

# I. Comments and Recommendations from the Auditor General



Vérificateur général  
de la Ville de Montréal



## **I. COMMENTS AND RECOMMENDATIONS FROM THE AUDITOR GENERAL**

As in past years, I am including comments and recommendations for the municipal administration in the introduction. I consider it appropriate this year to discuss the following subjects of interest:

- A. Monitoring authorities' distribution of contracts among contractors
- B. Auditor general's operating budget
- C. Processing the auditor general's decision-making records
- D. Recommendations from previous years

### **A. MONITORING AUTHORITIES' DISTRIBUTION OF CONTRACTS AMONG CONTRACTORS**

The use of public funds by the Ville de Montréal (the city) to carry out projects accounts for a significant portion of annual expenditures for designing, rehabilitating and replacing facilities and infrastructures. The largest share of the contracts was for projects included in the three-year capital expenditures program (TCEP); other contracts went to projects such as maintenance and repair of various city facilities and infrastructures.

In my 2009 Annual Report, I outlined the distribution of contracts awarded to contractors for the period from 2006 to 2009. At that time, I conducted a review using the city's databases and was able to identify 21 contracting firms that were awarded a large share of the contracts awarded by borough councils, the executive committee, city council and the urban agglomeration council (see Table 1). I conducted a detailed examination of the distribution of contracts awarded to these 21 firms by each of the 19 borough councils for that period. In view of the results, I then expressed my concern that some boroughs were awarding a large proportion of their contracts to the same 21 contracting firms, even though the contracts were granted to the lowest compliant bidders. I then recommended that the municipal administration continue initiatives toward improving management and control of the contracting process by the city's different administrative units.

To date, I have observed that the municipal administration has, in fact, gone to considerable efforts to revise its practices and tightening control:

- It has adopted the *Guide de conduite à l'égard des valeurs de l'organisation destiné aux employés de la Ville de Montréal* in April 2009 (revised in March 2011).
- Beginning in September 2009, it revised and completely updated the master documents for requests for qualification, calls for tenders and calls for proposals for all departments and boroughs (e.g. insertion of special provisions to prevent fraud and collusion).
- In September 2009, it adopted the *Code d'éthique et de conduite des membres du conseil de la Ville et des conseils d'arrondissement*.
- It set up an ethics hotline, under the supervision of the Bureau du vérificateur général from December 2009 to December 2010 and then transferred to the Service du contrôleur general, which was created in October 2010.
- In December 2009, it created the new Service des affaires juridiques et de l'évaluation foncière, which now reports directly to the Direction générale so that it can remain independent of other municipal departments.
- In April 2010, it adopted the *Cadre de gouvernance des projets et des programmes de gestion d'actifs municipaux* to provide municipal and paramunicipal stakeholders with a major tool for integrating best management practices in this sector.
- It created, in December 2010, the Commission permanente sur l'examen des contrats, which is mandated to ensure that contracts are compliant with the tendering process and to report this information to the appropriate authorities before contracts are awarded.
- In December 2010, it adopted the *Politique de gestion contractuelle de la Ville* (revised in April 2011), which provides measures to combat bid-rigging,<sup>1</sup> promote compliance with the *Lobbying Transparency and Ethics Act*, prevent acts of intimidation, influence peddling, corruption and conflict of interest, and manage decisions authorizing contract amendments.
- In October 2011, it adopted the city's new procurement policy, which is based on best management practices.

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<sup>1</sup> For example, if any bidder is found guilty in Québec of collusion, fraudulent acts or other similar offences during the five-year period preceding a call for tenders and submits a bid, its bid will be rejected and it will be prohibited from participating in any calls for tenders for five years, effective from the date of its bid. Further, if it was the successful bidder, its contract may be terminated.

