



# CMRAO's Implementation Plan

on the Auditor General of Ontario's  
Recommendations

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February 2021

## Message from the Chief Executive Officer and Registrar

On December 7, 2020, the Office of the Auditor General of Ontario (Auditor General) released its 2020 annual report. The report included the results of the Auditor General's value-for-money audit of [condominium oversight in Ontario](#), and provided the CMRAO with recommendations in four key areas:

1. Sharing data with the Condominium Authority of Ontario (CAO) to support proactive identification of unlicensed individuals or companies providing condominium management services and bringing them into compliance
2. Enhancing the CMRAO's complaints handling and resolution process
3. Enhancing the CMRAO's inspection program by conducting proactive, risk-based, standardized inspections
4. Setting targets and publicly reporting on key activities within the CMRAO's legislated mandate

We appreciate these recommendations, which are consistent with the CMRAO's strategic direction, and which will help to enhance our existing processes and operations.

The CMRAO is committed to ensuring the integrity of our regulatory system and compliance with the *Condominium Management Services Act, 2015*. Since November 1, 2017, when the CMRAO began operations, we have made great strides in raising awareness of the mandatory licensing program, transitioning the unregulated sector to the new regulated environment, and establishing a series of effective compliance programs. We will consider the Auditor General's report and recommendations as we continue to refine our service delivery and strengthen our role as a modern regulator in Ontario's rapidly expanding condominium sector.

This implementation plan outlines the steps that the CMRAO will take to address the Auditor General's recommendations, including timelines for implementation. Most of the recommendations will be implemented in 2021 and complements work which is already underway. The CMRAO will continue to work collaboratively with the CAO and the Ministry of Government and Consumer Services to reinforce the framework that protects Ontario's condominium communities.

**Ali Arlani**

Chief Executive Officer and Registrar

**Unlicensed Practice**

**Partially Completed**

**Report Recommendation 5**

As required under the *Condominium Management Services Act, 2015* (CMSA), to enforce that only valid licence holders perform condo management services, we recommend that the Condominium Management Regulatory Authority of Ontario work with the Condominium Authority of Ontario (CAO) to:

<ul style="list-style-type: none"> <li>regularly share the data on property managers and management companies collected by both authorities;</li> </ul>	<b>Completed</b>
<ul style="list-style-type: none"> <li>reconcile and confirm the completeness and accuracy of the data;</li> </ul>	<b>In progress</b>
<ul style="list-style-type: none"> <li>identify the names of property managers and management companies that are not licensed; and</li> </ul>	<b>In progress</b>
<ul style="list-style-type: none"> <li>follow up with the condo boards that employ the unlicensed managers and companies, find out whether they are providing unlicensed services and receiving compensation, and take appropriate enforcement actions under the CMSA.</li> </ul>	<b>In progress</b>

**Steps Taken:**

- Implementation of IT solutions that enable CMRAO to proactively identify potential unlicensed practice
- Categorization and data analysis of discrepancies identified in the data held by the CMRAO and the CAO about potential unlicensed condominium managers and management provider businesses
- Investigation of approximately 30% of cases of discrepancies identified in the report, including contacting relevant licensees and condominium corporations where potential unlicensed practice has been identified
- Publication of initial results on the [CMRAO website](#)

**Next Steps:**

- CMRAO will investigate all individuals and businesses that have identified themselves as condominium managers or management provider businesses in the CAO filings and take the appropriate compliance actions
- CMRAO will publish the results of investigations
- CMRAO will monitor the 2021 and future CAO filings to identify any non-compliance

**Implementation Timeline**

This recommendation will be fully implemented in 2021.

## Complaints Handling Processes

In progress

### Report Recommendation 6

To support the appropriate and timely resolution of issues brought forward by condominium owners, we recommend that the Condominium Management Regulatory Authority of Ontario:

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|--|--------------------|
| <ul style="list-style-type: none"> <li>track and summarize the types of actions taken and outcomes for all complaints, and produce periodic summaries for review by management; and</li> </ul>     | <p>In progress</p> |
| <ul style="list-style-type: none"> <li>establish a formal policy that defines the type of actions that should be taken based on the nature of the complaints and the issues they raise.</li> </ul> | <p>In progress</p> |

### Steps Taken:

- CMRAO currently tracks all complaints received and records all interactions that staff have with complainants, respective condominium managers, and management provider businesses

### Next Steps:

- CMRAO will refine processes and enhance reports generated by the case management system that tracks the types of complaints and the actions taken
- CMRAO will develop new policies, in consultation with the [CMRAO Advisory Committee](#), that will identify the types of actions that should be taken for specific types of complaints

### Implementation Timeline

Formal policies will be in place by December 31, 2021. Implementation will begin on January 1, 2022.

