

Chapter 3

Section 3.01

Condominium Oversight in Ontario

Standing Committee on Public Accounts Follow-Up on Value-for-Money Audit, 2020 Annual Report

On October 27, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit of Condominium Oversight in Ontario. The Committee tabled a report on this hearing in the Legislature in February 2023. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 21 recommendations and asked the Ministry of Public and Business Service Delivery (Ministry, formerly Ministry of Government and Consumer Services), the Condominium

Management Regulatory Authority of Ontario (Management Regulatory Authority) and the Condominium Authority of Ontario (Condo Authority) to report back by June 2023. The Ministry, the Management Regulatory Authority, and the Condo Authority formally responded to the Committee on June 21, 2023. A number of the issues raised by the Committee were similar to the audit observations of our 2020 audit, which we followed up on in 2022. The status of each of the Committee's recommended actions is shown in **Figure 1**.

Figure 1: Summary Status of Actions Recommended in February 2023 Committee Report

Prepared by the Office of the Auditor General of Ontario

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	3		1	2		
Recommendation 2	3			3		
Recommendation 3	3			3		
Recommendation 4	1			1		
Recommendation 5	1	1				
Recommendation 6	3	3				
Recommendation 7	1	1				
Recommendation 8	4	2	2			
Recommendation 9	2			2		
Recommendation 10	3	3				
Recommendation 11	4	2		2		
Recommendation 12	3			3		

RECOMMENDATION STATUS OVERVIEW

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 13	1		1			
Recommendation 14	1			1		
Recommendation 15	1		1			
Recommendation 16	2	1		1		
Recommendation 17	1			1		
Recommendation 18	1		1			
Recommendation 19	2		1	1		
Recommendation 20	3	3				
Recommendation 21	1	1				
Total	44	17	7	20	0	0
%	100	39	16	45	0	0

Note: **Recommendations 1–4, 9** and **12–19** were made to the Ministry of Public and Business Service Delivery. The Ministry also took responsibility for taking the lead on **Recommendation 14** and two actions under **Recommendation 11**, even though they were made to the Condominium Authority of Ontario, because they may require legislative or regulatory amendments. **Recommendations 5–8, 20** and **21** were made to the Condominium Management Regulatory Authority of Ontario. **Recommendation 10** and the other two actions under **Recommendation 11** were made to the Condominium Authority of Ontario.

We conducted assurance work between June 2023 and September 2023, and obtained written representation from the Ministry, Management Regulatory Authority, and the Condo Authority, that effective October 31, 2023, they have provided us with a complete update of the status of the recommendations made by the Committee.

The Management Regulatory Authority had fully implemented 85%, and was in the process of implementing the remaining 15% of the recommended actions that were directed toward it.

The Ministry had only fully implemented 4%, was in the process of implementing an additional 19% of the recommended actions and made little progress on the remaining 77% of the recommended actions that were directed toward it.

Overall Conclusion

Overall, as of September 2023, 39% of the Committee's recommended actions had been fully implemented, and 16% of the recommended actions were in the process of being implemented. There has been little progress on the remaining 45% of the recommended actions.

The Condo Authority had fully implemented all of the recommendations that were directed toward it.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry, the Management Regulatory Authority, and the Condo Authority, and our review of the information provided.

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
<p>Recommendation 1</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should improve protections for buyers of new condominium units by:</p> <ul style="list-style-type: none"> implementing standard terms and forms for documents relating to the purchase of new condo units, such as the agreement for purchase and sale, declaration, and disclosure agreement; requiring developers to adopt standard terms and forms and clearly identify if documents differ from the standard; <p>Status: Little or no progress.</p> <ul style="list-style-type: none"> proclaiming the amendments as outlined in the <i>Protecting Condominium Owners Act, 2015</i>. <p>Status: In the process of being implemented in phases, including by bringing forward a proposal for the government's consideration by March 2024.</p>	<p>The Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration.</p> <p>Subject to government direction, the Ministry expects that by December 2024 it will develop and bring forward a policy proposal for the government's consideration.</p> <p>Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes.</p> <p>If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.</p> <p>The Ministry indicated that implementing this recommendation may require developing regulatory amendments to support the proclamation of provisions under the <i>Protecting Condominium Owners Act, 2015</i> (Act).</p> <p>In January 2021, Condo Guide-related provisions of the Act came into force, as a result of a proposal brought forward by the Ministry in late 2020. This proposal did not involve proposing new regulations.</p> <p>In September 2021, the Ministry sought government approval for a proposal to proclaim into force certain provisions of the Act that would amend sections 116 and 117 of the <i>Condominium Act, 1998</i>. As part of this initiative, the Ministry also sought approval to amend two regulations under the <i>Condominium Act, 1998</i> to expand the jurisdiction of the Condominium Authority Tribunal (Tribunal) to include certain disputes related to nuisances such as unreasonable smoke, odour and noise; and to prescribe nuisances, annoyances and disruptions that are to be prohibited under the <i>Condominium Act, 1998</i>. The changes came into force January 1, 2022.</p> <p>Subject to government direction, the Ministry intends to bring forward a new policy proposal, for the government's consideration by the end of March 2024 and in phases thereafter. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory changes. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare draft regulatory amendments for government approval.</p>