At the same time, the following main legislative provisions came into force:

- On March 1, 2010, the *Act to amend various legislative provisions principally with regard to the awarding process for contracts made by municipal bodies*, which makes it mandatory to adopt a contract management policy, prohibits the disclosure, until the opening of bids, of any information that may be used to determine the number of persons or identity of the persons who have submitted a tender or requested a copy of the call for tenders or a document to which it refers, and requires the municipality to establish an estimate for any contract involving an expenditure of \$100,000 or more, prior to the opening of bids, if applicable, and to the conclusion of the contract.
- On June 11, 2010, the *Act to amend various legislative provisions respecting municipal affairs*, which requires municipal bodies to publish a list of concluded contracts involving expenditures of \$25,000 or more in the government-approved electronic tendering system and to use this system to sell their tender documents. It also prohibits operators of this system and their employees from disclosing the identities of parties requesting tender documents.
- On December 9, 2011, the *Act to prevent, combat and punish certain fraudulent practices in the construction industry and make other amendments to the Building Act*, which stipulates in particular that the licence of any contractor convicted of certain tax infractions in the previous five years will be restricted from obtaining a public contract.

Accordingly, as I announced in my 2009 Annual Report, in order to appreciate the extent controls introduced by the municipal administration helped reduce the concentration of contracts to the same contractors, I continued to review the distribution of contracts that authorities awarded to the 21 targeted contracting firms. However, since the municipal administration began to introduce measures in 2009, continued and even intensified this process in 2010, I excluded 2010 data from my review to focus more on 2011. Note that lists of contracts of all types awarded to these firms were compiled (e.g., work on road infrastructure, buildings, material supplies).

Table 1 shows a comparison of the distribution of contracts awarded to these 21 contracting firms, first for the 2006–2009 period, then for 2011.

**Table 1—Contracts Awarded by Authorities from 2006–2009  
Compared to 2011 (21 Targeted Firms)**

Contractor	2006–2009 (46 months <sup>1</sup> )			2011 (12 months)			
	Value of contracts awarded by borough councils	Value of contracts awarded by authorities (EC, CC, UAG <sup>2</sup> )	Total	Value of contracts awarded by borough councils	Value of contracts awarded by authorities (EC, CC, UAG)	Total	No. of contracts
1. Construction Frank Catania	–	\$104,645,073	\$104,645,073	–	–	–	0
2. Constructions Louisbourg	\$6,950,352	\$93,684,002	\$100,634,354	\$99,216	\$19,675,190	\$19,774,406	5
3. Entreprises Catcan	\$22,999,064	\$67,893,394	\$90,892,458	\$3,308,491	–	\$3,308,491	6
4. Construction DJL	\$10,110,621	\$60,982,498	\$71,093,119	\$1,864,303	\$9,875,018	\$11,739,321	16
5. Construction Garnier	\$16,808,806	\$51,405,569	\$68,214,375	–	\$3,085,555	\$3,085,555	3
6. Construction Soter	\$14,111,809	\$53,144,658	\$67,256,467	\$2,926,856	\$4,200,936	\$7,127,792	13
7. Construction Mivela	\$3,774,261	\$53,694,726	\$57,468,987	\$3,282,137	\$3,278,241	\$6,560,378	11
8. Constructions Infrabec	\$180,450	\$54,952,859	\$55,133,309	–	–	–	0
9. Simard-Beaudry Construction	\$7,771,127	\$43,619,893	\$51,391,020	\$4,773,585	\$27,223,051	\$31,996,636	21
10. Construction Pavage C.S.F.	\$11,701,837	\$33,581,300	\$45,283,137	\$3,541,835	\$5,431,545	\$8,973,380	10
11. Conex Construction Routière	\$375,479	\$38,911,032	\$39,286,511	–	–	–	0
12. B.P. Asphalte	\$10,559,277	\$25,264,083	\$35,823,360	\$2,129,090	\$2,810,314	\$4,939,404	6
13. Excavations Super	\$7,855,225	\$25,533,129	\$33,388,354	\$4,982,819	\$8,964,349	\$13,947,168	9
14. Constructions and Pavage Jeskar	\$14,154,669	\$11,978,771	\$26,133,440	\$1,658,786	\$4,829,207	\$6,487,993	7
15. Sintra	\$6,607,900	\$18,720,639	\$25,328,539	–	–	–	0
16. Roxboro Excavation	\$4,338,792	\$20,778,161	\$25,116,953	\$906,353	–	\$906,353	2
17. Pavages A.T.G.	\$5,707,966	\$16,843,953	\$22,551,919	\$2,448,281	\$469,741	\$2,918,022	5
18. SQUAREHAB	–	\$21,700,655	\$21,700,655	\$81,096	\$5,173,644	\$5,254,740	5
19. Gastier M.P.	\$107,893	\$14,181,396	\$14,289,289	\$79,520	\$1,475,580	\$1,555,100	3
20. Entreprise de construction T.E.Q.	\$9,610,758	–	\$9,610,758	–	–	–	0
21. Ciments Lavallée	\$5,145,152	\$481,129	\$5,626,281	\$809,260	–	\$809,260	2
<b>Total</b>	<b>\$158,871,438</b>	<b>\$811,996,920</b>	<b>\$970,868,358</b>	<b>\$32,891,628</b>	<b>\$96,492,371</b>	<b>\$129,383,999</b>	<b>124</b>
	<b>19 firms</b>	<b>20 firms</b>		<b>15 firms</b>	<b>13 firms</b>		

