

II. Overview of the Bureau du Vérificateur Général



Vérificateur général
de la Ville de Montréal

II.1. Workforce Status



Vérificateur général
de la Ville de Montréal

II. OVERVIEW OF THE BUREAU DU VÉRIFICATEUR GÉNÉRAL

II.1. WORKFORCE STATUS

Over the past few years, we have witnessed a continuous and very worrisome erosion of staff in the Bureau du vérificateur général (BVG) because of retirement and recruiting difficulties, especially with salaries that are not very competitive in our comparison market.

**Table 1—Workforce Trends
as of December 31 for 2002–2011**

Year	Total employees*
2002	41
2003	36
2004	38
2005	37
2006	35
2007	33
2008	28
2009	26
2010	30
2011	33

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

Measures taken to remedy this problem have included creating professional positions in the beginning of 2010 in a salary range superior to the existing one.

After a first recruitment campaign in June 2010, the BVG succeeded in filling five of the nine positions that were vacant at that time. A second recruitment campaign in November 2010 filled the remaining positions, resulting in a BVG with 35 staff members at the beginning of 2011. During that same year, two of the new resources hired left the BVG. As this report goes to press, another of these new resources has left the BVG, while two employees are on the verge of retiring and a third is likely to do so in 2012.

Attracting and retaining qualified and experienced resources remains a major challenge for the BVG.

II.2. Performance Indicators



Vérificateur général
de la Ville de Montréal

II.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 think we should continue to present the indicators that appear most relevant for the reader to form an opinion about the performance of the Montréal Bureau du vérificateur général (BVG).

These indicators are:

- A. Number of reports issued
- B. Recommendation implementation rate
- C. Utilization
- D. Equal access to employment
- E. Financial results

A. NUMBER OF REPORTS ISSUED

Table 1—Number of Reports Issued from 2007 to 2011

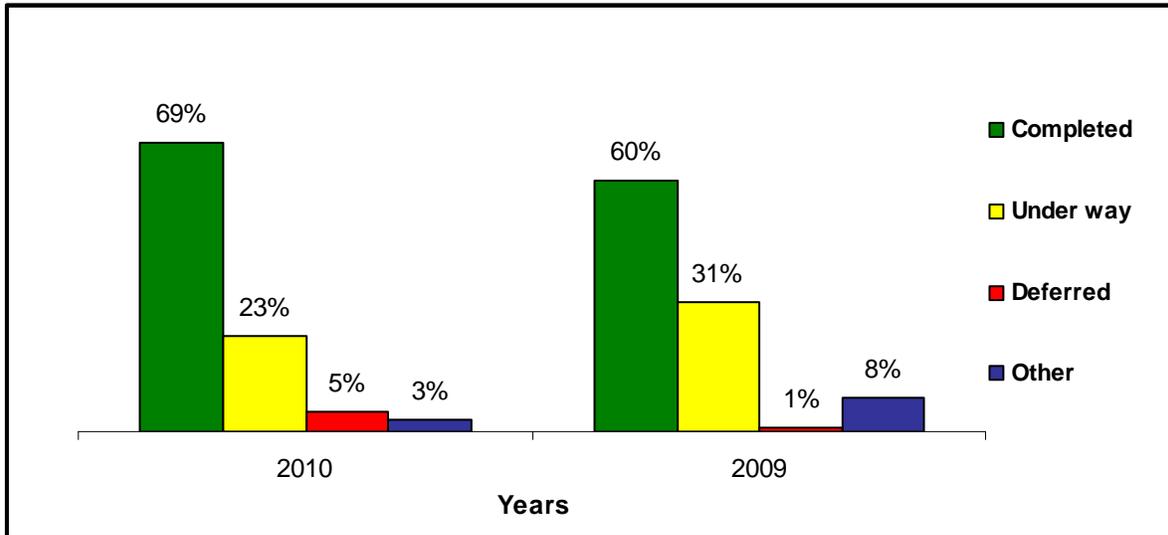
Reference year	Financial audit			Value-for-money and IT ¹ audit
	Total	Current year	Previous year	
2007	15	10	5	10
2008	17	12	5	8
2009	13	11	2	7
2010	16	13	3	9
2011	10	9	1	12

¹ Information technology.

