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# OVERVIEW OF THE BUREAU DU VÉRIFICATEUR GÉNÉRAL



**7.1 FINANCIAL RESULTS**

**7.2 NUMBER OF AUDIT REPORTS ISSUED**

**7.3 HUMAN RESOURCES**



## 7. Overview of the Bureau du vérificateur général

This chapter presents the highlights of the results obtained for the year 2016 regarding the performance of the Auditor General's mandate and the utilization of resources for this purpose. More specifically, we present different indicators so the reader can appreciate the performance of the Bureau du vérificateur général (the Bureau).

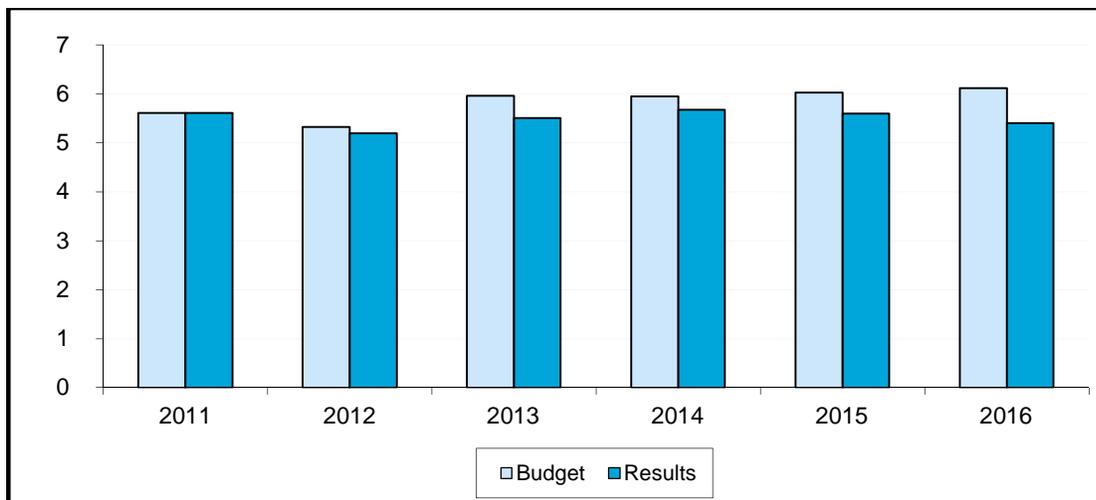
The indicators presented are:

- The financial results;
- The number of audit reports issued;
- Human resources:
  - Workforce trends and status,
  - Workforce evolution and forecasting,
  - Use of time,
  - Staff turnover rate,
  - Absenteeism rate,
  - Average number of hours and cost of training,
  - Equal access to employment.

## 7.1. Financial Results

For the year 2016, the Bureau's operating expenditures amounted to \$5.5 million, compared to the budget of \$6.1 million. This favourable variance is explained, in particular, by the three positions that remained vacant and the maternity leaves of three employees. Figure 1 illustrates the Bureau's financial results for the past five years.

**Figure 1 – Budget and Financial Results**  
(in millions of dollars)



In accordance with the provisions of section 108.2.1 of the *Cities and Towns Act*, the Auditor General accounts for the year ended December 31, 2016, were audited by an independent auditor mandated by the city. The report of the independent auditor is presented in Appendix 8.2.

## 7.2. Number of Audit Reports Issued

Table 1 details the number of reports issued over the past few years for audits of the financial statements, regulatory compliance, as well as value for money (VM) and information technology (IT) audits.

**Table 1 – Number of Audit Reports Issued from 2012 to 2016**

Reference annual report	Financial statements	Compliance	VM and IT	Total number of audit reports
2012	35	1	13	49
2013	18	1	11	30
2014	19	1	12	32
2015	17	1	8	26
2016	18	2	7	27

The number of reports issued in 2016 remained essentially the same as in the previous year.

## 7.3. Human Resources

Human resources are the cornerstone of an organization like ours. Indeed, the Bureau's credibility and power to influence are primarily based on the expertise of its human resources.

### WORKFORCE TRENDS AND STATUS

Table 2 presents the workforce trends as of December 31 of the years 2012 to 2016.