<sup>1</sup> The period reviewed was three years (2006, 2007, 2008) and 10 months (in 2009), or 46 months or 3.83 years.

<sup>2</sup> EC: executive committee; CC: city council; UAG: urban agglomeration council.

A comparison of the value of contracts awarded to these 21 contracting firms in 2011 with the annual average for contracts awarded to them in the 2006–2009 period shows that their share of the contracts dropped considerably in 2011. In fact, in 2011, the value of contracts awarded to them by borough councils shrank by \$8.6 million (21%) while for authorities (EC, CC and UAG), the decrease was \$115.6 million (54%) (See Table 2).

**Table 2—Changes in the Value of Contracts Awarded to the 21 Targeted Firms (2011 Compared with the Annual Average from 2006 to 2009)**

	Value of contracts awarded by borough councils	Value of contracts awarded by authorities (EC, CC, UAG)	Total
<b>A = 2011</b>	\$32,891,628	\$96,492,371	\$129,383,999
<b>B = Annual average for 2006–2009</b>	\$41,480,793	\$212,009,640	\$253,490,433
<b>Change in monetary value (A – B)</b>	<b>(\$8,589,165)</b>	<b>(\$115,517,269)</b>	<b>(\$124,106,434)</b>
<b>Change in percentage</b>	<b>(21%)</b>	<b>(54%)</b>	<b>(49%)</b>

Moreover, at the time of the 2009 review, I noted that 19 of the 21 targeted firms obtained contracts awarded by borough councils, and 20 firms obtained contracts from other municipal authorities (EC, CC and UAG). In 2011, several of these 21 firms did not obtain any contracts. The number of firms that obtained contracts from borough councils is now 15 out of 21 (4 less than for 2006–2009), and for other municipal authorities the number is 13 out of 21 (7 less than for 2006–2009) (see Table 1). An inventory of all contracts awarded by boroughs in 2011 shows that no firm outside of the 21 initially targeted firms was awarded a large proportion of the contracts.

To substantiate this downward trend for contracting to the 21 firms, I also compiled data on changes in TCEP budget allocations for both the 2006–2009 period and 2011. As Table 3 shows, for 2011, the city’s TCEP budget totalled \$1.1 billion. Of this amount, a little more than \$1 billion, or 90% of the TCEP budget, was allocated to projects associated with asset classes targeted by our review of the contracting process (see categories 1 to 4 in Table 3):

- Road infrastructures (\$321.3 million)
- Environment and underground infrastructures (\$400.7 million)
- Parks, green spaces and playgrounds (\$106.4 million)
- Buildings (\$209.3 million)

