

# Strategic & Business Plan 2020 - 2021



Condominium  
Authority of  
Ontario

[www.condoauthorityontario.ca](http://www.condoauthorityontario.ca)

# Strategic & Business Plan 2020-2021

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# 1. Introduction

The Condominium Authority of Ontario (CAO) is entering its third year of operations focused on supporting the growing number of people who own and live in condominiums across the province.

The CAO will continue to deliver its range of digital services to fulfill its consumer protection mandate and to empower condominium communities with information, education and dispute resolution so they can enjoy condominium living to its fullest.

The CAO's 2020-21 business activities will be guided by the three-year Strategic Plan established by the Board of Directors in December 2018.

The first strategic plan for the CAO includes the vision, mission, values, and the strategic objectives that will guide the authority in meeting its legislated mandate over the next three years.

## **CAO: An Administrative Authority**

- Designated under the *Condominium Act, 1998*, (the Act) as amended in 2015.
- Not-for-profit corporation governed by an independent Board of Directors.
- Administers specific provisions of the Act and its regulations as delegated by the Ontario government.
- Funded by condominium owners and the Condominium Authority Tribunal (CAT) user fees.
- Accountable to the Minister of Government and Consumer Services through an Administrative Agreement.

## 2. Strategic Framework

### 2020-23 Strategic plan

#### Vision

Harmonious condominium communities across Ontario.

#### Mission

Empower Ontario's condominium communities with information, education and dispute resolution.

#### Mandate

Designated under the *Condominium Act, 1998*, the CAO supports consumer protection and condominium communities by providing services and resources for condominium buyers, owners, residents and directors across Ontario.

The Board of Directors established the CAO's first strategic plan that includes the vision, mission, values, and the strategic objectives to guide the work of the CAO in meeting its legislated mandate over the next three years.

The strategic plan was informed by key priorities identified by a stakeholder focus group, an environmental scan of recent developments in the condo sector, and feedback from owners, directors and condo managers from across the province who have been using the CAO's services. It demonstrates the CAO's commitment to client-focused services and to outcomes that are responsive to the needs of condo communities.

### CAO Values

#### Innovation

The CAO works creatively with Ontario's condominium communities and is open to new ideas and approaches.

#### Accountability

The CAO takes responsibility for delivering its mandate and for providing high-quality services to Ontario's condo communities.

#### Client-Focus

The CAO works collaboratively with Ontario's condo communities to meet their needs and strives for service excellence in all our interactions.

#### Value-for-Money

The CAO makes effective and conscientious use of its funds.

#### Integrity

The CAO is respectful, honest and trustworthy in all its work.

#### Fairness

The CAO delivers its services impartially and equitably.

# Strategic Objectives

## Core Strategic Objectives

1. Enhanced Public Information and Services
2. Enhanced and Integrated Issue and Dispute Resolution

## Supporting Strategic Objectives

3. Service Excellence
4. Operational Excellence

## Areas of focus

The CAO will continue to build on the solid foundation of services established to-date to support the condominium communities. Through its services, resources and tools, the CAO will:

### **Bolster its digital-first mindset**

Information and digital services – including director training, condo returns, notices of change, and integrated issues and dispute resolution – are provided online to support condo communities equitably across Ontario

### **Improve transparency & efficiency**

Condo returns and a searchable public registry of condo corporations make it easy for people to find key information about each condo corporation in Ontario

### **Deliver simpler, faster, better front-line services**

Website, resources and the Information Services team provide fast, direct support to condo owners and condo communities online, by email and on the phone

### **Protect consumers**

*Guided Steps to Common Issues, Condo Buyer's Guide*, and information on the risks of buying pre-construction condos, are among the many tools to help protect condo owners and buyers

### **Save people money**

Innovative and award-winning digital services allow us to reach every condo owner, director, manager and potential condo buyer in Ontario and keep costs down.



Toronto

## Highlights of 2020-21 business commitments

In 2020-21, the CAO will continue to fulfill its mission of empowering Ontario's condominium communities with information, education and dispute resolution. We will build on a solid foundation of digital services launched in 2017 and continue to partner with and support condo owners and condo community members. The following provides an overview of the priority areas in the year ahead:

<b>Protecting consumers</b>	The CAO protects condo owners through the CAO's public registry, director training, <i>Guided Steps to Common Issues</i> and the <i>Condo Buyer's Guide</i> .
<b>Gathering feedback</b>	The CAO will continue to enhance the Board's Advisory Process feedback mechanisms for condo owners and condo communities so they can tell the CAO how to improve information, education and dispute resolution services and processes.
<b>Digitalizing condo forms</b>	The government delegated the administration of forms (English and French) to the CAO effective January 1, 2020.
<b>Educating buyers</b>	Developing resources and education initiatives to better inform and protect consumers on the buying process for pre-construction condo projects, including cancellations.
<b>Supporting condo corporations</b>	The CAO works with condo board directors and property managers to help condo corporations meet their respective obligations under the <i>Condominium Act, 1998</i> .
<b>Enhancing the CAO's services</b>	Implementing technology improvements to the CAO's digital ecosystem of services, its digital client relationship management (CRM) system and website to ensure the services are more accessible, more responsive and easier to navigate.
<b>Expanding the Tribunal</b>	Developing new functionality of the Condominium Authority Tribunal Online Dispute Resolution (CAT-ODR) system, to ensure the CAO is prepared for an anticipated expansion of the tribunal's jurisdiction as proposed by government decision.
<b>Reaching out to non-filers</b>	Strategic outreach to the remaining condo corporations that have not yet filed returns with the CAO.
<b>Improving analytics</b>	Implemented a business intelligence and analytics framework to better serve condo owners and the condo community.

