



City Auditor's Office

Assessment Complaints Audit

October 14, 2020

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The City Auditor's Office conducted this audit in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Executive Summary

The Assessment Business Unit (Assessment) annually prepares property assessments for residential and non-residential properties within Calgary. For 2020, Assessment was responsible for preparing Notices of Assessment for over 544,000 property owners valued at \$301B, which represented 520,000 residential properties valued at \$215B and 24,000 non-residential properties valued at \$86B. Assessment's mandate is to "Prepare fair and equitable assessments that exceed industry and legislative standards; Collaborate with stakeholders to provide a high-quality product; Explain assessments with honesty, respect and transparency."¹

Each year, Assessment issues notices to property owners to review their property assessment for accuracy and fairness. If the property owner has a dispute with the assessment value, the first step is to speak to a City Assessor regarding any disagreement/questions/comments. If consensus cannot be reached and the property owner still disagrees with the assessed value, a formal complaint² can be filed with the Assessment Review Board (ARB), an impartial tribunal that hears and resolves assessment complaints brought forward by property owners. The ARB will schedule a hearing to review evidence submitted by the parties and render a decision on the matter(s) under complaint.

In 2019, Assessment spent \$1.27M preparing and attending ARB hearings, an average cost of \$1,302 per hearing attended. Additional costs are involved in reviewing the Board decisions for each hearing. Property owners also incur costs filing complaints with ARB and attending hearings. In addition, there is a reputational impact to Assessment where it may appear to property owners that an ARB decision in favour of a complainant indicates a lack of confidence in the assessment process.

The objective of the audit was to assess the effectiveness of the processes that Assessment have implemented to minimize the risk of complaints increasing in volume. For the 2019 Assessment year, a total of 3,146 complaints were filed with ARB. The audit reviewed processes in operation during 2019 and 2020, which supported the preparation of the 2019 and 2020 Assessment Rolls.

Since 2017, Assessment have taken steps to reduce the volume of complaints on a year-over-year basis. The total number of complaints filed with ARB have fallen by 25% from 2017 to 2019. Assessment have updated their previous mandate of "Prepare, Communicate and Defend" property assessments to "Prepare, Collaborate and Explain", reflecting a more customer-centric and collaborative culture. A new Customer Strategy Group has been created to review customer touchpoints and lead initiatives focused on enhancing the customer experience.

Recent incremental changes to processes resulted in a reduction of complaints from 2017 to 2019 through all three sections of their current mandate; Prepare, Collaborate, and Explain. Process changes in the Pre-Roll Consultation Period, Notice of Assessment, Customer Review Period, and preparation for ARB hearings have all been effective in focusing on the property owner experience and therefore support Assessment's objectives of reducing the risk of increased complaints filed with ARB.

¹ 2020 Assessment Business Plan (*Approved on 2019 December 5*)

²Assessment's definition of a "complaint" is where a property owner files a complaint on their assessment with the Assessment Review Board (ARB).

Assessment's new processes have had a positive impact in reducing the number of complaints received, however, further improvement to processes, specific to formal assessment of prior year ARB decisions and evaluation of lessons learned have been identified that will support their goal to further reduce the risk of increased complaints. Assessment has agreed to both recommendations and has committed to set action plan implementation dates no later than December 11, 2020. The City Auditor's Office will follow-up on all commitments as part of our ongoing recommendation follow-up.

1.0 Background

The Assessment Business Unit (Assessment) annually prepares property assessments for residential and non-residential properties within Calgary. Assessment's mandate is to "Prepare fair and equitable assessments that exceed industry and legislative standards; Collaborate with stakeholders to provide a high-quality product; Explain assessments with honesty, respect and transparency".

Assessment is responsible for preparing assessments for over 544,000 property owners with a total assessed value of \$301B. Residential consists of 520,000 properties valued at \$215B with non-residential comprised of 24,000 properties valued at \$86B³.

The current economic environment and uncertainty has undoubtedly impacted The City's financial position as it continues to be agile and recover from the economic decline. Citizens and Businesses are also adversely impacted by the economic conditions, and anticipated increases to property taxes could have an impact on future complaints. The recent Citizen Satisfaction Survey⁴ results indicated 47% of respondents said the quality of life in Calgary has 'worsened' in the past three years, and 45% were supportive of cuts in services to maintain or reduce taxes.

