

**REPORT OF
THE CITY GENERAL AUDITOR
TO
THE CONSEIL MUNICIPAL AND TO
THE CONSEIL D'AGGLOMERATION**

**For the year
ended December 31, 2007
and the quarter
ended March 31, 2008**

Legal deposit—Second Quarter 2008

Bibliothèque nationale du Québec

ISSN: 1709-514X

ISBN: 978-2-7647-0740-1

<http://www.ville.montreal.qc.ca/verificateur>

TABLE OF CONTENTS

	Page
Introduction	1
Follow-up on the recommendations of the General Auditor	2
Comments and suggestions of the General Auditor	5
Performance indicators of the General Auditor's Office	6

AUDIT RESULTS

FINANCIAL AUDIT

Ville de Montréal	1
Other municipal organizations	3

AUDIT OF VALUE-FOR-MONEY AND MANAGEMENT

Fire prevention activities	1
IT change management	28
Client enquiry management (CEM)	44
Managing the workforce plan	70
Service continuity plan—civil protection	81
Salaries of \$100,000 and more	111
Follow-up on recommendations of the standing committees (city council and agglomeration council)	115
Mobile telephony	127
Remuneration and expense allowance of elected officers and expense allowance of borough directors	142
Administrative verifications following the issue of a statement of offence	157

APPENDIX

Article 107 of the <i>Cities and Towns Act</i>	1
List of audit reports issued (financial statements and other financial information)	6
Employees of the General Auditor's Office	7

VALUE-FOR-MONEY AUDIT—FLOW CHART

Planning	11
Auditing and reports	12
Annual report and follow-ups	13

SCHEDULE OF EXPENSE ACCOUNTS OF THE OFFICE OF THE GENERAL AUDITOR

External auditors' report
Schedule of expense accounts

INTRODUCTION

Under the provisions of the *Cities and Towns Act* (the Act), the General Auditor must:

- provide, by March 31 of every year, a report to the city council on the audit of the financial statements of the municipality and the statement setting the aggregate taxation rate; and
- transmit to the city council, by August 31 of every year, a report presenting the results of the audit for the fiscal year ending on December 31 of the previous year and indicate any fact or irregularity the auditor considers expedient to mention.

With the creation of the agglomeration of Montréal on January 1, 2006, the presentation of the financial statements of the Ville de Montréal was changed considerably and the duties of the General Auditor regarding the audit of these financial statements and the aggregate taxation rate were broadened.

In 2007, the Ville de Montréal, like all the municipalities in Québec, adopted the generally accepted Canadian accounting principles for the public sector; therefore, for the second consecutive year, the presentation of the financial statements of the Ville de Montréal was changed considerably. I will return to this issue in the section on the financial audit.

In keeping with the past, the report I am submitting today covers the entire body of my work related to all the activities of Ville de Montréal, including those related to the agglomeration, namely the financial, management and value-for-money audits for the period of April 1, 2007 to March 31, 2008.

As always, I favour the search for and implementation of sustainable solutions to the underlying causes of the problems identified during the course of our work. Using an approach based on partnership with elected officials and managers, we sought to:

- identify the significant risks or obstacles that may hinder the achievement of the desired results and/or objectives, as well as potential solutions to manage these risks and obstacles;
- evaluate the performance of key activities and programs within the Ville de Montréal in terms of effectiveness, efficiency and the economical use of resources; and
- seek out and take advantage of opportunities to improve and/or reduce the cost of services provided to residents.

Accordingly, once again this year, our reports include the action plans proposed by managers to remedy the problems encountered, along with their planned completion dates.

FOLLOW-UP ON THE RECOMMENDATIONS OF THE GENERAL AUDITOR

If there is one indicator that is key to determining whether my partnership approach is effective, it is the percentage of recommendations from the General Auditor that lead to concrete corrective measures.

The following table shows the results of follow-up on the recommendations made from 2002 to 2006:

Recommendations	Follow-up in March 2004	Follow-up in March 2005	Follow-up in March 2006	Follow-up in March 2007	Follow-up in March 2008
Formulated in 2002					
Completed	23	6	3	5	3
Under way	17	17	10	7	
Delayed	8		3		
Cancelled		2	1	1	1
Expired					3
Total	48	25	17	13	7
Formulated in 2003					
Completed		27	6	7	3
Under way		21	15	3	
Not done				5	
Total	0	48	21	15	3
Formulated in 2004					
Completed			135	74	72
Under way			148	76	2
Delayed			17	9	
Cancelled			2	1	4
Not done				5	
Expired					7
Total	0	0	302	165	85
Formulated in 2005					
Completed				95	58
Under way				86	31
Delayed				8	15
Cancelled				1	
Other				10	
Total	0	0	0	200	104

Recommendations	Follow-up in March 2004	Follow-up in March 2005	Follow-up in March 2006	Follow-up in March 2007	Follow-up in March 2008
Formulated in 2006					
Completed					140
Under way					87
Delayed					1
Not done					2
Other					14
Total					244
Overall total for all the years combined					443

In terms of the recommendations formulated in 2006 specifically, the files completed or under way represent 93% of cases, compared to the yearly objective of 80% established by the municipal administration.

In terms of the combined recommendations formulated since 2002, the follow-up report of March 2008 shows that 657 files have been completed, including 276 files in the last 12 months. On a cumulative basis, almost 80% of recommendations have been completed, and slightly less than 15% are under way. Overall, these results are excellent.

Summary of the status of recommendations formulated from 2002 to 2006	Total follow-ups	Follow-up in March 2008
Completed	657	276
Under way	120	120
Delayed	16	16
Cancelled	13	5
Not done	12	2
Expired	10	10
Other	14	14
Overall total	842	443

In 2006, in response to our audit of occupational health and safety management, the Service du capital humain notified us that in order to prepare an accurate action plan detailing the proposed actions for the various interveners, clarification was needed in terms of the roles and responsibilities of the various decisional levels of the City relating to health and safety in the workplace. Last February, we received a detailed action plan from the Direction générale, which I would like to commend for its high quality level.

Without summarizing all the components here, I believe that this is a good occasion to focus on certain elements of this action plan that are particularly substantial: the adoption by the Comité exécutif of a policy on health and safety in the workplace and the approval by the Director General of a directive declaring health and safety in the workplace a strategic issue for the Ville de Montréal. This directive defines the roles and responsibilities in this area, as well as the scope and frequency of accountability relating to health and safety in the workplace for all the business units of the Ville de Montréal.

COMMENTS AND SUGGESTIONS OF THE GENERAL AUDITOR

FRAUD HOTLINE

The summer of 2007 was marked by what I will call the “Outremont scandal.” As I explained to a reporter during a telephone interview, it is wishful thinking to believe that an auditor can, in the normal course of his or her work, detect fraudulent acts, especially when the amounts involved are fairly minimal.

It is first and foremost the responsibility of city managers to ensure that management controls in place are sufficient to ideally prevent, if not detect, fraud. They must also ensure that these controls do not cost more than the amounts that they are trying to safeguard.

A method commonly used in large companies to discourage fraud is what is often called the “whistle-blowing hotline” or “fraud hotline.”

For the past seven years, the City of Toronto has had such a hotline, called the “Fraud and waste hotline.” The primary responsibility for any suspected fraud enquiry falls to this city’s General Auditor, who reports annually on fraud-related activities to the Audit Committee.

In spite of numerous past discussions about installing this kind of hotline in Montréal, no concrete action has been taken. And yet in an organization as vast and complex as that of the City, the existence of such a hotline would be beneficial.

Therefore, I strongly suggest that the municipal administration create a fraud hotline.

In addition, if this can help in establishing such a hotline, I am open to taking charge of the project provided the Ville de Montréal is prepared to grant me the necessary funds to do so.

PERFORMANCE INDICATORS FOR THE GENERAL AUDITOR'S OFFICE

During the course of our audits, we often observe the absence of adequate performance indicators to enable strict administrative follow-up and adequate accountability.

Over the years, we have accumulated a certain amount of data related to this Office's performance and management of resources. This year, for the first time, I believe it is fitting to present the indicators that I feel are most relevant to allow the reader to form an opinion of the performance of the Office of the General Auditor of Montréal.

The indicators being presented are:

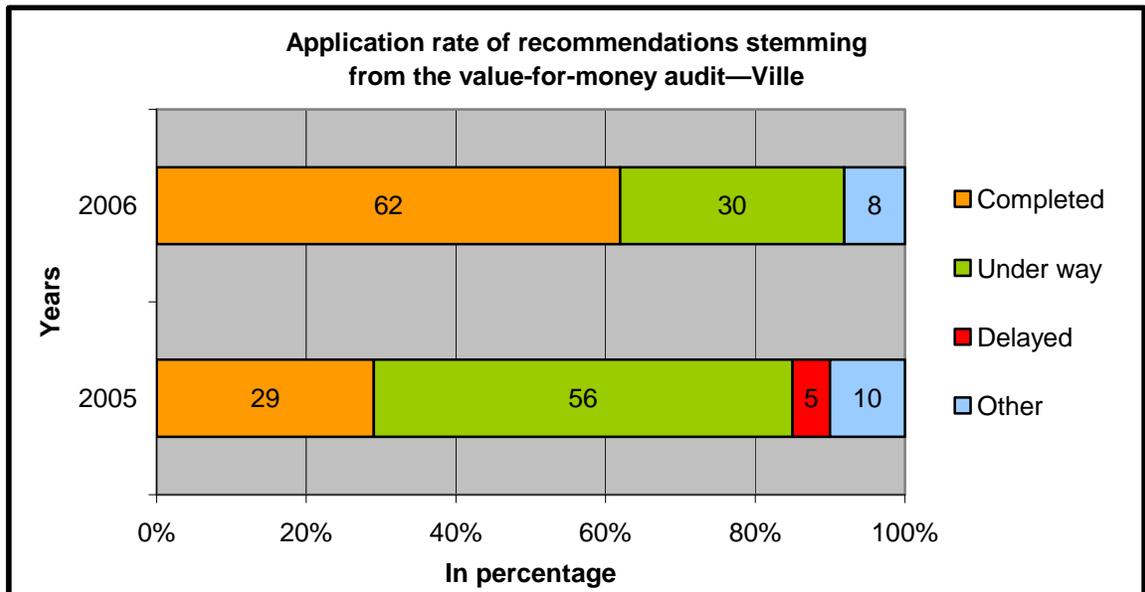
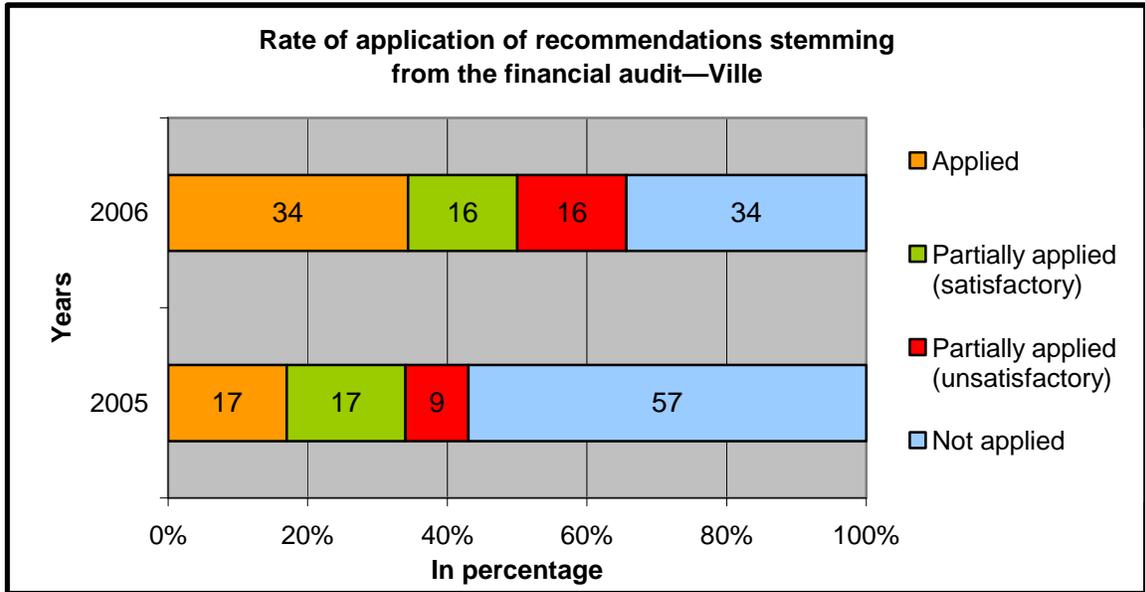
- Number of reports issued;
- Rate of application of recommendations;
- Staff movement;
- Use of time;
- Equal access to employment; and
- Financial results.

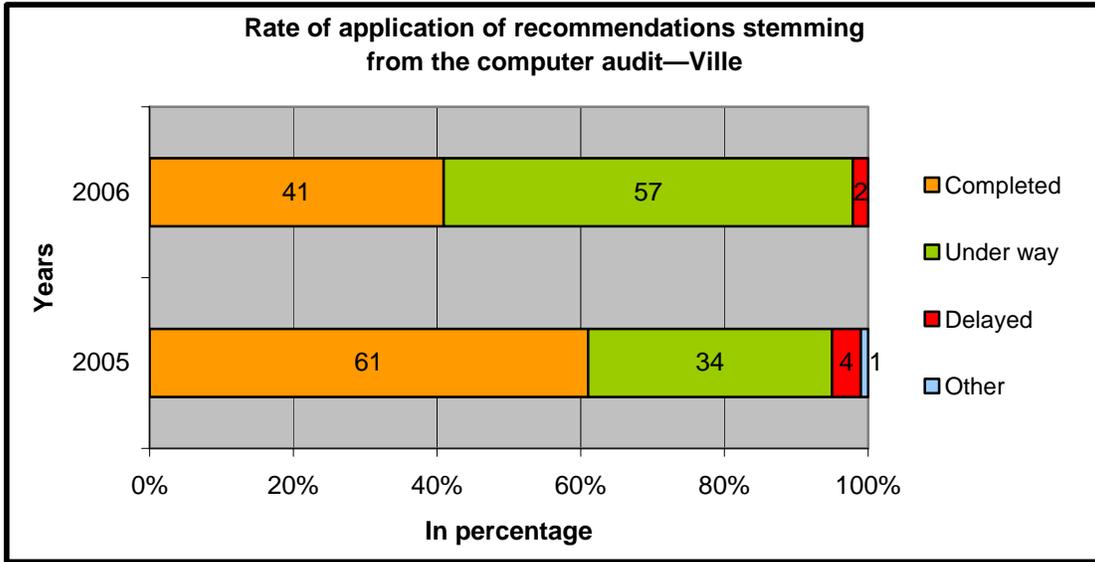
NUMBER OF REPORTS ISSUED

Reference Year	Financial Audit			Value-for-money and management audit
	Total	Current Year	Previous Year	
2002	45	36	9	7
2003	54	39	15	6
2004	43	30	13	10
2005	36	21	15	12
2006	27	11	16	9
2007	15	10	5	10

The reduction in the number of financial audit reports can be explained mainly by the relinquishment of certain mandates not required by law and primarily related to retirement plans and certificates required by the Gouvernement du Québec.

RATE OF APPLICATION OF RECOMMENDATIONS



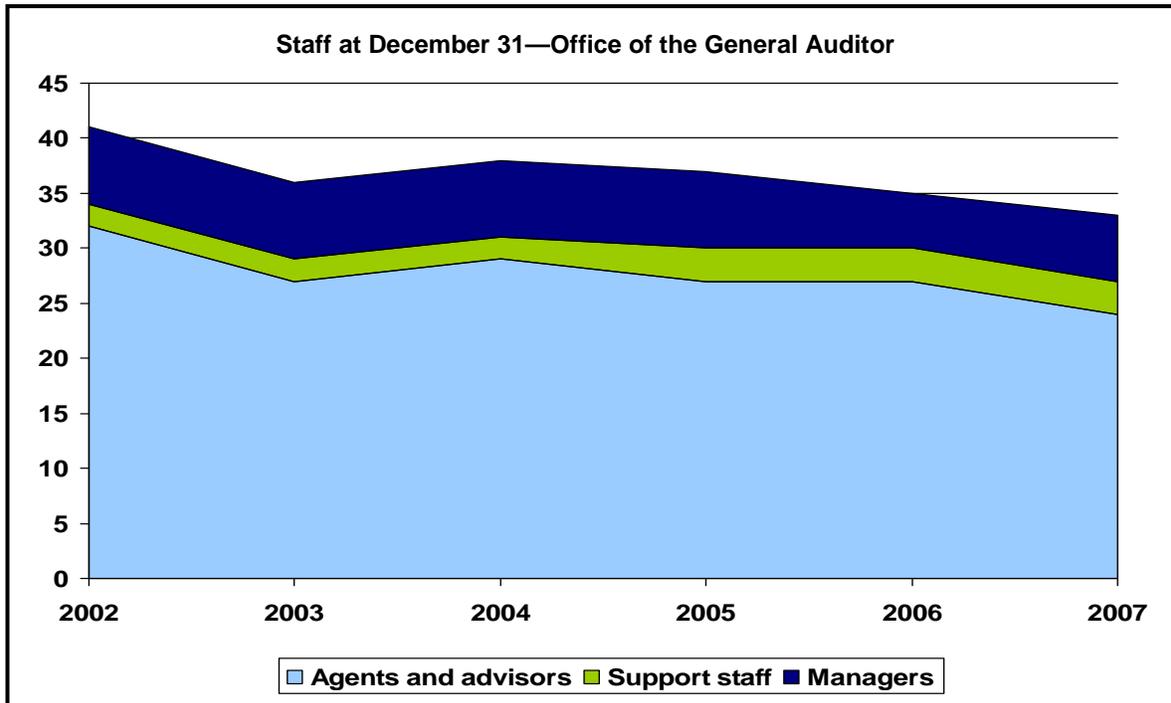


In my opinion, this indicator is particularly important since it allows the reader to appreciate the fairness and realism of the recommendations made by the General Auditor and his team.

Overall, I feel that it shows a good performance, especially in terms of the computer and value-for-money audits.

In regards to the financial audit, the creation of the agglomeration on January 1, 2006, the deployment of the Simon integrated management system that is still under way, and accounting changes that took effect on January 1, 2007, explain the difference with the two other audit categories.

STAFF GROWTH



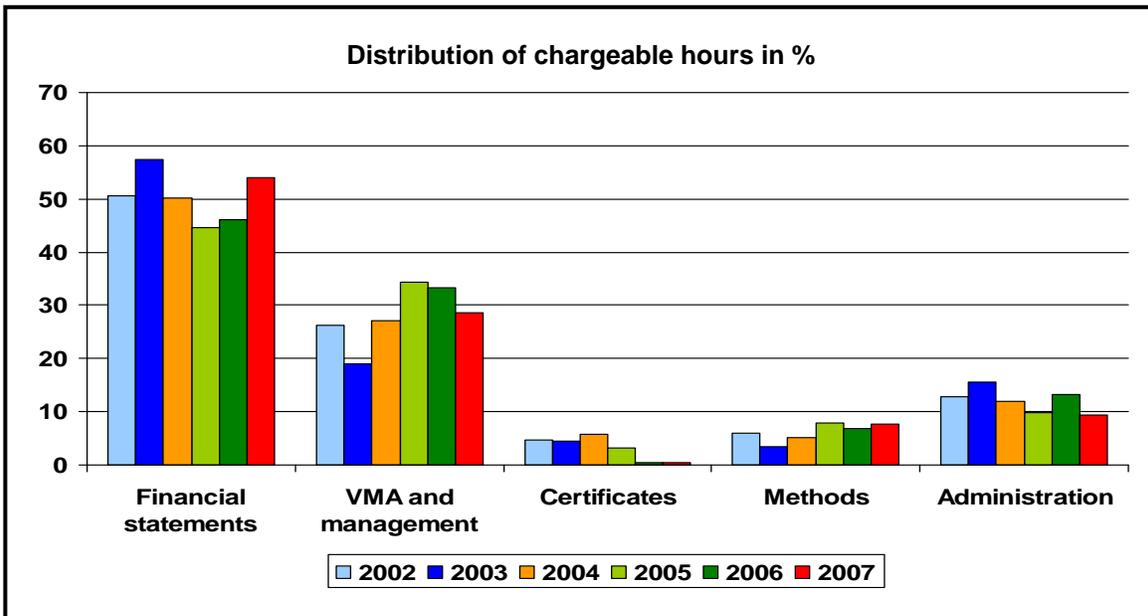
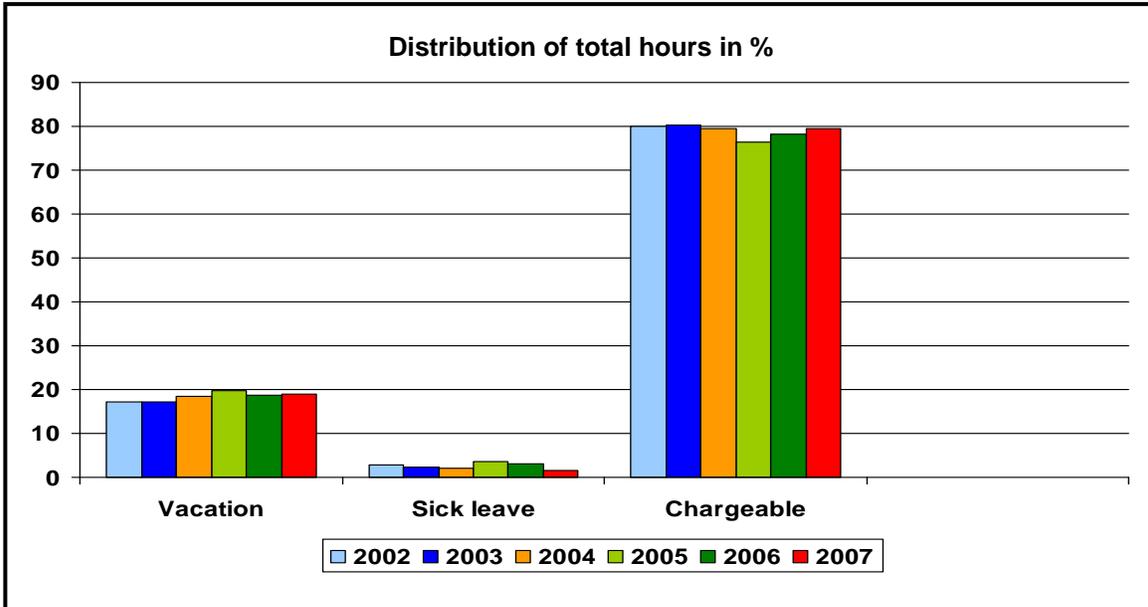
In examining the chart above, one can easily see major erosion in the number of staff available to the Office of the General Auditor. This erosion can be explained on the one hand by a number of retirement departures and on the other hand by an inability to fill vacant positions.

There is a risk that this decrease in staff will become more acute in the coming years. In fact, we anticipate nine retirement departures between now and December 31, 2010, almost 25% of our total staff.

The high demand for accountants in the last few years has led to higher salaries, making us less competitive on the job market.

Thus, our ability to continue conducting audits in the future is a major concern for the Office of the General Auditor.

USE OF TIME



VMA: Value-for-money audit

Methods include accounting research, quality control and training

Data related to the use of time shows that it has remained constant for almost all the activities measured, with the exception of the audit of financial statements, which, after gains in 2004 and 2005, increased in 2007 as a result of the creation of the agglomeration and the adoption of new accounting standards.

Our management audit work suffered as a result, despite a reduction in the time spent on certificates, methods and administration.

The peak observed in 2006 regarding time spent on administration is partially the result of the move of the Office of the General Auditor from 333 St. Antoine East, which is slated for demolition to make way for the future CHUM, to 1550 Metcalfe.

Other indicators	Results	
	2007	2006
1. Rate of audit staff turnover	19%	6%
2. Rate of absenteeism (advisors and agents)	2.7%	1.9%
3. Number of training hours	1042	1112
4. Average number of training hours per employee	34.7	34.7
5. Ratio of training costs/payroll expenditures in accordance with Bill 90. The overall goal of the Ville is 1%.	2.3%	2.4%

Our high rate of audit staff turnover can be explained by an increased number of retirement departures and should be around 10% in 2008.

In other respects, we have continued to invest in updating our skills.

EQUAL ACCESS TO EMPLOYMENT

Like the Ville de Montréal, the Office of the General Auditor pays special attention to issues of equal access to employment.

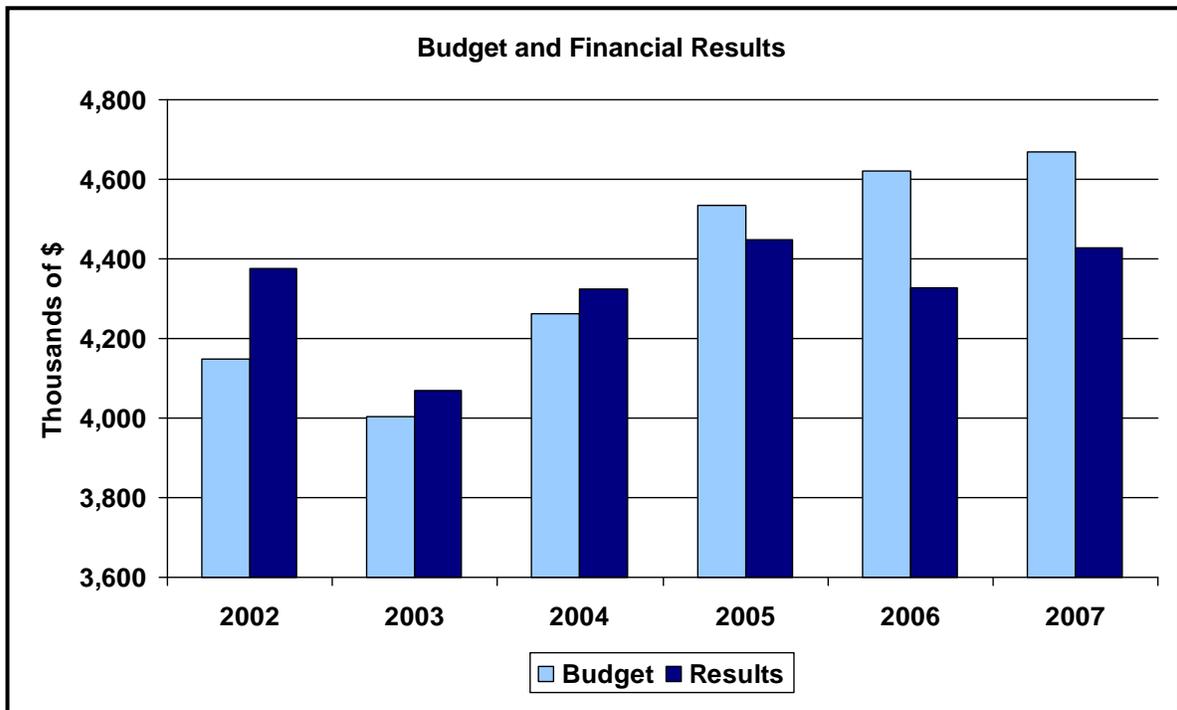
The data presented below shows a slight under-representation of women (in management), while ethnic minorities are not represented in that category. The Office's ability to remedy this under-representation is directly related to its ability to attract new candidates.

Status – Equal opportunity programs			
Targeted groups	Under-representation	Actual representation	
	2006	2006	2005
Women	2	12	12
First Nations	-	-	-
Visible minorities	-	2	3
Ethnic minorities	4	-	-

* Only permanent staff is included in these figures.

Female representation		
Staff category	2006	2005
Management	20%	14%
Professional	33%	33%
Technical and support	100%	100%

FINANCIAL RESULTS



The final indicator deals with the financial results of the Office. As the above chart shows, the Office of the General Auditor has been consistently under budget since 2005, mainly due to salaries and employee benefits related to vacant positions.

AUDIT RESULTS

FINANCIAL AUDIT

VILLE DE MONTRÉAL 1
OTHER MUNICIPAL ORGANIZATIONS..... 3

VILLE DE MONTRÉAL

On January 1, 2007, the Ville de Montréal adopted the accounting standards issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), applicable to local administrations. Prior to this date, the Ville de Montréal's financial statements were prepared in accordance with generally accepted municipal accounting practices in Québec and specific principles described in the notes pertaining to the financial statements.

The application of these new standards considerably increased the complexity and workload involved in preparing and auditing the Ville de Montréal's financial statements for the year 2007. In the initial planning stage of the work with the Service des finances, we had already anticipated that tabling of the financial statements with the city council would have to be moved back from March to April 2008.

Major changes in accounting methods resulting from the adoption of these standards include the following:

- a) General presentation of the financial statements;
- b) Items and notes affected by the consolidation of accounts of the organizations controlled by the Ville de Montréal;
- c) Assets held for sale;
- d) Loans assessment method;
- e) Deferred charges;
- f) Reported revenues;
- g) Proceeds from disposal of capital assets and assets held for sale and deferred revenues related to these disposals;
- h) Net investment in long-term assets;
- i) Surpluses;
- j) Amounts to be provided for in the future;
- k) Transfer revenues related to the acquisition of capital assets;
- l) Revenue and interest expenses on sinking fund investments and receivables allocated to long-term debt repayment as at January 1, 2001, and interest expenses on long-term debt before that date;
- m) Expenses and liabilities related to employee future benefits; and
- n) Repayment of long-term debt.

My audit report of the Ville de Montréal's financial statements was therefore submitted to the city council on April 28, 2008, and to the agglomeration council on April 30, 2008. As stated in this report, it is my opinion that the consolidated financial statements present fairly, in all material respects, the financial position of the Ville de Montréal as at December 31, 2007, as well as the results of its operations and changes in its financial position for the year then ended.

Concurrently, I submitted to the councils my report on the breakdown of mixed expenditures. As stated in this report, it is my opinion that the Breakdown of the Mixed Expenditures schedule for the municipal administration presents fairly, in all material respects, the breakdown between local and agglomeration responsibilities for the year ended December 31, 2007, in accordance with the criteria and calculation method defined in the by-law adopted by the agglomeration council.

Lastly, on April 30 I submitted my audit reports of the aggregate taxation rate of the Ville de Montréal and the agglomeration. As stated in these reports, it is my opinion that the rates have been established in accordance with the by-laws adopted under Article 262 of the *Act respecting municipal taxation*.

OTHER MUNICIPAL ORGANIZATIONS

In addition, I completed the audit of the financial statements of numerous organizations controlled by the Ville de Montréal for the fiscal year ended December 31, 2007, notably the Société de transport de Montréal and the Société d'habitation et de développement de Montréal.

It should be noted that the Ville de Montréal's application of PSAB accounting standards had a major impact on the Société de transport de Montréal. In addition to its general purpose financial statement, the Société had to submit financial statements prepared in accordance with these standards to the Ville de Montréal for consolidation purposes, and to the Ministère des Affaires municipales et des Régions.

While these changes did not have as great an impact on the Société d'habitation et de développement de Montréal, efforts to harmonize the accounting policy between the two merged organizations, which gave rise to this Société on January 1, 2007, resulted in increased workload for both the Société's staff and my own.

A list of all the audited organizations appears in the appendix.

VALUE-FOR-MONEY AND MANAGEMENT AUDITS

FIRE PREVENTION ACTIVITIES	1
IT CHANGE MANAGEMENT	28
CLIENT ENQUIRY MANAGEMENT (CEM).....	44
MANAGING THE WORKFORCE PLAN	70
SERVICE CONTINUITY PLAN—CIVIL PROTECTION.....	81
SALARIES OF \$100,000 AND MORE	111
FOLLOW-UP ON RECOMMENDATIONS OF STANDING COMMITTEES (CITY COUNCIL AND AGGLOMERATION COUNCIL)	115
MOBILE TELEPHONY	127
REMUNERATION AND EXPENSE ALLOWANCE OF ELECTED OFFICERS AND EXPENSE ALLOWANCE OF BOROUGH DIRECTORS	142
ADMINISTRATIVE VERIFICATIONS FOLLOWING THE ISSUE OF A STATEMENT OF OFFENCE.....	157

FIRE PREVENTION ACTIVITIES

BACKGROUND

The *Fire Safety Act* (R.S.Q., c. S-3.4), adopted by the Gouvernement du Québec in June 2000, stipulates that in addition to overseeing firefighting activities and the corresponding rescue operations, local and regional authorities are responsible for helping to assess fire, accident and disaster risks and promote prevention.

In accordance with the *Fire Safety Act*, the mission of the Service de sécurité incendie de Montréal (SIM) includes protecting the lives and property of residents and visitors and safeguarding the environment through prevention efforts, thereby contributing to public safety and the preservation of property.

In addition, the *Fire Safety Act* is breaking new ground by requiring local and regional authorities to establish a fire safety coverage plan. This plan, slated to be adopted by the Ville de Montréal in 2008, will primarily entail an analysis of the risks present within the city in order to establish specific preventive measures to reduce the chances of fire and set out appropriate procedures to limit the damages should one occur.

METHODOLOGY AND SCOPE

During our audit, we determined to what extent prevention activities are planned and carried out according to the level of risk and the set objectives.

More specifically, we examined existing by-laws, the process surrounding building inspections, the computer application used to compile information on prevention activities, the existence of inspection programs, and the follow-up on activities relating to processing times, notices of non-compliance and penal proceedings. Finally, we also examined the monitoring system for fire drills, the processing of complaints and accountability mechanisms.

Our work was carried out in conjunction with the administrative units of the Service de sécurité incendie de Montréal, primarily within the following divisions:

- Direction de la planification stratégique, which oversees the Division de l'expertise et du développement de la prévention and the Division de la gestion de projet et du changement; and
- Direction des opérations et de la prévention, which oversees the Division 12 (Kirkland, Beaconsfield, Baie-D'Urfé and Pointe-Claire), Division 22 (Le Plateau-Mont-Royal, Rosemont and La Petite-Patrie) and Division 25 (Anjou, Rivière-des-Prairies, Pointe-aux-Trembles and Montréal-Est).

Our audit focused mainly on prevention activities conducted in 2006 and 2007. However, for comparison purposes, some earlier data was also taken into consideration.

OBSERVATIONS AND RECOMMENDATIONS

As part of its duties, the SIM must ensure compliance with all current laws, regulations, standards and municipal by-laws pertaining to fire prevention.

As a result, in accordance with their role of keeping residents and property safe from fire, SIM fire prevention officers are the representatives designated by the Service to ensure adherence to these regulatory requirements.

In the former Ville de Montréal (prior to the municipal merger of January 1, 2002), this responsibility was primarily allocated to 34 fire prevention officers from the Division de la prévention of the Service de sécurité incendie de Montréal (known at the time as the Service de la prévention des incendies) for buildings with more than eight dwellings. For their part, the firefighters of the Division des opérations were also involved in fire safety inspections in residential buildings with eight dwellings or less.

In 2002, following the municipal merger, the Service de la prévention des incendies was responsible for integrating the activities of the 22 local fire departments located on the Island of Montréal. Its structure was therefore modified in 2003, with the decentralizing of prevention activities and a substantial increase in the number of fire prevention officers.

Since the municipal demergers of January 1, 2006, the responsibility for fire safety has fallen to the agglomeration council. As a result, the SIM continues to oversee prevention activities for the entire Island of Montréal.

When our audit was conducted, in addition to the firefighters who still assumed a portion of the responsibility for conducting fire safety inspections, nearly 60 fire prevention officers were on staff within the 12 divisions that reported to the North and South operations centres of the Direction des opérations et de la prévention. These officers report to 12 fire prevention section heads (one for each division). Each is responsible for a specific group of reconstituted municipalities or boroughs within the agglomeration.

In order to structure and support prevention activities, the Division de l'expertise et du développement de la prévention, placed under the supervision of the Direction de la planification stratégique of the SIM, was also created. As of December 31, 2007, this division had a staff of 16 people in addition to the division head. Its mandate includes supporting the enforcement of by-laws, providing expertise, overseeing the development of prevention activities and providing fire safety services during special events (e.g., fireworks displays).

In terms of fire safety, building inspections are among the key preventive measures designed to encourage the public to take preventive action to create a safe environment and thereby reduce the risk of loss of life and property damage due to fire.

Inspections of residential, commercial, industrial and institutional buildings may be planned or carried out in response to a complaint or request from residents, owners, tenants or other municipal agents (e.g., police officers, firefighters, councillors). The purpose of these inspections is, among other things, to ensure that fire protection equipment (smoke detectors, sprinklers, portable extinguishers, etc.) and certain preventive measures (fire safety plans, fire drills, clear fire exits, storage of flammable products) respect applicable by-laws and standards, failing which penal proceedings may be initiated to compel the offender to carry out the necessary corrective measures.

Accordingly, in order to ensure a link between the statement of offence issued by the fire prevention officers (the only agents authorized to do so) and the initiation of penal proceedings in the municipal court, the SIM has a number of "liaison officers" on staff. Their tasks include receiving

statements of offence completed by fire prevention officers, analyzing inspection reports submitted to them, studying the gravity of offences under applicable by-laws, examining the quality of the supporting documentation to be submitted as evidence in court, and testifying at court proceedings.

Fire prevention by-laws

In Québec, municipalities are responsible for passing by-laws that establish fire prevention requirements. According to an interpretation by the Direction du contentieux of the Ville de Montréal, although the authority related to the management of fire prevention activities belongs to the agglomeration council, the power to pass by-laws within the territory of the Island of Montréal falls to the municipal council of each of the related municipalities. Consequently, the heads of the various fire prevention sections across the Island of Montréal are responsible for the enforcement of the by-laws in force on their respective territories.

At the time of our audit, the SIM had 25 by-laws on fire prevention to comply with: one by-law applicable on the territory of the former Ville de Montréal, 11 by-laws applicable to the boroughs derived from the former suburban municipalities and 13 by-laws in the municipalities that were reconstituted on January 1, 2006. These by-laws, which were in force when the agglomeration of Montréal was created on January 1, 2006, will remain in effect until they are replaced.

