



5.

FOLLOW-UP ON RECOMMENDATIONS OF PREVIOUS YEARS

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The percentage of recommendations made by the Bureau du vérificateur général (the BVG) that have led to concrete measures is an essential indicator in ensuring that central departments and boroughs implement their recommendations.

The BVG's policy is to follow up on the recommendations in the year following their publication in the annual report. The follow-up cycle of a given year's recommendations is generally limited to a period not exceeding three years, except in very special circumstances where some recommendations are followed up for one, two or three additional years.

RESULTS OF FOLLOW-UPS TO RECOMMENDATIONS – VALUE-FOR-MONEY AND INFORMATION TECHNOLOGY AUDIT

The results of follow-ups to the recommendations made in the 2012-2016 annual reports are presented in Table 1.

**TABLE 1 – RESULTS OF FOLLOW-UPS TO RECOMMENDATIONS
BY STATUS
VALUE-FOR-MONEY AND INFORMATION
TECHNOLOGY AUDIT
AS OF APRIL 16, 2018**

STATUS OF RECOMMENDATIONS	NO. OF RECOMMENDATIONS PER YEAR					
	2012	2013	2014	2015	2016	TOTAL
Resolved	215	161	306	207	41	930
In progress	9	11	77	100	34	231
Deferred	1	5	8	4	1	19
Not resolved	7	30	2	0	3	42
To be implemented^[A]	0	0	0	19	21	40
TOTAL NUMBER OF RECOMMENDATIONS MADE	232	207	393	330	100	1,262

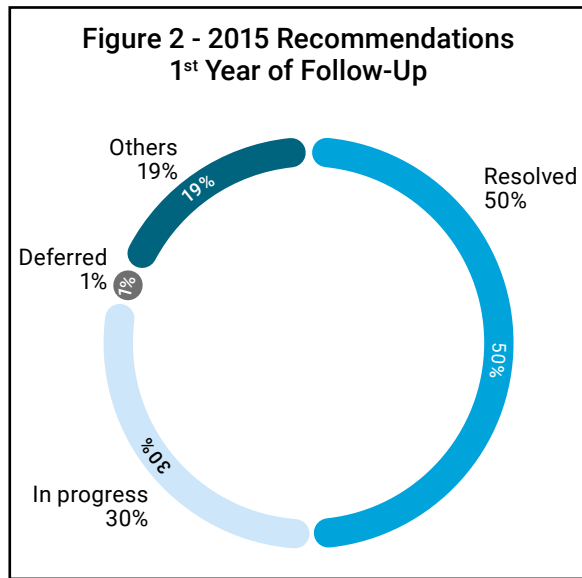
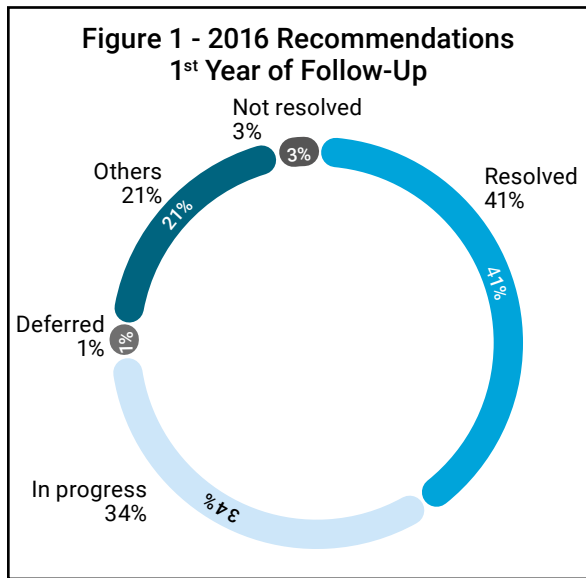
[A] These recommendations have not been followed-up by the business units concerned.

We note that recommendations whose status is «resolved» in the first year of follow-up after their publication in the BVG’s annual report represent 41% for those of 2016 (50% for those of 2015) – (see Figures 1 and 2).

