

6

FOLLOW-UP ON RECOMMENDATIONS OF PREVIOUS YEARS



6. Follow-Up on Recommendations of Previous Years

The percentage of recommendations made by the Bureau du vérificateur général (the BVG) that have led to concrete measures is an essential indicator in ensuring that central departments and boroughs implement their recommendations.

The BVG's policy is to follow up on the recommendations in the year following their publication in the annual report. The follow-up cycle of a given year's recommendations is generally limited to a period not exceeding three years, except in very special circumstances where some recommendations are followed up for one, two or three additional years.

RESULTS OF FOLLOW-UPS TO RECOMMENDATIONS – VALUE-FOR-MONEY AND INFORMATION TECHNOLOGY AUDIT

The results of follow-ups to the recommendations made in the 2010-2015 annual reports are presented in Table 1.

**Table 1 – Results of Follow-Ups to Recommendations
Value-for-Money and Information Technology Audit
As of April 21, 2017, by Status**

Status of recommendations	No. of recommendations per year						
	2010	2011	2012	2013	2014	2015	Total
Resolved	169	180	205	154	247	164	1,119
In progress	5	20	26	23	128	101	303
Deferred	1	–	1	–	9	2	13
Not resolved	–	23	–	30	–	–	53
To be implemented ^[a]	–	–	–	–	9	63	72
Total number of recommendations made	175	223	232	207	393	330	1,560

^[a] These recommendations have not been followed-up by the business units concerned.

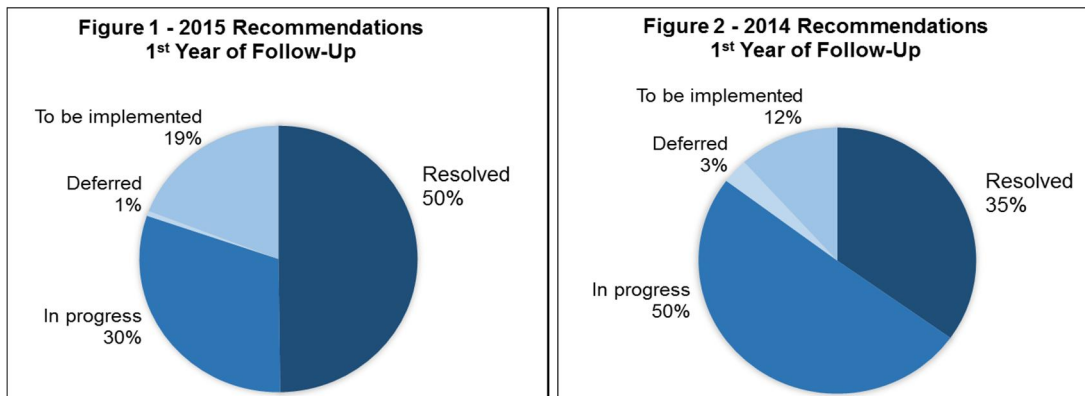
6. Follow-Up on Recommendations of Previous Years

We note that recommendations whose status is "resolved" in the first year of follow-up after their publication in the BVG's annual report represent 50% for those of 2015 (35% for those of 2014) – (see Figures 1 and 2).

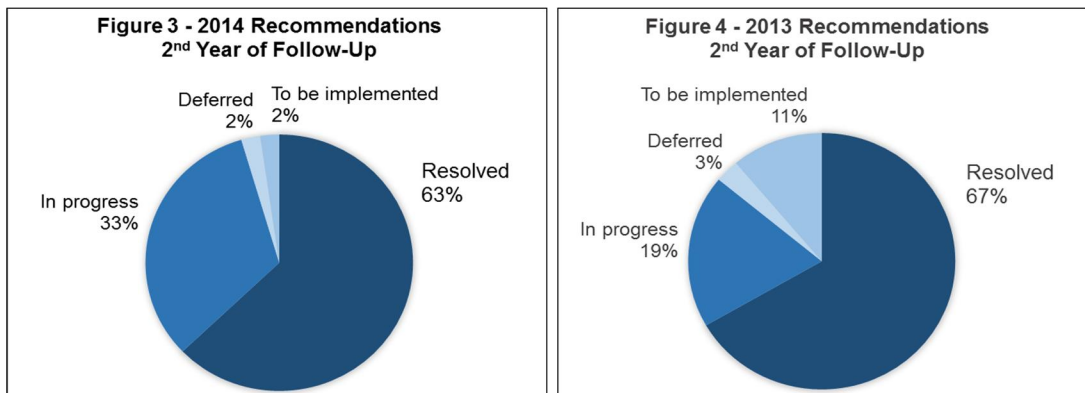
Recommendations whose status is "resolved" in the second year of follow-up after their publication represent 63% for those of 2014 (67% for those of 2013) – (see Figures 3 and 4).