Council sets the property tax rate based on the annual budget required to pay for services that benefit all Calgarians. Property taxes support essential services, such as, police, fire, transit, parks, recreation, social services and more.

Assessment follows guidance from the Municipal Government Act on how properties are assessed to determine the values for all properties. The Municipal Government Act requires all properties to be assessed annually, using mass appraisal techniques, to reflect the market value of properties as of July 1 of the previous tax year. This creates an Assessment Roll for a given year. The assessed value is multiplied by the municipal property tax rate, as approved by Council. The Provincial tax rate, based on the requisition by the Province, is also used in this calculation to arrive at the total taxes applied to each property account and is collected on behalf of the Province.

Annual property assessment notices are issued to all property owners in early January of the tax year and payment is usually due by June 30. In 2020, to support citizens and businesses in response to the COVID-19 pandemic, Council approved the extension of the tax payment deadline without late payment penalties to September 30. Following the mailing of assessment notices, there is a 67-day Customer Review Period (CRP). During the CRP, Assessment encourages property owners to check the factual information on record, review their assessment by comparing sales of similar properties, compare assessments of similar properties to evaluate equity and contact them if they have any questions or comments about the assessment, or the assessment process. Assessors will work with property owners to resolve concerns that may arise by verifying property details, correct confirmed inconsistencies and explain how the assessment was determined. If resolution cannot be reached, Assessors will explain the next steps, which is filing a formal complaint with the Assessment Review Board (ARB).

³ Assessment forms and publications – 2020 Assessment Market Report

⁴ Regular Meeting of Council (June 15, 2020) – Spring 2020 Citizen Research Results (11.3.1)

The ARB is a quasi-judicial board established in accordance with the Municipal Government Act and The City of Calgary Bylaw 15M2018 (ARB Bylaw). It is an impartial tribunal that hears and resolves assessment complaints brought forward by property owners.

Assessment has been proactively working to reduce complaints going forward to ARB, as increases in customer complaints to ARB regarding their assessed property value can lead to the following risks to The City:

- Financial risk: increase in complaints can result in additional expenditure to prepare and attend hearing in a time of resource constraints to The City, and can also result in loss of revenue;
- Reputational risk: increase in complaints could indicate a loss of confidence by property owners and negatively impact overall public confidence leading to further complaints; and
- Operational risk: if volume of complaints were to increase it would significantly impact Assessment's ability to deliver their service.

2.0 Audit Objective, Scope and Approach

2.1 Audit Objective

The objective of the audit was to assess the effectiveness of the processes Assessment have implemented to minimize the risk of complaints increasing in volume.

The current economic climate continues to adversely affect Calgarians based on survey results from the Spring 2020 Citizen Survey⁵. In support of local businesses, Council approved (November 29, 2019) a property tax shift to balance property tax responsibility more evenly between residential and non-residential properties. The combination of these events could increase Calgarian's sensitivity to property valuation and potentially increase volume of complaints received by Assessment.

