

# Overview of the Bureau du vérificateur général

---

8.1.

---

**2022 Annual Report**  
Auditor General of  
the Ville de Montréal





# Table of Contents

<b>8.1. Overview of the Bureau du vérificateur général</b>	<b>427</b>
8.1.1. Financial Results	427
8.1.2. Number of Audit Reports Issued	428
8.1.3. Human Resources	428
8.1.3.1. Workforce Trends and Status	429
8.1.3.2. Use of time	431
8.1.3.3. Staff Turnover Rate	433
8.1.3.4. Absenteeism Rate	433
8.1.3.5. Number of Hours and Cost of Training	433
8.1.3.6. Equal Access to Employment	434
8.1.4. Professional Service Contracts	434
8.1.5. Professional Inspection	435
8.1.6. Accountability – Allegations	436
8.1.7. Accountability – Requests for Access to Information	438
8.1.8. Technological Infrastructure	438
8.1.9. Promotion	438



## 8.1. Overview of the Bureau du vérificateur général

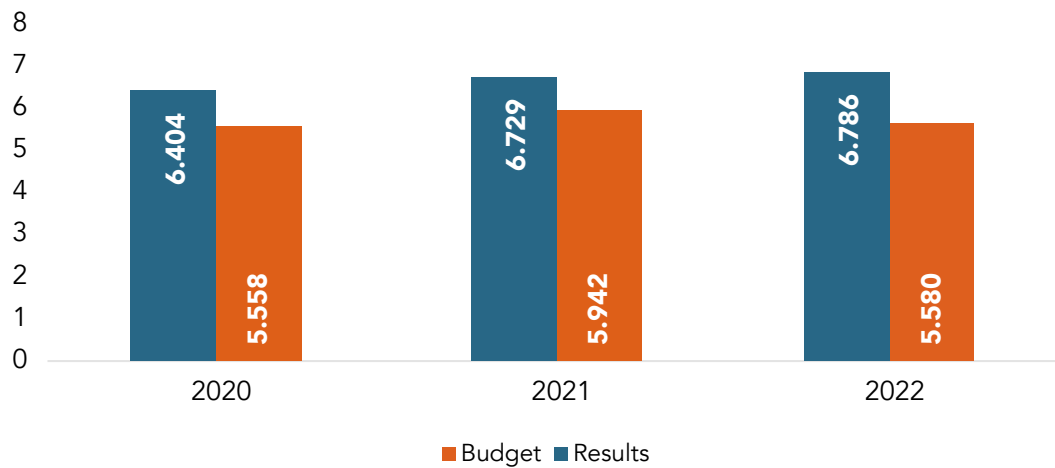
This chapter presents the highlights of the results obtained for the year 2022 regarding the performance of the Auditor General's (AG) mandate and the utilization of resources for this purpose. More specifically, we present different indicators so the reader can appreciate the performance of the Bureau 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.

### 8.1.1. Financial Results

The BVG's operating expenses amounted to \$5.6 million in 2022, compared with the budgeted amount of \$6.7 million. This favourable variance is explained in part by personnel movements, i.e., positions that remained vacant and were filled in 2022, employee sick leaves and maternity leaves, and the departure of 2 resources. However, in the first half of 2022, we filled 4 positions with external resources: 2 financial audit (financial and administration processes) assistant auditor positions, one audit performance and compliance consultant, and one communications officer. The following graph illustrates the BVG's financial results for the past 3 years.

**GRAPH 1 | BUDGET AND FINANCIAL RESULTS (IN MILLIONS OF DOLLARS)**

Source: Graph produced by the BVG.

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, 2022, were audited by an independent auditor mandated by the Ville de Montréal (the City). The report of the independent auditor is presented in Appendix 9.2.

