

# 8.

## **STRATEGIC PLAN**

### 2019-2023

This publication was written by the Bureau du vérificateur général de Montréal

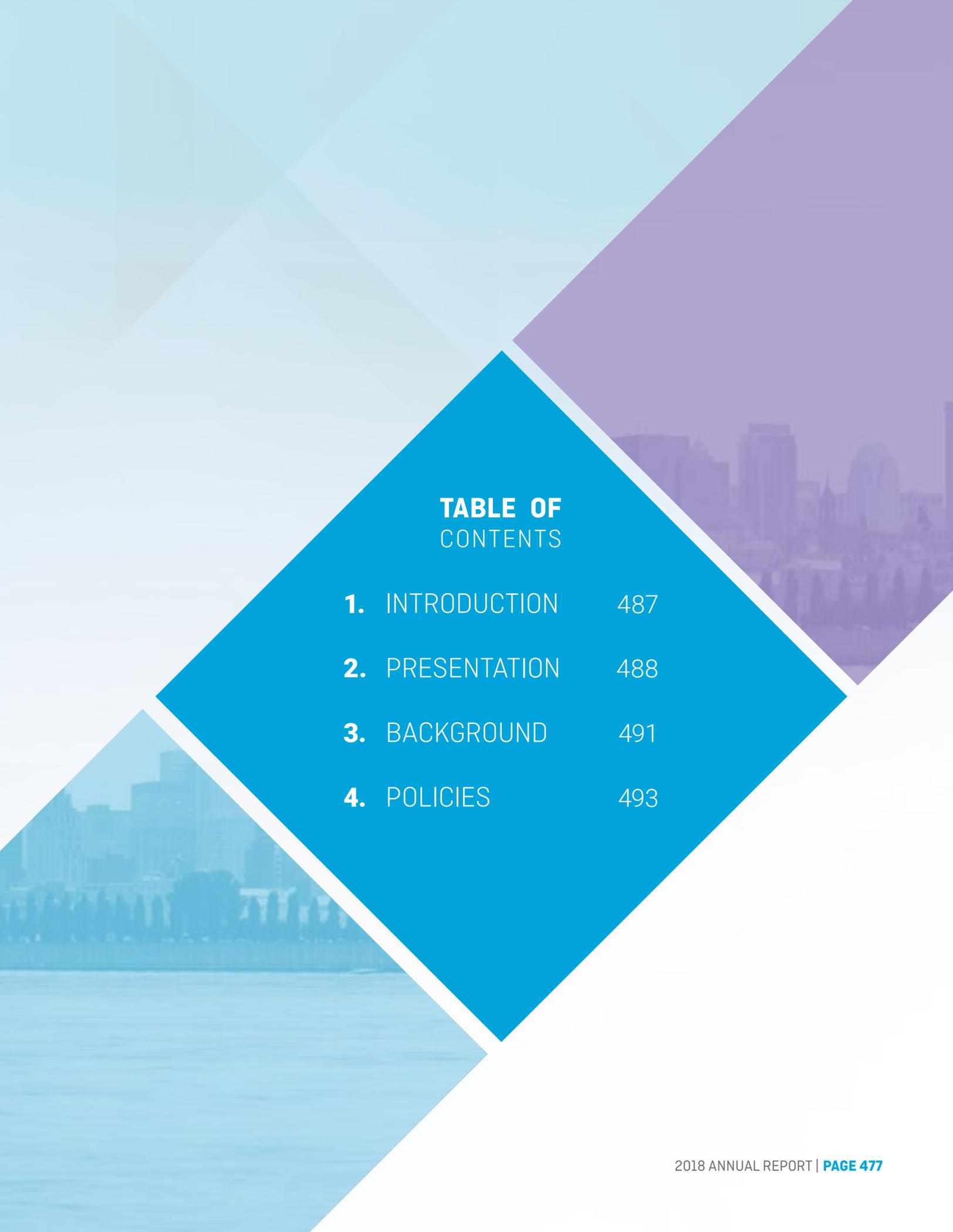
© Bureau du vérificateur général de Montréal, 2019

All rights reserved for all countries. Reproduction, by any means, including translation, in part or in whole, is prohibited without permission from the Bureau du vérificateur général de Montréal.

