

Real Estate Branch Audit

Recommendation

That the April 16, 2021, Office of the City Auditor report OCA00511, be received for information.

Executive Summary

This report presents the results of the Real Estate Branch audit.

Report

The Real Estate Branch (the Branch) is a part of the Financial and Corporate Services Department, and is responsible for governing real estate with a strategic and integrated city-wide lens. They assist the City with planning and development, land acquisition and sales, real estate inventory and governance, appraisals, leasing and property management.

This audit had three objectives:

1. To determine if the Branch is effectively managing City property.
2. To determine if the City's Land Inventory Database is effectively administered.
3. To determine if the Branch is effectively and efficiently managing the City's surplus property holdings.

Overall, the Branch can improve the effectiveness of its property management function. Specifically:

- Property Manager roles and responsibilities can be clarified to ensure consistent application.
- The Branch is creating leases with appropriate terms. However it needs to standardize requirements related to performing and documenting lease creation activities, and centralize data storage.
- The Branch does not have performance measures in place for all sections, and those that are in place have not been updated since early-2020.

We made recommendations to address each of the areas for improvement.

Generally, the Branch is effectively managing the City's Land Inventory Database. The information in the Land Inventory Database was reliable and entered and updated in a timely manner. Although the Branch is effectively managing the Land Inventory Database, some processes in use as part of managing the database are not currently

documented and we made a recommendation to improve process documentation.

Overall, the Branch is effectively and efficiently managing the City's surplus property holdings. The process to identify and manage surplus properties is clear and documented. While the Branch performs ongoing inventory reviews, it did not produce an annual report of the City's land holdings as required by the City's Land Management Guidelines. This type of report is useful in providing information for high-level governance activities, and we made a recommendation to ensure that this report is produced.

Policy

Bylaw 16097, Audit Committee Bylaw, Section 14(d) states that, "Committee will review all reports from the City Auditor dealing with completed audit projects."

Public Engagement

Public engagement was not required for this report.

Attachment

1. Real Estate Branch Audit Report