### 8.1.2. 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 Information technology (IT).

**TABLE 1 | NUMBER OF AUDIT AND ACCOUNTABILITY REPORTS PRODUCED FROM 2020 TO 2022**

REFERENCE ANNUAL REPORT	FINANCIAL STATEMENTS	PERFORMANCE AND COMPLIANCE AUDIT	INFORMATION TECHNOLOGY AUDIT	TOTAL NUMBER OF AUDIT REPORTS	ACCOUNTABILITY
2020	9	7	5	21	2
2021	9	5	4	18	2
2022	9	5	3	17	4

Source: Table produced by the BVG.

### 8.1.3. 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 some 40 qualified

professionals, including accountants, an engineer and business management, environmental sciences 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.

During 2022, the BVG hired a communications officer to manage its communications, social networks and other communications.

### 8.1.3.1. Workforce Trends and Status

The number of employees as of December 31, 2022, was 35 compared with 33 at the same point in 2021. During the year, 2 employees left the BVG, 1 of whom went to one of the City’s business units. In addition, 4 new resources joined the BVG: 1 on the performance and compliance audit team, 2 in Financial Audit, financial processes and administration, and 1 communications officer.

The following table illustrates the BVG’s workforce status by branch and by authorized and filled position as of December 31, 2022.

**TABLE 2 | WORKFORCE STATUS AS OF DECEMBER 31, 2022**

BRANCH	POSITIONS		
	AUTHORIZED	FILLED	TO BE FILLED
Bureau of the Auditor General	5	5	0
Financial audit, financial processes and administration	15	15	0
Performance and compliance audit	11	10	1
Information technology audit	7	5	2
<b>TOTAL</b>	<b>38</b>	<b>35</b>	<b>3</b>

Source: Table produced by the BVG.

Certain senior positions were converted into more junior positions in order to train new resources and thereby build a qualified workforce for the future of the BVG. The implementation of a succession plan continued in 2022.

The following table illustrates the BVG's staffing changes by department and by position during 2022.

**TABLE 3 | STAFFING CHANGES IN 2022**

DEPARTMENT	POSITIONS AS OF DECEMBER 31, 2021	POSITIONS CREATED	TRANSFER	POSITION ABOLISHED	POSITIONS AS OF DECEMBER 31, 2022
Bureau of the Auditor General	5	0	0	0	5
Financial audit, financial processes and administration	16	0	0	(1)	15
Performance and Compliance Audit	11	0	0	0	11
Information Technology Audit	6	1	0	0	7
<b>TOTAL</b>	<b>38</b>	<b>1</b>	<b>0</b>	<b>(1)</b>	<b>38</b>

Source: Table produced by the BVG.

At the end of 2022, there were 3 vacant positions, compared with 5 the previous year.

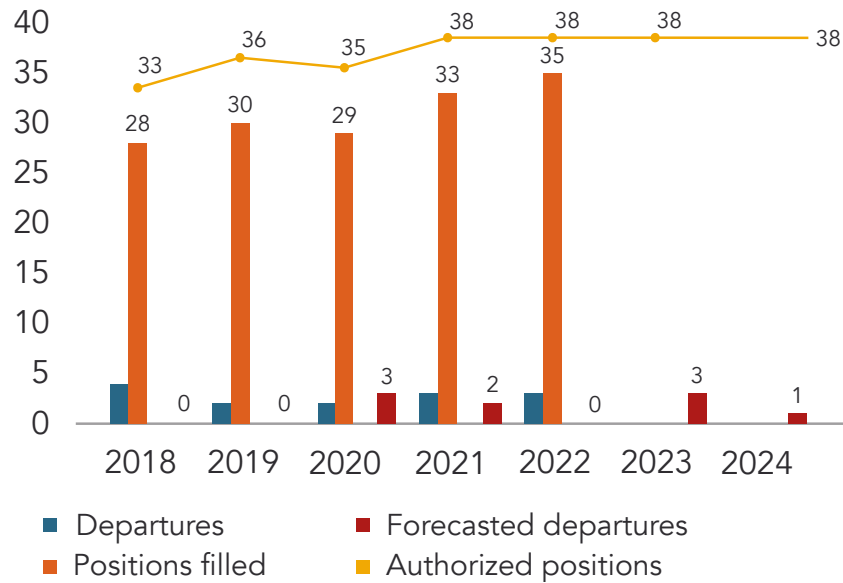
The efforts undertaken in recent years to attract new qualified resources have paid off.

