

**Management’s Response to the Auditor General’s Review of  
Appraisal Services Unit – Opportunities for Improving Economy, Efficiency and Effectiveness**

<u>Rec No</u>	<u>Recommendation</u>	Agree (X)	Disagree (X)	<u>Management Comments:</u> <i>(Comments are required only for recommendations where there is disagreement.)</i>	<u>Action Plan/ Time Frame</u>
1.	<b>City Council request the Chief Corporate Officer to review the Parks Levy Appraisal Fee structure to ensure that costs are being reasonably recovered and that fees are revised annually to account for inflationary impacts on costs.</b>	x			The Parks Levy Appraisal Fee Structure will be reviewed in Q2 of 2013, together with a mechanism to account for inflationary impacts on costs, with a plan to implement any possible increases for the 2014 Budget process.
2.	<b>City Council request the Chief Corporate Officer, in the review of the appraisal fee structure, to explore opportunities for enhancing recoveries from applicants in instances where external appraisal costs exceed \$6,000.</b>	x			Appraisal Services Unit will explore opportunities for enhancing recoveries for external appraisal costs, to develop an overall cost recovery model for appraisal fees as part of the 2014 Budget Process.
3.	<b>City Council request the Chief Corporate Officer, in the review of the appraisal fee structure, to consider the recovery of additional appraisal fees from applicants when additional costs are incurred as a result of applicant action/inaction.</b>	x			The Parks Levy Appraisal Fee Structure review will include an appropriate additional fee structure for the limited number of cases where subsequent appraisal work/fees are incurred as a result of an applicant's action/inaction as part of the 2014 Budget process.

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4.	<b>City Council request the Chief Corporate Officer to review the adequacy of the reconciliation and monitoring processes over appraisal fee recoveries to ensure that amounts are accurate and that variances are reasonably explained.</b>	x			FRE will monitor and reconcile appraisal fees on a quarterly basis and provide a report to the Chief Corporate Officer.
5.	<b>City Council request the Deputy City Manager and Chief Financial Officer to ensure that the accounting for the \$0.9 million of parks levy payments originating prior to 2009 be resolved as soon as possible.</b>	x			Accounting Services will resolve the Parks Levy payments in Quarter 1, 2013.
6.	<b>City Council request the Chief Corporate Officer to document Appraisal Services’ operational policies and procedures, and ensure that any policies regarding the usage of external appraisers is aligned with the City’s Conflict of Interest Policy.</b>	x		Appraisal Services Unit follows policies and procedures that are based on industry real estate practices.	Appraisal Services Unit will consolidate and document operational policies and procedures in 2013.

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7.	<b>City Council request the Chief Corporate Officer to regularly monitor the targeted completion dates for appraisal requests to ensure that appraisal results are provided in a timely manner consistent with internally established guidelines.</b>	x		The increased volume in appraisals is primarily due to the 2011 Harmonized CIL of Parkland By-law. One additional staff was hired January 2013 to help manage the work load.	Appraisal Services Unit has already met with Facilities Business Systems Team to develop solutions and implement changes to SAP by Q3, to better track completion dates for appraisal files.
8.	<b>City Council request the Chief Corporate Officer to assess the merits and feasibility of implementing system enhancements to improve the functionality in SAP to better serve management's needs.</b>	x			As above.