

Item	Action Type	Audit Recommendation	Management Response (Condensed)	Initial Estimated Completion	Status as of August 2025	Status as of March 2026
				Grey shading represents Actions that have been completed		
AUD24005 – Corporate Real Estate: Leases and Licensing Audit						
1	Systems	That the Corporate Real Estate Office investigate how best to deploy its suite of system solutions, in order to improve the security and reliability of data, and administration of leases. This would involve an assessment of their current state of functionality as against administration needs, the feasibility of making improvements to ARCHIBUS and to the use of SharePoint technology (i.e. TRACKER), vs the costs and benefits of acquiring an integrated solution, and possibly the use of Enterprise Asset Management (Appendix A to Report AUD25008, paragraph 32-39)	Corporate Real Estate Office has begun to investigate system solutions that address real estate and portfolio management functions corporate wide, with a view to lease administration. Connectivity to related facilities operational management and space management, Enterprise Asset Management, and critically integration with financial systems, are important elements under consideration. Archibus, once it becomes available, and other tools will be used in the interim, while a business case is prepared for dedicated resources to address the need. Both a permanent solution and interim measures need to be addressed. *	Q4 2024 for budget approval / Q4 2025 for interim measures / 2026+ for permanent solutions	Investigation underway and will be a priority of the Lease Administration Team in Q3 and Q4 2025.	Q4 2026 – Lease Administration Team has created an interim SharePoint list that is shareable with internal City staff for visibility and data management of leases and licenses. A business case has been submitted and the procurement process has begun to implement a permanent data management system for tracking agreements.

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2	Oversight Structure and Service Level Agreements / Systems	That the City of Hamilton Corporate Real Estate Office evaluate alternatives to improve the administration of leases and licenses including the efficacy of centralized administration and the use of, or enhancement with, software solutions that are available internally or in the marketplace (Appendix A to Report AUD25008, paragraph 40-46).	As noted in the report, recommendations respecting the implementation of a centralized model of lease administration have been provided by an independent consultant. Key to these recommendations is dedicated staff resources to establish the framework, systems, and tools necessary to ensure a wholistic approach. A centralized model does not alleviate the need for the integration of supporting functions (legal, finance) and responsibility of "Asset Owners" and "Asset Managers" under the city's new Asset Management framework. Further noted is the report's acknowledgement that there may be circumstances under which elements of administration may functionally reside within a program (e.g., Recreation) area while deploying an overall consistent approach and centralized oversight.*	Q4 2024 for budget approval / Q4 2025 for interim measures / 2026+ for permanent solutions	With Budget 2025 approval of 3 FTEs, recruitment for the Lease Administration Team has been completed. The 3 new positions start effective mid-August.	Completed – August 2025.

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3	Oversight Structure and Service Level Agreements	That Corporate Real Estate Office work with Facilities Management to update the Business Agreement to provide greater clarity with respect to responsibilities, and to add detail with respect to Legal Services’ involvement and the renewal of leases (Appendix A to Report AUD25008, paragraph 40-46).	Current service level agreements between Corporate Real Estate Office and Corporate Facilities and Energy Management are under review respecting functions, roles, and responsibilities. Integration with Finance and Legal processes will be incorporated.	End of Year 2024	Discussions ongoing; service level agreements will be further developed as the new centralized model is implemented in Q3 and Q4 2025.	Q3 2026 – Service Level Agreement discussions to be completed and agreements updated or established this year.
4	Oversight Structure and Service Level Agreements	That the Corporate Real Estate Office and the Recreation Division develop an accountability document or “Business Operating Agreement” to more clearly define cooperative roles and responsibilities with respect to Licence administration (Appendix A to Report AUD25008, paragraph 40-46).	Corporate Real Estate Office and Recreation will establish appropriate agreements consistent with current operating model and authorities. Integration with facilities management functions, Finance and Legal processes will be incorporated.	Q1 2025	Discussions ongoing; service level agreements will be further developed as the new centralized model is implemented in Q3 and Q4 2025.	Q4 2026 – Business Operating Agreement discussions to be completed and updated this year.