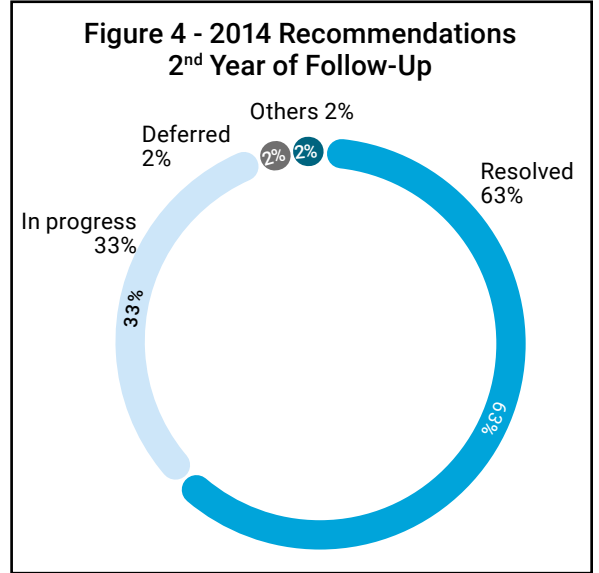
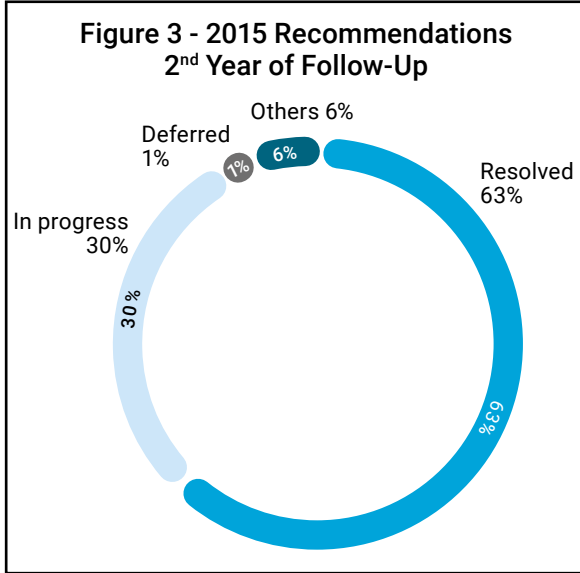
Recommendations whose status is «resolved» in the second year of follow-up after their publication represent 63% for those of 2015 (63% for those of 2014) – (see Figures 3 and 4).

Recommendations whose status is «resolved» in the third year of follow-up represent 78% for those of 2014 (74% for those of 2013) – (see Figures 5 and 6).

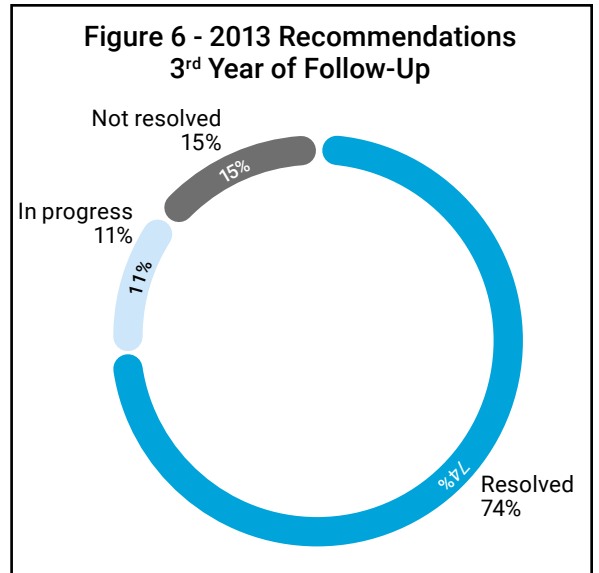
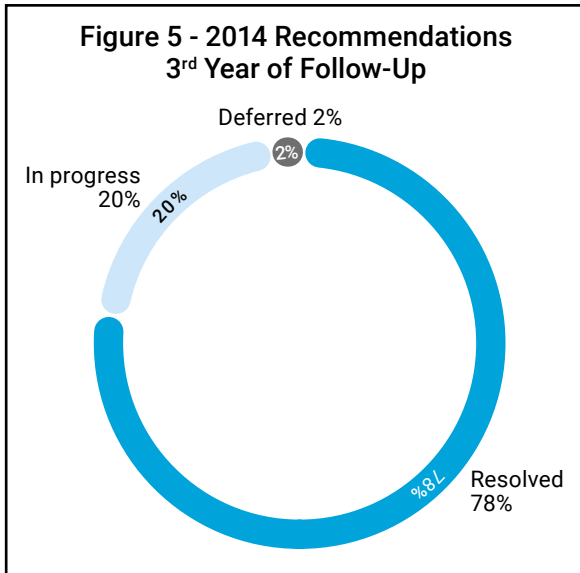
**FIGURES 1 AND 2 – STATUS OF RECOMMENDATIONS FROM 2016 AND 2015
VALUE-FOR-MONEY AND INFORMATION TECHNOLOGY AUDIT
1ST YEAR OF FOLLOW-UP**



