



# 6.1.

## Overview of the Bureau du vérificateur général

**2021 ANNUAL REPORT**  
Auditor General of the Ville de Montréal

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## 6.1. Overview of the Bureau du vérificateur général

This chapter presents the highlights of the results obtained for the year 2021 regarding the performance of the Auditor General's (AG) 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 (BVG).

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;
- Professional service contracts;
- Professional inspection;
- Accountability regarding allegations;
- Accountability regarding requests for access to information;
- Technology infrastructure;
- Outreach.

### 6.1.1. Financial Results

For the year 2021, the BVG's operating expenses amounted to \$5.9 million, compared with the budget of \$6.7 million. This favourable variance is essentially explained by personnel movements, i.e., positions that remained vacant and were filled during the year 2021, employee sick leaves, and the retirement of 2 resources. However, in the second half of 2021, we filled 3 positions with external resources, namely 2 financial audit (financial and administration processes) assistant auditor

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positions and one audit performance and compliance consultant. In addition, in June 2021, an employee of the BVG was promoted to senior auditor with financial audit responsibility. The following figure illustrates the BVG's financial results for the past 3 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 CTA), the AG accounts for the year ended December 31, 2021, were audited by an independent auditor mandated by the Ville de Montréal (the City). The report of the independent auditor is presented in Appendix 7.2.

### 6.1.2. Number of Audit Reports Issued

Next table details the number of reports issued over the past few years for audits of the financial statements, regulatory compliance, as well as a performance and compliance audit and IT.

**TABLE 1**

### Number of Audit and Accountability Reports Produced from 2019 to 2021

Reference Annual report	Financial statements	Performance and compliance audit	Information technology audit	Total number of audit reports	Accountability
2019	9	6	4	19	2
2020	9	7	5	21	2
2021	9	5	4	18	2

### 6.1.3. Human Resources

The BVG is recognized for the quality of its work and the diversity of its skills and experience. This is a major asset in providing elected officials and citizens with an objective and independent view of how well public funds are managed. The BVG has more than 30 qualified professionals, including accountants, an engineer and business management and IT specialists. The BVG's employees hold a variety of certifications, such as public accounting (CPA), financial auditing (CPA auditor), internal auditing (CIA), information systems auditing (CISA and CISSP) and engineering (Eng.).

The BVG's philosophy is, on the 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 and performance audits (including the information technology audit), as well as to the statutory and regulatory compliance audit. On the other hand, we enlist qualified external resources to meet our specific needs for highly specialized expertise or to spread the workload inherent in the peak period related to audits of the financial statements of the City and the organizations for which the AG considers it appropriate to continue work, and sometimes to provide temporary coverage for leaves or vacancies.

#### 6.1.3.1. Workforce Trends and Status

The number of employees as of December 31, 2021, was 33, compared with 29 at the same point in 2020. During the year, 2 employees left the BVG to retire. Internally, 1 person was promoted to the position of DAG responsible for performance and compliance audits. In addition, 6 new resources joined the BVG: two resources joined the performance and compliance audit team, 1 person joined the IT audit team and 3 persons joined the Financial audit, financial processes and administration.

The following table illustrates the BVG's workforce status by branch and by authorized and filled position as of December 31, 2021.

**TABLE 2**

#### **Workforce Status as of December 31, 2021**

Branch	Positions		
	Authorized	Filled	To be filled
Bureau of the Auditor General	5	4	1
Financial audit, financial processes and administration	16	14	2
Performance and compliance audit	11	9	2
Information technology audit	6	6	0
<b>Total</b>	<b>38</b>	<b>33</b>	<b>5</b>

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Following implementation of the strategic plan, the BVG's organizational structure was reviewed over the past three years. As a result, certain senior positions were converted into more junior positions in order to train new resources and thereby build a qualified workforce for the future at the BVG.