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5	Data Management	That Corporate Real Estate Office, in partnership with Recreation Division, develop a strategy and implementation plan for improving the management of license data to ensure there is one single source of “truth” and clear accountability for information about the existence and status of licenses (Appendix A to Report AUD25008, paragraph 40-46).	Recreation Division has initiated an internal review of its license data. As part of Recommendation #4 workplan, Corporate Real Estate Office and Recreation will cooperate with Corporate Facilities and Energy Management (manages ARCHIBUS system corporately) on data integrity on an interim basis, subject to Management Response 1 and 2.	Q1 2025	Cross-departmental review and reconciliation has been completed; data management practices continue to be reviewed in conjunction with system reviews.	Q2 2026 – Lease Administration Team has created an interim SharePoint list that is shareable with internal City staff for visibility and data management of leases and licenses. This list includes data received from Recreation, Parks and Corporate Facilities and Energy Management, among others.

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6	Policies and Procedures	That Corporate Real Estate Office management review and renew the current criteria and processes for below market leases and licenses, for improvement opportunities and consistency with City policies (Appendix A to Report AUD25008, paragraph 47-50).	The city requires an updated policy related to 3rd party use (lease/license) of city property; incorporating below market rental scenarios (i.e. not for profit, community groups, etc.), distinct from facility use permits, and standardized agreements; clearly articulating criteria and processes, including roles and responsibilities among city divisions; and addressing capital and operating funding implications.	Q1 2026	Review has been initiated and will be further advanced following the establishment of the Lease Administration Team. Completion estimated in Q1 2026.	Q1 2027 – Research, benchmarking, and internal discussions with interdepartmental divisions have taken place to formulate the broader Lease Administration policy to be brought to Council at the appropriate time.
7	Policies and Procedures	That Corporate Real Estate Office management develop a process for making below market rental arrangements transparent to the public (Appendix A to Report AUD25008, paragraph 47-50).	Currently all below market leases and licenses require approval by City Council, including any renewals or extensions, as they effectively represent grants provided by the city. Additional transparency mechanisms (such as annual reporting on the value of granting activity) will be examined and metrics articulated as part of the policy work identified in Management Response 6.	Q1 2026	Review has been initiated and will be further advanced following the establishment of the Lease Administration Team. Completion estimated in Q1 2026.	Q1 2027 – Research, benchmarking and internal discussions with interdepartmental divisions have taken place to formulate the broader Lease Administration policy to be brought to Council at the appropriate time.

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8	Policies and Procedures	That Corporate Real Estate Office management review and update the delegations of authority for leases and licenses and ensure their inclusion in its official policy documents (Appendix A to Report AUD25008, paragraph 51-54).	Updated delegations are required for all real estate activities, including lease and license administration. There is a corporate work program to update delegated authorities across all departments. The most recent real estate delegations will be incorporated into updated policy and a procedure manual (see Management Response 11) and posted on the city’s intranet along with other corporate policies (e.g., code of conduct, procurement, etc.).	Q3 2025	Review is in progress with estimated completion by Q1 2026.	Q1 2027 – Research and benchmarking analysis has been completed to inform the broader Lease Administration policy to be brought to Council at the appropriate time.
9	Standardized Agreements	That Corporate Real Estate Office management develop and maintain, in consultation with Legal Services, a standardized form of lease agreement that can be used to apply contractual requirements and legal mechanisms with a desirable degree of uniformity and comprehensiveness, and which also affords sufficient flexibility to allow tailoring for different circumstances (Appendix A to Report AUD25008, paragraph 55-60).	Corporate Real Estate Office and Legal will work together to update the current precedent library and establish procedures to enforce the implementation of the use of standardized terms and conditions as appropriate. Where possible, a standardized form of lease agreement will be utilized. It should be recognized that each property, tenant, and nature of occupation requires differences in terms and conditions that cannot fully be addressed in a uniform template, so sufficient flexibility will be required to allow tailoring for different circumstances, as noted by the Office of the Auditor General. Some agreements are quite complex and for which a template is inadequate.	Q3 2025	Development of standardized forms has been initiated and will be further advanced following the establishment of the Lease Administration Team. Completion estimated in Q4 2025 / Q1 2026.	Q3 2026 – Standard clause library has been created. Standardized agreements are being developed, in collaboration with Legal Services, with “non-negotiable” clauses to be included in the template and used for future agreement negotiations.

