



6.

OVERVIEW OF THE BUREAU DU VÉRIFICATEUR GÉNÉRAL





6.1. FINANCIAL RESULTS

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This chapter presents the highlights of the results obtained for the year 2017 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).

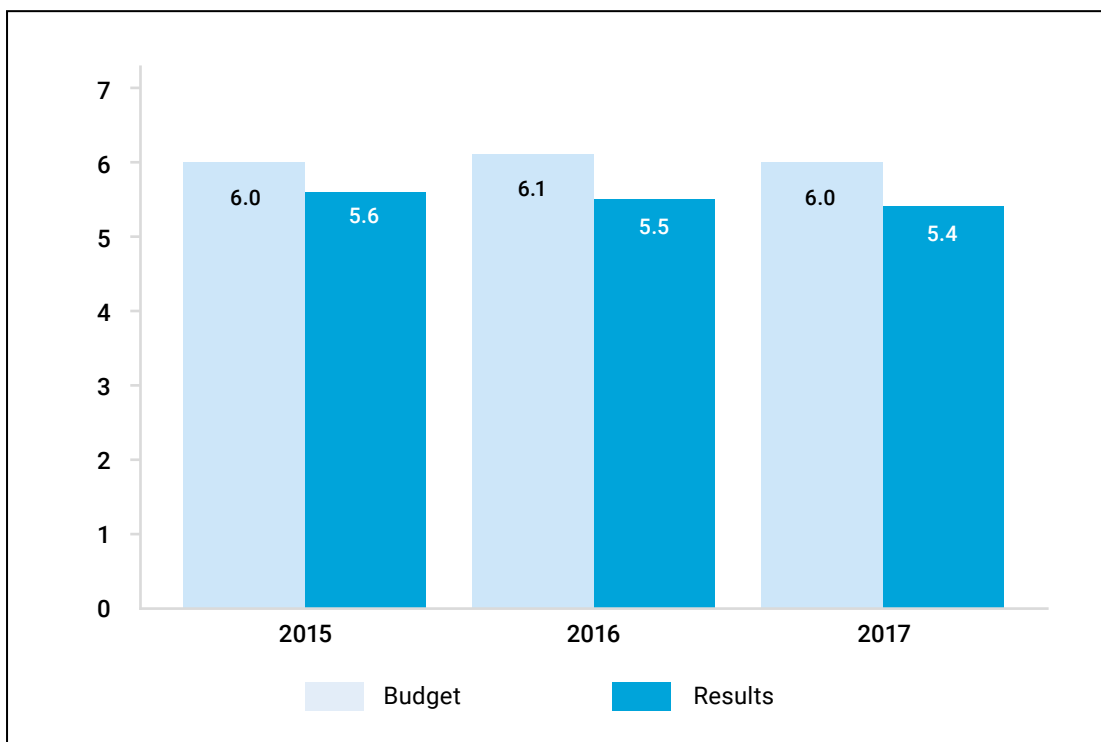
The indicators presented are:

- The financial results;
- The number of audit reports issued;
- Human resources:
 - Current and Future Staff Portrait,
 - Use of time,
 - Staff turnover rate,
 - Absenteeism rate,
 - Average number of hours and cost of training,
 - Equal access to employment.

6.1. FINANCIAL RESULTS

For the year 2017, the Bureau’s operating expenditures amounted to \$5.43 million, compared to the budget of \$6.05 million. This favourable variance is explained, in particular, by the three positions that remained vacant and the maternity leaves of two employees as presented in Table 3 of point 6.3. Figure 1 illustrates the Bureau’s financial results for the past three 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, 2017, were audited by an independent auditor mandated by the city. The report of the independent auditor is presented in Appendix 7.2.

6.2. 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 2015 TO 2017

REFERENCE ANNUAL REPORT	FINANCIAL STATEMENTS	COMPLIANCE	VM AND IT	TOTAL NUMBER OF AUDIT REPORTS
2015	17	1	8	26
2016	18	2	7	27
2017	17	2	9	28

The number of reports issued in 2017 remained essentially the same as in the previous year.