**Table 2 – Workforce Trends as of December 31  
of the Years 2012 to 2016**

Year	Total employees
2012	30
2013	30
2014	28
2015	30
2016	30

The number of employees as of December 31, 2016 stood at 30 remaining stable. Following the departures of the Auditor General and an Assistant Auditor General, these two positions were filled. The new Auditor General and Assistant Auditor General took office on August 15 and December 14 respectively.

Table 3 illustrates the workforce status of the Bureau by directorate and in relation to authorized and filled positions as of December 31, 2016.

**Table 3 – Workforce Status as of December 31, 2016**

Directorates	Authorized positions	Filled positions	Positions to fill
Bureau de la vérificatrice générale	3	3	0
Certification des états financiers Ville et autres organismes	11	11	0
Optimisation des ressources et conformité réglementaire	11	8	3
Technologies de l'information, juricomptabilité et administration	8	8	0
<b>Total</b>	<b>33</b>	<b>30</b>	<b>3</b>

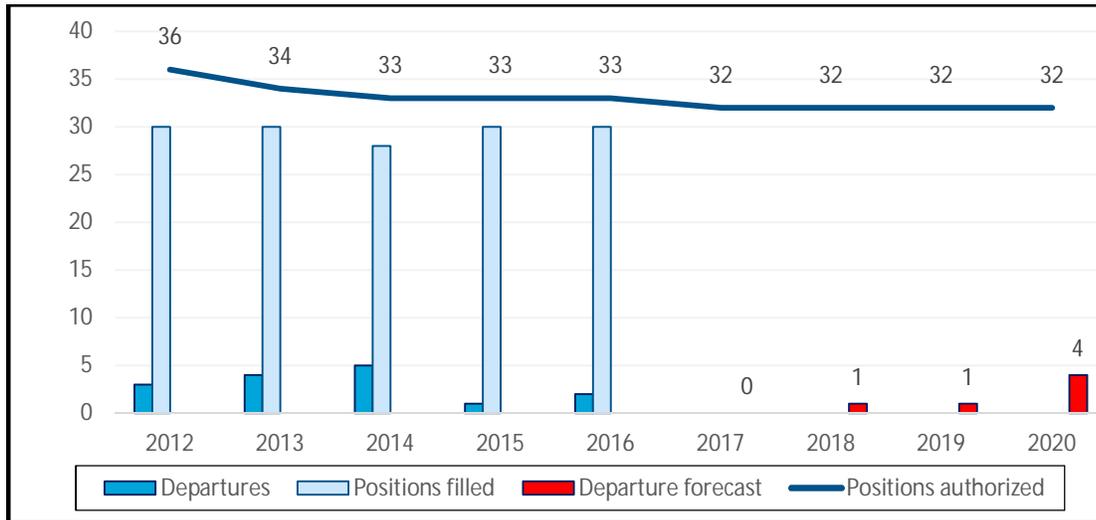
At year end, we had three vacant positions, all in the Direction optimisation des ressources et conformité réglementaire. Note that at the beginning of 2017, a senior auditor position in the Technologies de l'information, juricomptabilité et administration group became vacant following the transfer of an employee to the Service des technologies de l'information.

## WORKFORCE EVOLUTION AND FORECASTING

The Bureau's philosophy, on the one hand, is to have an internal core of seasoned professionals, insofar as this is possible, who collectively have expertise in issues relating to the city's different spheres of professional activity, in connection with the financial audit and value for money and regulatory compliance audit, fields of action included in our mandate. On the other hand, its philosophy is to appoint external resources to meet our one-off needs for very specialized expertise or to cover workload during peak period related to audits of the financial statements of the city and the bodies under its control.

Attract and retain skilled human resources within the Bureau remains a constant challenge. Moreover, the evolution and forecasting of the Bureau's workforce, for the period from 2012 to 2020 (see Figure 2), eloquently illustrate the risk of sustainability of expertise we face.