A comparative analysis of the by-laws currently in force conducted by the Division de l'expertise et du développement de la prévention revealed a number of disparities among them, not only in terms of the SIM's power to act with respect to the enforcement of the by-laws but also in terms of the technical and administrative provisions that these various by-laws contain.

First, as concerns the SIM's power to act, the analysis revealed that this is often limited when it comes to the enforcement of by-laws in certain related municipalities. Senneville and L'Île-Dorval, for example, do not have any by-laws on fire prevention. In the case of Baie-D'Urfé, fire prevention requirements are integrated into the building by-law, which falls under municipal jurisdiction. Consequently, the building inspector of this related municipality is the one who is in charge of enforcing this by-law, and not the corresponding Section prévention incendie. Therefore, in these cases, the SIM cannot file any proceedings in the event that identified faults remained uncorrected.

Second, regarding technical provisions, a discrepancy definitely exists with regard to reference to different versions of the *National Fire Code* (NFC). The NFC is a reference tool developed by the Canadian Commission on Building and Fire Codes, the provisions of which have been adopted in the regulatory systems of major municipalities in Québec. Its provisions focus primarily on fire prevention, fire safety equipment maintenance, evacuation plans, building contents, the development of fire safety plans, as well as the storage, handling and use of hazardous materials.

The by-laws on fire prevention currently in effect within the agglomeration generally refer to the 1990 and 1995 editions of the NFC, with the exception of three that make mention of past versions (1963, 1977 and 1980) and one in which the reference to the NFC was repealed. The requirements with respect to certain technical aspects change from one version of the NFC to another. For example, in the 1995 version, some sprinkler requirements are less stringent than they are in the 1990 version, i.e., the 1995 code stipulates that a fire-resistant compartment is sufficient in certain buildings, whereas the 1990 version calls for the presence of sprinklers.

In addition to the discrepancies in the references to the NFC, some fire prevention by-laws contain requirements that exceed the provisions of the code with respect to specific technical considerations. For example, the fire prevention by-law in the related municipality of Pointe-Claire has stricter technical standards that require elevators in buildings over three storeys high to be equipped with an automatic recall system linked to a generator and the fire alarm system.

Finally, administrative provisions also vary from by-law to by-law, especially as regards building access rights (e.g., times when fire prevention officers can have access to buildings), the rights of those who violate by-laws and the corresponding notification procedures (e.g., registered mail, verbal warnings) and fines applicable to offenders. A comparative analysis of the various by-laws shows that the minimum fine varies between \$20 and \$300, and the maximum between \$300 and \$4,000, while others do not indicate any pre-defined limit at all.

In our opinion, the existence of different fire prevention by-laws in the various divisions and throughout the agglomeration makes it more difficult for fire prevention officers to play an enforcement role, since this requires an in-depth knowledge of all of the by-laws in order to identify instances of non-compliance during a fire safety inspection. Such situations therefore represent a risk of misinterpretation and, in turn, misapplication of the by-laws and make it necessary to provide extended training to new fire prevention officers.

Moreover, the enforcement of these varied safety standards, administrative rules and fines may be perceived as unfair by the public. In addition, the situation is likely to have a negative impact on the credibility of the SIM. In this respect, the managers we met with said that they had received complaints from certain owners about the differences in the way by-laws were enforced.

Given the complexity associated with the enforcement of these by-laws, we feel that it would be preferable to standardize all of them throughout the entire agglomeration. However, according to an interpretation by the Direction du contentieux of paragraph 8 of section 19 of the *Act Respecting the Exercise of Certain Municipal Powers in Certain Urban Agglomerations*, the agglomeration's authority with respect to fire safety is limited by the fact that it cannot adopt an agglomeration-wide by-law to ensure a consistent set of minimum prevention standards applicable to all residents.

Consequently, in its requests for legislative modifications, the Direction du contentieux petitioned the government in 2007 to broaden the authority of the agglomeration council to have it encompass all the aspects of fire safety, including prevention-related by-laws. Although the government has not yet issued a decision in this regard, a representative of the Direction du contentieux affirms that the position of the Ville de Montréal (on behalf of the agglomeration) in this matter will remain the same and that the request will be resubmitted in the spring of 2008.

In the mean time, other mechanisms could be introduced; for example, the SIM could undertake steps to develop a draft fire prevention by-law applicable to the Ville de Montréal for submission to the Comité exécutif and approach the related municipalities to request that they adhere to these provisions.

Recommendation

In order to improve public safety and the quality of services, we recommend that the Direction générale undertake the steps necessary to standardize fire prevention by-laws throughout the agglomeration.

Actions proposed by the Direction générale

“Mandate the Service de sécurité incendie de Montréal to undertake the steps necessary to prepare a project to standardize fire prevention by-laws. (Planned completion: April 2008)

Submit to the Director General a provisional schedule for the standardization project. (Planned completion: mid-May 2008)

Submit to the city council a project to standardize fire prevention by-laws throughout the Ville de Montréal.” (Planned completion: To be determined)

Building inspection planning

The main purpose of building inspection planning is to ensure that activities comply with the SIM's established goals and strategic directions with respect to fire prevention and also to carefully select the areas where priority action is required.

As a result, beyond taking into account the available resources, inspection planning must be based on a solid knowledge of the inventory of existing buildings as well as an analysis of the territory and the inherent risks. For example, it is important to consider factors such as the number and use of existing buildings, the target population, the classification of buildings based on the risks they represent, and background information on the main causes of past incidents of fire and property damage.

During our audit, we ascertained that there were no goals or formal plans in place with respect to building inspections. Following the decentralization of prevention activities in 2003, the SIM management did not issue any guidelines with respect to the expected outcomes in this regard.

According to the information we obtained from the individuals we met with, heavy workload and limited resources have prevented the Division de l'expertise et du développement de la prévention from providing all of the technical support and guidance that this reorganization would require. As for the divisional heads of operations and prevention, who are more specialized and directly involved in firefighting operations, it appears they did not play a major role in overseeing the prevention activities for their section.

Under the circumstances, the prevention section heads we met with said that they had oriented prevention activities based on the priorities that they had themselves established. We observed, however, that these priorities did not necessarily take into account an analysis of the risk profile of the territory.

We have therefore ascertained that the workload of the fire prevention officers is managed on a day-to-day basis and primarily consists in responding to the complaints and various enquiries directed to them. As a result, very few mandatory inspections were conducted in 2006 and 2007.

With respect to fire safety inspections carried out by firefighters, we determined that the purpose of the SIM development plan (2004–2008) was to ensure that residential smoke detectors were functioning properly. The target was 85% in 2006 and 90% in 2008. However, in this regard, we were not able to track down any official plans or specific objectives in place within the divisions we audited. Based on the information obtained, it would seem that firefighters do not conduct very many fire safety inspections.

In sum, we observed that prevention activities are managed by each of the divisions in an isolated fashion. This has resulted in several discrepancies in their approaches and activities and has hindered the development of a common fire prevention strategy.

In addition, as mentioned earlier, in order to determine which sectors should be identified as inspection priorities, the managers of the various divisions must have an up-to-date inventory of existing buildings as well as an analysis of the specific characteristics of the territory covered and the inherent risks. The information obtained from the managers we met with shows that there are a number of shortcomings in this respect.

For one, we ascertained that the sections do not have a specific inventory of the buildings within their territory with details on their inherent risks and use. As a result, although some computer applications used by the SIM or other municipal departments do offer some information in this regard, there is no integrated management mechanism in place. In addition, in most cases, the department heads and prevention agents have no access to these applications. In sum, no database exists that would make it possible to obtain a comprehensive overview of the characteristics of existing buildings within a given territory.

For another, since 2003, the SIM has been working toward the acquisition of management dashboard software. This application compiles statistics from several years' worth of data contained in other systems used by the SIM in its firefighting operations (SSDO, CAD, SGIC).¹ This database, which allows queries by station, division, borough or reconstituted municipality, can also process operational data, such as the number of fires in a given area during a specified period, the number of injuries or deaths, the causes of a fire and the extent of property damage. Based on the information obtained from the manager responsible for the development of the application, most division, operations and section heads have access to and have been trained in the use of this tool. Nevertheless, although this application represents, in our opinion, a useful and relevant management solution for planning fire prevention operations, we have observed that it is relatively unused by the various divisions and sections.

We feel that a better knowledge of the building inventory and an analysis of previous incidents as well as the inherent risks within the territory are vital to ensuring that inspections conducted by fire prevention officers and firefighters are planned in a way that targets higher-risk buildings. This planning is even more important considering that the *Fire Safety Act*, adopted by the Ministère de la Sécurité publique in April 2000, requires municipalities in Québec to include preventive building inspections in their fire safety coverage plan.

Recommendations

In order to promote a consistent approach and improve fire safety performance, we recommend that the Service de sécurité incendie de Montréal clearly define its directions and specify measurable goals with respect to fire safety inspections, in accordance with the level of service identified in the fire safety coverage plan.

In order to properly identify the sectors where priority building inspection operations are required and thereby ensure the safety of occupants and the surrounding population, we recommend that the Service de sécurité incendie de Montréal take the necessary steps to:

- **build a database containing the inventory and characteristics of existing buildings throughout the agglomeration; and**
- **encourage the various stakeholders to use tools deemed appropriate by the SIM to evaluate their respective territory.**

¹ SSDO: operational data subsystem; CAD: computer-assisted dispatching; SGIC: automated station management system

In addition, we recommend that the Service de sécurité incendie de Montréal ensure that building inspections conducted by the operations and prevention divisions are planned in accordance with established goals and an evaluation of the risks inherent in the territory they cover.

Actions proposed by the Service de sécurité incendie de Montréal

- 1) *“Starting at year 1 of the fire safety coverage plan, 22 person/year will be assigned to the preventive action sector, which includes incident assessment and analysis, municipal by-laws, smoke detectors and the development of prevention activities. Once these resources have been hired, some will be assigned to set up actions related to ‘inspection’ operations.*

Establish an organizational analysis.

Set up a transitional organization to define the SIM's overall objectives in fire prevention in order to respond to external requirements (fire safety coverage plan, review of activities, services, operations and programs [RASOP], auditor's recommendations) and the SIM's own priorities (establishment of measurable objectives, standardization of emergency response activities, quality of services provided to residents, integration of prevention activities into operations).

Implement a prevention initiative in line with the overall objectives that ensures the progressive delivery and implementation of deliverables, the joint development of deliverables, the validation of the deliverables in each region, and the planning and monitoring of the schedule of deliverables. (Planned completion: October 2008)

- 2) *Establish, in conjunction with the representatives of the DTI and members of the Section des technologies of the Direction de la planification stratégique et des technologies, a built environment management system (BEMS) consisting of a database that allows us to analyze and plan our inspection activities based on the types of buildings, their uses and their own fire protection facilities. (Planned completion: May 2009)*

In conjunction with managers, the various stakeholders and the members of the Section des technologies, develop a list of appropriate tools required to analyze their respective territories, include these processes in the SIM's IT business plan and incorporate them into an action plan. (Planned completion: March 2009)

- 3) *Following the implementation of tools to enable the development of analyses for each territory and the process to control the quality of preventive measures outlined in the SIM's IT business plan, establish upon adoption of the fire safety coverage plan—the SIM's commitments (objectives) toward the Ville de Montréal (agglomeration) with respect to inspections and ensure follow-up via the quality control process.” (Planned completion: December 2009)*

Compilation of information on prevention activities and development of inspection programs

In 2003, in response to the needs of the recently decentralized fire prevention officers, the Direction de la planification stratégique of the SIM developed a computer management system for prevention activities (SGAP). This application makes it possible to compile information on enquiries received from residents and firefighters, including complaints and requests for information.

In February 2007, administrative guidelines on the use of the SGAP approved by the head of operations were distributed to all personnel. These guidelines provide a step-by-step overview of how enquiries are processed and the corresponding actions expected of each of the resources involved (clerks, fire prevention officers and section heads) with respect to data compilation.

Currently, the application is used to direct enquiries to a given fire prevention officer. For each enquiry, fire prevention officers have the option of printing out a selection of forms (general inspection, fire drill, complaint, smoke detectors) to be completed on site during fire safety inspections or other activities.

Once an inspection has been carried out, the information recorded on the paper form is entered into the application to maintain a full account of the actions taken for each building. In addition, the application can produce statistical reports on the number of enquiries for each type of action taken (e.g., number of enquiries, number of inspections, number of complaints).

Despite the fact that the guidelines on the SGAP application define the role of each stakeholder and that fire prevention officers and section heads received training for the application in 2006 and 2007, we ascertained that prevention activities are not entered into the system in a consistent manner.

After an enquiry is entered into the system, the number of forms can vary from one section to another. When the enquiry is received, some fire prevention officers simply enter it as a request for action in the SGAP whereas others also include forms based on the nature of the enquiry (e.g., complaint, inspection, smoke detectors). Given that the various reports generated by the application are produced from the compilation of the number of forms entered, the differences in the interpretation and use of these forms make it impossible to compare information from the various sections and therefore make them less useful in decision-making.

In sum, given that the SIM annually presents a report to the agglomeration council on its activities, the relevance of some of its contents may be compromised by the distorted information used to compile this data. Moreover, an examination of the 2004–2006 activity report prepared by the SIM shows that in terms of prevention data the SIM indicates that the 2006 figures on building inspections, new inspections and fire drills were not accessible.

With regard to the content of inspection forms in particular, standard templates were designed by expert users when the SGAP was first developed. Although these forms were supposed to take into account all applicable by-laws, the managers we met with confirmed that they do not show to what extent the by-law provisions have been satisfied. Furthermore, some key elements in the NFC are apparently not covered in these inspection forms. In these circumstances, there are risks that certain faults will not be detected during the inspection and consequently will not be brought to the attention of the offender.

In this regard, according to the section heads we met with, the SGAP forms are actually little more than basic checklists and do not sufficiently allow for additional input. The section heads also indicated that some forms are too short or, conversely, too detailed for their needs. For these reasons, one section head even admitted that he did not use them at all.

Considering these shortcomings, we feel that it is time to review the nature and content of the forms currently available through the SGAP application so that they can indeed be used by fire prevention personnel to keep track of compliance with existing by-laws. Furthermore, given that the SIM management plans to implement in the very near future an inspection program for higher-risk buildings based on their category and use, we feel that it would be a good idea to take advantage of this opportunity to start developing programs for specific types of buildings (seniors' residences, schools, etc.).

We also believe that in addition to stressing the importance of consistency in entering prevention-related information into the computer application, the SIM should undertake the measures it deems appropriate (e.g., guidelines on the processing of enquiries, new training sessions, users' guide, user support) to ensure that the management information is comparable for each of the administrative units and useful to the decision-making process.

Lastly, although the SIM's prevention activities also include fire safety inspections by firefighters, we ascertained that the data compiled for these activities in the SGAP is not consistent. Because firefighters do not have access to the SGAP application, they do not enter the results from their fire safety inspections into it. Instead they forward their written reports to the heads of the fire prevention sections for compilation. According to the information we obtained, some heads incorporate the information from these fire safety inspections using Excel spreadsheets, whereas others enter it into the SGAP system. We feel that each of the sections should compile data on firefighters' fire safety inspections in a uniform manner so that the statistical reports can produce comparable results.

This information is even more important considering the strategic directions of the SIM, which prioritize smoke detector inspections. Consequently, we feel that all prevention activities, including firefighters' inspections, should be recorded in the SGAP system. This would make it easier to evaluate the extent to which activities are carried out and ensure that they correspond to established goals.

Recommendations

We recommend that the Service de sécurité incendie de Montréal assess the relevance of the inspection forms currently used in conjunction with the SGAP and the information they contain in order to ensure that they comply with existing by-laws.

We also recommend that the Division de l'expertise et du développement de la prévention develop specific inspection programs for all fire prevention sections based on building category and use, and in accordance with all applicable by-laws.

Finally, we recommend that the Service de sécurité incendie de Montréal take all appropriate steps to promote the consistency of the data entered into the computer application being used in order to have access to comparable management information from one administrative unit to another and facilitate decision-making.

Actions proposed by the Service de sécurité incendie de Montréal

- 1) *“An action plan will be presented to the management in order to evaluate and upgrade the management system for prevention activities (SGAP). In terms of risk management, inspection forms will be reviewed to determine whether or not they comply with the provisions of existing by-laws. The four phases of the action plan will be carried out in conjunction with the Section des technologies of the Direction de la planification stratégique et des technologies. **(Planned completion: May 2009)***

- 2) *In keeping with the new directions it is taking and its prevention strategy, the SIM plans to incorporate a regular inspection program for higher fire risks in its fire safety coverage plan. Moreover, in its tactical plans, the Division de l'expertise et du développement de la prévention will need to set out a specific inspection program for these risks and establish the corresponding frameworks. **(Planned completion: March 2010)***

- 3) *Following the submission of the action plan to upgrade the management system for prevention activities, which will identify the operational characteristics and structure for risk management activities, an awareness and training program will be offered to prevention officers (phase 1) and firefighters (phase 2), the contents of which will be compiled from this information. **(Planned completion: December 2009)***

*Establishment of frameworks and set up of criteria within the quality control unit in order to make it possible to manage the comparables between the various regions.” **(Planned completion: September 2009)***

Follow-up on activities

Processing times

Follow-up with regard to prevention activities must not only allow for regular assessment of the degree to which the corresponding goals have been achieved, but also the adherence to specified processing times for all files as well as the productivity of various resources relative to the workload. To this end, the managers in question must have high-performance management tools at their disposal in order to have quick access to management information that enables them to target problem areas and make well-informed decisions about the corrective measures to be taken.

In the absence of a plan based on directions and specific goals for 2006 and 2007, the follow-up by the fire prevention section heads was more focused on responding to enquiries and complaints. Based on the information obtained from the section heads we met with, this follow-up involved, for one, examining and approving the daily activity log kept by fire prevention officers. These logs provide information on the status of files where an action has been taken as well as the nature of the work carried out. For another, the section heads also kept tabs on the notices of non-compliance prepared by fire prevention officers prior to their distribution to offenders. This monitoring included checking the validity of the information on the notice of non-compliance (e.g., name and address of owner, reasons for the offence) and approving the amount of time granted to the offender to carry out the necessary corrective measures.

In order to help managers follow up on enquiries related to preventive action, the SGAP application generates a report on workload. This report comprises a list of all the active files (e.g., fire safety plan to be approved, complaints to be handled, follow-up on notices of non-compliance in order to ensure that the necessary corrective measures have been carried out) and is organized by section and fire prevention officer. Although this report does not provide detailed information with respect to the amount of time taken to process enquiries, it nevertheless makes it possible to compare the creation date of an enquiry with the specified deadline to follow-up on it. Based on the information obtained from the section heads we met with, this report is not actually used for management purposes, i.e., to monitor pending files or to verify compliance with deadlines, and does not correspond to the activity logs produced by fire prevention officers.

Our audit also confirmed that a significant proportion of files had exceeded the specified deadlines. Our examination of the workload reports dated October 31, 2007, for the three selected divisions showed that out of a total 3,055 active files, 1,007 of them (33%) had exceeded the deadline by over six months (deadline before April 30, 2007). The breakdown of these 1,007 files is as follows:

- 364 (36%) had a deadline in 2007 (January 1-April 30);
- 399 (40%) had a deadline in 2006;
- 182 (18%) had a deadline in 2005; and
- 62 (6%) had a deadline in 2004.

It is important to specify that our analysis took into account the data recorded in the SGAP application and may have been different if certain sections had adopted the system as soon as it was deployed. Nevertheless, the situation shows that some files were not processed within the

specified timeframe and that others for which new inspections were supposed to be conducted were never followed up on.

Moreover, although the SGAP application can list all active files, it cannot, in its current form, produce a list of all files that were processed and closed within a specific period in order to analyze processing times, whether by section or by fire prevention officer. It does not, for example, allow managers to easily assess how long it takes for complaints to be handled.

As a result, since the section heads do not carefully monitor active files and the application does not facilitate the production of detailed management information on processing times, it is difficult to assess if processing times and resource productivity meet with expectations.

In addition, despite the fact that the workload management report can compare file creation dates with deadlines for enquiries or follow-ups, it does not allow managers to distinguish between the nature of the enquiry (e.g., inspection, fire safety plan, fire drill, complaint). Managers therefore do not have an overview of the situation with respect to adherence to deadlines by type of activity. For example, the application does not provide the number of fire safety plans pending approval or the number of unprocessed complaints. As a result, it is impossible to have a closer look at problem scenarios and make informed decisions on the corrective measures to be taken.

Recommendations

In order to facilitate the monitoring of preventive activities and identify problem areas, we recommend that the Service de sécurité incendie de Montréal undertake the necessary measures to ensure that the prevention activity management system:

- **provides relevant information on processing times; and**
- **specifies the nature of active enquiries.**

Furthermore, we recommend that the heads of the fire prevention sections monitor the completion of active files and adherence to processing deadlines in order to be able to assess the degree to which objectives have been achieved as well as the productivity of fire prevention officers.

Actions proposed by the Service de sécurité incendie de Montréal

- 1) *“Following the submission of the IT business plan and the action plan on the upgrade of the management system for fire prevention activities, which will establish the foundations and directions in the management of prevention activities and outline the elements and deliverables necessary for its implementation, the SGAP system will need to meet the time frames for processing files and identify the nature of active enquiries. (Planned completion: November 2009)*

- 2) *As part of the reallocation of managers’ roles and responsibilities, a group of section heads will have to oversee the transfer of the various frameworks to prevention personnel. A second group of section heads will be responsible for the implementation of work practices. And a third group will be required to oversee the implementation of programs and tools and report on their impact on the execution of activities, the adherence to deadlines, the fulfillment of objectives and the productivity of prevention officers.” (Planned completion: March 2010)*

Notices of non-compliance

Following up on notices of non-compliance entails checking that offenders have carried out the necessary corrective measures within the specified time frames. To do this, the management tools used must allow for rapid identification of the files for which notices of non-compliance have been issued and follow up on any faults identified (e.g., sprinkler system out of order, blocked exits), taking into account the established deadline.

During our audit, however, we observed that the recording and follow-up component for notices of non-compliance had not been fully developed in the SGAP application.

Accordingly, although the notices of non-compliance issued are linked electronically to their related files in the SGAP, we determined that the tool cannot produce:

- a list of files for which notices of non-compliance were issued over a specific period or an indication of the files in this list that still require follow-up; and
- an up-to-date overview of the faults identified in a file, with details on the by-law provisions that have been violated, the time frames that have been granted and the corrective measures that have been taken.

On one hand, for fire prevention officers, this situation requires additional efforts to be deployed in order to identify the files for which further follow-up on non-compliance notices is required and then rule on the status of the corrective measures requested by going through and updating the paper files. In addition to needlessly adding to the officers' workload, this practice increases the risk of corrective measures not being systematically checked within the specified time frames as well as the risk of oversights and ongoing processing delays.

On the other hand, for the managers in charge, the current format of the SGAP makes it difficult to assess the scope of the workload involved in following up on non-compliance notices. As such, it is also very difficult to effectively plan activities and take action with respect to files for which the deadlines have passed.

Furthermore, although the SGAP tool does not currently facilitate the close monitoring of notices of non-compliance, we feel that other mechanisms could be installed for this purpose. In light of this, we ascertained during our audit that only one of the three section heads we met with had implemented a manual compilation mechanism to determine the number of non-compliance notices still requiring follow-up. As of December 31, 2007, the compiled information shows that nearly 900 notices of non-compliance required follow-up, half of which had been issued between 2004 and 2006. Based on the information given to us, despite their efforts, fire prevention officers were required to spend more time on routine enquiries and complaints and were therefore unable to catch up on all of the cumulative delays.

As concerns the two other section heads, they have not adopted any other mechanisms to compile data on notices of non-compliance. Consequently, they do not have any information on the number of notices requiring further follow-up and cannot assess the extent of the cumulative delays.

Recommendations

In order to facilitate the follow-up for notices of non-compliance issued and to provide managers with a useful management and decision-making tool, we recommend that the Service de sécurité incendie de Montréal take the appropriate measures to integrate a component in the prevention activity management system that makes it possible to:

- **identify, for a specific period, the files for which a notice of non-compliance has been issued as well as those still requiring follow-up; and**
- **obtain an up-to-date overview of the faults identified for a file, taking into account the by-laws violated, deadlines set and corrective measures taken.**

In addition, we recommend that the Service de sécurité incendie de Montréal take the necessary measures to ensure that the fire prevention sections provide adequate follow-up on all notices of non-compliance issued so that the required corrective measures can be implemented within the specified time frames.

Actions proposed by the Service de sécurité incendie de Montréal

“In its IT business plan, the SIM will prioritize the process related to the management tool for prevention activities, with a criticality rating of five out of a possible five. The monitoring of its implementation will be carried out immediately after the action plan for the upgrade of the SGAP (prevention and risk management) system is executed, and links will have to be established on the dashboard. This will make it possible to identify and follow up on non-compliance files and keep track of anomalies, the specified time frames and the corrective measures carried out for each file.”
(Planned completion: December 2009)

Penal proceedings

The municipal by-laws currently in effect allow penal proceedings to be initiated to compel those in violation of said by-laws to undertake the necessary corrective measures in response to a notice of non-compliance. Fines accompanying a statement of offence can vary between \$20 and \$4,000, depending on whether the violation is committed by an individual or an organization and whether it is a first or repeat offence.

Although fire prevention officers must use their professional judgement when it comes to granting deadline extensions for carrying out the necessary corrective measures or taking the steps toward issuing a statement of offence, we feel that we are justified in our belief that the shortcomings observed with respect to the follow-up of notices of non-compliance have had an impact on the initiation of penal proceedings.

Accordingly, we observed a significant drop in the number of penal proceedings filed with the municipal court since the decentralization of prevention activities in 2003, despite the fact that the number of fire prevention officers rose from 34 to 60. The statistics obtained show the following variance:

Year	Number of statements of offence issued and filed with the court (as at December 31, 2007)
2002	497
2003	0
2004	0
2005	0
2006	0
2007	54

In the opinion of the individuals we consulted, in addition to the problems observed with respect to follow-up for notices of non-compliance, there are other factors that may explain, or partially explain, the drop in the number of penal proceedings filed with the court, namely:

- the large number of by-laws on fire safety throughout the agglomeration and the differences among them, which lead to problems in interpreting some provisions and make certain cases inadmissible in court;
- the fact that several section heads and fire prevention officers were new to their positions following the decentralization of prevention activities in 2003 and that some of them were not familiar with the steps involved in initiating penal proceedings and assembling the necessary documentation. According to the information obtained from the liaison officer responsible for court documents, nearly 90% of the cases submitted in 2006 (45 out of 52) were not adequately documented and were therefore inadmissible (e.g., insufficient or inconclusive evidence, poorly written inspection reports, errors in by-law references). In order to overcome these problems, a series of training activities was offered to the various divisions on documentation and procedures with respect to penal proceedings. This past year, the percentage of cases submitted by the various sections that were ruled inadmissible was 33%, or 30 out of 91;
- the fact that, since the decentralization of prevention activities, the SIM management has not issued any administrative frameworks to the divisions to ensure consistency in the procedures to be followed when dealing with faults and filing penal proceedings. For example, these frameworks could have outlined the SIM's directions regarding the type of notice to issue to offenders depending on the status of the file (e.g., issue of a notice of non-compliance, administrative notice informing the offender that penal proceedings will be filed), the

appropriate amount of time to be granted to the offender to undertake the corrective actions based on the severity of the anomalies identified (five days, 30 days, etc.), or instructions as to the strategies to use to motivate offenders to comply with the requested corrective measures (e.g., shutdown of business operations until the situation is rectified). Consequently, as it currently stands, procedures can vary greatly from one division to the next; and

- the fact that the workload of the liaison officers has not necessarily been planned in a way that ensures that the sections' files for penal proceedings are submitted to the court within the specified time frames. Pursuant to section 14 of the *Code of Penal Procedure*, penal proceedings are prescribed by one year from the date of the commission of the offence. However, based on the information we gathered, liaison officers spent more time on arranging security for special events (e.g., festivals) than on preparing these cases. As a result, of the 73 cases submitted by the sections in 2005 and 2006, 28 (38%) had exceeded this deadline and could therefore not be brought to court. For 2007, this problem seems to have been addressed, given that none of the cases filed by the sections were expired.

In conclusion, we feel that in addition to their impact on public safety, the problems that have been identified here with respect to follow-up on notices of non-compliance and the procedures involved in filing penal proceedings could expose the SIM to criticism should a fire occur.

Recommendations

We recommend that the Service de sécurité incendie de Montréal develop an action plan, accompanied by a time frame, to deliver further training in the procedures involved in filing penal proceedings in order to help ensure cases are admissible in court.

We recommend that the Service de sécurité incendie de Montréal develop and distribute clear frameworks to all those involved to ensure consistency in the procedures to follow when dealing with identified faults and mounting the necessary documentation for penal proceedings.

Actions proposed by the Service de sécurité incendie de Montréal

“As part of the transitional organization for ‘prevention’ operations, the Section de l’expertise will need to oversee the implementation of the new management frameworks and practices related to penal proceedings. In addition, in conjunction with the project managers, the Section de l’expertise will need to submit to the Division de l’expertise et du développement de la prévention an action

plan and schedule for training and all management and operational elements related to the management of court cases. The Section de l'expertise will also have to establish the process for meeting the goal of the City (agglomeration) specified in the review of activities, services, operations and programs (RASOP).” (Planned completion: September 2009)

Fire drill monitoring

Regular fire drills are one of the preventive activities designed to help protect occupants of a building in the event of a fire. Among other things, fire drills test the effectiveness of a building's fire safety plan, while enabling occupants to become more familiar with alarm procedures, emergency exits and assembly points. In addition to providing instructions and indicating the procedures to follow in the event of a fire (e.g., activating alarms, contacting the fire department, evacuating the building), the fire safety plan must also provide for regular fire drills.

The 25 municipal by-laws on fire prevention currently in effect as well as the requirements outlined in the NFC stipulate that the responsibility for planning fire drills lies with the building owner. These fire drills are required to be held at least once every 12 months. However, depending on the use of the building and the corresponding fire-related risks (e.g., daycare facilities, schools, nursing homes), they may be required more frequently (once a month or six times a year).

The managers we met with informed us that the involvement of fire prevention officers, and occasionally firefighters, is primarily sought upon request and consists in:

- ensuring the compliance of fire safety plans. This requires an assessment of the effectiveness of the measures outlined in the plan in a fire drill situation; and
- helping owners conduct a fire drill.

In light of the information obtained, we have ascertained that fire prevention officers and firefighters do not currently exercise any real supervision to ensure that owners fulfill their obligations to hold regular fire drills.

During our audit of the selected divisions, we could not find any evidence that a monitoring program was in place to raise building owners' awareness of their responsibilities in this regard and to ensure compliance with fire drill requirements. Moreover, although by-laws indicate that the responsibility for fire drills falls to building owners, we feel that, in keeping with its mission, the SIM also has a role to play in this regard to ensure public safety and the protection of property. Consequently, without going so far as to systematically oversee fire drills in all buildings, we feel

that at a minimum a rotating supervision program could be arranged based on criteria such as risk assessment, incident assessment and analysis, and desired level of service.

Recommendation

We recommend that the Service de sécurité incendie de Montréal develop and distribute a fire drill supervision program within the various divisions in order to raise awareness among building owners and ensure that they fulfill their responsibilities in this regard, in accordance with applicable by-laws.

Actions proposed by the Service de sécurité incendie de Montréal

*“As part of the transitional organization for ‘prevention’ operations, the Section des mesures préventives et du développement will need to implement a fire drill supervision program with the assistance of the section heads (development). **(Planned completion: December 2009)***

*The quality control unit, in conjunction with the section heads (administration and preventive measures), must ensure that building owners fulfill their responsibilities, as stipulated in by-law provisions on fire drills.” **(Planned completion: March 2010)***

Separate processing of complaints

In the management of fire prevention activities, the compilation of received complaints is an important source of information for assessing residents’ satisfaction in terms of the quality of services provided on the one hand, and identifying situations where public safety may be compromised on the other.

Accordingly, considering that these complaints can have a negative impact on the SIM’s image, it is important that each be handled separately and that the appropriate follow-up mechanisms be implemented.

First, the criteria to be considered when classifying an enquiry as a “complaint” must be documented and made known to all stakeholders. In our opinion, this clarification will help avoid different interpretations of the concepts underlying the classification of enquiries (complaints or requests for action) and promote consistency in their treatment and in the production of management information within the various divisions.

Second, in order to ensure the appropriate follow-up and treatment of complaints, rules as to the managerial level (e.g., assistant director, division head) to which different categories of complaints should be forwarded must be established. Furthermore, mechanisms for communicating with the parties making the complaints must be in place so that they can be kept informed of the status of their file.

Finally, in order to provide a more specific framework for handling complaints, processing times based on the potential risks and degree of urgency involved must also be formally defined.

In light of these considerations, we determined during our audit that no formal administrative guidelines had been distributed to all stakeholders within the operations divisions and fire prevention sections.

Although a draft administrative directive, entitled “Gestion de la plainte de citoyen” (citizen complaint management), had been prepared in 2007 by the Division de l’expertise et du développement de la prévention, the information we obtained indicated that it had never been approved or distributed.

Moreover, although this directive already contains relevant aspects for ensuring the effective management of this category of enquiry, we feel that it could be improved by having the previously mentioned aspects integrated into it, namely key criteria involved in classifying enquiries as “complaints,” rules indicating the management level to which complaints should be sent, mechanisms for communicating with and keeping the parties filing a complaint informed and, lastly, recommended processing times.

Consequently, despite the fact that some of the managers we met indicated that they had verbally instructed their staff to take charge of complaints within 24 hours, we can justifiably conclude that without a formal framework to support this concept, actual practices may not ensure that all complaints are handled fairly and consistently and within the timeframes specified by the SIM.

Recommendation

In order to promote consistency in the processing of complaints and ensure that management information is comparable from one division to the next, we recommend that the Service de sécurité incendie de Montréal approve and distribute an administrative guideline to all stakeholders specifying:

- the criteria to be considered to classify an enquiry as a “complaint”;
- the rules for determining which levels of resources within the organization should receive various types of complaints;
- the mechanisms for communicating with those who submit complaints and informing them on the status of the file; and
- anticipated processing times, based on the risks and urgency of the situation.

Actions proposed by the Service de sécurité incendie de Montréal

“The Division de l’expertise et du développement will need to issue an administrative directive on the management of citizen complaints including among other things, criteria for categorizing queries, the departmental rules for processing and receiving complaints, the specific communication mechanisms used to keep complainants informed of the status of their query and the estimated processing times based on the corresponding level of risk and urgency of the situation.” (Planned completion: December 2008)

Accountability mechanisms

Systematic, permanent accountability mechanisms are required to assess the extent to which the management of activities has helped achieve set objectives. Accordingly, regular management reports must be produced and relevant information on the evaluation of the results attained during a given period must be included in them. The information compiled must be presented in a way that facilitates the evaluation of activities and decision-making.

As regards fire prevention activities, an informal accountability mechanism exists for the regular meetings of division heads and assistant operations directors. During these meetings, managers report on the status of priority files and various problems that have been encountered.

Additionally, there is a more formal accountability mechanism in place, namely the activity reports produced by fire prevention section heads for their division heads. Although they do vary, all of these activity reports cover the main prevention activities carried out during a given period. They contain information on the priorities that section heads have established for themselves, statistics on the number and nature of enquiries processed by fire prevention officers and statistics on fire safety inspections carried out by firefighters. Most of these statistics are obtained through the SGAP application.

As for the division heads, they produce statistical reports on the prevention activities carried out by both fire prevention officers and firefighters for the assistant directors of operations. These reports include the number of enquiries processed by type of activity (e.g., inspection, complaint, fire safety plan, smoke detectors). We noted, however, that the information contained in these reports is scattered and not associated with measurable goals. It is therefore impossible to determine the extent to which goals have been achieved. Furthermore, it is important to remember that most statistics are drawn from data taken from the SGAP application. As indicated earlier in this report, because of the lack of consistency in the recording of activities carried out by the various sections, we feel it is difficult to use this information for comparative purposes. Consequently, we feel that the management reports received by the SIM management may not be useful and sufficient to determine problem areas and may therefore compromise the SIM's ability to achieve its objectives.

Ultimately, we feel that a report summarizing all the prevention activities carried out by all the administrative units of the SIM should be prepared for the SIM management in order to show to what extent objectives have been achieved. We reviewed the 2004–2006 activity report prepared by the SIM management for the agglomeration council. Although it presents a summary of the department's activities, it does not provide any information as to the degree to which specified objectives have been achieved.

Recommendation

In order to obtain a formal report on prevention activities and make informed decisions, we recommend that the Service de sécurité incendie de Montréal take the necessary measures to ensure that:

- **the operations divisions and fire prevention sections report on their achievements with respect to expected results; and**
- **a summary of achievements with respect to all prevention activities carried out within the administrative units of the SIM is prepared and analyzed in light of established goals.**

Actions proposed by the Service de sécurité incendie de Montréal

“As part of the restructuring of the department and the transitional organization of ‘prevention’ operations, the department will take all necessary measures following the approval of the fire safety coverage plan to provide the human resources, programs, management tools and frameworks necessary to enable managers of the various regions and sections to report on their progress with respect to the objectives and desired results. (Planned completion: December 2009)

A process will be developed as part of the SIM’s IT business plan to incorporate a summary of the prevention activities carried out by the regions and sections in line with the prevention objectives established by the management of the SIM.” (Planned completion: December 2009)

IT CHANGE MANAGEMENT

BACKGROUND

The growing use of information technology (IT) enables an organization to carry on operations 24 hours a day. However, a shutdown of its systems or network, even temporarily, can prove very costly. It is important, therefore, to have a change process in place that minimizes breakdowns and unplanned stoppages.

