



Report of the Auditor General of the Ville de Montréal to the City Council and to the Urban Agglomeration Council

For the Year Ended December 31, 2012

Overview of the Bureau du vérificateur général

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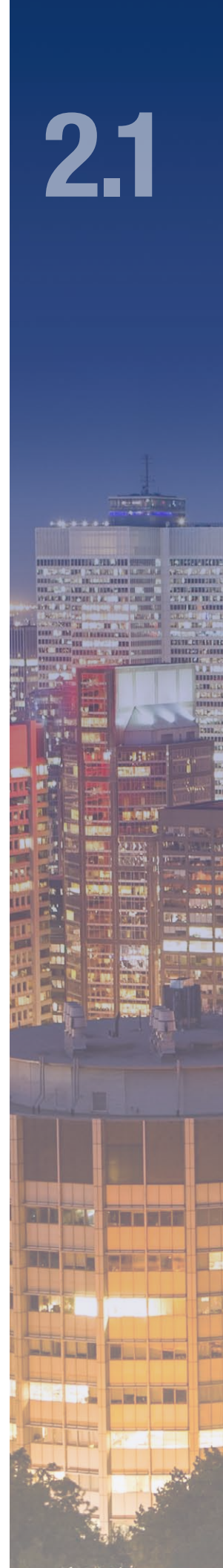


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For the Year Ended December 31, 2012

2.1

Workforce Status



2. Overview of the Bureau du vérificateur général

2.1. Workforce Status

Over the years, we have witnessed a continuous and very worrisome erosion of our staff 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 2002–2012**

Year	Total employees ^a
2002	41
2003	36
2004	38
2005	37
2006	35
2007	33
2008	28
2009	26
2010	30
2011	33
2012	30

^a 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.

Attracting and retaining qualified and experienced resources remains a major challenge for the Bureau, despite measures taken to address this problem.

As this report goes to press, the Bureau now has 29 staff members following the retirement of a key employee. Five positions are currently vacant, including four senior auditor positions—two in the value-for-money audit, one in the information technology audit and one in financial statement certification—as well as an auditor's position in financial statement certification.

These vacant positions, which represent 15% of our total resources, inevitably affect the Bureau's ability to fulfill its responsibilities. Furthermore, the shortage of resources has forced the Bureau to rely to a greater extent on the services of external firms in honouring its obligations to certify financial statements.

It is clear that a greater effort must be made to solve the difficult issue of attracting and retaining human resources.

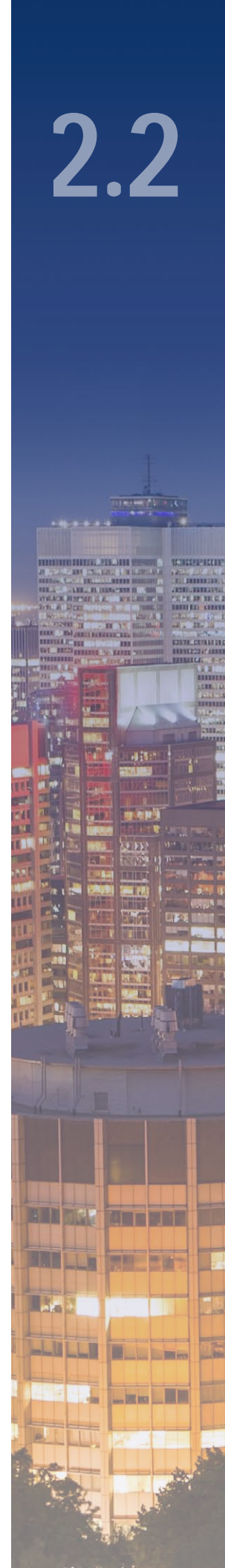


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For the Year Ended December 31, 2012

Performance Indicators

2.2



2.2. 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 (the BVG).

These indicators are:

- Number of reports issued;
- Recommendation implementation rate;
- Time use;
- Equal access to employment;
- Financial results.

Number of Reports Issued

Table 1 shows the number of reports produced in recent years for the audit of financial statements as well as for the value-for-money and information technology (IT) audit.