6.3. HUMAN RESOURCES

The Bureau is known for its high-quality work, and its extensive competencies and broad experience are a major asset for giving elected officials and citizens an objective and independent view of how well public funds are being managed. The Bureau is comprised of some thirty qualified professionals, including accountants, forensic accountant, engineer, lawyer and specialists in business administration and information technology. The Bureau's staff hold a variety of certifications such as public accountant (CPA), financial auditor (CPA, auditor), internal auditor (CIA), information systems auditor (CISA), forensic accountant (CA-EJC, CFF, CFE) and engineer (Eng.).

The Bureau's philosophy is, on one hand, to have an internal core of experienced professionals who, collectively, have expertise in the city's various spheres of professional activities related to the financial, value-for-money and regulatory compliance audits that are the Bureau's mandate. On the other hand, we enlist external resources to meet one-off needs for very specialized expertise, to spread the workload inherent in the peak period related to audits of the financial statements of the city and the agencies under its control and sometimes to temporarily compensate for a lack of resources related to leaves or vacant positions.

WORKFORCE TRENDS AND STATUS

Table 2 presents the workforce trends as of December 31 of the years 2015 to 2017.

TABLE 2 – WORKFORCE TRENDS AS OF DECEMBER 31 OF THE YEARS 2015 TO 2017

YEAR	TOTAL EMPLOYEES
2015	30
2016	30
2017	29

The number of employees as of December 31, 2017 stood at 29. During the year, a senior auditor accepted a position with the city's Service des technologies de l'information.

Table 3 illustrates the workforce status of the Bureau by directorate and in relation to authorized and filled positions as of December 31, 2017.

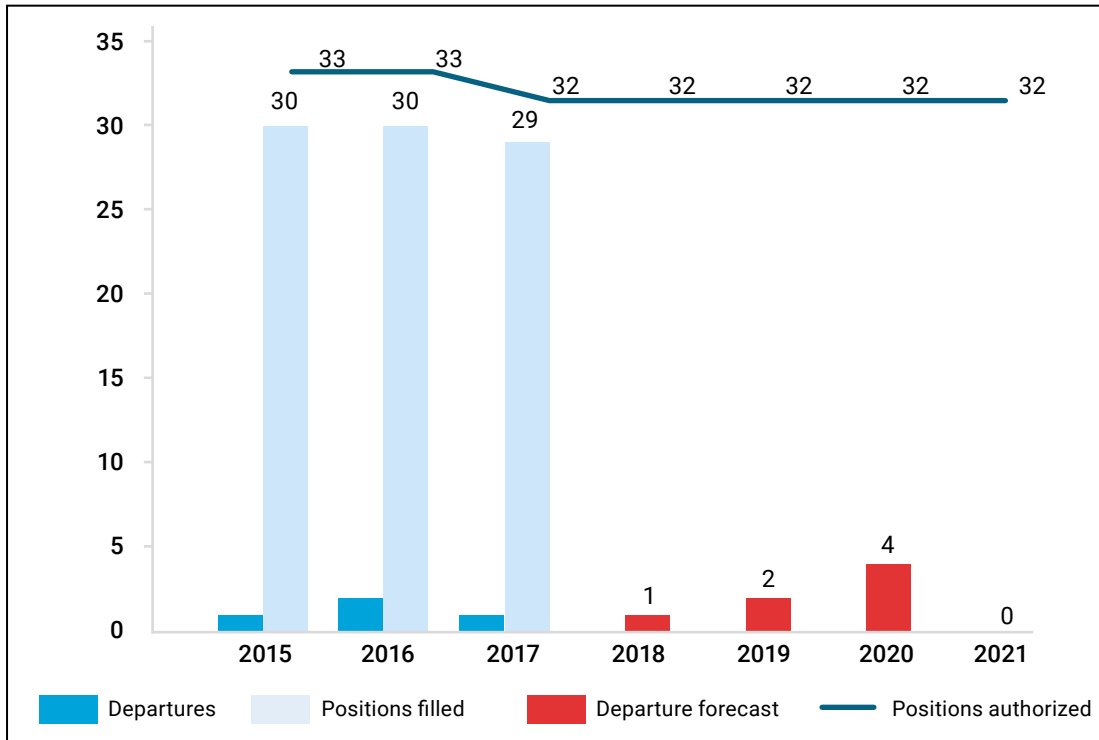
TABLE 3 – WORKFORCE STATUS AS OF DECEMBER 31, 2017

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	10	8	2
Technologies de l'information, juricomptabilité et administration	8	7	1
TOTAL	32	29	3

At the end of 2017, we had three vacant positions, two in the Value-for-Money and Regulatory Compliance department and one in the Information Technology, Forensic Accounting and Administration department.