IT change management consists of all changes (routine, urgent, and patch updates) made to infrastructures and applications within the production environment. In the case of the City, this means, among other things, changes to servers, applications and databases. Changes to applications include adding functionalities or correcting defects.

In 2005, an IT master plan (PDI), one component of which deals with change management, was prepared and presented to the Direction générale. As of the writing of this audit report, this plan had not yet been adopted. During the course of our mandate, the Gestion intégrée des technologies (GIT) section of the Division des technologies was developing concurrently a change management process. A reorganization of the missions and operations of various sections within the Division des technologies was also begun during our mandate, with the specific intention of providing guidance for the management of these sections in accordance with the platforms used.

METHODOLOGY AND SCOPE

The purpose of this audit was to ensure that the IT change management controls in place allowed for the optimal functioning and performance of processes, as well as the integrity and availability of data.

To clearly identify the key controls of a healthy IT change management, we drew up the following chart, which served as a reference framework for our audit.

Chart outlining the key controls of the change management process

Control objectives	Key controls
Control of change requests	Existence of policies, standards, change management procedures
	Clear definition of roles and responsibilities
	Clearly identified trustee (owner)
Impact assessment	Definition and analysis of needs
	Structured analysis of risks and impacts
	Cost-benefit analysis
Change control	Prioritization process for changes
	Communication with the individual requesting the change and the intervening parties
	Management indicators/operating report
Urgent changes	Done the same way as a regular change
	Follow-up controls in place when the possibility of sidestepping the procedure exists
Documentation and procedures	Documentation and follow-up of changes made (what was changed, when and by whom)
	Existence of development standards
	Updating procedure for documentation
Authorizations	Approval process at appropriate times
	Development and conducting of tests
	Acceptance tests by users
Start of work	Separation of environments
	Existence of a maintenance window
	Separation of incompatible tasks
	Existence of a recovery plan in the event of problems
Establishment of new functionalities	Training program
	Updated documentation for users

The audit took place between June and October 2006 and focussed on the following areas:

- Changes to certain production infrastructures;
- Changes to certain telecommunications infrastructures;
- Changes to certain applications.

In the case of infrastructure changes, we looked at various types of servers. After an initial review, we selected six of the applications sections and then chose two applications in each section, concentrating on changes that had recently been made to them.

OBSERVATIONS AND RECOMMENDATIONS

The findings of our audit revealed that there were some adequate key controls. Among these were the presence, for all the applications examined, of:

- various tests within the appropriate environments during the course of applications development;
- a recovery plan that allowed a return to the previous situation in the event of problems during the development implementation.

The audit also showed that adequate controls were in place for two of the applications sections examined.

Nonetheless, there were other elements that require an action plan on the part of the management, as our audit uncovered some key controls that were inadequate or missing.

Control of change requests

The purpose of the control of change requests is to ensure that all changes to informational assets follow a uniform process, are logged and meet users' needs.

Policies, standards and procedures

Having formal policies, standards and procedures in place enables an organization to manage all requests for changes to its technology infrastructures or applications in a uniform and co-ordinated fashion. As well, uniform processes make it easier to ensure that all controls have been applied and incidents related to the introduction of changes are kept to a minimum.

In the case of technology infrastructures, our audit revealed that there is no procedure or standard that allows for the uniform and co-ordinated processing of change requests. The latter arrive in various forms (note from the service centre, e-mail) to the section responsible for the relevant asset and are generally handled by this section's staff without any formal co-ordination mechanism in place.

Our audit's findings also indicated the absence of change management policies, standards or procedures applicable to all of the DTI's applications sections. In fact, only one third of the sections audited used a standardized and documented process for managing change requests for all applications under their control. As for the other sections, the overall process sometimes differed, depending on the application or platform on which it was based.

Recommendation

We recommend that the Direction des technologies de l'information (DTI) of the Service des affaires corporatives draft and implement policies, standards and procedures for all the DTI divisions that will enable a more stringent change management process, and facilitate the management and completion of change requests.

Actions proposed by the Direction des technologies de l'information

"In 2006, the DTI began implementing the operational change management process in accordance with the ITIL reference framework. The procedures that will enable stringent change management will be part of a pilot project with the SIMON Post-implementation environment involving some 100 people who will need to be trained in the ITIL change management process. (Planned completion: December 2007)

In 2008, the DTI will continue to put in place these new processes." (Planned completion: December 2008)

Roles and responsibilities

Defining roles and responsibilities helps clarify:

- the interveners in a process;
- the type of intervention for which each is responsible within the process;
- the interactions between the various interveners.

These definitions also ensure that a responsible party is assigned for each of the interventions needed to complete the process.

During our audit, the roles and responsibilities of each intervener in the Division des technologies were more or less defined according to the managed asset, not the established process. This way of doing things does not facilitate which priorities to assign to the changes.

In so far as the applications sections were concerned, roles and responsibilities were clearly established in only half of the sections examined. In the case of the majority of applications looked at, the respective functions of the interveners were well understood; however, formal documentation of roles and responsibilities would help clarify the nature and type of intervention, as well as facilitate the transfer of knowledge when new individuals join the group.

Recommendation

In order to identify the individuals associated with a change process, the type of intervention to be carried out by each intervener, and the interactions between them, we recommend that the Direction des technologies de l'information of the Service des affaires corporatives define the roles and responsibilities of the various interveners, and see to it that they are communicated to and understood by each one of them.

Actions proposed by the Direction des technologies de l'information

“This recommendation is being handled through the implementation project described in the Policies, standards and procedures section above, since it specifically describes each of the stakeholders’ roles and responsibilities and it includes a change management and communication plan aimed at all concerned employees in both the DTI and asset owners. (Planned completion: December 2007)

In 2008, the DTI will continue to put in place these new processes.” (Planned completion: December 2008)

Trustee or owner of the application

According to *Le grand dictionnaire terminologique* of the Office québécois de la langue française, a trustee is a “person responsible for the care and management of an asset belonging to someone else.” In the case of IT change management, this clearly refers to the management of an application and its data. The trustee (owner) is, therefore, the decision maker responsible for

changes made to the assets under his or her care. In the absence of a designated owner or trustee for an application, no intervener may legitimately make any decision about changes to be made.

At the time of our audit, we noted that some applications did not have a clearly identified trustee (owner). In these cases, it is very difficult to determine the roles and responsibilities of interveners, ensure that requested changes correspond to users' needs, prioritize requests on the basis of needs or carry out acceptance tests. Also in such cases, the DTI must often act as a trustee, take the initiative, make decisions and ensure that the change is made, especially if it is prescribed by law or regulation, which, in the end, is not its role.

Recommendation

We recommend that the Direction des technologies de l'information of the Service des affaires corporatives take part in identifying a trustee (owner) for each of the applications so that an intervener can legitimately make decisions about changes made to these assets.

Actions proposed by the Direction des technologies de l'information

“At the end of August 2006, the list of trustees for each of the known applications at the time was completed as part of work completed on the information security master plan (PDSI). For a certain number of applications, the generic names “Corporate Services” and “Boroughs” were used to designate the trustee. The Direction des technologies de l'information cannot designate a specific intervener to act on behalf of these entities. The DTI is attempting to form committees to resolve this situation. These committees provide a link between the users and the DTI and ensure that no changes to the applications are made unilaterally by the entity responsible for development. A list of applications that are in this situation, as well as the names of participants in the various committees that have been formed (name of the entity and its representative) will be drawn up.” (Planned completion: December 2008)

Impact assessment

The purpose of this control is to:

- measure the scope of changes requested by defining and analysing user needs;
- ensure that the requested changes are relevant;
- forecast adequately the risks and impacts on other system components;
- forecast the resources needed for deployment.

The findings of our audit demonstrated that, in the case of technology infrastructure changes, the analyses of needs, impacts, risks and costs-benefits are usually not documented or standardized. Moreover, they are not carried out in a systematic fashion. In the case of applications, the audit showed that two thirds of the change requests examined had a formal needs assessment done in order to complete the request. In addition, only 25% of these requests were supported by impact studies and cost-benefit analyses. We were told, among other things, that the cost analyses were not completed, since none of the user departments are currently billed. Nevertheless, given the forthcoming set-up of a shared service centre, the presence of this analysis will take on greater importance. As well, the absence of any documented and standardized user needs analysis makes it impossible to ensure that changes made fit the needs of the individual or entity requesting them. The absence of impact studies also increases the risk of incidents or deterioration in the performance of systems and equipment following the introduction of certain changes.

Recommendations

In order to adequately measure the relevance, scope and effect of requested changes, we recommend that the Direction des technologies de l'information of the Service des affaires corporatives ensure that:

- a) technology needs analyses are systematically documented in writing;**
- b) impact, risk and cost studies are produced during all change requests;**
- c) these analyses are compared with potential benefits, in the case when the DTI requests the change;**
- d) the format and contents of these analyses are standardized.**

Actions proposed by the Direction des technologies de l'information

"The DTI is establishing a projects office to implement the stated recommendations." (Planned completion: December 2007)

Change control

The purpose of change control is to ensure that the changes made to various informational assets have been prioritized, that their evolution is communicated to the various interveners and that management indicators are made available to managers in order to enable them to act appropriately. Management indicators are established according to clear and measurable objectives set by management, and allow easier accounting of operations.

Centralization of requests and management indicators

The centralization of change requests, among other things, ensures that all requests are handled according to the same procedure. This way of doing things allows better prioritization and planning and more effective co-ordination of actions, along with facilitating the establishment of management indicators.

Technology division

Our audit enabled us to ascertain that there is no centralization of technology infrastructure change requests at the present time. Furthermore, there is no mechanism currently used to compile all the various infrastructure related requests. This lack of centralization renders the transmission of information between the parties in respect to the actions taken more difficult or, at times, non-existent, and makes it more complicated to ensure that all change requests are prioritized, planned and co-ordinated in optimal fashion. Also, since the respective teams make changes in an ad hoc way, the absence of centralized requests does not make it easy to obtain reasonable assurance that no unauthorized changes to informational assets are made or no unplanned incidents occur following the implementation of changes. In addition, the lack of centralization does not enable the identification of homogeneous and relevant information that would facilitate the production of management indicators.

Applications divisions

Requests for changes to applications are generally sent by e-mail to the manager of the section responsible for the application or are accessible to the latter within a common centralized space. Nonetheless, in some sections, the requests may also be transmitted by telephone or by memo solely to the management system adviser assigned to the application. Thus, the current process does not require, within all the sections, that change requests be sent to a single collection point. It is more cumbersome, therefore, for some of these sections to extract information to produce management indicators. As was the case with the Division des technologies, the audit revealed some gaps in the transmission of information. The absence of a centralization of requests hinders the exchange of information between those responsible for the progress of work. It also makes it difficult to ensure that only authorized changes are made to assets and unplanned incidents are limited.

Compilation tool for change requests

One tool, called GDTI (Gestion des demandes de travail en informatique) and developed by one of the DTI's applications divisions, is available to all interveners involved in applications development. This tool enables the compilation and tracking of change requests, as well as compilation of time. In 2005, an outside firm was given the mandate to evaluate this application's capacity to respond to managers' needs and to suggest better practices in respect to operating reports. The firm expressed the opinion that "the current system has the technical capacity needed to respond to priority needs," but it "strongly recommended that certain aspects of the system be strengthened."

A working committee, whose establishment was also recommended by this firm, was put together at the end of March 2006 in order to better define and implement their recommendations.

At the time of our audit, the working committee comprised voluntary participants and did not have a specific schedule in terms of carrying out its mandate. In addition, the resources needed to achieve several of this committee's objectives are currently part of a request under the 2007–2009 three-year capital works program (PTI).

We observed that some applications sections use an Excel file to compile requests. Others use the GDTI application, either as a parallel process to other tracking methods or simply to compile the time allocated to the requests. According to the information gathered from user sections, the tool has several annoyances and its terminology is not fully adapted to their real-life situation. The lack of user-friendliness and absence of standardized screens result in the tool being set aside or not used in a stringent and uniform fashion by all interveners. Under such circumstances, it is extremely difficult to ensure that:

- all requests are handled the same way;
- actions are properly prioritized and co-ordinated;
- management indicators are compiled.

Recommendations

To ensure that all requests are handled in an identical way, actions are properly co-ordinated and management indicators are established for assessment purposes, we recommend that the Direction des technologies de l'information of the Service des affaires corporatives:

- for changes related to infrastructures:
 - a) centralize change requests;
 - b) equip itself with a mechanism to compile and track change requests;
- for changes related to applications:
 - c) prioritize, formalize and proceed with the mandate of the working committee looking into the GDTI application;
- for all divisions of the DTI:
 - d) establish relevant management indicators based on set objectives and implement periodic evaluation mechanisms.

Actions proposed by the Direction des technologies de l'information

a) and b) for changes related to infrastructure

*"In the case of the SIMON project currently under way, the corrective action presented in the Policies, standards and procedures section above covers these recommendations. **(Planned completion: December 2007)***

*For other infrastructures, this recommendation will be integrated into the strategies and deployment plans in 2008. **(Planned completion: December 2008)***

c) for changes related to applications

*The recommendation has already been applied. **(Completed)***

d) for all divisions of the DTI

*This recommendation will be carried out as part of the corrective action presented for the recommendation in the Policies, standards and procedures section and gradually for all divisions of DTI in 2008." **(Planned completion: December 2008)***

Documentation and procedures

The existence of documentation and standardized procedures ensures, in particular, that changes are carried out within a uniform development framework, details of actions taken in respect to an asset are easy to consult at all times, so as to provide a later reference, and trained and versatile staff are available to see to technical support.

Development framework and standards

Our audit enabled us to ascertain that development standards exist for applications housed on the central server and Oracle platform. Some sections use a framework and standards in their applications development, but these management frameworks are not uniformly shared by all the applications sections. In fact, no framework and development standard for each platform have been designated as rules to follow for the City's different applications development areas. The lack of homogeneous standards can result, among other things, in incidents that take longer to resolve, capacity problems and processing delays.

Recommendations

To reduce incidents, undue delays associated with the resolution of such incidents or capacity problems, we recommend that the Direction des technologies de l'information of the Service des affaires corporatives:

- a) establish a framework and uniform development standards to follow, based on the various platforms in use, for all applications housed on the infrastructures it manages;**
- b) communicate information about these management frameworks and provide appropriate training to the interveners concerned;**
- c) implement a process to update this framework and these standards on an ongoing basis.**

Actions proposed by the Direction des technologies de l'information

"For the most part, this recommendation is in accordance with the IT master plan statements. However, the points specifically mentioned have not been prioritized in the short term in the IT master plan's implementation plan. In 2007, the DTI prioritized the establishment of a projects office, portfolio management processes, and the first municipal business architecture initiatives (in particular for financial, supply, human resource, pay and time management systems, whose structure is now under the responsibility of the DTI.)" (Planned completion: December 2008)

Documentation and tracking of changes

Regarding changes to infrastructures, our audit showed that a documentation tool exists to log patch updates for applications that use the Oracle platform, as well as for the start-up of applications. Nevertheless, this tool is used only within one applications section and is not shared

with all interveners. There is no tool to quickly log changes to other servers not covered by this section. Instead, each server must be checked to find out which versions of the operating system are used, which patches have been installed and what actions have been taken.

Regarding changes made by the applications sections, we also observed that their documentation was not always readily available and that its updating was not done in a systematic fashion. Furthermore, the documentation tools used were not standardized throughout the various development sections. In fact, several of these tools are used in various sections for tracking changes made to certain applications. At the time of our audit, one applications section that was not using this kind of tool was evaluating a product already in use at the City with a view to acquiring it. The absence of standardized tools at the City level encourages this type of approach. Also, the multiplication of tools used results in a multiplication of work methods and requires additional support efforts. Taking advantage of economies of scale, the standardization of tools in use generally reduces the unit cost of a license from the supplier, trims training costs and results in increased efficiency.

Recommendation

To reduce the number of tools being used and standardize the documentation of work carried out, we recommend that the Direction des technologies de l'information of the Service des affaires corporatives establish and acquire, when suitable for a particular platform, standardized documentation tools for the changes made to its infrastructures and the development of computer applications for which it is responsible.

Actions proposed by the Direction des technologies de l'information

“The DTI is already working on generalizing the use of the Service desk platform for the management of incidents and service requests. The development of a configuration management process and the development of the CMDB (Configuration Management Data Base–ITIL) in the next few years will meet the current recommendation.” (Planned completion: December 2009)

Authorizations

This control ensures, among other things, that the changes made are based on the requests and needs of the individual or entity requesting them, that they abide by the standards and procedures

in effect, that developments have been tested and approved prior to rollout, and that any changes meet the expectations of the informational asset's owner.

Approval process

Regarding changes made by the Division des technologies, the absence of a formal process means that the approval process boils down to issuing a requisition, transferring the request to a person charged with its execution and making the required change. In such cases, few traces remain of the relevant authorizations, with the exception of e-mails requesting the changes or notifications to the section head advising that the work has been completed. Moreover, not all of these items are available for all changes made.

During our audit, we also ascertained that, with the exception of three applications sections, there were few or no traces of any approval by the trustee (owner) of the application for the various stages of the development process. At the minimum, evidence of approval would be desirable for the following stages in the change process:

- before any development begins, the description of what should be changed, how to proceed, any cost, if applicable, and the proposed delivery date;
- results of acceptance tests on the informational asset and the decision taken following such tests;
- the approval of all owners of the informational assets that will be affected by the change prior to the start of work.

The absence of a formal approval process can give rise to disputes about the nature of the changes made or the implementation of non-compliant or unsatisfactory changes.

Recommendations

To ensure that the changes introduced conform to the expectations of the informational asset trustees (owners), we recommend that the Direction des technologies de l'information of the Service des affaires corporatives:

- a) **identify, within the change process, those stages for which proof of approval by the asset owner is required and the form that this should take;**
- b) **ensure that all required approvals are obtained before making any changes within the production environment.**

Actions proposed by the Direction des technologies de l'information

“The corrective action presented in the Policies, standards and procedures section covers the current recommendations. In the SIMON Post-implementation project now under way, the steps and approval levels, as well as the authorization protocol for making changes must be defined as part of the development and implementation of the change management process (ITIL). (Planned completion: December 2007)

This process will then gradually be implemented for the other areas in 2008.” (Planned completion: December 2008)

Acceptance tests by users

Acceptance tests carried out by users ensure that the work done meets the users' expectations as to the content and functionalities requested. These tests also help identify and correct defects that sometimes go unnoticed by development staff prior to deployment.

The audit revealed that users carried out acceptance tests systematically in only 75% of the cases reviewed. Changes were, therefore, made to one quarter of the applications examined without the users having formally tested their functionalities. Among other things, the absence of this type of user testing can lead to the failure to identify certain anomalies prior to the work starting on the application, and thus runs the risk of more corrective work being required after deployment or of incidents occurring in the production environment.

Recommendation

We recommend that the Direction des technologies de l'information of the Service des affaires corporatives ensure that no substantial change is put in production without acceptance tests being carried out by the users to validate the changes made.

Actions proposed by the Direction des technologies de l'information

“The corrective action presented in the Policies, standards and procedures section covers the current recommendation.” (Planned completion: December 2007)

Start of work

The purpose of start of work controls is to ensure that the only change made is the one requested and approved and that the work is carried out in such a way as to keep disruptions to a minimum.

Separation of incompatible tasks and maintenance window

The separation of incompatible tasks ensures, in particular, that no intervener is able to control, from start to finish, the process of making changes to various production environments that would enable that individual to install non-authorized changes. In addition, to facilitate the implementation of changes and minimize the effect of such operations on assets and systems, it is advisable to set aside in advance specific times within a production schedule or to establish, in conjunction with all the trustees (owners) of the assets affected by the change, a period called the “maintenance window.”

At the time of our audit, we observed that the changes made to half the applications, mainly those that were developed on the Oracle platform, were initiated by the individual responsible for development. In addition, we were informed that the individual responsible for the corporate servers was not systematically notified beforehand about the deployment of changes made to certain servers managed by that particular individual. No maintenance window or formal communication process exists between the infrastructure manager and the trustee (owner) of certain applications that would ensure that approval was obtained from the individual responsible for that asset before any change was made. Such unanticipated deployments could lead to incidents causing the failure or slowdown of operations.

Recommendation

We recommend that the Direction des technologies de l'information of the Service des affaires corporatives introduce a mechanism to ensure that, for every authorized request, the individual responsible for initiating work is different from the individual responsible for development. In addition, the measures in place should enable actions to be co-ordinated and prioritized with the individual responsible for the asset affected by the change, so that no one individual is able to control the entire change process and incidents are kept to a minimum.

Actions proposed by the Direction des technologies de l'information

“The corrective action presented in the Policies, standards and procedures section dealing with SIMON covers the current recommendation. (Planned completion: December 2007)

Once the pilot project is completed, an evaluation of scenarios for deployment to other environments will be prepared for 2008.” (Planned completion: December 2008)

CLIENT ENQUIRY MANAGEMENT (CEM)

BACKGROUND

On March 2, 2006, the city administration adopted the model known as “Montréal pour le réseau virtuel intégré e-Cité/311” (the e-Cité/311 network). The purpose of this model is to provide all Montréal residents and clientele with access to high-quality municipal services, programs and products quickly, easily and on a 24/7/365 basis. Overall, the system entails:

- developing and offering a single point of entry into the system via an easy-to-remember telephone number (311);
- offering residents and other individuals access to services via the communication channel of their choosing (e.g., by telephone, in person, on-line);
- managing, processing and following up on enquiries, requests and complaints in a way that ensures client satisfaction.

When the model was adopted, the Director General was appointed to put together a project team, reporting to him, to oversee the implementation of the e-Cité/311 network.

The execution of this project will require the use of corporate tools, such as a computer system to manage telephone traffic, databases containing information on the various services, programs and products, and a computer system to manage client enquiries.

Particularly as regards this last tool, the boroughs and corporate departments were not using a harmonized computer program to process incoming enquiries. Consequently, the City began in June 2005 to implement the “client enquiry management” (CEM) system in these business units.

The CEM system records all of the enquiries received by the City, forwards them to the appropriate individuals in the proper borough or corporate department and indicates the subsequent actions taken. In addition, it tracks real processing times and compares them with previously defined target processing times. This approach allows the production of management reports that show how effectively enquiries have been handled. Given that it is a corporate tool, the resulting reports make it possible to compare the services offered by the various business units.

METHODOLOGY AND SCOPE

The purpose of our audit was to ensure that client enquiries were processed properly within a reasonable timeframe and could be tracked and periodically reported on to the appropriate authorities.

More specifically, we examined the existence of policies within the city administration, the measures implemented to ensure that all incoming enquiries are inputted consistently and in their entirety into the system, the mechanisms put into place to track enquiries for their subsequent processing within the targeted timeframes, the measures introduced to ensure that complaints are treated uniquely and, finally, the existence of objectives, performance indicators and reporting mechanisms.

Our audit focussed primarily on client enquiries entered into the CEM system in 2006. The following business units were the subject of our audit: the Service des communications et des relations avec les citoyens and Côte-des-Neiges–Notre-Dame-de-Grâce, LaSalle, Saint-Léonard and Le Sud-Ouest boroughs.

OBSERVATIONS AND RECOMMENDATIONS

Administration policies and corporate frameworks

In order to help achieve established objectives and translate policy into day-to-day activities, corporate frameworks must be defined, approved by the appropriate authority and rigorously monitored to ensure compliance.

Among the objectives listed in the decision summary in support of the recommendation to adopt the “Montréal pour le réseau virtuel intégré e-Cité/311” model are the following:

- Manage, process and follow up on enquiries, requests and complaints in a way that ensures client satisfaction;
- Provide tighter monitoring of the effectiveness and performance of the delivery of services through reliable, comparable management reports.

To achieve these objectives, the CEM system must be used consistently by all business units and contain quality information that will make it possible to produce reliable corporate management reports. In this respect, the corporate frameworks must set out clear guidelines whose application must be thoroughly monitored.

While the audit was under way, a project to establish corporate frameworks for the e-Cité/311 network was developed by the project team assigned to its implementation.

Some elements of these frameworks touch on the use of corporate tools, such as the CEM system, by the corporate departments and boroughs. They include directives on managing client enquiries. One of these directives should outline a management for system client enquiries that would include all of the relevant information related to the receipt, analysis, recording, transmission and processing of client enquiries.

Other directives are also included to provide guidelines on levels of service, performance indicators, comparison measures, reporting and so forth.

This project is currently under review by 19 representatives of the City's 19 boroughs. Based on the information we obtained at this point, the Director General is expected to approve these directives.

Recommendation

We recommend that the project team assigned to the implementation of the e-Cité/311 network continue their work to present a series of corporate frameworks for approval by the Director General as soon as possible, in order to help achieve the established objectives and translate policy into day-to-day activities. These frameworks will need to designate the business unit responsible for its implementation, monitoring and assessment.

Actions proposed by the project team assigned to the implementation of the e-Cité/311 network

"In accordance with the model adopted by Ville de Montréal authorities for the e-Cité/311 resident service network, the work related to the corporate frameworks is under way. A working document will be submitted to the senior management committee by the Director General in order to validate the underlying principles and scope of these frameworks.

This working document will also propose a unit to oversee the implementation, monitoring and evaluation of these frameworks.

Main actions to be undertaken:

1. a) *Presentation by the Director General of the working document on the frameworks to the senior management committee;*
b) *Validation of the underlying principles and scope of the frameworks by the senior management committee (Planned completion: May 2007);*
2. *Finalization of the frameworks project by the project team (Planned completion: May–June 2007);*
3. *Presentation of these frameworks for approval by the Director General and the senior management committee.” (Planned completion: June 2007)*

Management of client enquiries

Management of communications within the municipal apparatus is shared by one corporate business unit and each of the 19 boroughs.

According to the mission of the Service des communications et des relations avec les citoyens, it oversees all activities and actions involving corporate communications. It is in charge of general communications policy and offers communications services and solutions to meet the needs and objectives of the administration. Each of the boroughs is responsible for managing communications related to local services.

The CEM system is the recognized corporate tool for managing client enquiries within the municipal apparatus. This system manages various types of such enquiries, including queries (e.g., information on opening hours for pools, hazardous waste collection dates), requests (e.g., requests to repair potholes or obtain permits), complaints and comments. The purpose of the system is to ensure full and equal access to services by allowing clients to register and track their queries or requests from anywhere in the city, regardless of the actual site where the service is to be provided. For the business units, the tool offers features that make it possible to effectively respond to various client enquiries and produce a range of statistical and management reports.

In three of the boroughs reviewed, namely Le Sud-Ouest, Côte-des-Neiges–Notre-Dame-de-Grâce and LaSalle, the tool had been set up in June 2005. In Saint-Léonard, it was set up in May 2006.

The enquiries recorded in the CEM system can come from a wide range of sources. They can:

- be sent directly by call centre attendants who report to the Service des communications et des relations avec les citoyens (e.g., the Bureau des communications opérationnelles [BCO], or Accès Montréal Première Ligne [AMPL]);
- be submitted in person or by phone to client service representatives in the Bureau d'Accès Montréal (BAM) offices located in each of the boroughs;
- be sent by e-mail;
- come from City employees or elected officials.

In order to be able to promptly and accurately direct and process the received enquiries (queries, requests, complaints or comments) with respect to the various activities offered by the business units, the CEM system contains rules known as “enquiry routing rules” which specify:

- the name of the person or group of people within each of the administrative units who are in charge of managing and addressing enquiries for each of the activities of the business unit and each type of communication (complaint, request, comment);
- the desired timeframe within which the administrative unit should be able to address client enquiries for each of the activities and by type of communication.

Inputting of client enquiries

The CEM system has been designed to provide all Ville de Montréal business units with a harmonized management tool to monitor and obtain an overall view of the status of all enquiries received. Consequently, it is vital that all business units use the system and that all enquiries addressed to the business units be systematically inputted into it.

According to the statistics compiled for 2006, there were 676,854 enquiries entered into the CEM system. Of this, 58% were queries, 39% were requests, 1% were complaints and 2% were either enquiries that were withdrawn, resubmitted or reactivated, or comments. Therefore, our work was primarily directed toward queries and requests.

Queries

Given the wide range of ways enquiries are received (e.g., by phone, in person, by e-mail) and the human involvement required to input data into the CEM system, it is impossible for us to verify how complete the system is. However, our work allowed us to ascertain that in two boroughs (Côte-des-Neiges–Notre-Dame-de-Grâce and Saint-Léonard) queries were not systematically entered into the

system. The main reasons cited for this are the amount of time, which is deemed to be considerable, required for the data entry and the perception on the part of some individuals that the compilation of information on queries is not very useful for management purposes.

We are aware that queries do not generally require subsequent follow-up, since the answer to the question asked is immediately provided to the client. Nevertheless, we feel that the compilation of statistics with respect to the nature of the most frequent queries received by the borough would, among other things, make it possible to identify in which areas of activity improvements are necessary. For example, determining the most frequently asked questions with respect to recreational activities offered by the borough could point to the need to step up promotional efforts (fliers, newspaper notices, Web site, etc.) to make these services better known.

Recommendations

In order to promote consistency of action and obtain information that could potentially be useful in a decision-making context, the Service des communications et des relations avec les citoyens should, in conjunction with the boroughs:

- **assess the relevance of continuing to input data from queries into the CEM system;**
- **ensure that any future policies established regarding the type of information to be inputted into the CEM system are integrated into future corporate frameworks.**

Actions proposed by the Service des communications et des relations avec les citoyens

“For the Service des communications et des relations avec les citoyens, it is relevant, even necessary, to continue to input queries into the CEM corporate application. Furthermore, this is the prevailing approach for the resources under its direct responsibility.

The Service des communications et des relations avec les citoyens will address this issue with the departments and boroughs that use the CEM system and will attempt to establish a consensus in this regard.

Finally, the underlying principles stemming from the consensus will be integrated into the eventual corporate frameworks.” (Planned completion: December 2007)

Requests

As for requests, the risk that a high number of them are not entered into the CEM system is not as prevalent. Clients whose requests go unheeded are likely to resubmit another request and voice their dissatisfaction, which would in turn lead to an increased number of complaints filed.

However, in the case of permit applications (e.g., construction permits), our audit showed that many of these requests are not recorded in the CEM system or are inputted twice. In fact, the four boroughs reviewed all use other computer applications specifically to process permit applications.

In the case of the two boroughs of the former Ville de Montréal (Côte-des-Neiges–Notre-Dame-de-Grâce and Le Sud-Ouest), permit applications are entered into both the CEM system and the program (“Gestion du territoire—Permis”) used to issue permits. Because these two systems are not linked, the data must be manually entered twice. Accordingly, representatives of the Service des communications et des relations avec les citoyens pointed out to us that measures had already been taken in order to develop a means of linking the two systems so that permit application data could be shared. Based on the information we obtained, the deployment of this new functionality will be complete in the spring of 2007.

For the two other boroughs (Saint-Léonard and LaSalle), permit application information is recorded solely in their respective programs for managing the issue of permits (i.e., BÉLUGA in LaSalle and PG MENSYS in Saint-Léonard). However, since the CEM system is not linked to these systems, it does not contain permit application data from these two boroughs. Based on the information obtained from these boroughs, there are no plans to develop mechanisms to integrate their permit application data into the CEM system.

Recommendations

In order to avoid inputting permit application data twice, we recommend that the Service des communications et des relations avec les citoyens continue its efforts to establish electronic links between the CEM system and “Gestion du territoire—Permis” program.

To facilitate the evaluation and comparison of the effectiveness of the processing of permit applications, we recommend that the Service des communications et des relations avec les citoyens, in partnership with LaSalle and Saint-Léonard boroughs, undertake the necessary

steps to identify the mechanisms to be implemented so that all permit application information is entered into the CEM system.

Actions proposed by the Service des communications et des relations avec les citoyens

“The Service des communications et des relations avec les citoyens has already had a link developed between the CEM and “Gestion du territoire—Permis” systems. This link is operational, and CEM users have all received specific training in this regard.

In the 12 boroughs that use the “Gestion du territoire—Permis” application, information is no longer inputted twice. (Planned completion: March 2007)

Seven boroughs, including LaSalle and Saint-Léonard, use in-house permit management systems that are not linked to the CEM system.

The Service communications et des relations avec les citoyens will meet with representatives of these boroughs and propose that they adopt the “Gestion du territoire—Permis” system so that the double-entry problem and the “black box” situation can be resolved. Use of this system will also make it easier to evaluate and compare performance with respect to the processing of permit applications.” (Planned completion: March 2008)

Monitoring client enquiries

Once enquiries are inputted into the CEM system, they are classified according to their status in respect to three categories: sent, in progress or closed. “Sent” indicates that the person who entered the enquiry has forwarded it to the appropriate individual or group, in accordance with the procedures established by the business unit. “In progress” indicates that a designated individual has taken responsibility for an enquiry and is attempting to settle the matter. This individual may be the person responsible for dispatching enquiries, the person who actually does the legwork, a supervisor or a manager. Finally, once the enquiry has been settled to the client’s satisfaction, it is labelled as “closed” in the CEM system.

In order to ensure that clients are served within a reasonable amount of time, the managers responsible for the relevant activities must ensure that pending (i.e., not closed) and withdrawn enquiries are carefully monitored. That way, in the event of a delay, it is possible to obtain the

necessary explanations from the individuals responsible for processing the enquiry and take any necessary corrective measures.

Furthermore, the processing time for enquiries that have been addressed must also be verified in order to ensure that they have been settled within a reasonable timeframe. Certain mechanisms need to be put in place to facilitate the monitoring process (e.g., appointing people to oversee follow-up, producing reports).

Monitoring active and withdrawn enquiries

For active enquiries, the CEM system offers its users the possibility of producing reports containing a list of pending enquiries, i.e., those identified as “sent” or “in progress,” for a given period.

In order to determine the extent of active enquiries in the boroughs we reviewed, we examined reports on enquiries submitted in 2006 that were still pending in February 2007. Generally speaking, we observed that a substantial number of enquiries (40%), some of which have been pending for six months or more, are still active in the CEM system and that periodic follow-up mechanisms have not been introduced.

More specifically, we ascertained the following:

- In Côte-des-Neiges–Notre-Dame-de-Grâce and Le Sud-Ouest boroughs, more than 100 enquiries were identified as “sent”; 39% and 46% of these, respectively, are more than six months old. In Saint-Léonard and LaSalle boroughs, the number of “sent” enquiries is lower, at approximately a dozen in both cases. Of this number, 11% and 58%, respectively, are more than six months old.

Based on the information obtained, there are several factors that may explain why enquiries are identified as “sent.” This status can indicate that the enquiries are not being managed by anyone or that this information has not been recorded in the CEM system, which affects the reliability of the data. It can also be attributable to outdated routing rules, i.e., enquiries are being forwarded to individuals who are no longer in charge of handling them.

- For Le Sud-Ouest, Saint-Léonard and LaSalle boroughs, the average number of enquiries “in progress” is 225 for each borough. In total, 36%, 19% and 37%, respectively, of these enquiries are more than six months old. In Côte-des-Neiges–Notre-Dame-de-Grâce borough, there are 2,500 enquiries in progress, 43% of which are more than six months old.

Based on the information obtained, many of these enquiries have been settled “directly” and not closed in the CEM system, while still others had been taken charge of without subsequent processing. The managers we met nevertheless mentioned to us that, at the present time, it was difficult to assess the proportion of enquiries that have been settled but not closed in the CEM system without performing an in-depth analysis.

With the exception of Saint-Léonard borough, which was not connected to the CEM system until May 2006, the same situation seems to apply to many enquiries entered in the system in 2005.

As a result, we feel that an analysis should be carried out to purge the CEM system by determining which “in progress” enquiries require further processing and which have been settled and should therefore be closed. Since the CEM system was installed only recently, a purge operation is vital to ensure that it is not weighed down by irrelevant data. Periodic follow-up mechanisms will then need to be introduced by managers to promptly flag pending enquiries and take the necessary measures to process enquiries received as quickly as possible. If such mechanisms are not introduced, processing times will continue to become longer and the data in the system will not produce reliable management reports.

Finally, in terms of both the resources assigned to data entry and those responsible for processing the enquiries, it is possible to delete enquiries inputted in the CEM system for a variety of reasons (e.g., request withdrawn by the client). The CEM system can produce a report (“Suivi des demandes de service (DDS)—annulées”) on withdrawn enquiries, just as it can for those that are “sent” or “in progress.” We ascertained that reports on withdrawn enquiries were not produced and, consequently, such cancellations were not approved by the appropriate manager to ensure that they were justified. We feel that a specific follow-up mechanism is required to ensure that all withdrawn enquiries are justified.

Recommendations

We recommend that the management of Côte-des-Neiges–Notre-Dame-de-Grâce, LaSalle, Le Sud-Ouest and Saint-Léonard boroughs:

- **purge the active client enquiries in the CEM system as soon as possible in order to close enquiries that are no longer pending and thus make it possible to produce reliable management reports;**

- ensure that managers implement a rigorous follow-up mechanism for active enquiries (i.e., those with a status of “sent” or “in progress”), so that enquiries can be processed as quickly as possible;
- ensure that managers approve reports containing the lists of withdrawn enquiries in order to ensure that the justifications provided are sufficient.

Actions proposed by Côte-des-Neiges–Notre-Dame-de-Grâce borough

“A directive signed by the borough director will specify the expectations vis-à-vis the divisions with respect to the implementation of the measures designed to align our practices with the recommendations in the audit report. (Planned completion: May 15, 2007)

Production by the BAM and submission to the concerned divisions and the borough director of a ‘GDC—Suivi des DDS’ report, i.e., a CEM status report on requests for service, listing requests outstanding for more than 30 days. In a follow-up explanatory note, the director will ask each division to finish purging operations before September 1, 2007. (Planned completion: September 1, 2007)

The divisions will indicate, upon the request of the borough director, the minimum frequency at which comments from those responsible for processing requests about their follow-up are inputted into the system, based either on the timeframe involved or on the particular stages at which action is taken. (Planned completion: September 1, 2007)

Regular production by the BAM of a ‘GDC—Suivi des DDS—supprimées’ report, by division, to be forwarded to the borough director for information purposes, as well as to each of the concerned divisions, in order that they sign it and return it to the BAM.