**NOTES**

To lighten the text, the masculine was used to refer both to women and men.

Ce document est aussi disponible en français.



## TABLE OF CONTENTS

- |           |              |     |
|-----------|--------------|-----|
| <b>1.</b> | INTRODUCTION | 487 |
| <b>2.</b> | PRESENTATION | 488 |
| <b>3.</b> | BACKGROUND   | 491 |
| <b>4.</b> | POLICIES     | 493 |



# 1. INTRODUCTION

We are pleased to present the Bureau du vérificateur général de la Ville de Montréal's (BVG) *2019-2023 Strategic Plan*.

This plan is based on an approach taken by our organization in light of the many changes that affect both the management of Quebec municipalities and the role and scope of the work performed by the offices of the Auditor General, such as ours.

Since I started my seven-year term as the Ville de Montréal Auditor General in August 2016, I have seen the vital role played by the BVG as a result of the high-quality work performed by a very experienced team over the last 40 years.

While respecting the excellent procedures already in place, my entire team and I want to help promote and develop this function within the Ville de Montréal (the City) by maintaining and strengthening the BVG's internal expertise. The *2019-2023 Strategic Plan* defines the objectives that will guide our actions over the next five years.

The plan is based on three major policies:

- GUIDELINES**
- 1 Increase the added value of interventions;**
  - 2 Introduce innovative practices to produce high-quality work;**
  - 3 Ensure the sustainability of the team's skills.**

We are confident and convinced that this strategic plan will enable the BVG to implement meaningful actions and thereby fulfill its mission.

## 2. PRESENTATION

The *Cities and Towns Act* (“CTA”) requires that municipalities with 100,000 or more residents appoint an official known as the “Auditor General.” The Auditor General plays an essential role in the governance of municipalities because he reassures elected officials and citizens that public funds are managed economically, efficiently and effectively.

### MANDATE

The Auditor General has the mandate to audit the accounts and affairs of the City and organizations described in section 107.7 of the CTA. Auditing accounts and affairs includes, to the extent deemed appropriate by the Auditor General, the financial audit, performance audit and the audit of operations’ compliance with laws, regulations, policies and guidelines.

<p><b>FINANCIAL AUDIT</b></p>	<p>Financial audits are planned and conducted to provide reasonable assurance that the financial statements are free from material misstatement. We perform our audit work in accordance with Canadian Auditing Standards (CAS) generally accepted.</p>
<p><b>PERFORMANCE AUDIT</b></p>	<p>The purpose of resource performance audits is to determine whether resources available to the City and organizations are managed economically, efficiently and effectively.</p> <p>An optimization audit is an independent, objective assessment of how the City and the organizations manage and report on their activities. We perform our audit engagements in accordance with the Canadian Standard on Assurance Engagement (CSAE) 3001 described in the CPA Canada Handbook – Assurance and other Canadian public sector certification standards.</p> <p>Information technology audits are part of performance audits.</p>
<p><b>COMPLIANCE AUDIT</b></p>	<p>The purpose of compliance audits is to ensure that operations and activities conducted by the City and the organizations comply with applicable laws, regulations, policies and guidelines.</p>
<p><b>OTHER WORK</b></p>	<p>City council may file a request with the Auditor General to investigate and report on any matter within its jurisdiction. However, such an investigation cannot take precedence over the Auditor General’s primary obligations.</p>

---

## TEAM

The BVG's team is made up of approximately 30 qualified professionals, including accountants, a forensic accountant, an engineer, counsel and management and information technology specialists. This multidisciplinary team is an asset for the office.

---

## MISSION

Provide city council and citizens with an objective and independent view of the quality of public funds management, including the economic, efficient and effective use of resources, legal and regulatory compliance, and the reliability of financial statements.