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10	Data Management	That Corporate Real Estate Office management review older agreements and assess whether they continue to serve the interests of the city efficiently and effectively, and whether the City can and/or should pursue renegotiation, redrafting, or termination in accordance with the existing terms (Appendix A to Report AUD25008, paragraph 55-60).	Corporate Real Estate Office is currently undertaking a strategic review of the city's entire inventory of property, with one lens being site utilization, including third-party use (leases/licenses). As part of this process, existing tenancies and property uses are being examined for fit and compatibility with Council priorities and city objectives. Options and tactics to address identified changes are identified and articulated on a case-by-case basis, recognizing that leases and licenses are contractual agreements that the city may not be in a position to unilaterally amend..	Ongoing	Review is ongoing; reconciliation of cross-departmental lease and license data has facilitated the identification of older agreements that need to be reviewed.	Ongoing – As existing agreements are coming up to expiry or renewal, arrangements are reviewed against the City's current priorities and policies, and agreements reviewed against current precedent documents.
11	Policies and Procedures	That management responsible for lease administration develop and adopt a leasing policy framework supported by standard operating procedures to assist in transitioning their delivery of lease administration and to respond to opportunities for improvement (Appendix A to Report AUD25008, paragraph 61-63).	A leasing policy framework supported by policies and procedures will be developed. A leasing administration policy and procedures manual will also be developed, based on the recommendations provided by an independent consultant and the Recommendations of this Report.*	Q4 2024 for budget approval / Q1 2026 for new framework and processes	Will be advanced following the establishment of the centralized Lease Administration Team. Completion estimated in Q1 2026.	Q1 2027 – Research, benchmarking and internal discussions with interdepartmental divisions have taken place to formulate the broader Lease Administration policy and supporting procedures.

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12	Standardized Agreements	That all lease and license agreements include a provision to regularly increase rent payments by a set rate or the rate of inflation should they go into overhold (Appendix A to Report AUD25008, paragraph 87-88).	In accordance with Management Response 9, Corporate Real Estate Office will work with legal on incorporating a standardized approach and terms for consistent use of overholding provisions within lease and license agreements to ensure the city’s interests are adequately protected. There are certain agreements (Recreation licenses, for example) where annual increases to account for inflationary costs are consistently incorporated. While it is not uncommon to use overholding provisions in agreements to "incentivize" early discussion on renewal/expiry, there are circumstances under which such terms may become either punitive or undesirable (e.g. the city may wish to encourage short-term overholding as an interim measure prior to the city taking back the space for its own use). A leasing policy framework supported by policies and procedures, including information about how to address regularly increasing rent payments by a set rate or the rate of inflation should they go into overhold.	Q3 2025	This recommendation is being considered as part of any agreements currently being negotiated and will be further reviewed as part of the Policies and Procedures development with completion by Q1 2026.	Ongoing/Q1 2027 – As existing agreements are coming up to expiry or renewal, arrangements are reviewed against the City's current priorities and policies, and agreements reviewed against current precedent documents. Research, benchmarking and internal discussions have taken place to formulate the broader Lease Administration policy and procedures.

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13	Policies and Procedures	That Corporate Real Estate Office and its lease/license administrators develop a process to ensure overholds are dealt with more expeditiously (Appendix A to Report AUD25008, paragraph 87-88).	In alignment with Management Response 11, and utilizing the enhanced tools referenced in Management Response 15, procedures addressing proactive approaches to the end of term will be developed. These procedures will be developed to ensure that overholds are addressed promptly, minimizing delays and potential financial or operational risks. Corporate Real Estate Office will lead efforts to identify opportunities for streamlining current processes and improving oversight mechanisms. By implementing a more structured approach to lease and license administration, we aim to increase efficiency and enhance accountability within the organization. Additionally, as outlined in Management Response 2, we recognize that dedicated resources are crucial to effectively manage and execute these improvements. The successful implementation of these enhancements will require focused staff resources to ensure timely actions and oversight of lease and license agreements.*	Q4 2024 for budget approval / Q1 2026 for new processes	As a next step following the completed data reconciliation, interim solutions to monitor expiries have been developed. A permanent solution and process mapping will be developed following the establishment of the Lease Administration Team, in conjunction with the systems review.	Q4 2026 – Lease Administration Team has created an interim SharePoint list that is shareable with internal City staff for visibility and data management of leases and licenses. A business case has been submitted and process has begun to implement a permanent data management system for tracking agreements.