FIGURES 3 AND 4 – STATUS OF RECOMMENDATIONS FROM 2015 AND 2014 VALUE-FOR-MONEY AND INFORMATION TECHNOLOGY AUDIT 2ND YEAR OF FOLLOW-UP



FIGURES 5 AND 6 – STATUS OF RECOMMENDATIONS FROM 2014 AND 2013 VALUE-FOR-MONEY AND INFORMATION TECHNOLOGY AUDIT 3RD YEAR OF FOLLOW-UP



ADDITIONAL NOTES FOR RESULTS OF RECOMMENDATION FOLLOW-UPS

The objective of our follow-up work is to ensure that business units undertake measures to implement the action plans they have provided, within the planned implementation schedule. In this context, it is expected that business units will ensure a rigorous response to the BVG's recommendations while following up on the implementation of action plans for these recommendations at the appropriate time.

According to the action plans of business units for the 2016 and 2015 recommendations, the scheduled implementation times ranged from 0 to just over 36 months. Table 2 presents the change in the percentage of recommendations over time that the Bureau du vérificateur général has confirmed to be resolved, based on the completion date initially planned by the business units in question for those recommendations.

TABLE 2 – RESOLUTION RATE OF RECOMMENDATIONS FORMULATED IN 2016 AND 2015 ON APRIL 16, 2018

IMPLEMENTATION PERIOD FOR RECOMMENDATIONS	RECOMMENDATIONS MADE IN 2016 (1 ST YEAR OF FOLLOW-UP)			RECOMMENDATIONS MADE IN 2015 (2 ND YEAR OF FOLLOW-UP)		
	PLANNED	ACTUAL		PLANNED	ACTUAL	
	PERCENTAGE OF RECOMMENDATIONS SETTLED BY BUSINESS UNITS	PERCENTAGE OF RECOMMENDATIONS SETTLED ACCORDING TO THE BVG	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF RECOMMENDATIONS SETTLED BY BUSINESS UNITS	PERCENTAGE OF RECOMMENDATIONS SETTLED ACCORDING TO THE BVG	NUMBER OF RECOMMENDATIONS
0 to 12 months	78%	41%	41	87%	50%	164
12 to 24 months	14%	N/A ^[A]	-	10%	13%	43
24 to 36 months	8%	N/A ^[A]	-	2%	N/A ^[A]	-
More than 36 months	0%	N/A ^[A]	-	1%	N/A ^[A]	-
	100%	41%	41	100%	63%	207
	TOTAL OF RECOMMENDATIONS		100	TOTAL OF RECOMMENDATIONS		330

[A] Implementation date not yet due, as of the date of this report.

In short, as of April 16, 2018, for the 2016 recommendations subject to their first year of follow-up, we note that 41% were resolved within 0 to 12 months compared to the anticipated rate of 78% given the action plans provided by the business units.

As for the 2015 recommendations, which were subject to their second year of follow-up, 63% were resolved within 0 to 24 months compared to the anticipated rate of 97% for the same period.

We have also established how the business units fared in terms of complying with the implementation dates for the 2016 recommendations initially set out in their action plans. Our results are presented in Table 3.

