Agenda – Executive Policy Committee – September 21, 2021

AUDIT COMMITTEE

Item No. 2 Board of Revision Audit

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Board of Revision Audit Report be received as information.

ADMINISTRATIVE REPORT

Title: Board of Revision Audit

Critical Path: Audit Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Mansky City Auditor	B. Mansky City Auditor		

EXECUTIVE SUMMARY

This audit evaluated the Board of Revision, an impartial quasi-judicial body, responsible for hearing assessment appeals in a fair, efficient and judicious manner, and the role of City Clerk's in the process. We evaluated the fairness and objectivity of the Board's decision-making process; the performance management functions in place that hold the Board accountable for their role; and the support provided to the Board and its members. The Assessment and Taxation Department's process to determine assessment values was not included in the scope of this audit.

The Board of Revision has an important role in ensuring assessment appeals are evaluated in a fair and objective manner and is an important part of fair and accurate property valuation and taxation. The Board of Revision heard more than 4,300 appeals related to the 2020 general assessment, 95 percent of which were an appeal to decrease a property's assessed value. This represents a total assessed value of $16 billion. At the time we conducted this audit, the Board of Revision decreased the total assessed value of the 2020 property assessment roll by approximately $1.7 billion, a decrease of approximately 1.79% to the total 2020 property assessment role, resulting in an increase of approximately 2.6% to the mill rate and a redistribution of the property taxes.

A summary of the key observations include:

- The Board of Revision has a formal decision-making process in-place but we cannot confirm the fairness or objectivity of the Board's evaluation of evidence in the assessment appeal process.
- The Board of Revision's decision in the Board Order contains insufficient detail to understand the reason for the Board's decision. This coupled with insufficient documentation in the appeal files prevents us from confirming what information the board members considered in making their decision.
- The Board of Revision Practices and Procedures Manual establishes key roles, responsibilities, and performance management functions of the Board of Revision and City Clerk's. However, we identified a lack of oversight has resulted in the Chair of the Board not being held accountable for the performance of some of their key assigned responsibilities. This includes evaluating the performance of the Board and reporting to

Council through an annual report. In addition, the roles and responsibilities of the Chair of the Board and the Appeals Manager are not clearly defined.

- Limited information is available on the Board of Revision website to inform residents on the assessment appeal process including how to prepare for a hearing. In addition the option of contacting an assessor first to discuss and possibly to adjust the assessed value to a mutually agreed amount, is not clearly communicated.
- The current Board member training program material provides the appropriate training on conducting hearings and making a decision as a tribunal and is consistent with other jurisdictions. However, the Board of Revision does not require Board applicants possess specific skills to sit on the Board, which is not consistent with other jurisdictions surveyed.
- Council has not approved an increase to Board member remuneration in over 20 years and the current rate of remuneration does not align with the skill set required and their respective duties and is not consistent with other jurisdictions.
- The support City Clerk's provides to the Board is sufficient and appropriate. However, enhancing the Board Clerks training manual as well as conducting performance evaluations for the Board Clerks who attend hearings, would ensure the Board Clerks sustain this level of support into the future.

RECOMMENDATIONS

1. That the Board of Revision Audit Report be received as information.

REASON FOR THE REPORT

The report is being submitted in accordance with the City Organization By-law 7100/97 section 19(d)(iv) that the Audit Committee will "receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee."

IMPLICATIONS OF THE RECOMMENDATIONS

The most important component of an audit recommendation is its implementation. The Public Service is responsible for providing a management response to the report; their responses have been included in the attached report.

The Public Service has agreed to implement all 18 recommendations over the next year.

HISTORY/DISCUSSION

The Board of Revision Audit was included in the 2019 – 2020 Strategic and Audit Plan. This performance audit reviewed the Board of Revision and the role of City Clerk's in the process.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 17, 2021

Project Name:

Board of Revision Audit

COMMENTS:

There is no financial impact associated with the recommendation of this report.

"electronically approved by J. Peters"
Jocelyn Peters CPA, CGA
Manager of Finance & Administration (Campus)

CONSULTATION

This Report has been prepared in consultation with:

City Clerk's
Chair of the Board of Revision
Assessment and Taxation

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity - Direction 1 - Provide Efficient and Focused Civic Administration and Governance

This report supports the demonstration of accountability through reporting and to continuously pursue innovative, streamlined service delivery and decision-making processes.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The City of Winnipeg Audit Department provides assurance on the efficiency, effectiveness and economy of City programs and activities, thus enabling an organizational operating environment that promotes support of the vision and targets of the Winnipeg Climate Action Plan.

SUBMITTED BY

Department: Audit Department
Prepared by: Bryan Mansky, City Auditor
Date: August 2021

Attachments: