



5.2.

Implementation of the Auditor General's Recommendations

2021 ANNUAL REPORT
Auditor General of the Ville de Montréal

Table of Contents

5.2. Implementation of the Auditor General's Recommendations	331
5.2.1. Follow-Up on Implementation of the Recommendations of the Bureau du vérificateur général – Results	331
5.2.2. Recommendations Generally Implemented Late	335
5.2.3. Conclusion	338

5.2. Implementation of the Auditor General's Recommendations

The percentage of recommendations made by the Bureau du vérificateur général (BVG) that were implemented as a result of the action plans submitted by the business units being completed is an essential indicator used to ensure that the central departments and boroughs are correcting the situations observed during our audits.

The measures taken in 2020 by the Direction générale through the Comptroller General of the Ville de Montréal (the City) were continued in 2021. Coordinators for each business unit were trained. At the request of the Comptroller General, we also met with all the business unit coordinators in spring 2021 to inform them of their role and of the BVG's expectations for considering that an action plan has been implemented in its entirety. The coordinator exercises quality control to ensure that the response provided by the person responsible for implementing the recommendation is complete and aligned with the action plan and that sufficient supporting documentation is attached to substantiate the business units' response.

In addition, in 2021, we continued to improve certain practices related to follow-up on implementation of the recommendations by the business units. We undertook a process to confirm with the business units the validity of the recommendations and action plans still to be completed whose implementation date had expired at least 5 years earlier.

As part of the follow-up on the implementation of the BVG's recommendations, the results of this annual report were compiled on December 31, 2021,¹ and cover all of 2021.

5.2.1. Follow-Up on Implementation of the Recommendations of the Bureau du vérificateur général – Results

Overall follow-up on implementation of the recommendations

The action plans proposed by business units to meet the BVG's recommendations reflect 331 recommendations in recent years whose implementation date for the action plans expired on January 1, 2021, and which remained unresolved by the business units. In addition, 134 recommendations should have been implemented in 2021. This represents a total of 465 recommendations that should have been implemented no later than December 31, 2021 (see Figure 1).

The analysis performed on December 31, 2021, shows that the business units considered 313 recommendations to have been implemented during the entire year, including 6 recommendations whose action plans expired after 2021. This leaves

¹ Given that this is the first year that the BVG has followed up on the implementation of the recommendations at December 31, no comparison can be made with earlier years.

5.2. Implementation of the Auditor General's Recommendations

158 recommendations that should have been implemented in 2021 but remain unresolved, the business units maintaining a "to be implemented," "in progress" or "delayed" status for them.

As shown in Figure 1, the coordinators only examined responses to 166 (53.0%) of the 313 recommendations for which the business units considered having implemented their action plans. The implementation of only one action plan among these 166 was still considered unsatisfactory by a coordinator at December 31, 2021. The status of this recommendation reverted to "in progress." As proof that the year 2021 was a transition year for the coordinators, of the 147 recommendations for which implementation of the action plans was not examined by the coordinators, 128 (87.1%) were considered implemented by the business units in the first 6 months of 2021, i.e., prior to the training of the coordinators.

Taking into consideration this transition period, during the first 6 months of 2021, we continued to analyze the action plans completed by the business units that had not been examined by a coordinator. We confirmed the resolved status of 98 of these 128 recommendations (76.6%). These recommendations whose resolved status was confirmed despite the absence of an examination by the coordinators represent 44.1% of all the recommendations that we considered fully implemented in 2021.