**TABLE 3**

### Staffing Changes in 2021

Department	Positions as of December 31, 2020	Positions created	Transfer	Position abolished	Positions as of December 31, 2021
Bureau of the Auditor General	4	1	0	0	5
Financial audit, financial processes and administration	14	2	0	0	16
Performance and Compliance Audit	11	1	0	(1)	11
Information Technology Audit	6	0	0	0	6
<b>Total</b>	<b>35</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>38</b>

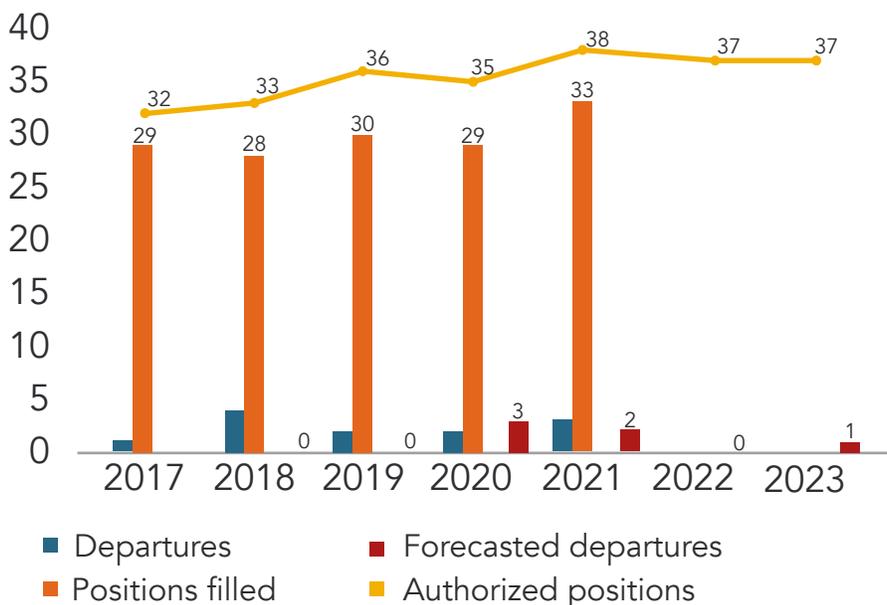
At the end of 2021, there were 5 vacant positions, compared with 6 the previous year.

Nonetheless, the efforts undertaken in recent years to attract new qualified resources continue to pay off. Although the vacancy situation remained about the same as in 2020 (6 vacant positions), most of the vacancies were for newly created positions. At the time this report was drafted, 4 of the 5 positions had already been filled, namely:

- 1 audit advisor position in the audit performance and compliance branch;
- 1 assistant auditor position in the financial audit branch;
- 1 assistant auditor position in the financial processes audit branch;
- 1 communications officer position in the AG branch.

These hires have allowed us to put in place a succession plan to compensate for the retirement of some of the BVG's most experienced resources or to meet specific needs.

The following figure illustrating the evolution and forecast of the BVG's workforce from 2017 to 2023 shows the importance of having put in place a succession plan over the past 3 years to prepare for training and ensure that expertise is maintained within the BVG. The renewal of resources ensures a certain stability for the next few years and we will continue our efforts to maintain that stability.

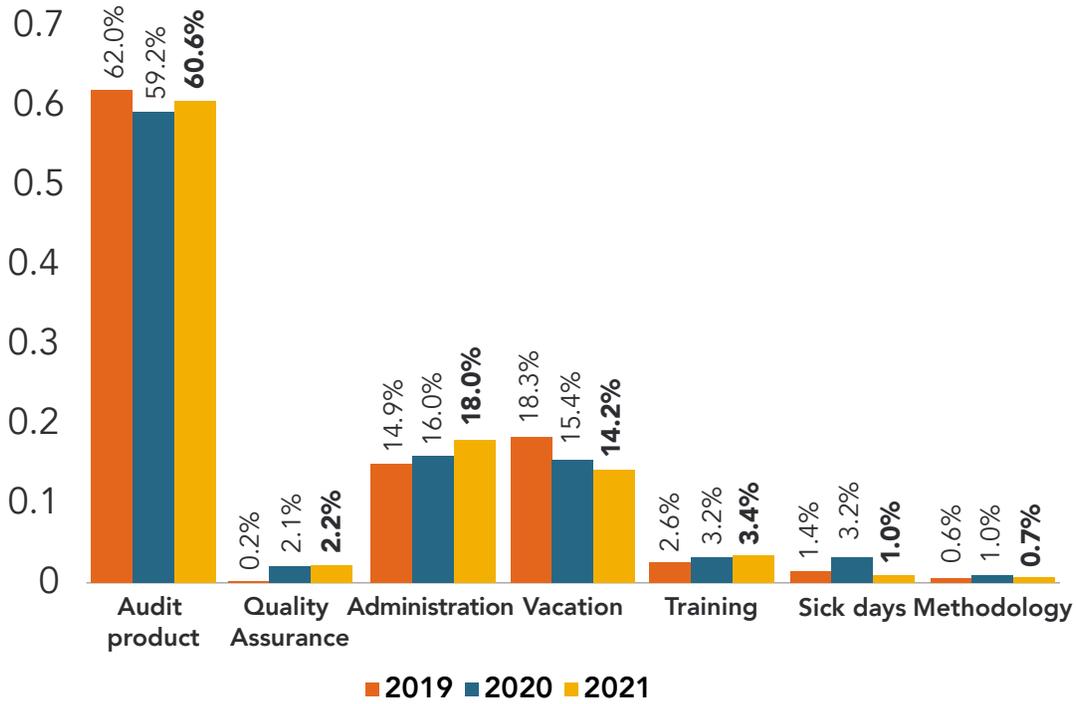
**FIGURE 2****Evolution and Forecasting of the Workforce from 2017 to 2023**