---

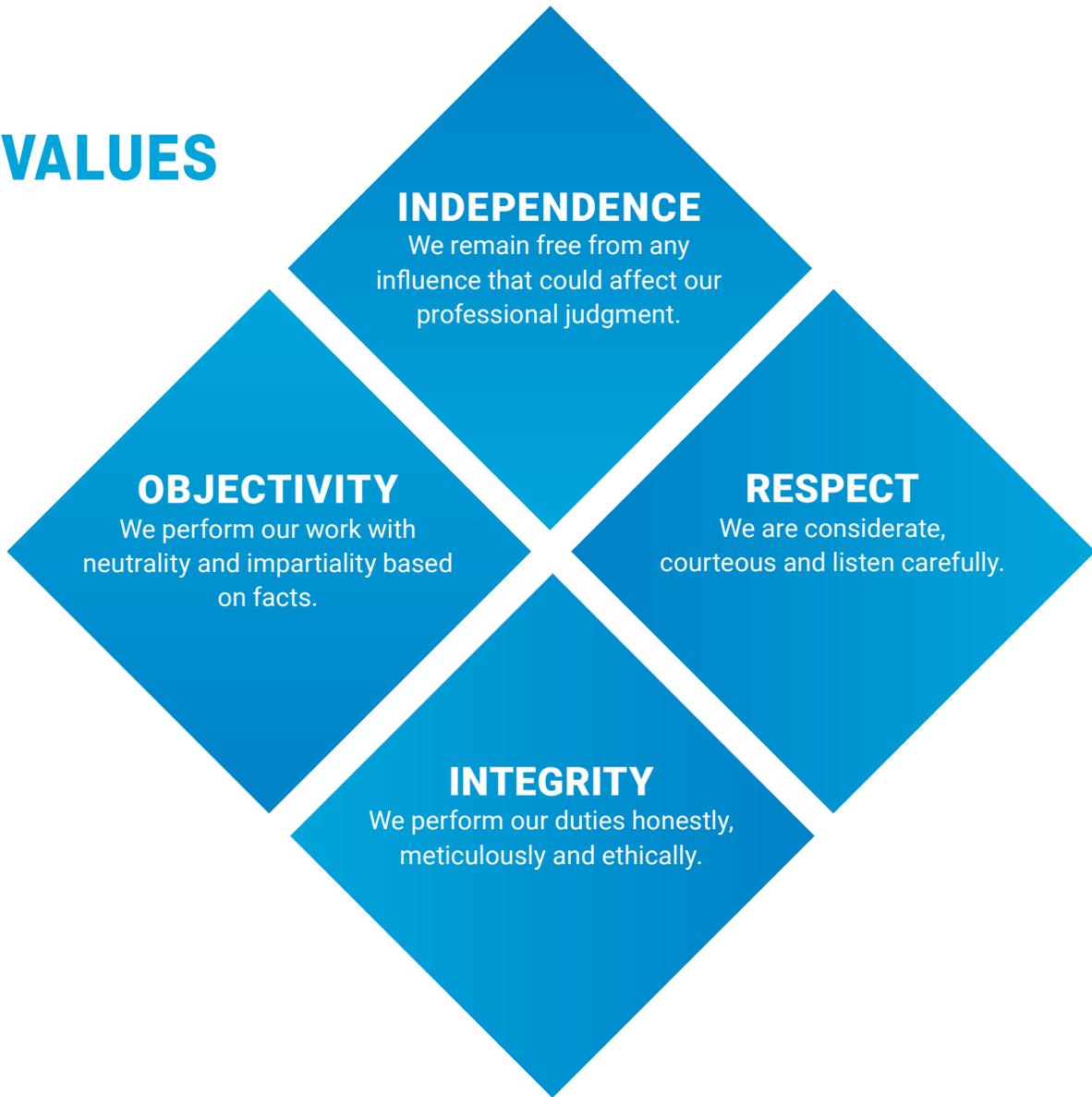
## VISION

A team recognized for its expertise, the quality of its work and its value-added reports.

---



# VALUES



## 3. BACKGROUND

### VALUE-ADDED INTERVENTIONS

Several bills introduced and adopted in 2017 and 2018 have significant impacts on municipalities, especially Montreal.