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14	Systems / Data Management	That the accountabilities and processes for updating lease/license information be strengthened to ensure data is more reliable, and timely, with possibly a more robust use and/or implementation of systems that will more accurately and completely track all necessary parameters of leases and licenses information. This should include exploration of enhancements to SharePoint. This information is required by various staff in Real Estate, Legal, Corporate Facilities and Energy Management - Facilities Management and Business Solutions, Finance, and other departments on a more reliable, complete, and timely basis (Appendix A to Report AUD25008, paragraph 87-88).	Consistent with Management Response 1, 2 and 5, we recognize the need for more robust and reliable systems to manage lease and license data effectively. A business case for dedicated resources will be brought forward during the 2025 Capital and Operating Budget submissions. Corporate Real Estate Office has already begun investigating various data management tools and techniques to address the challenges associated with lease and license administration. In collaboration with key stakeholders, including Legal, Corporate Facilities, Energy Management, Finance, and other departments, Corporate Real Estate Office will focus on strengthening accountability across all teams involved. This will ensure that the necessary information is accessible, reliable, and updated in a timely manner. In addition to long-term solutions, we will explore enhancements for potential interim solutions to improve tracking and management of leases and licenses. Where possible, interim measures will be considered, and we will implement these approaches as resources become available to ensure that improvements begin even prior to the formal approval of additional resources. By taking these steps, staff aims to improve overall data integrity, enhance inter-departmental collaboration, and ensure that reliable, complete, and timely information is available to all relevant teams.	Q4 2024 for budget approval / Q4 2025 for interim measures / 2026+ for systems implementation	As a next step following the completed data reconciliation, interim solutions to maintain the database is under review. A permanent solution will be explored as part of the investigation and implementation of a new software system. Investigation of systems is to be completed by Q4 2025.	Completed – Q1 2026. Lease Administration Team has created an interim SharePoint list that is shareable with internal City staff for visibility and data management of leases and licenses.

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15	Systems / Data Management	That the Corporate Real Estate Office develop procedures and notification/tickler reports to ensure that staff are alerted in advance when leases or licenses are about to expire in order to renew them on a timely basis and ensure uninterrupted payment (Appendix A to Report AUD25008, paragraph 87-88, 115, 118).	The Corporate Real Estate Office will collaborate with current lease/license administrators to develop and implement a more enhanced system of proactive reporting and push notifications, complementing and improving the existing ARCHIBUS process. This enhanced system will improve notifications for initiating negotiations, monitoring accounts payable, and managing lease terms related to expiries and renewals.*	Q4 2024 for budget approval / Q4 2025 for interim measures / 2026+ for full systems implementation	As a next step following the completed data reconciliation, interim solutions to monitor expiries have been developed. A permanent solution will be explored as part of the investigation and implementation of a new software system. Investigation of systems is to be completed by Q4 2025.	Completed – Q1 2026. Lease Administration Team has created an interim SharePoint list with capability built in to send notification emails with upcoming expiries.