Furthermore, Figure 2, Workforce Evolution and Forecasting for 2015 to 2021, reveals the importance of immediately implementing a succession plan, to begin training successors and mitigate any dilution of expertise.

FIGURE 2 – EVOLUTION AND FORECASTING OF THE WORKFORCE FROM 2015 TO 2021



The situation is worrisome for the next three years because:

- Three positions were vacant as of December 31, 2017;
- Seven departures are expected by 2021, including one of the four members of the Bureau’s management team.

We conducted a strategic planning exercise in 2017, which led us to question the organizational structure of the Bureau and review our needs in terms of hiring and succession.

At the time of writing, we had begun recruitment efforts for three senior auditor positions. Hiring actions will be commenced later to fill other positions.

USE OF TIME

Figures 3 and 4 present the breakdown of total hours and hours worked of the Bureau’s members for the past three 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 second consecutive year.

FIGURE 3 – BREAKDOWN OF TOTAL HOURS

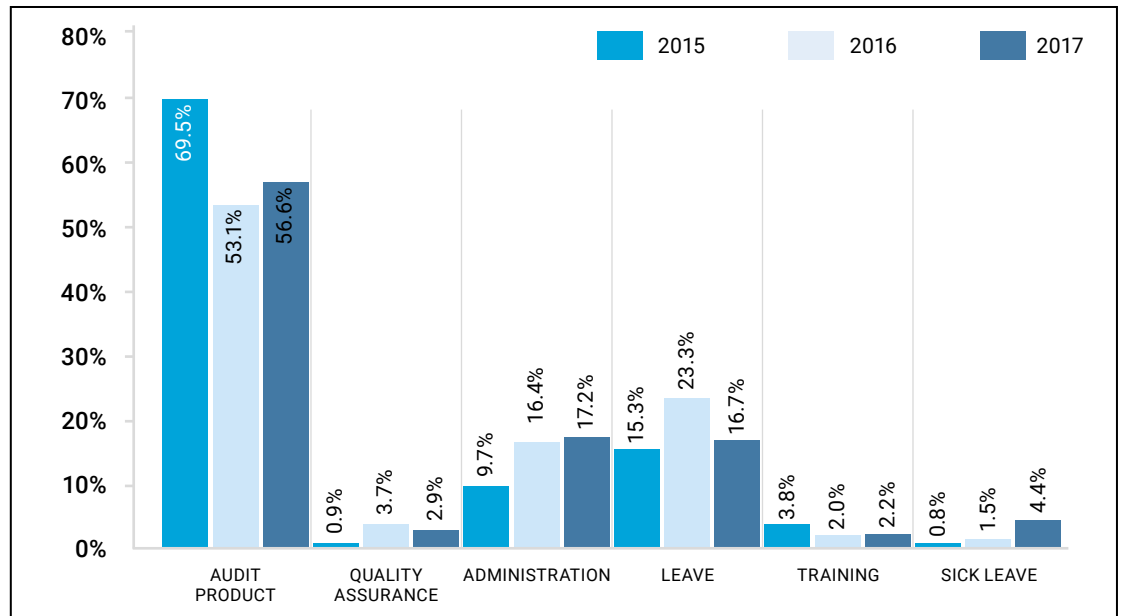
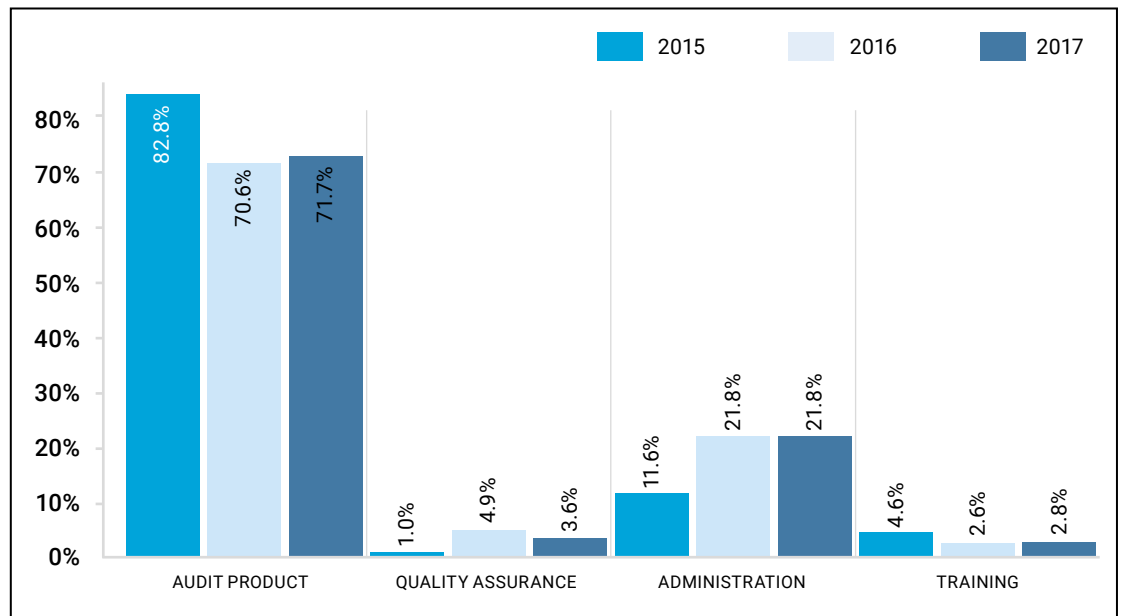


