

1

INTRODUCTION



1. Introduction

The *Cities and Towns Act* (CTA) requires that Québec municipalities with 100,000 or more residents have an Auditor General. The Auditor General provides city council with an accurate picture of whether the municipal administration is making wise and optimal use of public funds.

The Auditor General mandate includes, to the extent it deems appropriate, financial audit, legal and regulatory compliance audit and value-for-money audit of the Ville de Montréal and of the organizations covered by the section 107.7 of the CTA, which numbered to 16 for fiscal year 2016, within the minimum budget limits imposed in section 107.5 of the CTA.

Pursuant to the CTA, no later than August 31 every year, the Auditor General must forward to the Mayor, for deposit to the city council, the results of its audits for the fiscal year ending on the previous December 31.

This report consolidates the results of the work done by the Bureau du vérificateur général of Montréal for the fiscal year ended December 31, 2016.

Here is a brief overview of each of the chapters included in the 2016 annual report.

Chapter 2 – Observations of the Auditor General

This chapter includes the Auditor General's observations on the challenges of the Bureau du vérificateur général of Montréal and a summary of the important elements resulting from the audit work performed for the year 2016.

Chapter 3 – Financial statement audit and other reports

The results of the audit on the consolidated financial statement of the Ville de Montréal and on the organizations to be audited by the Auditor General under the provisions of section 107.7 of the CTA are presented in this chapter.

Chapter 4 – Legal and regulatory compliance

This chapter presents the results of the audit performed to ensure regulatory compliance of the organizations that receive an annual subsidy of at least \$100,000.

Chapter 5 – Value-for-money and information technology audit

In this chapter, the results of the value-for-money and IT audit are presented. It includes reports on the Management of the Emerald Ash Borer and the Canopy, Sustainable Water Management, Traffic Light Management, the Eco-quartier Program and Eco-Centres, as well as the two preliminary audit study reports on the Système évolué de radiocommunication de l'agglomération de Montréal (SERAM) Project, Transfo-RH Program Management and the summary result of Physical Penetration Tests.

Chapter 6 – Follow-up on recommendations from previous years

This chapter presents the results of follow-up on recommendations included in the previous reports.

Chapter 7 – Status of the Bureau du vérificateur général

The Auditor General is also required to report on its activities. For purposes of transparency, the final chapter of the 2016 report presents the financial results as well as a set of indicators on the Bureau du vérificateur général of Montréal.

Appendices

Finally, the appendices include the provisions of the CTA concerning the Auditor General, the external auditor and the Director General as well as the audited statement of expenditures of the Bureau du vérificateur général as of December 31, 2016.