Table 1 – Number of Reports Issued from 2008 to 2012

Annual report reference year	Financial audit			Value-for-money and IT audit
	Current financial year	Previous financial years	Total	
2008	12	5	17	8
2009	11	2	13	7
2010	13	3	16	9
2011	9	1	10	12
2012	21	15	36	13

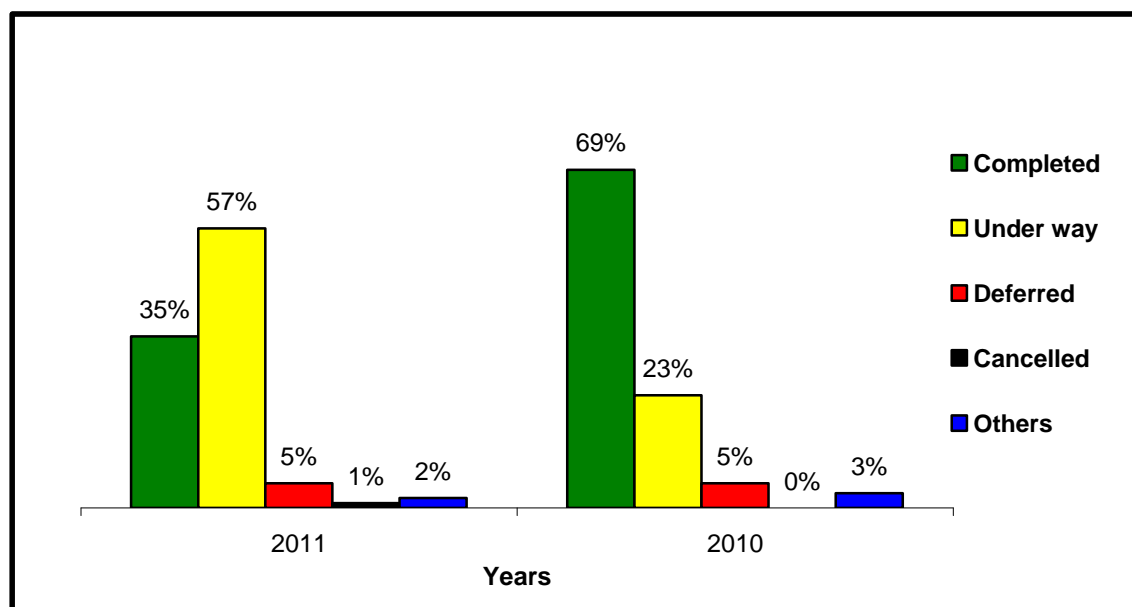
The significant increase in the number of audit reports for the 2012 financial year is primarily the result of two factors. Firstly, the authorities were late in appointing joint auditors for the certification of financial statements of the Ville de Montréal and the Société de transport de Montréal for the 2011 financial year; as a result, the independent auditor reports were not issued until the period covered by the current annual report. Secondly, the amendment to section 107.7 of the *Cities and Towns Act*, which came into effect on

January 1, 2011, gave the auditor general additional responsibility for auditing the accounts and affairs of every legal person that is part of the reporting entity defined in the municipality's financial statements.

Recommendations Implementation Rate

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 Figure 1 illustrate, for each of the years in which the recommendations were made, their implementation rate in the year following their publication.

Figure 1 – Recommendation Implementation Rate for Value-for-Money and IT Audits, by Status



The indicator reveals a slowdown in the implementation of our recommendations by business units. A significant decrease can be seen in the proportion of recommendations “completed” among those published in the 2011 annual report in comparison with those published in the 2010 annual report.

Time Use

Figures 2 and 3 show the breakdown of total and chargeable hours for members of the BVG over the last five years.