TABLE 3 – IMPLEMENTATION DATE OF 2016 RECOMMENDATIONS, BY STATUS ON APRIL 16, 2018

STATUS OF RECOMMENDATIONS CONFIRMED BY THE BVG	NUMBER OF RECOMMENDATIONS BY STATUS RATE	IMPLEMENTATION DATE		
		RESPECTED (OR NOT EXPIRED)	OUTDATED	
		NUMBER RATE	NUMBER RATE	AVERAGE TIME CALCULATED
Resolved	41 (41%)	5 (12%)	36 (88%)	154 days ^[B] (5,1 months)
In progress	34 (34%)	3 (9%)	31 (91%)	200 days ^[C] (6,6 months)
Deffered	1 (1%)	0 (0%)	1 (100%)	290 days ^[C] (9,5 months)
Not resolved	3 (3%)	0 (0%)	3 (100%)	N/A ^[D]
To be implemented ^[A]	21 (21%)	15 (71%)	6 (29%)	221 days ^[C] (7,2 months)
TOTAL NUMBER OF 2016 RECOMMENDATIONS	100 (100%)	23 (23%)	77 (77%)	174 DAYS (5,7 MONTHS)

[A] These recommendations have not been followed up by the business units concerned.

[B] Timeline calculated from the date the business unit follows up on the recommendations («resolved» provisional status) and the implementation date initially scheduled in the action plan.

[C] Timeline calculated between April 16, 2018 and the implementation date originally scheduled in the action plan.

[D] No corrective action is planned by the business unit.

In light of these results, we note that the implementation dates initially set out were respected by business units (or not expired) for only 23% (17% in 2015) of the recommendations. Of this number, 12% of the 2016 recommendations (10% in 2015) were deemed “resolved.”

Moreover, for several recommendations, our follow-up work revealed that the business units did not take sufficient steps to implement the recommendations, or were unable to demonstrate the status.

We note the following:

- 40 recommendations from 2012 to 2016, 35 (88%) of which were formulated in 2015 and 2016, which had been considered by the business units, had to be kept «in progress» since the measures put in place by the business units did not respond to the recommendations, or the business units had not been able to demonstrate any evidence of the measures having been taken;
- 25 recommendations (6%) from 2015 and 2016, specifically, 19 from 2015 and 6 from 2016, for which the initial implementation date had passed, still have the «to be implemented» status, indicating no follow-up on them by the business units concerned.

RESULTS OF FOLLOW-UPS TO RECOMMENDATIONS – AUDIT OF FINANCIAL STATEMENTS

Results of follow-ups to recommendations made in the 2012 to 2016 reports on internal control weaknesses are presented in Table 4.

**TABLE 4 – RESULTS OF FOLLOW-UPS TO RECOMMENDATIONS,
BY STATUS
AUDIT OF FINANCIAL STATEMENTS
ON APRIL 16, 2018**

STATUS OF RECOMMENDATIONS	NO. OF RECOMMENDATIONS PER YEAR					
	2012	2013	2014	2015	2016	TOTAL
Resolved	9	10	5	7	9	40
In progress	0	0	1	4	6	11
Deferred	0	0	0	1	0	1
Not resolved	3	0	0	0	1	4
To be implemented ^[A]	0	0	0	0	4	4
TOTAL OF RECOMMENDATIONS MADE	12	10	6	12	20	60