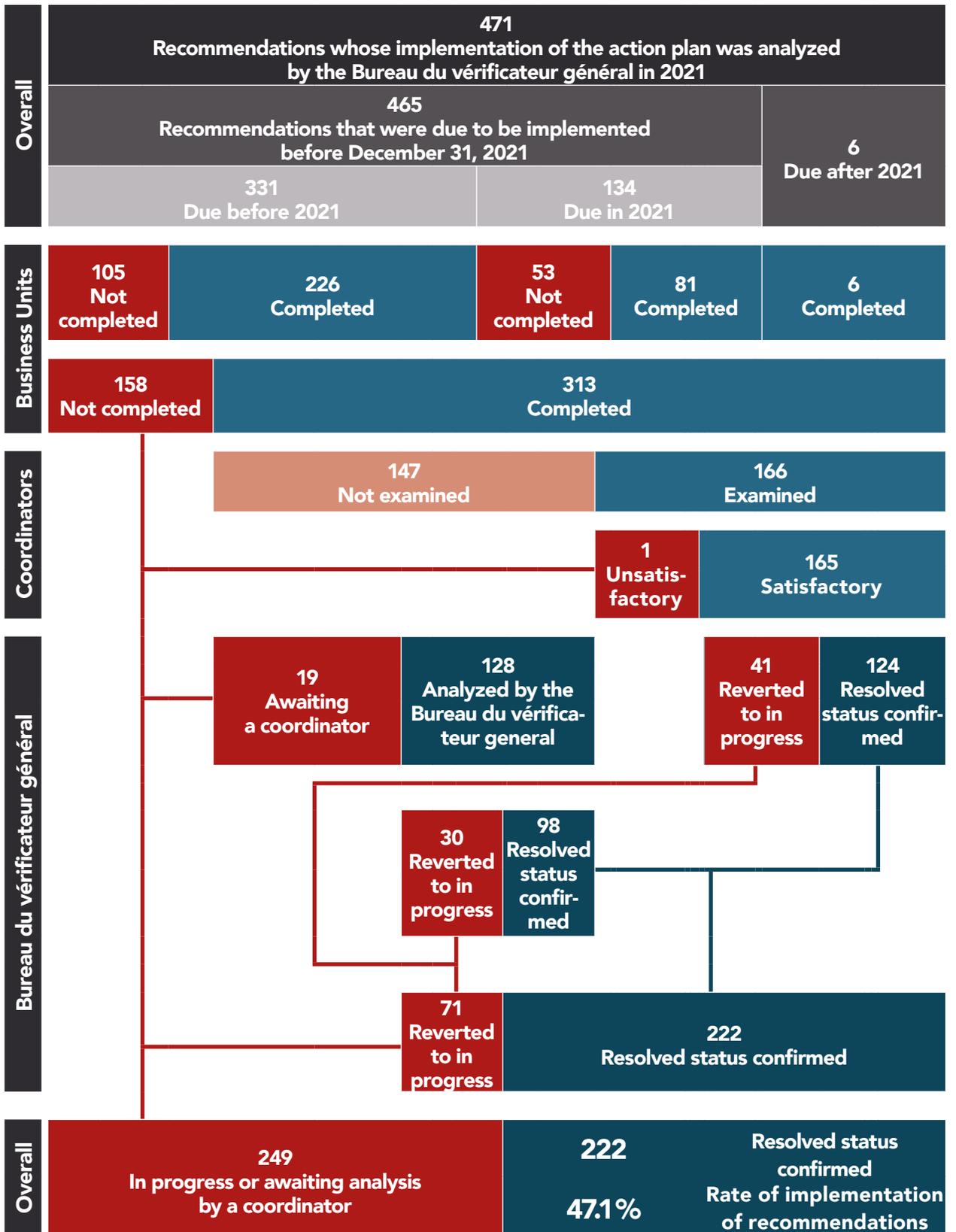
In general, for the year 2021, the results of the follow-up of implementation of the recommendations are, as follows:

- We confirmed that **222 recommendations** were implemented, for an overall rate of **47.1%** of the 471 recommendations considered;
- We also reinstated **71 recommendations**, either because the action plans had not been fully implemented or because the documentation provided by the business unit was not complete enough to show that the recommendation had been implemented;
- We analyzed the implementation of **128 recommendations** out of the 147 considered as resolved by the business units but not examined by the coordinators;
- The business units failed to fully implement **158 recommendations** that had action plan implementation dates of 2021 or earlier;
- The business units still must implement **249 recommendations²** out of the 471 that is, because the business units had not fully implemented the action plans, the coordinators had not examined the work done by the business units at December 31, 2021, or we reverted their status to "in progress."

² Two of these recommendations reinstated as in progress were not late at December 31, 2021, since the business units considered them resolved prior to the date of implementation.