Figure 2 – Breakdown of Total Hours

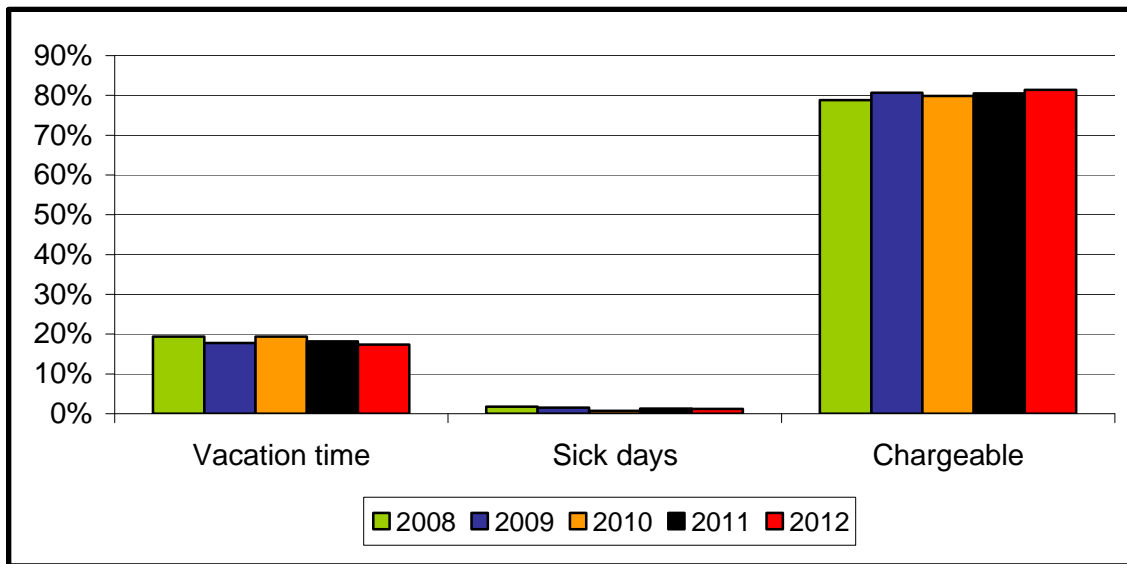
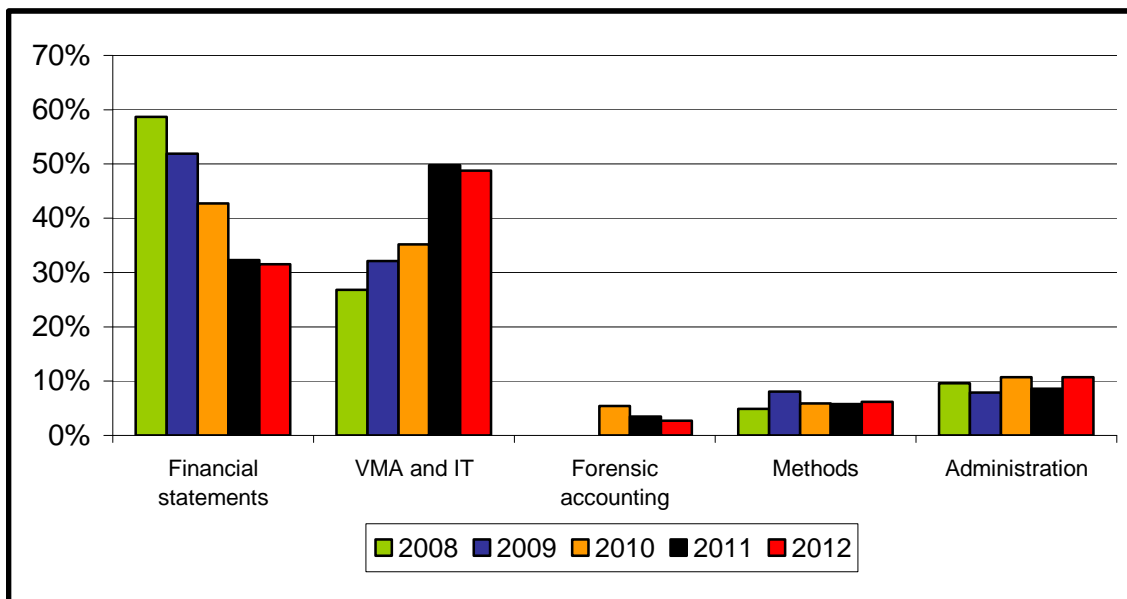


Figure 3 – Breakdown of Chargeable Hours



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

The time use data show that the distribution of chargeable hours remained relatively stable from 2011 to 2012 apart from a significant increase for administration. This increase is related to the time dedicated to the project to secure the BVG's email service and computer network as described in Chapter 1 of this report. Regarding fluctuations in the distribution of chargeable hours for the audit of financial statements and of VMA and IT in years prior to 2010, the reader is referred to the explanations provided in the 2011 annual report.