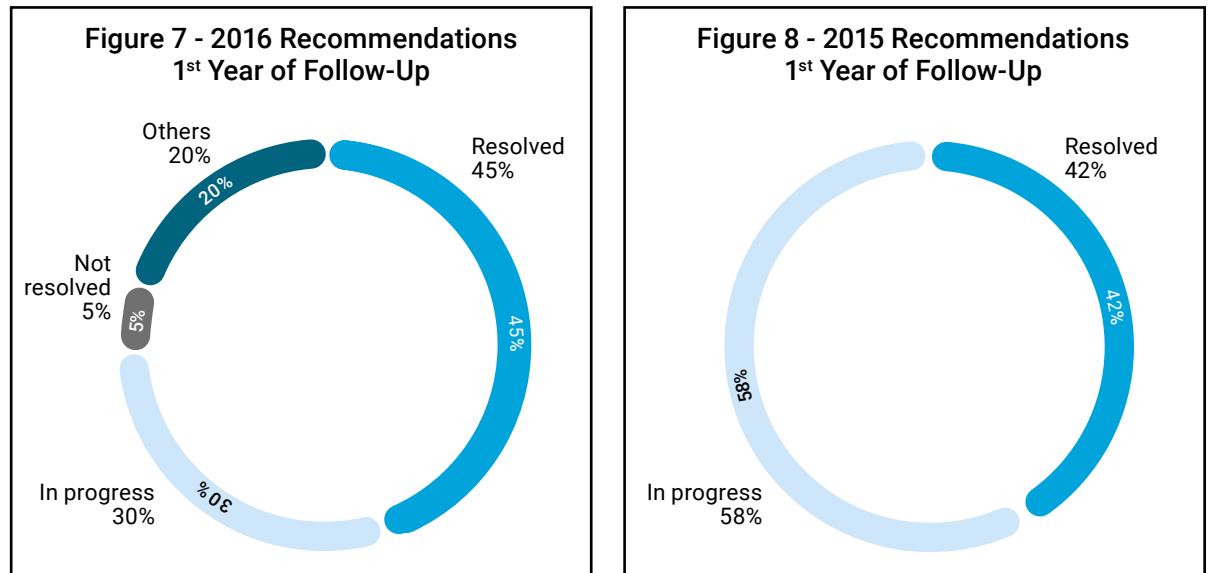
[A] These recommendations have not been followed up by the business units concerned.

We note that recommendations whose status was «resolved» in the first year of follow-up after their publication in the report on internal control weaknesses for the Ville de Montréal audit committee represent 45% for those of 2016 (42% for those of 2015) – (see Figures 7 and 8).

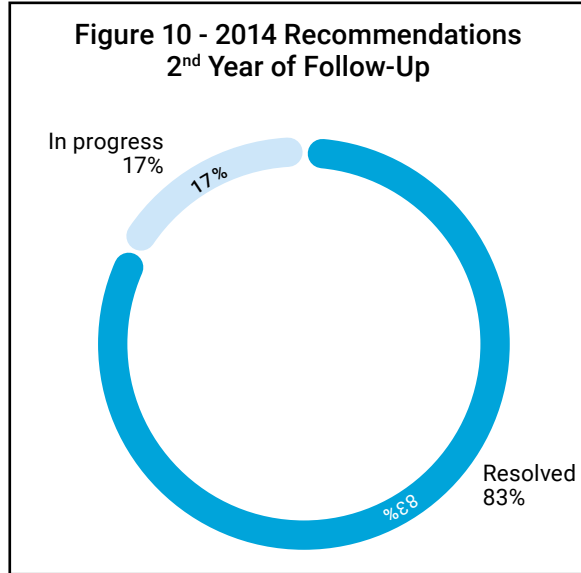
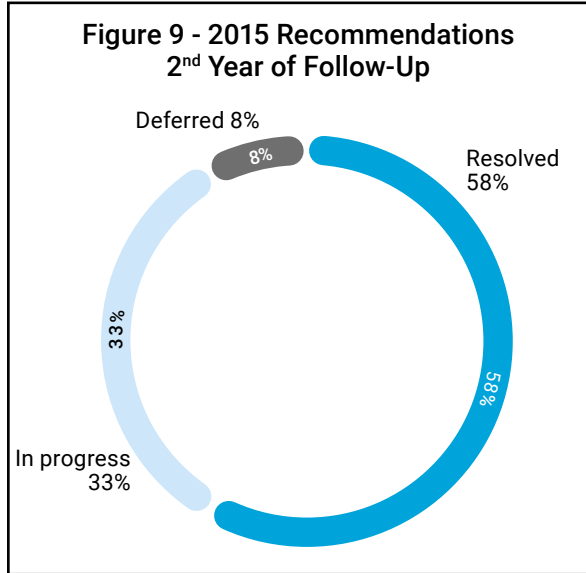
Recommendations whose status is «resolved» in the second year of follow-up after their publication represent 58% for those of 2015 (83% for those of 2014) – (see Figures 9 and 10).

Recommendations whose status is «resolved» in the third year of follow-up represent 83% for those of 2014 (100% for those of 2013) – (see Figures 11 and 12).