Committee Recommendation	Status Details
<p>Recommendation 2</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should improve protections for new condominium purchasers by:</p> <ul style="list-style-type: none"> • requiring developers to disclose current and projected common area expenses for up to 45 to 60 years; • increasing the length of time a condo board has to make a claim against developers to recover the increased amounts spent on common area expenses compared to a developer's budget statement; • implementing best practices to improve developer accountability (e.g., making funds available to condo corporations if developers understate condo fees by a set percentage and administering penalties if developers deliberately and systematically understate actual condo fees). <p>Status: Little or no progress.</p>	<p>Similar to the response to Recommendation 1, the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration.</p> <p>Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes.</p> <p>If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.</p> <p>The Ministry initially planned to implement this recommendation by December 2023 by bringing forward a policy proposal for the government's consideration. However, the Ministry later indicated that it needed more time to assess the potential impacts of this recommendation in light of competing priorities on housing construction.</p> <p>At the time of this follow-up, the Ministry was still determining a timeline to bring forward a proposal for the government's consideration. The proposal will help to address Recommendations 2, 3 and 4 together.</p>
<p>Recommendation 3</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery, in order to ensure the safety and adequate maintenance of condominiums, should require condominium corporations to set aside adequate resources by:</p> <ul style="list-style-type: none"> • extending reserve fund studies of condo buildings to include the cost of repairs and replacements for 45 to 60 years; • setting new and sufficient minimums for and defining adequacy of reserve funds; • working with the Condominium Authority of Ontario to improve public communication about the importance of reserve funds. <p>Status: Little or no progress.</p>	<p>Similar to the response to Recommendation 2, the Ministry has made little progress on this recommendation and indicated that implementing this recommendation may require legislative and/or regulatory amendments. At the time of this follow-up, the Ministry was still determining a timeline to bring forward a proposal for the government's consideration, citing the need for more time to assess the potential impacts of this recommendation in light of competing priorities on housing construction.</p>

Committee Recommendation	Status Details
<p>Recommendation 4</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery, in order to ensure sufficient funding of condominium reserve funds, should amend current provisions, which allow developers to set reserve fund contributions, by requiring those contributions to be supported by a third-party reserve fund study.</p> <p>Status: Little or no progress.</p>	<p>Similar to the response to Recommendation 2, the Ministry has made little progress on this recommendation and indicated that implementing this recommendation may require legislative and/or regulatory amendments. At the time of this follow-up, the Ministry was still determining a timeline to bring forward a proposal for the government's consideration, citing the need for more time to assess the potential impacts of this recommendation in light of competing priorities on housing construction.</p>
<p>Recommendation 5</p> <p>The Standing Committee on Public Accounts recommends that the Condominium Management Regulatory Authority of Ontario should work with the Condominium Authority of Ontario to implement a process to ensure that only valid licence holders perform condo management services.</p> <p>Status: Fully implemented.</p>	<p>In January 2021, the Management Regulatory Authority and the Condo Authority signed a data-sharing implementation agreement. Since then, both entities developed an automated daily reconciliation process to verify licensing information added to the Condo Authority database, at time of filing of return or notice of change, against the Management Regulatory Authority public registry data to confirm the completeness and accuracy of licensee data in each database. Both entities now use this data to automatically identify whenever an unlicensed manager or management firm is listed at a condominium corporation.</p> <p>Between April 2021 and March 2023, the Management Regulatory Authority had identified a total of 101 potential unlicensed managers or management companies and 160 cases of expired licences listed as “active” in the Condo Authority’s database. The Management Regulatory Authority resolved 95 and 149 of the cases, respectively. The remaining 17 cases were under review as of September 2023.</p>
<p>Recommendation 6</p> <p>The Standing Committee on Public Accounts recommends that the Condominium Management Regulatory Authority of Ontario should support the appropriate and timely resolution of issues raised by condo owners by:</p> <ul style="list-style-type: none"> • monitoring the types of actions taken and outcomes of all complaints; • producing complaint process summaries for management of the Condominium Management Regulatory Authority of Ontario periodically; • establishing a formal protocol for an action-oriented response based on the complaints and/or issues raised. <p>Status: Fully implemented.</p>	<p>In February 2021, the Management Regulatory Authority made enhancements to its information technology system to track complaints based on standardized classifications and outcomes. The Management Regulatory Authority now tracks all complaints received and records all interactions with complainants, respective condominium managers, and management provider businesses.</p> <p>On a quarterly basis since then, the Management Regulatory Authority management team reviews a summary report titled Update on Complaints Resolutions and Type on the number and types of complaints received and resolution of complaints based on preset categories.</p> <p>The Management Regulatory Authority in September 2021 developed new formal policies, in consultation with its Advisory Committee, that identify the types of actions that should be taken for specific types of complaints. All files now follow a standard complaint-handling process, which involves initially assessing the file including outreach to the complainant, gathering information from the licensee, and reviewing the file before issuing a decision. The Management Regulatory Authority also substantially revamped the complaints section of its website in alignment with its complaints-handling policies and procedures along with providing training to its staff.</p>