The increase in the number of reports produced in 2011 for value-for-money and IT audits stems from an increase in the BVG's working capacity due to the filled positions we mentioned earlier. There are fewer reports relating to financial audits because the auditor general's reports on certification of the Ville de Montréal and the Société de transport de Montréal (STM) financial statements had not been issued as this report went to press. Audit of the financial statements was not completed because of the late appointment of the joint auditors by the authorities.

B. RECOMMENDATION IMPLEMENTATION RATE

Graph 1—Recommendations Implementation Rate
from Value-for-Money and IT Audit

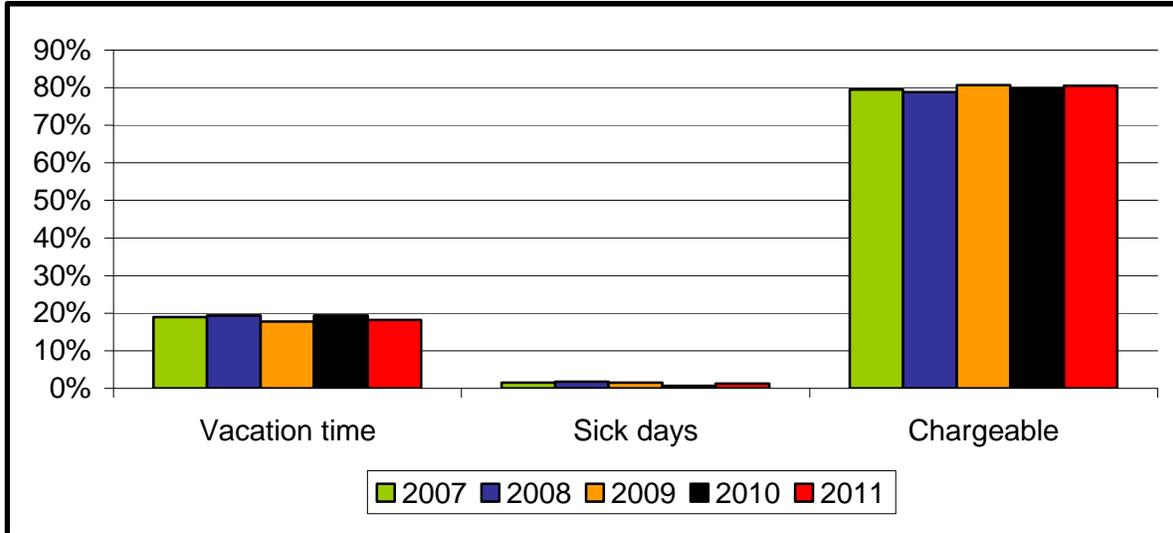


This indicator is particularly important because it allows the reader to assess how quickly and to what extent the administration takes appropriate measures to resolve the problems that trigger our recommendations. It should be pointed out that the figures shown in Graph 1 illustrate, for each of the years in which the recommendations were made, their implementation rate in the year following their publication.

