



5.

**FOLLOW-UP ON
RECOMMENDATIONS
OF PREVIOUS YEARS**

5. FOLLOW-UP ON RECOMMENDATIONS OF PREVIOUS YEARS

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

The Bureau'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-UP TO RECOMMENDATIONS – PERFORMANCE AUDIT AND INFORMATION TECHNOLOGY AUDIT

The results of follow-up to the recommendations made in the 2013-2017 annual reports are presented in Table 1.

**TABLE 1 – RESULTS OF FOLLOW-UP TO RECOMMENDATIONS BY STATUS
PERFORMANCE AUDIT AND INFORMATION TECHNOLOGY
AS OF APRIL 16, 2019**

STATUS OF RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS PER YEAR					
	2013	2014	2015	2016	2017	TOTAL
Resolved	165	327	267	60	67	886
In progress	8	45	56	19	68	196
Deferred	3	10	4	2	6	25
Not resolved	31	11	0	3	0	45
To be implemented ^[A]	0	0	3	16	69	88
TOTAL NUMBER OF RECOMMENDATIONS MADE	207	393	330	100	210	1,240

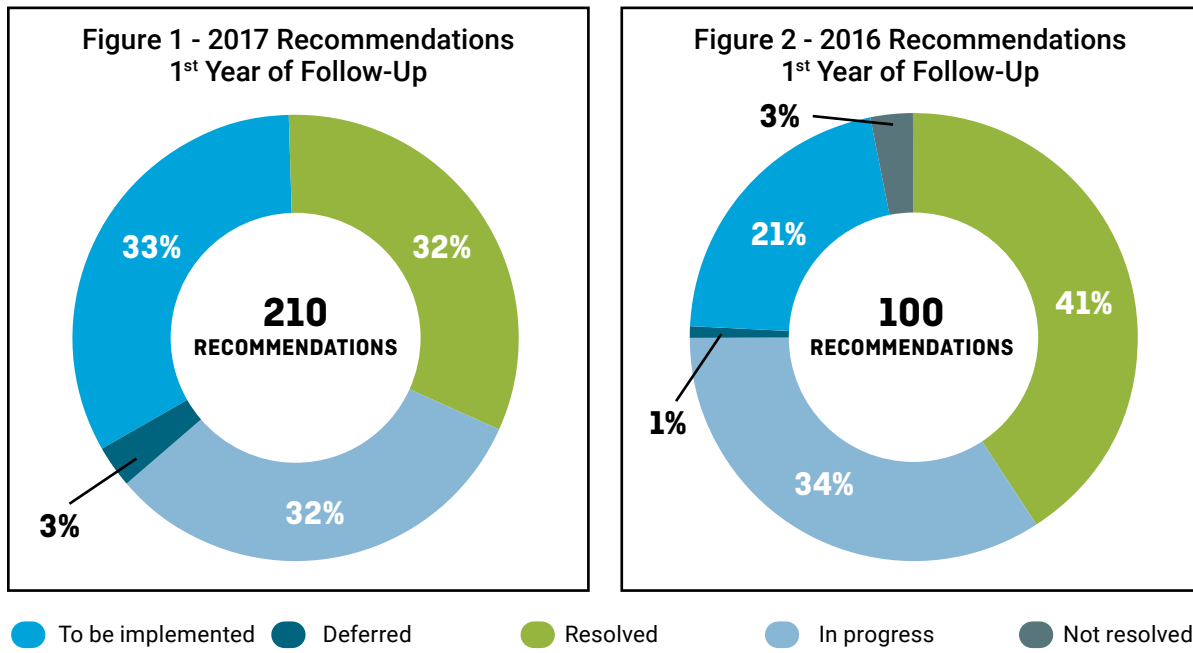
^[A] These recommendations have not been followed up by the business units concerned.

We note that recommendations whose status is «resolved» in the first year of follow-up after their publication in the Auditor General’s annual report represent 32% (67/210) for those of 2017 (41% for those of 2016) – (see Figures 1 and 2).

