



Report of the Auditor General of the Ville de Montréal to the City Council and to the Urban Agglomeration Council

For the Year Ended December 31, 2015

2

Overview of the Bureau du vérificateur général





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2.1

Workforce Status



2. Overview of the Bureau du vérificateur général

2.1. Workforce Status

At December 31, 2015, there were 30 employees in the Bureau du vérificateur général, compared with 28 the previous year. Worthy of note is the recruitment of a new quality assurance and professional practices officer, a position that had been vacant since fall 2014. Two senior auditors also joined the Direction certification des états financiers Ville et autres organismes.

**Table 1 – Workforce Trends
as of December 31 for 2006–2015**

Year	Total employees ^[a]
2006	35
2007	33
2008	28
2009	26
2010	30
2011	33
2012	30
2013	30
2014	28
2015	30

^[a] The workforce excludes two professionals who were released full-time for union activities for the years 2008 to 2010 and one professional for 2011.

At year-end, we had three vacant positions, all in the Direction optimisation des ressources et conformité réglementaire. We were not able to fill these positions despite a recruiting campaign undertaken during the year. Only one employee left our team this year, to retire. In addition to filling these positions, the Bureau anticipates that 20% of its workforce will leave in the short to medium term through retirement and at the end of their mandates. This estimate includes, in particular, three of the four members of the Bureau's executive team.

To summarize, our workforce status in relation to authorized positions at December 31, 2015, was as follows.

**Table 2 – Workforce Status
at December 31, 2015**

Areas	Authorized positions	Filled positions	Positions to fill
Certification	11	11	0
VFM	11	8	3
IT	8	8	0
QA	3	3	0
Total	33	30	3



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2.2

Performance Indicators



2.2. Performance Indicators

During our audits, we often observe a lack of appropriate performance indicators to allow thorough administrative follow-up and suitable reporting.

We will continue to present the indicators that we consider to be the most relevant in helping the reader form an opinion about the performance of the Montreal Bureau du vérificateur général (the BVG).

These indicators are:

- Number of reports issued;
- Recommendation implementation rate;
- Use of time;
- Equal access to employment;
- Financial results.

Number of Reports Issued

Table 1 shows the number of reports produced in recent years for the financial audit as well as the value-for-money and information technology (IT) audit.

Table 1 – Number of Reports Issued from 2010 to 2015

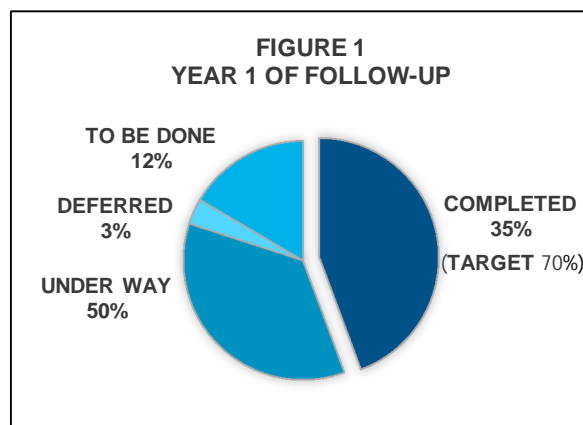
Annual report reference year	Financial statements audit			VMF and IT
	Current financial year	Previous financial years	Total	
2010	13	3	16	9
2011	9	1	10	12
2012	21	15	36	13
2013	18	1	19	11
2014	16	4	20	12
2015	16	2	18	8

The number of reports issued in 2015 was lower, mainly because the financial statements audit team did not take part in any value-for-money audits.