Recommendations whose status is "resolved" in the third year of follow-up represent 74% for those of 2013 (79% for those of 2012) – (see Figures 5 and 6).

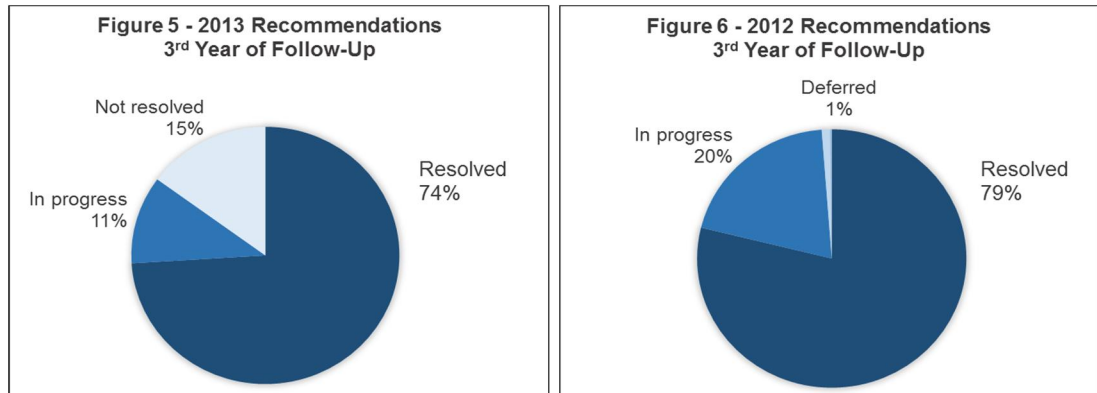
**Figures 1 and 2 – Implementation Rate of 2015 and 2014 Recommendations
Value-for-Money and Information Technology Audit
1st Year of Follow-Up, by Status**



**Figures 3 and 4 – Implementation Rate of 2014 and 2013 Recommendations
Value-for-Money and Information Technology Audit
2nd Year of Follow-Up, by Status**



**Figures 5 and 6 – Implementation Rate of 2013 and 2012 Recommendations
Value-for-Money and Information Technology Audit
3rd Year of Follow-Up, by Status**



**ADDITIONAL NOTES FOR RESULTS OF
RECOMMENDATION FOLLOW-UPS**

The objective of our follow-up work is to ensure that business units undertake measures to implement the action plans they have provided, within the planned implementation schedule. In this context, it is expected that business units will ensure a rigorous response to the BVG's recommendations while following up on the implementation of action plans for these recommendations at the appropriate time.

According to the action plans of business units for the 2015 recommendations, the scheduled implementation times ranged from 0 to just over 36 months (43 months). We compared the scheduled implementation rate with the actual implementation rate following our first year of follow-up. The results are presented in Table 2.

Table 2 – Implementation Rate of 2015 Recommendations Compared to Schedules Set Out in the Action Plans

Implementation period for recommendations	Scheduled implementation based on implementation dates set out in the action plans		Actual implementation	
	Rate	No. of recommendations	Rate	No. of recommendations
0 to 12 months	87%	289	50%	164
12 to 24 months	10%	33	N/A ^[a]	–
24 to 36 months	2%	5	N/A ^[a]	–
More than 36 months	1%	3	N/A ^[a]	–
Total for 2015	100%	330	50%	164

^[a] Implementation date not yet due, as of the date of this report.

Along the same lines, we have established the time required to implement the 2015 recommendations from the date initially scheduled in the action plans provided by the business units. Our results are presented in Table 3.

Table 3 – Implementation Deadlines for 2015 Recommendations Compared to Implementation Dates Set Out in the Action Plans As of April 21, 2017, by Status

Status of recommendations confirmed by the BVG	No. of recommendations by status Rate	Implementation date passed		Implementation date not expired or met
		No. Rate	Average timeline calculated	No. Rate
Resolved	164 50%	147 90%	196 days ^[b] (6.4 months)	17 10%
In progress	101 30%	80 79%	183 days ^[c] (6.0 months)	21 21%
Deferred	2 1%	0 0%	N/A	2 100%
To be implemented ^[a]	63 19%	47 75%	208 days ^[c] (6.8 months)	16 25%
Total number of 2015 recommendations	330 100%	274 83%	194 days (6.4 months)	56 17%

^[a] These recommendations have not been followed up by the business units concerned.