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

The following graph illustrating the evolution and forecast of the BVG's workforce from 2018 to 2024 shows the importance of having implemented a succession plan over the past years to prepare to train new employees 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.



**GRAPH 2** | EVOLUTION AND FORECASTING OF THE WORKFORCE FROM 2018 TO 2024

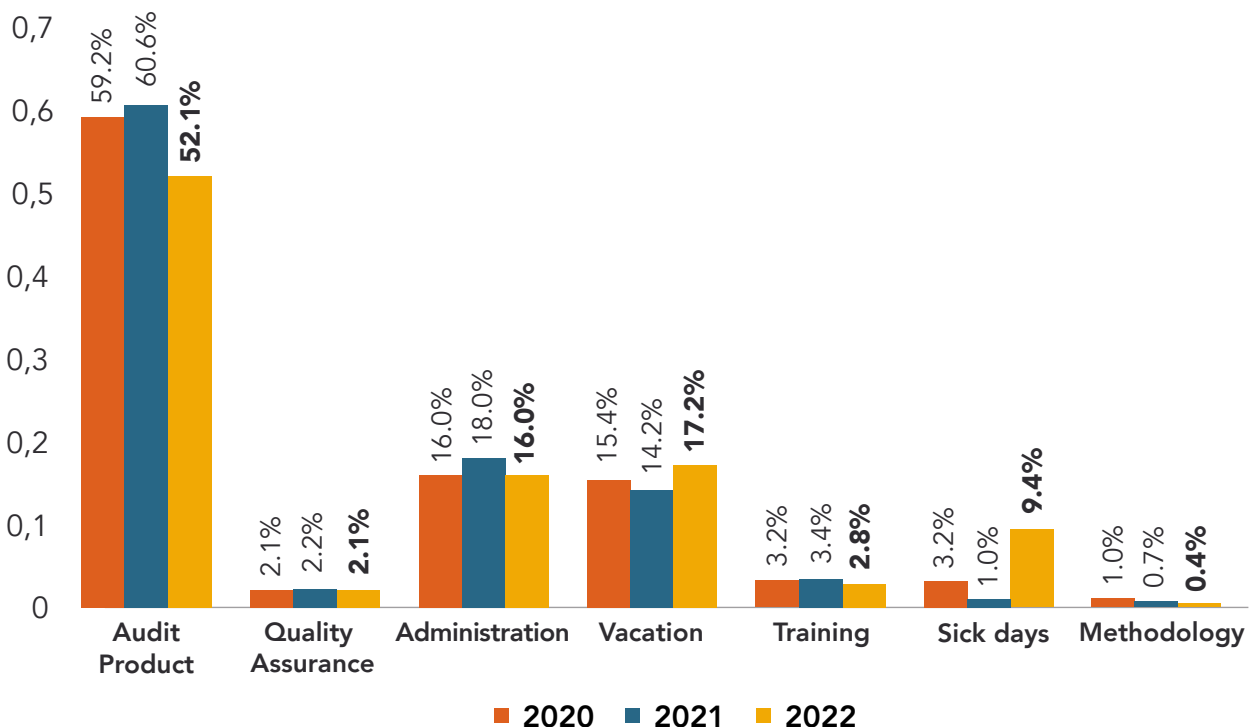


Source: Graph produced by the BVG.