2.2 Audit Scope

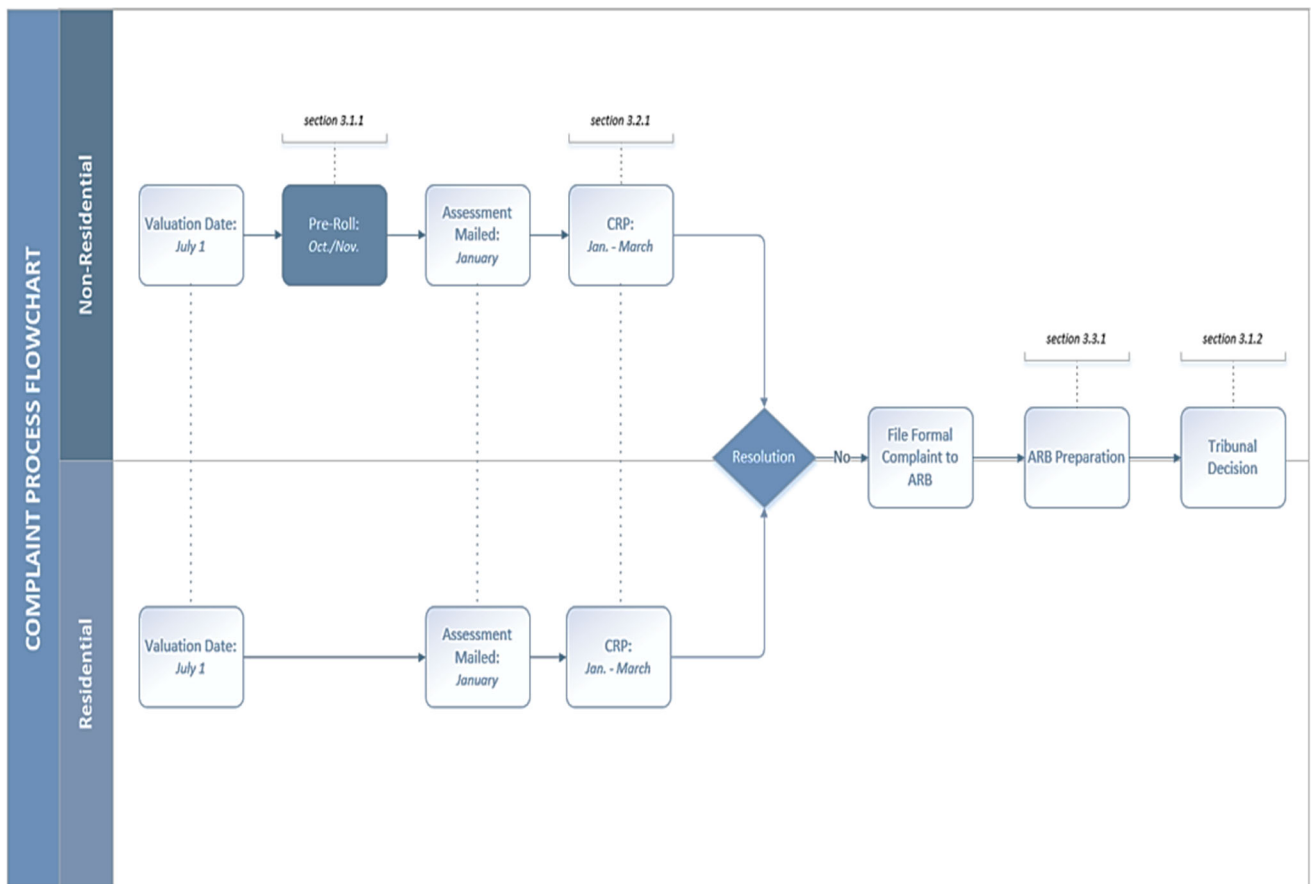
The scope of the audit included processes in operation during 2019 and 2020, which relate to the 2019 and 2020 Assessment Rolls.

2.3 Audit Approach

Our audit approach included review of the operation of processes throughout the assessment cycle, identified in Chart 1 – Complaint Process Flowchart. The Province sets legislative requirements on how properties are assessed by qualified property Assessors to determine market value and perform their own audits; the audit did not examine the application of the valuation methodology used to calculate market value.

⁵ Regular Meeting of Council (June 15, 2020) – Spring 2020 Citizen Research Results (11.3.1)

Chart 1 - Complaint Process Flowchart



3.0 Results

In conducting our audit, we focused on processes implemented by Assessment in support of their mandate, and their effectiveness to minimize the risk of assessment complaints increasing in volume.

Since 2017, Assessment have implemented proactive measures to reduce and/or resolve the volume of complaints on a year-over-year basis. Assessment’s previous mandate of “Prepare, Communicate and Defend” property assessments was updated to “Prepare, Collaborate and Explain”, reflecting a more customer-centric and collaborate culture. A new Customer Strategy Group (CSG) was created to review all customer touchpoints and launch new campaigns and initiatives aimed to improve the customer experience, as well as introducing more client-centric performance metrics focused on creating a more positive experience for customers. As a result, data on complaints (2017 to 2019) indicates a downward trend in complaints. Total number of complaints (Residential and Non-Residential) filed with ARB decreased by 25% from 2017 to 2019. Furthermore, Assessment’s processes to continue communication with the property owner up to the day of the merit hearing has been effective in resolution of ARB complaints with 67% of active ARB cases in 2019 resolved (i.e. only 1038 complaints went to an ARB hearing).