**Figure 2 – Evolution and Forecasting of the Workforce from 2012 to 2020**



We find that positions were vacant at year end from 2012 to 2016. Moreover, the situation continues to be cause for concern for the next three years, since:

- Three positions were vacant as of December 31, 2016.
- Six departures are planned between now and the end of 2020, including two of the four members of the Bureau's management team.
- Results of the most recent recruitment campaigns were very disappointing, even disastrous in the value for money audit group.
- The steps taken by the previous Auditor General with the Service des ressources humaines to support the Bureau in the search for solutions to solve this thorny question of sustainability of expertise has not yet resulted in concrete strategies and measures.

This situation significantly jeopardizes the capacity to perform our mission of watchdog of municipal public finances for Montréal's elected officers and citizens, especially since the qualified personnel the Bureau needs is rare, in addition to being heavily solicited by the private sector and the other entities of the public administration.

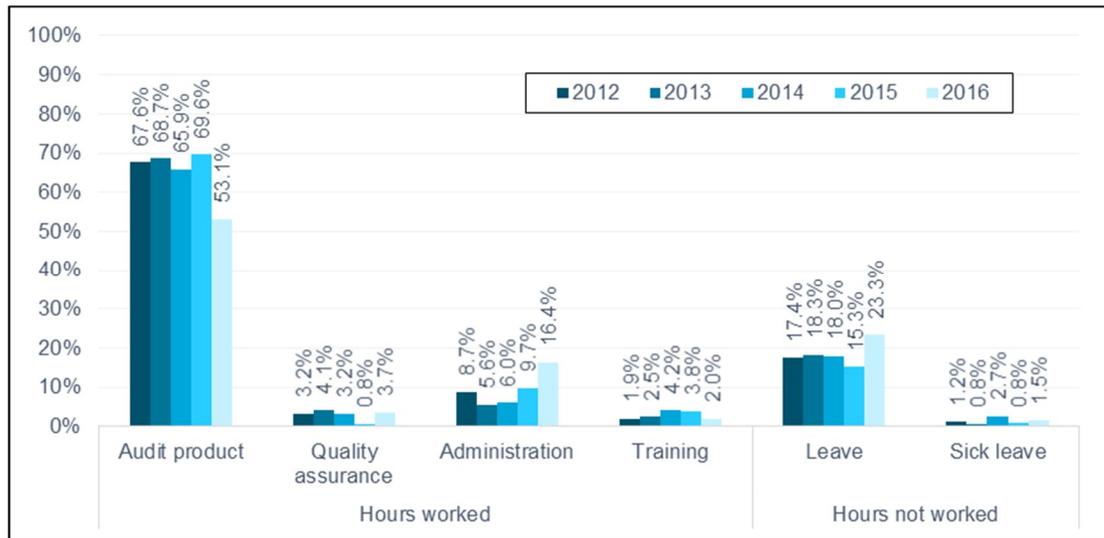
Nonetheless, we must pursue our efforts to try to recruit people whose competencies meet our expectations, which are very high. Approaches will be made to the Service des ressources humaines and the Direction générale to evaluate possible solutions and develop an action plan accordingly in 2017.

## USE OF TIME

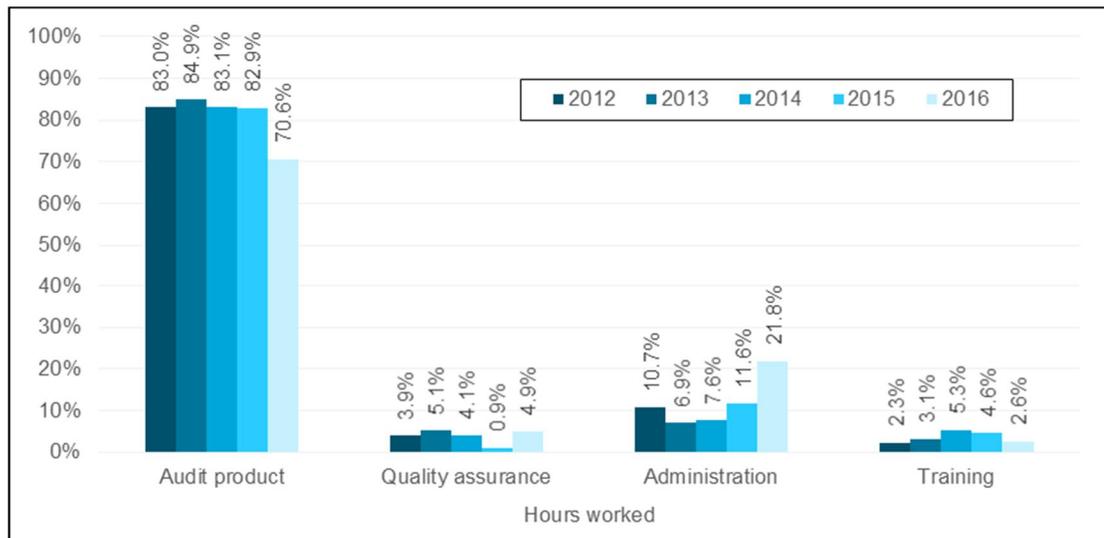
Figures 3 and 4 present the breakdown of total hours and hours worked of the Bureau's members for the past five years. Note that the hours worked by