### 8.1.3.2. Use of time

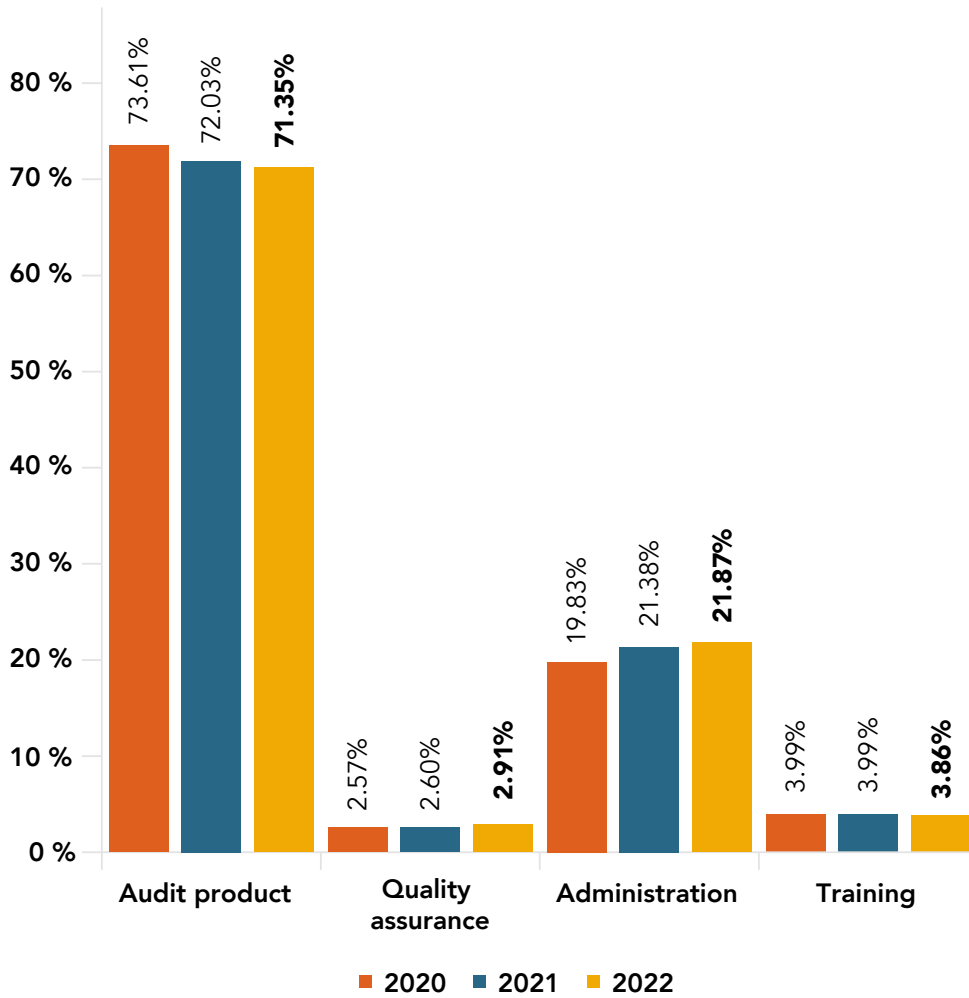
The following graphs show the distribution of total hours and hours worked by BVG employees for the last three years.

**GRAPH 3** | USE OF TIME



Source: Graph produced by the BVG.

**GRAPH 4 | BREAKDOWN OF HOURS WORKED, BY ACTIVITY**



Audit product: includes auditing the financial statements as well as 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, meetings, financial management, human resource management, goods and services acquisition, IT support and secretarial tasks.

Source: Graph produced by the BVG.

The results shown in the first graph indicate an increase of 8.4% between 2021 and 2022 in sick leave hours (long-term sick leaves and a maternity leave). This increase has had a direct impact on hours spent on audit products. To maintain the delivery of audit reports, these absences were compensated by external consultants' hours. The second graph shows that the number of hours spent on audit products as a proportion of all hours spent remains stable, with a less than 1% variance.

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

### 8.1.3.3. Staff Turnover Rate

**TABLE 4 | STAFF TURNOVER RATE (INCLUDING RETIREMENT)**

	2019	2020	2021	2022
Turnover rate (including retirement)	6.9%	13.6%	9.7%	5.9%

Source: Table produced by the BVG.

The calculation of the employee turnover rate includes retirements, resignations and transfers to other City departments and boroughs. There were no retirements in 2022.