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16	Systems / Finance and Accounting	That management responsible for lease and license agreements, working with Accounts Receivable in Finance, develop a more robust and timely process for monitoring rent collection, including considering the monthly use of Rent rolls to help identify and monitor overdue lease/license payments (Appendix A to Report AUD25008, paragraph 93-94).	Staff among Corporate Real Estate Office, Corporate Facilities and Energy Management, and Recreation Division will work with Finance to determine more effective means of monitoring and addressing outstanding accounts on an interim basis, pending more comprehensive changes to systems and processes being developed and implemented, as identified in Management Response 1 and 2.	Q2 2025	An interim protocol with monthly reporting of accounts receivable has been implemented; a permanent solution will form part of the systems review to be completed by Q4 2025.	Completed – Q1 2026. Lease Administration Team has created an interim SharePoint list with capability of monitoring rent collection. Unique identification numbers (Customer IDs) are sent to Accounts Receivable in Finance on a quarterly basis to track rent collection.
17	Finance and Accounting	That management revise the accounting allocation for revenue credits to ensure that revenues that ultimately accrue to responsible departments will reflect actual revenue collected rather than revenue due (Appendix A to Report AUD25008, paragraph 93-94).	Financial Services will conduct a review of accounting treatment and reporting for allocation of revenues to determine opportunities for improving the way in which revenues are recorded and allocated to departments, consistent with the recommendation and in accordance with Canadian Public Sector Accounting Standards.	Q1 2025	Review is in progress and to be completed by Q4 2025.	2026 – Review is in progress, including alignment with Financial Systems.

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18	Systems / Policies and Procedures	That management develop a standard process for arrears management that ensures all parties are accountable to affect a coordinated, timely response to rent arrears (Appendix A to Report AUD25008, paragraph 93-94).	This shortcoming had been identified during the consultant's engagement and report. This identified shortcoming is due to systems and processes. Changes in the financial processes need to be implemented and this will be accomplished through a combination of software and process and procedures.*	Q4 2024 for budget approval / Q4 2025 for interim measures / 2026+ for systems implementation	Interim monthly reporting of accounts receivable has been established; a permanent solution will be integrated into the systems review and associated procedures.	2026 – Benchmarking and internal discussions have been completed. Procedures and process maps are in development.
19	Policies and Procedures	That prior to entering into lease and license agreements with the city, all tenants be fully and properly vetted, and that key information on these agreements be checked for accuracy and reasonableness before the agreements are accepted and signed off by the city (Appendix A to Report AUD25008, paragraph 100-106).	Corporate Real Estate Office and Legal will review existing lease/license negotiation processes respecting understanding the tenant/licensee, vetting and information gathering, and risk mitigation strategies. Where enhancements can be made or new tools/techniques deployed, on a continuous improvement review basis, staff training and education will be deployed.	Q2 2025 and on-going	Review has been initiated and will be further advanced following the establishment of the Lease Administration Team. Completion estimated in Q3 2025.	Ongoing – As existing agreements are coming up for expiry or renewal, arrangements are reviewed against the City's current priorities and policies, and agreements reviewed against current precedent documents.

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20	Policies and Procedures	That clear guidelines be developed outlining how large the arrears outstanding can be before various actions will take place. The process should be robust enough to ensure recovery of arrears proceeds in a consistent, orderly manner, and is completed within a reasonable period of time (Appendix A to Report AUD25008, paragraph 100-106).	Corporate Real Estate Office and Legal will work together to establish standard operating procedures respecting default and outstanding accounts. To develop and implement such guidelines will require additional resources for which a business case will be brought forward during the 2025 Capital and Operating Budget submissions, and implementation subject to Council approval. The Corporate Real Estate Office and Legal Services will work together to develop standard operating procedures related to the management of default and outstanding accounts. These procedures will establish clear guidelines for how arrears are to be handled, including thresholds for the size of arrears that will trigger specific actions. The goal is to ensure a consistent, orderly, and timely recovery of outstanding debts. The development and implementation of these procedures will require additional resources, such as dedicated personnel and technological support.*	Q4 2024 for budget approval / Q4 2025 for interim measures / 2026+ for systems implementation	Will form part of the broader policy and procedure with interim measures advanced in Q4 2025. Systems implementation to occur in 2026+.	2026 – Benchmarking and internal discussions have been completed. Procedures and process maps are in development.