Committee Recommendation	Status Details
<p>Recommendation 7</p> <p>The Standing Committee on Public Accounts recommends that the Condominium Management Regulatory Authority of Ontario should have the authority to remove unlicensed property managers, properly investigate and resolve complaints, and investigate property managers.</p> <p>Status: Fully implemented.</p>	<p>The <i>Condominium Management Services Act, 2015</i> already provides the Management Regulatory Authority with a framework and certain powers to regulate property managers and their related activities through licensing, handling complaints, inspections and investigations. In particular, the Management Regulatory Authority has the power to do the following:</p> <ul style="list-style-type: none"> • address a complaint, including attempt to mediate or resolve the complaint, require the licensee to take further educational courses, issue a written warning to the licensee, refuse to licence or renew a licence, suspend or revoke a licence and refer the complaint for inspection/investigation; • refer the matter in the complaint, in whole or in part, to a discipline committee. The committee can assess a licensee's wrongdoing and has the power to impose fines on a licensee for up to \$25,000; and • appoint a statutory director to inspect and investigate complaints against licensed condominium managers and management companies. For example, during an inspection of a condominium manager or management company, a designated inspector is entitled to free access to all money, valuables, documents and records of the person being inspected that are relevant to the inspection. <p>In cases where an unlicensed individual has been identified in providing condominium management services contravening the act, the statutory director can press charges on the individual. A person that is convicted of an offence under this act is liable to a fine up to \$50,000 or imprisonment not more than two years less a day.</p>
<p>Recommendation 8</p> <p>The Standing Committee on Public Accounts recommends that the Condominium Management Regulatory Authority of Ontario, in order to ensure that condominium property managers and companies comply with the <i>Condominium Management Services Act, 2015</i>, should:</p> <ul style="list-style-type: none"> • finalize standardized checklists for inspections of property managers and companies; <p>Status: Fully implemented.</p> <ul style="list-style-type: none"> • implement a risk-based proactive inspection program based on inspection results, areas of non-compliance, statistical trends, and other risk factors; <p>Status: In the process of being implemented by March 2024.</p>	<p>Based on the Management Regulatory Authority's review of the risk-based compliance approaches used by other regulatory bodies, such as the Technical Standards and Safety Authority and the Alcohol and Gaming Commission of Ontario, as well as other key areas under the <i>Condominium Management Services Act, 2015</i>, it had developed three checklists in the following areas:</p> <ul style="list-style-type: none"> • document management for condominium management providers; • administering owners' meetings, and voting processes; and • declaring conflicts of interest by licensees. <p>In addition, every inspection requires examination of existing contracts to ensure licensees have proper contracts, including all required disclosures, with the condominiums where they provide condominium management services.</p> <p>In 2022, the Management Regulatory Authority started a pilot project in performing proactive inspections, and completed a total of 12 inspections during 2022/23. The Authority selected the companies based on a mix of geographic areas and different sizes of management providers characterized by the number of managers employed. In some cases, the management provider's previous record of compliance was factored into the selection process.</p> <p>The Authority indicated that the lessons learned from this pilot project will inform future regular proactive inspections planned for fiscal year 2023/24 and beyond.</p>