## Advisory Process

The CAO's Board of Directors established the CAO's Advisory Process, in accordance with its Administrative Agreement with the Minister of Government and Consumer Services. The Advisory Process offers several opportunities for condominium owners and members of Ontario's condo communities to provide direct input regarding their needs and areas for improvement of CAO's services. Advice and feedback are received by the CAO through the following:

- I. Advisory panels or focus groups
- II. Condominium board directors
- III. Users of Guided Steps to Common Issues
- IV. Users of the Condominium Authority Tribunal
- V. User experience sessions
- VI. Industry and public events where the CAO participates
- VII. Website users
- VIII. Public awareness polls
- IX. Social media engagement and the CAO's database
- X. CAO Information Services team

The advice and feedback through these varied advisory processes help the CAO to:

- Inform the CAO's vision and strategic goals to respond to the needs of the condo communities across the province
- Build relationships with key members of the condo community to create better awareness of the CAO's role and vision for customer service, consumer protection, reducing administrative burden, delivering value for money
- Engage condo owners, directors, managers, residents, buyers, industry professionals and the public to gain insights into current and emerging issues
- Obtain feedback regarding the CAO's services in order to address issues and enhance the user experience.

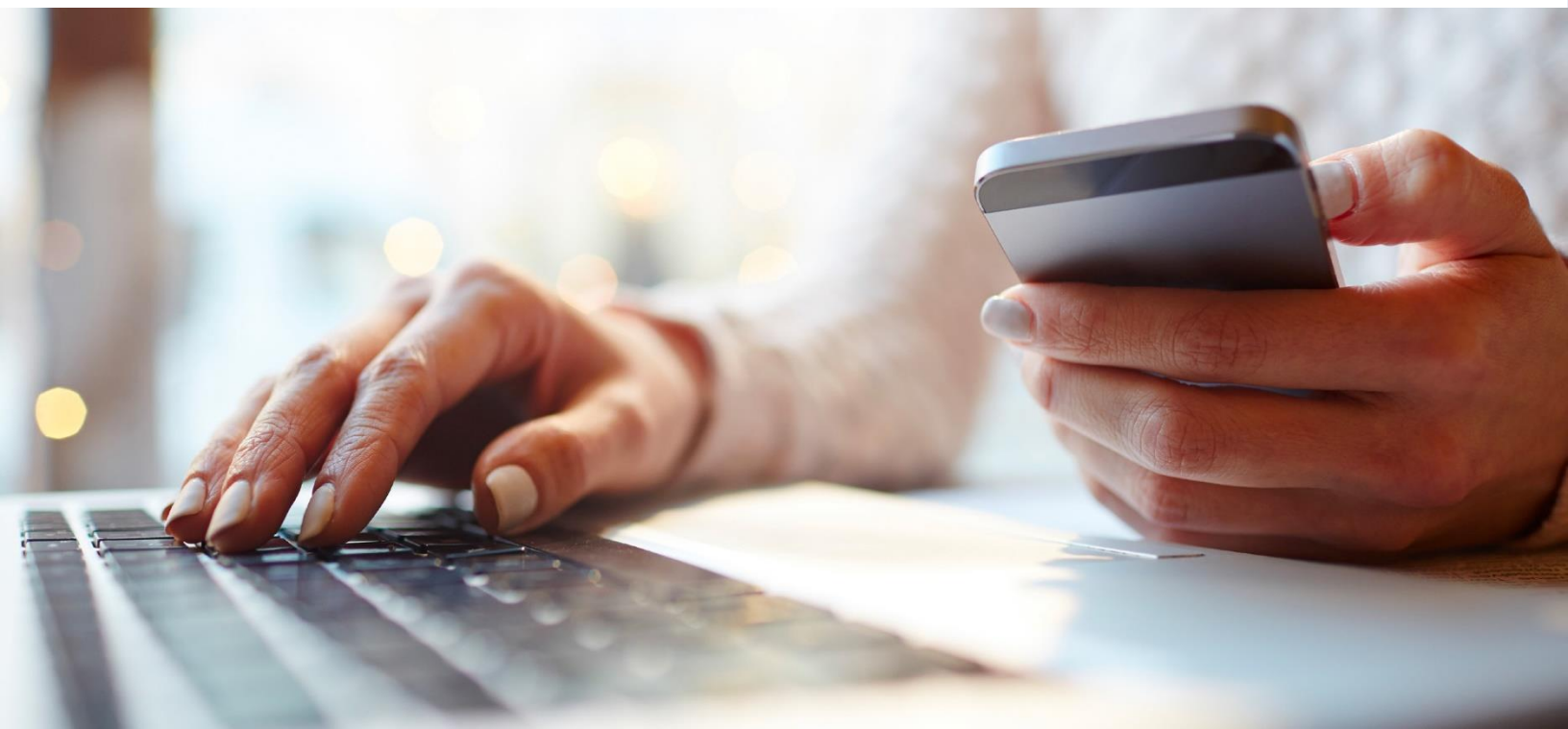
# 3. Corporate Overview

## CAO services

The CAO focuses its mandated services on achieving its vision of harmonious condominium communities across Ontario. The road to achieving this vision is paved with providing value to condo owners and the condo community in CAO services such as –

- **Easy-to-use information** in English and French to help owners, residents, directors and managers understand their general rights and responsibilities.
- **Free on-line resources**, tools, forms and guided steps to resolve common issues collaboratively before they escalate into disputes.
- **Easily accessible and cost-effective online dispute resolution** service through the Condominium Authority Tribunal (CAT) – Canada’s first fully online tribunal.
- **Free and mandatory training for condo directors** to help them understand their oversight and legal obligations.
- **Easy-to-navigate condo returns system** that allows corporations to file and update key information.
- **Publicly available and searchable Condominium Public Registry** containing information on every condo corporation in Ontario.

The CAO’s connection and responsiveness to support condo owners and the condo community is assisted by the highly skilled Information Services (IS) Team. The IS Team responds to inquiries and provides information and guidance online, by email and by phone, in English and French, on many complex issues.



## Expanding mandate

The CAO is preparing for, and looks forward to, expansion of its mandated services to condo communities with the delegation of condo forms under the Act, and with the anticipated increase in the scope of disputes to be heard by the CAO's Condominium Authority Tribunal. Each will represent a valuable extension of the CAO's commitment to deliver value to condo owners and the condo community, while providing greater convenience and saving people time, effort and costs.