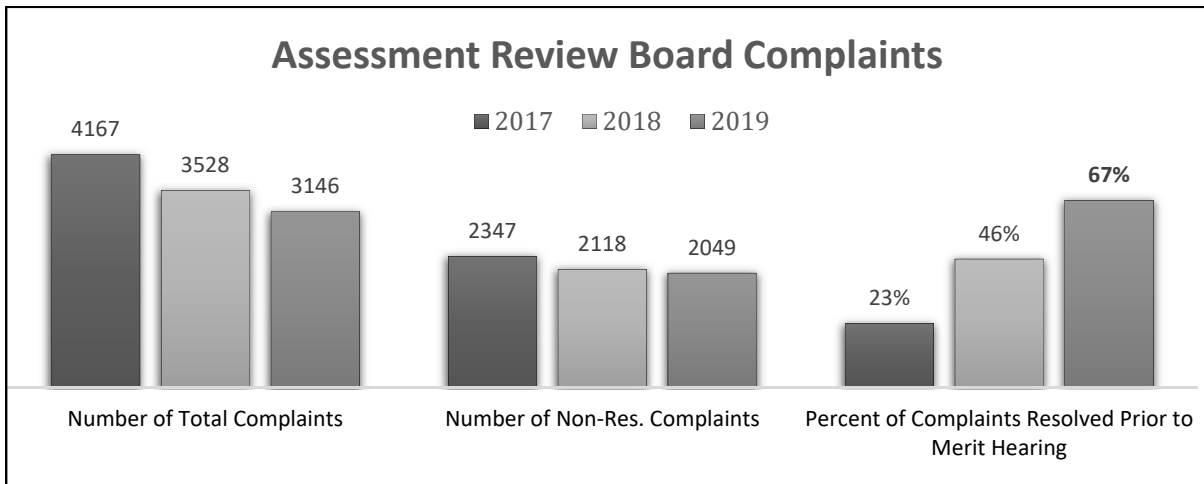


Figure 1: Property Assessment – Service Report – February 6, 2020

Our audit results confirmed that Assessment’s processes have been effective in reducing the risk of increasing complaints through all three sections of their current mandate; Prepare, Collaborate, and Explain. As Assessment continues on their customer-centric path, two additional enhancements to the process following ARB hearings are required to continue supporting on-going improvement and building customer relationships. We believe Assessment’s on-going actions, supported by the newly formed CSG, and their responses to our two recommendations (Sections 4.1 and 4.2) will support Assessment in their objective to further mitigate the risk of increasing complaints, and support an increasingly customer focused culture.

3.1 Prepare

The first part of Assessment's mandate is to "Prepare fair and equitable assessments that exceed industry and legislative standards;" culminating in the issue of the Roll and Notice of Assessments to property owners. Under the "Prepare" aspect of Assessment's mandate, we reviewed the Pre-Roll consultation period, including the Pre-Roll Symposium (Symposium), consideration of past ARB hearing information/ruling in preparation of upcoming year assessments, and the wording changes to the Notice of Assessment focused on customer friendly and plain language tone. New processes implemented by Assessment have reduced the volume of complaints from 2017 to 2019. The audit noted repeated year-over-year complaints within the sample and recommended further process enhancements to mitigate the associated financial and reputational risk (recommendation 1).

3.1.1 Pre-Roll Consultation Period

The Pre-Roll consultation period runs from October – November for non-residential and multi-residential property owners. The consultation period allows non-residential and multi-residential property owners and their representatives the opportunity to review Preliminary Property Assessment values before they are finalized and mailed in January, and has been established by Assessment to support understanding of the assessment valuation basis and be a forum for collaborative discussion. During this consultation period, Assessment will discuss the preliminary assessed values and take into consideration additional information relevant to the upcoming year's valuation, making adjustments to assessed values if this information better reflects market value.

We reviewed a sample of 15 adjustments made during the consultation period for the 2020 Roll and confirmed that all adjustments were made to better reflect market value based on information received through this consultation, and were supported by documentation showing more up-to-date information on the properties (e.g. sales, property income, comparable, capitalization rate, property characteristics). Assessment regularly mails requests for information to property owners and updates information on an ongoing basis to ensure properties are being assessed fairly. The requests for information are made in accordance with the Municipal Government Act.