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21	Systems / Data Management	That standard procedures be developed to ensure that subsequent to entering into a lease or license, collections begin promptly (Appendix A to Report AUD25008, paragraph 100-106).	Current procedures respecting collections are not consistent with industry practices. Consistent with Management Response 15, staff among Corporate Real Estate Office, Corporate Facilities and Energy Management, and Recreation Division will work with Finance to ensure timely sharing of information and current procedures are reinforced so that prompt collections is initiated in accordance with lease/license terms.	Q1 2025	Current procedures have been reviewed; further recommendations may be made as part of new system implementation.	2026 – Benchmarking and internal discussions have been completed. Procedures and process maps are in development.
22	Policies and Procedures	That tenants not be permitted to use the leased property until the lease/license document has been finalized and properly signed off by both parties (Appendix A to Report AUD25008, paragraph 100-106).	The principle and policy of "No-lease-no-key" will be reinforced. In needs to be recognized that in a renewal or extension situation, the tenant or licensee, are already occupants.	Immediate	This practice has been reinforced with staff and is being monitored by management. It will be documented as part of the policies and procedures work.	Ongoing

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23	Policies and Procedures	That for leases and licenses billed monthly, the city consider obtaining security and/or damage deposits when the lessee/licensee signs the agreements (Appendix A to Report AUD25008, paragraph 100-106).	In alignment with Management Response 9, Corporate Real Estate Office and Legal will collaborate to thoroughly review the options and potential implications of introducing security and/or damage deposits for monthly billed leases and licenses. This review will consider industry standards, legal considerations, and financial risk exposure. Based on this analysis, a structured framework will be developed to guide decisions on when and how to implement appropriate security measures. Each transaction will be evaluated, considering due diligence, risk assessments, and the specific terms of the agreement to ensure appropriate protection for the city while maintaining flexibility in commercial negotiations.	Q3 2025	Will be reviewed further following the establishment of the Lease Administration Team as part of a broader policies and best practices review. Completion estimated in Q1 2026.	Q1 2027 – Research, benchmarking and internal discussions have taken place to formulate the broader Lease Administration policy to be brought to Council at the appropriate time.
24	Policies and Procedures	That the City sign off on lease and license agreements only after the lessee/licensee has signed off (Appendix A to Report AUD25008, paragraph 100-106).	This currently is the general practice with only certain exceptions such as agreements with other levels of government, institutions or extraordinary circumstances. Legal will review current practices and procedures to ensure consistent adherence to the policy, and communication and procedures will be updated where enhancements are identified.	Q1 2025	This practice has been reinforced and will be monitored by management. It will be documented as part of the policies and procedures work.	Ongoing

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25	Policies and Procedures	That a procedure be changed/developed so the signed agreements are received by the division/section responsible as soon as practicable and that a record is maintained of when these are received (Appendix A to Report AUD25008, paragraph 100-106).	This is the current practice. The current procedure for communicating and disseminating signed agreements, including documenting receipt, to lease/license administrators will be reviewed and enhanced as appropriate.	Q1 2025	This practice has been reinforced and will be monitored by management. It will form part of forthcoming process mapping in Q4 2025.	Ongoing
26	Systems	That management consider how best to link lease/license documents and lease/license administration software and/or financial systems so that all information noted on a Request for Information is supported by the lease and/or license documents (Appendix A to Report AUD25008, paragraph 107-110).	Corporate Real Estate Office and key stakeholders will examine existing documentation and systems to determine where enhancements to linkages can be made. Interim measures will be taken where possible, and training for administrators reinforced.*	Q4 2024 for budget approval / Q4 2025 for interim measures / 2026+ for systems implementation	Will be examined as part of the investigation and implementation of a new software system. Investigation to be completed in Q4 2025, with implementation in 2026+.	Q4 2026 – Lease Administration Team has created an interim SharePoint list that is shareable with internal City staff for visibility and data management of leases and licenses. A business case has been submitted and process has begun to implement a permanent data management system for tracking agreements.

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27	Policies and Procedures	That a standard operating procedure be developed, and the process followed, so that all agreements where the tenant is required to pay property taxes are monitored on a timely basis to ensure that these funds are being collected in an expeditious manner (Appendix A to Report AUD25008, paragraph 111-113).	Current procedures are in place for the collection of property taxes via Accounts Receivable billing to ensure HST requirements are addressed, and property taxes are collected. While Municipal Property Assessment Corporations often takes two to three years to catch up on reassessments for new leased locations (in which case tenants/licensees inherit a substantial liability retroactively), the current procedure will be reviewed, enhanced and formalized, and staff trained, to ensure techniques, such as annual reviews, and billing of estimated taxes with end of year reconciliation to actuals, are deployed on a consistent basis.	Q2 2025	Review has been initiated and will be captured as part of the broader policies and procedures work, estimated to be completed in Q1 2026.	2026 – Benchmarking and internal discussions have been completed. Procedures and process maps are in development.