Bill 121 is a prime example. It recognizes the City as the metropolis of Quebec by amending its powers and jurisdiction in various areas, including economic development, social housing, culture and heritage. Bill 122 redefines municipal institutions by giving them more autonomy, flexibility and power. Bill 155 redefines the Auditor General's role in municipalities with at least 100,000 residents by amending the scope of his work.

The greater powers and responsibilities that these bills entail mean that both municipalities and the Auditor General must adapt and adhere to stringent governance and reporting practices. We will have to monitor any new bills that will have an impact on the City and the Auditor General and, if necessary, review our procedures accordingly.

Constant changes in auditing standards require that we continually improve our procedures. The Bureau sur des comités de l'Ordre des CPA and professional training courses help maintain our staff's financial auditing expertise. The work methodology for conducting performance audits had to be revised pursuant to the adoption of new certification standards. We must meet the new standards and maintain the highest quality standards.

The growth of information technology in the City, which is expected to continue over the next few years, will also have an impact on the scope of the BVG's work. Various aspects of information technology (IT), such as cybersecurity, will need to be audited.

With this in mind, the BVG will seek to clearly explain its role to elected officials and other stakeholders and increase access to its publications, by reviewing and simplifying the various communication tools in order to focus on key messages.

Finally, all these initiatives are useful insofar as the recommendations made in our reports are followed. To help increase the number of recommendations that are implemented, the BVG will review its current approach to monitoring recommendations in the coming years.

## INNOVATION CHALLENGE

It is clear that IT can now improve process efficiency and ensure operations quality from a sustainability standpoint. Like the City, where extensive new technology is being introduced, the BVG intends to improve its methods by focusing on innovative practices and advanced technological tools. It will undoubtedly take time to adapt to these tools and the required changes in working methods, but there will be significant long-term benefits.

The other important benefit of these new procedures is, of course, that they will create a greener environment by reducing paper consumption. Sustainability is a key objective, and one of the most practical ways to help achieve this goal is to strive for a paperless work environment.

## SUCCESSION PLANNING – A DELICATE ISSUE

The BVG team is recognized for its high-quality work and its wide range of skills and experience.

However, much of this expertise may be lost in the coming years. Nearly 20% of the team is eligible for retirement, and the steps taken to find solutions to the problem of skill retention have not always produced the desired outcomes. Also, the scarcity of qualified resources in the audit market is an important issue for the office.

It is therefore essential, over the next few years, to review these recruitment processes and implement a new talent management strategy to attract the best talent. It will also be important to build loyalty by supporting the development of staff expertise and maintaining a high level of engagement.

## 4. GUIDELINES

For each policy, we have established objectives with indicators and targets that will allow us to measure our commitments for the next five years.

OBJECTIVE	INDICATOR	TARGET
Enhance the performance audit selection process.	<ul style="list-style-type: none"> <li>• Introduce a new risk matrix.</li> </ul>	2019
	<ul style="list-style-type: none"> <li>• Update the risk matrix.</li> </ul>	Annually from 2020
	<ul style="list-style-type: none"> <li>• Enhance monitoring activities.</li> </ul>	2019
Conduct performance audits focused on issues or services that directly affect citizens and the quality of services they receive.	<ul style="list-style-type: none"> <li>• Number of performance audit engagements focused on issues or services that directly affect citizens and the quality of services they receive.</li> </ul>	At least one engagement per year
Conduct sustainable development performance audits.	<ul style="list-style-type: none"> <li>• Number of performance audit engagements with a focus on sustainable development.</li> </ul>	At least one engagement per year
Conduct IT performance audits.	<ul style="list-style-type: none"> <li>• Number of IT performance audit.</li> </ul>	At least two engagements per year
Conduct cybersecurity audits.	<ul style="list-style-type: none"> <li>• Number of cybersecurity performance audit engagements.</li> </ul>	At least one engagement per year
Conduct performance audits that focus on major legal and regulatory compliance issues.	<ul style="list-style-type: none"> <li>• Number of performance audit mandates dealing with major legal and regulatory compliance issues.</li> </ul>	At least one engagement per year