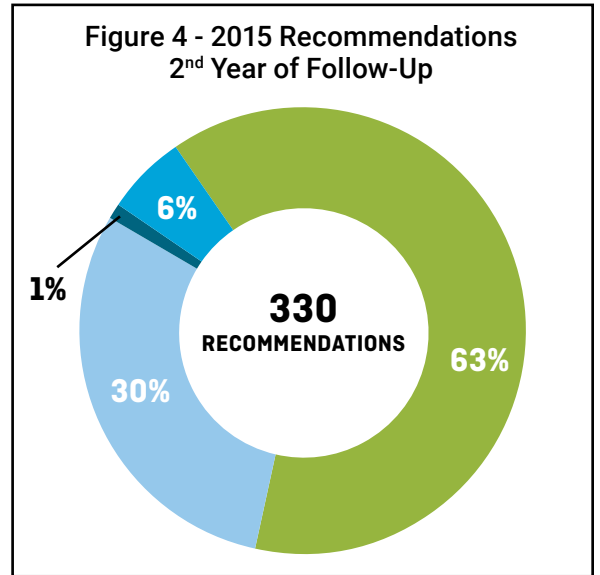
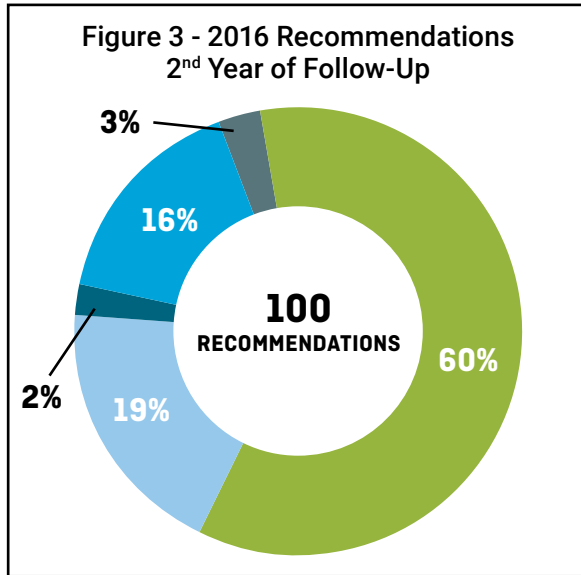
Recommendations whose status is «resolved» in the second year of follow-up after their publication represent 60% (60/100) for those of 2016 (63% for those of 2015) – (see Figures 3 and 4).

Recommendations whose status is «resolved» in the third year of follow-up represent 81% (267/330) for those of 2015 (78% for those of 2014) – (see Figures 5 and 6).

FIGURES 1 AND 2 – RECOMMENDATIONS RATE OF 2017 AND 2016 BY STATUS PERFORMANCE AUDIT AND INFORMATION TECHNOLOGY 1ST YEAR OF FOLLOW-UP

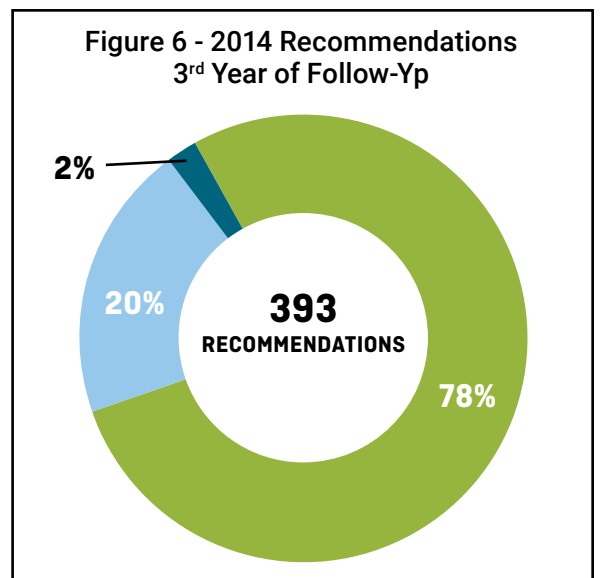
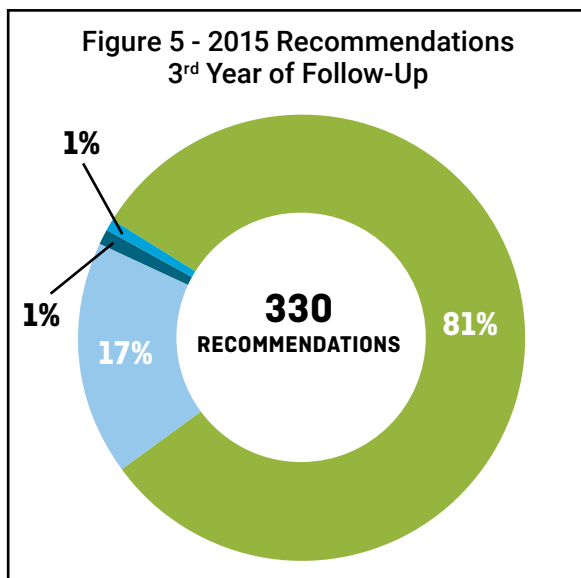


