

Presentation of the Annual Report of the Auditor General

For the Year Ended December 31, 2015

Agenda

1. Comments from the auditor general (at the end of the presentation)
2. Overview of the Bureau du vérificateur général
3. Financial Statements Audit
4. Value-for-Money and Information Technology Audit
 - 4.1. Follow-Up to Recommendations from Previous Years
 - 4.2. Allocation of Financial Contributions
 - 4.3. Authorization of the Autorité des marchés financiers
 - 4.4. Framework Agreements for IT Professional Services
 - 4.5. Information and Communications Technology Recovery Management
 - 4.6. Energy Management
 - 4.7. Acquisition Card Management
 - 4.8. Real Estate Transaction Management
 - 4.9. Management of Construction and Renovation Work on Buildings Belonging to the Ville de Montréal
5. Acknowledgements

4. Value-for-Money and Information Technology Audit

4.1. Follow-Up to Recommendations from Previous Years

Follow-Up to Recommendations from Previous Years

- n The situation described in my report last year with regard to the implementation of our recommendations has not improved this year. In my 2013 and 2014 annual reports, I reported that the proportion of recommendations whose status was considered completed was well below the 70% target, 43% for recommendations made in 2012 and 44% for those made in 2013
- n Follow-up work conducted in April 2016 has revealed that the situation has not improved, with a mere 35% of recommendations made in 2014 showing a completed status. Moreover, the 2012 and 2013 recommendations, which are in their third and second year of follow-up post-publication, have not reached the expected implementation target of 90%, at 79% and 67%, respectively

The table opposite presents the results of follow-ups to our recommendations for the first three years of our follow-up work.

Recommendations for the year	1st year of follow-up (target 70%)	2nd year of follow-up (target 90%)	3rd year of follow-up
2012	43%	65%	79%
2013	44%	67%	N/A
2014	35%	N/A	N/A

- n Remedial action must be taken to ensure that the business units honour the commitments they made in the action plans in order to ensure the implementation of recommendations within a three-year target timeframe

4.2. Allocation of Financial Contributions

Background and Purpose of the Audit

Background

The city has budgets to enable it to support non-profit organizations by making financial contributions to them

Annual contribution expenses went from \$87 million in 2010 to \$105 million in 2014. The number of organizations receiving support ranged from 1,687 to 1,792

Purpose of the Audit

To ensure that financial contributions were allocated to organizations as part of an objective, transparent process in order to achieve the goals established. We examined:

- n the existence of eligibility criteria for the organizations supported
- n the existence of evaluation criteria to support requests for financial assistance
- n the priorities taken into account
- n accountability reporting

Main Findings

Organization Eligibility

- n Two out of the four boroughs have support policies. For one of these, a moratorium on the recognition of new organizations has been in effect since 2010, which does not allow for all eligible organizations to make requests
- n In three of the four boroughs audited, there is currently no official process for recognizing organizations
- n Evidence of compliance with eligibility criteria was missing or insufficient in several cases
- n The boroughs did not show all the necessary rigour in justifying their decision to consider an organization's eligibility

Main Findings

Evaluation of Requests for Support

There are three main types of support

1. Support programs (by call for proposals)

- Two of the four boroughs audited launched calls for proposals but the number is low
- For certain cases examined, the boroughs could have solicited the market rather than proceeding by mutual agreement
- Solicitation methods vary from one case to the next. In certain cases, few proposals were received
- There are no clear rules in place to ensure transparent evaluation. The amounts granted are not documented and linked to evaluation criteria. We did not find evidence of a fair evaluation

2. Contributions granted under a financial assistance policy

- Two of the four boroughs audited have a financial assistance policy
- The policies in force do not specify pre-established evaluation criteria, which does not demonstrate transparency in the process

3. Contributions granted to organizations by mutual agreement

- 78% of the financial contributions made by the audited boroughs were done so by mutual agreement
- Not having found any evaluation criteria to determine the relevance of requests or the financial contribution amounts, we feel that this process is likely to be subjective
- Several organizations have been receiving support by mutual agreement for at least five years, leading us to question the fairness of the process
- Not having found any criteria to evaluate and establish the financial contribution amounts, we feel that this process is likely to be subjective

Main Findings

Allocation of Contributions Based on Priorities

Changes in the contribution budget and expenses (2010–2014)

- The budget allocation among municipal activities varies depending on the borough. The largest share of budget appropriations is in the “recreation and culture” activity (40% to 80% of the total contribution budget)
- There is no evidence of an exercise to justify the budgetary appropriations among municipal activities. The amounts fluctuate from year to year without any real prioritization exercise being carried out. In addition, in most of the cases audited, the actual total expenses exceed the original budget (use of surpluses). There is a risk of accepting support requests that are not in line with priorities or do not contribute to objectives