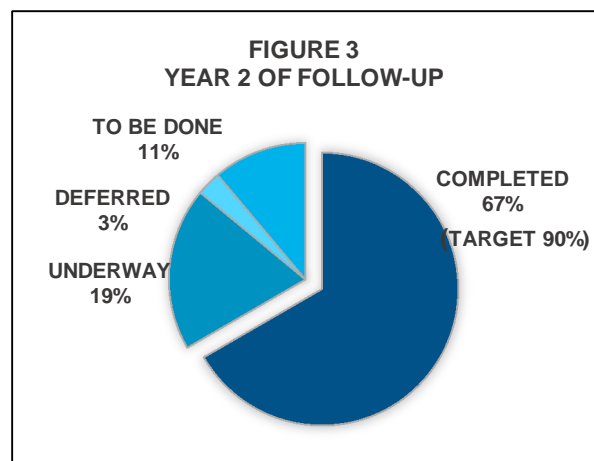
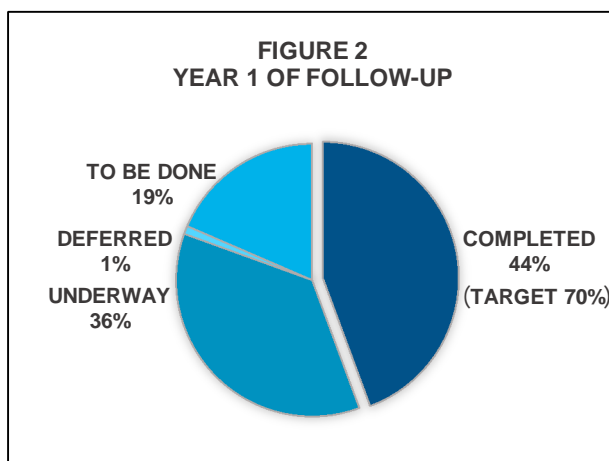
Recommendation Implementation Rate

This indicator is particularly important because it allows the reader to assess the extent to which the municipal administration takes appropriate measures to resolve the problems that trigger the recommendations we put forward. The data shown in Figures 1 to 6 illustrate, by the nature of the audit, the implementation rate for recommendations made at the end of our follow-up work in the first year as well as the second year following their publication.

Figure 1 – 2014 Recommendation Implementation Rate for the Value-for-Money and IT Audit, by Status

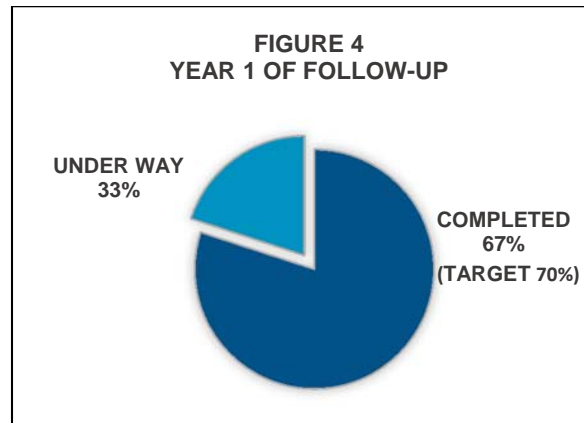


Figures 2 and 3 – 2013 Recommendation Implementation Rate for the Value-for-Money and IT Audit, by Status