FIGURES 3 AND 4 – RECOMMENDATIONS RATE OF 2016 AND 2015 BY STATUS PERFORMANCE AUDIT AND INFORMATION TECHNOLOGY 2ND YEAR OF FOLLOW-UP



● To be implemented ● Deferred ● Resolved ● In progress ● Not resolved

FIGURES 5 AND 6 – RECOMMENDATIONS RATE OF 2015 AND 2014 BY STATUS PERFORMANCE AUDIT AND INFORMATION TECHNOLOGY 3RD YEAR OF FOLLOW-UP



● To be implemented ● Deferred ● Resolved ● In progress

ADDITIONAL NOTES TO THE RESULTS OF RECOMMENDATIONS FOLLOW-UP

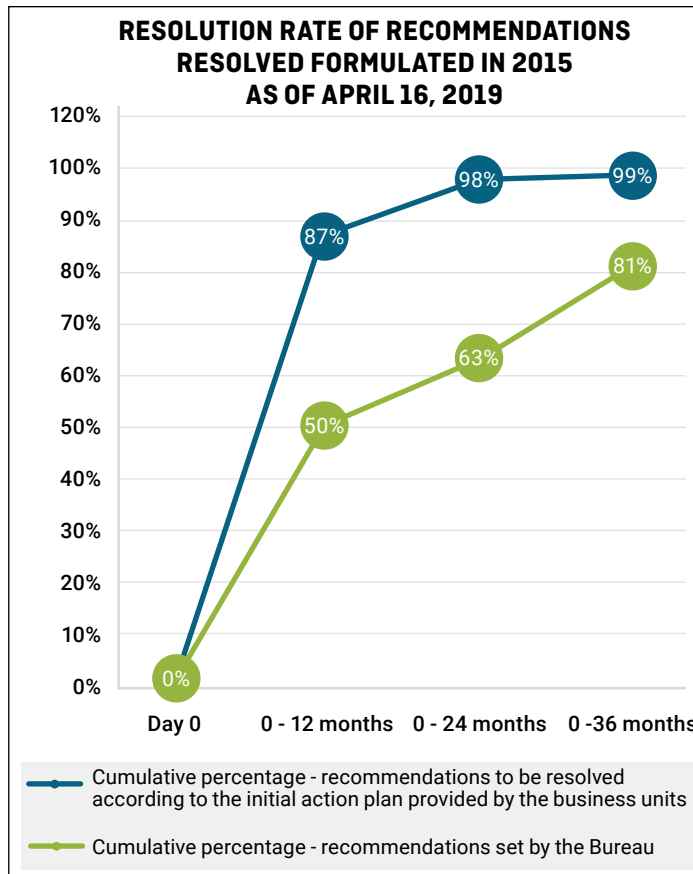
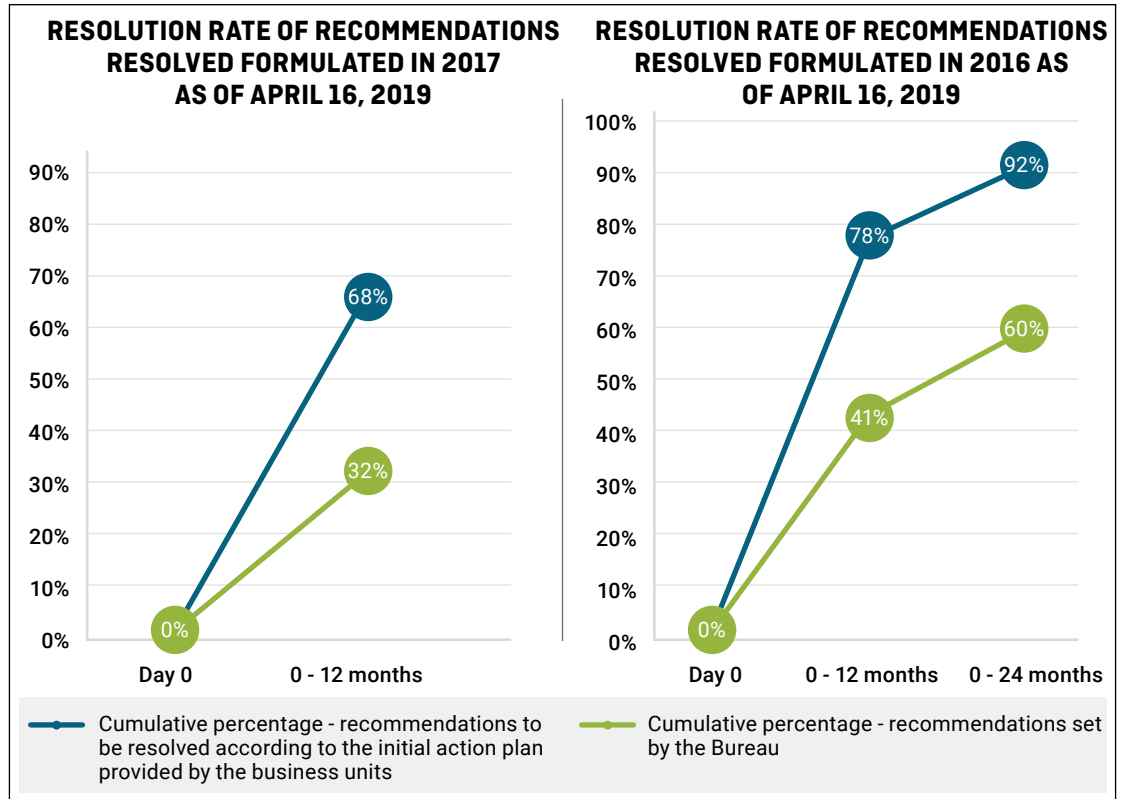
The objective of our follow-up work is to ensure that business units undertake measures to implement the action plans they have provided, within the planned implementation schedule. In this context, it is expected that business units will ensure a rigorous response to the Bureau's recommendations while 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 2017, 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 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 2017, 2016 AND 2015 AS OF APRIL 16, 2019