**Table 3—Changes in the TCEP Budget  
for 2006–2009 and 2011  
(amounts shown in thousands of dollars)**

TCEP Budget					A	B	Change: B – A		
	2006	2007	2008	2009	Average TCEP for 2006– 2009	2011 TCEP	\$	%	
<b>Borough TCEP</b>	133,500.0	131,132.0	140,044.0	139,067.0	135,935.8	144,515.0	<b>8,579.2</b>	<b>6.31%</b>	
<b>Central department TCEP</b>	412,450.0	572,219.0	845,493.0	1,017,359.0	711,880.2	997,786.0	<b>285,905.8</b>	<b>40.16%</b>	
<b>Total</b>	<b>545,950.0</b>	<b>703,351.0</b>	<b>985,537.0</b>	<b>1,156,426.0</b>	<b>847,816.0</b>	<b>1,142,301.0</b>	<b>294,485.0</b>	<b>34.73%</b>	
<b>Breakdown of TCEP by asset class</b>									
1	Road infrastructure	253,516.0	299,192.0	421,681.0	394,466.0	342,213.8	321,273.0	(20,940.8)	(6.12%)
2	Environment and underground infrastructure	87,950.0	136,569.0	238,040.0	377,091.0	209,912.5	400,658.0	190,745.5	90.87%
3	Parks, green spaces and playgrounds	32,335.0	60,084.0	69,124.0	130,871.0	73,103.5	106,384.0	33,280.5	45.53%
4	Buildings	74,048.0	64,562.0	114,432.0	145,317.0	99,589.8	209,266.0	109,676.2	110.13%
5	Land	14,725.0	17,012.0	16,393.0	15,800.0	15,982.5	9,034.0	(6,948.5)	(43.48%)
6	Vehicles	28,371.0	37,965.0	35,436.0	33,355.0	33,781.7	29,247.0	(4,534.8)	(13.43%)
7	Office equipment and furniture	30,055.0	40,587.0	55,700.0	50,969.0	44,327.7	40,512.0	(3,815.7)	(8.61%)
8	Machines, tools and equipment	5,619.0	38,220.0	15,931.0	1,696.0	15,366.5	5,196.0	(10,170.5)	(66.19%)
9	Other assets	19,331.0	9,160.0	18,800.0	6,861.0	13,538.0	20,731.0	7,193.0	53.13%
<b>TCEP total</b>		<b>545,950.0</b>	<b>703,351.0</b>	<b>985,537.0</b>	<b>1,156,426.0</b>	<b>847,816.0</b>	<b>1,142,301.0</b>	<b>294,484.9</b>	<b>34.73%</b>
<b>Total for asset classes 1 to 4</b>		<b>447,849.0</b>	<b>560,407.0</b>	<b>843,277.0</b>	<b>1,047,745.0</b>	<b>724,819.6</b>	<b>1,037,581.0</b>	<b>312,761.4</b>	<b>43.15%</b>
<b>Percentage of asset class 1 to 4 TCEPs</b>		<b>82%</b>	<b>80%</b>	<b>86%</b>	<b>91%</b>	<b>85%</b>	<b>91%</b>		

Based on this information, I found that in 2011, borough and central department TCEP budgets were 6.31% and 40.16% higher, respectively, than the average annual TCEP budget for 2006–2009 (see Table 3, Change B – A). Nevertheless, Table 2 shows that contract values in 2011 for the 21 targeted contracting firms fell by 21% for borough councils and 54% for the other municipal authorities. Based on the assumption that the budget allocated to the TCEP is a reliable indicator of the value of contracts the city plans to award over the years, it can only be concluded that the corrective measures implemented by the municipal administration and provincial legislature appear to be producing results.

## I. Comments and Recommendations from the Auditor General

Just as I did in my 2009 Annual Report, I then examined in greater detail the distribution of contracts (broken down by number and monetary value) that borough councils awarded in 2011. The purpose of this was to draw comparisons with the situation in 2009. Table 4 shows the results of my review.