The BAM will keep the approved reports on file.” (Planned completion: July 1, 2007)

Actions proposed by LaSalle borough

“Purging of requests that are obsolete, yet still active in the system (‘sent’ or ‘in progress’, but not ‘settled’ or ‘closed’) for 2005 and 2006. (Planned completion: February 2007)

Identification, in each unit, of the person responsible for ensuring that the requests sent are being handled as quickly as possible.

- Travaux publics and Affaires publiques et du greffe (**Planned completion: March 2007**)
- Aménagement urbain et des services aux entreprises (**Planned completion: April 2007**)
- Culture, sports, loisirs and développement social, Direction générale and Services administratifs (**Planned completion: June 2007**)

A quarterly report of cancelled requests will be produced by the senior user and submitted to each division concerned for validation.” (**Planned completion: June 2007**)

Actions proposed by Le Sud-Ouest borough

“Borough director’s mandate: to analyse, process and purge active enquiries assigned to managers by the borough director according to a set schedule and with provision for follow-up (priority will be given to outstanding requests for service). The senior CEM user (the senior social communications officer) and the head of the Division accueil et information will attend the meeting to present an update on the recommendations and proposed actions contained in the auditor’s report that involve the entire borough. Reports will be submitted to the managers (list of outstanding active requests for service by division). (**Planned completion: early June 2007**)

Issue of an internal directive for CEM users from the borough director reminding them of the definitions for the status of enquiries and the obligation for work units in the departments to take charge of requests for service within 24 hours. (**Planned completion: early June 2007**)

Submission to the management committee of status reports on ‘sent’ requests for service on a weekly basis and follow-up on the application of the directive (requests for service upgraded from ‘sent’ to ‘in progress’ within 24 hours). Information concerning requests for service that are ‘in progress’ will be included in monthly reports to the management committee.

Refresher on the role of CEM users in terms of training and user support (advanced instruction on reports and use of the CEM system, as required). (**Planned completion: early September 2007**)

An item will be added to the general directive on the CEM system issued to all employees, specifying that all deleted enquiries be authorized in writing by the appropriate immediate superior and kept on file for reporting purposes.” (**Planned completion: early June 2007**)

Actions proposed by Saint-Léonard borough

“Travaux publics—Requests

- *Identify active enquiries. Meet with supervisors to determine the actual status of enquiries. Close enquiries that have been settled. Set a timeframe for processing enquiries that have not been settled. (Planned completion: September 1, 2007)*

Urbanisme—Requests

- *Re-examination of each of the pending enquiries in the system. The guiding principle of this approach is that a response to each enquiry must be entered into the system as soon as it is assigned to our inspection teams. Therefore, we will re-examine each pending enquiry in the system and respond based on the work already performed and procedures already undertaken. (Planned completion: late April 2007)*
- *Update of processing times. Following this, the two individuals responsible for processing enquiries must update the timeframes to make them comply with our practices and our ability to take action in the field. (Planned completion: late April 2007)*

Determine which status reports for active enquiries should be produced and establish a routine to print them out monthly. (Planned completion: late April 2007)

Issue a directive to ensure that enquiries are not deleted, but instead closed with justification.” (Planned completion: May 1, 2007)

Monitoring of processing times

The desired processing times for enquiries received for each activity of a business unit must be established in advance. These times must be integrated into the routing rules for the enquiries in the CEM system.

The information related to the desired processing times allows communications agents to better inform clients of how long it should take for their enquiries to be addressed. This also represents a target to be achieved, which can subsequently be used to evaluate performance in terms of processing times, identify the most problematic sectors and, where necessary, undertake efforts to improve client services.

Consequently, it is vital that these timeframes be representative of the desired level of client service, based on elements such as degree of urgency, available resources, past processing times and the balance between work planned in advance and impromptu requests.

Lastly, to enable managers to ensure that enquiries are handled within the targeted timeframes, a comparison between desired and actual processing times must be carried out. Such a comparison assumes, however, that once enquiries have been handled they are promptly designated as “closed” in the system, so that the processing times indicated are accurate.

At the current time the CEM system can produce reports comparing desired and actual processing times. We conducted an analysis of these reports for the boroughs reviewed in our audit. Overall, we found evidence of significant gaps, which cast doubts on the rigour with which the target timeframes were established, as well as the reliability of certain of the actual processing times recorded. We also ascertained that the corresponding administrative units have not put any follow-up mechanisms in place to monitor enquiry processing times. More specifically, our audit revealed the following:

- Saint-Léonard and Le Sud-Ouest boroughs

For these two boroughs, we observed that the desired processing times varied from one activity to the next. Based on the information obtained from the people we met, these times were determined by the individuals responsible for the activities in each borough division and are reasonably representative of reality.

In order to determine to what extent enquiries had been processed within the target timeframes, we examined, for the two boroughs, the data contained in a report titled *Délai moyen de réalisation*. In both cases, we observed that there were significant gaps between the desired and actual average processing times.

In terms of Saint-Léonard borough, we determined that for the period from May 2006, when the system was implemented, to December 31, 2006, 86% of the “closed” requests for service took an average of six times longer than the corresponding target processing time (4 days), while 14% were settled within a timeframe that was an average of six times shorter than the target processing time (120 days).

In Le Sud-Ouest borough, we determined that for the period between January 1 and December 31, 2006, 20% of the “closed” enquiries took an average of three times longer than the corresponding target processing time (18 days), while 80% were settled within a timeframe that was an average of four times shorter than the target processing time (97 days).

- Côte-des-Neiges–Notre-Dame-de-Grâce and LaSalle boroughs

For these two boroughs, the review of the targeted processing times and the information obtained from the individuals we met showed that the timeframes had not been established with sufficient rigour.

In Côte-des-Neiges–Notre-Dame-de-Grâce we observed that a target processing time of 90 days had been established for the majority of activities. Based on the information obtained, this corresponds to the default timeframe programmed into the CEM system at the time of its deployment. The managers responsible for client services in this borough asked the management of each of the administrative units to review the processing times for the activities under their responsibility and proceed with the necessary modifications. Despite these efforts, the targeted timeframe for the vast majority of activities remained unchanged.

A general review of the average processing times showed that 21% of enquiries take more than 90 days to close, while 14% are settled between 60 and 90 days, 25% between 30 and 60 days and 40% within 30 days.

In LaSalle borough, a target timeframe of five days is indicated in the CEM system for most activities. Based on the information obtained from the people we met, these were also the default timeframes programmed into the system at the time of its deployment and were supposed to be subsequently re-evaluated by the managers of administrative units, although this has not yet been done.

A general review of the timeframes shows that 71% of enquiries took longer than 5 days to address (5–30 days: 43%, 30–60 days: 12%, 60–90 days: 10%, 90+ days: 6%).

There are a variety of explanations for the results observed in the four boroughs:

- the lack of rigour in establishing the target processing times;
- the lack of promptness in closing enquiries recorded in the CEM system, which affects the accuracy of the actual processing times;

- the unnecessary lapse of time that could occur between when an enquiry is received and when a resource is assigned to handle it;
- problems in work organization that make it impossible to respect the target timeframes.

To determine to what extent these causes explain the observed gaps, the managers in charge of the activities corresponding to the enquiries must be more rigorous in their follow-up of the processing of such enquiries by examining the reports produced by the CEM system, so that they can take the measures necessary to correct the situation.

Recommendations

In order to make it possible to evaluate the performance with respect to the level of service offered and to better inform clients of the timeframe required to process their enquiries, we recommend that the management of Côte-des-Neiges–Notre-Dame-de-Grâce and LaSalle boroughs review the targeted processing times programmed into the CEM system in order to ensure that they reflect the established targets and take into account the desired level of service, based on the resources available, the urgency of the situation and other factors.

We recommend that the management of Côte-des-Neiges–Notre-Dame-de-Grâce, LaSalle, Saint-Léonard and Le Sud-Ouest boroughs ensure that managers provide the follow-up necessary for analysing the actual processing times compared to the target processing times so that they may, if need be, later take the required measures to correct the situation.

Actions proposed by Côte-des-Neiges–Notre-Dame-de-Grâce borough

*“A memorandum from the borough director addressed to the various divisions will instruct them to set timeframes to process enquiries for each CEM activity under their responsibility. **(Planned completion: June 1, 2007)**”*

*The processing times submitted and authorized by the directors will be provided to the borough director and will be applicable upon approval. **(Planned completion: October 1, 2007)**”*

At the beginning of each year, the BAM will submit the following annual reports to the borough director and the concerned divisions so that an analysis may be conducted of the actual time it took to close enquiries:

- *CEM—Average enquiry processing time*
- *CEM—Resolution times*
- *CEM—Enquiry processing*

Following this annual analysis, each division will be required to rectify any discrepancies between real processing times and those entered into the CEM system within 30 days.” (Planned completion: February 1, 2008)

Actions proposed by LaSalle borough

“Establishment of realistic timeframes to address enquiries in conjunction with management personnel:

- *Travaux publics and Affaires publiques et du greffe (Planned completion: September 2007)*
- *Aménagement urbain et des services aux entreprises and Culture, sports, loisirs et développement social (Planned completion: December 2007)*

Implementation of a process to review resolution times once all of the new timeframes are set.” (Planned completion: January 2008)

Actions proposed by Saint-Léonard borough

“Officially require timeframes to be reviewed once a year after the system has been purged. If we determine that we are behind schedule, we will make the necessary changes. We must ensure that established timeframes correspond to what we actually do.” (Planned completion: April 2007 to start, then December 2007)

Actions proposed by Le Sud-Ouest borough

“Production and submission to the management committee of monthly reports on processing times by division for evaluation by managers. (Planned completion: early June 2007)

Analysis and revalidation of processing times and modification as needed.” (Planned completion: early September 2007)

Separate processing of complaints

Complaints need to be handled separately, in that they are the result of clients' dissatisfaction with the services to which they are entitled and risk having a negative impact on the image of the organization. As a result, specific follow-up mechanisms need to be introduced to ensure that communications with clients are effective and that the appropriate course of action is taken. However, a clear definition must first be developed and shared with all users.

During our audit, we ascertained that there was no written documentation that clearly defined the criteria to be considered when entering a "complaint" in the CEM system instead of a "request." Neither was there any documentation on the various other types of enquiry (query, comment, resubmission, reactivation, cancellation) that could also be integrated into the system.

According to the information given to us by the people we met, the definitions of the various types of enquiries were provided verbally during the training sessions held prior to the implementation of the CEM system in the various business units.

Given that not all users are necessarily familiar with the concepts of the system and that new employees may potentially be called upon to use it, written material on the various types of enquiries would be a useful reference, especially in the event of uncertainty.

Considering that the CEM system is intended to be a corporate tool for managing client enquiries, we feel that it is important to document its basic concepts to avoid differing interpretations as to the nature of client enquiries and to promote consistency in the way they are handled.

Specifically as concerns the separate processing of complaints, various mechanisms could help develop distinct routing rules, designate an appropriate hierarchical level for the receipt of complaints, establish specific timeframes for their processing and oversee communications with clients.

During our audit, we observed that such separate follow-up mechanisms for complaints were in place in Côte-des-Neiges–Notre-Dame-de-Grâce and Saint-Léonard boroughs so that they could be forwarded to the appropriate managers. In Côte-des-Neiges–Notre-Dame-de-Grâce, specific routing rules were integrated into the CEM system. In Saint-Léonard, individuals were designated to forward complaints to the appropriate managers. In LaSalle and Le Sud-Ouest, there was no

separate follow-up mechanism implemented to process complaints. As a result, in these two boroughs, the routing rules are the same, regardless of the nature of the enquiry.

Recommendations

In order to favour the uniform interpretation of the concepts underlying the classification of client enquiries, promote consistency in the way enquiries are handled and ensure the production of reliable, comparable management information, we recommend that the management of the Service des communications et des relations avec les citoyens take the necessary measures to incorporate a precise definition of each type of enquiry covered by the CEM system into the corporate frameworks and user guide.

We recommend that Le Sud-Ouest and LaSalle boroughs introduce separate mechanisms to handle complaints in order to improve processing times and, ultimately, client satisfaction.

In addition, we recommend that Côte-des-Neiges–Notre-Dame-de-Grâce and Saint-Léonard boroughs continue their efforts to introduce a separate mechanism to treat complaints in order to improve processing times and, ultimately, client satisfaction.

Actions proposed by the Service des communications et des relations avec les citoyens

“The definitions in question have already been established.

The Service des communications et des relations avec les citoyens will take the necessary measures to incorporate these definitions in the user guide and highlight them in all of its user training sessions.

Moreover, there are already plans for these definitions to be integrated into the various corporate frameworks involved in the implementation of the e-Cité/311 network.” (Planned completion: December 2007)

Actions proposed by Le Sud-Ouest borough

“A copy of all requests for service involving a complaint will be sent to the borough director and director of the concerned department (changes to be made in the routing rules). This will allow senior management to track complaints and accelerate the process, if required.

Issue a document specifying what constitutes a complaint, request or comment and remind users that they can call on the support services of the CEM senior user, if required.

Ensure that CEM users at the borough management office and the secretary’s office of each of the divisions (departments) are participating in this new mechanism for the separate processing of complaints by monitoring complaints and informing the manager of their unit of any anomalies.”
(Planned completion: early September 2007)

Actions proposed by LaSalle borough

“Programming of the following routing rule for all complaints:

- Routing to the unit concerned*
- CC the director of the unit concerned*
- CC the borough director’s office*
- CC human resources in the case of a complaint against an employee.”* **(Planned completion: June 2007)**

Actions proposed by Côte-des-Neiges–Notre-Dame-de-Grâce borough

“Weekly production by the BAM of a ‘GDC—Suivi des DDS—plaintes’ report, by division, and transmission of this report to the borough director and each division concerned. A written reply to the resident by the responsible division must be sent within five business days.

If a full response is not possible, a written acknowledgement of the complaint, at the very least, must be sent within the same timeframe.” **(Planned completion: May 15, 2007)**

Actions proposed by Saint-Léonard borough

“Our complaint tracking model functions smoothly. We will nevertheless remind all CEM groups of the relevant procedures.” (Planned completion: May 2007)

Objectives, performance indicators and management reports

Measurable objectives are required to guide the planning and execution of activities. Relevant performance indicators must then be developed to determine how effectively the objectives have been achieved. Management reports record the results.

When it approved the implementation of the e-Cité/311 network, the city administration recognized several general goals, which included the improvement of client services and the delivery of borough and corporate department services. During our audit, we observed that, to date, these general goals have not been elaborated on with measurable objectives for the business units (e.g., the percentage of enquiries being handled within the stipulated timeframe, the percentage of enquiries settled within the desired timeframe, the reduction in the average processing time for requests of a certain type by X days).

Although measurable objectives had not yet been established, the CEM system can produce predefined management reports, including:

- statistics on enquiry volumes: presented by type of enquiry (e.g., query, request, complaint), by activity, by location and by employee, these reports identify which activities are most frequently the subject of client enquiries, which activities have been the subject of complaints and the productivity of the resources responsible for inputting enquiries into the system;
- follow-up reports: as mentioned in the section on enquiry monitoring, these reports can establish a list of enquiries based on their status (e.g., sent, in progress, closed, withdrawn) or specify processing times by activity and type of enquiry. These reports make it possible to compare actual and target processing times.

During our audit, we observed that only two boroughs produced certain reports periodically:

- LaSalle: statistics on enquiry volumes (by activity, by nature of enquiry, by person). These reports are produced monthly for the Direction des affaires publiques et du greffe and weekly for borough management and elected officials;

- Côte-des-Neiges–Notre-Dame-de-Grâce: reports on the processing time of closed enquiries (by activity and nature of enquiry) and a report illustrating the number of enquires handled for a given period for all activities and types of enquiry. This same report is available specifically for cleanup operations. These reports are produced monthly and are forwarded to managers, the borough director and/or elected officials, as appropriate.

In the case of Saint-Léonard and Le Sud-Ouest, no management reports have been produced using the CEM system. Based on the information obtained, these boroughs are currently exploring the possibility of using and producing reports.

Considering the above observations, the data contained in these reports is not sufficiently reliable to allow individual managers, management of the administrative units or borough directors to evaluate the effectiveness and performance of those activities related to the processing of enquiries, problem activities or any other details that could be used for decision-making purposes. Moreover, because these reports are not based on measurable objectives, they do not indicate the extent to which these objectives have been achieved.

Recommendations

We recommend that the management of Côte-des-Neiges–Notre-Dame-de-Grâce, LaSalle, Saint-Léonard and Le Sud-Ouest boroughs set specific, measurable objectives regarding the improvement of client services, periodically assess to what extent they have been achieved and make the required changes.

Moreover, we recommend that the management of the administrative units of Saint-Léonard and Le Sud-Ouest boroughs periodically submit reports specifying the extent to which objectives are being met to their respective borough management and, as necessary, borough council in order to provide them with useful information for decision-making purposes.

Finally, we recommend that the management of the administrative units of Côte-des-Neiges–Notre-Dame-de-Grâce and LaSalle boroughs continue their efforts to submit, on a regular basis, reliable management reports specifying the extent to which objectives are being met to their respective borough management and, as necessary, borough council, in order to provide them with useful information for decision-making purposes.

Actions proposed by Côte-des-Neiges–Notre-Dame-de-Grâce borough

“Starting in 2008, integrate at least one objective related to improving the processing of CEM requests for service in the performance contract of each director concerned and the related administrative policies of the borough. (Planned completion: January 2008)

Improve the active follow-up of enquiries conducted by the divisions concerned in order to present reliable reports when it comes time to monitor results, in particular by entering comments and closing enquiry files once they have been settled.” (Planned completion: July 1, 2007)

Actions proposed by LaSalle borough

“For each of the divisions, establish specific client service improvement objectives. (Planned completion: January 2008)

Once measurable objectives have been established in terms of improving client services, implementation of a procedure to regularly produce management reports in order to inform borough management and the borough council on the degree to which the objectives established by each division have been achieved.” (Planned completion: April 30, 2008)

Actions proposed by Saint-Léonard borough

“Establish specific objectives based on the performance indicators used by the Government of Quebec. (Planned completion: August 2007)

Meet the borough director to find out the specific needs of management and elected officials. (Planned completion: June 1, 2007)

Produce the appropriate reports.” (Planned completion: September 30, 2007)

Actions proposed by Le Sud-Ouest borough

“Include this recommendation as a target in the ‘Planification stratégique 2007–2008’, which will be presented to all managers, and ensure it is followed up on by the management committee. (Planned completion: early September 2007)

*Establish measurable objectives for processing times for requests for service, once the review/revalidation of timeframes is completed by managers (written approval) and once the semi-annual overview of reports is submitted to the management committee (March 2008). The performance of the GDT system (currently in the implementation phase) also needs to be taken into account when objectives are being set. **(Planned completion: March 2008)***

*Ensure thorough follow-up of the borough management directive and compliance with the 24-hour deadline for taking charge of requests for service (weekly verification) with respect to management committee meetings and complaint tracking. **(Planned completion: starting in September 2007)***

Produce customized monthly reports with comparative tables to be submitted to the borough director and management committee. This will be optimized when the Direction des relations avec les citoyens (central) sets up a data warehouse, which will make these customized reports possible.

*For analysis purposes, add any relevant information that may have an effect on the results.” **(Planned completion: March 2008)***

Management reports for the Direction générale

In order to help achieve the objectives related to the implementation of the e-Cité/311 network and the associated risk management activities, we feel that the Director General must receive all of the management information required to guide the actions to be taken in conjunction with the boroughs in order to improve the delivery of services, in accordance with the respective powers of the boroughs.

In this regard, the Charter of Ville de Montréal (the Charter) stipulates that the affairs of the city be administered, in accordance with the apportionment of the powers and jurisdiction provided by the Charter, by the city council or each borough council, as the case may be.

Accordingly, the borough councils are responsible for defining, for their respective boroughs, elements such as client service standards and gauges of performance and client satisfaction. In this respect, almost all of the enquiries in the CEM system fell under the responsibility of the boroughs and involved local services (maintenance of local roads, waste collection and transport, local sporting and cultural activities, permits, etc.).

However some sections of the Charter stipulate specific powers belonging to the city council or the Director General, including the following:

- Regarding the management of budgets by the borough councils: *“The borough council is responsible for the management of the borough budget adopted by the city council in compliance with the minimum standards determined by by-law of the city council regarding the level of services to be offered by each borough council.”* (section 144).
- Regarding the authority of the Director General: *“The authority of the Director General of the city is exercised over municipal officers or employees whose job or work is connected with the powers of a borough council only when they are carrying out a function that is under the authority of the city council or the Comité exécutif or is connected with a strategic operation.”* (section 57.1).

As a result, although the powers related to the delivery of services belong to the borough councils, the city council can specify minimum limits and the Director General holds the authority with respect to municipal officers and employees involved in strategic issues.

As such, it is reasonable to believe that the Director General should be able to obtain the management information required to evaluate and compare the services offered, guide efforts in conjunction with the business units and, ultimately, report to the city council which has the power to establish minimum standards.

Therefore, we feel that the corporate frameworks should include the content and frequency of the management reports to be submitted to the Director General.

Recommendation

We recommend that the project team assigned to the implementation of the e-Cité/311 network ensure that the content and frequency of management reports to be submitted to the Director General by all business units are included in the corporate frameworks, so as to enable the Director General to evaluate the effectiveness of the processing of client enquiries and report on this to the proper authorities.

Actions proposed by the project team assigned to the implementation of the e-Cité/311 network

“The working document will propose a relevant reporting procedure that will include objectives, performance indicators and management reports.” (Planned completion: June 2007)

MANAGING THE WORKFORCE PLAN

BACKGROUND

As with all major organizations in Québec, the Ville de Montréal and its boroughs will have to face issues of attracting and retaining a workforce.

According to the demographic profile of Québec, the current workforce employed by the City is aging and a large number of retirement departures are anticipated, thus creating an acute need for staff hiring. In fact, on the one hand, even if future downsizing were to occur, the volume of retirement departures is such that it is reasonable to assume that a combination of the two phenomena will create an acute staffing need.

On the other hand, the lack of workers and the scarcity of skills should have an impact on all Québec companies, creating considerable turbulence on the labour market. Correspondingly, it is expected that the hiring problems experienced by companies in the Montréal region could put major pressure on the City's human capital. Therefore, while the City seems to have known relative stability in the area of staff turnover, the coming imbalance in the labour market as a whole is certain to affect the City's ability to retain its resources.

Finally, the profile of the worker has greatly evolved. Today's workers on the job market are more educated and demanding, and they come from various ethnic and cultural origins as well as generational groups. While these phenomena are not new, the current job market situation will exacerbate them, resulting in a more complex hiring environment for all companies in Québec.

Against this backdrop, the Ville de Montréal must adopt a series of measures to enable it to have human resources that are sufficient in quality and in number in the coming years.

METHODOLOGY AND SCOPE

The goal of our audit was to assess if the process carried out by the Service du capital humain (SCH) could lead to the development of a workforce plan (WP) that would meet the City's future staffing needs. More specifically, we assessed whether the methodology used would allow for the

collection of sufficiently accurate information to formulate strategies and action plans to attract, recruit, develop and retain staff in the most vulnerable jobs.

We should first point out that the process carried out up to now has been very good and has provided a great deal of pertinent information for the WP process. The aim of our audit was to highlight areas for potential improvement.

Our work focused mainly on a series of reports and tools produced by the SCH between 2003 and 2007. Among the documents we examined were the *Guide PMO* (WP guide) and tools related to it, as well as the various situational portraits covering, among other things, forecasted retirements for 2005–2009 and the status of the City's foremen and managers.

ANALYSIS OF THE PROCESS CARRIED OUT

Approach chosen to carry out the process

There are three levels of analysis in a WP process.

- **Level I: Staff planning**
Resource renewal approach

The first level of analysis looks at the WP as a process to ensure that the organization has access to resources to meet its current needs. At this level, the WP ensures that if the status quo is maintained, the organization will be able to maintain its activities while having access to resources that are sufficient in number and in quality.

- **Level II: Job forecasting management**
Strategic resource renewal approach

The second level incorporates the first but also looks at the organization's future needs. At this level, the WP also takes into account the organization's future directions. It assesses both current needs and future needs based on the projects put forth by the organization.

- **Level III: Anticipatory management of skills**
Strategic resource management approach

The third level incorporates the first two levels and also takes into account the threats and opportunities created by the evolution of the environment outside the organization. At this level, this analysis looks at the current and future state of affairs, as well as external factors (change in the number of school enrolments, potential competition from other sectors, and so on) and assesses the threats and opportunities in relation to these two items of information.

The documents that we examined tend to show that the approach adopted by the SCH is at Level II. It is an auto-centric approach that assesses current and future needs without determining the threats and opportunities that exist in the direct environment of the Ville de Montréal.

In terms of the assessment of future needs, the information relating to the needs and availabilities of each borough is evaluated in the WP prepared by the SCH. No parallel appears to be drawn with the overall needs of the Ville de Montréal. As for the availability of workers and the needs created by departures, the June 2004 report provides relevant information about foremen, and the November 2004 report about senior managers. We should add to these reports the analysis of retirement forecasts done in April 2005.

Regarding the availability of workers on the market (external to the Ville de Montréal), information is, for all intents and purposes, non-existent. In the report on foremen (June 2004), we find mention that the rate of job placement for graduates in civil engineering technology and architecture technology is 100%. This is the only estimate of availability made for the external market. In the report on senior managers (November 2004), we found a few statistics that paint a portrait for the whole of this population. However, this information is too general and cannot be used to forecast the true workforce availabilities in the direct environment of the Ville de Montréal.

The analysis of external threats and opportunities should also be taken into account. In point of fact, this analysis could help determine the factors that will have an influence on the availability of resources. Forecasts related to the supply of qualified workers (e.g., change in the number of graduates, and so on) must therefore be considered first. Knowing that workforce availability is strongly influenced by demand, competition from other organizations that may have the same workforce needs will also have to be assessed.

Recommendation

To position the process at a more strategic level, the Service du capital humain should collect information on the external environment that may influence the availability of resources.

Actions proposed by the Service du capital humain

“In 2008, the SCH will propose a corporate WP exercise to the City’s business units. A steering committee made up of first level directors will be put in place to validate the preliminary project. The project will then be presented to the Director General and, if necessary, to the Comité exécutif. The proposed business plan will enable the business units to paint a picture of their current workforce, identify vulnerabilities and prepare an action plan to counter them. Vulnerabilities due to shortages will be identified. The kind of information to be collected on workforce availability in the external environment, as well as the collection methods used, will be determined based on the vulnerabilities identified by the business units and the SCH during the WP process.” (Planned completion: December 2008)

The following are some avenues of discussion on jobs that have been identified as priorities and that will help round out the current process:

- What is the outlook for external succession (graduates of educational institutions, immigration targeted by governments, potential transfer from one sector to another, and so on)?
- Are there emerging sectors that could aggravate the shortage situation (e.g., arrival of new specialty companies and development of certain sectors, such as biotechnology, aerospace, new information technology, and so on)?
- Are there potential shortages in other sectors that could affect the stability of the human capital of the Ville de Montréal?

Regarding these questions, the Ville de Montréal should possess accurate statistics to allow it to assess the magnitude of the problem on the one hand, and find solutions on the other. For example, in the case of foremen, the job placement situation for graduates in building technology is said to be excellent. Given this information, has the Ville de Montréal drawn up a list of educational institutions in Montréal and outside the city that offer this kind of training? Has the outlook for graduations over the next three to five years been determined? This type of information would help not only to determine the extent of the shortage, but also to find solutions, such as partnerships

with educational institutions, the establishment of custom-made programs, promotional support for programs, or opportunities to transfer skills from one program to another.

Defining the scope of the process

Beyond the chosen approach, the Ville de Montréal should also question the goals of the process. Its present aim is solely to ensure a renewed workforce in a static environment. It assumes that the two main variables that influence workforce movement—the potential of attraction (ability to attract workers) and the potential of retention (ability to retain an involved and committed workforce)—are stable.

Clearly, the current demographic and economic forecasts tend to show that the job market will evolve rapidly and experience periods of crisis that will affect organizations. It is an illusion, therefore, for any organization to think that it can plan its workforce needs without considering external phenomena.

A strategic workforce plan should include a prospective component whose goal is to improve the ability to attract and retain workers. To do this, it should start with a diagnosis of the current internal and external state of the organization in terms of these two dimensions.

In addition, the current process seems to provide a relatively accurate measurement of the quantitative effect of retirement departures, but these represent only one of the causes for the loss of resources. What is required, therefore, is an exhaustive approach to identifying all the factors responsible for departures. The documents we examined to date do not provide any statistics about the reasons for departures. The only mention made about this subject appeared in the report entitled *Planification de main-d'œuvre—Contremaître—Synthèse des portraits* (June 2004), which indicates that 59 vulnerabilities are due to reasons other than retirement departures. The information is consolidated, however, and could therefore not be manipulated for purposes of understanding the situation. This element is all the more important given that in the report entitled *Portrait de main-d'œuvre des cadres de direction* (November 2004) it is clearly indicated that “other risk factors for departures [...] could double those for retirement departures.” Given this kind of major effect, the Ville de Montréal cannot reasonably do without a detailed assessment of the causes of manager departures, as well as those in all the jobs classified as vulnerable.

Moreover, the current process overlooks the qualitative dimension. The departure of an individual represents not only the loss of a resource but also the loss of skills, for which replacement solutions must be found.

Recommendation

The Ville de Montréal must therefore assess its position regarding the current and future attraction as well as retention of its workforce.

Actions proposed by the Service du capital humain

“The business units will be invited to present the corporate support measures they need to carry out the workforce plan. The SCH will then be in a position to determine the corporate actions to take in the way of studies related to the attraction capability of the Ville de Montréal and the actions required to retain its employees.” (Planned completion: December 2009)

To do so, the SCH must examine:

- Attraction potential
 - How do job seekers and future graduates perceive the Ville de Montréal (organization’s reputation)?
 - How do job seekers perceive organizational attributes (salary, benefits, working conditions, career management, and so on)?
 - How do job seekers perceive job attributes (tasks, team, challenges, and so on)?

- Retention potential
 - Are working conditions, in the broad sense, competitive with those of organizations with the same resource needs?
 - How satisfied are employees and, more specifically, those in jobs classified as “vulnerable”?
 - How satisfied are employees generally with the various human resources (HR) practices of the Ville de Montréal?
 - How satisfied are individuals with management practices?

- Attraction practices
 - What are the current HR branding strategies?
 - What are the current practices in terms of:
 - recruitment?
 - selection?
 - What processes are in place to manage the integration of new employees?

- Retention practices
 - How effective are HR services currently perceived to be?
 - What are the actual practices in terms of:
 - organization and working conditions?
 - development and employability?
 - career management?
 - departures management?
 - management and leadership?

Positioning the role of the SCH in the process

Based on the documents we examined, the SCH seems to be positioning itself as a business partner to various units, helping them meet their future workforce needs. This is certainly a very important role and one that should not be overlooked. HR's mandate should therefore be not only to guide and raise awareness among the units, provide them with tools and coach them, but also to control and validate the quality of the information. This role is clearly set forth in the mission of the SCH: "to offer expertise and advice to managers, so as to encourage the development of an organization that is focused on the citizen [...]" This is also in complete agreement with one of the SCH's development axes related to workforce planning and the evolution of structures: "[...] make available to boroughs and corporate services the tools to analyze, plan and develop their workforce [...]"

However, the SCH must also take on a strategic leadership role in the workforce planning file. As such, it must be able to not only draw an overall picture of the situation and keep Ville de Montréal authorities informed as to the issues and challenges, but also develop overall strategies to maximize resources. This point is clearly expressed in the mission of the SCH, which stipulates that it must "exercise corporate leadership in the management of human capital, put forward directions, programs and services in line with the strategic plan of the Ville de Montréal."

Given the extent of the shortage and broad scope of the staffing challenge that the Ville de Montréal will have to face in the coming years, this leadership role will need to translate into corporate programs that optimize resources. Moreover, it is clearly stipulated in the description of the responsibilities of the Division de la gestion des programmes corporatifs de main-d'œuvre that it "must develop corporate workforce and succession programs." This measure must respect the autonomy of the various business units of the Ville de Montréal and should also be in line with a broader vision that will enable the City to face more general issues. This is consistent with three of the five roles of the SCH, namely:

- to be a strategic partner to the boroughs and corporate departments in carrying out their business plans;
- to be an agent of change in the management of human capital and the mobilization of employees; and
- to be a promoter of quality in the management of human capital by encouraging the respect, fairness, feeling of belonging, well-being and development of its employees.

The leadership exercised by the SCH is all the more important given that the boroughs do not seem to have a comprehensive view of the current job market situation. In fact, in the report entitled *Planification de main-d'oeuvre—Contremaître—Synthèse des portraits* (June 2004), 81% of HR practitioners in the boroughs indicated that they "[...] are not interested in a new succession plan." In the same vein, the practitioners stated that: "[...] recruitment seems to be an appropriate solution to consider when filling permanent foreman positions," a statement that is inconsistent with the same report's findings of a shortage.

Recommendation

From a strategic standpoint, the Service du capital humain must assume a leadership role in maintaining a comprehensive view of the workforce needs of the Ville de Montréal and in setting more general strategies to maximize all resources.

Actions proposed by the Service du capital humain

"In keeping with the mission statement that was clearly laid out in its 2006–2008 business plan, the SCH will exercise its corporate leadership in the area of the WP. A corporate action plan will frame the work of the business units. Tools and counselling services will be offered to the business units. Through its 2008–2010 IT business plan, the SCH will be in a position to provide an efficient computer support system that will make it possible to access information on the current workforce

and capture information produced by the business units as part of their WP work. This repository of yearly workforce plans and corporate support requests will enable the SCH to determine the corporate actions needed to optimize similar actions taken by the business units and to provide follow-up and business intelligence.” (Planned completion: December 2008)

Specifically, the vulnerability of various jobs is currently assessed by each unit, but there does not seem to be any tools to control how these various sources of vulnerability are determined. As stipulated in the report entitled *Portrait de main-d'œuvre des cadres de direction* (November 2004), “[...] a recognized workforce planning principle is that the strength of any good workforce diagnosis rests on quality information.”

The SCH should be able to rely on a certain amount of statistical information to assess the discrepancy between vulnerabilities determined by the units and the historically observed average. For each of these indicators, the SCH should compile data observed over the course of the past five years and attempt to project levels for the coming five years. Having the greatest number of indicators possible is preferable to forecast changes in the workforce, in particular:

- turnover rate;
- sick leave (actual, short-term and long-term);
- maternity leave; and
- others.

The SCH must therefore have all the information it needs to maximize available resources in all the units. It must also attempt to draw a detailed picture of available skills and look into opportunities to transfer these skills from one unit to another, should it be necessary.

Recommendation

The Service du capital humain should plan for a data control and validation mechanism in connection with the operational support that it provides to the various business units.

Actions proposed by the Service du capital humain

“The basic data concerning the current workforce will be supplied by SCH and will be subject to validation and control by the business units, which will be supported in their work through training, standardized tools and an expert guidance service. This support will be subject to a quality assessment in terms of services provided to the business units. Lastly, the SCH will analyze the

standardized action plans produced by the business units in order to validate their quality and provide compliance feedback.” (Planned completion: May 2009)

Components of the WP process

A workforce planning process should generally include three components: the assessment of future needs and available resources, the assessment of the potential for developing internal resources and maximizing resources, and lastly, action strategies.

At this stage of the process, subject to the pre-set limits of our audit, the first component related to assessing future needs and available resources seems to be on the right track.

This said, the assessment of the succession potential seems to have been left to the goodwill of the various units. In order to maximize available resources, the succession plan should provide a comprehensive view of the succession while respecting the decentralized nature of decision-making. The Ville de Montréal should also ensure that all employees identified as having potential have been consulted and assessed as to their interest in growing within the organization. Currently, no succession plan has been made available to the various business units. Having this type of program would allow for relevant information to be collected on the pool of skills available to the City. Obviously, this type of program can only be possible if the various business units agree on a common skills assessment and definition grid, which is not currently the case. One excellent initiative that deserves mention is that of Le Sud-Ouest borough, which announced the launch of a foreman succession management program in November 2007. This program should be followed closely since it could become a model for other boroughs in the future.

The third component is presently at the embryonic stage, since the process is still in development. The solutions proposed in various documents seem to be limited and are not part of an overall strategy. The current context of a workforce shortage is serious, and a systematic approach must be taken. On this account, the process does not seem to present an employer position that can guide the choice of various strategies.

Recommendation

In terms of the evaluation of the succession potential, the Service du capital humain should ensure that it draws a detailed picture of the career and development interests of all employees of the Ville de Montréal.

Actions proposed by the Service du capital humain

“Upon completion of the workforce (PMO) and vulnerabilities evaluation by the business units, these units, which are responsible for their own staffing, must define their workforce renewal strategy and assess their succession potential. Once they are in a position to better know their employees’ interests, they will be able to use the data to draft an action plan based on their vulnerabilities. They will also be able to search the data available in the corporate workforce system to identify employees with résumés and interests that could motivate them to choose a career in their field. In fact, as part of its computer business plan, the SCH plans to develop a self-serve application in 2008 that would enable employees to update their résumés, make their career interests known and submit an application when there is a call for candidates for hire or for a succession program. For its part, once the SCH has obtained the business unit vulnerability and workforce plans as well as its corporate analyses, it will be able to determine the overall workforce situation and recommend the implementation of corporate measures to support their action plans and ensure that the Ville de Montréal is vigilant in this matter. Finally, it is important to mention that it is up to employees to make their career interests known and to apply for a position when it is posted. The employer’s responsibility is to inform employees of its needs and the different ways to become eligible for positions, as well as intervene based on the vulnerabilities that have been identified.” (Planned completion: December 2009)

SERVICE CONTINUITY PLAN—CIVIL PROTECTION

BACKGROUND

Under the *Civil Protection Act* (R.S.Q., c. S-2.3) (the Act), regional authorities must, in cooperation with the local municipalities, establish an emergency preparedness plan for their entire territory, setting objectives to reduce their vulnerability to the risk of disasters and outlining the actions required to achieve these objectives. According to the provisions of this Act, the Ville de Montréal is considered to be a regional authority.