### Government forms

In December 2019, the government made regulatory changes that delegated responsibility to the CAO for specific forms under the Act, starting in January 2020. This change is to reduce administrative burden and make it easier for condo communities to access and use 17 of the required forms under the Act.

This is a welcome addition to the CAO's current suite of digital services and resources, which are available on the CAO's website. It provides an opportunity for the CAO to introduce another innovative, digital solution to make the forms easier to use and navigate.

The CAO will be consulting with the condo sector regarding which forms should be priority and advice for how they can be improved. The CAO has already begun to explore solutions for the development of the forms using an interactive, intuitive question and answer approach.

### Condominium Authority Tribunal

The Condominium Authority Tribunal (CAT) is the first fully online tribunal in Canada. In operation since Nov. 1, 2017, the CAT helps to settle and decide condo-related disputes in Ontario through its online dispute resolution system (CAT-ODR). The CAT-ODR helps people resolve their disputes conveniently, quickly and affordably, while encouraging everyone to work together in condo communities.

The jurisdiction of the CAT is set by the government through regulation. Currently, the CAT deals with disputes under Section 55 of the Act, which establishes the basic obligations of condo corporations with respect to what records must be kept and made accessible to owners and purchasers.

In anticipation of the expansion of the CAT's jurisdiction to resolve other dispute types, the CAO is enhancing the functionality of its online Dispute Resolution (CAT-ODR) system, including the capability to handle multi-party disputes. In addition to these system improvements, plans are underway to recruit and train new members to the tribunal, building on the existing mediation and adjudication expertise. Additional staff resources are also planned to support the anticipated increase in caseload.



## Supporting condominium owners and condo community partners

The CAO's purpose, in the broadest sense, is to ensure owners and all members of the condo community can enjoy condo living.

Consumer protection. Valuable information and resources. Easily accessible dispute resolution. These services are at the core of the CAO's value to the condo owners.

The CAO also works with condo directors, as well as condo managers and management companies, who are retained by condo corporations. The CAO supports directors and managers in better managing the legislative framework, such as filing of condo returns and notices of change. The CAO also helps directors meet condo director training requirements and supports transparency for condo buyers and owners by providing important information about condo corporations in the Public Registry.

The CAO participates in condo industry associations and events to promote awareness of the CAO's services and provide updates on current activities. Among these are the Canadian Condominium Institute, the Community Associations Institute, and the Association of Condominium Managers of Ontario.

The CAO has a [Memorandum of Understanding](#) with the [Condominium Management Regulatory Authority of Ontario \(CMRAO\)](#), a delegated administrative authority and regulatory body that licenses and regulates condo managers and management companies in support of protecting condo consumers in Ontario.

The CAO will continue to engage with condo owners and the condo community partners to find ways to best support and deliver information and services to all.