**Table 4—Contracts Awarded in 2011 by  
Borough Councils to the 21 Targeted Firms**

Borough	Value of contracts	Total number of contracts	Percentage of contracts awarded to the same contractors			
			Number	% (of number)	% (of value)	Contractor
1 Ahuntsic-Cartierville	\$1,386,872	2				*
2 Anjou	\$688,812	3				*
3 Côte-des-Neiges–Notre-Dame-de-Grâce	\$1,538,076	3				*
4 L'Île-Bizard–Sainte-Geneviève	\$410,789	–				*
5 Lachine	\$940,866	2				*
6 LaSalle	–	2				*
7 Le Sud-Ouest	\$1,517,577	3				*
8 Mercier-Hochelaga-Maisonneuve	\$3,068,792	5	2	40.00%	40.56%	Simard-Beaudry Construction
9 Montréal-Nord	\$2,010,031	4	2	50.00%	<b>65.91%</b>	<b>Construction Soter</b>
10 Outremont	\$817,536	2				*
11 Pierrefonds-Roxboro	\$988,835	3	2	66.67%	<b>91.66%</b>	<b>Roxboro Excavation</b>
12 Le Plateau-Mont-Royal	\$1,467,781	1				*
13 Rivière-des-Prairies–Pointe-aux-Trembles	\$1,122,570	3				*
14 Rosemont–La Petite-Patrie	\$1,814,815	3				*
15 Saint-Laurent	\$1,323,127	4	2	50.00%	<b>61.16%</b>	<b>Ciments Lavallée</b>
			2	50.00%	38.84%	Construction DJL
16 Saint-Léonard	\$2,244,500	6	2	33.33%	<b>72.14%</b>	<b>Simard-Beaudry Construction</b>
17 Verdun	\$6,611,354	11	6	54.55%	<b>50.04%</b>	<b>Entreprises Catcan</b>
18 Ville-Marie	\$1,246,234	3				*
19 Villeray–Saint-Michel–Parc-Extension	\$3,693,061	5	2	40.00%	13.72%	Construction DJL
<b>Total value of contracts awarded</b>	<b>\$32,891,628</b>	<b>65</b>				

\* No significant concentration.

At first glance, a trend toward better distribution of contracts awarded to the 21 contracting firms than was seen in the results presented in my 2009 Annual Report appears to be emerging in 2011. Indeed, in 2011, only 5 boroughs still showed a certain degree of concentration, compared to 11 for 2006–2009. In other words, I found that more than 50% of the value of contracts was going to the same firms in the same boroughs that were singled out in the last review (2006–2009).

In short, the results of this review lead me to believe that the series of measures adopted by the municipal administration and provincial legislature to improve management and control of the contracting process by the city's different administrative units tends to yield positive results. However, in order to minimize the risks of derogations, I would encourage the municipal administration to remain proactive in introducing the appropriate monitoring mechanisms that will be required in order to ensure that all business units implement the measures planned.

I also believe it will necessary to obtain results for more than one year in order to be able to compare them so that it will then be possible to confirm the trends observed for 2011 with greater certainty.

Because some of these measures are relatively recent and it is reasonable to believe that a longer period of time might be required before the beneficial effects of some of them are felt, I plan to continue and review the situation again with results for the years 2012, 2013 and 2014.

### **B. AUDITOR GENERAL'S OPERATING BUDGET**

In my last two reports, I touched on an imbalance between my budget allocation and my obligations under the *Cities and Towns Act* (CTA). I stressed that the requirement of auditing the city's accounts and business affairs also extended to the other municipal bodies under its control. Auditing business affairs and accounts is an important, meaningful concept, because it involves several important responsibilities that are assigned to me under section 107.8 of the CTA:

*“The audit of the affairs and accounts of the municipality and of any legal person referred to in paragraph 2 of section 107.7 comprises, to the extent considered appropriate by the chief auditor, financial auditing, auditing for compliance of their operations with the Acts, regulations, policies and directives, and auditing for value-for-money.”*