Committee Recommendation	Status Details
<ul style="list-style-type: none"> conduct regular proactive inspections and take appropriate disciplinary actions if required; <p>Status: In the process of being implemented by March 2024.</p>	<p>In September 2023, the Authority created a new Proactive Inspection Policy (Policy) that identifies a systemic approach to prioritize its inspection activities based on various risk factors. These risk factors include previous regulatory actions, complaint volumes and trends, the ratio of licensees that a management provider employs versus the number of clients they serve, the ratio of general licensees that a provider employs versus the number of limited licensees that they employ, geographic locations and the size of the management provider businesses. The Policy also categorizes the risks based on legislative requirements, industry trends and their impact on consumers. It also includes a heat map to help determine the severity of different compliance areas.</p> <p>The Authority plans to review the Policy annually based on the lessons learned from the previous year and the evolution of the condominium management sector and its relation to the policies of the provincial government. The first review will be performed in March 2024.</p> <p>As mentioned in the second action item under Recommendation 8, the Management Regulatory Authority completed a total of 12 proactive inspections, as a pilot project, during 2022/23. Some of the key observations from the inspections are as follows:</p> <ul style="list-style-type: none"> Large providers were more likely to have established and up-to-date policies, standard operating procedures, and training programs for their managers. Small and mid-sized providers relied more on expertise of staff, less on standard operating procedures, training, and documentation. Records-management practices varied across providers, with one provider moving all its clients toward a fully digital environment. Some providers could not produce copies of signed contracts with clients. The Management Regulatory Authority made written recommendations to these providers to implement signed contracts and retain records appropriately. A number of providers were advised to implement processes to remind condominium directors of director training requirements. A number of providers were advised to develop standard operating procedures and training materials that align with requirements with the legislation with regards to declarations of conflicts of interest, and solicitation of proxy forms. <p>At the end of each inspection, the Management Regulatory Authority provided a report with findings and recommendations to each licensee. The recommendations are meant to help providers ensure that their business processes align with statutory requirements and enhance provision of management services to their clients. The Authority received useful feedback and support from the providers to continue expansion of the pilot project.</p> <p>Starting on April 1, 2023, the Management Regulatory Authority began proactive inspections on a regular basis.</p> <p>The Authority plans to use the inspection results and the information gained from the providers' operations to enhance the regular proactive inspections by March 2024 and going forward.</p>

Committee Recommendation	Status Details
<ul style="list-style-type: none"> maintain an accurate public registry of property managers. Status: Fully implemented. 	<p>Since it was established, the Management Regulatory Authority has maintained and published a public registry of condominium managers on its website.</p> <p>The public registry contains information on managers and businesses licensed to provide condominium management services in Ontario. The public can search the registry by licensee name or licence number.</p> <p>The data from the public registry is linked with the Management Regulatory Authority's Customer Relationship Management system. This data is refreshed daily, and any changes that are made on the back end to the licence record would appear on the public registry soon afterwards.</p> <p>The Deputy Registrar updates the registry with any information related to actions taken against a licensee, such as when a licence is revoked or if there is a condition on the licence.</p> <p>The Senior Licensing Officer updates the registry with additional registry notes when a licensee voluntarily suspends their licence for leave of absence for medical reasons or parental leave.</p> <p>Furthermore, licensees are required to provide up-to-date information to the Management Regulatory Authority on their annual application for renewal or reinstatement. The Authority would also send notices to licensees to remind them of renewals and the information that is required for their application. These reminders are sent within two months prior to the renewal deadline to licensees who have yet to submit their renewal applications.</p> <p>As of March 31, 2023, there were 2,533 general licensees, 1,611 limited licensees, and 411 Condominium Management Provider Licensees listed on the public registry.</p>
<p>Recommendation 9</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should strengthen director training provided by the Condominium Authority of Ontario by:</p> <ul style="list-style-type: none"> expanding the type of information the Condominium Authority can collect and publish relating to directors who have not completed the mandatory training within time requirements; Status: Little or no progress. 	<p>The Ministry reported that implementing this recommendation may require legislative and/or regulatory amendments. Subject to government direction, the Ministry initially planned to implement this recommendation by December 2023 by bringing forward a policy proposal for the government's consideration.</p> <p>However, the Ministry is evaluating its approach to this recommendation in the wake of the condominium shooting tragedy that occurred in December 2022 in Vaughan, Ontario, taking privacy and safety concerns into consideration.</p> <p>The Ministry is also aware that certain key stakeholders are actively looking into measures to support safety in condominium communities, including developing potential recommendations for government. The Ministry's engagement with stakeholders on this matter may impact the approach and timing of its work with respect to this recommendation. At the time of this follow-up, the Ministry was unable to provide a timeline to bring forward a proposal for the government's consideration.</p>