A key part of the consultation period is the Symposium. The Symposium was established in 2018 by Assessment as an information session held for a specific audience (non-residential and multi-residential owners and their agents). The Leader of Assessment's CSG explained that the objective of the Symposium is to drive transparency and trust by providing/discussing market trends/themes and the impact on the upcoming assessment year through meaningful and collaborative discussions with property owners. Due to space capacity a limited number of participants are invited to the Symposium each year. Assessment's approach has been to invite agents representing non-residential and multi-residential property owners. This approach is intended to maximize efficiency, as one agent typically represents multiple non-residential and multi-residential properties, and non-residential properties, particularly downtown properties, which typically represent the largest individual assessed property values. To support on-going achievement of the Symposium objective, we identified an opportunity for Assessment to formalize the objective, including the intended audience, and to establish a periodic review of the invitation list, taking into account any material changes to the complaints and hearings environment such as

hearing volumes, and sources of property owner complaints. Assessment will be formalizing the Symposium objectives and have committed to designing and implementing a process for reviewing the invitation list on an annual basis to ensure that it aligns with the intended objective. Assessment intends to expand the scope of the 2020 Symposium to an online forum, which will allow the expansion of the invitation list to include all non-residential and multi-residential property owners. The presentations will be recorded allowing customers to access the information at their convenience without having to attend a scheduled live event.

Assessment measures the success/effectiveness of the Pre-Roll consultation, by tracking the number of agreements reached and the dollar value of those agreements based on the property type (commercial, retail, industrial etc.). We reviewed the design of the KPI calculation and confirmed that it appropriately measures the success of the process. For the 2020 Roll, Assessment achieved a new milestone reaching agreement on 33% of the total non-residential taxable assessed value.

3.1.2 Consideration of ARB Decisions in Roll Preparation

In situations where an ARB decision results in a reduction on the assessed value for the current year and contains factors/rationale that are known to continue into the subsequent year, Assessment considers the decision in the preparation of the subsequent year's Roll.

When considering past ARB rulings in preparation of subsequent Rolls, Assessment refers to their Tribunal Policy (Assessment Policy: Tribunal Decisions in Annual Assessments, April 2018), which sets out the circumstances in which information from ARB decision must be considered for the subsequent years' assessment. Assessors are only required to consider the information in the decision if it meets the circumstances.

We conducted testing on a sample of twenty properties that received a reduction on assessed values for the 2019 assessment year to assess consideration of the ARB decision in preparing the subsequent Roll. Three of the twenty sample properties fell under Assessment's Tribunal Policy, and for these three we confirmed that the prior ARB decision was considered and reflected in the preparation of the subsequent Roll.

Seventeen of the twenty sample properties did not fall within Tribunal Policy circumstances requiring consideration of the prior ARB decision. As twelve of the twenty sample properties subsequently filed a complaint with ARB related to the 2020 Roll, to further mitigate the risk of consecutive years complaints, we recommended (recommendation 1) that Assessment review the Tribunal Policy to identify additional circumstances in which consideration of information from prior ARB decisions will be required in the preparation of subsequent Rolls; and design and implement a supporting process setting out mitigating actions to be taken in circumstances where Assessment consider information from prior ARB decisions but do not incorporate changes into preparation of the subsequent Roll. Assessors are encouraged to add comments to the account in CIAO (Assessment's valuation database) detailing how they accounted for/considered Board decision on the subsequent Roll. We noted that three of the twenty properties did not have evidence of review or consideration by an Assessor, as the field comment in CIAO was blank. Assessment are in the process of

mandating that Assessors provide commentary in CIAO regarding every past ARB decision.

3.1.3 Notice of Assessment

For the 2020 Notices of Assessment, adjustments were made to the standardized template wording with the aim of adopting a more customer friendly and plain language tone. Assessment highlighted to us that the 2020 Assessment included a friendly salutation “Hello Property Owner” along with a more collaborative tone, which included steps regarding how to review the Notices of Assessment, worded in more plain language. We confirmed these changes to wording through observation of the Notice of Assessment templates for residential and non-residential properties.

3.2 Collaborate

For the second part of Assessment’s mandate, we reviewed the Customer Review Period (CRP), which is the process that supports property owners review of their property assessment and addresses queries in advance of receiving the finalized tax bill, and confirmed that the CRP is effective in supporting Assessment’s objective of reducing the risk of increased complaints.

