

# CAO's Implementation Plan on the Auditor General of Ontario's Value for Money Audit: Condominium Oversight in Ontario

On Dec. 7, 2020, the Auditor General of Ontario issued her audit report on [Condominium Oversight](#). This audit involved CAO, the Condominium Management Regulatory Authority of Ontario, and the Ministry of Public and Business Service Delivery. The AG issued her [follow up report](#) on Nov. 30, 2022 and acknowledged that the CAO fully implemented the recommendations for which we were responsible. We thank the AG for her report. See more detail on our progress below:

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

### 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:

9.1: 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)



**Complete**

CAO worked with its Learning Management System partner to improve its director training platform by adding knowledge checks, forced delays, and timeout enhancements to ensure material is being read and to enhance overall user experience.

CAO also added technical enhancements to improve the data tracking on training completion.

9.2: Annually solicit input from directors and condo owners on improvements that can be made to training material



Directors are currently able to provide feedback via a survey at the completion of their foundational training

**Complete**

modules.

Annual surveys have been developed to target directors who have been in the role for longer than 6 months and owners who would like to give feedback on areas where they feel directors need more training.

### 9.3: Annually review and improve the director training materials



**Complete**

CAO will use feedback from the two surveys above to implement improvements to training materials annually.

### 9.4: 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



**Complete**

CAO developed advanced director training in six priority areas outlined in the AG's Report and confirmed by CAO. These are:

- Condominium Governance
- Emergency Planning & Preparedness
- Finance
- Issues Management
- Overseeing Condominium Managers
- Procurement

We have also completed accompanying in-depth best practices guides on the six priority areas.

The modules and guides were developed in consultation with adult learning experts, advisory panels and subject matter experts from the condo sector.

All materials are available online.

## Recommendation 10 – Returns & Public Registry Enhancement

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:

10.1: Enable public searches for relevant information by entering the municipal addresses of condos and the names of directors



**Complete**

CAO has successfully concluded its work on improving the search functionality of its Public Registry so that users can search by the municipal addresses of condominiums as well as the names of directors.

10.2: 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 work complete. Pending regulatory amendments for next steps.**

CAO completed the work required to enable us to collect and validate director information through the returns system.

The Auditor General did not identify the ministry as the lead for Recommendation 10.2, however, the ministry indicates that this recommendation will require regulatory amendments and extensive consultation with the public.

10.3: 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



**Complete**

CAO improved its ability to verify data reported by condominium corporations, including the names of licensed condo managers and management companies.

The organization also established a Data Steering Committee that will continuously work on improving data and compliance related issues.

#### 10.4: Publish the collected and verified information on the registry



**CAO work complete. Pending regulatory amendments for next steps.**

CAO has completed technical developments and awaits approval of necessary regulatory amendments. Where allowed, changes have been implemented to display more accurate and validated information in the public registry.

The Auditor General did not identify the ministry as the lead for Recommendation 10.4, however, the ministry indicates that this recommendation will require regulatory amendments and extensive consultation with the public.

### Recommendation 13 – Condominium Authority Tribunal Records

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

13.1: 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

13.2: 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 condo fees, repairs to common areas, board misconduct, reserve funds, commercial units or other areas considered appropriate within the Condominium authority Tribunal's jurisdiction

CAO has updated its Guided Steps to Records Issues content on its website to provide more clarity. We have also updated or improved the following:



**CAO work complete. Pending regulatory amendments for next steps.**

1. Guide to Condominium Corporation Records
2. Guide to Requesting Core Records
3. Guide to Requesting Non-Core Records
4. An updated Application intake checklist to assist those filing Records Cases with CAT.

User Testing Reviews on these materials have yielded very positive feedback.

CAO also launched new advanced director training and accompanying guides available to anyone for free on six priority areas, including:

- Condominium Governance
- Emergency Planning & Preparedness
- Finance
- Issues Management
- Overseeing Condominium Managers
- Procurement

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

### **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:

**3.3: Work with the Condominium Authority of Ontario to raise awareness and communicate this issue in a clear and understandable manner**



**Complete**

CAO developed its Guide to Ensuring Healthy Reserve Funds through working with an advisory panel. CAO promoted this resource through social media and direct communications to our audiences.