The CMRAO Advisory Committee was established by the Board of Directors to provide the CMRAO with direct input on issues of importance to consumers. Members of the Advisory Committee were selected from across the province and represent different perspectives of Ontario's condominium community (including, but not limited to condominium owners, directors, managers, lawyers, and accountants) who offer services to condominium corporations.

The Advisory Committee consists of twenty members – half the members are licensed condominium managers, and half represent the broader condominium community. The Advisory Committee is regularly consulted by the CMRAO on key issues related to the condominium sector.

<b>Report Recommendation 7</b>	
<p>To monitor and confirm that condominium property managers and companies are complying with the key requirements under the <i>Condominium Management Services Act, 2015</i> and its regulations, we recommend that the Condominium Management Regulatory Authority of Ontario:</p>	
<ul style="list-style-type: none"> <li>• develop and use an inspection checklist to carry out full inspections of property managers and/companies rather than only addressing the issues within a complaint;</li> </ul>	<b>Not yet initiated</b>
<ul style="list-style-type: none"> <li>• develop a plan to carry out proactive inspections of selected property managers and companies based on a risk-based framework based on inspection results, areas of noncompliance, statistical trends, and other risk factors; and</li> </ul>	<b>Not yet initiated</b>
<ul style="list-style-type: none"> <li>• conduct regular proactive inspections and take appropriate disciplinary actions if required.</li> </ul>	<b>Not yet initiated</b>

**Steps Taken:**

- CMRAO currently performs inspections based on complaints it has received, and has conducted inspections on areas, such as fraud and financial mismanagement, failure to turn over condominium records, unlicensed practice, failure to provide services in accordance with the licensee’s contract, and other areas of professional misconduct
- CMRAO has reviewed the risk-based compliance approaches of other regulatory bodies, such as the Technical Standards and Safety Authority, Professional Engineers of Ontario, and the Alcohol and Gaming Commission of Ontario

**Next Steps:**

- 2021
  - CMRAO will develop options for a risk-based proactive inspection program
  - CMRAO will develop standardized checklists for inspections of key areas identified under the CMSA with expected implementation beginning January 2022
- 2022
  - CMRAO will complete consultations, develop implementation plans, and begin a pilot project of inspections based on standardized approaches and checklists
- 2023
  - CMRAO will implement a risk-based proactive inspection program

## **Implementation Strategy**

The CMRAO will undertake consultation with the industry, the CMRAO Advisory Committee, and the Ministry of Government and Consumer Services (MGCS) in developing the policies and implementation options for this recommendation.

## **Implementation Timeline**

This recommendation will be fully implemented within the next three years as a result of the substantive consultation and analysis required.

**Performance Indicators**

**In Progress**

**Report Recommendation 19**

To measure its own achievements and to inform the public on the effectiveness of its key activities, we recommend that the Condominium Management Regulatory Authority of Ontario:

<ul style="list-style-type: none"> <li>establish appropriate targets for performance indicators for its key activities, including time taken to process condo manager licence applications and time taken to resolve complaints against licensed managers;</li> </ul>	<b>In progress</b>
<ul style="list-style-type: none"> <li>collect the data relevant to the targets established;</li> </ul>	<b>In progress</b>
<ul style="list-style-type: none"> <li>assess its performance against the targets periodically;</li> </ul>	<b>In progress</b>
<ul style="list-style-type: none"> <li>provide the Minister of Government and Consumer Services and the public with its performance results; and</li> </ul>	<b>In progress</b>
<ul style="list-style-type: none"> <li>take corrective action when actual results do not meet targets.</li> </ul>	<b>In progress</b>

**Steps Taken:**

- CMRAO currently collects data related to licensing application and complaint processing timelines
- CMRAO regularly analyzes and monitors the performance of key activities, such as licence application and renewal application processing times, and complaints resolution
- CMRAO has collected consumer satisfaction data to measure performance through consumer and stakeholder surveys since it began operations

**Next Steps:**

- CMRAO will identify additional public performance measures and targets for key CMRAO service areas (licensing, education, and complaints) in consultation with the MGCS, and publish them in the 2021–22 business plan
- CMRAO will assess and publish the results in the 2021–22 annual report

**Implementation Timeline**

This recommendation will be fully implemented in 2021, and the results will be reported in the CMRAO’s 2021–22 annual report.

## Report Recommendations Summary

Recommendation	Recommendation Area	Status
5.1	Unlicensed Practice	
5.2	Unlicensed Practice	In progress
5.3	Unlicensed Practice	In progress
5.4	Unlicensed Practice	In progress
6.1	Complaints Handling Processes	In progress
6.2	Complaints Handling Processes	In progress
7.1	Inspections Program	Not initiated
7.2	Inspections Program	Not initiated
7.3	Inspections Program	Not initiated
19.1	Performance Indicators	In progress
19.2	Performance Indicators	In progress
19.3	Performance Indicators	In progress
19.4	Performance Indicators	In progress
19.5	Performance Indicators	In progress