### 6.1.3.2. Use of time

The following figures show the distribution of total hours and hours worked by BVG employees for the last three years.

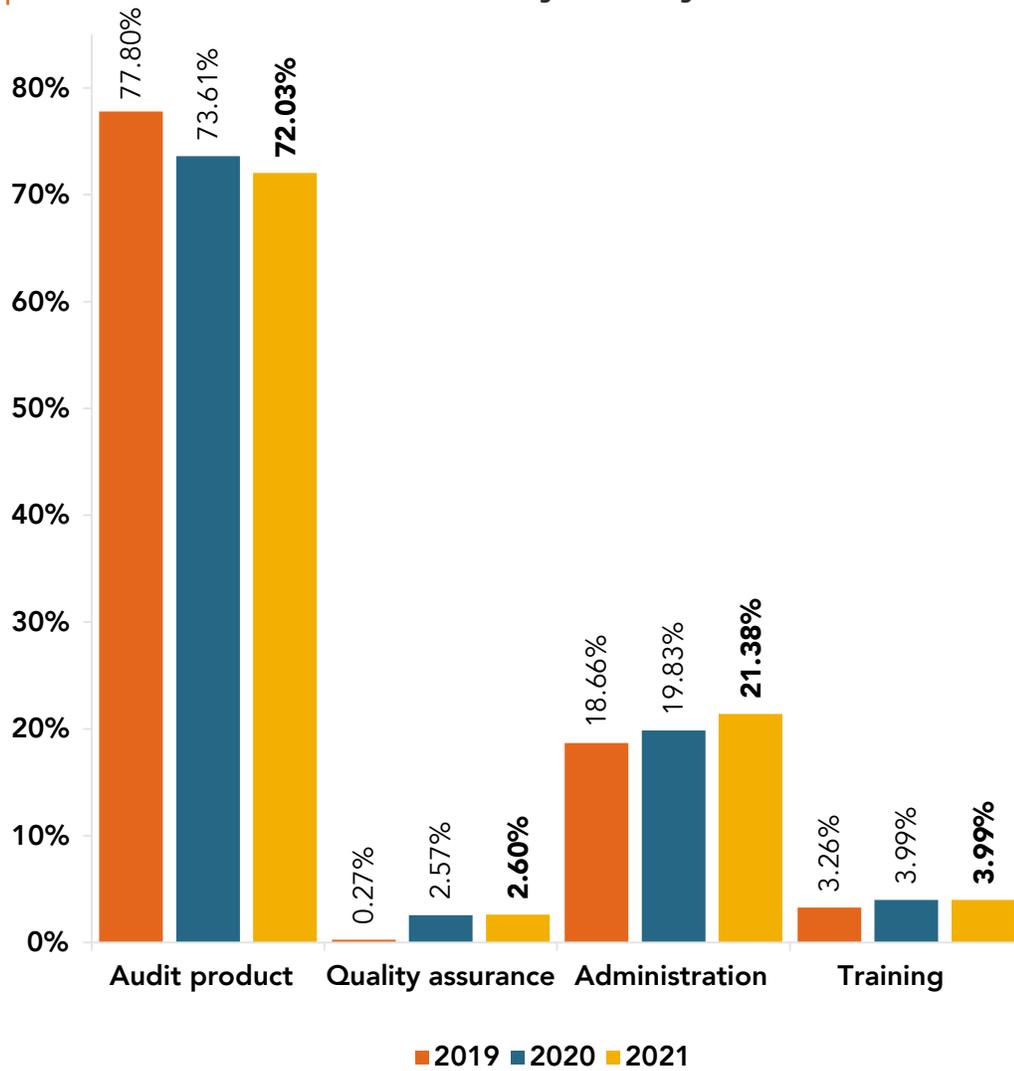
**FIGURE 3**

#### Breakdown of Total Hours



**FIGURE 4**

**Breakdown of Hours Worked, by Activity**



Audit product: includes auditing the financial statements as well as compliance, value-for-money and information technology audit.