Committee Recommendation	Status Details
<ul style="list-style-type: none"> enabling the Condominium Authority to require ineligible individuals to stop acting as directors of their condo boards. <p>Status: Little or no progress.</p>	<p>As mentioned in the first action item under Recommendation 9, the Ministry is evaluating its approach to this recommendation in the wake of the condominium shooting tragedy that occurred in December 2022.</p> <p>At the time of the follow-up, the Ministry was unable to provide a timeline to bring forward a proposal for the government's consideration.</p> <p>However, in supporting the implementation of this recommended action, the Condo Authority had developed an automated reminder system to help condominium corporations ensure accurate information is on file with the Condo Authority. The automated system, among other functions, reminds board directors of their obligation to complete the mandatory training on time, and advises of the possible consequences where the majority of directors for the corporation appear to have missed the mandatory director training deadline.</p>
<p>Recommendation 10</p> <p>The Standing Committee on Public Accounts recommends that the Condominium Authority of Ontario should improve education for condominium board directors by:</p> <ul style="list-style-type: none"> gathering and incorporating feedback from condo directors and owners on an annual basis regarding improvements to training materials; reviewing training materials for effectiveness on an annual basis; including an emergency planning and preparedness component to training materials as well as case studies for key topics of condo operations. <p>Status: Fully implemented.</p>	<p>The Condo Authority created a Framework for Annual Review and Improvement of Director Training Materials in 2021 to improve the director training materials.</p> <p>Under the Framework, the Condo Authority has administered two new surveys that are being conducted each year.</p> <p>The goal of the surveys is to improve the director training materials, identify which topics require more in-depth training and solicit input on whether directors have recently taken the training.</p> <p>The Condo Authority issued the two annual surveys in September 2022, and reviewed the feedback in October 2022. The feedback from these surveys confirmed that the Condo Authority's improvements to the director training responded to the needs identified by condominium directors and owners.</p> <p>In 2023, the Condo Authority published two new guides for the condominium community: "Self-Managed Condos Guide" and "Condo Owners' Guide."</p> <p>The Condo Authority indicated that it will continue to use the Framework to review and improve director training materials on an ongoing basis.</p> <p>The Condo Authority retained the services of external subject matter experts and partnered with an external adult learning specialist vendor to develop new training materials, which it launched in 2022. The new Advanced Optional Director Training program consists of best practice guides and online training modules on the following topics:</p> <ul style="list-style-type: none"> emergency planning and preparedness; procurement; finance; overseeing condominium managers; issues management; and board governance. <p>As part of the development process, the Condo Authority established advisory panels from the condominium sector and solicited and integrated feedback from these advisory panels on the guides through survey and virtual hosted sessions.</p>

Committee Recommendation	Status Details
<p>Recommendation 11</p> <p>The Standing Committee on Public Accounts recommends that the Condominium Authority of Ontario should work with the Ministry of Public and Business Service Delivery to provide accurate and useful information on the public registry by:</p> <ul style="list-style-type: none"> implementing a search functionality to enable public searches for relevant information by entering municipal addresses of condominiums and the names of directors; Status: Fully implemented. collecting more comprehensive information about condo board directors (e.g., elected or appointed, owner or occupant) and their responsibilities; Status: Little or no progress. regularly reviewing and verifying condo corporations' self-reported information in annual returns, including the names of licensed condo managers and management companies; Status: Fully implemented. publishing verified information on the registry. Status: Little or no progress. 	<p>The Condo Authority enhanced its public registry to allow users to search by director name and municipal address. Users can now search the public registry using the first and last name of an active director. Upon providing the name of a director, the public registry will then list all condominium corporations where an active director with the exact same name is listed. Searches can also be conducted using the city and postal code to find the municipal address for the applicable condominium corporation.</p> <p>The Ministry is the lead for implementing this recommendation as it may require legislative and/or regulatory amendments.</p> <p>As mentioned in the first action item under Recommendation 9, the Ministry is evaluating its approach to this recommendation in the wake of the condominium shooting tragedy that occurred in December 2022.</p> <p>At the time of the follow-up, the Ministry was unable to provide a timeline to bring forward a proposal for the government's consideration.</p> <p>However, in supporting the implementation of this recommended action, the Condo Authority indicated that it has enhanced its information system to collect and verify the additional information needed should the government approve the required legislation and/regulatory amendments.</p> <p>The Condo Authority developed 40 validations in late 2021 to ensure self-reported information it receives is accurate and current. The main new validations include verification of:</p> <ul style="list-style-type: none"> licensed condominium management service providers filed with the Condo Authority; director training data; and director term start date data. <p>The Ministry is the lead for implementing this recommendation as it may require legislative and/or regulatory amendments.</p> <p>As mentioned in the first action item under Recommendation 9, the Ministry is evaluating its approach to this recommendation in the wake of the condominium shooting tragedy that occurred in December 2022.</p> <p>At the time of the follow-up, the Ministry was unable to provide a timeline to bring forward a proposal for the government's consideration.</p>