### 8.1.3.4. Absenteeism Rate

**TABLE 5 | ABSENTEEISM RATE**

	2019	2020	2021	2022
Absenteeism rate	1.4%	3.2%	0.9%	9.3%

Source: Table produced by the BVG.

The absenteeism rate increased by 8.4% between 2021 and 2022, due mainly to long-term and short-term sick leaves, and one maternity leave.

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

**TABLE 6 | NUMBER OF HOURS AND COST OF TRAINING**

	2019	2020	2021	2022
Average hours of training per employee	47	58	61	51
Training cost to payroll ratio	3.5%	4.0%	3.7%	3.5%

Source: Table produced by the BVG.

Resource training is a priority for the BVG, and it is one of our objectives in our 2022–2024 strategic plan. The average number of hours spent on training decreased from 61 to 51. This can be explained mainly by the limited training offer in Performance Audit and by training that was not followed by employees who were absent on long-term sick leaves or maternity leave in 2022.

Despite this decrease, it should be noted that the average of 51 hours of training far exceeds the target of 42 hours of training set in the strategic plan. The ratio of training costs to total payroll, in accordance with the *Act to promote workforce skills development and recognition*, was 3.5% for 2022, down 0.2% from the previous year. The decrease can be explained by the same elements mentioned in the preceding paragraph. Note that the objective for the entire City is 1%.

### 8.1.3.6. 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 7 | REPRESENTATION OF TARGET GROUPS**

TARGET GROUP	2020	2021	2022
Men	38%	30%	29%
Women	62%	70%	71%

TARGET GROUP	2020	2021	2022
Aboriginal peoples	0%	0 %	0 %
Visible minorities	3.45%	12.12 %	11.43 %
Ethnic minorities	6.90%	9.09 %	8.57 %
<b>TOTAL</b>	<b>10.35%</b>	<b>21.21%</b>	<b>20%</b>

Source: Table produced by the BVG.

Female representation within our staff has been growing for the past 3 years. Twenty-four women of our staff of 35 employees are women, compared with 23 on the same date in 2021. The percentage of visible and ethnic minorities remained relatively stable, at 20% in 2022 compared with 21% in 2021. More than 50% of new hirings last year were from the target group, which considerably exceeds the goal of 33% set by the City.

### 8.1.4. Professional Service Contracts

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 wishes 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.

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;
- ◆ temporarily fill resource gaps related to various leaves of absence or vacancies;
- ◆ have access to highly specialized expertise in areas related to our audit topics or for administrative purposes;
- ◆ finally, since the BVG is administratively independent of the City, award contracts to support our infrastructure.

As of December 31, 2022, \$422,860 had been spent on professional fees (compared with \$621,386 in 2021) (see the breakdown in the following table).

**TABLE 8 | PROFESSIONAL FEES**

DIRECTIONS	2020	2021	2022
Financial Audit	25.7%	23.9%	16.6%
Financial Processes Audit	22.8%	31.4%	22.4%
Performance and Compliance Audit	11.6%	17.0%	20.7%
Information Technology Audit	10.4%	13.1%	13.7%
Administrative	29.6%	14.6%	26.6%

Source: Table produced by the BVG.

### 8.1.5. 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 3 years as set out in its quality assurance manual. One inspection by peers was carried out in fall 2022.