PERIOD OF IMPLEMENTATION OF THE RECOMMENDATIONS	RECOMMENDATIONS MADE IN 2017		RECOMMENDATIONS MADE IN 2016		RECOMMENDATIONS MADE IN 2015	
	PLANNED	ACTUAL	PLANNED	ACTUAL	PLANNED	ACTUAL
	PERCENTAGE OF RECOMMENDATIONS SETTLED BY BUSINESS UNITS	PERCENTAGE OF RECOMMENDATIONS SETTLED ACCORDING TO THE BUREAU	PERCENTAGE OF RECOMMENDATIONS SETTLED BY BUSINESS UNITS	PERCENTAGE OF RECOMMENDATIONS SETTLED ACCORDING TO THE BUREAU	PERCENTAGE OF RECOMMENDATIONS SETTLED BY BUSINESS UNITS	PERCENTAGE OF RECOMMENDATIONS SETTLED ACCORDING TO THE BUREAU
0-12 months	143 (68%)	67 (32%)	78 (78%)	41 (41%)	289 (87%)	164 (50%)
Cumulative 0-24 months	191 (91%)	N/A ^[A]	92 (92%)	60 (60%)	322 (98%)	207 (63%)
Cumulative 0-36 months	206 (98%)	N/A ^[A]	100 (100%)	N/A ^[A]	327 (99%)	267 (81%)
Cumulative > 36 months	210 (100%)	N/A ^[A]	100 (100%)	N/A ^[A]	330 (100%)	N/A ^[A]

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



In short, as of April 16, 2019, for the 2017 recommendations subject to their first year of follow-up, we note that 32% were resolved within 0 to 12 months compared to the anticipated rate of 68% given in the action plans provided by the business units.

As for the 2016 recommendations, which were subject to their second year of follow-up, 60% were resolved within 0 to 24 months compared to the anticipated rate of 92% for the same period.

