

Email sent Oct. 7, 2022

Subject: Tarion's payments to the ON Gov't re "oversight" + related 2019 recommendation by the Auditor General of Ontario

Dear Minister Rasheed and Deputy Minister Kulendran:

Unfortunately, CPBH continues to hear from consumers and other key stakeholders, including industry, of serious policy and operational issues concerning Tarion. These ongoing reports suggest a continued lack of effective oversight by your ministry.

We trust that you are aware that in 2019, the Auditor General of Ontario found "Lack of Government Oversight Led to Ongoing Issues Not Being Addressed." Then, in Dec. 2021, the Auditor General of Ontario reported on this matter again: "In our audit in 2019, we found that the Ministry of Government and Consumer Services could not effectively evaluate whether Tarion was fulfilling its mandate and could not make informed decisions to seek improvements because it did not have effective systems and processes to ensure it collected the right information from Tarion". Ultimately the Auditor General concluded in Dec. 2021 that there was "little or no progress" by your Ministry concerning the Auditor General of Ontario's related 2019 recommendation.

(Source: https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR_FU_en21.pdf)

Tarion's 2021 audited financials reported that Tarion paid an oversight fee of \$611,000 in 2021 to the Government of Ontario – up from \$499,000 in 2020. That is a 22.4% increase in 2021 that Tarion paid your ministry in oversight fees compared to 2020.

The Ontario Government has been paid oversight fees by Tarion for more than a decade. Obviously the Auditor General's findings in 2019 regarding the lack of government oversight - and then your Ministry's lack of effective systems and processes to evaluate Tarion's performance two years after the Auditor General's recommendation - are deeply concerning.

We have the following questions for you related to this:

- How specifically was the \$611,000 that the Ontario Government received from Tarion in 2021 used by the Ontario Government?
- Does your ministry/government now have effective systems and processes to ensure you collect the right information from Tarion? If yes, what are they? If no, why not?

We look forward to your response.

Best regards,
Karen Somerville

Dr. Karen Somerville, PhD, C.Dir.
President