OBJECTIVE	INDICATOR	TARGET
Perform audits for organizations referred to in section 107.7, subsection 3.	• Develop an intervention strategy.	2019
	• Implement the strategy.	2020
Perform audit work on organizations that have received contributions from the Ville de Montréal.	• Develop an intervention strategy.	Completed
	• Implement the strategy.	2019
Maintain our presence in financial audits.	• Review our financial auditing strategy.	Once a year
Help increase the rate at which our recommendations are implemented.	• Produce management tables to encourage discussions on the current approach to monitoring recommendations.	2019
	• Assess the appropriateness of the current approach to monitoring recommendations.	2020
	• Assess the extent to which the new approach to monitoring recommendations has been implemented.	2021 and subsequent years
Establish processes to comply with the <i>Access to information Act</i> .	• Post additional information on the website and provide additional information on the application form.	Completed
	• Write guidelines and procedures.	2019
	• Implement monitoring to meet the deadline required by law.	2019
Clearly explain our role to elected officials and other stakeholders.	• Develop documents explaining the delineation between the Auditor General's engagement and the interventions of the Bureau de l'inspecteur général, the , the Ombudsman and the City's organizational performance group.	2019
	• Redesign the BVG website.	2019

Guideline

2

**Introduce innovative practices to produce high-quality work**

The Bureau du vérificateur général (BVG) will implement best practices to ensure audit quality and to incorporate sustainable management principles.

OBJECTIVE	INDICATOR	TARGET
Maintain the quality of our work.	<ul style="list-style-type: none"> <li>Percentage of evaluated work that meets certification standards.</li> </ul>	100%
	<ul style="list-style-type: none"> <li>Monitor Canadian Certification Standards.</li> </ul>	Ongoing
	<ul style="list-style-type: none"> <li>Update the Quality Assurance Manual.</li> </ul>	Once a year
Include a focus on compliance with laws, regulations and guidelines in performance audit engagements.	<ul style="list-style-type: none"> <li>Percentage of performance audit engagements conducted with a focus on legal and regulatory compliance.</li> </ul>	100%
Routinely include a risk assessment of irregularities and fraud in performance audit engagements.	<ul style="list-style-type: none"> <li>Percentage of audit engagements involving a risk assessment of irregularities and fraud.</li> </ul>	100%
Provide technological tools and innovative software to maintain our effective audit practices and promote a paperless work environment.	<ul style="list-style-type: none"> <li>Review BVG processes where technology tools and software have been updated or implemented.</li> </ul>	Once a year
	<ul style="list-style-type: none"> <li>Review the strategy to promote a paperless environment.</li> </ul>	2019
	<ul style="list-style-type: none"> <li>Introduce indicators.</li> </ul>	2020 and subsequent years

Guideline

3

**Ensure the sustainability of the teams' skills**

In the coming years, the Bureau du vérificateur général (BVG) will attract appropriate talent to meet its needs and maintain the expertise developed to date. It will also give them a stimulating work environment with opportunities to grow professionally.

OBJECTIVE	INDICATOR	TARGET
Attract and retain the best talent to fulfill the BVG's mission and maintain its expertise.	<ul style="list-style-type: none"> <li>Develop a strategy to attract and retain talent.</li> </ul>	2019
	<ul style="list-style-type: none"> <li>Introduce indicators.</li> </ul>	2020
Promote and support the development of staff expertise based on the needs of the BVG.	<ul style="list-style-type: none"> <li>Establish an expertise development path for each employee.</li> </ul>	2020
	<ul style="list-style-type: none"> <li>Grant each employee a minimum number of training days.</li> </ul>	6 days a year
Achieve and maintain a high level of staff engagement.	<ul style="list-style-type: none"> <li>Develop a skills assessment, succession management, coaching and mentoring program.</li> </ul>	2019
	<ul style="list-style-type: none"> <li>Implement a skills assessment, succession management, coaching and mentoring program.</li> </ul>	2020