## Governance and corporate structure

The CAO is a non-crown, not-for-profit corporation governed by an independent board of directors, comprised of four elected directors and up to three ministerial appointments.

The CAO has established a skills-based board governance model. Vacancies for elected directors are filled through the Nominating Committee process, which evaluates and recommends candidates based on their skills and experience against the competency criteria established in Schedule D to the Administrative Agreement. Vacancies in ministerial appointments are filled through a process administered by the Government of Ontario's Public Appointments Secretariat.

A Memorandum of Understanding (MOU) governs the accountability relationship between the CAO and the CAT and establishes a framework that recognizes the independence of the Tribunal within the CAO.

Appointed by the CAO Board, the Chief Executive Officer (CEO) and Registrar leads a staff of approximately 50 in all aspects of its operations. Some staff positions, and their proportional costs, are shared with the Condominium Management Regulatory Authority of Ontario (CMRAO).

The management structure of the CAO is designed to ensure the CAO is able to deliver its mandated services effectively.

### Board of Directors

#### Chair

Heather Zordel

#### Vice Chair

Frank D'Onofrio

#### Treasurer & Secretary

Armand Conant

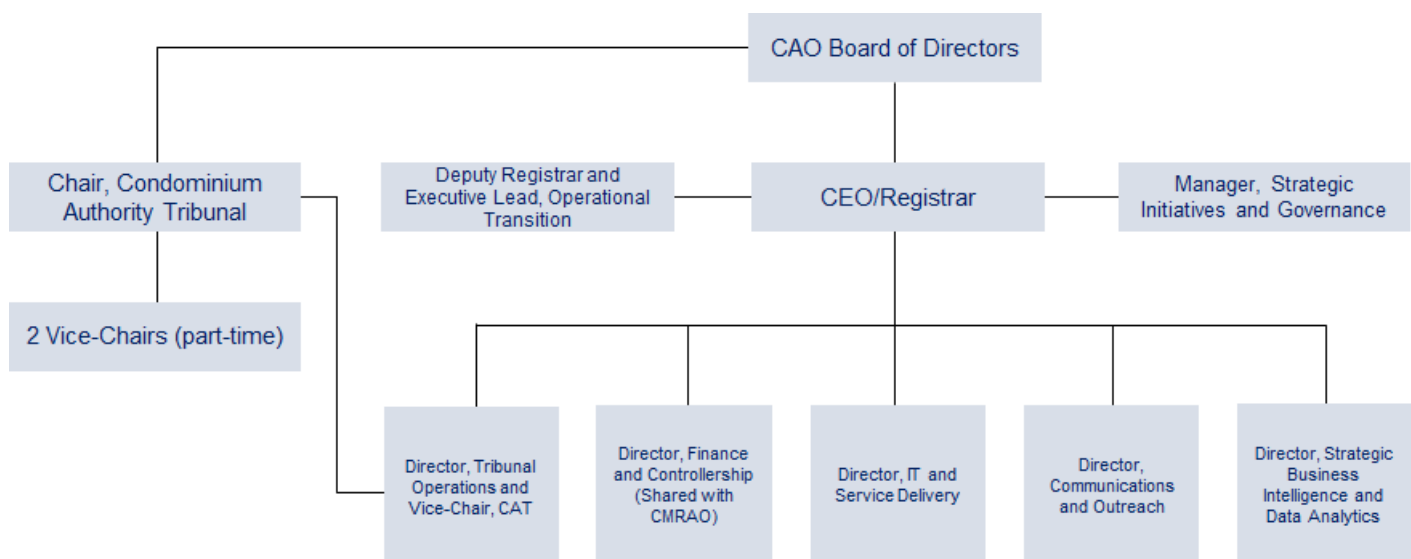
#### Board Directors

Genevieve Chornenki

Margaret Samuel

Judy Sue

Tom Wright



## French language services

Under the Act, condo residents and the public have the right to communicate and to receive services from the CAO in French. All of CAO's communications and services are provided in French. The CAO is committed to providing excellent customer service in French and employs fully bilingual staff to respond to email and phone inquiries.

## Accessibility services

The CAO continues to work to ensure that its services meet the requirements of the Accessibility for Ontarians with Disabilities Act, 2005 (the AODA). The CAO's website is compatible with screen readers and individuals reaching us by phone can contact the CAO through a TTY telephone device. All staff complete the mandatory accessible customer service training. The CAO has actively engaged many of our online users who rely on assistive technology, and as a result, have strengthened accessibility features of the CAO's online information technology solution.

## Complaints handling

The CAO is committed to reviewing and resolving complaints through a comprehensive public complaints process that is fair, reasonable and accessible. Anyone can make a complaint about CAO staff, CAO services, a CAT member, or how a CAT case was managed. The complaints process cannot be used to review, appeal or dispute any decision or order. A complaint may be sent to the CAO's complaints officer through email or registered mail. The CAO's complaints officer will consider all complaints that are reasonable and meet the requirements established in the [CAO's Public Complaints Policy](#). Upon receipt of a formal complaint, the CAO complaints officer will review, assess, and prepare a written response, clearly outlining the resolution and supporting rationale. For CAT-related complaints, the CAO complaints officer prepares a report for the CAT Chair's consideration and response.