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, meetings, financial management, human resource management, goods and services acquisition, IT support and secretarial tasks.

The results shown in the previous figure indicate a slight increase of 1.55% between 2020 and 2021 in the work hours spent on administrative activities. For the last 2 years, the pandemic has contributed to an increase in administrative duties. The counterpart is reflected at the level of hours at the level of audit products.

Other indicators related to use of time and employee turnover are presented in the following tables.

### 6.1.3.3. Staff Turnover Rate

**TABLE 4**

#### Staff Turnover Rate (including retirement)

	2019	2020	2021
Turnover rate (including retirement)	6.9%	13.6%	9.7%

The calculation of the employee turnover rate includes retirements, resignations and transfers to other City departments and boroughs. As previously mentioned, there were 2 retirements in 2021.

A special thank you goes out to 2 employees who left the BVG for a well-deserved retirement after 31 and 32 years of service.

**TABLE 5**

#### Staff Turnover Rate (excluding retirement)

	2019	2020	2021
Turnover rate (excluding retirement)	6.9%	0.0%	3.2%

### 6.1.3.4. Absenteeism Rate

**TABLE 6**

#### Absenteeism Rate

	2019	2020	2021
Absenteeism rate	1.4%	3.2%	0.9%

The absenteeism rate decreased by 2.3% between 2020 and 2021, due mainly to long-term and short-term sick leaves.

### 6.1.3.5. Number of Hours and Cost of Training

**TABLE 7**

#### Number of Hours and Cost of Training

	2019	2020	2021
Average hours of training per employee	47	58	61
Training cost to payroll ratio	3.5%	4.0%	3.7%

Resource training is a priority for the BVG, and it is one of our objectives in our 2019-2023 strategic plan. As a result, the average number of hours spent on training increased from 58 to 61. The ratio of training costs to payroll, in accordance with the *Act to promote workforce skills development and recognition*, is down 0.3%. The decrease is due in part to a change in the operating method of the *Ordre des comptables professionnels agréés du Québec* and the fact that it was not possible to register by December 31, 2021, given that some courses were not available before that date. Had it not been for this change, the rate would have increased, given the hiring of new resources during the past year. The target set for the City as a whole is 1%.

#### 6.1.3.6. Equal Access to Employment

Like the City, the BVG 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 3 years, is presented in the following table.

**TABLE 8**

#### Representation of Target Groups

Target group	2019	2020	2021
Men	40%	38%	30%
Women	60%	62%	70%

Target group	2019	2020	2021
Aboriginal peoples	0.0%	0.0%	0.0%
Visible minorities	3.33%	3.45%	12.12%
Ethnic minorities	3.33%	6.90%	9.09%
<b>Total</b>	<b>6.66%</b>	<b>10.35%</b>	<b>21.21%</b>

Female representation on our staff has been growing for the past 2 years. We count more than 23 women on our staff of 33 employees, compared with 18 on the same date in 2020. The percentage of visible and ethnic minorities increased 10.9%. More than 50% of new hirings last year were from the target group, which considerably exceeds the goal of 33% set by the City.

#### 6.1.4. Professional Service Contracts

Professional fees are the second-largest expense after the amounts spent on BVG salaries and benefits. We call on professionals to meet specific labour needs during the peak financial statement period or to temporarily fill resource gaps related to various leaves of absence or vacancies and to use highly specialized experts in areas related to our audit topics or for administrative purposes. Finally, since the BVG is administratively independent of the City, contracts were also awarded to support our infrastructure. As of December 31, 2021, a total of \$621,386 had

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been spent on professional fees (compared with \$429,359 in 2020) (see the breakdown in the following table).

The CTA (CQLR, c. C-19) authorizes the AG to conclude contracts for the purpose of acquiring goods or providing services. Consequently, because of her particular role, her mission, and the nature of her duties, the AG maintains independence in relation to contracting processes. However, the AG has a desire to be subject to the legislative and regulatory standards applicable to the City in the area of contract management, subject to exceptions, which must nevertheless be justified, if the need arises.