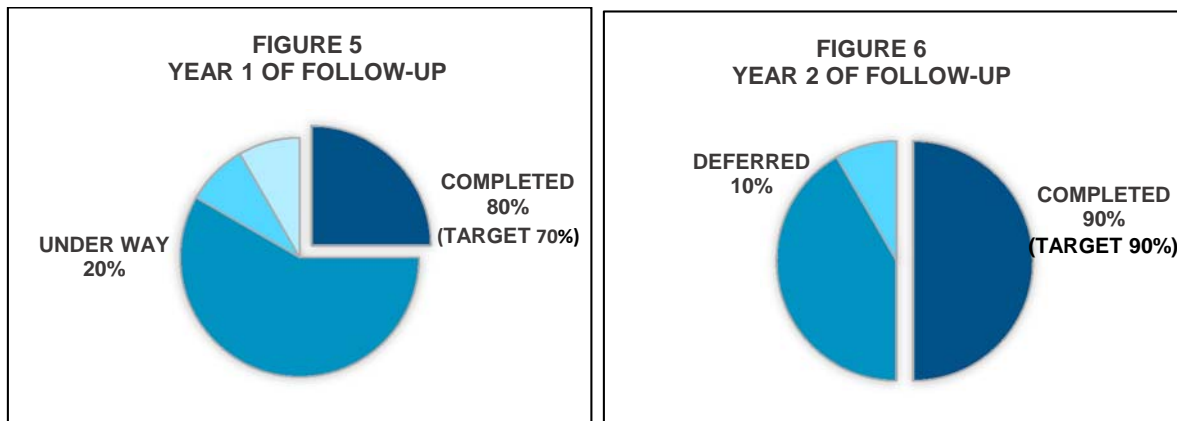


The recommendation implementation rate in the first year of follow-up dropped by 9 percentage points, from 44% in 2014 to 35% in 2013. This continues to be well below the target of 70%. The recommendation implementation rate in 2013 for the second year of follow-up was 67%, failing to reach even the 70% target for the first year of follow-up, let alone the second-year target of 90%.

Figure 4 – 2014 Recommendation Implementation Rate for the Financial Audit, by Status



Figures 5 and 6 – 2013 Recommendation Implementation Rate for the Financial Audit, by Status



The recommendation implementation rate for the 2014 financial audit was 67%, slightly below the 70% target for the first year of follow-up. In addition the 90% target implementation rate for the 2013 recommendations in the second year following their publication was achieved. Overall, these results were deemed very satisfactory.

However, we would emphasize once again this year the poor results observed among the business units in terms of implementing our value-for-money and IT recommendations. These outcomes indicate a lack of diligence and commitment to complying with the timeframes established in their action plans. Consequently, we would reiterate that the business units must again be made aware of the importance of implementing the BVG's recommendations more promptly and that city management must show leadership in this regard.

Use of Time

Figures 7 and 8 show a breakdown of total and chargeable hours for members of the BVG over the past five years.