The CAO will maintain a record of all complaints, including the resolution, for future review as part of the process for updating and improving CAO and CAT services.

## 4. 2020-21 Business Plan Commitments

The Strategic and Business Plan framework is guided by the requirements specified in the Administrative Agreement with the Minister of Government and Consumer Services. As part of the organization's Strategic Plan, the Board established strategic objectives to guide the organization's work over the next three years. To achieve these strategic objectives, key strategies and business commitments have been identified, along with performance measures, governance, and financial management processes to enable the CAO to assess and report on the organization's progress.

The CAO will report on its performance against these objectives in its Annual Report and publicly at its Annual Meeting to ensure transparency and accountability for its operations.

### Core Strategic Objective 1 – Enhanced public information and services

Strategy / Business Commitment		Performance Measures and Targets
1.1 Empower condominium communities and address conflict by providing clear, user-friendly and accessible information about rights and responsibilities under the <i>Condominium Act, 1998</i> to condominium stakeholders.		<ul style="list-style-type: none"> <li>80% of clients are satisfied or very satisfied with CAO's information services and resources</li> </ul>
Fiscal Year	Key Activities	
2020 – 2021	a) Enhance Information Services based on feedback to meet needs of owners and other members of the condo community, to meet service standards and to respond to any new legislative or regulatory changes b) Consult with condo sector to introduce digital, easy-to-use condominium forms c) Educate people about the realities of the buying process for pre-construction condos, including cancellations d) Utilize enhanced analytics to support data-driven decisions, drive service improvements and inform program or policy changes to better serve condo owners and the condo community. e) Review and update the CAO's ecosystem of digital resources including CRM and navigation of the website, to ensure stability, accessibility and enhanced user navigation, e.g. enhancements to make condo filing architecture to allow for easier modifications and to continue to reduce complexity, improve user experience/interface f) Support and partner with condo board directors and condo managers to utilize CAO's digital services and meet their respective obligations under the Act	
Strategy / Business Commitment		Performance Measures and Targets
1.2 Enhance the knowledge and proficiency of condominium corporation directors through an effective, accessible and convenient online training program.		<ul style="list-style-type: none"> <li>85% of directors are satisfied or very satisfied with the training</li> <li>85% of directors reported that they learned something new</li> <li>85% of directors would recommend the training to others</li> <li>85% of directors found the online modules easy to find and navigate</li> </ul>

Fiscal Year	Key Activities
2020 – 2021	<ul style="list-style-type: none"> <li>a) Develop optional, “deep dive” new Director Training modules to augment existing mandatory foundational modules based on client feedback and any relevant new legislative changes.</li> <li>b) Automate the process for director reminders and advisories related to director training deadlines</li> <li>c) Develop additional topics for the series of best-practice guides/material for directors on condominium director governance and other topics</li> </ul>
Strategy / Business Commitments	
1.3 Provide public access to prescribed condominium corporation information through the CAO's on-line public registry and effective condominium returns and notice of change systems.	
Performance Measures and Targets	
<ul style="list-style-type: none"> <li>• <b>95%</b> of Ontario condominium corporations that have filed their current condominium returns</li> <li>• <b>95%</b> of newly created condominium corporations that file their initial returns</li> </ul>	
Fiscal Year	Key Activities
2020 – 2021	<ul style="list-style-type: none"> <li>a) Follow up with any outstanding condominium corporations that have not met their current return filing obligations</li> <li>b) Contact newly created condominium corporations based on contact information obtained from Teranet and based records at land registry offices</li> <li>c) Enhance data integrity of information filed in returns and notices of change to ensure corporations to meet legal obligation to file complete and accurate information</li> <li>d) Manage processes to ensure compliance, including late filing/late payment fee notifications, Registrar's Certificates and compliance orders.</li> </ul>

## Core Strategic Objective 2 – Enhanced and integrated issue and dispute resolution

Strategy / Business Commitments		Performance Measures and Targets
2.1 Provide effective information and tools to promote and empower parties to resolve issues on their own and to prevent them from escalating to disputes where possible.		<ul style="list-style-type: none"> <li>• <b>80%</b> clients are satisfied or very satisfied with guided steps to resolving common issues</li> </ul>
Fiscal Year	Key Activities	
2020 – 2021	<ul style="list-style-type: none"> <li>a) Ongoing refinements to recording of subject and topics to capture new/emerging items of interest to condo community users of our information services</li> <li>b) Develop additional content and tools within the <i>Guided Steps to Common Issues</i> materials and identify any new common issues based on user feedback and/or regulatory/legislative changes</li> <li>c) Develop explainer videos and other resources for the website to support condo owners and community.</li> </ul>	
Strategy / Business Commitments		Performance Measures and Targets
2.2 Provide accessible, timely and cost-effective online dispute resolution services (negotiation, mediation, tribunal decision) through the CAT.		<ul style="list-style-type: none"> <li>• <b>80%</b> clients are satisfied or very satisfied with CAT services</li> <li>• <b>90%</b> of CAT decisions released within 30 days of hearing conclusion (Stage 3)</li> </ul>