FIGURE 1

Rate of implementation of recommendations for 2021

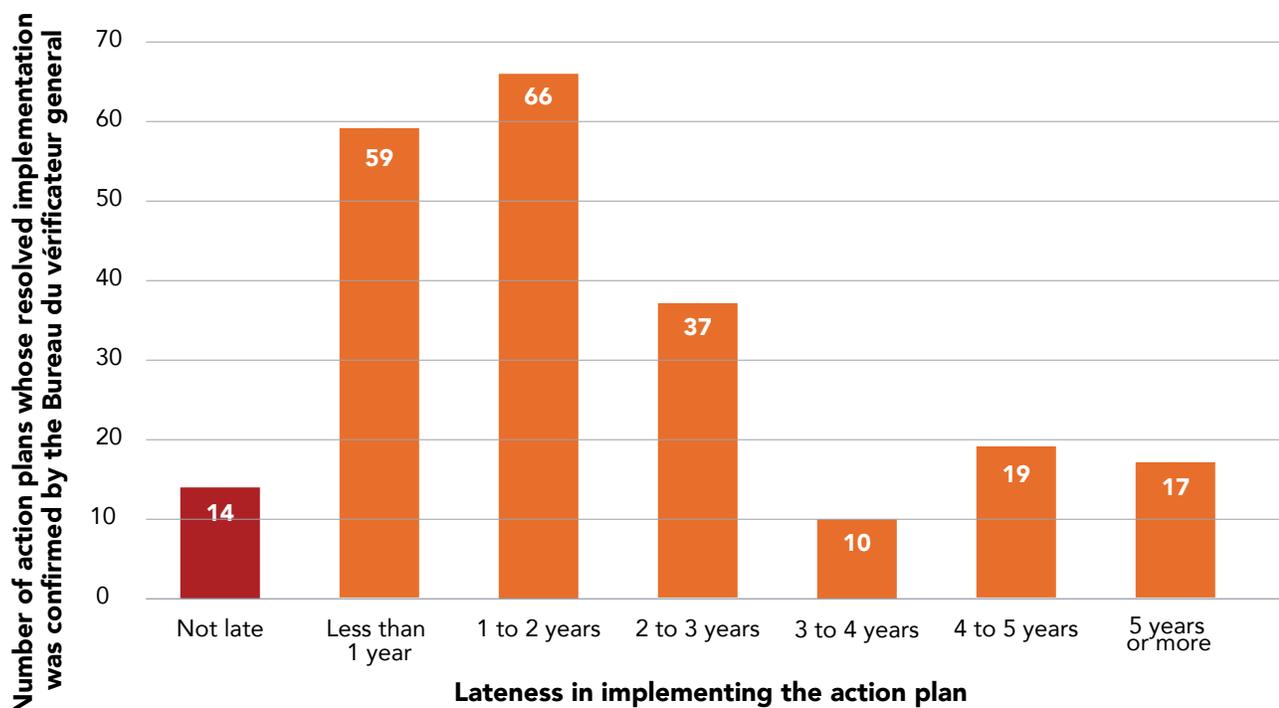


Majority of Resolved Recommendations Late

In the case of the 222 recommendations whose implementation in 2021 was confirmed, the action plans of only 14 of these (6.3%) had been completed prior to the implementation date planned by the business units (see Figure 2). This means that 93.7% of these 222 recommendations were implemented late, 67.1% more than one year late and 7.7% with 5 or more years late.

FIGURE 2

Breakdown of the lateness of recommendations implemented in 2021 relative to the implementation date planned by the business units to carry out their action plans