In order to ensure the protection of:

- individual and corporate residents, their property and their environment;
- employees, in the event of an emergency;
- facilities and systems that play a critical role in maintaining essential services for residents during and after an emergency;

and to comply with the *Civil Protection Act*, Montréal's agglomeration council has adopted a civil protection policy for the agglomeration of Montréal known as the *Politique de sécurité civile de l'agglomération de Montréal* (the Policy).

This policy, which is now divided up according to mission rather than department, was reworked following the municipal demergers and was adopted by the agglomeration council on September 28, 2006. It calls for a certain number of plans to be produced by corporate departments, boroughs and related municipalities with respect to civil protection missions at the local and agglomeration levels. The emergency preparedness plan of the agglomeration of Montréal, which, according to the Policy, is the cornerstone of its civil protection planning, is made up of three parts:

- The central module, which contains the general provisions of the plan;
- The agglomeration mission plans, which are managed by the corporate departments, paramunicipal organizations and external organizations; and
- The local mission plans, which are managed by the boroughs of Montréal and other related municipalities.

There are four local missions and 10 agglomeration missions.

The Policy also calls for each of the entities (corporate departments, boroughs, related municipalities) to draft an overall emergency response plan as well as a disaster recovery and business continuity plan. However, only the “mission” component is an integral part of the emergency preparedness plan.

Similarly, the Policy outlines the decision-making powers of the various entities, including the Emergency Preparedness Centre (EPC). The role of the EPC is to:

- Prevent emergencies and manage major risks;
- Improve preparedness of residents, boroughs and corporate departments of the Ville de Montréal, and other related municipalities; and
- Provide strategic support in the coordination of public safety responders in the event of an emergency and during subsequent recovery operations.

The EPC must also oversee the production of the civil protection plan and the emergency preparedness plan and ensure the involvement of the Organisation régionale de sécurité civile of the Gouvernement du Québec to achieve this aim. It is also responsible for the agglomeration mission of strategic management of coordination when emergency measures are initiated.

METHODOLOGY AND SCOPE

Our audit objectives were to ensure that:

- 1) the various plans (local and agglomeration missions) will be established based on an approved schedule and that they will be consistent with the frameworks provided; and
- 2) information assets that are essential to the proper functioning of certain missions are supported by an effective business continuity plan.

Accordingly, the legislation, standards and policies of the Ville de Montréal and best industry practices served as evaluation criteria.

In order to achieve our first objective, we identified certain high-priority entities, activities and systems and determined the civil protection mission for which each had been designated as a key administrative unit:

- Production of drinking water (essential infrastructure assets);
- Wireless/landline telephony and radio communications (logistical support–agglomeration).

For the plans we reviewed, we examined the controls and development processes in place as well as the work completed thus far. During the course of our audit, we confirmed with key individuals whether the schedule set at the beginning of the project was still realistic considering the amount of work left to do.

The second objective was achieved via the review of a few select IT systems and operations deemed emergency response priorities. The services and activities covered by this review were:

- telecommunications (logistical support–agglomeration);
- radio communications (logistical support–agglomeration);
- production of drinking water;
- the Service de sécurité incendie de Montréal (SIM); and
- the Service de police de la Ville de Montréal (SPVM).

In particular, we examined the recovery controls in place in the event of a breakdown of facilities or equipment and the incorporation of redundancies and alternative procedures necessary for the continuity of certain operations that are essential to the missions.

We did not conduct a detailed analysis of the local and agglomeration mission plans since the goal of our audit did not include a review of the operational methods and means described within these plans.

OBSERVATIONS AND RECOMMENDATIONS

Governance

As specified earlier, under the *Civil Protection Act*, regional authorities must develop a civil protection plan. For the moment, however, this plan is not required given that the regulations related to this document have not yet been adopted by the Gouvernement du Québec. The Act states that a draft civil protection plan must be submitted within two years following the date that this requirement becomes applicable to the regional authority. In preparation for this, and in order to structure the entire process and operations related to civil protection, the *Politique de sécurité civile de l'agglomération de Montréal* was adopted and requires the production of a specified number of plans from corporate departments, boroughs and related municipalities. A section within the latter plan is devoted to the decision-making process for the senior management of the Ville de Montréal.

Roles and responsibilities

In an emergency response scenario, a lack of clarity with respect to the roles and decision-making processes at the higher levels can generate confusion and tension. In order to avoid such situations and shed light on the roles and responsibilities of the various parties involved in ensuring civil protection, the *Politique de sécurité civile de l'agglomération de Montréal* has specified the powers of each, in both emergency and non-emergency situations. Furthermore, the Policy provides the guidelines for the decision-making processes of 11 entities likely to be involved in matters of civil protection, including the agglomeration council, the mayor of Montréal, the Director General of the Ville de Montréal, the mayor of the concerned borough or other related municipality and the managers of the borough or other related municipalities. In addition, specific responsibilities and roles are assigned to other entities, such as the Commission de la sécurité publique (public safety committee), the Comité de sécurité civile de l'agglomération de Montréal (civil protection committee of the Montréal agglomeration) and the Emergency Preparedness Centre.

The Comité de sécurité civile de l'agglomération de Montréal brings together all stakeholders involved in the various civil protection missions. The boroughs and related municipalities are represented on the committee by five participants (one from the former Ville de Montréal, two from related municipalities and two from the former suburban municipalities). These members contribute to the implementation of local and agglomeration missions. The committee is responsible for developing the emergency preparedness plan (which includes the local and agglomeration mission plans), updating it on a regular basis, overseeing its operationalization and ensuring that it is approved for recommendation to the appropriate bodies. The committee does not, however, have any administrative powers that would allow it to require stakeholders to produce their plans within a specific timeframe or using a standard format.

In addition to the tasks already mentioned, the Emergency Preparedness Centre (EPC) is responsible for producing an annual report on the state of preparedness, as specified in the Policy. In order to effectively carry out its mission, the EPC uses the plans of various stakeholders to determine, for example, the way in which a specific situation will be handled and by whom. In addition, in order to complete the annual report, the EPC distributes an annual self-assessment questionnaire to the various stakeholders on key components of the plans. The availability and accuracy of the information provided greatly facilitates the execution of these responsibilities. In the current context, however, the EPC must repeatedly remind certain stakeholders to forward their plans and questionnaires. We were informed that the EPC sometimes sent out as many as three reminders to obtain the plans and questionnaires of certain boroughs or related municipalities.

Although the EPC assumes all of these responsibilities, it does not have any administrative authority to enforce compliance with the civil protection policy, especially as concerns the production of various mission plans, the formats used and the timeframes for producing them. Accordingly, compliance is dependent entirely on the goodwill of those involved, which means that deadlines often get pushed back.

Emergency response and recovery

The primary goal of a civil protection mission plan (at the local and agglomeration levels) is to ensure the effective delivery of services during a major emergency by establishing the responsibilities and functions of the various parties involved with respect to emergency response. This plan helps minimize confusion between the time the emergency occurs and the eventual return to normalcy, thereby ensuring the optimal planning and coordination of the emergency response and the re-establishment of control.

In order to ensure that the local and agglomeration mission plans specified in the *Politique de sécurité civile de l'agglomération de Montréal* are developed, the EPC has established a deadline for their production in conjunction with the Comité de sécurité civile de l'agglomération de Montréal. This deadline, originally set by the EPC for December 31, 2006, when the Policy was presented to the agglomeration council, was later extended to December 31, 2007, in anticipation of an emergency simulation to be held in spring 2008.

To facilitate the work of those in charge of drafting a mission plan, the Emergency Preparedness Centre:

- assigned a member of its team to oversee each of the agglomeration missions, as well as each of the local mission plans for the boroughs and related municipalities;
- established a calendar for the various steps involved in producing a final plan for the various missions;
- established a model (template) in order to facilitate the development of the various plans; and
- met individually with the mission and activity coordinators and responders to explain the reasoning behind this new mission-based approach, what it involves and the timeframe for the corresponding tasks.

The submitted template is divided into eight parts for agglomeration mission plans. The stakeholders mutually agreed that only parts one through five would be completed by the December 2007 deadline.

According to the existing Policy, the EPC does not have the authority to require all of the administrative units (corporate departments, boroughs, related municipalities) to produce these parts or any other components.

After the production of the mission plans, other steps requiring the cooperation of all stakeholders will be necessary to eventually produce the civil protection plan, including determining the protection objectives and actions and conditions necessary to achieve them. In this regard, a rough schedule including all of the preparatory steps necessary to executing the plan was presented to us. This schedule, established in 2003, comprises several steps over about a four-year period. However, thus far the deadlines have not been followed and the entire process is behind schedule. The main reason for the delay has been the lack of government regulations that would make it possible to objectively set the necessary deliverables and deadlines. It is therefore impossible for the moment to determine whether the progress made up to now will allow the plan to be produced by the date indicated by government authorities.

Recommendations

In order to promote the effective management of the overall civil protection process for the Montréal agglomeration, we recommend that the Direction générale:

- a) confirm the role of the Emergency Preparedness Centre as regards the development and implementation of the Policy, civil protection plan and emergency preparedness plan;**
- b) grant the necessary powers to the Emergency Preparedness Centre to establish and enforce a production schedule for this purpose; and**
- c) ensure that the decision is shared with and understood by all of those who play a role in civil protection missions.**

In order to effectively channel the energies of all those involved, facilitate reporting during the steps following the preparation of the civil protection plan and keep the relevant authorities informed, we recommend that the Emergency Preparedness Centre keep a running progress report on the various steps involved in the plan.

Actions proposed by the Direction générale

“Positions established by the Director General:

- a) Confirmation of the role of the Emergency Preparedness Centre (EPC) in the development and implementation of the policy, the civil protection plan and the emergency preparedness plan;*

- b) *The Director General assumes ultimate accountability for the state of preparedness and production schedule. The EPC will report any delay in the established deadlines to the Director General;*
- c) *These positions will be conveyed to the borough directors and corporate department heads at a senior management committee meeting.” (Planned completion: May 2008)*

Actions proposed by the Service de sécurité incendie de Montréal (Emergency Preparedness Centre)

“The Emergency Preparedness Centre will update its global draft schedule using MS Project. This schedule will make it possible to estimate the preparation time required to produce the future emergency preparedness plan for the agglomeration of Montréal.” (Planned completion: April 2008)

Civil protection status report

Assessment of mission plans

The Policy specifies that an annual report on the status of emergency preparedness of the corporate departments, boroughs and other related municipalities must be produced and submitted to the agglomeration council. This report should comprise at the very least a list of the elements that satisfy requirements, those where improvements are required, and a summary of the current state of emergency preparedness. Following the municipal mergers of 2002, the Emergency Preparedness Centre developed an assessment grid to analyze the quality of the various plans produced. This gave the Centre a clearer idea of the level of preparedness (at that time) of the Ville de Montréal with respect to major emergencies so that it could issue well-informed opinions on the situation.

The restructuring of plans based on missions made this grid unusable because some of the reference criteria had to be changed (e.g., additional activities were established and specific action plans were created). The lack of a standardized grid to ensure the long-term relevance of the analysis complicates the process and makes it difficult to issue conclusions or overall assessments. In fact, the report produced in March 2007 does not contain any conclusions on the situation as of December 31, 2006, unlike the report for 2004. Note that no report was produced for 2005, because of the reconstitution of certain municipalities that took effect on January 1, 2006. In this context, the most recent report, dated 2007, focuses on listing the major achievements made

during the year in terms of civil protection, the observations and recommendations drawn from a self-assessment exercise completed by stakeholders and the civil protection action plan for 2007, based on comments gathered from corporate departments, boroughs and other related municipalities. The lack of a standardized grid that does not change over time to analyze the plans (including the progress made to date, based on a certain number of completed and up-to-date sections) means the EPC cannot issue a yearly statement on the quality of the plans produced or make well-informed comments about the level of preparedness in terms of civil protection and share this information with concerned parties, even though this is precisely one of the key aspects of its mandate.

Recommendations

In order to assess the quality of the various mission plans produced by the numerous stakeholders within the agglomeration and evaluate the level of preparedness in terms of civil protection, we recommend that the Emergency Preparedness Centre:

- a) adopt and apply a grid using criteria that enable it to assess the quality of the various plans and that will be relevant over the long term; and**
- b) define and obtain approval from the Comité de sécurité civile de l'agglomération de Montréal for the civil protection elements that the status report on preparedness for the corporate departments, boroughs and other related municipalities should contain.**

Actions proposed by the Service de sécurité incendie de Montréal (Emergency Preparedness Centre)

- a) "The Emergency Preparedness Centre has developed a revised grid of criteria. (Planned completion: January 2008)***

This grid will be used in 2008 to assess the plans (Planned completion: November 2008);

- b) A questionnaire will be submitted to the Comité de sécurité civile de l'agglomération de Montréal in order to review the elements of the status report on preparedness. (Planned completion: November 2008)***

Establishment of analysis criteria and validation by the Comité de sécurité civile de l'agglomération de Montréal." (Planned completion: November 2008)

Agglomeration missions

The EPC has versions of emergency response plans organized according to department. These plans, established based on corporate activity centres, were all produced after the 2002 municipal mergers and subsequently updated more or less recently depending on the department (between 2002 and 2005). In addition to the fact that these plans may omit some activities that are now included in the various agglomeration missions (e.g., coordination of infrastructure-related activities), a number of organizational changes affecting central departments have occurred since this time. All these changes in organizational structure may compromise the relevance of some of the plans in the EPC's possession and justify the need to update all of the plans using the new mission-based format.

At the time of our audit, only two of the ten agglomeration mission plans required under the most recent *Politique de sécurité civile de l'agglomération de Montréal* had been completed. The others were at varying stages of development. Moreover, given that none of the parts of the plans still under development had been approved by the divisions in charge of the missions, many respondents chose not to provide us with a preliminary copy. However, for each of the missions examined, respondents were working on their production in conjunction with a resource person from the Emergency Preparedness Centre. A provisional schedule, covering the various preparatory stages, had been produced by EPC staff and submitted to as well as reviewed with the individuals in charge of the missions. The following are the observations made about some of the missions we reviewed.

Essential infrastructures

We contacted the person in charge of drafting the mission plan on essential infrastructure assets and those responsible for this mission at the EPC. According to the information gathered, the activities covered by this mission are as follows:

- Main Arteries;
- Critical intelligence or advisory support (energy, telecommunications);
- Water management;
- Power supply.

The activities included in this mission fall entirely within the purview of the Service des infrastructures, transport et environnement (SITE). Even though, at the agglomeration level, public works operations are delegated to each of the boroughs and related municipalities, the organization

of activities that are part of the “essential infrastructures” mission requires a review of the entire plan in order to take into account such factors as the necessary coordination between these entities. The agglomeration mission brings together all of the high-level expertise in infrastructure-related fields, particularly energy and telecommunications. This expertise, which is grouped together according to activity, was not presented in this format in the previous department-based emergency plans. Moreover, within this mission, an activity comprises tasks that go beyond the usual mission of the administrative unit in question (e.g., energy). Under these circumstances, some thought is therefore required prior to drafting the mission plan since there is no easily accessible reference document to consult. In light of all of this, the writing of this mission plan has been a much more complex undertaking than other plans.

Based on the information obtained prior to the production of this audit report, a good deal remains to be done before the mission plan can be completed. Changes in the staff responsible for certain activities has also complicated matters and slowed down the development process. However, in order to facilitate the writing and consultation process in the future, a detailed outline was developed in October to ensure a similar document structure to that of the local “public works” missions, and a mission statement was written. The EPC was still awaiting the first complete draft and no deadline other than December 31, 2007, had yet been established.

Recommendation

In order for the “essential infrastructures” agglomeration mission to be consistent with the other civil protection missions and adequately documented, drafted and approved as soon as possible, we recommend that the Service des infrastructures, transport et environnement allocate and mobilize the required resources to carry out this initiative and work out a revised schedule with the Emergency Preparedness Centre.

Actions proposed by the Service des infrastructures, transport et environnement

“Agreement reached with the EPC for a draft ‘essential infrastructures’ mission plan to be made available on March 30, 2008. (Planned completion: March 2008)

Analysis and development of an internal action plan to implement the mission plan methodology validated by management. (Planned completion: May 2008)

Implementation of selected actions.” (Planned completion: December 2008)

Logistical support–agglomeration

The “logistical support–agglomeration” mission, as one of the civil protection agglomeration missions, includes activities that fall under the authority of various administrative units such as the Direction des immeubles, the Direction du matériel roulant et des ateliers, the Direction de l’approvisionnement and the Direction des technologies de l’information.

We contacted the respondent for the agglomeration mission and the representative of this mission at the Emergency Preparedness Centre. According to the information obtained during the course of our audit, some sections of the plan have already been developed and reviewed by the EPC representative. This was the situation more than three months prior to the deadline set for the delivery of the mission plans. However, at the time this audit report was being written, the respondent for the agglomeration mission was transferred to another position. Based on the information obtained in early December 2007 from the EPC representative, the mission plan is close to being complete and will be delivered by the initial deadline, only it will not be presented to the representatives of the administrative unit responsible for the mission before the end of the year. The first version of the plan was produced in January 2008 and is awaiting comments from the EPC.

Human resources directory

One of the important and necessary stages of each of the mission plans involves the creation of a human resources directory. This document contains a list of all of the emergency respondents and their emergency contact information. A printout is provided by the EPC to each of the individuals whose name appears in the directory. It is updated at least once a year. One of the criteria for a successful plan is an effective updating mechanism. Once the plan is complete, the directory is the most likely element to be modified on a regular basis in response to administrative restructuring and staffing changes. Generally speaking, each of the mission respondents is responsible for manually updating this information, although for some this represents a challenge since they oversee the activities of several departments. This is the case, for example, for the “logistical support–agglomeration” mission.

The Ville de Montréal currently runs several software applications with contact information for its employees. Each of these applications contains its own kind of information and its own updating methods. Some also contain personal information. The access and security rules in place to protect the confidentiality of personal information sometimes block certain individuals from obtaining the

information they require. According to the respondent for the “logistical support–agglomeration” mission, none of these applications provide comprehensive, current information that could be used to update the various civil protection mission respondents. An application of this nature, which would provide authorized individuals with the type of information they require, would greatly facilitate their updating tasks and reduce the risk of error.

Recommendation

We recommend that the Emergency Preparedness Centre, in conjunction with the Service des affaires corporatives, develop or modify a computer application to enable the viewing and updating of information on individuals assigned to civil protection missions for the Montréal agglomeration. This application should allow mission coordinators to immediately update the human resources directory in their mission plans and allow authorized individuals to have access to the information they need in emergency situations.

Actions proposed by the Service de sécurité incendie de Montréal (Emergency Preparedness Centre)

“Analysis of available products. (Planned completion: April 2008)

Purchase of an interactive computer application to update the database of individuals who have a role to play in the event of an emergency situation and to notify or mobilize these contacts automatically and more quickly. In conjunction with the Direction des technologies de l'information. (Planned completion: May 2008)

Testing and rollout.” (Planned completion: June 2008–May 2009)

Continuity plan

A continuity plan is an essential component of a computer security plan. It covers all of the scenarios involving an interruption in computer service, as well as all temporary and remedial measures applicable in each of these situations in order to ensure the continuity of services either on site or off. This definition can also apply to resources other than computers, such as production facilities (e.g., drinking water production facilities), since the objective is the same, namely to identify and implement various measures to enable the continuity of operations. Best practices

(including COBIT 4.1) stipulate that a continuity plan must at the very least include the following activities:

- implement a governance structure;
- determine the computer assets essential to business processes;
- assess the risks to these assets in the event of an emergency and evaluate the resulting impacts on their availability;
- determine and implement a strategy to mitigate these impacts;
- determine the maximum tolerable downtime (MTD);
- test established continuity measures; and
- document and update the continuity plan.

To ensure that the main systems used for priority agglomeration missions were included in these plans, we focused primarily on the first four elements mentioned above for the following systems, activities and services:

- Telecommunications;
- Radio communications;
- Infrastructures—drinking water;
- Service de sécurité incendie de Montréal;
- Service de police de la Ville de Montréal.

Governance

Business continuity is an important part of emergency response. It makes it possible to keep key operations or equipment running during an emergency, despite the resulting downtime of several regularly used infrastructures or facilities. In this context, it is essential that a directive pertaining to the continuity of service be issued to ensure the continuity of business processes, especially with regard to information technologies.

This directive could contain:

- a statement of guiding principles regarding the continuity of processes or procedures in line with business objectives (e.g., each business process would be classified according to how critical its availability is); and
- an allocation of specific responsibilities to various parties with regard to the continuity of IT services (e.g., implementation of preventive, detective and corrective measures designed to meet specified needs in terms of the continuity of IT services for administrative entities).

During the course of our mandate, we ascertained that a draft directive of this nature on the management of the continuity of IT services had been prepared. This document includes guiding principles, the responsibilities of the various individuals involved in the process and the corresponding reporting mechanisms. Moreover, we were informed that a standard will accompany this directive. At the time of our audit, the document had been submitted to the Comité de sécurité de l'information of the Ville de Montréal for approval. However, until it is officially approved, stakeholders cannot be required to comply with its provisions. In addition, no standards can be applied to the management of the continuity of IT services.

Recommendations

We recommend that the Direction générale approve the directive on the management of the continuity of IT services.

We recommend that the Service des affaires corporatives coordinate the development of standards related to this directive so that the administrative units can comply with them as quickly as possible.

Actions proposed by the Direction générale

“Finalize and submit the directive on the management of the continuity of IT services to the Director General for approval.” (Planned completion: May 2008)

Actions proposed by the Direction des systèmes d'information

“The Direction des systèmes d'information will develop a standard that will define the steps to take with respect to the management of the continuity of IT services.” (Planned completion: December 2008)

IT service continuity coordinator

The aforementioned draft directive calls for an IT service continuity coordinator to be named for the entire City. Based on the document we were given, this position involves:

- “creating a continuity framework for IT services that defines the steps to be adopted based on risks, rules and structures in order to document the IT service continuity plan and the corresponding approval procedures”;

- “harmonizing IT service continuity practices with emergency measures practices of the Ville de Montréal.”

Although this position is very important in terms of IT support for the EPC, nobody has yet been officially named to the role.

Moreover, business continuity involves a number of other important aspects in an emergency scenario, including human capital, supplies (suppliers) and facilities (buildings). We feel that it would be appropriate for such coordinators to be named for the entire City as well, so that the EPC, the body responsible for coordinating operations at the agglomeration level, can be briefed more promptly on the status of business recovery and continuity operations. In fact, the *Politique de sécurité civile de l'agglomération de Montréal* requires the production of such plans. Similarly, the coordinators could help the Comité de sécurité publique de l'agglomération de Montréal report on the status of recovery operations in their respective areas. In addition, a joint report on the situation in terms of recovery and continuity could be produced. Currently, the continuity of services is part of each of the mission plans, but a coordinator has not been appointed in these areas for the entire City. Consequently, nobody has harmonized service continuity practices with the agglomeration's emergency measures practices.

Recommendations

We recommend that the Direction générale, in conjunction with various IT representatives, name an IT service continuity coordinator when the directive in this regard is adopted to facilitate the harmonization of IT service continuity practices with those of emergency measures.

We also recommend that the Direction générale, in conjunction with the various agglomeration mission coordinators, name a recovery and service continuity coordinator for each area related to human capital, infrastructures and supplies in order to facilitate the harmonization of service continuity practices in these areas with those of emergency measures.

Actions proposed by the Direction générale

“Based on the recommendation of the units involved, name a recovery and service continuity coordinator for the following areas:

- *information technologies;*
- *human resources;*
- *infrastructure;*
- *procurement.” (Completed: March 2008)*

Agreement between the business units and the DTI

The owner of the various computer assets is responsible for determining:

- which assets are essential to its operations;
- the maximum tolerable downtime for these assets, if applicable; and
- which means should be implemented to minimize risk should the maximum tolerable downtime be exceeded, on the basis of a risk and impact analysis for various scenarios.

Some of the information assets we studied in our audit are currently managed by the DTI (radio communications), while others are operated by the division or department concerned (SPVM–SITI II). In the context of shared management of information assets, and more particularly in the case of assets used for emergency measures, it would be appropriate to have a service agreement in place between the two parties that clarifies the expectations, roles and responsibilities of the various parties involved. However, there is currently no directive that requires these owners to conclude these types of agreements with the DTI. As a result, there is a risk that some needs involving important information assets will not be adequately met. A directive stating that a certain type of service agreement is required in these situations would help ensure that expectations are clear and that owners' priorities are being upheld.

Our audit showed that there are currently five agreements of this nature with the various departments or divisions of the Ville de Montréal, including two involving departments covered by our audit (SPVM and SIM). In our examination of these two agreements, we ascertained the following:

- In one case, the agreement was not based on specific service standards, but rather on the number of individuals and the amount of financial resources made available to the DTI to accomplish the tasks required by the department (SPVM);

- In the other case, the agreement for 2007 was not complete, specifically as it pertains to the recovery time objective for applications, which had not yet been established (SIM).

Recommendations

In order to ensure that the expectations, roles and responsibilities of each stakeholder are well defined and a clear distinction is drawn between the owners of information assets and the DTI, and in order to facilitate the management of the agreements between them, we recommend that the Service des affaires corporatives:

- a) coordinate the development of a directive requiring the development and conclusion of a service agreement between the parties in the event that information asset owners delegate certain operations to the DTI, especially as regards information assets used for emergency measures;
- b) ensure that such agreements are concluded with other information asset owners using DTI services;
- c) develop a standardized template for this type of agreement, complete with a continuous updating process. The template should include, at the very least, the service standards agreed upon by the parties with respect to critical applications;
- d) finalize the current agreement using the new template, especially as regards recovery time objectives; and
- e) use this template for all new agreements.

We also recommend that the Direction générale approve this directive once it has been developed.

Actions proposed by the Direction des systèmes d'information

“The Direction des systèmes d'information will:

- a) *develop a directive for service agreements between the DTI and information asset owners who delegate certain operations to the DTI (Planned completion: January 2009);*
- b) *conclude agreements, as required, with other information asset owners using the services of the Direction des systèmes d'information (Planned completion: December 2009);*
- c) *develop a standardized template for service agreements and implement a process for updating this template (Planned completion: January 2009);*

- d) *finalize the current service level agreement using the new template (Planned completion: July 2009); and*
- e) *use this template for all new agreements.” (Planned completion: December 2009)*

Actions proposed by the Direction générale

“Present a directive to the Director General regarding the service agreements between the DSI and the owners of information assets used for emergency measures. This directive will include a reporting mechanism.” (Planned completion: January 2009)

Telecommunications

Telecommunications represent an important component of emergency response operations in that they are the first means of contact between the various respondents.

Wireless and landline telephone services

The landline telephone service currently uses the Centrex system, which belongs to its supplier (Bell Canada). The telephones themselves are owned by the Ville de Montréal. Bell Canada is the main supplier and is ultimately accountable for providing this service. The resources of the DTI and other key services (SIM, SPVM) provide their support when necessary. In the case of a power outage, telephones will lose their extra features (caller display, number storage, etc.) but can still be used for their essential communication purpose. Experience has shown that this system is very reliable.

The fact that the Ville de Montréal deals with three prominent suppliers (Bell, Telus and Vidéotron) for its telecommunications ensures continuity in the event one supplier is experiencing problems. However, the competition currently facing companies in this sector could affect the reliability of their service, especially in matters of public safety. This situation introduces an additional risk that could hamper the future reliability of telecommunications systems.

Wireless telephone service is also provided by several different suppliers. The system infrastructure used to route calls belongs to the suppliers. For users of this technology, the two most important risk factors with respect to the availability of service, according to the people we contacted, are subzero weather (which considerably compromises call quality) and network congestion (which sometimes prevents calls from going through at all). The ice storm in 1998 proved that cellular

phones are less effective under these circumstances. Also, when a major emergency occurs and many users try to place cell phone calls at the same time, the existing infrastructure is not sufficient to handle them all and the network becomes congested. In addition, unlike landline telephones, the current infrastructure for wireless telephones does not allow certain calls to be prioritized, specifically those to public services (9-1-1).

Modifications in conditions following a call for tenders

During the course of our audit, the Direction des technologies de l'information (DTI) of the Service des affaires corporatives issued three calls for tenders (in July 2007) and received bids for landline and wireless telephone and telecommunications services. Although the calls specify that the services must be offered in the boroughs derived from the former suburban municipalities, the former Ville de Montréal boroughs, reconstituted municipalities, the SPVM, the SIM and the various municipal and paramunicipal agencies, the agreement signed as a result of this call for tenders focuses for the moment solely on providing telephone service to the City's central departments, including the SPVM and SIM, as well as the former Ville de Montréal boroughs. The call for tenders includes the transfer of ownership of networking information assets to the chosen supplier, as well as the transfer of a part of the Voice over Internet protocol (VoIP) telephone service. Although the main advantage of VoIP technology is its lower cost, it also introduces certain types of risks to the voice transmission networks that are virtually non-existent with traditional networks.

Using VoIP technology to transmit calls involves the same kinds of risks to the hardware and software as data transmission applications, namely:

- Cutoff and unavailability during power outages (unless there is a generator at each of the buildings where the service is provided). Given that the activities of the Ville de Montréal do not necessarily take place at a physical location where a generator is present, there is an additional risk of telephone service not being available during a power outage;
- Network congestion, which would result in the lack of availability of a line when placing a call;
- Lack of service as a result of software viruses. In addition, if the system is hacked into, both the voice and data networks could be shut down simultaneously;
- Compromised privacy of calls.

The outsourcing of the telecommunications network of the Ville de Montréal (excluding the SPVM network), as indicated in the call for tenders, makes the system completely dependent on the service provided by the supplier and, consequently, on its ability to maintain network service. If a major emergency strikes, although the Ville de Montréal may be a major client for the supplier,

there is a risk that other clients would also be affected and in need of attention. The call for tenders does not include any special provisions that would ensure that the Ville de Montréal would be given priority treatment in terms of the resumption of services during an emergency situation. Priority is generally established within an equipment recovery plan, which the supplier is committed to respecting. The lack of a recovery plan or the omission of this element in the recovery plan could slow down or jeopardize the execution of certain security missions or tasks.

The person responsible for these calls for tenders indicated to us that the Ville de Montréal was very aware of the risks associated with VoIP technologies and that performance guarantees (expected service standards), established using specific metrics (e.g., time required to re-establish service following a power outage must be equal to or less than two hours) focusing specifically on availability, were included in the tendering documents. If these conditions are not met, the supplier is subject to a non-compliance fine. Whatever strategy is used by the supplier (solution implemented) to respect its commitments, it must include the consequences that it is prepared to assume with respect to the risks. The choices made by the supplier could have repercussions for the Ville de Montréal that it had not originally anticipated or that are more far-reaching than expected. In addition, considering the risks that VoIP technology entails and the importance of the “communications” component in emergency response, it is essential that the Ville de Montréal ensure that operations are not interrupted or their availability compromised. Ultimately, the responsibility for protecting residents and ensuring the execution of the civil protection missions as well as all related tasks for the agglomeration lies with the Ville de Montréal, even in the event that a breach on the part of one its suppliers is at the root of the problem.

Recommendations

In order to ensure the uninterrupted availability of telephone services, we recommend that the Service des affaires corporatives plan to:

- a) conduct a risk/impact analysis for the chosen solution in terms of its availability;**
- b) prioritize and implement the necessary solutions to reduce risks and impacts should this availability be compromised; and**
- c) draft a business continuity plan for telephone services that takes into account the supplier and the technologies selected.**

Actions proposed by the Direction des systèmes d'information

“In order to ensure the availability of telephone services to accommodate the needs of the affected departments, the Direction des systèmes d'information will:

- a) – *develop a migration plan that sets out the key steps involved and determines the pace at which the migration will be implemented (**Planned completion: December 2008**);*
 - *analyze deployment operations carried out in conjunction with the migration plan, with a priority on departments other than the Emergency Preparedness Centre (**Planned completion: December 2009**);*
 - *conduct, in conjunction with the affected departments and on the basis of the aforementioned analysis, an analysis of the risks and impacts of the chosen solution in terms of the availability of telephone services for departments involved in civil protection (**Planned completion: December 2010**);*
- b) *prioritize and implement, based on the risk/impact analysis, the solutions necessary to reduce the risks of compromised telephone operations (**Planned completion: December 2010**); and*
- c) *based on the results of the risk/impact analysis, draft an IT service continuity plan for telephone services, taking into account the chosen technologies and working in conjunction with the telephone service provider.” (**Planned completion: December 2010**)*

Radio communications

Although radio communications may be used by the public works departments of the various boroughs of the Ville de Montréal (specifically those of the former Ville de Montréal), we focused specifically on the use of these systems by the SIM and SPVM.

Service de sécurité incendie de Montréal (SIM)

Radio communications are essential in firefighting operations. They enable firefighters in life-threatening situations to stay in constant communication with other emergency workers. In addition, according to the CSST's minimum safety standards for firefighters, access to a portable radio communications device with a functioning emergency call button is mandatory. Moreover, the constant exchange of information is critical to coordinating the efforts of personnel in an emergency response situation.

Prior to the municipal mergers in January 2002, which were going to create a single island-wide firefighting department, the Service de sécurité incendie of the former Ville de Montréal had

established in the fall of 2001 an integrated radio communications network covering all of the new territory. At that time, the radio communications equipment in place at the various suburban municipalities used different technologies that were not compatible with one another. The devices (portable and mobile) could therefore not be used throughout the entire territory. Furthermore, the existing infrastructure did not allow for integration into the provincial government network, which could have provided additional redundancy for some devices. Certain stopgap measures (consolidation of the systems of the former municipalities) and essential acquisitions (portable and mobile devices) made it possible to develop a functional infrastructure that complies with minimum CSST standards and interoperability objectives, but these adjustments remained a temporary solution, mainly because the existing antenna sites did not provide full and redundant coverage across the entire territory.

According to the information gathered during the course of our audit, a preliminary analysis of the situation had been conducted by the person responsible for radio communications at the DTI prior to the implementation of the integrated radio communications network in order to determine the main changes required to increase the strength and reliability of the network. The stopgap measures mentioned above, the addition of antenna sites and the connection to the Gouvernement du Québec system were recommended as a result. However, no subsequent risk analysis was carried out following the installation of the new multisite infrastructure, and no tests were conducted to simulate scenarios in which communications were compromised. Although the work carried out in recent years on the radio communications infrastructure— especially since 2004, with the awarding of a contract for the deployment of four antenna sites—allowed for considerable improvement to the availability and strength of the existing systems, the changes made to the infrastructure significantly changed the environment and the awareness of the risks and repercussions associated with certain situations. At any rate, the anticipated results in the event of a major emergency remain theoretical as long as all of the risks have not been taken into account and tests have not been performed.

Recommendations

In order to ensure that all of the risks and impacts have been identified and analyzed and that the appropriate measures are put into place to guarantee the reliability of the business continuity strategy, we recommend that the Service de sécurité incendie de Montréal, in conjunction with the Service des affaires corporatives, plan to:

- a) conduct an analysis of the risks and impacts of its new radio communications infrastructure;**

- b) test the radio communications network by carrying out simulations of various scenarios involving compromised communication; and
- c) make the necessary modifications following the analysis of the results of these tests.

Actions proposed by the Service de sécurité incendie de Montréal (Emergency Preparedness Centre)

“An assessment of the risks associated with the radio communications network of the SIM and the appropriate simulations will be carried out as soon as network-wide coverage is achieved and the permanent installations of the Quartier général des incendies (QGI) and the recovery centre are finalized.” (Planned completion: September 2008)

Service de police de la Ville de Montréal (SPVM)

Radio communications are also essential for police operations. A radio communications device is required for patrol officers on foot, in a vehicle or otherwise away from the station.

Based on the information gathered during our audit, the voice radio communications system currently used by the SPVM has outlived its usefulness. Repair parts are often taken from other inoperative devices or acquired from other police departments that have upgraded to other systems. The risks of malfunction or irreparability are therefore significant. Extra and replacement units are occasionally rented from a supplier. However, this incurs additional costs and is only a temporary solution since, for one, it does not address the problem of incompatibility with the equipment used by other departments, such as the SIM.

The SPVM analyzed the needs of its units and, in 2007, drafted a set of technical specifications that accurately and exhaustively described its future voice radio communications system. The SPVM is currently proceeding with the tasks required to launch a call for tenders to replace the old system. However, given the scope of the implementation (on numerous vehicles), a transition plan will also be necessary, and its functional implementation in all vehicles will require at least a year. This in turn will mean that the current equipment will have to be kept for an even longer period of time.

Recommendations

In order to ensure the interoperability and optimal reliability of the voice radio communications system, and given the amount of time required to install the new equipment, we recommend that the management of the SPVM administration:

- a) proceed with the modernization of the voice radio communications system for its department as soon as possible; and
- b) set out an implementation schedule for this equipment.