Committee Recommendation	Status Details
<p>Recommendation 12</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery, in order to promote transparency and inform condo purchasers and owners, should:</p> <ul style="list-style-type: none"> • enable the Condominium Authority of Ontario to collect and publish relevant information to identify condo corporations where non-resident directors or directors with commercial interests form the majority on condo boards; • analyze this information and determine if increased protections are required for condo owners who reside in their units; Status: Little or no progress. • require members of the board of directors to either own a unit or live in a unit. Status: Little or no progress. 	<p>As mentioned in the first action item under Recommendation 9, the Ministry is evaluating its approach to this recommendation in the wake of the condominium shooting tragedy that occurred in December 2022.</p> <p>At the time of the follow-up, the Ministry was unable to provide a timeline to bring forward a proposal for the government's consideration.</p> <p>The Ministry indicated that this recommended action would require extensive consultation with the public and stakeholders to develop a proposal for legislative and/or regulatory amendments for the government's consideration. Subject to direction, the Ministry plans to implement this action item by December 2026 by bringing forward a proposal for the government's consideration.</p> <p>Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes.</p>

Committee Recommendation

Status Details

Recommendation 13

The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should work with the Condominium Authority of Ontario to include key areas (including, but not limited to, condo fees, repairs to common areas, board misconduct, fraudulent board elections, short-term rentals, property management, and reserve funds) within the Condominium Authority Tribunal's jurisdiction.

Status: In the process of being implemented in phases, including by bringing forward a proposal for the government's consideration by March 2024.

The Ministry indicated that this recommendation would require regulatory amendments. The Ministry, in June 2021, consulted with key stakeholders on further expanding the Tribunal's jurisdiction to include disputes related to nuisances such as unreasonable smoke, odour, light, vibration and noise. In September 2021, the Ministry received government approval of the required regulatory amendments. Effective January 1, 2022, the Tribunal's expanded jurisdiction related to nuisances came into force via Ontario Regulation 654/21, which amended O. Reg. 48/01 (General) under the *Condominium Act, 1998*.

In August 2021, the Minister requested that the Condo Authority host public consultations in the fall of 2021 on the following topics:

- further expanding the Tribunal's jurisdiction to encompass additional types of disputes;
- the effectiveness and efficiency of the Tribunal processes;
- best practices the Tribunal could consider; and
- the Tribunal as part of the Condo Authority.

The Condo Authority conducted the consultations in October 2021 utilizing a variety of methods to collect feedback on expansion of the Tribunal's jurisdiction from the condominium sector, including:

- issuing a mass email blast to the more than 41,000 contacts in the Condo Authority's database;
- posting information regarding the consultations on the Condo Authority's social media channels and website;
- promoting a survey that was made available on the Condo Authority's website; and
- hosting three public virtual roundtables in October 2021.

The Condo Authority submitted a final report on the analysis of the public consultations to the Minister in February 2022. Based on the analysis, some stakeholders suggested that the government should give the condominium sector time to adjust and proclaim the yet-to-be-proclaimed sections gradually or sequentially.

Others suggested that the government proclaim all outstanding sections of the act as soon as possible but in a phased manner and provide advanced notice to reduce impact or disruption to the sector.

Subject to government direction, the Ministry intends to bring forward a new policy proposal for the government's consideration by the end of March 2024, and in phases thereafter. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory changes. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare draft regulatory amendments for government approval.