Fiscal Year	Key Activities
2020 – 2021	<ul style="list-style-type: none"> <li>a) Implement new version of CAT-ODR solution, including multi-party dispute functionality</li> <li>b) Continue user experience testing internally and externally to inform priority features and design of platform</li> <li>c) Undertake Phase 4 CAT-ODR development plan for additional features, including enhanced analytics and reporting capabilities</li> <li>d) Achieve client satisfaction and service standards relate to time to schedule hearing and time to issue decision</li> <li>e) Enhance case management processes to prepare for increased caseload related to expanded jurisdiction</li> <li>f) Continue to develop resources and supports for Members to support Adjudicative Excellence</li> <li>g) Implement solution to help the condo sector find and understand CAT decisions</li> </ul>

## Supporting Strategic Objective 3 – Client service excellence

Strategy / Business Commitments	Performance Measures and Targets
3.1 Continue to build awareness of the CAO and its services, and actively seek feedback to enhance services.	<ul style="list-style-type: none"> <li>• 100,000 total visits to CAO's website</li> <li>• Identify and implement at least three service enhancements</li> </ul>
Fiscal Year	Key Activities
2020 – 2021	<ul style="list-style-type: none"> <li>a) Compile and analyze feedback about CAO services gathered through the CAO's Advisory Process mechanisms</li> <li>b) Develop Business Intelligence and Data Analytics Strategy and Governance framework</li> <li>c) Conduct annual Ipsos poll of general awareness of the CAO and its services and resources</li> <li>d) Enhance strategic communications and outreach strategies to reach owners</li> <li>e) Participate in regional condominium sector conferences, including as presenters, panel members or information booth</li> <li>f) Create Owner-Requisitioned Meeting Template</li> <li>g) Enhance the Condo Buyer's Guide to include pre-construction purchase process and condo cancellations</li> </ul>

## Supporting Strategic Objective 4 – Operational excellence

Strategy / Business Commitments	Performance Measures and Targets
4.1 Effective governance, accountability and business continuity processes in place and required corporate reporting documents are prepared and posted annually.	<ul style="list-style-type: none"> <li>• Business Plan, Annual Report prepared for review by the Ministry and published annually within required timeframes</li> <li>• Annual Meeting held; public invited</li> </ul>

Fiscal Year	Key Activities
2020 – 2021	<ul style="list-style-type: none"> <li>a) Delivery of annual Administrative Agreement accountability requirements, including annual Business Plan and budget, Annual Report and audited statements, performance measures, risk management, and board evaluation</li> <li>b) Support Board Nominating Committee process and hold Annual Meeting</li> <li>c) Identify and assess risks and review/develop mitigation strategies.</li> <li>d) Implementation of next phase of information technology (IT) roadmap to support digital service delivery</li> <li>e) Refine written policies and procedures for each functional area of its business, as required</li> <li>f) Develop a framework for enhanced measurement of progress toward strategic objectives, e.g. balanced scorecard or outcome-based performance measurement</li> </ul>

Strategy / Business Commitments	Performance Measures and Targets
4.2 Effective Financial Management and Controllorship	<ul style="list-style-type: none"> <li>• Minimal variances (+/-10%) in budget forecast/actual</li> <li>• 100% compliance with internal controls and audit/loan agreement requirements</li> <li>• Obtain a clean audit opinion</li> </ul>

Fiscal Year	Key Activities
2020 – 2021	<ul style="list-style-type: none"> <li>a) Monitor and update expenditure and income projections to effectively manage fiscal resources</li> <li>b) Follow up on overdue assessment payments</li> <li>c) Review and refine internal controls/policies and monitor compliance</li> <li>d) Fulfill loan agreement requirements</li> <li>e) Support the external independent auditors during the annual audit</li> <li>f) Support the Board's Audit and Risk Committee.</li> <li>g) Automated Financial Dashboard Reporting</li> </ul>

Strategy / Business Commitments	Performance Measures and Targets
4.3 Effective human capital planning and process in place that promote a fair, respectful, collaborative, diverse and inclusive workplace.	<ul style="list-style-type: none"> <li>• Human Resources Policies developed and communicated to all staff</li> <li>• Performance Management Framework implemented</li> <li>• Staffing model adjustments to meet business and service delivery requirements</li> <li>• Accessibility for Ontarians with Disability Act (AODA) compliance report filed in 2020</li> <li>• 70% overall employee satisfaction</li> </ul>

Fiscal Year	Key Activities
2020 – 2021	<ul style="list-style-type: none"> <li>a) Monitor effectiveness of human capital plan to meet organizational goals</li> <li>b) Ensure ongoing Health and Safety and human resource policies in place that support fair, respectful, diverse and inclusive workplace</li> <li>c) Ensure bi-annual performance management plans and reviews are conducted, with 100% final reviews completed</li> <li>d) Conduct annual employee satisfaction survey</li> <li>e) Ensure all staff complete all mandatory (e.g. AODA) and legislative (e.g. Condo Act) training</li> </ul>

# 5. Risk Management

To ensure that the CAO is well positioned to deliver on its strategic objectives, the CAO has developed an Enterprise Risk Management Framework.