**TABLE 9**

### **Professional Fees**

<b>Directions</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Financial Audit	27.5%	25.7%	23.9%
Financial processes audit	-	22.8%	31.4%
Performance and Compliance Audit	19.3%	11.6%	17.0%
Information Technology Audit	22.4%	10.4%	13.1%
Administrative	30.8%	29.6%	14.6%

### **6.1.5. Professional Inspection**

The BVG is subject to a cyclical professional inspection by the Ordre des comptables professionnels agréés du Québec (OCPAQ) in accordance with the *Regulation respecting the professional inspection committee of the Ordre des comptables professionnels agréés du Québec* and the general surveillance program developed by the committee pursuant to section 12 of the Regulation and approved by the board of directors of the OCPAQ. The last professional inspection was conducted in September 2019.

The professional inspection wore on the documentation of our quality control system, on reports of our last cyclical inspections, and on issues related to the practice of the profession in the areas of financial, compliance and performance audits. The inspection committee concluded that the BVG fulfilled the requirements of the professional inspection program in all material aspects.

The BVG carries out cyclical professional inspections conducted by peers every three years as set out in its quality assurance manual.

### **6.1.6. Accountability – Allegations**

Allegations can be submitted to the BVG through the website, by email, by mail, by telephone or in person. It should be noted that the BVG has an email box that was created specifically for this purpose; it is highly secure because it is hosted by a messaging service outside the City.

Allegations are processed according to priority criteria, such as the nature of the claim and the degree of risk involved. A well-documented and highly secure file is created for every allegation.

All other allegations that we receive undergo a preliminary evaluation to determine whether an investigation should be initiated, based on the nature of the claim, the probative value of the information provided and the risks involved. However, a preliminary evaluation is not conducted if the subject of the allegation does not fall within the AG's purview or if the allegation is not substantial enough to warrant further investigation. Depending on the circumstances, such matters may be transferred to another City entity or closed without any further action being taken.

If an investigation is warranted, it will be conducted in accordance with recognized investigative and forensic accounting practices. Once the investigation is completed, a report may be produced and sent to the municipal administration. In cases where there is evidence of criminal wrongdoing, our findings are reported to the competent authorities.

The following table shows the distribution by category of allegations received.

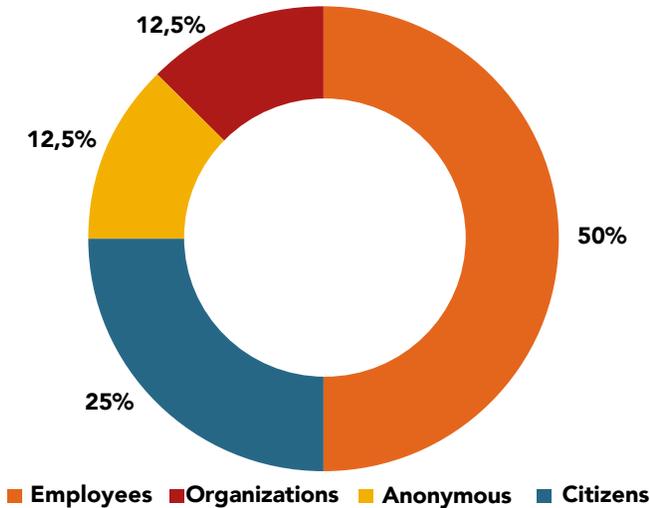
**TABLE 10****Number of Allegations**

	Number of Allegations	
	2020	2021
<b>Inadmissible allegations</b>		
Outside the jurisdiction of the Bureau du vérificateur général	5	5
Dispute with the Ville de Montréal	0	1
Insufficient information	1	0
<b>Subtotal</b>	<b>6</b>	<b>6</b>
<b>Admissible allegations</b>		
Added to the bank of potential mandates	2	0
Included in work in progress	0	1
<b>Subtotal</b>	<b>2</b>	<b>1</b>
<b>Total</b>	<b>8</b>	<b>7</b>

The following figure shows the sources of the allegations received.