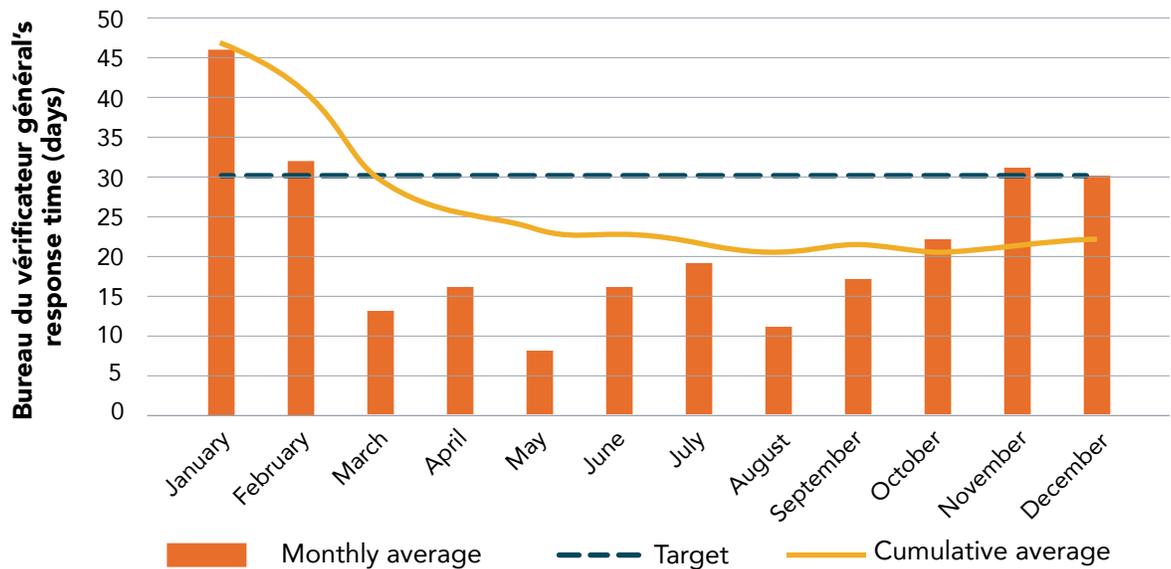
Response Time of the Bureau du vérificateur général in Confirming Implementation of a Recommendation

Since 2021, we set ourselves a target of 30 days (on average) following the satisfactory examination of the situation by the coordinator to analyze the business units' progress in implementing recommendations. For the year 2021, given that we analyzed recommendations that had not been examined by the coordinators, the indicator was calculated between the coordinator's response time and that of the BVG in cases where the coordinator was involved, or between the business units' final response time and that of the BVG in cases where the coordinator was not involved.

As shown in Figure 3, after the month of January, when our response time was longer than planned, the situation was quickly corrected and, from the month of March 2021 to the end of 2021, we maintained an average response time under the 30-day target, for an overall average response time of 22 days for 2021.

FIGURE 3

Average response time (in days) of the Bureau du vérificateur général's analysis of the business units' responses to implementing recommendations



5.2.2. Recommendations Generally Implemented Late

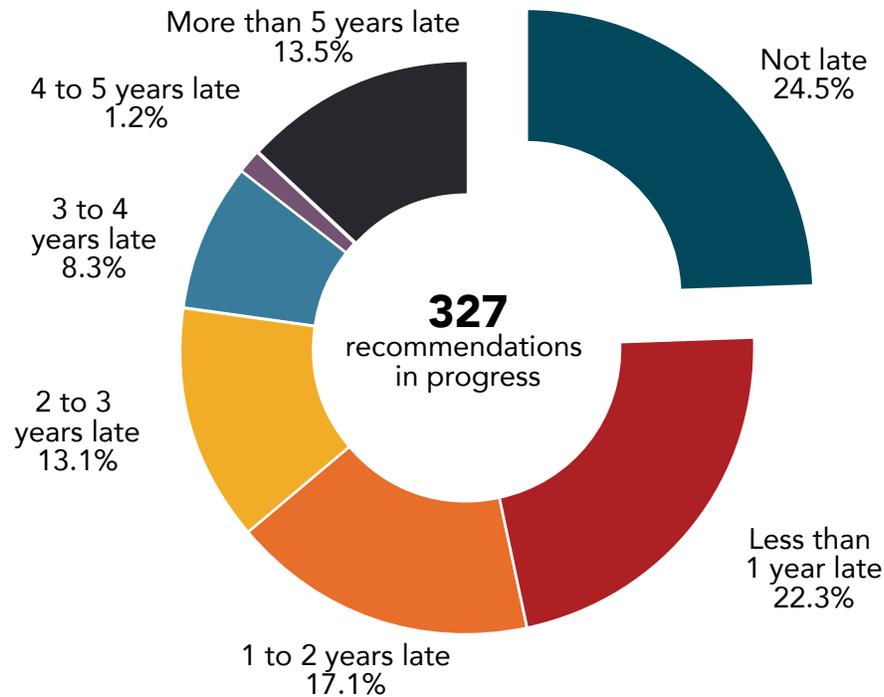
At December 31, 2021, the City's business units still had 327 recommendations to implement for all the audit reports that we have produced in recent years. Of this number, slightly less than one out of four recommendations, i.e., 80 out of 327 (24.5%),³ were not overdue according to the implementation date scheduled by the business units in their action plans (see Figure 4).