Relationship between each borough’s contributions and objectives

- There is no statement of priorities approved by the borough council based on knowledge of the population’s changing needs
- In several cases, the boroughs accepted requests from organizations that identified needs themselves without showing that they corresponded to the population’s needs and to the established priorities

Measurable objectives guiding support for organizations

- The boroughs grant financial contributions under programs or policies that usually include a general objective and specific objectives. These objectives are not measurable, however. For support by mutual agreement, there are no measurable objectives referring to the borough’s policies, management frameworks or action plans
- The boroughs cannot demonstrate whether the amounts paid are spent in line with the set objectives and the added value of financial contributions

Accountability reporting

- There is no real accountability reporting process to evaluate the achievement of set objectives and ensure that the support granted to organizations provides real added value

4.3. Authorization of the Autorité des marchés financiers

Background and Purpose of the Audit

Background

- n Several problems linked to fraud, corruption and collusion in municipal contracts came to light
- n The Registre des entreprises non admissibles aux contrats publics was created
- n Companies that wish to enter into public contracts with a municipality are required to possess an authorization from the Autorité des marchés financiers (AMF) (register of authorized enterprises)
- n Several orders in council added upper spending limits, including O.C. 1049-2013 (contracts for work on roads, water mains and sewers >\$100,000) and O.C. 795-2014 (service contracts involving the same purposes and materials >\$100,000 and contracts for the supply of bituminous compounds)

Purpose of the Audit

- n To ensure that the city had put monitoring mechanisms in place to ensure compliance with these two orders in council (AMF authorization to contract)

Main Findings

Application of Orders in Council and Control Mechanisms

Preparation of tendering documents

- n Significant confusion exists as to how orders in council are to be applied to certain types of contracts. For example, tendering documents mentioned the two orders in council while the information in the decision-making summary indicated that the contract was not subject to the orders in council
- n In other cases, there was no evidence that the application of these orders in council had been verified, and clauses in the tendering documents pertaining to these orders in council were absent

Tendering document clauses

- n We found a lack of consistency in including specific clauses in the tendering documents. Several boroughs did not use the most recent model, as provided by the Service des affaires juridiques. A little over half of the tendering documents for the selected contracts contained a clause of order in council 795-2014. However, some contracts did not contain any clause to this effect
- n Regarding subcontractors, clauses in the tendering documents were not consistent in all boroughs

Main Findings

Application of Orders in Council and Control Mechanisms

Evaluation of compliance and valid authorization

- n Boroughs implemented mechanisms to evaluate bid compliance. However, these mechanisms had not been used on all of the contracts we examined
- n In addition, only three boroughs used an evaluation mechanism for all contracts. For the 16 other boroughs, our examination found no evidence that such a mechanism was used for all contracts
- n The AMF authorizations obtained by the winning bidder had not been obtained for some contracts to which the orders in council applied
- n Regarding subcontracts awarded by the contractor:
 - Boroughs did not always have a reminder mechanism to ensure that the contractor provides a full updated list of subcontractors and all the information required by law, where applicable
 - In certain cases, the list of subcontractors was not always obtained or was incomplete (value and end date of the subcontract). In addition, for subcontracts valued at more than \$25,000, there was not always evidence of compliance with the AMF authorization. In compliance with the orders in council was questionable

Information conveyed prior to the awarding of a contract

- n For several boroughs, information required to be in the decision-making summaries was lacking (date of AMF authorization, attached copy of this authorization, mentions that the contract is not subject to the act). Without this, authorities are unable to make an enlightened decision

4.4. Framework Agreements for IT Professional Services (Service des technologies de l'information)

Background and Purpose of the Audit

Background

Following public call for tenders No. 12-11916, five framework agreements for IT back-up resources were awarded in 2012, for a period of three years ending in December 2015

Firm	Profile group	Agreement (\$)
1. Cofomo	Project Management, Architecture, Computer Security	\$7,212,388
2. Systematix	System Development	\$8,039,960
3. CGI	Specialized Systems Development	\$2,460,833
4. DMR-Fujitsu	Oracle ERP Integrated Solutions Specialty	\$13,773,059
5. Dessau	Geomatics Specialty	\$948,164
Total		\$32,434,404

Purpose of the Audit

To determine whether the acquisition process and the administration of framework agreements for IT professional services are being managed in accordance with the normative framework and sound management principles