### 8.1.6. 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.

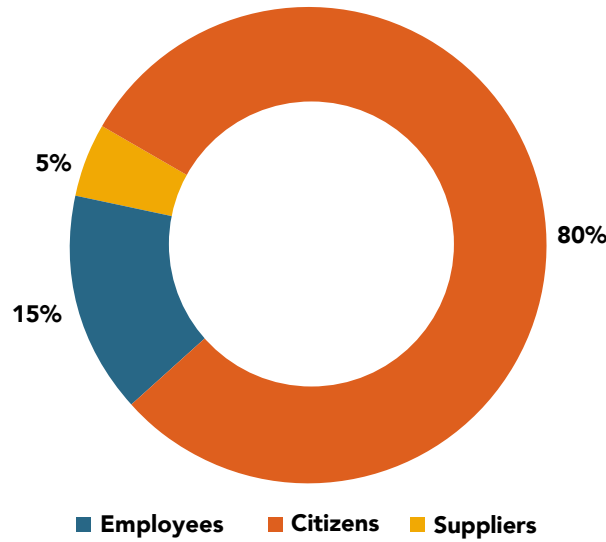
**TABLE 9 | NUMBER OF ALLEGATIONS**

	NUMBER OF ALLEGATIONS	
	2021	2022
Outside the jurisdiction of the Bureau du vérificateur général	5	17
Dispute with the Ville de Montréal	1	0
<b>SUBTOTAL</b>	<b>6</b>	<b>17</b>
Area of expertise of the Bureau du vérificateur general – Files analyzed	1	3
<b>SUBTOTAL</b>	<b>1</b>	<b>3</b>
<b>TOTAL</b>	<b>7</b>	<b>20</b>

Source: Table produced by the BVG.

The following graph shows the sources of the allegations received.

**GRAPH 5 | OVERVIEW OF ALLEGATIONS RECEIVED IN 2022 BY SOURCE**

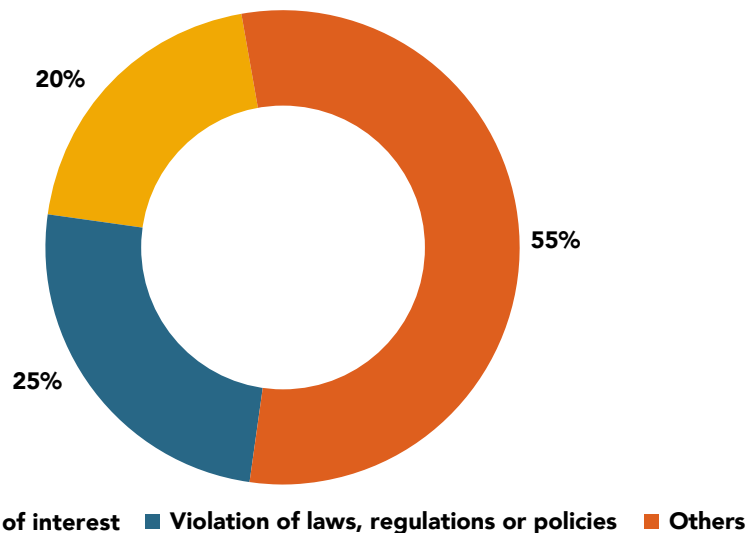


Source: Graph produced by the BVG.

It is important to remember that this is a confidential process and that all information provided is protected under the *Act respecting Access to documents held by public bodies and the Protection of personal information*. Consequently, the person or agency concerned is unaware of the identity of the individual making the allegation. 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 graph groups the allegations received by category of alleged wrongdoing.

**GRAPH 6 | OVERVIEW OF ALLEGATIONS RECEIVED IN 2022 BY CATEGORY**



Source: Graph produced by the BVG.

### 8.1.7. 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 prepared by the chief auditor in the performance of her duties or the documents she keeps for the purposes of carrying out her mandate, the methods of which are set out in the *Act respecting Access to documents held by public bodies and the Protection of personal information* (CQLR c. A-2.1). This does not extend to documents held by the City or another public agency, in which case the access to information request must be forwarded to the office of the appropriate person responsible for access.

During the course of 2022, we received only one access to information request.

### 8.1.8. Technological Infrastructure

The BVG's servers are separate from those of 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 in the last 2 years, 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. The BVG conducts intrusion tests on a regular basis to ensure the security of its infrastructures.

### 8.1.9. 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.



**TABLE 10 | 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>• Comité sur le renforcement des capacités et développement des connaissances</li> </ul>
	CPA Canada	<ul style="list-style-type: none"> <li>• Public Sector Accounting Board</li> </ul>
	Association des vérificateurs généraux municipaux du Québec	<ul style="list-style-type: none"> <li>• Board of Directors</li> </ul>

Source: Table produced by the BVG.

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