^[b] Timeline calculated from the date the business unit follows up on the recommendations ("resolved" provisional status) and the implementation date initially scheduled in the action plan.

^[c] Timeline calculated between April 21, 2017 and the implementation date originally scheduled in the action plan.

In addition, for several recommendations, our follow-up work revealed that the business units did not take sufficient steps to implement the recommendations, or were unable to demonstrate the status. We note the following:

- 90 recommendations (18%) from 2014 and 2015, or 50 from 2014 and 40 from 2015, which had been resolved in 2016 according to the business units, had to be kept "in progress" since the measures put in place by the business units did not respond to the recommendations, or the business units had not been able to demonstrate any evidence of the measures having been taken;
- 55 recommendations (8%) from 2014 and 2015, 8 from 2014 and 47 from 2015, for which the initial implementation date had passed, still have the "to be implemented" status, indicating no follow-up on them by the business units concerned.

RESULTS OF FOLLOW-UPS TO RECOMMENDATIONS – AUDIT OF FINANCIAL STATEMENTS

Results of follow-ups to recommendations made in the 2010 to 2015 reports on internal control weaknesses are presented in Table 4.

**Table 4 – Results of Follow-Ups to Recommendations
Audit of Financial Statements
As of April 21, 2017, by Status**

Status of recommendations	No. of recommendations per year						
	2010	2011	2012	2013	2014	2015	Total
Resolved	20	15	8	10	5	5	63
In progress	–	–	3	–	1	7	11
Deferred	–	–	–	–	–	–	–
Not resolved	2	2	1	–	–	–	5
To be implemented ^[a]	–	–	–	–	–	–	–
Total of recommendations made	22	17	12	10	6	12	79

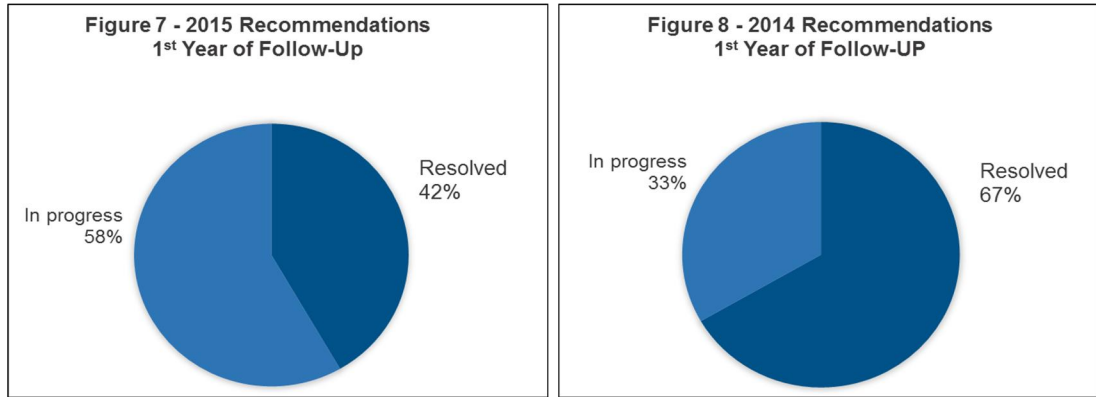
^[a] These recommendations have not been followed up by the business units concerned.

We note that recommendations whose status was "resolved" in the first year of follow-up after their publication in the report on internal control weaknesses for the Ville de Montréal audit committee represent 42% for those of 2015 (67% for those of 2014) – (see Figures 7 and 8).