Main Findings

Acquisition Process

- n Needs planning was not substantiated by proper analysis of the overall work to be accomplished and the internal capacity of the STI in terms of skills and experience profiles
- n Filling the needs through framework agreements was not substantiated by a thorough analysis of the costs, risks, constraints and advantages of each of the alternatives
- n Soliciting the market failed to achieve the objective of free and open competition
- n Analysis of the bids did not meet expectations in terms of thoroughness
- n The recommended choice of contracting method (hourly rate) resulted in firms assuming only a small share of the risks of the mandates entrusted to them

Administration of Framework Agreements

- n Several external resources were used to perform strategic functions during pre-project phases, although according to the STI's frameworks, the use of these resources during these phases must be on an exceptional basis

Main Findings

Administration of Framework Agreements (cont'd)

- n The STI's requests for external resources were often generic, without establishing a link to the project and failing to specify deliverables or specific milestones, making it difficult to monitor effectively the work being performed
- n Only 8 of the 346 resources proposed in the bids-provided services to the STI. It should be noted that contractual provisions made no mention of the terms regarding the obligation to provide the staff designated in the bid or terms for their replacement
- n internal control gaps in the process of entering, approving and billing external resources' time carry the risk that the amounts billed do not faithfully represent the actual hours worked on the various mandates
- n The monthly accountability reporting slated for the framework agreements was done only on request, and its contents did not enable monitoring of the financial progress of the agreements. In addition, the accountability report was not disseminated to all the appropriate management levels

4.5. Information and Communications Technology Recovery Management

Background and Purpose of the Audit

Background

- n It is crucial that the city be prepared for any disaster situation that might cause a shutdown or major disruption of its critical activities that depend heavily on information and communications technologies (ICT)
- n ICT recovery management is a planning process that ensures the continuity of ICT system and infrastructure operations essential to the city's critical activities

Purpose of the Audit

- n To determine whether the city takes the necessary steps to address the risk that a major disaster might affect its information and telecommunications systems and, in this way, ensure adequate ICT recovery
- n Our audit focused on the Service des technologies de l'information (STI), the Service de sécurité incendie de Montréal (SIM) and the Service de Police de Montréal (SPVM), as well as the Direction de l'eau potable (DEP) and the Direction de l'épuration des eaux usées (DEEU) of the Service de l'eau

Main Findings

- n Overall, the city has no ICT recovery program in place to deal with major disasters affecting its information and telecommunications systems. Of particular note, the STI has not:
 - put in place a structured, common approach to ICT recovery management
 - integrated ICT recovery into its major incident management structure
 - conducted risk and impact analyses for all its activities
 - properly documented ICT recovery strategies and plans
 - systematically carried out ICT recovery exercises, with the exception of the centralized IBM environment.
- n Nevertheless, adequate ICT recovery measures are in place for the SIM's computer-assisted dispatch system (RAO) and the SPVM's 9-1-1 Emergency Centre, while the Service de l'eau's DEP and DEEU are in the process of developing ICT recovery strategies for their plant activities

Main Findings

- n Without ICT recovery plans and procedures for the STI's systems:
 - Measures to be put in place for ICT recovery would be improvised, and responses would not be aligned and could be mutually harmful
 - Critical systems would not be available to business units, which would not be able to recover their critical operations in a timely manner
 - Essential services to citizens that depend on ICT could not be maintained, which could have serious consequences on their well-being

4.6. Energy Management

Background and Purpose of the Audit

Background

- n Improving the energy efficiency of municipal buildings, as well as of wastewater treatment and drinking water production processes, is among the objectives set forth in the *Plan corporatif de Montréal en développement durable*, aimed, among other things, at achieving a 30% reduction in greenhouse gas (GHG) emissions
- n This improvement also aims to reduce energy consumption
- n The city owns a building inventory of 1,300 buildings (1.6 million square metres) and operates very large drinking water production plants and wastewater treatment plants
- n The energy expenditures budgeted for 2015 totalled \$87.3 million

Purpose of the Audit

- n To determine the goals set by the city in terms of reducing the energy consumption of municipal buildings as well as wastewater treatment and drinking water production facilities
- n To determine the actions taken to achieve these objectives and to measure and report the results

Main Findings

Setting Energy Cost Reduction Objectives, Evaluating the Results and Implementing Accountability Mechanisms

Service de la gestion et de la planification immobilière

- A status report was produced in 2011 showing the results obtained in the 2009–2011 sustainable development plan for the city’s buildings. Only half (50%) of the reduction target of 15% for buildings’ energy consumption, set out in the plan, was achieved. No progress report was produced for this period
- A new plan was prepared for 2013–2015, setting a reduction target of 20%. Once again, no progress report was produced and there was no formal accountability