As I explained in these reports, according to the CTA provisions at the time, the scope of my mandate extended to auditing financial statements, value-for-money and legal compliance for the Ville de Montréal as well as the following municipal bodies:

- Anjou 80
- Commission des services électriques de Montréal
- Conseil des arts de Montréal
- Conseil interculturel de Montréal
- Corporation d'habitation Jeanne-Mance
- Office de consultation publique de Montréal
- Office municipal d'habitation de Montréal (OMHM)
- Société de gestion Marie-Victorin
- Société de gestion NauBerges de Lachine
- Société de transport de Montréal (STM)
- Société d'habitation et de développement de Montréal (SHDM)
- Société du parc Jean-Drapeau

Nevertheless, I am not given the budget I need to audit these bodies, even though my office, the Bureau du vérificateur général, already audits their financial statements (accounting firms<sup>2</sup> do most of the audit work for the STM and the OMHM). This situation forces me to dig deep into my budget and cut back on resources that would otherwise be allocated to conducting the city's more value-added value-for-money audit. Furthermore, since my office does not have the necessary financial resources, it conducts practically no audits of this type for these bodies.

Consequently, last year I recommended to city council that my budget should be calculated based on both the city's operating budget and the budgets of bodies whose accounts and

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<sup>2</sup> The fees of the firm in question are currently paid directly by the bodies concerned.

affairs I am responsible for auditing. I understand that to date, city council has not decided on any follow-up action to my recommendation.

Moreover, the problem of my budget calculation worsened in 2011. Section 107.7 of the CTA used to read as follows:

*“The chief auditor shall audit the accounts and affairs  
(1) of the municipality;  
(2) of every legal person in respect of which the municipality or a mandatory of the municipality holds more than 50% of the outstanding shares or voting shares or appoints more than 50% of the members of the board of directors.”*

But the amendment to section 107.7, in force since January 1, 2011, broadens the auditor general’s mandate by introducing the additional requirement of auditing any legal person that is within the accounting scope defined in the municipality’s financial statements.

Consequently, I now have the responsibility of auditing the accounts and affairs of the following bodies:

- Bixi Toronto Inc.
- Fiducie du Technoparc Montréal
- Société de jalonnement dynamique de Montréal
- Société de vélo en libre-service
- Société en commandite Stationnement de Montréal
- Technoparc Montréal

Because of the significant impact this amendment to the CTA had on my office’s ability to discharge its responsibilities, and because of the urgency of the situation, the manager of the city’s Service des finances held discussions with its audit committee and representatives of these bodies. It was then agreed that for fiscal 2011, the bodies in question would pay the fees for their financial statement audit directly.

Nevertheless, to consolidate these different audit mandates, and possibly reduce costs, the senior manager of the Service des finances proposed that from that point forward I enter those fees in my budget, and that both the audit committee and city council decide on

appropriate funding for these additional responsibilities. He also recommended that I adopt the same approach when I process the fees for the OMHM financial statements.

Clearly, it is impossible to take this course of action without increasing my current budget accordingly. I estimate the total amount of these fees to be \$350,000.

Furthermore, a comprehensive review of the bodies that must be included in the scope of the auditor general's responsibilities I conducted with my joint auditor leads me to conclude that nine local development centres (CLD) are within the perimeter of my audit under paragraph 2b) of section 107.7 of the CTA, cited above. The fees for the financial statement audit of these bodies add up to roughly \$75,000.

Accordingly, my responsibilities vis-à-vis the financial statement audit of these bodies alone require that my operating budget be increased by at least \$425,000. This increase does not cover the value-for-money and regulatory compliance audits of these bodies. I would like to reiterate a recommendation I made last year.