As for 2015 recommendations, which were subject to their third year of follow-up, 81% were resolved within 0 to 36 months compared to the anticipated rate of 99% for the same period.

We have also established, in a second time, how the business units fared in terms of complying with the implementation dates for the 2017 recommendations initially set out in their action plans. Our results are presented in Table 3.

TABLE 3 – IMPLEMENTATION DATE OF 2017 RECOMMENDATIONS, BY STATUS AS OF APRIL 16, 2019

STATUS OF RECOMMENDATIONS CONFIRMED BY THE BUREAU	NUMBER OF RECOMMENDATIONS BY STATUS	IMPLEMENTATION DATE		
		RESPECTED (OR NOT EXPIRED)	EXPIRED	
		NUMBER RATE	NUMBER RATE	AVERAGE TIME CALCULATED
Resolved	67 (32%)	5 (8%)	62 (92%)	161 days ^[B] (5.3 months)
In progress	68 (32%)	8 (12%)	60 (88%)	187 days ^[C] (6.1 months)
Deferred	6 (3%)	0 (0%)	6 (100%)	269 days ^[C] (8.8 months)
Not resolved	0 (0%)	0 (0%)	0 (0%)	N/A ^[D]
To be implemented ^[A]	69 (33%)	38 (55%)	31 (45%)	124 days ^[C] (4.1 months)
TOTAL NUMBER OF 2017 RECOMMENDATIONS	210 (100%)	51 (24%)	159 (76%)	168 DAYS (5.5 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, 2019, and the implementation date originally scheduled in the action plan.

In light of these results, we note that the implementation date initially set out was respected by business units (or not expired) for only 24% of the recommendations made in 2017 (23% in 2016). Of this number, 8% (12% in 2016) 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:

- 36 recommendations from 2013 to 2017, 17 (47%) of which were formulated in 2017, which had been considered “resolved” 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;
- 44 recommendations (7%) for 2015, 2016 and 2017, specifically, 3 from 2015 and 10 from 2016 and 31 from 2017, 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-UP TO RECOMMENDATIONS – AUDIT OF FINANCIAL STATEMENTS

The results of follow-up to recommendations made in the 2013 to 2017 reports on internal control weaknesses are presented in Table 4.

**TABLE 4 – RESULTS OF FOLLOW-UP TO RECOMMENDATIONS BY STATUS
AUDIT OF FINANCIAL STATEMENTS
AS OF APRIL 16, 2019**

STATUS OF RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS PER YEAR					
	2013	2014	2015	2016	2017	TOTAL
Resolved	10	6	8	11	3	38
In progress	0	0	4	7	9	20
Deferred	0	0	0	0	0	0
Not resolved	0	0	0	2	0	2
To be implemented ^[A]	0	0	0	0	3	3
TOTAL OF RECOMMENDATIONS MADE	10	6	12	20	15	63

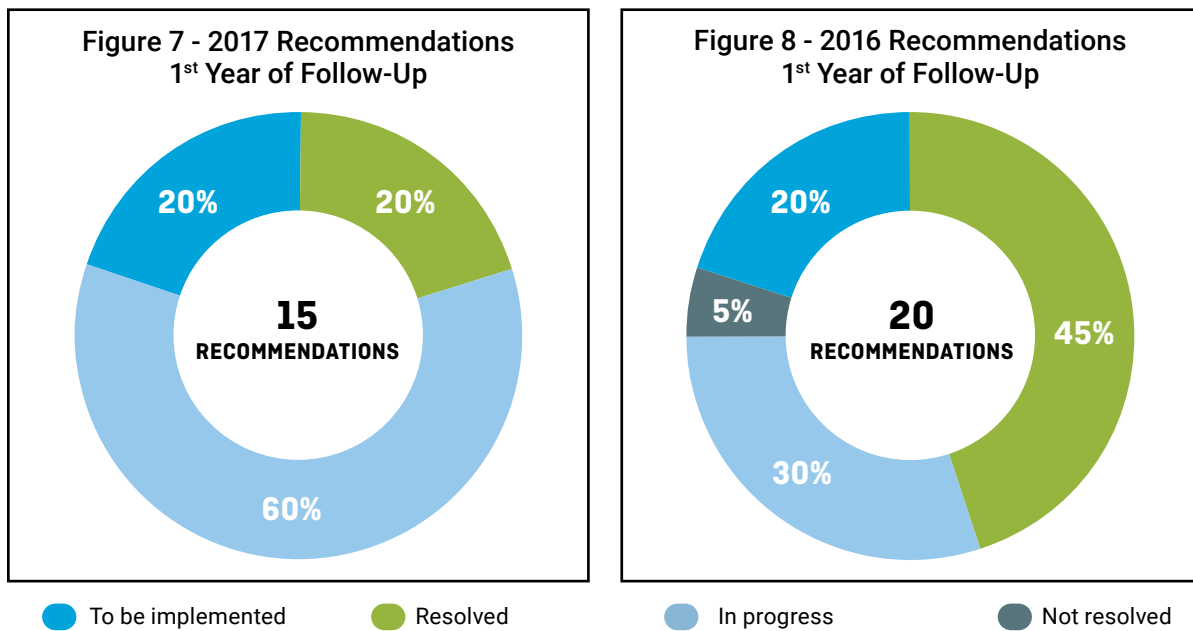
^[A] These recommendations have not been followed up by the business units concerned.