Actions proposed by the Service de police de la Ville de Montréal

- a) *“Develop the specifications for a call for tenders designed to modernize all voice radio communications (Planned completion for the specifications: March 2008, Planned completion for the awarding of the contract: December 2008);*
- b) *Set out an implementation schedule following the acceptance of the contract by the political entities.” (Planned completion: March 2009)*

Drinking water

Infrastructures

Drinking water production falls under the authority of the agglomeration. However, prior to the municipal mergers, the responsibility for developing production plants and the water distribution network was left to each of the municipalities, without any coordination between them. There are currently seven drinking water production plants in the Montréal agglomeration, four of which are located in the City itself. In 2005, with the collaboration of the Emergency Preparedness Centre, an examination of each of these plants was carried out, along with an analysis of the risks of certain events occurring and the corresponding impacts on the infrastructures and drinking water production capacity. Tables ranking the various risks and overall impacts on production in the event a detected risk were to become a reality were produced for each of the plants. One strategy was identified to implement measures to mitigate the repercussions of various events using a grid of priorities based on impacts and budgets. Significant investments have either already been made, are under way or are planned in the Three-Year Capital Works Program (TCWP) for 2008–2010 in order to improve the physical security of some of these production facilities and to ensure a steady supply of power to them. In addition, at the time of our audit, the SITE was in the midst of

conducting an analysis and developing a five-year master plan that sets out its goals in terms of improving the production and distribution of drinking water.

During the course of our audit, we were able to examine five of the seven emergency response plans in place at the Atwater, Charles-J. Des Bailleurs, Dorval, Lachine and Sainte-Anne-de-Bellevue production plants. The plans are all very similar and generally contain the same categories. These plans focus on such matters as responsibilities, procedures regarding water quality and supply, and facility operations. According to the person responsible for the plans for the Montréal plants, new staff are trained before they begin work and drills are held periodically. The Atwater plant even offers a drill site. The process outlined in the various emergency plans for the plants we reviewed indicates that, in the event of a serious incident, “the person responsible for operations will be the head of the SIM, as indicated in the municipal emergency plan.” It is also written that the “divisional manager of the affected drinking water production plant will take instructions from the head of the SIM.” There are no other specific processes to be carried out in the case of an extended downtime at any of the plants.

Similarly, a specialized firm was mandated in 2005 to examine the interconnections between the water distribution networks supplied by the drinking water production facilities in the West Island, which are those other than the Atwater and Charles-J. Des Bailleurs plants. The purpose of the study was to verify the respective distribution capacities of the networks and establish, whenever possible, a recovery plan for each distribution network should one of the plants have its capacity compromised. This study led to the issue of a report entitled *Plan de relève pour la fourniture d'eau pour les usines de production d'eau potable de l'ouest* in April 2006.

This report contains a number of recommendations grouped separately for each of the following production plants:

- Réseau régional de Pointe-Claire (RRPC);
- Régie régionale de l'eau de Pierrefonds (RREP);
- Dorval;
- Lachine.

At the time of our audit, most of the recommended interconnections had not yet been carried out, which could jeopardize drinking water supply in certain boroughs and related municipalities in the event an emergency at one or more of these plants. According to the head of drinking water production, only one recommendation has been acted on. In conjunction with the affected plants, the Direction de la production de l'eau potable has established the priority tasks to be carried out in

the coming years. For next year, the recommendations for the Dorval and Lachine plants have been identified as the most pressing. Moreover, the analysis conducted by the department could reveal other needs in terms of interconnections within the current distribution network.

Recommendations

In order to minimize the impacts on the public of a major and prolonged loss of drinking water production in one of its plants, and considering that the interconnections between the networks will not be complete before the end of 2008, we recommend that the Service des infrastructures, transport et environnement, in conjunction with those concerned:

- a) finalize the development of and issue its master plan for the production and distribution and drinking water;**
- b) have the recommended interconnections set up by the specialized firm and all other interconnections identified in the department's analysis completed as quickly as possible given available budgetary resources; and**
- c) ensure the development and implementation of remedial measures, specifically through a specific emergency plan (SEP) that would ensure the effective distribution of drinking water should there be a prolonged interruption in production in one of the plants.**

Actions proposed by the Service des infrastructures, transport et environnement

"Establish the framework and guidelines for the mission plan. (Planned completion: June 2008)

Produce a first draft of the mission plan. (Planned completion: December 2008)

Produce a preliminary mission plan. (Planned completion: June 2009)

- a) The analysis of high-risk pipes (one of the elements of the water supply master plan) will be completed in 2008 and will contain a schedule for the execution of the work as well as a breakdown of the financial resources required; the water supply master plan for the agglomeration will be completed in December 2009 (Planned completion: December 2009);*
- b) Part of the plants' joint recovery plan was prepared by a specialized firm in 2006 and will be completed by the Direction de la production de l'eau potable (DPEP) in 2008 in order to include the interconnection operations (Planned completion: 2008–2013);*

- c) *A special work plan will be developed with the Emergency Preparedness Centre (taking into account the results obtained when the Pie-IX pipe was shut down in fall 2007)."* **(Planned completion: December 2008)**

Service de sécurité incendie de Montréal

This service must be available 24 hours a day, 365 days a year. It is therefore normal to expect that measures to ensure the constant availability of key equipment are in place. We have determined that there are two strategic assets that require a continuity plan: the radio communications network, as described earlier, and the computer-assisted dispatch (CAD) system. In 2005, the SIM hired an external firm to determine the most critical functions related to the dispatch system in order to ensure that the continuity strategy proposed as part of the implementation of a new CAD system met these needs. An impact analysis report was produced in 2006 and a recommendation was issued on the development of a continuity plan for dispatch operations at the Centre des communications.

According to the information gathered, at the time of our audit the SIM was in the midst of implementing this new application within new facilities that will now be redundant. The setup was finalized in mid-November 2007. In addition, according to our sources, the affected employees had all received adequate training on the new system prior to implementation.

Other applications (recovery plan)

The SIM owns and uses a number of other applications that, although not directly related to the service's operations, serve as peripherals to the CAD system or are used for administrative purposes. Among them are the operational data subsystem (SSDO), which makes it possible to enter and compile information on responses to fires, and the integrated supply and distribution system (SIAR), which helps manage:

- the SIM fleet of vehicles;
- SIM inventories; and
- material maintenance (weapons).

The above-mentioned analysis contains a recommendation that an in-depth examination be conducted on the impacts of these peripheral systems in order better evaluate the importance of inputs and outputs related to the distribution process. This should make it possible to determine

which systems are the most critical and which measures should be put into place to guarantee their availability based on operational needs.

Based on the information gathered during the course of our audit, although discussions were held with members of the DTI staff, no formal analysis of the risks and impacts was produced for any of the systems apart from the CAD system. In addition, no recovery or continuity plans have been produced for other systems used by the Service de sécurité incendie de Montréal. However, as part of the computer security master plan, applications have been coded according to several availability, integrity and confidentiality criteria. Additionally, in early 2007, the technological infrastructure of the department was examined in partnership with an external firm and the DTI. The conclusions of this study (i.e., that the system is highly obsolete) led to the inclusion of an equipment upgrade plan through the TCWP for 2008–2010. Finally, in December, the department began writing a computer business plan (CBP) in conjunction with the DTI, which will allow the SIM to clearly document its business needs and establish its priorities and the resources required.

Recommendations

In order to ensure that an adequate recovery and continuity plan is in place for all key systems, we recommend that the Service de sécurité incendie de Montréal, in conjunction with the Service des affaires corporatives:

- a) formalize the analysis of risks and impacts on the operations of key systems other than the CAD system, as recommended in the consultant’s study;**
- b) prioritize key systems necessary to fulfilling the civil protection mission of “protecting lives, property and the environment,” and carrying out its operations;**
- c) determine and implement a strategy to minimize repercussions in the event these systems are not available; and**
- d) develop a recovery and continuity plan for all processes and systems deemed important.**

Actions proposed by the Service de sécurité incendie de Montréal (Emergency Preparedness Centre)

- a) “Analysis of the risks and impacts on the operations of key systems other than the CAD system, in conjunction with the Direction des systèmes d’information (DSI) (Planned completion: October 2008);***

- b) *In keeping with the agglomeration mission plan for 'protecting lives, property and the environment' completed in June 2008, proceed with the selection of key systems that are a priority to the mission (Planned completion: July 2008);*
- c) *In keeping with the agglomeration mission plan for 'protecting lives, property and the environment' completed in June 2008, and in conjunction with the Direction des systèmes d'information (DSI), proceed with the development and implementation of a strategy in the event of unavailability of priority systems (Planned completion: December 2008); and*
- d) *In keeping with the agglomeration mission plan for 'protecting lives, property and the environment' completed in June 2008, and in conjunction with the Direction des systèmes d'information (DSI), proceed with the development of the recovery and continuity plan for priority systems." (Planned completion: December 2009)*

Service de police de la Ville de Montréal

Like the Service de sécurité incendie de Montréal, the Service de police de la Ville de Montréal (SPVM) must provide continuous service throughout the year. We have identified four strategic assets requiring a continuity plan: radio communications (as described earlier in this document), SITI II (integrated computerized telecommunications system), IDP II (integration of police data) and SARC (automated criminal information system). In a previous report produced in 2005 on the SITI II application, the General Auditor's Office recommended that the management of the SPVM administration assess the relevance and, as necessary, set up a recovery centre for all computer equipment and modify the recovery plan to ensure sufficient redundancy.

In order to guarantee optimal availability of critical systems and equipment in the event of a major emergency, those in charge of data security and integration at the SPVM undertook a large-scale business continuity project. They identified and categorized the various departmental systems in strategic order and established the maximum tolerable downtime (MTD) or recovery time objective (RTO) for the target resources. This is intended to define the maximum amount of time that a resource can be non-operational following an interruption in service. The SPVM also established a business continuity strategy founded on the principle of operating two sites.

Currently, the three application systems mentioned earlier enjoy local redundancy (within the same building) and function simultaneously, either automatically or manually. However, at the time of our audit, none of these applications had been deployed at a second site.

Recommendations

In order to minimize the impacts caused by a lack of availability of critical systems, we recommend that the management of the SPVM administration proceed with the necessary investments to execute a business continuity strategy based on the principle of running two operational sites for current and future critical applications.

Actions proposed by the Service de police de la Ville de Montréal

“The 2007–2009 computer security action plan contains objectives to improve system continuity based on business continuity and geographic diversity.” (Planned completion: 2007–2009)

SALARIES OF \$100,000 AND MORE

BACKGROUND

For the 2006 fiscal year, the employee payroll for the Ville de Montréal, excluding employer contributions, was \$1.3¹ billion for 21,619² employees. Of this total, 772 employees, or 3.6% of the workforce, were paid a salary of \$100,000 or more. In all, this represents \$88.4 million, or 6.8% of the total payroll. The employees that fall into this category can be divided up as follows:

	Employees		Compensation	
	Number	%	(\$ million)	%
Corporate departments	326	42.2	37.2	42.1
Boroughs	48	6.2	5.9	6.6
Firefighters ³	202	26.2	22.8	25.8
Police officers ⁴	196	25.4	22.4	25.4
Total	772	100.0	88.4	100.0

Unionized employees receive wages commensurate with the collective agreements associated with their jobs, while the salaries of senior and middle managers are set forth in the *Politique de rémunération des cadres*⁵ of the Ville de Montréal.

PURPOSE OF THE MANDATE

To ensure that employees who receive \$100,000 or more in annual wages are paid in compliance with the terms of their respective collective agreements or the *Politique de rémunération des cadres*⁶.

1 2006 annual financial report, p. 38

2 2006 budget, p. 154

3 Including administrative staff

4 Including commissioned police officers

5 To simplify matters, references to the *Politique de rémunération des cadres* also include references to *Conditions et avantages des cadres de direction et des cadres administratifs de la Ville de Montréal*.

6 Including administrative staff

SCOPE OF THE AUDIT

This audit focused on employees who received a salary of \$100,000 or more in 2006. The compensation includes the following:

- Regular time;
- Overtime;
- Tuition fees;
- Professional dues;
- Other benefits.

OBSERVATIONS AND RECOMMENDATIONS

Our audit involved obtaining payroll files for 2006 from the Division de la paie institutionnelle and the boroughs issued from the former suburban municipalities and pulling the files of employees whose salaries were \$100,000 or more. From these files, we chose 60 employees according to the size of the population associated with each of the payroll systems, ensuring that we chose at least one employee from each system.

Overall, the results of our audit showed that employee salaries and benefits that exceed \$100,000 are consistent with applicable policies and agreements.

During our audit, we also observed that a number of employees of the Service de sécurité incendie de Montréal (SIM) received annual compensation of over \$100,000.

Service de sécurité incendie de Montréal

We ascertained that nearly 8% of the staff of the SIM received annual compensation in excess of \$100,000. Accordingly, the average salary for the 57 staff members of the SIM was \$115,400 and the average salary for the 145 other individuals, mostly captains, was \$112,118.

Our review of these salaries showed that overtime is the key factor in the difference between the base salary and the actual wages received.

In 2006, approximately 45% of overtime wages were paid to firefighters, 7% to staff members and 48% to officers (captains and lieutenants).

In a previous audit report entitled “Overtime management—Service de sécurité incendie de Montréal (January 2005),” we noted that overtime expenses (including compensatory time) amounted to approximately \$12 million in 2003 and \$16.3 million in 2004.

Among the observations made in this report, we pointed out that certain provisions of the collective agreement in effect at that point needed to be reviewed, especially those aspects relating to the allocation of overtime among firefighters, lieutenants and captains, and the number of firefighters authorized to take their vacation at the same time. Furthermore, we noted that the “collective agreement includes in appendix E a fiscal framework setting out the cost increases and savings resulting from the application of the agreement. The major cost-increase factors were evaluated by the Service de la gestion stratégique, du capital humain et de la diversité ethnoculturelle (now the Service du capital humain) and involved the wage increases and the improvement in the seniority bonus, whereas the savings factors were identified by the SIM as being linked to the acceptance by employees of greater responsibilities, the mobility of personnel between fire stations and the implementation of a new structure for the Service.” We therefore recommended that reports on the 2002 and 2003 financial frameworks be produced and an annual report be subsequently issued to the Comité exécutif to keep it informed of the situation. These reports have not been produced.

However, following this audit, the SIM implemented a variety of measures and, as part of the negotiations currently under way with the Association des pompiers de Montréal, has undertaken the steps necessary to change certain provisions in the collective agreement as regards the allocation of overtime and the number of firefighters authorized to take simultaneous vacation leave.

Since this report on overtime management was released in January 2005, the overtime amounts paid have continued to increase, as the following table shows:

Year	Budget	Actual
2004	\$9.6 million	\$16.3 million
2005	\$11.6 million	\$17.1 million
2006	\$17.5 million	\$18.1 million
2007	\$18.6 million	\$19.5 million

As mentioned earlier, our audit showed that salaries and benefits paid are consistent with the terms of the applicable agreements. Therefore, these provisions, which the Ville de Montréal feels are costly, cannot be changed until the new collective agreements are negotiated.

Recommendation

As part of the current collective bargaining talks, we encourage the Service du capital humain and the Service de sécurité incendie de Montréal to take all necessary measures to ensure that the appropriate modifications are made in the provisions of the firefighters' collective agreement in order to significantly cut back on overtime.

Actions proposed by the Service de sécurité incendie de Montréal in conjunction with the Service du capital humain

“Implementation of an attendance management program. (Planned completion: July 2007)

Submission of SIM management requests as part of the talks currently under way (arbitration), with a view to reducing overtime. All of the factors identified in and targeted by the auditor's recommendations that have had an impact on overtime costs have been incorporated into our requests, including the length of vacation leave, the accumulation of compensatory time, the conditions for taking personal leave and the number of employees.” (Planned completion: depending on arbitration)

FOLLOW-UP ON RECOMMENDATIONS OF STANDING COMMITTEES (CITY COUNCIL AND AGGLOMERATION COUNCIL)

BACKGROUND

City council and agglomeration council committees have been set up under the provisions of the *Cities and Towns Act*, Order in Council 1229-2005 concerning the agglomeration of Montréal and the Charter of Ville de Montréal.

When the new Ville de Montréal was created on January 1, 2002, the city council set up seven standing committees. Over the years, changes were made in the responsibilities of these committees and, as of 2007, there were six in place at the city council level. In addition, in February 2006, following the creation of the agglomeration of Montréal, four standing committees reporting to the agglomeration council were set up. Finally, the Commission de la sécurité publique, which reported to the city council until December 31, 2005, was placed under the authority of the agglomeration council in January 2006.

City and agglomeration council committees are made up solely of elected municipal officers, with the exception of the Commission de la sécurité publique, which has one member appointed by the provincial government.

These committees are instruments of public consultation aimed at informing council members in their decision-making and promoting the participation of residents in debates of public interest. The committees are covered under *Montréal's Public Consultation and Participation Policy*.

In February 2003, the Comité exécutif adopted a resolution to introduce a mechanism (directive) to follow up on reports filed by city council committees. This directive, submitted to the city council, primarily involves the production of a report, which the Comité exécutif submits to the council in response to a committee's recommendations. Mandates resulting from the report of the Comité exécutif may be entrusted to the corporate departments involved in order to implement these recommendations. It should be noted that, as indicated in information obtained from the Direction du greffe, this directive also applies to standing committees created by the agglomeration council.

METHODOLOGY AND SCOPE

The purpose of our audit was to determine whether the recommendations of the standing committees of the city and agglomeration councils received the appropriate follow-up within the specified time frame from the Service des affaires corporatives, in support of the Comité exécutif. In the case of the recommendations upheld by the Comité exécutif, we also determined whether an accountability report with respect to their implementation had been produced for both councils.

Our audit focused mainly on reports submitted by city council committees in 2005 and 2006 and agglomeration council committees in 2006.

OBSERVATIONS AND RECOMMENDATIONS

Under the by-laws on standing committees, each committee must prepare an annual activity program and submit it for approval to either the city council or the agglomeration council, as appropriate. A committee may, during the course of the year, propose changes to this program. At the request of the council, a committee may also analyze budget forecasts or other points determined by the council. Finally, a committee may on its own initiative study any other point that falls within the scope of its mandate.

Committees are instruments of public consultation. They carry out studies identified in public consultation meetings or private working sessions. During public consultations, citizens' briefs and comments or presentations by municipal departments are submitted for review by committee members. Each committee reports on its analyses and recommendations in a report submitted to the council.

In 2005 and 2006, the standing committees of the city and agglomeration councils submitted 39 reports containing 496 recommendations, as follows:

Standing committees	2005		2006		Total	
	Rep.	Rec.	Rep.	Rec.	Rep.	Rec.
City council	14	183	14	193	28	376
Agglomeration council (January 1, 2006 onward)	N/A	N/A	11	120	11	120
Total	14	183	25	313	39	496

The relevance of standing committees is largely shaped by the consideration given to their recommendations by the city administration. It is therefore essential for the administration, in conjunction with corporate departments, to follow up on all of these recommendations and the resulting outcomes.

It is important to note that the role of standing committees is purely advisory in nature and that the city administration is under no obligation to act upon their recommendations. Follow-up is therefore necessary to ensure that the comments and intentions of the city administration in response to these recommendations are known. Follow-up also makes it possible to assess to what extent the actions set out by the city administration in response to the recommendations are actually performed.

Consequently, our audit focused on the reports produced by the Comité exécutif following the recommendations of the committees as well as the subsequent follow-up carried out on the actions taken and the corresponding reports.

Reports of the Comité exécutif in response to committee recommendations

At its meeting on February 12, 2003, the Comité exécutif adopted a resolution to establish a directive enabling it to follow up on reports containing standing committee recommendations.

This directive, which was submitted to the city council in February 2003, involves the following four steps:

- Submission of the report containing committee recommendations to the council;
 - When the report is submitted, the Direction du greffe ensures that a copy of the report is distributed to all council members;
- Submission of the committee report to the Comité exécutif;
 - The Direction du greffe forwards the report to the Comité exécutif and sends a copy for information purposes to the corporate departments affected;
- Drafting of a report by the Comité exécutif in response to the committee report;
 - The Comité exécutif reviews the committee's recommendations and, as appropriate, requests additional material from the affected departments within a specified time frame and produces its report in response to the committee report;

- Submission of the Comité exécutif's report in response to the committee report to the council;
 - Unless special circumstances dictate otherwise, the Comité exécutif submits its report regarding the committee report by the third council meeting following the date the committee report was issued (approximately three months later). As appropriate, the Comité exécutif instructs the departments affected to implement the selected recommendations. The committee is subsequently informed of the intentions of the Comité exécutif.

As a result, the reports produced by the Comité exécutif provide members of the municipal or agglomeration council with access to the comments and intentions of the administration with respect to committee recommendations.

With respect to this directive, we examined to what extent the three-month time frame was adhered to for the 39 reports produced in 2005 and 2006.

At the time of our audit, we ascertained that in many cases Comité exécutif reports had not yet been produced in response to standing committee recommendations. Further, when they were submitted, it was often far past the three-month deadline. The results for both years are as follows:

- 2005: 14 reports produced by city council committees

For six of the reports produced by standing committees, specific reports by the Comité exécutif containing its response to committee recommendations were submitted to the city council. In four of these cases, these reports were submitted within the specified three-month time frame, whereas the other two took six to seven months. (See point "A" in the table on the following page.)

For three other reports, a specific report by the Comité exécutif was not filed; but the response of the Comité exécutif was included in other policy or strategy documents submitted to the city council. For all three, the decision summary accompanying a final document submitted to the city council for approval or information purposes indicated that standing committee recommendations had been taken into account. In these cases, the elapsed time between the filing of the committee report and the approval of the final document was one month, two months and five months. (See point "B" in the table on the following page.)

Finally, as concerns the five remaining reports, the Comité exécutif did not submit a report to the city council in response to committee recommendations. (See point “C” in the table below.)

- 2006: 25 reports produced by city or agglomeration council committees

For 17 of the standing committee reports, responses from the Comité exécutif were submitted within 5 to 11 months. For the eight others, there was no response from the Comité exécutif on file when we conducted our audit. Nine to eleven months had already elapsed since the submission of these committee reports. (See points “D” and “E” in the table below.)

Reports by the Comité exécutif in response to standing committee recommendations						
Nature of the response from the Comité exécutif to standing committee recommendations	Number of responses submitted within the specified time frame (1-3 months)	Number of responses not submitted within the specified time frame				Total
		4-5 months	6-7 months	8-9 months	9+ months	
2005						
A. Specific reports by the Comité exécutif in response to standing committee recommendations	4		2			6
B. Policy or strategy documents	2	1				3
C. No response from the Comité exécutif					5	5
2006						
D. Specific reports by the Comité exécutif in response to standing committee recommendations		4	7	1	5	17
E. No response from the Comité exécutif					8	8
Total number by category	6	5	9	1	18	39

As the Bureau de l'analyse et du processus décisionnel has not compiled or analyzed any data on these time frames, we conducted interviews and examined documents to determine why many reports are filed after the three-month deadline. For this purpose, we selected a sample of nine

standing committee reports: two submitted to the city council in 2005, five submitted to the city council in 2006 and two submitted to the agglomeration council in 2006.

The information we obtained did not allow us to clearly establish the causes for these delays. Nevertheless we were able to determine that the follow-up directive approved by the Comité exécutif in February 2003 was not applied in a manner that favoured adherence to the specified deadline of roughly three months. For the reports we analyzed, we observed significant delays at each stage of the process that made it difficult or even impossible to achieve this objective.

For example, we observed delays between the date committee reports were submitted to the city or agglomeration council and the date they were submitted to the Comité exécutif. In three out of the nine reports studied, the committee reports were submitted to the Comité exécutif one month, one and a half months and five months after they had been filed with the appropriate council. As a result, very little time, if any, was left to produce and submit the Comité exécutif's response within the specified three-month deadline.

Delays were also observed in the drafting of the Comité exécutif's report in response to a committee report, as follows:

- Between the submission of the committee report to the Comité exécutif and the transmission of requests for draft responses to the corresponding corporate departments by the Bureau de l'analyse et du processus décisionnel:
 - 6 cases: 3 weeks to 2.5 months
 - 3 cases: Information insufficient to determine the elapsed time

- Between the transmission of requests for draft responses to the corresponding corporate departments by the Bureau de l'analyse et du processus décisionnel and the receipt of the departments' replies:
 - 3 cases: 2 to 3 months
 - 2 cases: Less than 1 month
 - 4 cases: Information insufficient to determine the elapsed time

It is worth pointing out that the requests for comments, addressed by the Bureau to the corporate departments, did not specify a deadline for returning the draft responses; they indicated only that they must be produced as soon as possible.

- Between the receipt of the departments' replies and the submission of the response by the Comité exécutif to the city or agglomeration council:
 - 1 case: 7 months
 - 4 cases: 1 to 5 months
 - 1 case: Information insufficient to determine the elapsed time
 - 3 cases: Comité exécutif response not submitted to the city or agglomeration council

We recognize that the standing committees are instruments of public consultation and that the city administration is not obliged to follow any of their recommendations. However the committees' work is carried out as part of the activity programs approved by the municipal or agglomeration council, which confirms their interest in the issues at hand. In addition, the Ville de Montréal and various other stakeholders invest significant resources in the public consultation process.

Consequently, we feel it is important that the comments and intentions of the Comité exécutif as to the measures to be taken in response to committee recommendations be disclosed in reports submitted to the councils as promptly as possible. Without these reports containing the response of the Comité exécutif, it is difficult to determine which recommendations have been upheld. This step is necessary to ensure subsequent follow-up on the measures to be taken with regard to these recommendations.

Recommendations

We recommend that the Direction du greffe ensure that the intentions of the Comité exécutif with respect to the recommendations in all standing committee reports be transmitted to either the city council or the agglomeration council, as appropriate.

In addition, we recommend that the Direction du greffe determine and analyze the causes of the delays between the submission of standing committee reports to the city or agglomeration council and the submission of Comité exécutif reports in response to committee recommendations.

The Direction du greffe should subsequently take the necessary measures to facilitate adherence to specified time frames. Among these measures, the requests for draft responses addressed to corporate departments should include a specific deadline.

Finally, the Direction du greffe should closely monitor all of the steps of the process that fall under its responsibility.

Comments by the Service des affaires corporatives

“Your findings coincide with the work we are currently carrying out as part of the review of our activities, services, operations and programs (RASOP). [...] The review of the procedures involved in the Comité exécutif’s follow-up on standing committee recommendations has been identified as a priority by the Direction du greffe for 2008. We share your point of view that improvements must be made in these administrative processes.”

Actions proposed by the Service des affaires corporatives

*“Develop and propose an administrative procedure that provides a clear, step-by-step guide to preparing the Comité exécutif’s response to standing committee recommendations, from the submission to the city or agglomeration council, as appropriate, to the submission of the Comité exécutif’s response to the appropriate council, and indicate the time frames to be followed for each of the steps and each of the individuals involved. **(Planned completion: March 2008)***

*Have the administrative procedure approved by the Comité exécutif. **(Planned completion: April 2008)***

*Distribute the administrative procedure to corporate departments. **(Planned completion: May 2008)***

Closely monitor corporate departments’ compliance with the administrative procedure and issue departmental reminders as required.

*(Assess the) relevance of maintaining the current time frame (three months) for the Comité exécutif to respond to recommendations issued in consultation reports.” **(Planned completion: June 2008)***

When we reviewed the responses from the corporate departments to the selected recommendations in the nine reports in our sample, we ascertained that, overall, the responses were sufficiently precise with respect to committee recommendations. Our audit focused on examining 81 of the 150 recommendations contained in the nine selected committee reports.

Nearly 68% of the corporate departments' responses to recommendations stating that action would be taken did not specify any corresponding deadline to carry out these actions.

In this respect, it is important to note that the requests submitted to the corporate departments by the Direction du greffe did not ask for such a deadline to be specified.

Recommendation

We recommend that the Direction du greffe, in its requests for draft responses sent to corporate departments, ask that a deadline be indicated for the actions to be taken in order to facilitate subsequent follow-up.

Actions proposed by the Service des affaires corporatives

Same as "Actions proposed by the Services des affaires corporatives" above.

Subsequent follow-up on standing committee recommendations and management reports

As previously indicated, the directive for following up on standing committee reports, as approved by the Comité exécutif, calls for the Comité exécutif to submit a report in response to recommendations issued by a standing committee within a specific period (approximately three months). When these reports are submitted by the comité exécutif, many of the stipulated measures are not followed or are done so only partially. In this respect, this directive does not cover the subsequent submission of reports on the application and assessment of the measures taken regarding each of the recommendations upheld by the comité exécutif.

In addition, during our audit of the nine selected standing committee reports, we determined that there was only one case in which the corporate department was requested to produce a subsequent report to that of the comité exécutif with respect to each of the recommendations made.

As for the eight other selected committee reports, the corporate department representatives we met with indicated that provisions had not been made for the production of specific reports for the city or agglomeration council on the status of the measures undertaken with respect to each committee recommendation. A report on the status of the application of these measures was primarily contained or provided for within progress reports, internal reports or decisions made by the city or

agglomeration council based on the decision summaries and recommendations of the corporate departments involved. However, these documents were not intended to report on the degree of completion of the measures with respect to all of the recommendations upheld. Finally, information related to the progress of the initiative is also communicated to elected officials by informal means.

Without a more specific, formal follow-up report containing comprehensive, duly compiled information, it is difficult for the councils and committees to gain an overall appreciation of the extent to which actions have been taken with respect to each of the recommendations upheld. A report of this nature should contain not only the progress made for each action but also explanations for any actions not undertaken.

Given the absence of specific reports at the time of our audit, we obtained the necessary information on these nine reports through other means. More specifically, we met with representatives of the five corporate departments responsible for following up on these measures and examined a number of key documents. We focused on the follow-up of measures to be taken with regard to 81 of the 150 recommendations contained in the nine committee reports selected.

As a result, we determined that for approximately 21% of these recommendations, subsequent action was taken. As for the rest of the recommendations, measures were in the process of being implemented at different degrees for 73% of them at the time of our audit, while no actions had yet been undertaken for 6% of them.

Given that the standing committees issue a considerable number of recommendations every year and that implementation may take a relatively long period of time, it is important that the follow-up be closely monitored to reduce the chances that the stipulated actions are not carried out.

Consequently, we feel that the follow-up reports produced by the corporate departments should be submitted to the Direction du greffe for each of the recommendations upheld by the comité exécutif.

The importance of this measure is underscored by the fact that the committees are among the elected bodies covered in *Montréal's Public Consultation and Participation Policy* (adopted in March 2005 by the city council), whose objectives are as follows:

- Encourage citizens to participate actively in civic life, as well as in the development and management of municipal affairs of the City;

- Foster public consultation practices that are transparent, credible, effective and useful to the decision-making process; and
- Formally acknowledge the power of the community to influence the decisions of various elected bodies.

Naturally, Comité exécutif reports submitted to either council in response to committee recommendations allow the decisions and intentions of the city administration regarding these recommendations to be made public. However, the submission of Comité exécutif reports is called for within three months following the submission of committee reports while there are many more steps involved before these recommendations are integrated into the operations of the Ville de Montréal.

Consequently, the production of specific follow-up reports would make it possible for committees, within a specific time frame, to better assess the actions taken, transmit the results of their analyses to the city or agglomeration council, as appropriate, and thereby ensure greater transparency for the entire process. This measure would also empower the public by clearly demonstrating the impact of their participation on the consultation process and encourage them to continue or even increase their involvement.

Finally, this increased transparency via the production of follow-up reports should also favour the application of specified measures as soon as possible.

Recommendations

We recommend that the Direction du greffe, in support of the standing committees, follow up on the measures specified in the Comité exécutif reports in response to committee recommendations. This measure would make it possible to inform the agglomeration council and city council of the results obtained and thereby promote greater transparency.

In order to facilitate this follow-up, the Direction du greffe should obtain reports from corporate departments on the status of the application of various measures by the business units in question for each of the recommendations upheld by the Comité exécutif.

Response by the Service des affaires corporatives

“Subsequent follow-up for the measures identified in Comité exécutif reports in response to committee recommendations would mean an additional step in the existing policies. We feel that it is up to the elected bodies involved to make a decision in this regard. In addition, we do not plan to follow up on the recommendations contained in the second part of your report on this issue.”

Comment by the General Auditor

“I agree with the fact that it is up to the elected bodies involved to make a decision in this regard.”

MOBILE TELEPHONY

BACKGROUND

According to *Webster's New World Dictionary of Media and Communications*, mobile communications are defined as "cellular telephone, radio and other signal-exchange equipment that is transportable." In everyday language, the term "mobile telephony" is often used in the sense of "cellular telephony."

Technological advances have enabled cellular telephones to evolve from analog to digital platforms and to become more and more compact in size. These recent developments have also led to the integration of new functions designed to send, receive and process data. When cellular telephones include such features as calendars, multimedia players and voice recognition applications, they are often called "smart phones."

Some devices also offer sophisticated computer-like functionality and wireless network access. In addition to standard telephone service, they, along with certain smart phones, provide access to e-mail and Internet services. These devices are commonly known as personal digital assistants (PDAs).

For many private- and public-sector organizations, mobile telephony is considered to be an essential tool for keeping operations running smoothly. Accordingly, the Ville de Montréal uses these technologies for this purpose. It is important, however, to ensure that rules are put in place to avoid abuse and fraud and to control the associated costs.

METHODOLOGY AND SCOPE

The purpose of this audit was to review the management of mobile telephone services, especially the technology infrastructure and existing control frameworks and procedures. The audit covered all mobile telephone services used by the Ville de Montréal.

Our work was conducted intermittently from June to November 2007. The policies and guidelines of the Ville de Montréal as well as best practices in the industry served as evaluation criteria.

We did not review any cellular telephone invoices for the purpose of identifying abuse, fraud or any other problem. Instead, we endeavoured to determine whether the controls in place made it possible to detect such eventualities. Finally, we excluded from our mandate the audit of the controls related to ensuring the physical protection of the facilities used to provide mobile telephone services.

OBSERVATIONS AND RECOMMENDATIONS

Review of administrative frameworks

Rules must be put in place to govern the use of mobile telephone devices in order to avoid abuse and fraud and to control costs. During the course of our audit, we determined that a guideline and a procedure had been established with respect to the acquisition and use of cellular telephones.

According to these frameworks:

- Written requests for a cellular telephone must be submitted to the Section télécommunications of the Direction des technologies de l'information (DTI);
- The Section télécommunications must approve the request based on the selected evaluation criteria;
- The evaluation criteria must be reviewed every year to adjust to the changing telecommunications needs of the Ville de Montréal; and
- The frameworks in place must be monitored and assessed.

We ascertained the following:

- The guideline and procedure (still in force) have not been reviewed since they were adopted in January 1992;
- Written requests for cellular telephones do not exist; and
- The evaluation criteria have not been reviewed.

Moreover, we were informed that, in actual fact, only the corporate departments are bound to comply with these frameworks. They do not apply to the boroughs (be they former Ville de Montréal or former suburban municipalities). We also learned that the boroughs derived from the former suburban municipalities have retained their autonomy vis-à-vis the use of cellular telephones. Furthermore, of the five boroughs we contacted, none have any management framework in place with respect to mobile telephony.

In this regard, we feel that having a single framework in place would be much more cost-effective than having several different frameworks for various sectors. Furthermore, such a framework means one sole frame of reference, which helps encourage shared management practices for the entire organization.

The establishment of a new framework should take into account the technological progress that has been made in mobile telephony since the previous frameworks were adopted in January 1992. Although the cost of acquiring a cellular telephone has gone down considerably, the excessive use of certain features can lead to some sizeable charges, e.g., charges for long distance, downloading, text messaging, and most recently, video calling. The framework must take into account whether or not these advanced features are activated.

Criteria to determine which conditions warrant the authorization of a cellular telephone—such as increased productivity or availability—should also be established. The use of a less costly technology (e.g., pager) should also be considered.

The conditions for authorizing a cellular telephone should also take into account the functions and responsibilities of the employee in question, especially in the case of a PDA, considering how costly it can be to purchase and use such devices.

The smaller cellular telephones become, the easier they are to misplace or be stolen. The framework should stress to employees the importance of never leaving their phone unattended and should indicate the procedures to follow in case of loss or theft. Finally, the framework should establish security measures that help protect sensitive information these devices may contain.

Recommendation

We recommend that the Service des affaires corporatives proceed with the development and dissemination of a management framework on mobile telephony and ensure its application in future.

Actions proposed by the Direction des technologies de l'information

“The Direction des technologies de l'information will revise and update the existing corporate frameworks on cellular telephony in order to take into account technological advances and the new cellular telephone service contract.” (Planned completion: December 2009)

Multiple technology infrastructure systems

The Section sécurité informatique of the DTI has developed a guide for the secure use of workstations at the Ville de Montréal. This guide has been approved by the Comité de sécurité de l'information de la Ville de Montréal (CSIVM). Its contents state that all portable devices that are capable of transmitting data are considered to be mobile workstations.

Smart phones and PDAs must therefore be considered workstations, since they enable the viewing, storage and transmission of electronic documents as well as a wide range of information, including some that may be of a sensitive nature for the organization.

In addition, some of these devices enable users to remain connected to the organization's computer systems and thus enjoy access to a wide range of electronic information. This connectivity nevertheless involves a risk with respect to the data that is sent and received using these devices. A number of investigations have shown that there is a high risk of these devices being lost or stolen. This reinforces how vulnerable the sensitive information they contain really is.

In order to accommodate growing user demand for the benefits of PDAs, such as real-time access to electronic messages and calendars, the DTI has opted to deploy the technology infrastructure developed by Research In Motion (RIM), which supports a specific kind of PDA more commonly referred to as a "BlackBerry."

The centralized management of PDAs offered by this infrastructure provides security features that help reduce the risks related to the information contained in these devices, including:

- remote deletion of device content in the event of loss or theft;
- use of advanced password rules; and
- encoding of data contained in the device.

During the course of our audit, we ascertained that many users possess devices that use a technology that is not supported by the DTI, including those that use palmOne and Microsoft operating systems. We were not able to determine the exact number of devices in circulation during our audit, since no organization-wide inventory exists in this regard.

In addition, because these devices are not centrally managed, we were not able to ensure that adequate security rules are in place. In our opinion, the rules of usage to be defined in the upcoming management framework on mobile telephony should specify that authorization is limited to devices managed via the secure technology infrastructure deployed by the DTI.