Committee Recommendation	Status Details
<p>Recommendation 14</p> <p>The Standing Committee on Public Accounts recommends that the Condominium Authority of Ontario, in order to provide access to information and transparency, should work with the Ministry of Public and Business Service Delivery to expand and enable the right of condo owners to access information about their condominium corporation and the names of members of the board of directors.</p> <p>Status: Little or no progress.</p>	<p>The Ministry is the lead for implementing this recommendation as it may require legislative and/or regulatory amendments.</p> <p>The Ministry indicated that extensive consultation with the public and stakeholders will need to be conducted. Subject to government direction, the Ministry plans to implement this recommendation by the end of June 2024 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes.</p> <p>If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.</p>
<p>Recommendation 15</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should work with the Condominium Authority of Ontario (including the Condominium Authority Tribunal) and the Ministry of the Attorney General to implement best practices around equal legal representation.</p> <p>Status: In the process of being implemented by March 2024.</p>	<p>The Ministry reported that implementing this recommendation may require legislative and/or regulatory amendments.</p> <p>In August 2021, the Minister requested the Condo Authority host public consultations in the fall of 2021 on matters relating to the Condominium Authority Tribunal, including tribunal best practices. The Condo Authority conducted the public consultations in October 2021 and submitted a consultation summary to the Ministry in February 2022. The Condo Authority is working with the Ministry on its plan to implement best practices. From these public consultations, the Ministry determined that there was generally no consensus among participating stakeholders on the proposal of equal legal representation. There were also concerns expressed with respect to who would bear associated legal fees.</p> <p>The Ministry indicated that it has undertaken a preliminary review of British Columbia's Civil Resolution Tribunal model and that further work would be required with Ontario's justice sector. The Ministry stated that it intends to implement this recommendation by the end of March 2024 to bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.</p>

Committee Recommendation	Status Details
<p>Recommendation 16</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should provide protection for condominium owners and buyers by:</p> <ul style="list-style-type: none"> providing the Condominium Authority of Ontario with inspection, investigation, and enforcement powers to ensure compliance with the law; Status: Little or no progress. working with the Condominium Authority of Ontario to determine performance measures regarding fulfilling its mandate. Status: Fully implemented. 	<p>The Ministry indicated that this recommendation is complex and any changes to address this recommendation may require legislative and/or regulatory amendments. To proceed with the recommendation, the Ministry would need to undertake extensive consultation with the public and stakeholders.</p> <p>Subject to government direction, the Ministry plans to implement this recommendation by December 2024 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes.</p> <p>If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.</p> <p>On February 21, 2023, the Minister issued a letter and advised the Board Chair of the Condo Authority that the performance measures proposed by the Condo Authority were approved. The performance measures and targets are as follows:</p> <ul style="list-style-type: none"> 80% of survey respondents are "satisfied" or "very satisfied" with the Condo Authority's information services; 95% of Ontario condominium corporations have filed their current condominium returns; 85% of board directors are "satisfied" or "very satisfied" with the directors' training; and 90% of the Tribunal decisions are released within 30 days of completion of a Stage 3 hearing.
<p>Recommendation 17</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should strengthen the powers and penalties for regulating the condo sector. Status: Little or no progress.</p>	<p>The Ministry indicated that implementing this recommendation may require legislative and/or regulatory amendments.</p> <p>The Ministry reported that, although it was committed to conducting by December 2024 a cost/benefit analysis of strengthening the powers and penalties for regulating the condo sector, similar to those used by other jurisdictions, it will take until December 2026 to bring forward a policy proposal for the government's consideration.</p> <p>Again, implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes.</p>
<p>Recommendation 18</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should protect condominium owners and purchasers by seeking proclamation of the provisions of the <i>Condominium Act, 1998</i> not yet in force. Status: In the process of being implemented in phases, including by bringing forward a proposal for the government's consideration by March 2024.</p>	<p>The Ministry indicated that implementing this recommendation may require developing regulatory amendments to support the proclamation of provisions under the <i>Protecting Condominium Owners Act, 2015</i> (Act).</p> <p>Refer to the third action item in Recommendation 1 about the Ministry progress on the policy-related work in this area.</p> <p>As indicated, subject to government direction, the Ministry intends to bring forward a new policy proposal for the government's consideration by the end of March 2024 and in phases thereafter. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory changes. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare draft regulatory amendments for government approval.</p>

Committee Recommendation	Status Details
<p>Recommendation 19</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should determine the feasibility of combining the Condominium Authority of Ontario and the Condominium Management Regulatory Authority of Ontario by:</p> <ul style="list-style-type: none"> • assessing the costs and benefits of a single point of contact for condo owners and purchasers; Status: Little or no progress. • positioning the Condominium Authority Tribunal outside of the new Authority. Status: In the process of being implemented by December 2024. 	<p>The Ministry has not yet begun any work on this recommendation. Subject to the Minister's direction, the Ministry intends to, by December 2024, conduct jurisdictional research, policy analysis, risk analysis, and targeted internal consultations, as appropriate; and conduct external targeted and broader stakeholder/public consultations as necessary.</p> <p>In August 2021, the Minister requested that the Condo Authority host consultations in the fall of 2021 on matters relating to the Tribunal, including the positioning of the Tribunal as part of the Condo Authority.</p> <p>The Condo Authority conducted the consultations in October 2021 and submitted a consultation summary to the Ministry in February 2022. Based on comments from these consultations, the Ministry found that most participating stakeholders supported the Tribunal remaining part of the Condo Authority. They noted that having the Tribunal as part of the Condo Authority:</p> <ul style="list-style-type: none"> • is cost-efficient; • prevents an additional layer of bureaucracy; • creates synergies in terms of education by enabling the Condo Authority to integrate training/lessons learned from the Tribunal; and • provides a single point of contact for the public/users. <p>However, some respondents expressed concerns regarding potential conflicts of interest and the independence of the Tribunal.</p> <p>Subject to the Minister's direction, the Ministry intends to, by December 2024, conduct jurisdictional research, policy analysis, risk analysis, and targeted internal consultations, as appropriate; and conduct external targeted and broader stakeholder/public consultations as necessary.</p>