At the other end of the spectrum, there were 44 recommendations, i.e., 13.5%, that were still in progress even though the implementation date scheduled by the business unit was at least 5 years earlier. These recommendations had been made to the business units in audit reports dating from 2009 to 2015.

³ The 247 recommendations that were late are included in the 249 recommendations that we reverted to in progress during 2021, taking into consideration that 2 of these recommendations were not late.

FIGURE 4

Breakdown of recommendations in progress based on their lateness relative to the implementation date scheduled in the action plan



In November 2021, we began requesting that all business units review the relevance of their action plans whose completion was at least 5 years overdue relative to the scheduled implementation date.⁴ The objective was for each business unit to inform us whether the recommendation was still relevant and, if so, whether the action plan needed to be updated.

Table 1 presents the responses obtained from the business units involved in this process. In almost 87% of the action plans targeted (39 out of 45), the business units reported that the situation observed at the time of the audit was still relevant in 2022. Furthermore, only 1 was considered no longer appropriate by its business unit. Faced with this finding, we question the business units' commitment to implementing the action plans related to these recommendations.

In 2022, we will conduct the same exercise, this time involving recommendations whose implementation of the action plan is less than 5 years overdue.

⁴ At November 1, 2021, when we began this process with the business units, there were 45 action plans whose implementation had not been completed that were at least 5 years overdue.

TABLE 1

Responses obtained from the business units regarding analyses of the situation and relevance of action plans still in progress whose implementation is at least 5 years overdue

Analysis of the current situation vs. the situation at the time of the audit	Analysis of the relevance of the action plan submitted at the time of the audit report
39 situations are still current and require implementation of an action plan by business unit.	<p>22 action plans submitted at the time of the audit are still valid and must be implemented.</p> <p>16 action plans do not have a designate individual responsible for implementing the recommendations.</p> <p>1 action plan is no longer appropriate, and the business unit has submitted a new one.</p>
5 situations are different, and the findings of our audit are no longer current.	A request has been made by the business units involved to close the recommendations associated with these situations.
1 situation was not analyzed by a business unit (Ahuntsic-Cartierville borough).	Does not apply.

5.2.3. Conclusion

In 2021, the business units resolved less than half of the recommendations whose action plans had an implementation date during the year or were already overdue at January 1, 2021.

The vast majority of the recommendations that we considered resolved were past the implementation date scheduled by their business unit in its action plans. Of the 222 recommendations that we confirmed had been fully implemented in 2021, only 14 were completed within the timelines established by their business units.

Everything points to this situation continuing in the next few years, given that, of the 327 recommendations still in progress at December 31, 2021, three-quarters were already overdue for implementation. Among these recommendations, those that are the longest overdue, i.e., 5 years or more, are for the most part deemed still relevant by the business units.

Finally, we consider that the measures taken at the end of 2020 and the start of 2021, especially the examination by the business unit's coordinator of the responses of the persons responsible for the recommendations, have not been sufficiently implemented to be successful. In fact, during 2021, the coordinators examined the business units' responses for only 166 of the 313 recommendations that the business units considered resolved.

When the audit reports were received, all the business units committed to implementing action plans, within a timeline that they established, to meet the recommendations made in the BVG's reports. In addition, all the action plans of the central departments are reviewed by the Direction générale before being sent to the BVG.

Faced with these findings, we recommend that the Direction générale adopt indicators to follow up the business units' commitments regarding our recommendations and remind the coordinators of their role in examining the business units' responses.