### **Recommendations**

**I reiterate my recommendation that city council adopt a motion to ensure that the budget allocated to me is calculated on the basis of the city's operating budget as well as the budgets of all the bodies whose accounts and affairs I am now responsible for auditing.**

**Failing that, I recommend that city council adopt a motion to raise my 2013 budget by \$425,000, subject to subsequent indexing, so that I can at the very least fulfil my obligations for auditing the financial statements of the aforementioned bodies.**

## **C. PROCESSING THE AUDITOR GENERAL'S DECISION-MAKING RECORDS**

In October 2003, the manager of the city's Affaires juridiques informed the city manager that the internal by-laws of the executive committee covering delegation of power did not apply to the auditor general. In particular, she cited CTA sections 107.1 to 107.16 concerning the

auditor general, which were introduced in December 2001 and are part of a legislative package designed to grant the auditor general all the administrative autonomy he needs to discharge his duties adequately. On this subject, she added:

*[TRANSLATION] “We believe that, according to the spirit of these provisions and the letter of some of them, the auditor general should not be considered, for the purposes of delegating powers, in the same way as any other city official. . . .*

*In our opinion, by granting the minimum budget allocation to the auditor and making him responsible for implementing the city’s standards and policies regarding human, material and financial resource management, the legislature gave him such a high level of administrative autonomy that he is the only person responsible for using the budgets placed at his disposal.”*

Moreover, in a notice sent to the auditor general regarding human resources management of the Bureau du vérificateur général, in June 2004, the manager of the Affaires juridiques reasserted her position: *[TRANSLATION] “The autonomy granted the auditor general by law is incompatible with monitoring the appropriateness of his decisions. The auditor general therefore has the authority to make all decisions concerning the management of human resources assigned to the audit.”*

As a result of these legal notices, a special section was created in the decision-making record management system (GDD) to provide the auditor general with a tool to record his decisions since he is not subject to executive committee internal management by-laws on delegating powers.

Occasionally, circumstances make it necessary for me to obtain a city council decision. To obtain a decision from council regarding the Bureau du vérificateur général, like the city’s other administrative units, involves preparing a decision-making record in advance, adding it to the agenda in advance and, if necessary, having it ratified by resolution in advance.

For the reasons set forth above, I believe that no preliminary relevance check should be done on files that I want to submit to city council for decisions. Otherwise, the auditor general’s autonomy under the provisions of the CTA would be severely hampered.

As a follow-up to the recommendation<sup>3</sup> I made in my report last year concerning the allocation of surpluses in my operating budget, I prepared a decision-making record in 2011 for city council; the Direction générale refused to submit it to city council even though I tried many times to resolve this impasse.

In my opinion, the Direction générale's refusal infringes on my autonomy as auditor general, and I strongly object to this. I do not think it is useful to explain here once again all the intricate details of this file, which are described in decision-making record No. 1114209003.

I am therefore seeking the intervention of city council to ensure that this file is submitted to it for decision, and that in future I can submit to it any file I consider appropriate without any preliminary relevance check being performed.

### Recommendations

**I recommend that city council take the necessary steps to:**

- **Submit decision-making record No. 1114209003 on the allocation of surpluses in the auditor general's operating budget for a decision as promptly as possible.**
- **Allow the auditor general to submit for decision any file he considers appropriate without any preliminary relevance check.**

## D. RECOMMENDATIONS FROM PREVIOUS YEARS

As a result of the findings when my office followed up on recommendations made in past years (section V.1), I want to bring to the municipal administration's attention two situations that I consider of concern.

First, by the end of my offices' monitoring process, some business units concerned did not implement recommendations made from 2005 to 2009. Second, no action was taken by the business units concerned as a result of other recommendations made in 2009 and 2010 even though action plans were initially sent to us.

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<sup>3</sup> *"I recommend that city council take the necessary measures to allocate the surplus from the auditor general's 2010 operating budget to his 2011 operating budget, and that it do so for subsequent years, where applicable."*

For these two situations, I seek the support of the municipal administration to help ensure that the business units concerned implement these recommendations. Since most of these recommendations are major, I believe that their implementation could lead to substantial improvements in the management of the city's activities.