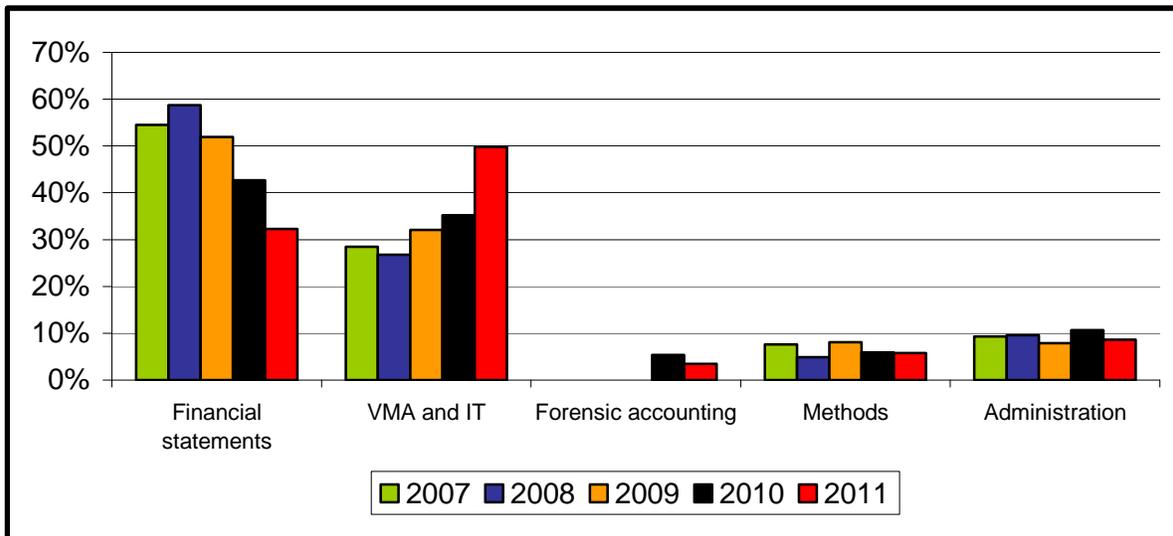
Overall, the indicator shows a satisfactory performance on the part of the business units with regard to the implementation of our recommendations.

C. UTILIZATION

Graph 2—Breakdown of Total Hours



Graph 3—Breakdown of Chargeable Hours



VMA and IT: Value-for-money and information technology audits.
Methods: Includes accounting research, quality control and training.

The data relating to utilization illustrate the steps taken by the BVG over the last years to review how work on financial audits was shared with the external auditor and to optimize our audit approach in this respect. This has allowed us to devote more time to audit value-for-money and

information technology resources. The marked increase in time spent on these audits in 2011 is also due to having filled the positions mentioned earlier.

These data also demonstrate the on-going implementation and development of BVG investigative and forensic accounting activity in 2011, despite the fact that the responsibility for the ethics line now falls under the Service du contrôleur général. We should stress, however, that the ethics hotline is not a prerequisite for investigative and forensic accounting operation because the hotline is only one way of communicating allegations of wrongdoing to all the appropriate parties. On one hand, employees, suppliers, elected officials and citizens can communicate directly with the BVG to share concerns about the city's business and the bodies under its control covered by our mandate under section 107.8 of the *Cities and Towns Act*. On the other, within the context of financial, value-for-money and information technology audits we performed, we are in a position to notice signs of irregularities or fraud that could lead to investigative and forensic accounting operations.

Table 2—Other Indicators Regarding Utilization

	Results	
	2011	2010
1. Audit staff turnover	9.4%	3.0%
2. Absenteeism (audit professionals)	1.3%	0.7%
3. Number of training hours	1,047	969
4. Average number of hours of training per employee	33	38
5. Ratio of training costs/payroll expenditures in accordance with Bill 90 (the objective for all city operations is 1%)	2.9%	2.6%

There was a significant increase in our staff turnover rate in 2011, which had been foreseen in last year's report. This increase is due to one retirement, one transfer and one resignation. For the reasons mentioned earlier, we expect a similar turnover rate in 2012. The other 2011 indicators are comparable to those of 2010, apart from a considerable rise in the rate of absenteeism, which was mainly attributable to absences related to short-term disabilities.