Figure 7 – Breakdown of Total Hours

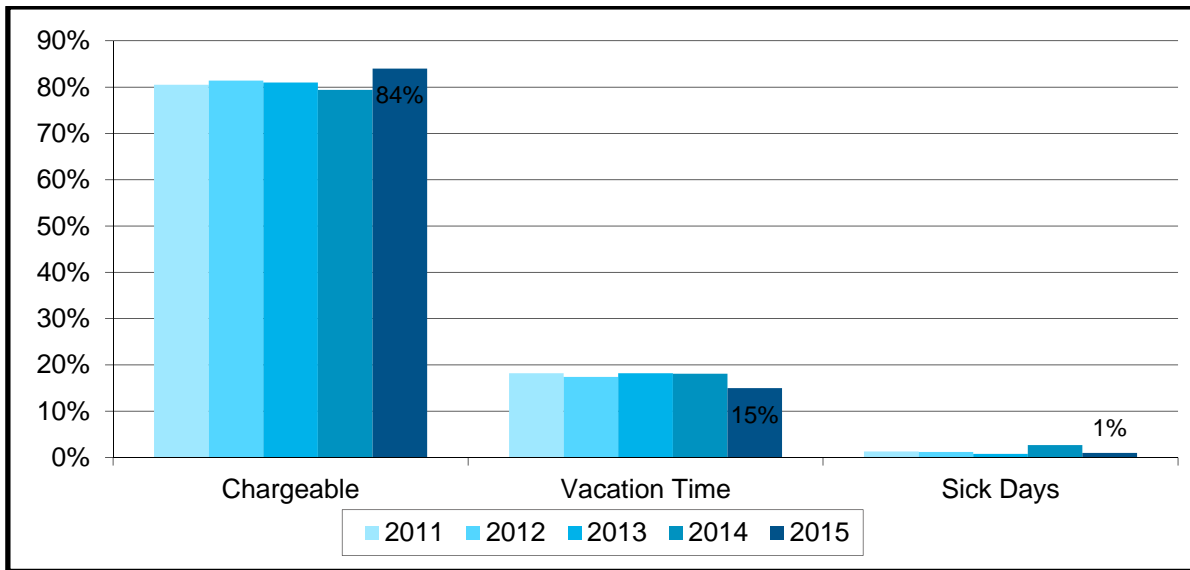
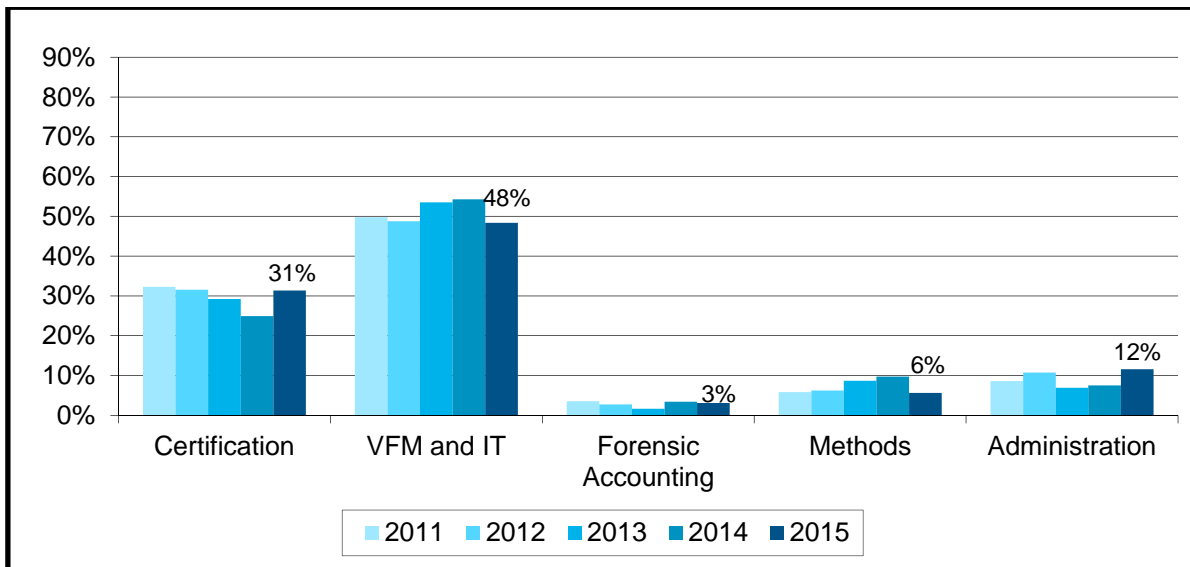


Figure 8 – Breakdown of Chargeable Hours, by Activity



VFM and IT: Value-for-Money and Information Technology audit.

Methods: Includes accounting research, quality assurance and training.

Figure 8 shows an increase in the proportion of chargeable hours related to Certification decreased activities. This is attributable to the fact that all of the positions in this division were filled this year, following the hiring of two new employees. Conversely, the retirement of one employee in the VFM division, combined with the additional time the IT division devoted to technical support, translated to a decrease in the number of chargeable hours related to VFM and IT activities. The lower number of chargeable hours in the Methods category can be explained by the fact that the position of quality assurance and professional practices officer was vacant for a nine-month period in 2015 and by the decrease in the number of hours spent on training compared with last year.

Other indicators pertaining to the use of time and staff turnover are presented in Table 2.

