation 11B:</b> Work with MGCS and evaluate how CAO can support analysis to evaluate whether increased protections are required of condo owners who reside in their units.	