### **Recommendation 5 – Condo Manager Verification**

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:

5.1: Share the data on property managers and management companies collected by both authorities regularly



**Complete**

Through a data framework and data sharing agreement with CMRAO, the CAO is able to automatically confirm the licensing status of condominium managers and companies when they are added to our database through returns or notices of change.

5.2: Annually solicit input from directors and condo owners on improvements that can be made to training material



**Complete**

We can now more easily verify licensing information added to the CAO's database against the CMRAO's public registry and can automatically reconcile differences.

5.3: Identify the names of property managers and management companies that are not licensed



**Complete**

Automated reconciliation with CMRAO public registry, will allow CAO to now inform a board of a condominium corporation as well as the CMRAO if any potential unlicensed or an unverified condo management provider firm or condo manager 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.

## **Recommendation 12 – CAT Jurisdiction Expansion**

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 condo fees, repairs to common areas, board misconduct, reserve funds, commercial units or other areas considered appropriate within the Condominium authority Tribunal's jurisdiction



**Complete**

The Condominium Authority Tribunal's jurisdiction expanded as of Jan. 1 to include nuisance-related disputes.

CAO conducted public consultations on future expansion of the jurisdiction of the CAT as requested by the Minister of Government and Consumer Services and has provided a summary report of its findings to the Minister.

The Condominium Authority Tribunal's jurisdiction expanded as of January 1, 2022 to include nuisance-related disputes.

At the request of the Minister of Government and Consumer Services, the CAO conducted public policy consultations on the future expansion of the jurisdiction of the Condominium Authority Tribunal and provided a summary report of findings to the Minister.

CAO also launched new advanced director training and accompanying guides available to anyone for free on six priority areas, including:

- Condominium Governance
- Emergency Planning & Preparedness
- Finance
- Issues Management
- Overseeing Condominium Managers
- Procurement

#### **Recommendation 14 – Equal legal representation**

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



**CAO work complete.**

CAO carried out research into the insurance industry to gather more information about legal expense insurance and developed web materials that provide information on legal resources for condo owners.

**Pending  
regulatory  
amendments  
for next  
steps.**

## **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:

A: Set standard terms and forms for key documents relating to the purchase of new condo units, such as the agreement for purchase and sale (contract), declaration and disclosure statement

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



**CAO work  
complete.  
Pending  
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steps.**

The Ontario's Residential Condominium Buyers' Guide was developed by CAO in collaboration with the Ministry of Government and Consumer Services launched on Jan. 1, 2021. This Guide is a helpful resource for protecting buyers of new/pre-construction condominium units and includes information 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:



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

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



**CAO work complete. Pending regulatory amendments for next steps.**

The Ontario's Residential Condominium Buyers' Guide was published on Jan. 1, 2021 (see Recommendation #1 above) and helps better protect buyers of new condominiums by providing information on how common expense fees work.

### **Recommendation 8 – Director Training Enforcement**

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 MPBSD 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:

8.1: 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

8.2: Require the ineligible individuals to stop acting as directors of their condo boards



**CAO work complete. Pending regulatory amendments for next steps.**

Technical development to publish director training status from the CAO's records to the public registry is complete.

CAO also retains Records of Completion for all who take the director training program. We also support condominium directors and corporations through an automated notification system that invites them to take the training, issues reminders in advance of their training deadline, and a final advisory to the condominium corporation and the individual when they have missed their deadline.

Lastly, we provide this information to owners and directors through our Condo Calendar App.

## **Recommendation 11 – Returns & Public Registry Enhancement**

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:

11.1: Allow the Condominium Authority of Ontario to collect and publish relevant information to enable identification of condo corporations where non-resident directors or directors with commercial interests form the majority on condo boards

11.2: Analyze this information to evaluate whether increased protections are required for condo owners who reside in their units



**CAO work  
complete.  
Pending  
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steps.**

Initiated discovery phase to identify business and systems requirements to prepare for the collection of non-resident directors or directors with commercial interests.

CAO will support MPBSD as they consider regulatory changes and increased protections.

View the previous progress report [here](#).