administrative support staff and the management members are included in the basic data of the following indicators for the first time this year.

**Figure 3 – Breakdown of Total Hours**



**Figure 4 – Breakdown of Hours Worked, by Activity**



**Audit product:** includes the activities of audit of the financial statements and compliance, value-for-money and information technology audits.

**Quality assurance:** includes the time devoted to quality control of audit engagements, both during the engagement and after the fact, which control is exercised pursuant to the standards in force.

**Administration:** includes general administration, meeting, financial management, human resources management, goods and services acquisition, IT support and secretarial tasks

The results presented in Figure 4 show an increase in the proportion of hours worked in administrative activities. This increase is explained by the addition this year of the hours of the administrative staff and the members of management to our basic data. These additions obviously had an inverse effect on the percentage of hours worked devoted to audit product activities. Concerning the increase in hours worked in the quality assurance category relative to the previous year, it is explained by the vacancy in the Quality Assurance and Professional Methods Officer position for a nine-month period in 2015.

Other indicators related to the use of time and the staff turnover rate are presented in Tables 4 to 6.

### STAFF TURNOVER RATE

**Table 4 – Staff Turnover Rate**

	2012	2013	2014	2015	2016
Turnover rate	10.0%	13.3%	17.9%	3.4%	6.7%

The calculation of the staff turnover rate includes retirements, resignations and departures by transfer to another department or borough of the city. The increase in the turnover rate is explained by the departure of two employees this year, compared to only one in 2015.

### ABSENTEEISM RATE

**Table 5 – Absenteeism Rate**

	2012	2013	2014	2015	2016
Absenteeism rate	1.2%	1.1%	2.4%	1.0%	1.5%

The absenteeism rate increased by 0.5% between 2015 and 2016. This rate has remained relatively stable over the years.

## NUMBER OF HOURS AND COST OF TRAINING

**Table 6 – Number of Hours and Cost of Training**

	2012	2013	2014	2015	2016
Average hours of training per employee	32	46	66	62	36
Training cost to payroll ratio	2.7%	4.0%	4.9%	4.9%	3.4%

We observe a decrease in the average hours of training per employee. It declined from an average of 62 hours per employee to 36 hours. This decrease has an impact on the training cost to payroll ratio, in accordance with the *Act to promote workforce skills development and recognition*. We should note that the objective for the city as a whole is 1%.

## EQUAL ACCESS TO EMPLOYMENT

Like the city, the Bureau pays special attention to questions of equal access to employment. The breakdown of the representation of target groups in the *Act respecting equal access to employment in public bodies*, as of December 31 of the past five years, is presented in Table 7.

**Table 7 – Representation of Target Groups**

Target group	2012	2013	2014	2015	2016
Men	53.3%	51.6%	51.8%	46.7%	43.3%
Women	46.7%	48.4%	48.2%	53.3%	56.7%

Target group	2012	2013	2014	2015	2016
Aboriginal peoples	0.0%	0.0%	0.0%	0.0%	0.0%
Visible minorities	6.7%	9.7%	11.1%	10.0%	10.0%
Ethnic minorities	3.3%	3.3%	11.1%	10.0%	6.7%
<b>Total</b>	10.0%	13.0%	22.2%	20.0%	16.7%

We observe that the representation of women and of visible minorities and ethnic minorities within our workforce improved considerably over this period. In particular, there are now 17 women in our workforce of 30 employees.