Committee Recommendation

Status Details

Recommendation 20

The Standing Committee on Public Accounts recommends that the Condominium Management Regulatory Authority of Ontario should measure its performance and increase public awareness of its effectiveness by:

- establishing targets for key performance indicators;

Status: Fully implemented.

- reviewing its performance and publishing results in an annual report;

Status: Fully implemented.

- taking corrective action when results do not reach targets.

Status: Fully implemented.

The Management Regulatory Authority, in consultation with the Ministry, established performance measures and targets for key service areas for licensing, education and complaints. These performance measures were published in its annual business plan. For example, the latest business plan (2023/24) states the following performance measures and targets:

- conduct 30 proactive inspections of condominium managers and management service provider businesses by March 31, 2024;
- implement a continuing professional education program for new and existing general licence holders by July 1, 2023;
- 80% of licensees are satisfied with the service levels;
- 80% of consumers are satisfied with the Authority's complaint-handling process;
- 95% of complete applications for a licence processed within service standards (with five, 10 and 30 business days for limited licences, general licences and management provider licences, respectively); and
- 80% of complaints are assessed within published service standards of 60 business days, with 95% receiving an initial response within five business days.

The Management Regulatory Authority has been reviewing its performance and publishing results in its annual report. For example, the latest annual report (2022/23) reported the following results:

- conducted 12 proactive inspections by March 31, 2023, (on target);
- announced a continuing education framework by November 2022, on target;
- 96% (vs. target 80%) of licensees reporting satisfaction with service levels;
- 76% (vs. target 80%) of consumers satisfied with the Management Regulatory Authority's complaints-handling process;
- between 98% and 100% (vs. target 95%) of complete applications for a licence processed within service standards of five, 10 and 30 business days for limited licences, general licences and management-provider licences, respectively; and
- 81% of complaints assessed within published service standards of 60 business days (target 80%), with 96% of complaints provided with an initial response within five business days (target 95%).

Since our last audit, the Management Regulatory Authority, in response to underperforming with regard to its initial five-day response to complainants' service standard, adjusted its business process such that the initial response to complainants would be performed at the point of intake. Previously, this function was performed by complaint co-ordinators after they were assigned the file. This process change was implemented in January 2022 and has resulted in improved performance against the standard to 97%, compared to a standard of 80%, as of March 2022. For the remaining complaint service standards, the Management Regulatory Authority upgraded its customer relationship management system in September 2022 by implementing a new dashboard that its complaint staff can use to monitor the status of complaints. This allows staff to better track and organize their files, and take any corrective action as needed.

For the licensing service standards, the Management Regulatory Authority analyzed cases that had missed the service standards and used the information to establish a standardized list of reasons in October 2022 that will be used to track why the processing of licence applications fail to meet the standards. This information now informs the Management Regulatory Authority to determine the course of actions needed.

Committee Recommendation	Status Details
<p>Recommendation 21</p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Public and Business Service Delivery should reach an agreement with the Condominium Management Regulatory Authority of Ontario on appropriate performance measures regarding fulfilling its mandate.</p> <p>Status: Fully implemented.</p>	<p>On February 21, 2023, the Minister issued a letter and advised the Board Chair of the Management Regulatory Authority that the performance measures proposed by the Authority were approved. The performance measures and targets are as follows:</p> <ul style="list-style-type: none"> • conduct 30 proactive inspections of condominium managers and management service provider businesses by March 31, 2024; • implement a continuing professional education program for new and existing general licence holders by July 1, 2023; • 80% of licensees reporting satisfaction with the service levels; • 80% consumer satisfaction rate with the Management Regulatory Authority's complaint-handling process; • 95% of complete applications for a licence processed within service standards (with five, 10 and 30 business days for limited licences, general licences and management provider licences, respectively); • 80% of complaints assessed within the published service standards of 60 business days; and • 95% of complaints receiving an initial response within five business days.