We note that recommendations whose status is «resolved» in the first year of follow-up after their publication in the report on internal control weaknesses for the Ville de Montréal (the City) presented to the City’s audit committee represent 20% for those of 2017 (45% for those of 2016) – (see Figures 7 and 8).

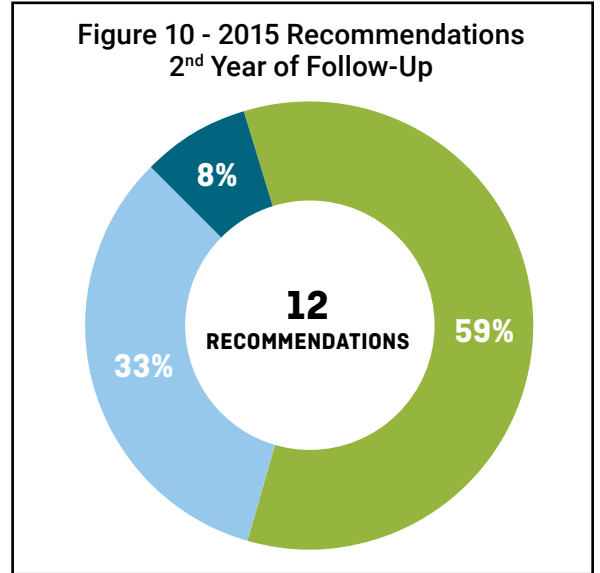
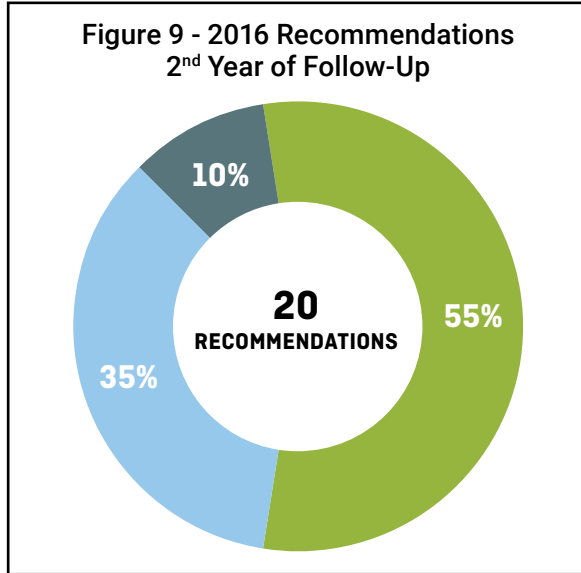
Recommendations whose status is «resolved» in the second year of follow-up after their publication represent 55% for those of 2016 (59% for those of 2015) – (see Figures 9 and 10).

Recommendations whose status is «resolved» in the third year of follow-up represent 67% for those of 2015 (83% for those of 2014) – (see Figures 11 and 12).