Service de l’eau

- For both the Direction de l’épuration des eaux usées and the Direction de l’eau potable, we found no energy cost reduction or optimization targets and no action plans to address these

Boroughs of former suburban municipalities

- There were no formal measurable objectives to reduce buildings’ energy costs or any action plans to address these
- In the absence of measurable objectives and action plans, it becomes difficult to promote the reduction of energy costs associated with buildings and to achieve the target for GHG emissions reduction

Main Findings

Monitoring and Analyzing Energy Bills

Service de la gestion et de la planification immobilière

- The energy consumption of a little more than 50% of the city's building inventory is managed by the Service de la gestion et de la planification immobilière (SGPI)
- The energy monitoring work carried out by the SGPI appears adequate

Service de l'eau

- The energy bills of the wastewater treatment plant are closely analyzed and monitored. Data in the plant meters are reconciled with those appearing on Hydro-Québec's bills. For the other facilities throughout the wastewater collection network, there is no evidence that such a process has been carried out, although the amount is not as high
- The energy bills of the drinking water production plants are subject to a visual review for the purposes of verifying and compiling certain parameters. However, because these plants are not equipped with their own energy meters, no counter-verification of the maximum real power demand and the monthly consumption used by Hydro-Québec to bill the plants was necessarily conducted
- There is no evidence that energy consumption is monitored in all the reservoirs and other smaller facilities in the water distribution network
- Steps to reconcile the inventory of meters in the field with those billed by Hydro-Québec need to be undertaken

Boroughs of former suburban municipalities

- Very few boroughs reconcile all the existing meters in the field with those billed by Hydro-Québec
- Very few boroughs (2) verify their bills and analyze energy consumption trends by building

4.7. Acquisition Card Management

Background and Purpose of the Audit

n Background

- Acquisition cards are credit cards that may be used to purchase goods and services of low dollar value
- Business units designate a person in charge of the “master” account who oversees all activities relating to the administrative unit’s acquisition cards
- The cards are personalized or neutral (issued in the name of a business unit; 415 cards were in circulation on April 30, 2015)

n Purpose of the Audit

- To ensure that acquisition cards are used in accordance with the existing administrative frameworks
- To ensure that their use is subject to monitoring and accountability

Main Findings

Issuance, Modification and Cancellation of Acquisition Cards

- n In the case of several audited business units, the form pertaining to the regulations for use of the card, which is to be completed by users, was missing

Compliance with the Delegation-of-Powers Regulation

- n In several cases, the credit limit for the acquisition card exceeded the cardholder's delegated powers

Oversight of Acquisition Cards in Circulation

- n Several transactions were carried out even though the designated holder was temporarily off work

Main Findings

Compliance Concerning Expenses Charged to Acquisition Cards

- n In several cases, the cards were used to pay for expenses (meals, hotels, airline tickets, training) already covered by another administrative framework

Verification of Invoiced Expenses

- n In several cases, we noted the absence of supporting documents or of an original invoice in support of the expense
- n In several cases, we found no evidence of approval of the expense by the cardholder's superior

Accountability

- n Most of the business units audited do not verify whether the acquisition cards are used properly or submit accountability reports in this regard

4.8. Real Estate Transaction Management (Service de la gestion et de la planification immobilière)

Background and Purpose of the Audit

n Background

- Managing the city's real estate property involves concluding municipal asset acquisitions and disposals
- Real estate transactions represent substantial amounts
- Every year, more than 230 transaction mandates are opened

n Purpose of the Audit

- To ensure that the real estate transactions (the sale and purchase of land) are governed by a strategic management process
- To ensure that they are conducted in such a way as to maximize value for the city

Main Findings

Receipt of Requests and Preliminary Analysis

- n There is no real strategic vision of the future needs of clients. By meeting needs on an ad hoc basis, the city could find itself in a vulnerable position when it comes to negotiating a price. Roles and responsibilities are not defined

Real Estate Transactions – Administrative Frameworks

- n Acquisitions and sales by mutual agreement or by call for proposals are not subject to administrative frameworks
- n The decision to sell land by mutual agreement or by call for proposals is not based on official and consistent criteria

Real Estate Transactions – Notion of Conflict of Interest

- n Real estate transactions are high-risk activities. Police investigations have brought such cases to light in the past
- n Absence of mechanisms to ensure that employees are not in a conflict of interest situation and that they agree to confidentiality

Main Findings

Real Estate Transactions – Appraisal and Agreed Price

- n Basic principle: sale price reflects the market value (MV) (MV range)
- n Appraisal report is valid for 18 months
- n There are omissions in the documentation of elements discussed during negotiations (dates, offer amounts, special clauses, zoning characteristics)