The CAO's Enterprise Risk Management Framework involves the identifying potential risks that may impact the organization's ability to deliver its strategic and business commitments. The CAO identifies preventive and recovery controls to reduce the likelihood, speed of onset, or impact of potential risks. Risks are monitored regularly by the CAO's staff and senior management team and reported quarterly to the Board. The CAO's risk management culture involves staff at all levels of the organization raising and/or seeking ways to address potential risks as part of their day-to-day responsibilities.

Identified potential risks are categorized through the lens of the CAO's four Strategic Objectives: **1** Enhanced Public Information and Services; **2** Enhanced and Integrated Issue and Dispute Resolution; **3** Service Excellence; **4** Operational Excellence. For 2020-21, some of the key risks and mitigations, including preventive measures and recovery controls, are as follows:

Strategic Objective	Risk	Risk Mitigations
1	Website outage prevents condo communities from accessing CAO's information, resources; director training, CAT, or the public registry	<ul style="list-style-type: none"> <li>• Back-up website in place to allow for redirect and provide information and services.</li> <li>• Post message on the web homepage and in social media that the CAO is working to fix the problem, providing a time estimate.</li> <li>• Work with web host and IT to fix as quickly as possible.</li> </ul>
2	CAT-ODR system is down/unavailable for condo users	<ul style="list-style-type: none"> <li>• Knowledgeable technical staff in place to troubleshoot</li> <li>• Ensure all access and security controls in place to prevent breach</li> <li>• Deploy back-up service in place</li> </ul>
3	Incorrect information provided to stakeholders or the public	<ul style="list-style-type: none"> <li>• Correct information for the parties and/or on the CAO's website immediately</li> </ul>
3	Negative/erroneous media coverage about the CAO and/or its services	<ul style="list-style-type: none"> <li>• Respond to article/broadcast/podcast in timely manner addressing or correcting the information</li> </ul>
4	Cyber security event	<ul style="list-style-type: none"> <li>• Ensure all technical access and security measures are in place.</li> <li>• Identify cause of the cyber security event. Deploy remedies to ensure risk is contained and the threat is removed</li> <li>• Issue public statement quickly to outline the issue, extent of breach.</li> </ul>
4	Impact of growth of condo sector and corresponding demands on CAO resources	<ul style="list-style-type: none"> <li>• Staff planning, organizational design, strategic recruitment and enhancements to services to meet demand.</li> </ul>



# 6. Financial Plan

## Financial planning

The CAO is committed to prudent financial management, to ensure value for money, and to be transparent and accountable for the efficient use of its funds to deliver on its mandated responsibilities. As such, the CAO undertakes the following commitments:

- To adhere to expense and procurement policies that meet the spirit and intent of the provincial government practices. Three-year financial forecasts are published annually in the CAO's business plan and the audited financial statements are prepared and made public in its annual report.
- To carefully plan the allocation of funds for the current and future years' business activities.
- To ensure strict control on expenditures within the Board approved budget through monthly monitoring and reporting of budget versus actuals, with a focus on cost drivers to ensure the cost-effective utilization of resources. In addition, each department head is responsible for their budget with added oversight from the Director, Finance and Controllershship.
- To monitor its business operational activities on an ongoing basis.
- To manage expenditures by embracing technology and the strategic use of outsourcing in pursuit of the most cost-effective way of doing business.

## Revenue

CAO activities are supported primarily by assessment fees collected from condo corporations in Ontario based on their reported voting units in their returns filed with the CAO. All condominium corporations are required to pay assessment fees to the CAO annually following the government's prescribed fee setting process, the assessment fee for each corporation has been calculated based on the equivalent of \$1 per voting unit per month. According to the Act, the total assessment fee for each unit is to be added to the common expenses, and individual condo owners are to be charged based on the percentage that they contribute to the common expenses as set out in the condo corporation's declaration. Other revenues come from the CAT user fees, administrative fees, and interest income.

In line with its commitment to being financially prudent and avoid accumulating funds not currently required to sustain the operations, the CAO implemented a temporary adjustment to reduce the total assessment amount payable by each corporation by 25% for fiscal year 2019-2020 and has decided to keep the same for fiscal year 2020-21, mainly due to delay in expansion of CAT regulation. The CAO will operate at a net deficit budget for FY 2020-21, in order to draw-down on the current operating surplus of \$5.7M. This surplus, generated in previous years, is due primarily to the initial limited caseload of the CAT and lower costs than will be incurred when the CAO is in full operations. Given the anticipated expansion of the CAT's jurisdiction in 2020, this year's financial plan anticipates the gradual increase in cases beginning in FY 2020/21 and resulting in the elimination of the temporary adjustment to fees in FY 2021/22.