D. EQUAL ACCESS TO EMPLOYMENT

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

As of December 31 of the last three years, the breakdown of the representation of groups targeted by the *Act respecting equal access to employment in public bodies* was as follows:

Table 3—Representation of Targeted Groups

Targeted group	2011	2010	2009
Men	59.4%	58.1%	64.3%
Women	40.6%	41.9%	35.7%

Targeted group	2011	2010	2009
First Nations	0.0%	0.0%	0.0%
Visible minorities	6.3%	3.2%	3.6%
Ethnic minorities	3.1%	0.0%	0.0%
Total	9.4%	3.2%	3.6%

As of December 31 of the last three years, under-representation of targeted groups in the BVG was as follows:

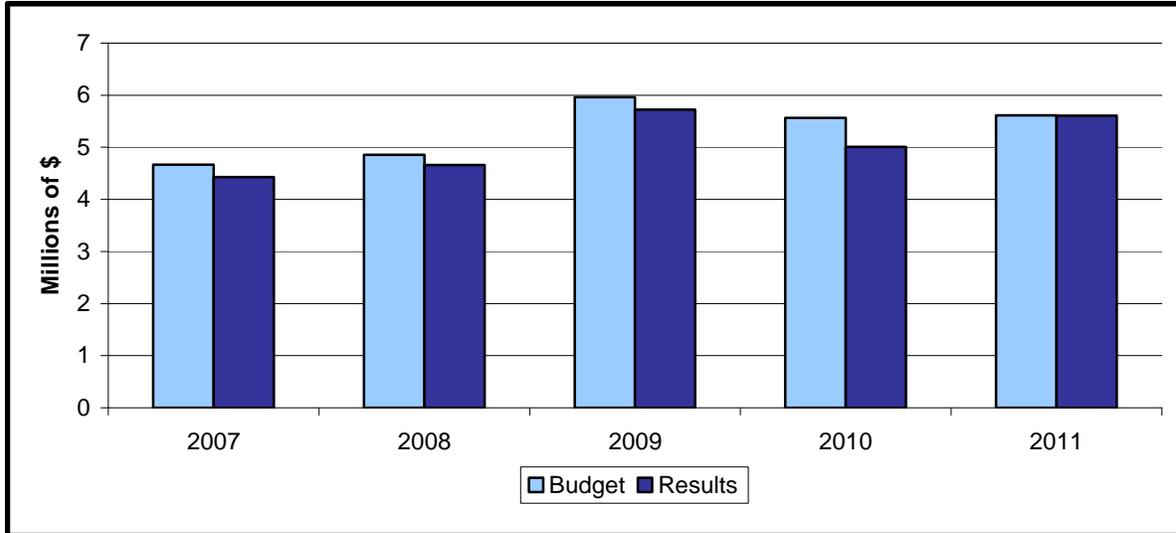
Table 4—Under-Representation of Targeted Groups

Targeted group	2011		2010		2009	
	Number	%	Number	%	Number	%
Women	0	0.0	1	3.2	2	7.1
First Nations	0	0.0	0	0.0	0	0.0
Visible minorities	0	0.0	0	0.0	0	0.0
Ethnic minorities	1	3.1	1	3.2	1	3.6

It can be observed that the results of the June 2010 recruitment campaign helped to considerably improve the representation of women on our staff as well as increase the representation of visible and ethnic minorities significantly.

E. FINANCIAL RESULTS

Graph 4—Budget and Financial Results



The final indicator deals with the BVG's financial results. We want to stress that the significant increase in our 2009 budget resulted primarily from audits requested by city council (for the Société d'habitation et de développement de Montréal [SHDM] and the plan to install water meters in IBIs and optimize the water system). Our 2010 budget also included an additional amount of \$650,000 that was allocated by the executive committee to cover the operating costs of the auditor general ethics hotline. Moreover, an amount of \$151,000 was added to the initial 2011 budget of \$5,024,000 allocated to the auditor general, the minimum required by law, for reimbursing salary costs for BVG professionals released full-time for union activities. There is also an amount of \$147,000 to cover the cost of handling reports in progress when the ethics line was transferred to the Service du contrôleur général. In addition, we included in our 2011 budget an additional sum of \$293,000, representing the surplus from our 2010 budget that should have been allocated to our 2011 budget due to the reasons mentioned in chapter 1, entitled "Comments and Recommendations from the Auditor General."