Table 2 – Other Indicators Pertaining to the Use of Time and Audit Staff Turnover

	Results	
	2015	2014
1. Audit staff turnover	3.4%	17.9%
2. Absenteeism	0.1%	2.4%
3. Average number of hours of training per employee	62	66
4. Ratio of training costs/payroll expenditures in accordance with the <i>Act to Promote Workforce Skills Development and Recognition</i> . The objective for all City operations is 1%.	4.9%	4.9%

The turnover rate dropped significantly, with only one staff departure during the year compared with five in 2014. We also observed a reduction in absenteeism and training hours.

Equal Access to Employment

Like the City, the BVG pays particular attention to issues of equal access to employment.

The breakdown of the representation of groups targeted by the *Act Respecting Equal Access to Employment in Public Bodies* as of December 31 of the last five years is shown in Table 3.

Table 3 – Representation of Targeted Groups

Targeted group	2015	2014	2013	2012	2011
Men	46.7%	51.8%	51.6%	53.3%	59.4%
Women	53.3%	48.2%	48.4%	46.7%	40.6%

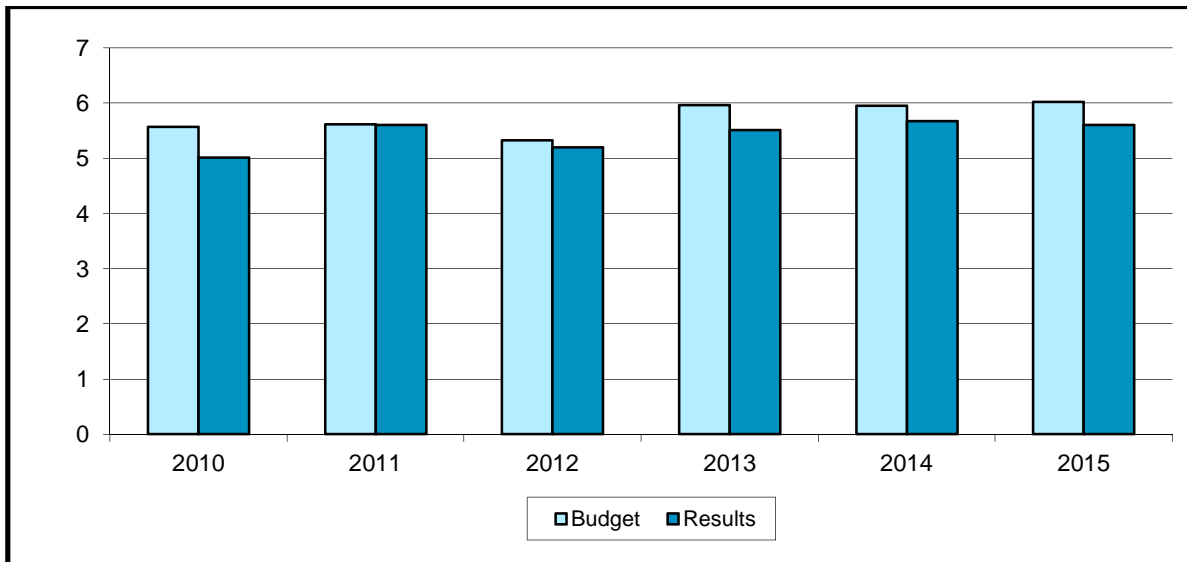
Targeted group	2015	2014	2013	2012	2011
Aboriginal persons	0.0%	0.0%	0.0%	0.0%	0.0%
Visible minorities	10%	11.1%	9.7%	6.7%	6.3%
Ethnic minorities	10%	11.1%	3.3%	3.3%	3.1%
Total	20%	22.2%	13.0%	10.0%	9.4%

We can see that the representation of women and visible and ethnic minorities within our workforce has improved significantly over this period.

Financial Results

The final indicator deals with the financial results for the BVG. Figure 9 shows these results for the past five years.

Figure 9 – Budget and Financial Results
(in millions of dollars)



In terms of financial performance for 2015, the positive variance relative to the 2015 budget is due to positions that remained vacant and the retirement of one employee at the beginning of the year. For more information about previous years, please refer to the annual reports for those years.