3.2.1 Customer Review Period

Annual Property Assessments are mailed in early January, in the form of the Notice of Assessment. Following the mailing of the Notices of Assessment, there is a 67-day CRP. During this time, property owners can speak to an Assessor regarding any disagreements/questions/comments and also provide new property details that may impact the assessed value. Assessors will work collaboratively with owners to explain the process and discuss real estate data used in determining their property’s value. Following the end of the CRP, The City mails tax bills in May with payment due end of June. Effectively addressing customer queries and concerns during the review period mitigates the risk of complaints arising. We reviewed the timeliness of call handling during the CRP (linked to resourcing), the script, and call escalation.

During the CRP, call volumes typically increase as more property owners contact Assessment to discuss their Notice of Assessment in advance of receiving their tax bill in May. In 2020 Assessment implemented a call forecasting model to prioritize staff scheduling to meet call demand during the CRP. To ensure timeliness of responding to calls, Assessment set a service level goal to answer 80% of the calls under 30 seconds, which was benchmarked to the City’s 311 service level standard. We reviewed the design of the KPI calculation and confirmed that it appropriately measures the success of the process. We judgmentally selected three days during the 2020 CRP period and reviewed the service level/KPI: on all three days the service level exceeded the metric, over 90% of the calls answered under 30 seconds.

In 2020, Assessment’s CSG introduced a call centre script for Assessors responding to CRP calls, which provided written guidance defining call quality and focused on improving the customer experience. The script included detailed instructions of the five steps for a quality call (i.e. answer incoming call, agent offer to help, identify customer questions plus actively listen, provide solutions and end call). Three staff training sessions were provided in December, just prior to the start of the CRP in January, with

59% attendance. This was the first year of the revamped CRP training and was not mandatory; however, Assessment indicated that next year the training will be mandatory.

Assessment utilize the AIMS (Customer Relationship Management) system to track all customer touchpoints, aimed at improving the customer experience by better understanding their needs and behaviors. Customers requiring additional information can request to speak to their Area Assessor, and in this instance an internal ticket is generated in AIMS and forwarded to the Area Assessor or equivalent. Assessment also has a customer escalation process for scenarios where a customer is not satisfied with the interaction and wants to speak to someone at a higher level to discuss the issue. Call escalations follows a similar process as an internal transfer, whereas a ticket is created and forwarded to a higher authority for follow-up. Assessment tracks these tickets with the goal of closing the ticket within three days by contacting the customer and resolving the issue. As of week six of the 2020 CRP, the average days to close AIMS tickets was 1.25 days, quicker than Assessment's goal. We selected a sample of ten closed AIMS escalation tickets to confirm if there was evidence supporting closure. In our testing of ten closed tickets, we noted that one ticket was closed even though comments indicated productive conversations were still ongoing with the customer. While the risk of an additional complaint was not present in this exception (as collaboration with the customer to resolve the query and prevent a complaint continued despite the closed ticket status), Assessment is addressing this area for the 2021 CRP by incorporating guidance on closing tickets into mandatory CRP training.

3.3 Explain

Under the final part of their mandate, Assessment undertake to "Explain" assessments with honesty, respect and transparency. We reviewed how Assessment shares and explains information with complainants in the ARB hearing preparation process, and how Assessment captures communication-based lessons learned from past ARB merit hearings. The Audit confirmed that the processes used by Assessment to share information with complainants in the ARB hearing process are effective in supporting Assessment's objective of reducing the risk of increased complaints. We recommended the formalization of the lessons learned process following ARB hearings to support the identification of further process improvement opportunities (recommendation 2). In addition, we also reviewed recent and future initiatives of the CSG focused on mitigating the risk of complaints.

3.3.1 ARB Hearing Preparation

Assessment encourages property owners to review the accuracy of their assessment and to speak to a City Assessor regarding any disagreement/questions/comments. If consensus cannot not be reached and the property owner still disagrees with the assessment, a formal complaint may be filed with the ARB. If a merit hearing is scheduled, Assessment is required to provide evidence in advance of the hearing date to support the assessed value. It is particularly important the complainant has access to the full information submitted by Assessment as it reduces the risk of the complainant continuing to ARB. Assessment's process is to continue working with the complainant to resolve/seek agreement up to the day of the scheduled hearing.