**FIGURES 7 AND 8 – RECOMMENDATIONS RATE OF 2017 AND 2016 BY STATUS
AUDIT OF FINANCIAL STATEMENTS
1ST YEAR OF FOLLOW-UP**

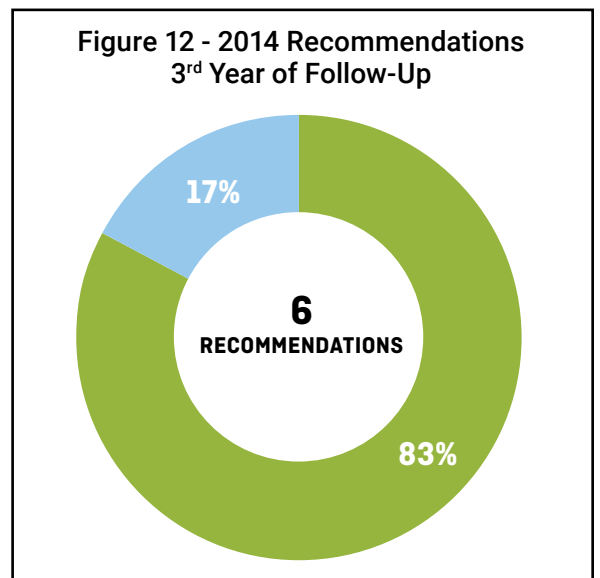
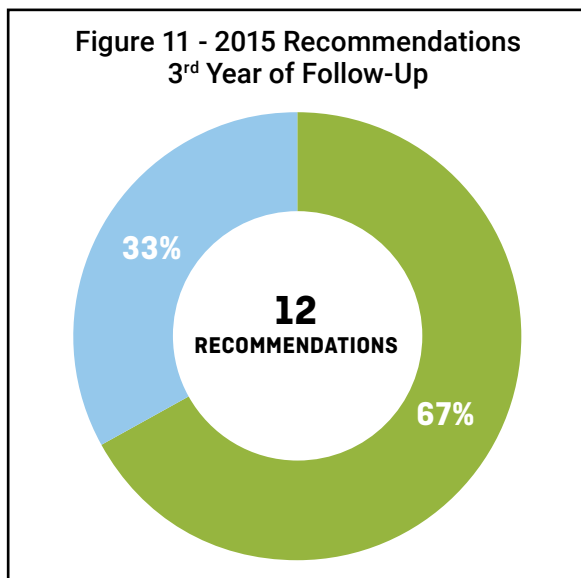


**FIGURES 9 AND 10 – RECOMMENDATIONS RATE OF 2016 AND 2015 BY STATUS
AUDIT OF FINANCIAL STATEMENTS
2ND YEAR OF FOLLOW-UP**



● To be implemented ● Deferred ● Resolved ● In progress ● Not resolved

**FIGURES 11 AND 12 – RECOMMENDATIONS RATE OF 2015 AND 2014 BY STATUS
AUDIT OF FINANCIAL STATEMENTS
3RD YEAR OF FOLLOW-UP**



● Resolved ● In progress

CONCLUSION

We note that the rate at which recommendations in the performance audit, information technology audit, and the audit of financial statements are being implemented has not improved at all in the past three years. More specifically, we note that 68% of the recommendations made in 2017 for performance audit and the information technology audit should have been implemented at the time of our first follow-up, in accordance with the action plans provided by the business units. However, the actual implementation rate is 32%.

Secondly, we note that in terms of implementation times for the recommendations formulated in 2017, only 8% (5 of 67) were resolved within the implementation dates initially put forward by the business units in their action plans, and that in the last two years, 12% of recommendations formulated in 2016 (5 of 41) and only 10% of recommendations formulated in 2015 (17 of 164) were resolved by the planned completion time. These findings show that the situation deteriorates. The business units do not, to a large extent, respect the timelines they transmit to us in their action plan. To this end, following the first year of follow-up, for the recommendations formulated in 2017, 2016 and 2015, we find that the planned implementation dates submitted by the business units for the implementation of the recommendations were, on average, exceeded by 5.5, 5.7 and 6.4 months respectively.

We believe that sustained efforts should be made by the municipal administration to encourage the City's business units to implement the recommendations addressed to them, in accordance with the deadlines set out in the action plans they submit themselves. In this sense, we reiterate our recommendation that municipal administration establish performance indicators to measure the degree of the implementation of the recommendations included in the Auditor General's audit reports and follow-up on them.