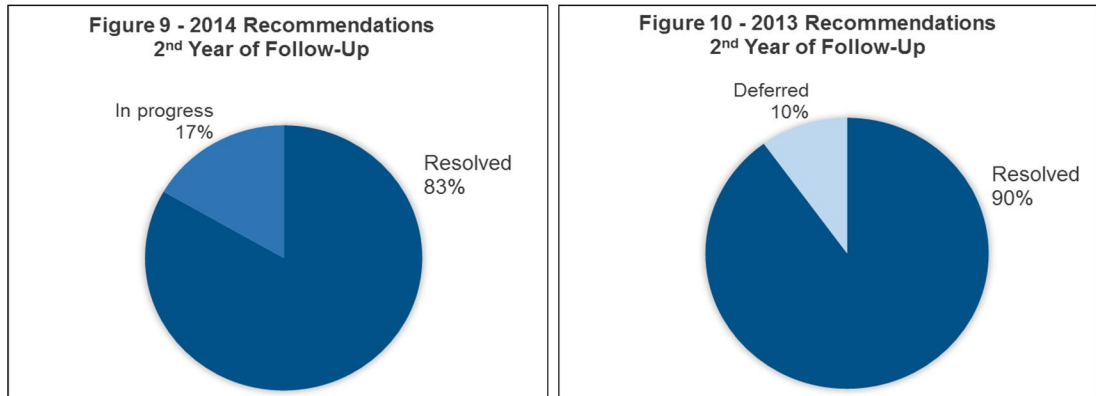
Recommendations whose status is "resolved" in the second year of follow-up after their publication represent 83% for those of 2014 (90% for those of 2013) – (see Figures 9 and 10).

Recommendations whose status is "resolved" in the third year of follow-up represent 100% for those of 2013 (67% for those of 2012) – (see Figures 11 and 12).

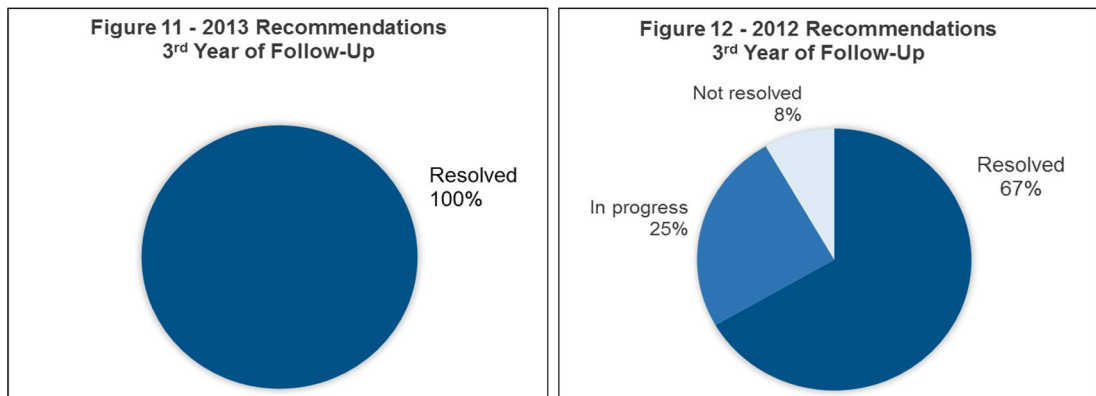
**Figures 7 and 8 – Implementation Rate of 2015 and 2014 Recommendations
Audit of Financial Statements
1st Year of Follow-Up, by Status**



**Figures 9 and 10 – Implementation Rate of 2014 and 2013 Recommendations
Audit of Financial Statements
2nd Year of Follow-Up, by Status**



**Figures 11 and 12 – Implementation Rate of 2013 and 2012 Recommendations
Audit of Financial Statements
3rd Year of Follow-Up, by Status**



CONCLUSION

For the value-for-money and information technology audit, the implementation rate for the recommendations in the first year of follow-up improved for those of 2015, with a 50% result compared to the rate observed for those of 2014, which was 35% (see Figures 1 and 2).

Recommendations in their third year of follow-up in 2015, i.e., those from 2013, had an implementation rate of 74% (79% for those of 2014) – (see Figures 5 and 6).

Our follow-up work highlights the fact that several business units do not give adequate consideration to the recommendations addressed to them, which does not favour the implementation of the recommendations. To this end, we note that only 10% of the 2015 recommendations have been granted "resolved" status in accordance with the business plan initially provided by the business units in their action plans (see Table 3). However, it should be noted that a significant number of all the 2015 recommendations, 50%, were resolved within a 12-month period (see Table 2).

With regard to the audit of the financial statements, the implementation rate of the recommendations in the first year of follow-up deteriorated for those of 2015, with a result of 42%, compared to the rate observed for those of 2014, which was 67% (see Figures 7 and 8).

However, the 2013 recommendations in their third year of follow-up, i.e., 2015, show a result of 100% (67% for those of 2012) – (see Figures 11 and 12).

We recommend that municipal administration establish performance indicators to measure the degree of implementation of the recommendations included in the Auditor General's audit reports and do the follow-up.