With respect to technology infrastructure, our audit revealed the presence of the following platforms:

Site	Management platform used	Mobile device used	Clients
DTI	BlackBerry Enterprise Server	BlackBerry	Corporate services and boroughs (290 devices)
SPVM	BlackBerry Enterprise Server	BlackBerry	SPVM (181 devices)
Verdun	One Bridge	Palm Treo	Verdun borough (3 devices)
Saint-Laurent	BlackBerry Enterprise Server	BlackBerry	Saint-Laurent borough (1 device)

In this respect, we feel that the use of different infrastructure systems contributes nothing in the way of efficiency and complicates security management matters. This situation also has a financial impact, since each system requires its own equipment (server), software and technical resources (support staff).

Based on discussions with infrastructure system managers at the SPVM and Verdun and Saint-Laurent boroughs, we noted the following comments:

Service de police de la Ville de Montréal (SPVM)

The manager objects to merging the SPVM's infrastructure system with the system in place at the Ville de Montréal, citing as his main reasons:

- The confidential nature of the information;
- The need for user accounts to be managed (created, modified and deleted) by the computer security team of the SPVM; and
- The need for the SPVM to use a protected network.

However, as we pointed out in an earlier report on e-mail practices, the SPVM already entrusts the technical support of its workstations and servers to the DTI. Moreover, 250 users included in the protected network of the SPVM already have a user account with the Ville de Montréal's e-mail service. This is necessary in order to grant users access to the Gestion des dossiers décisionnels (GDD) application, for which an in-house e-mail account is required. The use of the e-mail service by the 250 individuals at the SPVM already constitutes a breach in the established security perimeter. The same applies to the City's integrated management system (SIMON), which must be accessed by users in the SPVM security perimeter, despite the fact that SIMON servers are located outside this perimeter.

Verdun borough

The manager confirmed that a One Bridge server, developed by Extended Systems, is being used within the borough to manage three smart phones belonging to one elected official and two senior managers. The manager also confirmed that the devices are not equipped with any data encryption features and that the content could not be deleted remotely in the case of loss or theft.

Saint-Laurent borough

The manager confirmed that RIM's BlackBerry Enterprise Server is in operation in the borough. It is being used to manage a single PDA, which serves to alert officials of equipment problems in a water pumping station. However, by the time our draft report was submitted, the manager informed us that he had deactivated the borough server.

Recommendations

We recommend that the Service des affaires corporatives stipulate in the future management framework on mobile telephony that only devices managed using the technology infrastructure system deployed by the Direction des technologies de l'information of the Service des affaires corporatives are authorized.

We recommend that the Direction des technologies de l'information of the Service des affaires corporatives proceed as quickly as possible with the transfer of mobile equipment and the shutdown of the existing technology infrastructure in Verdun borough.

Given the concerns expressed by the Service de police de la Ville de Montréal, we recommend that the Direction des technologies de l'information of the Service des affaires corporatives work with the SPVM to:

- a) assess the risk of integrating the SPVM's PDAs into the technology infrastructure of the Ville de Montréal; and
- b) develop a transition plan, as needed.

Actions proposed by the Direction des technologies de l'information

- 1) *"In the future corporate framework on BlackBerry mobile telephony, the Direction des technologies de l'information will stipulate that only devices managed using the technology infrastructure deployed by the Direction des technologies de l'information will be authorized. (Planned completion: December 2008)*
- 2) *The Direction des technologies de l'information has integrated the users from Verdun borough into the infrastructure in place at the Ville de Montréal and requested that the existing technology infrastructure be shut down. (Completed)*
- 3) *The Direction des technologies de l'information, in conjunction with the SPVM, will:*
 - a) *assess the risk of integrating the SPVM's PDAs into the technology infrastructure of the Ville de Montréal; (Planned completion: December 2008) and*
 - b) *look into the development of a transition plan, as appropriate." (Planned completion: December 2008)*

Review of technology infrastructure systems

The architecture used by RIM was developed to meet various security requirements, including:

- the protection of wireless communication links; and
- the protection of PDA data.

In order to preserve the confidentiality and integrity of transmitted information, RIM uses an encryption algorithm that secures the communication link between the PDA (BlackBerry) and the BlackBerry Enterprise Server (the BES server).

With respect to the protection of PDAs, RIM has established over a hundred security parameters that can be configured centrally through the BES server and subsequently deployed on the

organization's PDAs. In order to facilitate management and deployment operations, these parameters are grouped together under one or several security policies, depending on what is required.

We have therefore proceeded with a review of security policies deployed with regard to BlackBerrys managed via DTI and SPVM BES servers, based on security standards established by the Ville de Montréal and manufacturer recommendations.

BlackBerry Enterprise Server environment at the DTI

Our review led us to observe that most of the parameters in the security policy have not been configured and that the devices are running with the default values programmed by the manufacturer.

However, a draft of a more stringent security policy has been distributed to a small group of employees within the DTI. During our audit, we were not able to determine with assurance that this policy would be deployed throughout the organization.

The result of our analysis reveals that the configuration of certain security parameters needs to be corrected, for example:

- The length of the password does not correspond to established requirements;
- The use of complex passwords is not compulsory;
- The password history function has not been activated;
- Data encryption for the contents of the device has not been activated; and
- There is no policy that prohibits or restricts software installation on PDAs.

With respect to the last point, we were shown how, following the installation of a software program onto a BlackBerry, it is possible to activate a remote session (Telnet) involving another server located in the same protected zone as the BES server without this action being detected or traced. This is not consistent with established security rules.

In order to address this discrepancy, RIM recommends that an application security policy be adopted to control unauthorized installation.

Finally, we proceeded with an examination of firewall settings, which are primarily intended to control access to the BES server. Based on this analysis, we determined that user access to the communication ports of the BES server is not adequately protected.

Recommendation

We recommend that the Direction des technologies de l'information of the Service des affaires corporatives:

- a) review the parameters in the security policy for BlackBerry PDAs based on the security requirements in place at the Ville de Montréal and the recommendations issued by the manufacturer;**
- b) develop a policy on applications security and deploy it on all BlackBerry PDAs; and**
- c) remove the firewall settings that provide inadequate protection with respect to access to the BES server.**

Actions proposed by the Direction des technologies de l'information

“The Direction des technologies de l'information will:

- a) review the security parameters associated with BlackBerry PDAs based on the security requirements in place at the Ville de Montréal and the recommendations issued by the manufacturer **(Planned completion: December 2008)**;*
- b) develop application-related security standards and deploy them on all BlackBerry PDAs **(Planned completion: December 2008)**; and*
- c) work with the data transmission service provider to review the firewall rule that provides inadequate protection with respect to access to the BES server.” **(Planned completion: December 2008)***

BlackBerry Enterprise Server environment at the SPVM

The results of our analysis of the two security policies indicate that a more restrictive configuration of the security parameters has been performed. However, the configuration of certain parameters requires further modification; for example:

- The length of the password does not correspond to established requirements;
- The use of complex passwords is not compulsory;
- The password history feature has not been activated;

- Data encryption for the contents of the device has not been activated; and
- The settings restrict, but do not entirely block the installation of software on the devices.

A while ago, the SPVM undertook a project to increase security regarding the availability of its technology infrastructure systems by setting up a redundant site. However, we were informed that the BES server is not one of the elements to be included in this project. Therefore, no backup plan has been devised to ensure that this service is maintained.

We were also told that the SPVM is proceeding with the periodic review of the security of its technology infrastructure systems via intrusion testing. However, at the time of our audit, the BES server had not yet been tested.

Recommendation

We recommend that the Direction des technologies de l'information of the Service des affaires corporatives, in conjunction with the Section de la sécurité et de l'intégration des données (SSID) of the Service de police de la Ville de Montréal:

- a) review the parameters of the BlackBerry PDA security policy based on security requirements in place at the Ville de Montréal and manufacturer recommendations;**
- b) develop a policy for applications security and deploy it on all BlackBerry PDAs;**
- c) review the risks in order to determine whether the availability of the SPVM BlackBerry Enterprise Server (BES server) must be ensured in the standby site; and**
- d) include the BES server in the next infrastructure security audit conducted by the SPVM.**

Actions proposed by the Direction des technologies de l'information

"The Direction des technologies de l'information will work with the SPVM to:

- a) review the parameters contained in the security policies based on the security requirements in place at the Ville de Montréal and the recommendations of the service provider (**Planned completion: December 2008**);*
- b) develop and deploy security standards for BlackBerry PDA applications (**Planned completion: December 2008**); and*
- c) assess the risks in order to determine whether the availability of the SPVM BES server must be ensured in the standby site." (**Planned completion: December 2008**)*

Actions proposed by the Service de police de la Ville de Montréal

“The Division sécurité et intégration des données of the Service de police de la Ville de Montréal will work together with the Direction des technologies de l’information to:

d) include the BES server in the next annual SPVM computer security assessment.” (Planned completion: December 2008)

Deactivation process

According to the guideline on the management of incidents involving the security of information, users must immediately report all security-related incidents to their service centre. The guideline also specifies that a formal procedure for reporting such incidents must be established and an escalation process set up for each computer service provider for the Ville de Montréal.

Consequently, we believe that a process enabling the rapid deactivation of data in the event of loss or theft of a mobile telephone device must be introduced. This process must also make it possible to deactivate a device following job departure, transfer or position change.

Existing processes at the DTI

The service centre does not have any processes in place to report and deal with security-related incidents involving the loss or theft of a mobile telephone device. However, during our audit, the Section télécommunications posted the procedures to follow for lost or stolen cellular telephones on the City’s intranet. Although this is a commendable initiative, it does not fulfill the governing principles set forth in the guideline, i.e., the obligation for users to report security-related incidents to their service centre, and the need to implement a process to deal with this eventuality.

The service centre has, however, adopted a process for employee departures, but it does not include the deactivation of mobile telephone devices. Finally, there are no processes in place to deal with employee transfers or position changes.

Existing processes at the SPVM

The service centre does not have any processes in place to report and deal with security-related incidents involving the loss or theft of a mobile telephone device. We were informed, though, that an administrative services guide is available on the SPVM intranet site and that the responsibility for managing any such incidents falls to the head of the unit involved.

However, the guide makes no mention of the procedure to follow in the event a BlackBerry PDA is lost or stolen. In this regard, the manager responsible for computer security at the SSID indicated that he agreed that a quick deactivation procedure should be implemented, especially considering that a similar procedure exists for the loss or theft of swipe cards that provide access to SPVM premises or computer facilities.

Recommendations

We recommend that the Direction des technologies de l'information of the Service des affaires corporatives:

- a) introduce a quick deactivation process to be used when a mobile telephone device is lost or stolen; and**
- b) authorize the deactivation of a device following employee departures, transfers and position changes.**

Actions proposed by the Direction des technologies de l'information

"The Direction des technologies de l'information will:

- a) introduce a quick deactivation process to be used when a mobile telephone device is lost or stolen (**Planned completion: December 2008**); and*
- b) authorize the deactivation of a device following employee departures, transfers and position changes." (**Planned completion: December 2008**)*

We recommend that the Service de police de la Ville de Montréal introduce a quick deactivation process to be used when a BlackBerry PDA is lost or stolen.

Actions proposed by the Service de police de la Ville de Montréal

“The Division sécurité et intégration des données of the Service de police de la Ville de Montréal will evaluate its quick deactivation process for BlackBerry PDAs.” (Planned completion: December 2008)

Cost control

According to the administrative frameworks adopted in January 1992:

- The Section télécommunications must process and pay invoices through the user services budget;
- The Section télécommunications must forward invoices for the use of services to the administrative units for verification, control and budget tracking; and
- Every month, the Section télécommunications must send one randomly chosen invoice for the use of services to the management of each department. This invoice must be reviewed by the management and the employee in question and then returned to the Section télécommunications.

During our review, we ascertained that:

- the Section télécommunications continues to process most invoices and then forward them to the administrative units;
- this service is offered to all administrative units but not on a compulsory basis;
- the role of the Section télécommunications is limited to checking how invoices are allocated to various accounts and forwarding the information in an electronic file to the Service des finances for accounting and payment purposes;
- the Service des finances performs only a cursory review before processing the information contained in the file; and
- invoices are no longer sent to the management of each department for control and verification purposes.

We also determined that:

- the Section télécommunications does not have a complete, up-to-date inventory of all the mobile telephone devices used by the former Ville de Montréal and the former Communauté urbaine de Montréal (CUM);

- the Section télécommunications has no inventory for the boroughs derived from the former suburban municipalities and the SPVM; and
- the SPVM does not have a central inventory of its cellular telephones, although it does have an inventory of BlackBerry PDAs.

Lastly, we observed that the Section télécommunications does not have a complete, up-to-date inventory of all the telephone devices assigned to each employee (e.g., desktop phones, cell phones, PDAs). Despite this, we proceeded with our analysis in order to determine the number of individuals who had both a conventional telephone and a cellular telephone. Given the inaccuracy of some of the information held by the Section télécommunications, we were unable to establish a precise figure. However, our review did turn up more than 900 cases where an employee had both types of telephones.

From a cost control perspective, the manager in charge indicated that he has done the following:

- Negotiated the fee structures (package) with major providers; and
- Requested reports on the usage of services from providers and reviewed them in order to detect incidents of abuse and fraud.

However, the manager did not keep all of this documentation on file to show that such a review had been carried out, and he could not prove that reviews are conducted on a regular basis.

We therefore proceeded with a review of the usage report for April 2007 issued by the main provider of the Ville de Montréal. Our review of 1,488 active accounts showed that:

- the average number of minutes used is 235, while there are 250 minutes allocated under the current package; and
- pooling airtime minutes would have cut costs by \$17,568 for this particular month.

The manager in charge confirmed our calculations, but indicated that:

- airtime can only be pooled under the same account and not across the board;
- the Section télécommunications recommends that users pool their airtime minutes, but cannot force them to do so; and
- the Section télécommunications is not able to determine how many accounts exercise this option.

In our opinion, the lack of detailed, up-to-date information for all mobile telephone devices makes it impossible to optimize management practices and implement control mechanisms designed to prevent abuse and fraud.

At its meeting on June 27, 2007, the Comité exécutif authorized the launch of three public calls for tenders for telecommunications services, including one for cellular telephone services. One of the goals of the calls for tenders is to obtain reliable, secure and effective cellular telephone services that accommodate the needs of the Ville de Montréal.

However, despite this objective, in reading through the specifications, we have ascertained that the separation still exists between the boroughs derived from the former suburban municipalities and the rest of the boroughs, given that the bids are not required to take into account the needs of the former suburbs. In addition, we did not obtain any assurance that mechanisms to control abuse would be covered in the terms of the contract.

Recommendation

We recommend that the Service des affaires corporatives:

- a) integrate all of the boroughs and departments into the cellular telephone services contract for the City; and**
- b) have the winning bidder implement a mechanism that makes it possible to detect cases of abuse.**

Actions proposed by the Direction des technologies de l'information

- a) "The Direction des technologies de l'information will proceed with the integration of all the departments of the Ville de Montréal into the cellular telephone service contract. These services will be incorporated into the DTI service catalogue, which will encourage the boroughs to take advantage of them (**Planned completion: December 2008**);*
- b) The Direction des technologies de l'information will work with the service providers selected by the Ville de Montréal to oversee the implementation of a mechanism to detect cases of abuse." (**Planned completion: December 2008**)*

REMUNERATION AND EXPENSE ALLOWANCE OF ELECTED OFFICERS AND EXPENSE ALLOWANCE OF BOROUGH DIRECTORS

BACKGROUND

In June 1988, the *Act respecting the remuneration of elected municipal officers* (R.S.Q., Chapter T-11.001) was adopted. The basic regulation provides for municipal autonomy, subject to a minimum and maximum remuneration set in the Act. In the absence of a municipal by-law, council members receive the minimum remuneration established under the Act, which is a lower limit calculated on the basis of population. Once the council adopts a by-law to set the remuneration paid to its members, it can allot an additional remuneration for the performance of certain specific functions.

In January 2002, the city council of the Ville de Montréal adopted the *Règlement sur le traitement des membres du conseil* (02-039), and in November 2006, the agglomeration council adopted the *Règlement sur le traitement des membres du conseil d'agglomération et des membres des commissions du conseil d'agglomération* (RCG06-053).

Thus, elected officers receive remuneration according to these by-laws for the positions they hold within the agglomeration and the municipality (e.g., the mayor of the Ville de Montréal, borough mayor, member of a standing committee, member of the Comité exécutif, or agglomeration, city or borough councillor.)

In addition to their remuneration, elected officers receive a non-taxable expense allowance to cover functional expenditures to a maximum set each year by the Ministère des Affaires municipales et des Régions. Finally, elected officers may also receive reimbursement for their expenses where these have been mandated by the council.

To assist them in their work, elected officers have office staff and support staff that are paid from appropriations provided for this purpose. Expenditures for the office staff (political) are governed by the *Cities and Towns Act* (Section 114).

Budgetary tracking for the remuneration and expense allowance of elected officers as set under the Act and by-laws of the agglomeration and Ville de Montréal is the responsibility of the Service des affaires corporatives. For its part, the tracking of the reimbursement of expenses and support

expenditures for elected officers is the responsibility of boroughs when they are related to the borough council, and the responsibility of the Service des affaires corporatives when related to the city council.

METHODOLOGY AND SCOPE

The purpose of our audit was to ensure that the remuneration paid to elected officers (salary, allowance and reimbursement of expenses), as well as expenditures for the office and support staff of elected officers complied with provisions set out in the acts, by-laws and directives, and that the control mechanisms were adequate to provide such assurance.

More specifically, we verified that the remuneration and expense allowances paid to elected officers corresponded to their duties, that the reimbursement of the expenses of elected officers had been authorized as set out, and that office expenditures for political staff complied with the provisions of the *Cities and Towns Act*. We also sought assurance that the elected officer support expenditures did not include those provided for in the expense allowances of elected officers, and that adequate tracking of expenditures was carried out.

Our audit focused primarily on the remuneration and expenses incurred during the period of December 2006 to November 2007. This work was carried out in the Service des affaires corporatives and in Mercier–Hochelaga-Maisonneuve, Pierrefonds-Roxboro, Le Plateau-Mont-Royal and Villeray–Saint-Michel–Parc-Extension boroughs.

OBSERVATIONS AND RECOMMENDATIONS

Remuneration and expense allowances of elected officers

The *Act respecting the remuneration of elected municipal officers* includes various provisions governing the remuneration and expense allowances of elected municipal officers. Among other things, the Act holds that the city council may adopt regulations for setting the remuneration of the mayor and other council members, and that additional remuneration may be set for specific positions. The Act also stipulates that all municipal council members receive an expense allowance in addition to any salary set in the by-law. This non-taxable allowance is paid for the purpose of reimbursing the elected officer for expenses inherent to his or her position. No justification is required for expenses incurred.

The maximum amounts set aside for remuneration and expense allowance appear annually in the *Gazette officielle du Québec*. In 2007, the maximum remuneration for the mayor of the Ville de Montréal was \$142,954, while that of Comité exécutif members was \$128,659 (or 90% of the mayor's salary) and that of councillors (city or borough) was \$89,305. The maximum expense allowance was \$14,018.

The agglomeration council and the city council have adopted by-laws to set the basic remuneration and additional remuneration for various positions occupied by elected officers. These remunerations include the following: agglomeration council member—\$10,000, Comité exécutif member—\$37,932, borough mayor (with a population greater than 100,000 inhabitants)—\$23,507, city councillor—\$48,082, borough councillor—\$27,781, chair of a council committee—\$16,027 or member of a council committee—\$5,342.

The Charter of Ville de Montréal also includes provisions related to elected officers. Section 43 states that a borough can set additional remuneration for each specific position occupied by a borough council member within the council or any of its committees and provide additional remuneration to the borough mayor and acting mayor. City boroughs that have adopted a by-law providing for additional remuneration are: Côte-des-Neiges–Notre-Dame-de-Grâce, L'Île-Bizard–Sainte-Geneviève, Mercier–Hochelaga-Maisonneuve, Lachine, LaSalle, Montréal-Nord, Saint-Laurent, Saint-Léonard, Verdun and Ville-Marie.

In order to ensure that the mayor and councillors of the boroughs we examined were receiving the prescribed remuneration and expense allowance, we conducted various verifications that focused mainly on compliance with the acts and by-laws.

Conclusion

The mayor of the Ville de Montréal and the councillors of the boroughs we examined (Mercier–Hochelaga-Maisonneuve, Pierrefonds-Roxboro, Le Plateau-Mont-Royal and Villeray–Saint-Michel–Parc-Extension) receive the prescribed remuneration and expense allowance based on the functions they perform, in accordance with the acts and by-laws of the agglomeration, city and borough councils.

Reimbursement of expenses of elected officers

The *Act respecting the remuneration of elected municipal officers* also includes provisions for the reimbursement of expenses incurred by elected officers. The Act states that in order to perform any act involving expenses chargeable to the municipality, all members must receive authorization from the council prior to the act and expense not exceeding the maximum set by the council. Approval, therefore, must include two elements:

- Identification of the activity; and
- The maximum amount that a member may spend.

Since this involves prior approval, it is essential that such approval be obtained before undertaking any act that incurs an expense. Failure to obtain the necessary approval for any act involving expenses chargeable to the municipality will result in the member forfeiting his or her rights to reimbursement for the monies spent.

The by-law requiring a member to obtain prior approval before performing any act involving expenses chargeable to the municipality does not apply to the mayor when related to the execution of his duties, or to a member of the council designated by the mayor to replace him when he is unable to represent the municipality.

The act involving a chargeable expense must also be for municipal purposes, i.e. compatible with the fields of jurisdiction of a municipality, or for the benefit of the municipality or the well-being of its citizens.

A distinction should be made here between the expense allowance that elected officers receive to offset part of the expenditures inherent to their duties and the reimbursement of expenses of elected officers as set out in Sections 25–30.0.3 of the *Act respecting the remuneration of elected municipal officers*. Each member receives an expense allowance in the form of a lump sum established by the Act. The member is entitled to this sum without having to provide any justification.

We used various means to retrace the reimbursements made in 2007 (January–October). We examined the minutes of borough council meetings and did sample audits of expenses through the “support to elected officers” responsibility centre.

Conclusion

All reimbursements of expenses in the business units we examined complied with the provisions of the *Act respecting the remuneration of elected municipal officers*, with the exception of two minor expenses. In these cases, we made the appropriate recommendations to the two business units involved.

Elected officer support expenses

Elected officers must have the necessary resources to be able to perform their duties fully. Accordingly, provisions are made for office staff and support staff to assist them, and for various operating expenditures to be incurred (e.g., travel expenses, telephone, hosting and entertainment costs).

Office staff (political)

The *Cities and Towns Act* includes various provisions (Sections 114.4–114.12) related to office staff. Section 114.11 states that:

- the municipal budget must contain an appropriation that is sufficient to cover the expenditures relating to office staff and determined according to the standards, scales and other conditions set under Section 114.6. The same applies to the budget of a borough of Ville de Montréal. However, this appropriation may not exceed the amount determined by the Minister or the amount that corresponds to the percentage, determined by the Minister, of the total amount of other appropriations for operating expenses provided for in the budget.

In February 2006 and 2007, orders were produced by the Minister of Affaires municipales et des Régions. These ministerial orders dealt with appropriations to offset all office staff expenditures. They state that:

- the mayor of a municipality with a population of 100,000 or more may appoint a chief of staff and any other staff members necessary for the smooth running of the mayor's office;
- each borough mayor of Ville de Montréal may also appoint a chief of staff and any other staff members necessary for the smooth running of the mayor's office;
- the city budget or that of the borough must include an appropriation that is sufficient to cover the expenditures relating to office staff and determined according to the standards, scales and other fixed conditions;

- in the case of the Ville de Montréal, the appropriation that is sufficient to cover the expenditures relating to office staff and determined according to the standards, scales and other fixed conditions may not exceed 0.10% of the total of other appropriations contained in the City budget for operating expenses; and
- in the case of all the boroughs of Ville de Montréal, the appropriation that is sufficient to cover the expenditures relating to office staff and determined according to the standards, scales and other fixed conditions may not exceed the higher of \$100,000 or 0.32% of the total amount of all appropriations contained in the borough budget for operating expenses.

Following the ministerial order of 2006 governing the boroughs' political attachés, the Direction du contentieux issued an opinion on the matter in February 2006. This opinion stated that:

- the act's intention as to the objectives and effects of Sections 114.4 and those set out in the *Cities and Towns Act* should not be lost from sight. The purpose of these provisions is to enable office staff to take part in work of a partisan nature during the election period;
- the only expenses that may be included in the minister's set budget are those related to office staff who are truly carrying out partisan work;
- the provisions related to office staff contained in the *Cities and Towns Act* do not include support staff whose work is not of a partisan nature and to which elected officers have always been entitled; and
- the ministerial order in no way limits the number of people that can be appointed to an office. The only limitation is a budgetary one and is fixed at the higher of \$100,000 or 0.32% of all appropriations contained in the borough budget. This amount must include all expenditures related to office staff, be it salary, insurance, vacation or other benefits stemming from the job contract.

As part of our audit, we made sure that the appropriations allotted to pay expenditures related to the support of political offices complied with the ministerial order.

Conclusion

In 2007, the prescribed appropriations for office staff (political) in the boroughs that we examined complied with the maximum appropriations contained in the ministerial order, with the exception of Le Plateau-Mont-Royal borough.

Le Plateau-Mont-Royal borough

The appropriations contained in Le Plateau-Mont-Royal operating budget were \$53,371,400 for 2007 and \$53,195,300 for 2006. The appropriations budgeted for salaries and employee benefits for office staff (political) were \$170,713 in 2007 and \$162,103 in 2006.

By looking at the borough budget as well as the salaries and employee benefits of office staff (political), we were able to come up with an estimate of the prescribed maximum contained in the ministerial order. Based on this estimate, the maximum amount set aside for office staff (political), excluding expenses related to political attachés, should have been \$170,242 in 2007 and \$169,706 in 2006.

In addition, a portion of other budgeted operating costs of \$74,400 in 2007 and \$57,800 in 2006 included expenditures directly related to political attachés and should have been paid from the 0.32% allocation.

Consequently, for 2007, the borough budget did not comply with the prescribed maximum in the ministerial order.

In 2007, expenses for office staff (political) over a ten-month period were \$138,100, excluding other costs. Therefore, it is plausible to ascertain that the maximum prescribed by the Ministère des Affaires municipales et des Régions was likely exceeded.

In 2006, actual expenses for political office staff totalled \$171,300, while the maximum appropriation allowed for office staff (political) in the ministerial order was \$169,706 (without taking into account expenditures related to political attachés). Thus, the maximum amount prescribed in the ministerial order was exceeded by at least \$1,594.

Recommendations

We recommend that Le Plateau-Mont-Royal borough establish a budget for office staff (political) that takes into account all relevant elements and ensure compliance with the maximum prescribed in the order of the Minister of Affaires municipales et des Régions.

We recommend that Le Plateau-Mont-Royal borough track the actual expenditures for office staff (political) to ensure that these do not exceed the standard prescribed in the order of the Minister of Affaires municipales et des Régions.

Actions proposed by Le Plateau-Mont-Royal borough

- 1) *“As prescribed in the order of the Minister of Affaires municipales et des régions, the borough’s 2009 budget for office staff (political) will be set at 0.32% of the total borough budget, with the exception of appropriations related to political attachés. For fiscal year 2008, we will comply with the maximum prescribed in the ministerial order. (Planned completion: September 2008)*

- 2) *To comply with the standard of 0.32% prescribed in the order of the Minister of Affaires municipales et des Régions, all expenditures directly related to political attachés (salary, employer fees, telephone costs, travel costs, hosting and entertainment costs) will be accounted for in a specific manner.” (Planned completion: February 2008)*

Support staff

According to the provisions of the *Towns and Cities Act* and confirmed by the Direction du contentieux in a letter dated February 22, 2006, salaries for support staff must not be taken into consideration when applying the standard (0.10% or 0.32%) prescribed in the ministerial order.

Salaries of support staff were verified by way of a sample of the record of positions and collective agreements currently in effect.

Conclusion

Our verification of support staff salaries showed no irregularities.

Other operating costs

Regarding other operating costs, we verified the following expenses by way of sample: public transit, taxi and parking, regular phones, cell phones, advertising, communication and entertainment, hosting and entertainment, and office and computer supplies.

Generally speaking, with the exception of Mercier–Hochelaga-Maisonneuve borough, only one item was found, related to travel costs (taxi and parking), for which several vouchers were incorrectly filled out.

All other selected expenditures were accompanied by documentary evidence, and explanations appeared on the bills. To the best of our knowledge, expenditures were for municipal purposes and posted to the proper account.

Recommendation

We recommend that the Direction de l'administration et du soutien opérationnel of the Service des affaires corporatives and the boroughs involved draft a directive to make sure users know to fill out all required information on the vouchers for travel expenses (taxis and parking), such as the destination, date and time in order to ensure that the travel was for municipal purposes.

Actions proposed by the Service des affaires corporatives

“A directive will be prepared and disseminated to inform taxi voucher users of the importance and obligation to write the required information on the voucher, such as departure point, destination and date and time of travel.” (Planned completion: March 2008)

Actions proposed by Pierrefonds-Roxboro borough

“Only the mayor provides an expense account and he will abide by this recommendation.” (Completed)

Actions proposed by Le Plateau-Mont-Royal borough

“The C-RF-SF-D-02-004 administrative framework issued by the Direction générale of the City related to travel undertaken at the employer's request stipulates that when an employee takes a taxi, he or she must provide documentary evidence and indicate the departure point and trip destination. We will remind all borough directors of this to ensure that the directive is followed at all times.” (Planned completion: February 2008)

Actions proposed by Villeray–St-Michel–Parc-Extension borough

“A directive was issued to all the administrative units of the borough on February 27, 2008, to remind them of the rules related to the use of taxi vouchers.

In order to strengthen controls, disbursement officers have been ordered to report any discrepancies to their manager, who will see to it that the situation is corrected with employees who are in the wrong.” (Planned completion: February 2008)

Mercier–Hochelaga-Maisonneuve borough

Upon examination of the minutes of Mercier–Hochelaga-Maisonneuve borough’s council meetings for the first 10 months of 2007, we found 27 expenditures related to elected officers’ entertainment costs, totalling \$10,344.

These entertainment costs are mainly incurred for the purpose of making contributions to municipal organizations (e.g., seniors’ clubs, social and socio-cultural activity clubs, Optimist Clubs, churches, and so on), as well as to allow elected officers to participate in various events (golf tournaments, benefit dinners, the launch of socio-cultural activities.)

The borough’s elected officers took part in events to ensure representation on various agencies and to maintain business relations that serve the interests of the borough and the mandates they have been given as elected officers.

To ensure payment of these expenditures, the borough’s council members must obtain prior approval for the activity that incurs an expense to the municipality. This approval should include:

- Identification of the activity ; and
- The maximum amount that a member may spend.

Our analysis of the 27 expenditures for entertainment expenses showed the following discrepancies:

- six entertainment expenses for which the minutes of borough council meetings did not indicate the date of the event, thus making it impossible to verify whether prior approval was received; and
- seven entertainment expenses for which the minutes of borough council meetings indicated that the expense had been incurred before approval was granted.

Recommendations

In order to comply with the provisions of the *Act respecting the remuneration of elected municipal officers*, we recommend that Mercier–Hochelaga-Maisonneuve borough ensure that the dates of events that incur entertainment expenses be included in the minutes of the council meetings to obtain prior approval.

In addition, we recommend that the management of Mercier–Hochelaga-Maisonneuve borough make certain to present all entertainment expenses to the borough council for approval prior to the event, in order to comply with the *Act respecting the remuneration of elected municipal officers*, which requires pre-approval of such activities.

Actions proposed by Mercier–Hochelaga-Maisonneuve borough

- 1) *“Mercier–Hochelaga-Maisonneuve borough will ensure, from now on, that the dates of events incurring expenses related to representation costs appear in the minutes of meetings. (Completed)*

- 2) *To the extent required by the Act, expenses related to representation costs will be presented to the borough council for approval.” (Completed)*

Functional expenses of the borough director

The purpose of our audit of functional expenses of borough management was primarily to ensure that the expenses incurred by the borough director for the year 2007 (10 months) and the month of December 2006, complied with the conditions and benefits of senior and middle managers of the Ville de Montréal. The guide on the conditions and benefits of senior and middle managers of the Ville de Montréal is clear as to what is admissible for senior managers regarding reimbursement of expenses and the role and responsibilities of the various stakeholders. The guide was adopted once again by the Comité exécutif on September 12, 2007 (first version: February 20, 2002). In addition, an administrative framework identifies managers' functional expenses and states that upon presentation of documentary evidence, but without prior approval, periodic reimbursement will be made of expenses incurred in the exercise of functions up to the amount of \$4,000.

According to the directive entitled *Conditions et avantages des cadres de direction et des cadres administratifs de la Ville de Montréal*, Section 8.3(b), the Ville de Montréal will reimburse the

borough director for expenses incurred in the exercise of his or her functions during the course of the year up to an amount of \$4,000.

Functional expenses and expense claims in 2007 for the directors of the borough examined appear in the table below:

Boroughs	Functional expenses in 2007	Expense claims other than functional expenses in 2007
Mercier–Hochelaga-Maisonneuve	\$2,545	\$518
Pierrefonds-Roxboro	\$0	\$4,042
Plateau-Mont-Royal	\$4,000	\$0
Villeray–Saint-Michel–Parc-Extension	\$3,029	\$365

We audited the functional expenses of borough directors and found no discrepancies. Admissibility requirements outlined in the directive were complied with, expense claims were accompanied by documentary evidence and explanations justifying the expenses were provided. Requests for reimbursement were made for activities inherent to their job functions and the amounts claimed were correct.

Our examination of the requests for reimbursement of functional expenses led us to conclude that these requests are authorized by the person claiming the reimbursement and not by a higher authority.

Recommendation

We recommend that the Service du capital humain draft a directive to the effect that functional expenses of senior managers (up to \$4,000 a year) should be authorized by someone in a position of authority.

Actions proposed by the Service du capital humain

“We consulted the Direction du contentieux about the level of authority over functional expenses of senior managers (\$4,000 a year) and the matter of requests for reimbursement of expenses and operating costs. We are of the opinion that these expenses can be authorized by the borough mayors.”

A written communication will be sent by the Director General to the borough directors informing them that from now on the borough mayors will approve all functional expenses incurred by directors as well as requests for reimbursement of expenses.” (Planned completion: March 2008)

Actions proposed by Mercier–Hochelaga-Maisonneuve borough

“While the recommendation is aimed at the Service du capital humain, we have taken the initiative, while awaiting clarification on the procedure to be issued by the SCH, to have the borough director’s requests for reimbursements countersigned by the mayor.” (Planned completion: February 2008)

Pierrefonds-Roxboro borough

In Pierrefonds-Roxboro borough, the borough director has not completed a report for reimbursement of functional expenses. He did, however, complete 13 reports of claims for expenses other than functional expenses. These expenditures were authorized by the Directrice des services administratifs and documentary evidence and explanations were provided. Expense claims for the year 2007 totalled \$4,042 and consisted of costs for meals and parking, participation in a conference, Internet charges and professional association membership fees.

Recommendation

We recommend that the director of Pierrefonds-Roxboro borough comply with the policy of the Ville de Montréal regarding conditions and benefits of senior and middle managers of the Ville de Montréal by completing the appropriate administrative forms for reimbursement of expenses incurred in the exercise of their functions up to the amount indicated for the position held, i.e. \$4,000 for a borough director.

Actions proposed by Pierrefonds-Roxboro borough

“The borough will comply with the policy of the Ville de Montréal.” (Completed)

Reporting

In accordance with Section 11 of the *Act respecting the remuneration of elected municipal officers*, the mayor of a municipality in which a remuneration by-law is in force shall include in his annual

report on the financial position of the municipality a list showing the remuneration and expense allowance each member of the council receives from the municipality, a delegated organization of the municipality or a supramunicipal body.

This obligation does not appear in the Charter of Ville de Montréal. In fact, the Charter only states that at least four weeks prior to submission of the borough budget to the Comité exécutif, in accordance with Section 143.2, during the council meeting the borough mayor will report, on the financial situation of the City as it relates to the borough.

However, Section 43 of the Charter states that the borough council must set the remuneration and allowances of borough councillors in accordance with the *Act respecting the remuneration of elected municipal officers*.

We reviewed the mayors' reports on the financial situation of the boroughs examined and concluded that these reports do not show the remuneration and allowances of councillors who occupy a specific position within the borough council.

The mayor's report on the financial situation of the Ville de Montréal, which was tabled at the municipal council meeting of October 22, 2007, included the remuneration and expense allowances that each elected officer received from the municipality. In our opinion, however, this report could also have indicated that the remuneration and expense allowances complied with the regulations of the *Act respecting the remuneration of elected municipal officers*.

Recommendation

We recommend that Mercier–Hochelaga-Maisonneuve, Pierrefonds-Roxboro, Le Plateau-Mont-Royal and Villeray–Saint-Michel–Parc-Extension boroughs comply with Section 11 of the *Act respecting the remuneration of elected municipal officers* by divulging the remuneration and expense allowances of councillors who occupy a specific position within the borough council in its annual report on the financial situation of the borough.

In addition, in an effort to improve reporting, it would be desirable for these reports and that of the Ville de Montréal to show that the remuneration and expense allowances divulged comply with the regulations and the Act.

Actions proposed by the boroughs

All four boroughs indicated they will comply with this recommendation. (Planned completion: September–October 2008)

Actions proposed by the Service des affaires corporatives

“The next tabling of the statement related to the remuneration of elected officers, contained in the mayor’s report on the financial situation of the Ville de Montréal, will take into account this recommendation. Actions have already been taken with the people involved at the Service des communications et des relations avec les citoyens to inform them of this addition.” (Planned completion: October 2008)

ADMINISTRATIVE VERIFICATIONS FOLLOWING THE ISSUE OF A STATEMENT OF OFFENCE

BACKGROUND

Montréal's municipal court operates under the authority of the Direction des affaires pénales et criminelles of the Service des affaires corporatives (the "Service"). It has jurisdiction over the entire agglomeration in civil, penal and criminal matters, and it includes, in particular, all judicial services pertaining to the processing of traffic- and parking-related statements of offence.