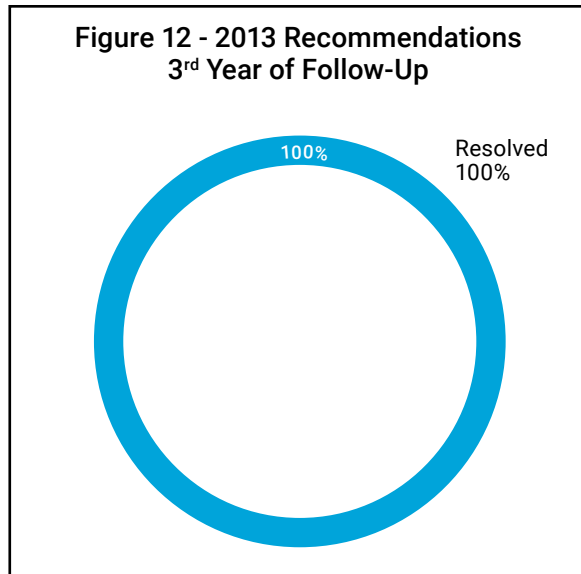
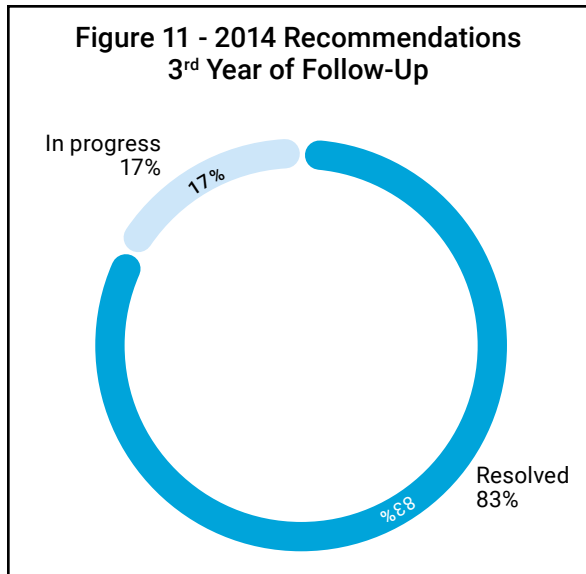
FIGURES 7 AND 8 – STATUS OF RECOMMENDATIONS FROM 2016 AND 2015 AUDIT OF FINANCIAL STATEMENTS 1ST YEAR OF FOLLOW-UP



**FIGURES 9 AND 10 – STATUS OF RECOMMENDATIONS FROM 2015 AND 2014
AUDIT OF FINANCIAL STATEMENTS
2ND YEAR OF FOLLOW-UP**



**FIGURES 11 AND 12 – STATUS OF RECOMMENDATIONS FROM 2014 AND 2013
AUDIT OF FINANCIAL STATEMENTS
3RD YEAR OF FOLLOW-UP**



CONCLUSION

For the value-for-money and information technology audit, we note, first of all, that only 41% of the recommendations formulated in 2016 were resolved by the time of our first year follow-up. In comparison, 50% of the recommendations formulated in 2015 were resolved by the first year follow-up, which is a significant reduction in implementation. In addition to this regression, of the recommendations issued in 2016, 78% should have been resolved at the time of our first follow-up, according to the action plans submitted by the business units.

Second, we note that in terms of implementation times for the recommendations formulated in 2016, only 12% (5 of 41) were resolved within the implementation dates initially put forward by the business units in their action plans, and the year before, only 10% of recommendations formulated in 2015 (17 of 164) were resolved by the planned completion time. Although this is a slight improvement, our findings show that the business units largely do not meet the time lines they submit in their action plans.

With regard to the audit of the financial statements, the resolution status of the recommendations by the time of the first year follow-up improved slightly for the 2016 recommendations, with a result of 45% compared to 42% for the 2015 recommendations.

However, the rate of recommendations that were resolved by the second year of follow-up in 2016, that is, the 2015 recommendations, had deteriorated, with a 58% resolution rate (83% for 2014). This same trend is also seen for recommendations in their third year of follow-up in 2016, that is, the 2014 recommendations, with a result of 83% (100% for 2013).

We repeat our recommendation that municipal governments establish performance indicators to measure the degree of implementation of the recommendations included in the Auditor General's audit reports and follow up on them.

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