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28	Systems / Data Management	That the city avoid the practice of allowing rents to accumulate arrears to accommodate the administration of rate changes (Appendix A to Report AUD25008, paragraph 114).	Consistent with Management Response 21, staff among Corporate Real Estate Office, Corporate Facilities and Energy Management, and Recreation Division will work with Finance to ensure timely sharing of information and current procedures are revisited so that prompt collections is continued. It should be noted that finance charges (2% over prime) are automatically to unpaid invoices after 45 days.	Q1 2025	Interim monthly reporting of accounts receivable has been established and will be further reviewed.	Completed – Q1 2026. Lease Administration Team has created an interim SharePoint list with capability of monitoring rent collection. Unique identification numbers (Customer IDs) are sent to Accounts Receivable in Finance on a quarterly basis to track rent collection.

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29	Systems	That a procedure be developed, or system be implemented, for integration of billing and lease status using a unique identifying number to link lease information (currently in ARCHIBUS) records to Accounts Receivable Finance records (Appendix A to Report AUD25008, paragraph 116).	Such Archibus file numberings are presently identified in the completion of Request for Information's that are sent to Finance (Accounts Receivable). Software systems integration is currently not available and will be sought with any new or updated systems. Current procedure, subject to Archibus availability, will be reinforced.	Immediate	Current procedure has been reinforced and will be enhanced as part of the new software system investigation and implementation in Q4 2025 / Q1 2026.	Completed – Q1 2026. Lease Administration Team has created an interim SharePoint list with capability of monitoring rent collection. Unique identification numbers (Customer IDs) are sent to Accounts Receivable in Finance on a quarterly basis to track rent collection.

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30	Data Management	That management responsible for leases and licenses undertake a regular periodic (monthly or quarterly) review of all lease and license files to ensure that they are being properly managed and that they have not been overlooked/forgotten (Appendix A to Report AUD25008, paragraph 117).	Regular periodic reviews of all active lease/license files will be part of the policy and procedures identified in Management Response 11. All managers and administrators will be trained accordingly. Currently there are insufficient staff resources to undertake the recommended practice. Corporate Facilities and Energy Management and Corporate Real Estate Office meet regularly to discuss and review lease/license issues including renewals, defaults etc., and Recreation Division had undertaken a review of its leases and licenses with a view to verifying its inventory.*	Q4 2024 for budget approval / Q1 2026 for new procedures	Cross-departmental lease and license data has been reconciled. Monitoring requirements will be further detailed as the Lease Administration Team is established. Estimated completion remains Q1 2026.	Ongoing

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31	Policies and Procedures	That the Corporate Real Estate Office develop a policy and guideline outlining how to deal with existing tenants of properties that have been purchased by the City (Appendix A to Report AUD25008, paragraph 117).	A comprehensive policy framework will be developed to establish clear guidelines for managing the transition and ongoing administration of existing tenants in properties acquired by the city. This framework will ensure consistency in handling tenant-related issues, provide transparency in decision-making, and minimize disruptions for tenants during the transition. Additionally, it will help city staff navigate complex tenancy arrangements by offering clear procedures for integrating these properties into the city’s portfolio. It should be recognized that when the city acquires properties with existing tenants, the city inherits the contractual arrangements between the previous property owner and the tenant, by virtue of an assignment. That contractual agreement may not be consistent with city standards but is considered as part of the terms of the property Purchase and Sale Agreement.	Q4 2025	Will be reviewed and documented as part of the broader policies and procedures work. Completion estimated in Q4 2025 / Q1 2026.	Q1 2027 – Research, benchmarking and internal discussions with interdepartmental divisions have taken place to formulate the broader Lease Administration policy to be brought to Council at the appropriate time.