**FIGURE 5**

**Overview of Allegations Received in 2021 by Source**

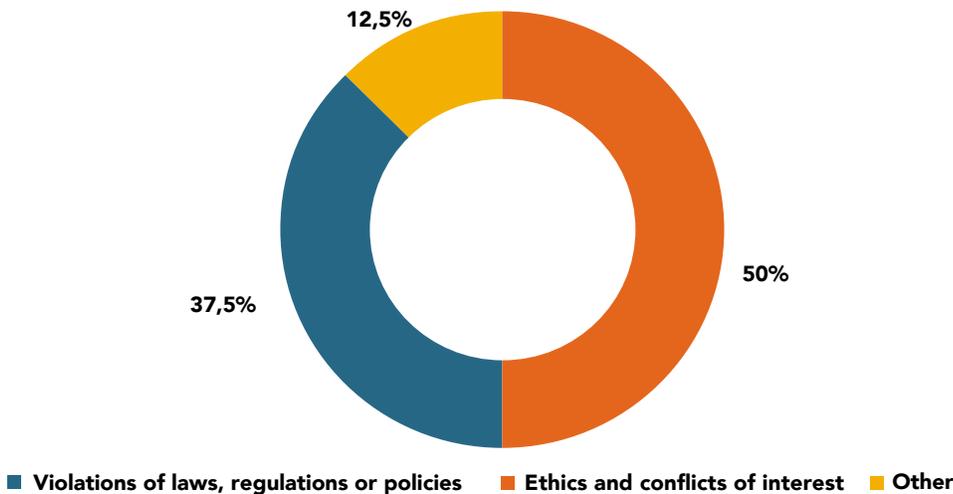


It is important to remember that we guarantee confidentiality to whistleblowers who agree to reveal their identity and that the *Public Protector Act* protects the confidentiality of whistleblowers. Furthermore, the provisions of section 107.16 of the CTA ensure that the AG cannot be forced to make a statement about information she obtained in the performance of her duties or to produce a document containing such information. This Act is supplemented by the provisions of section 41 of the *Access to Information Act*.

The following figure groups the allegations received by category of alleged wrongdoing.

**FIGURE 6**

**Overview of Allegations Received in 2021 by Category**



### 6.1.7. Accountability – Requests for Access to information

In accordance with section 107.6.1 of the CTA (CQLR c. C-19), the AG performs the duties conferred on the person in charge of access to documents or the protection of privacy with regard to the documents the chief auditor prepares in performing his duties or with regard to the documents he keeps for the purposes of carrying out his mandate, provided the latter documents are not also kept by a body subject to the Act.

During the course of 2021, we have not received any access to information request for which the information or documents could be held by a public body subject to the *Act respecting Access to documents held by public bodies and the Protection of personal information* (CQLR c. A-2.1) and not by the AG.

### 6.1.8. Technological Infrastructure

The BVG has separate servers from the City. For several years, the BVG has had an infrastructure that enables all its employees to work remotely. In addition, we make sure every year that this network is secure. For this reason, as was the case last year, we were able to pursue all our work despite the health measures in effect, with all of the BVG's employees working remotely in complete safety.

### 6.1.9. Promotion

Several members of the BVG participate in various working groups, committees and boards of directors of organizations associated with our profession. This gives them an opportunity to be key actors in the advancement of our profession and be on the lookout for changes that will impact our work in the future. We are actively involved in providing comments on exposure drafts issued by the Public Sector Accounting Board (PSAB).

TABLE 11

**Promotion Activities**

	Body	Member
Annie Cédillotte, <i>Principal Auditor – Financial Audit and Administration</i>	Ordre des CPA du Québec	<ul style="list-style-type: none"> <li>• Technical Working Group – Certification</li> </ul>
Mélanie Normandin, <i>Principal Auditor – Financial Audit and Administration</i>	Ordre des CPA du Québec	<ul style="list-style-type: none"> <li>• Technical Working Group – Pension Plan</li> </ul>
France Lessard, <i>Assistant Auditor General – Financial Audit and Administration</i>	Ordre des CPA du Québec	<ul style="list-style-type: none"> <li>• Sectoral Working Group – Municipal Administration</li> <li>• Technical Working Group – Accounting in the Public Sector</li> </ul>
Kim Tardif, <i>Officer in charge of Quality Assurance and Professional Practices</i>	Ordre des CPA du Québec	<ul style="list-style-type: none"> <li>• Technical Working Group – Certification Reports</li> <li>• Technical Working Group – Accounting in the Public Sector</li> </ul>
Michèle Galipeau, <i>Auditor General</i>	Canadian Audit and Accountability Foundation	<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Governance Committee</li> <li>• National Capacity Building Committee</li> </ul>
	CPA Canada	<ul style="list-style-type: none"> <li>• Public Sector Accounting Board (PSAB)</li> </ul>
	Association des vérificateurs généraux municipaux du Québec	<ul style="list-style-type: none"> <li>• Board of Directors</li> </ul>

We encourage our employees to pursue these activities, which promote not only the Bureau, but also the profession of municipal legislative auditor.