Assessment utilizes the Electronic Evidence Package (EEP) to prepare evidence to support the assessed value. When preparing the evidence package, Assessors select pre-populated templates based on the property type. This ensures that each evidence package is consistent and contains all required information to adequately explain the assessed value. We examined the effectiveness of the EEP by examining 20 evidence packages (residential/non-residential) relating to the 2019 Roll. All 20 evidence packages utilized the appropriate template and contained relevant information to adequately explain the assessed value to ARB and the complainant, such as valuation methodology, supporting photos, and supplementary information.

Once the Assessor completes the evidence package it is automatically made available through the Evidence Disclosure Portal, at which point the complainant is notified of the submission and has access to view the evidence package in advance of the scheduled hearing.

3.3.2 Hearing Lessons Learned

Assessment have established a Tribunal Task Force which provides a forum for discussions of prevalent tribunal issues and themes. Currently Assessment do not have a defined formal lessons learned process, and we made a recommendation to design and implement a periodic formal lessons learned process following ARB hearings (recommendation 2). Conducting a formal lessons learned activity supports the identification of potential process improvements and the findings from the exercise can also serve as a tool for training and onboarding of Assessors within the business unit.

3.3.3 Customer Strategy Group

In early 2019, Assessment created a new team known as the CSG, consisting of a team-leader and two supporting staff. The CSG is currently reviewing all Assessment customer touchpoints/interactions and communications, collaborating with other areas of Assessment to focus on the customer, and executing on initiatives aimed at enhancing the customer experience. Providing customers with a positive interaction reduces the risk of complaints arising. CSG initiatives are grouped into the following areas of focus:

- Improve communication to customers;
- Provide our people the tools to succeed;
- Enhance our in-person interactions with customers; and
- Empower our customers.

To better understand the planned and actioned initiatives aimed to improve the customer experience, we interviewed the leader of the CSG, and validated that the following initiatives had been implemented during 2019 for the 2020 Roll:

- Update of Notice of Assessment template wording to include customer friendly and plain language tone (see Section 3.1.3);
- Delivery of customer service training in advance of the CRP, including new written guidance for Assessors focused on the customer experience (see Section 3.2.1);
- Duplicate AIMS ticket analysis to identify concerns related to customer interactions during the CRP; and
- Enhancement of the format of the Symposium by grouping participants into cohorts based on the type of non-residential property to improve relationships and encourage discussion.

We also reviewed the upcoming future initiatives plan with tracking progress to date and preliminary timelines. Examples of future initiatives focused on enhancing the customer experience and mitigating the risk of complaints arising include:

- CRP call quality monitoring and post call surveys;
- Development of quality standards, monitoring and training for email communications; and
- Development of AIMS documentation process and training.

The work of the CSG resulted in updating Assessment's previous mandate of "Prepare, Communicate and Defend" to their current mandate of "Prepare fair and equitable assessments that exceed industry and legislative standards; Collaborate with stakeholders to provide a high-quality product; Explain assessments with honesty, respect and transparency". The new initiatives and processes support the current mandate and have resulted in a reduction in complaints. The recommendations raised will further support the mandate as Assessment continues to focus on the customer experience.

We would like to thank staff from Assessment for their assistance and support throughout this audit.

4.0 Observations and Recommendations

4.1 Prior Year ARB Decisions

Assessment's current Tribunal Policy mandates the consideration of prior year decisions by the ARB in the preparation of the Assessment Roll in a limited number of circumstances, which is inhibiting the effective risk mitigation of repeat complaints to ARB. We examined a sample of property owners who received a reduction on assessed values and noted that more than half of the sample also filed a complaint in the subsequent year.

In 2019 Assessment incurred \$2.7M related to managing complaints, including associated ARB hearing costs. Property owners also incur costs filing complaints with ARB and attending hearings. Furthermore, there is a reputational impact where it appears to citizens that Assessment has not considered a previous ARB decision in preparing the subsequent Roll. Although recent enhancements implemented by Assessment resulted in a positive downward trend (2017 to 2019) of complaints, additional analysis and action is required to further mitigate the risk of ARB repeat hearings.

Assessment's Tribunal Policy requires that Assessors review all ARB decisions. However, Assessors are only required to consider the information in the decision for subsequent assessments in the following circumstances:

- "There is an error in physical and/or factual characteristics;
- There is evidence-based market factors; and
- At least two years' written decisions state the same factor(s) as rationale, both the Assessor and the section Team Leader deem the written decision to be sufficient as information that should be included in the preparation of the subsequent years' assessment for the subject or other properties or businesses, and there is no compromise to equity for properties or businesses to which the information in the decision is not applied."