# Expenses

## Human Resources

The Human Resources budget reflects the appropriate organizational structure and number of staff to deliver on the CAO's mandate and fulfill the activities outlined in the priorities in the year ahead. As the CAO's mandate continues to expand, it is committed to continue to find the most cost-efficient ways of performing its operations and, where appropriate, use external resources and temporary staff for short-term resource needs. The budget includes the on-boarding of human resources to support its digital service delivery model, and ensure the stability of its business services to condo communities, as follows:

- IT specialist staff are required as part of transition from external vendors to in-house development and support. Internal IT staff will support operational excellence and allow the organization to continuously improve, respond to client feedback and respond quickly to IT system issues.
- In the anticipation of the new regulations and increased case load, a budget allocation has been included for additional resources related to CAT operations and mediation/adjudication
- To reach and engage the condo communities across Ontario in order to better understand their issues and service needs, communications and outreach resources are included.
- To address the increasing demand for data and information around condo living across the province, the CAO is incorporating data analytics and business intelligence capacity into its organization structure
- New positions have been added in the HR Budget to implement business intelligence and data analytics strategy. To improve data-driven decision-making, inform government policy, identify service improvements for clients, to meet demand for data and statistics from government, and the condominium sector, and to manage condo forms development.

## **Operational Expenses**

Operational expenses have been forecast to remain at a similar level over 2020-21 to 2022-23. A significant portion of the operating costs relate to accommodation and IT related license/maintenance, as well as the amortization expense. The CAO is in a long-term lease agreement and the rent is fixed until 2022. Similarly, the CAO has multi-year commitments with IT vendors and the licensing and maintenance rates are fixed over the same period.

## **Condominium Authority Tribunal**

A significant portion of the CAO's expense budget relates to its online dispute resolution system and operations, including, per diem payments to part-time mediator and adjudicators. These costs are variable to the case load. The CAO has planned for the possible expansion to the CAT's jurisdiction in 2020-21. There is significant uncertainty about what dispute types may be added and how many cases may be filed.

For planning purposes, approximately 500 new cases filed with the CAT have been budgeted for 2020-21. This case load estimate increases to 1,200 cases in FY 2021-23. In addition to the operational expenses, CAO will be incurring a capital expenditure related to development work on the CAT's Online Dispute Resolution IT system, as well as the annual operational costs of the system.

## Financing

The CAO has a loan payable amounting to \$5.5 million and started paying back the interest and principal to the government since FY 2019-20. Principal amount and accrued interest will be paid in 20 equal installments over the period of ten years. Financing costs are based on the amortization schedule as agreed with the Ministry.

## Annual budget

	Annual Budget		
	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues:</b>			
Revenue	\$7,744,963	\$10,375,950	\$10,689,150
Other Income	\$250,000	\$200,000	\$200,000
<b>Total revenues</b>	<b>\$7,994,963</b>	<b>\$10,575,950</b>	<b>\$10,889,150</b>
<b>Operational Expenses</b>			
Human Resources	\$5,452,512	\$5,845,409	\$6,118,306
Operating	\$2,462,137	\$2,317,320	\$2,347,716
Condominium Authority Tribunal	\$779,109	\$1,486,658	\$1,486,658
Financing Cost	\$166,079	\$149,393	\$132,158
Ministry oversight fee	\$302,225	\$302,225	\$302,225
<b>Total Operational Expenses</b>	<b>\$9,162,062</b>	<b>\$10,101,005</b>	<b>\$10,387,063</b>
<b>Operational Surplus/(Deficit) For Year</b>	<b>(\$1,167,099)</b>	<b>\$474,945</b>	<b>\$502,087</b>
<b>Capital Expenditures:</b>			
CAT - Online Dispute Resolution	\$400,000	\$400,000	\$400,000
Enterprise Technology (Build)	\$0	\$0	\$0
	\$400,000	\$400,000	\$400,000
<b>Financing:</b>			
Loan Payback	\$506,124	\$522,809	\$540,045
	\$506,124	\$522,809	\$540,045
<b>Net Cash Surplus/(Deficit) For Year</b>	<b>(\$1,623,223)</b>	<b>\$2,135</b>	<b>\$12,042</b>

### Budget Notes:

- Revenue includes the assessment fees; the tribunal dispute resolution fees and late condo returns filing/ payment fees. The three-year budget assumes the elimination of temporary adjustment and assessment fee returning to \$1 per unit per month in FY2021-22
- Human resources expenses include the cost related to salary, benefits, HR consulting and staff development, including CAT specific HR costs
- Operational Expenses include accommodation, board and governance related expenses, consulting, external legal costs, communications, information technology, office and general, non-recoverable HST and amortization costs