FIGURE 4 – BREAKDOWN OF HOURS WORKED, BY ACTIVITY



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 some stability in 2016 and 2017 in terms of hours worked in administrative activities. This increase in comparison to 2015 is due to the addition of hours for administrative staff and management members to our data bases. These additions obviously had an inverse effect on the percentage of hours worked devoted to audit product activities.

The hours dedicated to quality assurance declined in 2017 in comparison to the previous year because management members spent less time on the development and implementation of the new methodology to comply with the new CPA Canada standards for direct and indirect reporting engagements than they did in 2016.

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

	2015	2016	2017
Turnover rate	3.4%	6.7%	3.4%

The calculation of the staff turnover rate includes retirements, resignations and departures by transfer to another department or borough of the city. There was only one departure this year.

ABSENTEEISM RATE

TABLE 5 – ABSENTEEISM RATE

	2015	2016	2017
Absenteeism rate	1.0%	1.5%	3.9%

The absenteeism rate increased by 2.4% between 2016 and 2017.

NUMBER OF HOURS AND COST OF TRAINING

TABLE 6 – NUMBER OF HOURS AND COST OF TRAINING

	2015	2016	2017
Average hours of training per employee	62	36	41
Training cost to payroll ratio	4.9%	3.4%	2.9%

The average number of hours dedicated to training increased from 36 to 41. The training cost to payroll ratio, in accordance with the *Act to promote workforce skills development and recognition*, is relatively stable. 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 three years, is presented in Table 7.

TABLE 7 – REPRESENTATION OF TARGET GROUPS

TARGET GROUP	2015	2016	2017
Men	46.7%	43.3%	41.4%
Women	53.3%	56.7%	58.6%

TARGET GROUP	2015	2016	2017
Aboriginal peoples	0.0%	0.0%	0.0%
Visible minorities	10.0%	10.0%	6.9%
Ethnic minorities	10.0%	6.7%	6.9%
TOTAL	20.0%	16.7%	13.8%

We note that female representation on our staff improved considerably during this period. We now have 17 women on our staff of 29 employees.