We reviewed documentation related to twenty prior (2019 and earlier) ARB decisions. Of these twenty, three required consideration under the terms of the Tribunal Policy, and showed evidence that consideration of factors had been appropriately applied, however:

- Seventeen of twenty properties did not require the application of prior year Tribunal decisions to subsequent year assessments as they did not fall within the circumstances set out in the current Tribunal Policy;
- Twelve of twenty properties subsequently filed a complaint with ARB related to the 2020 Roll (60%); and
- Where Assessment consider factors but make a decision not to adjust the subsequent Roll, they do not have a defined process documenting further actions to be undertaken to mitigate the possibility of property owners filing a complaint with ARB for the subsequent year.

Recommendation 1

The Director of Assessment:

- a. Review the Tribunal Policy and the related procedures to identify additional circumstances in which consideration of information from prior ARB decisions will be required in the preparation of subsequent Rolls; and
- b. Design and implement a supporting process setting out mitigating actions to be taken in circumstances where Assessment consider information from prior ARB decisions but do not incorporate changes into preparation of the subsequent Roll.

Management Response

Agreed.

Action Plan	Responsibility
<p>a) Assessment will review the Tribunal Policy and related procedures to identify additional circumstances in which consideration of information from prior ARB decisions will be required in the preparation of subsequent Rolls. Assessment will incorporate these circumstances into its new Tribunal Year End Review Policy, which will be implemented before the finalization of the 2021 Roll.</p> <p>b) Assessment will enhance existing measures and implement new processes to mitigate risk in circumstances where reasons from prior ARB decisions are considered but not incorporated into the preparation of subsequent Rolls, including:</p> <ul style="list-style-type: none"> i. An annual checklist requirement that Assessors are required to review all the previous years' ARB decisions applicable to the properties in their assigned portfolio, and provide a sign off to indicate this has been completed; ii. As part of the year-end review process, Assessors will now be required to leave detailed comments in the Computer Assisted Mass Appraisal system (Calgary Integrated Assessment Office) for all assessments altered by a decision of the ARB. In addition to providing a detailed interpretation of the relevant facts and issues, Assessors will be required to provide commentary as to how the decision was considered in the preparation of the subsequent Roll; iii. Formalization of the requirement to contact all property owners who have filed a complaint with ARB; and iv. A new oversight process where an annual report will highlight all properties where an assessment was altered by a decision of the ARB for two or more consecutive Roll years within the three preceding Roll years for review by the Valuation Leaders. The Valuation Leaders will be responsible for highlighting and acting on potential issues as well as reporting to Management. 	<p><u>Lead:</u> Director of Assessment</p> <p><u>Support:</u> Assessment Management Team</p> <p><u>Commitment Date:</u> October 8, 2020</p>

4.2 Lessons Learned Exercise

Following an ARB hearing, Assessment conduct informal discussions of hearing decisions, trends and emerging issues, but have not established a formal lessons learned exercise process. In 2019, there were 953 complaints (comprised of residential/non-residential) that proceeded to an ARB hearing with 55% of the hearings resulting in a reduction in assessed value.

A formal process to review ARB decision outcomes, in particular, decisions that resulted in a reduction in assessed values, supports the identification of potential process improvements and opportunities to further enhance customer communication, which in turn can further reduce the number of complaints that are presented to ARB and associated cost of preparation and attendance by Assessment staff.

Recommendation 2

The Director of Assessment design and implement a periodic formal lessons learned process following annual ARB hearings.

Management Response

Agreed.

Action Plan	Responsibility
<p>Assessment will establish a formal lessons learned process exercise to identify potential areas of risk and opportunities for improvement in tandem with Tribunal Task Force. The exercise will be carried out on a regular basis and the findings will be documented in a detailed summary report which will be reviewed and acted on by Management. This commitment will also be incorporated into the new Tribunal Year End Review Policy.</p>	<p><u>Lead:</u> Director of Assessment</p> <p><u>Support:</u> Assessment Management Team</p> <p><u>Commitment Date:</u> December 11, 2020</p>