

Realty Services Audit

Corporate Services Department
Corporate Business Services Division
Realty Services Section

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Responsibility

Acquisitions	Disposals	Leasing	Appraisals
Easements	Encroachments	Expropriations	Other agreements

Mandate

“Acquisition and Disposal of Interests in Real Property Policy” 05-04-01

“Real Estate Delegation of Authority By-Law” 0136-2022

Services Delivered in 2022

1,003 agreements, combined value ≈ \$7.5 million

3 properties acquired, combined value ≈ \$5.4 million

238 real property appraisals, combined value ≈ \$968 million

In Scope

Controls related to acquisitions, disposals, easements, and appraisals (2021 and 2022)

Out of Scope

Leases, licenses, consents to enter and encroachment agreements

Business Objectives

- Consistency with City-mandated programs, projects, policies and strategic plans
- Acting in a transparent, fair and open manner
- Transactions conducted in accordance with applicable policies and by-laws along with federal and provincial legislation

Well-Established Areas

- Governance Framework
- Collaboration and Communication

Areas of Improvement

7 Observations - 14 Recommendations

- Restrict Access to Confidential Information
- Formalize Recent Changes in Corporate Reporting
- Enhance Realty Services Requests Intake

- Update and formalize Standard Operating Procedures
- Ensure the Quality of External Appraisals
- Improve the Oversight and Monitoring of Realty Transactions
- Improve Management of Realty Documents and Files

Observations



- Five draft SOPs; three were in scope of this audit
- SOPs provide process clarification, ensure consistency and alignment
- SOPs were at different levels of development; six gaps were identified

Recommendations



- Update SOPs to address findings
- Include new aspects highlighted in other observations
- Finalize and formalize SOPs

Management Comments



- Have been proactively working on the SOPs
- Agree with the recommendations
- Will prioritize the work to finalize SOPs (target completion June 2024)

Observations



- Four inconsistencies in the external appraisal processes among SOPs
- In one instance, the Realty Team rectified an inaccurate external appraisal
- Qualified Appraisers List was not being utilized effectively

Recommendations



- Determine a consistent third-party appraisal process
- Document a process to evaluate appraisers (post completion) and update the Qualified Appraisers List accordingly

Management Comments



- Compensating controls are applied through management supervision
- Constraints due to limited number of appraisers/unique aspects of properties
- Agree with the recommendations (target completion June 2024)

Observations



- Realty work is being tracked using individual Excel files
- Realty Services Requests List does not support tracking progress
- Challenge for Manager/Supervisors to oversee thousands of ongoing requests

Recommendations



- Adopt a method/tool that provides visibility about realty files including progress, delays, issues, bottlenecks, or other “flags” for intervention
- For easier implementation, consider building on existing processes

Management Comments



- Agree with the recommendation
- Will work with IT to use the database of the Realty Services Requests List to establish a tracking tool (Target Completion June 2024)

Observations



- Realty documents include confidential, personal and financial information
- Different storage mediums are being used, inconsistently among staff
- This introduces operational and confidentiality challenges

Recommendations



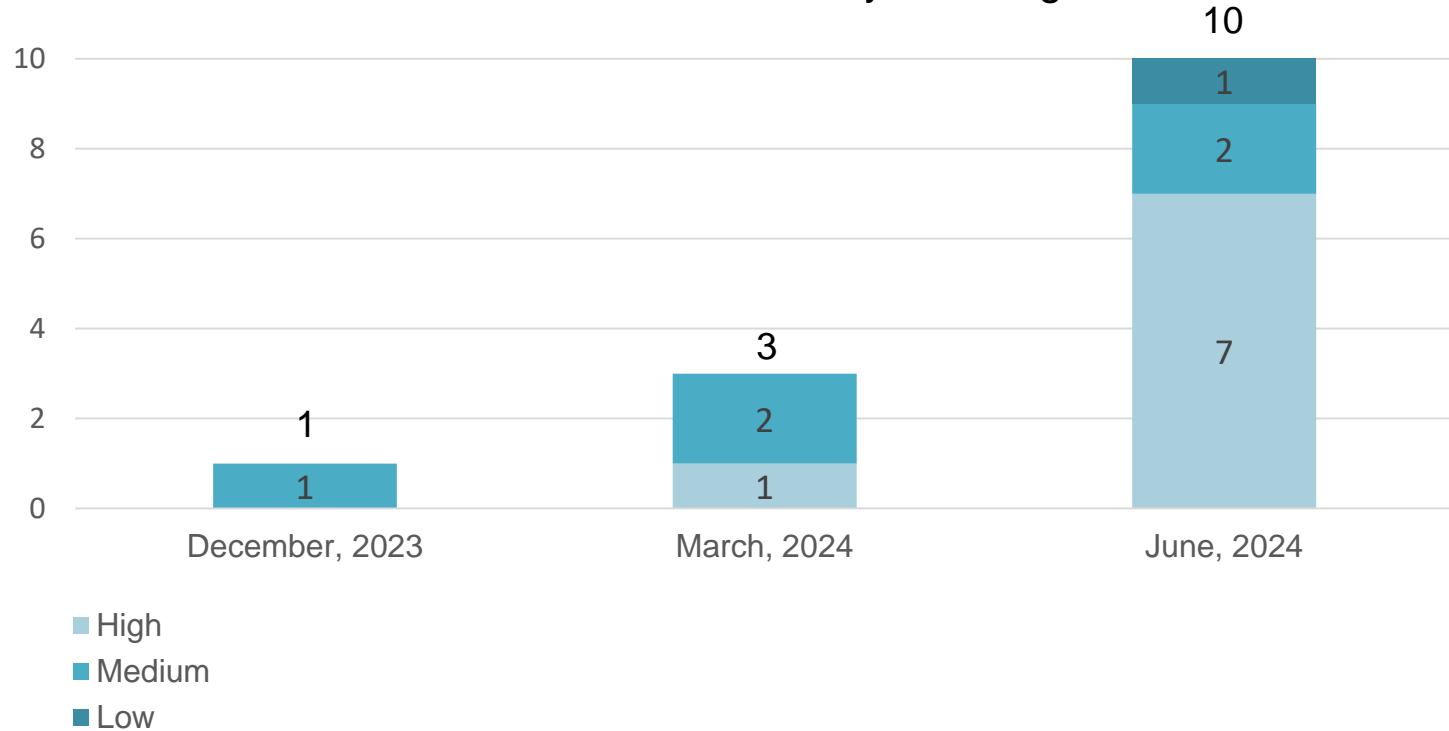
- In the short term, recommended steps to enhance document controls, migrate files to SharePoint, establish consistent folder structures, and train staff
- In the long term, acquire a document management software

Management Comments



- Agree to establish the short-term strategy (Target Completion June 2024)
- Will explore using iManage Document & E-mail Management System, with consideration that a software from Peel Region may be available

Recommendations: Priority and Target Date



Thank you