Other indicators pertaining to time use and the staff turnover rate are presented in Table 2.

Table 2 – Other Indicators Regarding Time Use and Audit Staff Turnover

	Results	
	2012	2011
1. Audit staff turnover	10.0%	9.4%
2. Absenteeism (audit professionals)	1.2%	1.3%
3. Number of training hours	969	1,047
4. Average number of hours of training per employee	32	33
5. Ratio of training costs/payroll expenditures in accordance with Bill 90 (the objective for all city operations is 1%)	2.7%	2.9%

It can be seen in Table 2 that the data for 2012 are comparable to the results for 2011.

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 five years, the breakdown of the representation of groups targeted by the *Act respecting equal access to employment in public bodies* was as shown in Table 3.

Table 3 – Representation of Targeted Groups

Targeted group	2012	2011	2010	2009	2008
Men	46.7%	59.4%	58.1%	64.3%	63.3%
Women	53.3%	40.6%	41.9%	35.7%	36.7%

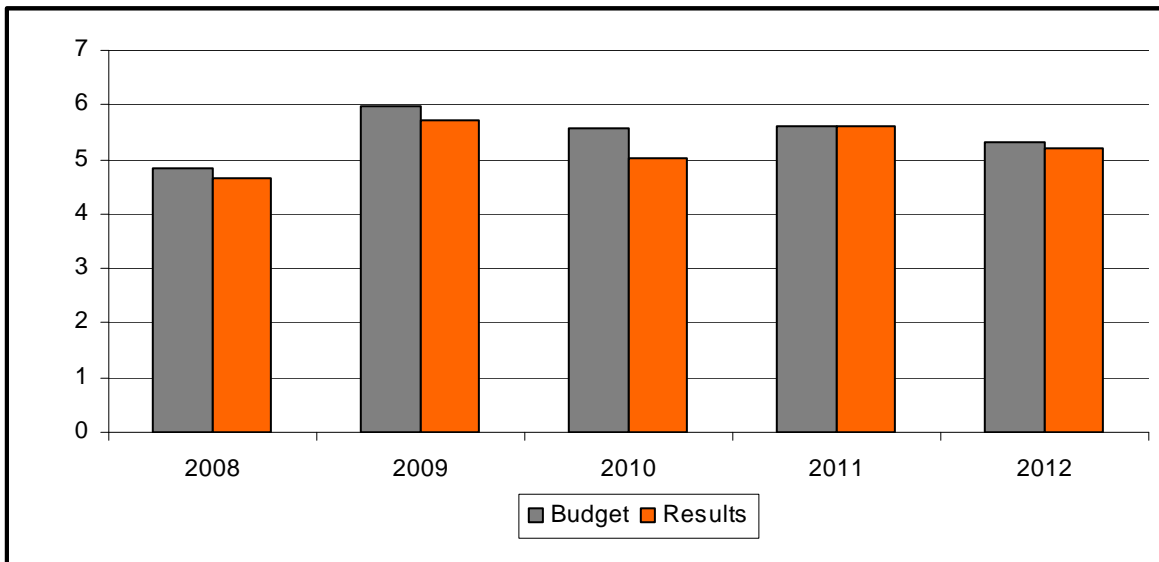
Targeted group	2012	2011	2010	2009	2008
First Nations	0.0%	0.0%	0.0%	0.0%	0.0%
Visible minorities	6.7%	6.3%	3.2%	3.6%	3.3%
Ethnic minorities	3.3%	3.1%	0.0%	0.0%	0.0%
Total	10.0%	9.4%	3.2%	3.6%	3.3%

It can be seen that the representation of women, as well as of visible and ethnic minorities, has improved significantly in recent years.

Financial Results

The final indicator concerns the financial results for the BVG. Figure 4 shows these results for the last five years.

Figure 4 – Budget and Financial Results
(in millions of dollars)



Nothing in particular needs to be pointed out about the financial results for 2012 in comparison with 2011. For further information about preceding years, the reader is referred to the annual reports for those years.