

**AUDITOR GENERAL OF THE VILLE DE MONTRÉAL
PUBLISHES HER 2017 ANNUAL REPORT**

Montréal, June 19, 2018 – The 2017 Annual Report of the Auditor General of the Ville de Montréal, Mrs. Michèle Galipeau, was tabled yesterday at City Council in accordance with the provisions of the Cities and Towns Act (CTA). The Auditor General's report consolidates auditing work performed with regards to financial reporting, compliance with laws and regulations, and the value-for-money audit, which includes de IT audit.

For 2017, the Auditor General issued unqualified auditor's reports for the consolidated financial statements of the Ville de Montréal, the global tax rate and mixed expenditures, as well as for those of 10 organizations in her reporting entity.

As for the compliance of organizations that received grants of at least \$100,000, the Auditor General encourages the city to continue to increase their awareness of legislative requirements.

The report also presents the results of nine value-for-money audit missions.

Value-for-money audit and information technology audit

1. Housing subsidy programs

The Auditor concludes that the objectives of the housing subsidy programs are not formulated in measurable terms, which makes it impossible to evaluate the results actually achieved and undermines an informed decision-making on housing. In addition, the targets established for the Plan de fidélisation des familles 2014-2017 (Plan to keep families in Montréal) and involving the majority of housing subsidy programs, have not been reviewed since their approval by the Executive Committee, despite evidence that they would not be reached as a result of the government's withdrawal from the Québec Renovation Program.

2. Organic waste management

While significant funds and effort have been invested in organic waste management, the Auditor General notes that the government's target represents an environmental issue and a major challenge for the city. In fact, the most recent portrait of residual materials in the Montréal agglomeration shows that the recovery rate of organic materials was 20% in 2016, well below the government target of 60% anticipated by 2025. The city will have to review its organic waste management strategy to comply with new government requirements and monitor timelines for the various initiatives. Sustained efforts must be made to inform and educate citizens, and to encourage them to participate in order to achieve the goals set.

3. Management of citizen requests and complaints

Notwithstanding the efforts made to provide quality services to the public, the municipal administration must make the necessary arrangements to ensure that all business units contribute to the improvement of the services offered to citizens and apply common standards of service, regardless of where the borough is located in Montréal. The boroughs and the central services will therefore have to commit themselves to providing uniform services to citizens by clearly specifying the level and quality of the expected service delivery.

4. Snow management

Although the city plans the use of snow disposal sites, and the boroughs provide environmental monitoring and maintenance of surface dump sites, the strategy for disposal of snow is virtually similar year-to-year without any attempt to optimize snow removal costs and improve compliance with regulatory requirements. Since the city is not aware of the environmental monitoring commitments related to the certificates of authorization, it cannot affirm that the disposal of snow is meeting the environmental requirements prescribed therein. The maintenance of surface dump sites is not documented and for almost three-quarters of the surface sites and all the sewer chutes, maintenance requirements as set out in the authorization certificates are not known.

5. Leaks search program

Although the city has taken several actions in recent years, the potential water loss rate in the agglomeration's overall water system has remained high since the adoption of the *Stratégie québécoise d'économie d'eau potable* (2011) by the government and the *Stratégie montréalaise de l'eau* (2012) by the agglomeration council. The leak detection program currently in place does not optimally reduce leaks to meet the requirements and orientations adopted.

The roles and responsibilities of all units involved are not clearly defined. The planning of activities related to the detection and the location of the leaks is deficient and does not allow all the objectives to be reached. Localized leak repair activities are not included in a work plan with an established priority and set repair time. In addition, the expected benefits and performance of the leak detection program have not been evaluated.

6. Cycling network management

Since 2008, significant efforts have been made to develop the bicycling network. Nevertheless, the new priorities recently approved by the authorities (*Bicycle Master Plan*) as well as the safety prerogatives (*VISION ZERO décès et blessé grave* commitment), land use planning and needs of cyclists' prerogatives are not reflected in the current *Plan du réseau cyclable*, of which nearly 430 km has yet to be developed. The selection of development and upgrading projects for the bicycling network is almost exclusively based on achieving the goal of the number of kilometres.

The people in charge do not have all the required data on the cycling network – that is, on its condition and compliance with standards, on the paths' use and on the type and number of accidents involving cyclists – making it difficult to plan development and upgrades. No minimum maintenance standards for the existing cycling network have been established and approved by the authorities.

7. Street food

As we enter the fourth season of street food, activity tends to be running out of steam. In 2017, six boroughs offered sites where street food were allowed on their territory. By 2018, only three boroughs planned to offer such sites. If the intention of the administration is to maintain or increase the presence of street food trucks in the public domain, a reassessment of the operating procedures and the selection process should be undertaken.

8. Protection of personal information, Société de transport de Montréal (STM)

The STM has adequate personal information (PI) governance in terms of corporate and management policies, responsibilities and awareness of the importance of PI protection. While the retention, destruction and protection measures are generally satisfactory, the Auditor General recommends the establishment of retention rules and destruction procedures for certain applications and the introduction of a process for rendering anonymous IP in non-production computing environments.

9. Formula E event

As part of the electric vehicle races that took place on the streets of downtown Montréal on July 29 and 30, 2017, the city granted \$1.75 million in non-recurring financial support to MCE (Montréal C'est Électrique) and guaranteed its line of credit for a maximum amount of \$10 million. In addition, it performed infrastructure work and provided technical support to the organization. In total, the actual expenses incurred by the city amounted to \$26 million.

According to the Auditor General, the event should have been considered a major project by the municipal administration, given its complexity and the amounts committed, rather than as a series of piecemeal interventions. As a result, the city did not follow the Cadre de gouvernance des projets (CGP) and the municipal asset management programs adopted in 2010.

The application of the CGP would have ensured transparent communication among stakeholders, effective risk management and maximizing the use of financial, material and human resources. Similarly, it would have favoured the establishment of an overall vision of this project and adequate accountability to the various bodies.

Follow-up of recommendations

The Auditor General is again seeking the support of the municipal administration to encourage all business units to respect the commitments in their action plan submitted to the Office of the Auditor General, in order to facilitate implementation of the recommendations in accordance with the established timelines and to promptly ensure a better use of resources.

The Auditor General's annual report for 2017 and associated highlights are available at bvgmtl.ca. Please note that the "View our latest report" tab refers to the highlights and that, in order to obtain the full report, it is necessary to click on the tab Our reports > Annual reports > 2017.

- 30 -

Source: Bureau du vérificateur général de la Ville de Montréal
Information: Marie-Hélène Blouin
Office: 514 849-4554
Mobile: 514 515-0508
Email: marie-helene.blouin@cominfrarouge.com