The issue of a statement of offence to an offender by a municipal representative (police officer or city parking agent [CPA]) sets in motion the legal proceedings to be initiated by the municipal court. The offender has 30 days from the date of issue to enter a not-guilty plea, if he or she so chooses. To do this, the offender must transmit a plea of not guilty to the court along with any other documentary evidence to support the disputed facts.

The Montréal municipal court, through the Section du traitement des appels et des plaidoyers, provides residents with exclusive access to an administrative verification service following the receipt of a not-guilty plea accompanied by technically demonstrable explanations. This service primarily involves examining the explanations provided, gathering evidence and validating certain information in order to recommend whether the proceedings should be dropped or upheld.

In 2006, 41,721 administrative verifications were completed, compared to 14,020 verifications for the first four months of 2007.

METHODOLOGY AND SCOPE

Our work consisted in ensuring that the administrative verifications of the information submitted to the municipal court to contest the grounds of a statement of offence are performed in compliance with established procedures, that the results of these verifications are conveyed to the defendant in a timely manner and that processing times are reasonable.

This work was carried out with the Section du traitement des appels et des plaidoyers and focused mainly on the administrative verifications entered into the penal offence processing system (STOP+) between January 1, 2006 and April 30, 2007, inclusively.

OBSERVATIONS AND RECOMMENDATIONS

The main goal of the administrative verification process is to help residents to help residents avoid, in some cases, unnecessary travelling and financial losses associated with presenting their defence before a municipal court judge, while also helping to clear municipal court dockets.

Administrative verifications are conducted by the 32 customer service agents at the Section du traitement des appels et des plaidoyers.

This process consists in receiving, reading and verifying the disputed facts (with supporting explanations and evidence) pertaining to a duly issued statement of offence. Once the verifications have been completed by the designated customer service agent, a recommendation is issued as to whether the statement of offence should be cancelled or whether penal proceedings should be upheld. In either case, a notice is issued to the defendant to inform him or her of the result of the verification in regard to the disputed facts.

It is important to stress that administrative verifications by the Section du traitement des appels et des plaidoyers of the Montréal municipal court are conducted only in the case of contested statements of offence accompanied by technically demonstrable facts. These are either statements of offence for which a not-guilty plea has been entered into the STOP+ system or statements of offence for which there is no plea of not guilty but for which there is a request for cancellation (e.g., deceased defendant, request for cancellation by the issuing agent or police officer for an erroneously issued statement of offence, statement of offence issued for a stolen vehicle). In either case, the same administrative verification procedures apply.

The first part of our work therefore entailed establishing the audit procedures that would allow us to review and assess the degree of compliance in the application of the internal procedures related to administrative verifications and the communication of the results to the defendant. The second part focused on the examination of the management information available to us with respect to the processing time for administrative verifications.

Compliance in the application of procedures related to administrative verifications and communication of results

In order to promote the fair and consistent processing of the statements of offence subject to administrative verifications, guidelines must be clearly established and disseminated to all concerned parties in the business unit.

To this end, we ascertained that the Montréal municipal court has established a detailed set of procedures to support administrative verifications. These procedures are described in a guide entitled *Procédés des vérifications administratives*.

These administrative verifications primarily involve corroborating the explanations provided by the defendants by consulting the various sources of information available at the Ville de Montréal, obtaining documentary evidence or requesting a visual inspection of the site of the offence.

Under the procedures in place, as soon as an administrative verification is entered into the STOP+ system, a code corresponding to the defendant's grounds for contesting the statement of offence (based on the wording of the explanations provided) is assigned. This code makes it possible to determine the nature of the verification procedures to be executed but also ensures that penal proceedings are suspended until the verification is complete.

The administrative verification guide is therefore subdivided into these codes. Each code corresponds to a separate procedure specifying which steps should be taken to perform the verification.

Based on the results of the verifications, the customer service agent enters his or her recommendation on whether to uphold or drop penal proceedings into the system. For some codes, a recommendation to uphold or drop proceedings may be submitted for approval to a senior agent or section head. However, any recommendation for a cancellation must be approved by a municipal court prosecutor. A written notice of the results of the administrative verification is then sent to the defendant.

Overall, our audit did not reveal any anomalies in this regard. We therefore conclude that administrative verifications are executed in accordance with established procedures.

Our audit also involved ensuring that defendants who challenged their statement of offence were duly notified of the results of the subsequent administrative verifications. We would like to point out here that once a recommendation of a customer service agent to uphold or cancel the statement of offence has been approved, the STOP+ system automatically generates either a “notice of cancellation” or an “investigation response notice.” The appropriate notice is then forwarded to the defendant by mail via the municipal post office.

In this respect, based on surveys we conducted to validate this aspect of the process, we conclude that notices were indeed transmitted to defendants.

Processing times

In order to facilitate the assessment of the performance of activities related to the processing of statements of offence subject to administrative verifications, managers must have access to complete and sufficiently detailed management information to be able to determine which areas are the most problematic and make well-informed decisions as to the corrective measures to be adopted. This management information should contain statistics on the processing times associated with the various steps of the administration verification process. We therefore proceeded with the review of the administrative verification process with this in mind.

The administrative verification process can be divided up into three main stages.

Entry of administrative verification information into the STOP+ system

The process begins with the receipt and reading of the not-guilty plea and supporting documents, followed by the entry of this information and code corresponding to the defendant’s grounds for contesting the statement of offence (e.g., 1010 – defective parking meter or dispenser) into the STOP+ system. This code determines the nature of the verification procedures to be executed.

Execution of the verification

Once the administrative verification has been entered into the STOP+ system, the file remains pending until it is assigned to a customer service agent for the necessary verifications and enquiries to be made (e.g., documentary evidence, inspections), in accordance with the rules established in the administrative verification guide.

Authorization of the verification results

The results of the verifications executed by the customer service agent may lead to one of two recommendations: upholding or dropping the proceedings (cancelling the statement of offence). Any recommendation to drop the proceedings must be approved by a municipal court prosecutor.

During the course of our audit, we met with the managers in charge of administrative verifications in order to find out about the information at our disposal with respect to the processing times associated with administrative verifications. We were informed that the Section du traitement des appels et des plaidoyers has reports in its possession that illustrate details such as:

- the number of administrative verifications completed on a monthly and yearly basis (report with cumulative data, issued monthly);
- the status of the backlog in the computer system containing the number of statements of offence pending administrative verification (weekly and monthly reports); and
- the dates in the backlog of the oldest and newest administrative verifications that are entered in the system and pending processing by a customer service agent (information issued monthly).

With specific regard to this last point, we acknowledge that this information provides an indication of the delay incurred for pending administrative verifications. For example, according to a report dated May 2, 2007, the pending administrative verifications contained in the backlog were entered into the system between February 8, 2007, and May 2, 2007. Considering that the oldest entries are generally handled first, it is possible in this case to estimate that with the cumulative delay, it would take nearly three months for an agent to be assigned to a file and initiate the verification process.

Although this information is relevant to operational management, we note that the Section du traitement des appels et des plaidoyers does not have access to management information that would enable it to assess the time it takes for each stage of the process when it comes to administrative verifications that are completed during the year.

Furthermore, we obtained a copy of the monthly management reports produced for the Direction des affaires corporatives in 2005 and the last four months of 2006 (the only four reports produced during that year). Based on these reports, we ascertained that the only measurable goal that the Direction des affaires pénales et criminelles reports on with respect to the administrative verification

process is the reduction in the number of statements of offence pending administrative verification. Consequently, there are no measurable goals pertaining to processing times.

We therefore attempted to assess these processing times at the various stages of the administrative verification process.

For statements of offence subject to administrative verifications for which processing had been completed at the time of our audit, we reviewed the duration of each of the following major stages:

- Period between the date the administrative verification was entered into the system (assignment of a code) and the date the file was assigned to a customer service agent;
- Period between the date the file was assigned to a customer service agent and the date the results of the verification were entered into the system; and
- Period between the date the results of the verification were entered into the system and the date the results were authorized by a prosecutor, in the case of a recommendation to drop the proceedings.

We ascertained the following based on the compiled statistics:

Period between the date the administrative verification was entered into the system and the date the file was assigned to a customer service agent					
2006 (12 months)			2007 (first 4 months of the year)		
Number of days	Number of files	Proportion (%)	Number of days	Number of files	Proportion (%)
0–5	6,239	18%	0–5	1,519	22%
6–30	3,627	10%	6–30	703	10%
31–60	929	3%	31–60	55	1%
61–90	18,582	53%	61–90	2,534	37%
91–120	5,807	15%	91–120	1,995	29%
More than 120	124	Less than 1%	More than 120	4	Less than 1%
Total files assigned	35,308 ¹	100%	Total files assigned	6,810 ¹	100%

(1) In order to calculate processing times, administrative verifications that were pending assignment to an agent were excluded from the information gathered for the purposes of the audit (spring 2007).

For this first stage in the process, we ascertained that a sizeable proportion (28% in 2006 and 32% for the first four months of 2007) of completed administrative verifications was assigned to an agent within 30 days. However, an even larger proportion of these statements of offence were on hold for

2 to 4 months pending assignment to an agent (68% in 2006 and 66% for the first 4 months of 2007). More specifically, we observed significant fluctuations with respect to the proportions between the 61–90-day and the 91–120-day intervals in 2007 compared to the same categories in 2006. In fact, we observed a drop of 16 percentage points in the proportion of administrative verifications assigned to an agent within 61 to 90 days in the first four months of 2007 (53% in 2006 compared to 37% in 2007). In the 91–120-day interval, however, the 2007 figure is 14 percentage points higher than the 2006 figure (15% in 2006 compared to 29% in 2007). This indicates a slowdown in the rate of assigning statements of offence subject to administrative verifications to customer service agents. And this trend seems to be continuing: our review of the management report dated September 26, 2007, showed that:

- the number of administrative verifications pending assignment to an agent (backlog) increased from 6,635 in early January 2007 to 8,993 at the beginning of May 2007 and 11,168 at the end of September 2007; and
- the number of days before a file was assigned to an agent was approximately 120 on September 26, 2007, compared to 90 on May 2, 2007.

Period between the date the file was assigned to a customer service agent and the date the results of the verification were entered into the system					
2006 (12 months)			2007 (first 4 months of the year)		
Number of days	Number of files	Proportion (%)	Number of days	Number of files	Proportion (%)
0–5	23,429	69%	0–5	4,465	81%
6–30	5,016	15%	6–30	748	13%
31–60	3,504	11%	31–60	263	4%
61–90	1,145	3%	61–90	44	1%
91–120	479	1%	91–120	22	Less than 1%
More than 120	306	Less than 1%	More than 120	0	0%
Total files processed	33,879 ¹	100%	Total files processed	5,542 ¹	100%

(1) In order to calculate processing times, administrative verifications that were pending processing by an agent were excluded from the information gathered for the purposes of the audit (spring 2007).

At this second stage of the process, the file is assigned to a customer service agent, who initiates the administrative verification in accordance with established procedures.

Based on the compiled statistics, we observed that the largest proportion of pending files (69% in 2006, 81% for the first four months of 2007) fall under the 0–5-day category. Obviously, certain

complex files or files that require additional documentary evidence may lead to additional delays. But it is surprising to see a considerable 12-percentage-point increase in administrative verifications completed in the 0–5-day category in 2007 (81% in 2007 compared to 69% in 2006), without any apparent explanations.

Period between the date the results of the verification were entered into the system and the date the results were authorized by a prosecutor (in the case of a recommendation to drop the proceedings)					
2006 (12 months)			2007 (first 4 months of the year)		
Number of days	Number of files	Proportion (%)	Number of days	Number of files	Proportion (%)
0–5	17,399	87%	0–5	2,027	66%
6–30	2,009	10%	6–30	1,015	33%
31–60	246	1%	31–60	7	Less than 1%
61–90	74	Less than 1%	61–90	3	Less than 1%
91–120	49	Less than 1%	91–120	0	0%
More than 120	181	Less than 1%	More than 120	0	0%
Total files authorized	19,958 ¹	100%	Total files authorized	3,052 ¹	100%

(1) In order to calculate processing times, administrative verifications that were pending authorization from a prosecutor were excluded from the information gathered for the purposes of the audit (spring 2007).

At this last stage of the process, the verification is complete, but the cases for which the agent recommends that the statement of offence be cancelled must be approved by a prosecutor. We ascertained that a high proportion of these cases were approved by a prosecutor within 0 to 5 days (87% in 2006 and 66% in 2007). However, we also observed that approval times were considerably longer in early 2007. In fact, we noted a 21-percentage-point drop (87% in 2006 compared to 66% in 2007) in the number of files approved by the prosecutor within 5 days, and a 23-percentage-point increase (10% in 2006 compared to 33% in 2007) in the 6–30-day category.

We are aware that fluctuations observed throughout the administrative verification process can be caused by many factors. In particular, based on information obtained from the managers we met, customer service agents in the Section du traitement des appels et des plaidoyers must first respond to telephone queries from clients, then read and deal with the correspondence received by the municipal court on a daily basis. These tasks may, to an extent, explain the cumulative delays in the assignment of statements of offence to a customer service agent for which administrative verifications are requested. Nevertheless, we feel that the reasonability of the processing times we

observed needs to be examined. In some respects, these delays seem long, particularly when it comes to the assignment of files to customer service agents. The managers we met with did not have any comparative data to formally refute this statement.

As a result, we ascertained that it is difficult to assess the performance of operations, given that:

- no measurable goals have been formally established and integrated into a regular accountability mechanism with respect to processing times;
- the managers in charge do not have any statistical data on processing times at the various stages of the administrative verification; and
- apart for a few explanations provided verbally by managers, we did not obtain any other justification for these processing delays. They could have been explained via analyses of the regular evaluation of employee workload (status report of the volume of statements of offence subject to administrative verifications), the number of resources available, and the productivity of these resources with respect to the core tasks of the Section du traitement des appels et des plaidoyers. Moreover, the managers we met with mentioned that they have occasionally had to hire temporary personnel to deal with the cumulative delays.

Consequently, we feel that it would be beneficial for the Section du traitement des appels et des plaidoyers to prioritize the establishment of measurable goals with respect to processing times. These goals should be determined based on the workload in question, the personnel available and employee productivity.

In addition, the compilation and breakdown of processing times at the various stages of the administrative verification will help those in charge to define how reasonable these times are compared to established goals, and pinpoint the areas in which any corrective measures should be directed.

Recommendation

In order to facilitate the assessment of the performance of activities related to the processing of statements of offence subject to administrative verifications and reduce processing times, we recommend that the Direction des affaires pénales et criminelles take the necessary measures in order to:

- **establish measurable goals specific to processing times;**

- adopt the tools needed to regularly compile information on processing times at the various stages of the administrative verifications; and
- produce management reports for the management of the Service, at intervals to be established at a later date, highlighting the results of these compilations and the extent to which the established goals have been met.

Actions proposed by the Direction des affaires pénales et criminelles

- 1) *“Considering the various tasks that customer service agents are responsible for executing (answering telephone queries, reading and dealing with incoming correspondence, setting court appointments by telephone, administrative verifications), management intends to conduct the analyses required and, as necessary, will review its processes to improve the processing times for not-guilty pleas. Until the results of these analyses are issued and the tools to compile data on processing times at the various stages of the verification process are obtained, we will aim for a 90-day interval between the date the administrative verification is entered and coded in the system and the date it is assigned to an agent. **(Planned completion: December 31, 2008)**”*
- 2) *Management does not currently possess the tools necessary to compile the statistics on processing times for administrative verifications. We already submitted a request for a change to our computer system on May 24, 2007, which is pending with the Direction des technologies de l’information. Plans include the creation of a weekly statistical report for each stage, code and processing time interval for administrative verifications. **(Planned completion: December 31, 2008)**”*
- 3) *As we await the implementation of specialized management tools, we have added another piece of information that will allow us to assess processing times. Since October 22, 2007, the date of the oldest pending file has been added to the weekly statistics sent to management.” **(Planned completion: October 22, 2007)***

APPENDIX

Article 107 of the <i>Cities and Towns Act</i>	1
List of audit reports issued (financial statements or other financial information)	6
Employees of the General Auditor's Office	7

VALUE-FOR-MONEY AUDITS—FLOW CHART

Planning	11
Auditing and report	12
Annual report and follow-ups	13

SCHEDULE OF EXPENSE ACCOUNTS OF THE OFFICE OF THE GENERAL AUDITOR

External auditors' report	
Schedule of expense accounts	

ARTICLE 107 OF THE CITIES AND TOWNS ACT

IV.1. — Chief auditor

Chief auditor.	107.1. The council of every municipality having 100,000 inhabitants or more shall have an officer called the chief auditor. 2001, c. 25, s. 15.
Term.	107.2. The chief auditor shall, by a resolution approved by a two-thirds majority of the votes of the members of the council, be appointed for a term of seven years. The term may not be renewed. 2001, c. 25, s. 15.
Ineligibility.	107.3. In no case may the following persons act as chief auditor: 1) a member of the council of the municipality and, where applicable, of a borough council; 2) the associate of a member mentioned in subparagraph 1; 3) a person who, personally or through an associate, has any direct or indirect interest in a contract with the municipality or a legal person referred to in paragraph 2 of section 107.7.
Disclosure of interest.	The chief auditor shall disclose in every report produced any situation that could cause a conflict between the chief auditor's personal interest and duties of office. 2001, c. 25, s. 15.
Inability or vacancy.	107.4. If the chief auditor is unable to act, or if the office of chief auditor is vacant, the council shall, 1) not later than at the sitting following the inability to act or the vacancy, designate a person qualified to replace the chief auditor, for a period of not more than 180 days; 2) not later than at the sitting following the inability or the vacancy, or not later than at the sitting following the expiry of the period fixed under paragraph 1, appoint a new chief auditor in accordance with section 107.2. 2001, c. 25, s. 15.
Expenses.	107.5. The budget of the municipality shall include an appropriation to provide for payment of a sum to the chief auditor to cover the expenses relating to the exercise of the chief auditor's duties.
Amount of appropriation.	Subject to the third paragraph, the appropriation must be equal to or greater than the product obtained by multiplying the total of the other appropriations provided for in the budget for operating expenses by 1) 0.17% where the total of those appropriations is less than \$100,000,000; 2) 0.16% where the total of those appropriations is at least \$100,000,000 and less than \$200,000,000; 3) 0.15% where the total of those appropriations is at least \$200,000,000 and less than \$400,000,000; 4) 0.14% where the total of those appropriations is at least \$400,000,000 and less than \$600,000,000; 5) 0.13% where the total of those appropriations is at least \$600,000,000 and less than \$800,000,000;

- 6) 0.12% where the total of those appropriations is at least \$800,000,000 and less than \$1,000,000,000;
- 7) 0.11% where the total of those appropriations is at least \$1,000,000,000.

Exception.	Where the budget of the municipality provides for appropriations for operating expenses related to the operation of a system of production, transmission or distribution of electric power, 50% only of those appropriations shall be taken into account in establishing the total of the appropriations referred to in the second paragraph. 2001, c. 25, s. 15; 2001, c. 68, s. 5.
Duties.	107.6. The chief auditor is responsible for the application of the municipality's policies and standards relating to the management of the human, material and financial resources assigned to auditing. 2001, c. 25, s. 15.
Duties.	107.7. The chief auditor shall audit the accounts and affairs <ul style="list-style-type: none">1) of the municipality;2) of every legal person in respect of which the municipality or a mandatary 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. 2001, c. 25, s. 15.
Audit.	107.8. 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.
Audit.	The audit must not call into question the merits of the policies and objectives of the municipality or legal persons referred to in paragraph 2 of section 107.7.
Documents and information.	The chief auditor in the performance of his duties is authorized <ul style="list-style-type: none">1) to examine any document concerning the affairs and accounts relating to the objects of the audit;2) to require from any employee of the municipality or any legal person referred to in paragraph 2 of section 107.7 all information, reports and explanations the chief auditor considers necessary. 2001, c. 25, s. 15; 2001, c. 68, s. 6.
Audit.	107.9. Any legal person receiving an annual subsidy from the municipality of at least \$100,000 is required to have its financial statements audited.
Copy.	The auditor of a legal person not referred to in paragraph 2 of section 107.7 that receives an annual subsidy from the municipality of at least \$100,000 shall transmit to the chief auditor a copy of <ul style="list-style-type: none">1) the annual financial statements of the legal person;2) the auditor's report on the statements;

	3) any other report summarizing the auditor's findings and recommendations to the board of directors or the officers of the legal person.
Documents and information.	That auditor shall also, on the request of the chief auditor, 1) place at the disposal of the chief auditor any document relating to the auditor's audit and its results; 2) provide all information and explanations the chief auditor considers necessary concerning the auditor's audit and its results.
Additional audit.	Where the chief auditor considers that the information, explanations and documents provided by an auditor under the second paragraph are insufficient, the chief auditor may conduct such additional audit as he considers necessary. 2001, c. 25, s. 15.
Audit.	107.10. The chief auditor may conduct an audit of the accounts or documents of any person having received financial assistance from the municipality or from a legal person referred to in paragraph 2 of section 107.7, as regards the use made of such assistance.
Accounts and documents.	The municipality and the person having received the financial assistance are required to furnish to or place at the disposal of the chief auditor any accounts and documents that the chief auditor considers relevant to the performance of the chief auditor's duties.
Information.	The chief auditor is authorized to require from any officer or employee of the municipality or from any person having received financial assistance any information, reports and explanations the chief auditor considers necessary to the performance of the chief auditor's duties. 2001, c. 25, s. 15.
Audit.	107.11. The chief auditor may conduct an audit of the pension plan or pension fund of a pension committee of a municipality or a legal person referred to in paragraph 2 of section 107.7 where the committee requests the chief auditor to do so with the approval of the council. 2001, c. 25, s. 15.
Duties.	107.12. The chief auditor shall, every time the council so requests, investigate and report on any matter within the competence of the chief auditor. In no case, however, may the investigation take precedence over the primary responsibilities of the chief auditor. 2001, c. 25, s. 15.
Report.	107.13. Not later than 31 August each year, the chief auditor shall transmit to the council a report presenting the results of the audit for the fiscal year ending on the previous 31 December and indicate any fact or irregularity the chief auditor considers expedient to mention, in particular in relation to 1) control of revenue including assessment and collection; 2) control of expenditure, including authorization, and compliance with appropriations; 3) control of assets and liabilities including related authorizations; 4) accounting for operations and related statements; 5) control and safeguard of property owned or administered;

- 6) acquisition and utilization of resources without sufficient regard to economy or efficiency;
- 7) implementation of satisfactory procedures to measure and report effectiveness in cases where it is reasonable to do so.

Report.	The chief auditor may also, at any time, transmit to the council a report of the findings and recommendations that, in the opinion of the chief auditor, warrant being brought to the attention of the council before the filing of the annual report. 2001, c. 25, s. 15.
Report.	107.14. The chief auditor shall report to the council on the audit of the financial statements of the municipality and the statement fixing the aggregate taxation rate.
Report.	In the report, which shall be transmitted to the treasurer not later than 31 March, the chief auditor shall state, in particular, whether <ul style="list-style-type: none">1) the financial statements faithfully represent the municipality's financial position on 31 December and the results of its operations for the fiscal year ending on that date;2) the aggregate taxation rate has been fixed in accordance with the regulations made under section 262 of the Act respecting municipal taxation (chapter F-2.1). 2001, c. 25, s. 15.
Report.	107.15. The chief auditor shall report to the boards of directors of the legal persons referred to in paragraph 2 of section 107.7 on the audit of the financial statements before the expiry of the time within which they are to produce their financial statements.
Report.	In the report, the chief auditor shall state, in particular, whether the financial statements faithfully represent their financial position and the results of their operations at the end of their fiscal year. 2001, c. 25, s. 15.
Testimony.	107.16. Notwithstanding any general law or special Act, neither the chief auditor nor the employees under the chief auditor's direction or the professionals under contract may be compelled to give testimony relating to any information obtained in the performance of their duties or to produce any document containing such information.
Immunity.	Neither the chief auditor nor the employees under the chief auditor's direction may be prosecuted by reason of any act they have done or failed to do in good faith in the performance of their duties.
Immunity.	No civil action may be instituted by reason of the publication of a report of the chief auditor prepared under this Act or of the publication in good faith of an extract or summary of such a report.
Immunity.	Except on a question of jurisdiction, no recourse under article 33 of the Code of Civil Procedure (chapter C-25) or extraordinary recourse within the meaning of that Code may be exercised nor any injunction granted against the chief auditor, the employees under the chief auditor's direction or the professionals under contract acting in their official capacity.

Annulment.

A judge of the Court of Appeal, on a motion, may summarily annul any proceeding instituted or decision rendered contrary to the provisions of the first paragraph.
2001, c. 25, s. 15.

Audit committee.

107.17. The council may establish an audit committee and determine its composition and powers.
2001, c. 25, s. 15.

LIST OF AUDIT REPORTS ISSUED (FINANCIAL STATEMENTS OR OTHER FINANCIAL INFORMATION)

The audit of the financial statements of the Ville de Montréal as at December 31, 2007, allowed us, as well as the external auditors, to issue an unqualified report in this respect.

By the time this report went to press, we had also produced a number of unqualified audit reports on financial statements or financial information, as listed here:

	2007	2006
Fonds des conduits souterrains		X
Société d'habitation et de développement de Montréal	X	
La Corporation d'habitations Jeanne-Mance	X	
La Société de transport de Montréal (covérificateur)	X	
Société du Parc Jean-Drapeau	X	
Société de gestion Marie-Victorin	X	
Anjou 80	X	
Conseil des arts de Montréal	X	
Office de consultation publique de Montréal		X
Tableau des dépenses mixtes – Ville de Montréal	X	
Conseil interculturel de Montréal		X
Programme d'aide gouvernementale au transport en commun – Réseau initial du métro et ses prolongements		X
Programme d'assainissement des eaux usées		X
Taux global de taxation réel basé sur les valeurs ajustées – Agglomération de Montréal	X	
Taux global de taxation réel basé sur les valeurs ajustées – Ville de Montréal	X	

**EMPLOYEES OF THE GENERAL AUDITOR'S OFFICE
YEAR 2007**

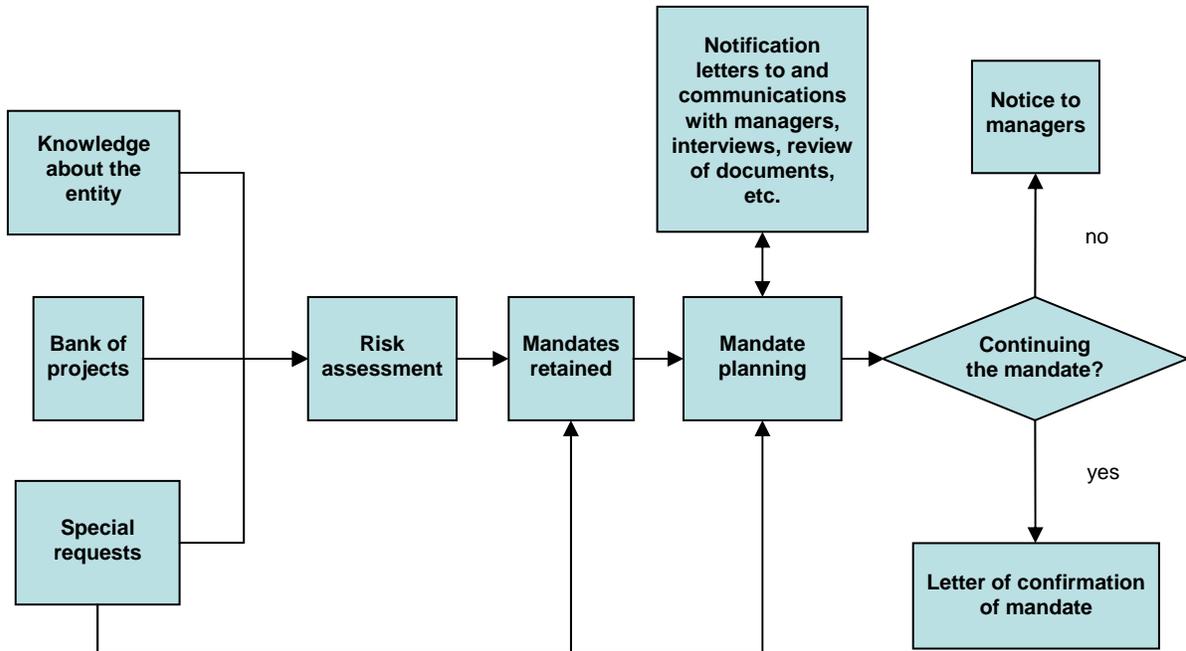
General Auditor Michel Doyon, CA, MBA, CIA	Executive secretary Josiane Mauriello
Director, Financial and IT Audits Denis Savard, CA, MBA (as of July)	Administrative support France Benny
Division heads Denis Blouin, CA Fernande Désormeaux, CGA Robert Duquette, CA Denis Tremblay, CGA	Programmer Yolaine Levasseur
Audit agents and advisors	
Martine Beauregard, CGA (as of August)	Marcel Laplante
Régent Bilodeau, CGA	Pauline Lapointe, CA
Johanne Boudreau, BAA	Nicole Larivière, BAA
Jacques Brisson, CA, CISA	Éric Laviolette, CA
Maryse Brunetta, CGA	Ngoc Le Quang, MMS
Luc Chevalier (January–May)	Chantal L'Heureux, CGA
Marie Cormier, CA	Joanne Major, CA
Julien Faucher	Victor Marchand, CGA, CISA
André Gagnon, CMA, CISA (on union leave as of April)	Philippe Pitre, BAA
Lucie Gauthier, BAA	Michel Proulx, CGA
Bernard Goyette, CGA, CMA	Ronel Rocher, CGA
Gilles Grimard, CGA	André Sergerie, CA
Jocelyne Laperrière, CGA, CA	André St-Pierre, CGA (on union leave as of December)

**VALUE-FOR-MONEY AUDITS
FLOW CHART**

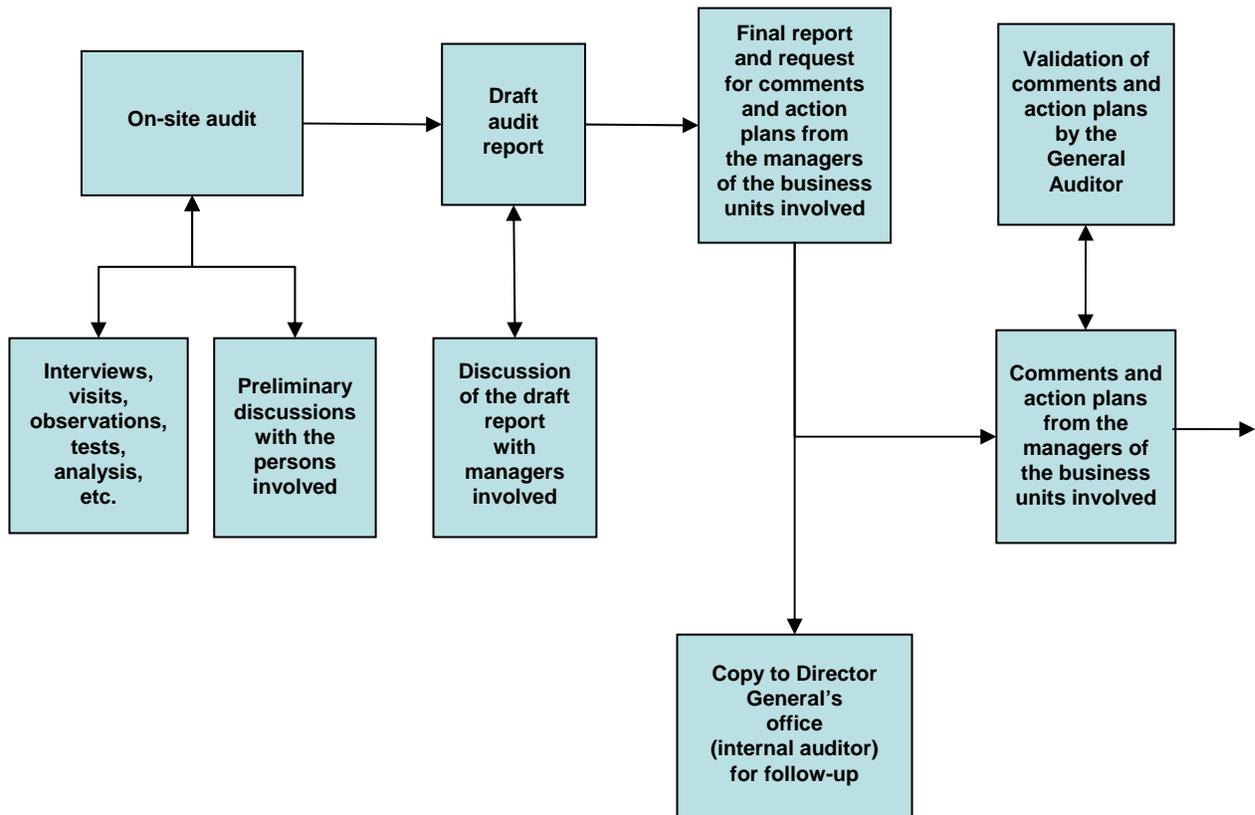
Planning

Annual

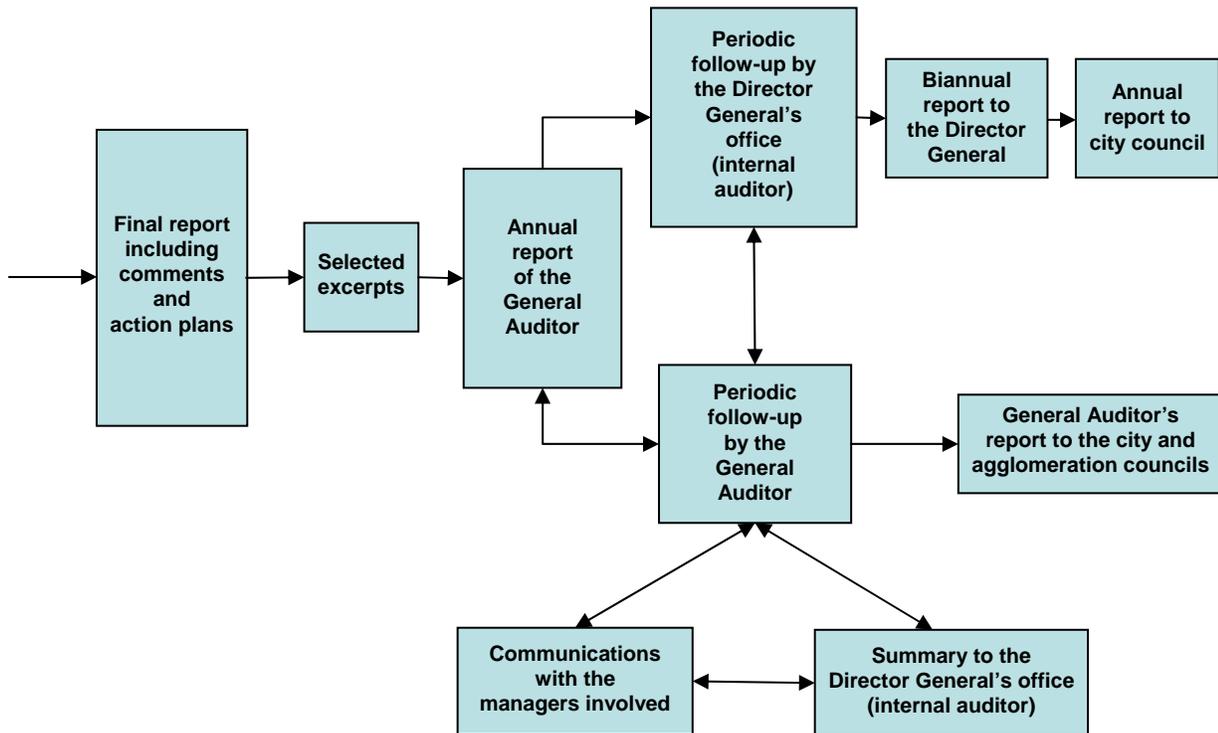
Mandates



Auditing and Reports



Annual report and follow-ups



Schedule of Expense Accounts

**Office of the General Auditor of the
Ville de Montréal**

December 31, 2007

Auditors' Report

To the Mayor,
the Chairman and Members of the Executive Committee and
the Members of the Council of the Ville de Montréal

In compliance with the provisions of section 108.2.1 of the *Act respecting cities and towns*, we audited the expense accounts related to the Office of the General Auditor of the Ville de Montréal ("the City") for the year ended December 31, 2007. This financial information is the responsibility of the City's administration. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these expense accounts, in the amount of \$4,429,175, present fairly, in all material respects, the costs incurred by the Office of the General Auditor of the City during the year ended December 31, 2007 in accordance with generally accepted principles for local governments published by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, as described in Note 3 to the financial statements of the City.

Samson Bélair/Deloitte & Touche s.e.n.c.r.l.

Chartered Accountants

March 7, 2008

**OFFICE OF THE GENERAL AUDITOR OF THE
VILLE DE MONTRÉAL**

Schedule of Expense Accounts

year ended December 31, 2007

(in thousands of dollars)

	Budget	Actual	Actual
	2007	2007	2006
	\$	\$	\$
Compensation of personnel			
Salaries	2,923	2,656	2,743
Fringe benefits	825	707	715
	3,748	3,363	3,458
Professional, technical and administrative services	425	595	540
Other operating expenses	496	471	330
TOTAL	4,669	4,429	4,328

This schedule of expense accounts of the Office of the General Auditor of the Ville de Montréal was prepared in accordance with generally accepted accounting principles for local governments published by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, according to the same accounting policies described in Note 3 to the financial statements of the Ville de Montréal for the year ended December 31, 2007.