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32	Data Management	That all management responsible for leases and licenses implement a system to regularly review lease and license files ensuring their status is accurately reflected and up to date (Appendix A to Report AUD25008, paragraph 123-124).	Consistent with Management Response 14 and 30, procedures will be updated to ensure regular reviews and updates to file status and respective data. Currently there are insufficient staff resources to undertake the recommended practice. Corporate Facilities and Energy Management and Corporate Real Estate Office meet regularly to discuss and review lease/license issues including renewals, defaults etc., and Recreation Division had undertaken a review of its leases and licenses with a view to verifying its inventory.*	Q4 2024 for budget approval / Q4 2025 for new procedures	Cross-departmental lease and license data has been reconciled. Monitoring requirements will be further detailed as the Lease Administration Team is established. Completion estimated in Q4 2025 / Q1 2026.	Ongoing

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33	Oversight Structure and Service Level Agreements	That all administrators of lease and licenses be accountable to report to a central oversight authority to ensure that all fees associated with leases and licenses that come due are collected in a timely manner, and that agreement revenues/overholds are being dealt with accurately and promptly (Appendix A to Report AUD25008, paragraph 123-124).	As outlined in Management Response 2, an independent consultant has provided recommendations to establish a centralized model for lease and license administration. The plan is for the Corporate Real Estate Office to be the lead; the Corporate Real Estate Office is well-positioned to take on the oversight role, as this aligns with its strategic leadership in managing the city’s real estate portfolio. By centralizing oversight under Corporate Real Estate Office, we will aim to improve consistency, accountability, and efficiency in the administration of leases and licenses, ensuring that all fees due are collected promptly and that any overholds or revenue issues are resolved in a timely manner. To achieve this, Corporate Real Estate Office will work collaboratively with key stakeholders, including lease administrators, Finance, and other relevant departments, to build a robust framework. This framework will include clearly defined processes, integrated systems, and effective tools to streamline fee collection, manage agreement terms, and ensure that all aspects of lease and license agreements are handled accurately and efficiently. Implementing this centralized model will require dedicated resources.*	Q4 2024 for budget approval / Q4 2025 for new reporting procedures	A new centralized oversight structure and corresponding service level agreements between Sections/ Departments will be formalized as the Lease Administration Team is established in August. Estimated completion of new reporting processes is Q4 2025 / Q1 2026.	Ongoing

Item	Action Type	Audit Recommendation	Management Response (Condensed)	Initial Estimated Completion	Status as of August 2025	Status as of March 2026
34	Systems / Finance and Accounting	That management re-evaluate whether invoicing of lessees is necessary and justified or other practices would be more effective in assuring timely collection including the feasibility of automatic payment from lessees (Appendix A to Report AUD25008, paragraph 123-124).	Corporate Real Estate Office, Legal and Finance will undertake a review of collection practices. As articulated in Management Response 21, current procedures respecting collections are not consistent with industry practices. Consultants’ recommendations respecting the implementation of a new model of lease administration also include changes to collections practices. In conjunction with the activities articulated in Management Response 2 and 11, collections practices and procedures will be updated. Key to undertaking these changes is dedicated staff resources.*	Q4 2024 for budget approval / Q1 2026 for new procedures	Collection practices and implementation of rent rolls will be reviewed as part of the system investigation and implementation. Current financial system requires invoicing.	2026 – Benchmarking and internal discussions have been completed. Procedures and process maps are in development.
35	Policies and Procedures	That management develop a lease/license standard procedure to ensure regular validation of agreement insurance requirements, and which outline the measures it will take to deal with the risks posed by lessees and licensees that do not maintain their insurance-related agreement obligations (Appendix A to Report AUD25008, paragraph 125-126).	Updated procedures will be developed and implemented on an interim basis pending approval and implementation of a centralized lease administration program.	Q4 2024	Practice of sharing certificates of insurance with Risk for review has been reinforced in the interim. Will be further reviewed as part of the broader policies and procedures work in Q4 2025 / Q1 2026.	Completed - Q1 2026. Lease Administration Team has gained access to all current insurance certificates and will continue to collect as deals are negotiated. This process will be documented in the broader Lease Administration policy.

*Operating and Capital business cases for dedicated resources were submitted and approved through the 2025 Budget. As of March 2026, all Full Time Equivalentents are in place.