Real Estate Transactions – Documenting and Archiving

- n The decisions made or actions taken are not always documented (e.g. sale by agreement vs. call for proposals)
- n Absence of proof of review and approval (e.g. agreed price)
- n Certain files did not contain all the key documents

Main Findings

Real Estate Transactions – Monitoring of Contractual Clauses

- n Releases are granted to purchasers before ensuring that they have met all of the conditions and build obligations
- n The monitoring of contractual clauses is not always documented

Real Estate Transactions – Monitoring and Control Mechanisms

- n Transaction processing times are long (risk of transactions falling through or market value no longer reflecting the market)

Accountability Reporting

- n Measurable objectives are not clearly defined

4.9. Management of Construction and Renovation Work on Ville de Montréal Buildings

Background and Purpose of the Audit

Background

- n Building construction and renovation projects (sports and recreational centres, libraries, administrative offices, shops, fire stations) require investments of approximately \$220 million/year
- n Since several stakeholders are involved (the client, the internal or external service supplier, the work supervisor, the construction contractor), adequate coordination is needed to ensure control of costs, the timeframe and the quality expected

Purpose of the Audit

- n To make sure that existing management frameworks are applied for construction and renovation work
- n To make sure that the processes for acquiring external services and managing the work provide for coordination, follow-up and accountability mechanisms in keeping with the management frameworks and best practices
- n Four projects were selected

Main Findings

Management Frameworks for Construction and Renovation Projects

- n The Cadre de gouvernance des projets et des programmes de gestion d'actifs municipaux (CGP), which applies to large-scale projects (>\$10 million), was not applied for two projects (*Annie-Pelletier pool* and *Bibliothèque Marc-Favreau*)
- n The city does not have a standardized framework for smaller projects (<\$10 million). For the *Valleycrest pool* and *Caserne 32* projects, the business units adopted different and unofficial methods that did not systematically respect good project management practices and did not always comply with management frameworks

Project Management

The city has developed an approval and coordination process for large-scale projects. Deliverables are defined for all stages of a project

- n Valleycrest pool
 - Project management framework
 - The project cost was estimated at \$5.2 million, which is below the threshold for being subject to the CGP
 - The borough produced neither a project approval file (issues, governance, deliverables, resources) nor a functional and technical program (risk that the plans and specifications are incomplete, resulting in unexpected expenses)

Main Findings

Project Management (cont'd)

n Valleycrest pool (cont'd)

Project governance

- No formal structure to ensure project governance was established (organization chart stating the roles and responsibilities and how they will be distributed among the stakeholders)
- The project manager did not have experience managing projects of this complexity

Project follow-up and monitoring mechanisms

- The timeline was not updated by the contractor. A 45-day delay was announced shortly before the expected delivery date, resulting in costs of \$100,000, without the accountability of the stakeholders being called into question. Delays could have been identified earlier if the timeline had been updated
- The explanation of the 21% difference between the estimate (\$4.2 million) and the tender retained (\$5.2 million) was simplistic and incomplete, contravening the city's rules requiring rigorous explanations of differences of more than 10%
- The specifications did not provide for amounts for contingencies. As a result, adjustments were required during the work, increasing the cost of \$5.5 million and resulting in delays while the additional expenses were approved by the council

Project closeout and accountability

- Since no formal accountability mechanism to the department and the elected officials was implemented, project management and achievement of objectives could not be evaluated

Main Findings

Project Management (cont'd)

n Annie-Pelletier pool

Project management framework

- The \$14 million project was subject to the CGP, but it was not applied
- No project approval file or functional and technical program was produced
- The decision-making summaries were incomplete (e.g. non-compliance of bidders)

Project governance

- No formal governance structure was implemented (stakeholders, roles and responsibilities)
- No project team or project steering committee was set up
- As a result, the project manager held a central role with no accountability obligations

Project follow-up and monitoring mechanisms

- Several serious anomalies were identified with respect to project management (the omission of certain elements in the plans and specifications, construction flaws)
- The timeline was not updated and the contractor postponed the delivery date several times. A 142-day delay was justified by omissions in the specifications and construction flaws. There were serious shortcomings in the management and follow-up of timelines
- Progressive statements were produced but they were incompletely documented
- Moreover, since the borough is in litigation with the builder, the overall cost of the project cannot be determined

Project closeout and accountability

- No project accountability report has been produced on the progress of the project, the problems encountered and the achievement of the objectives

Main Findings

Project Management (cont'd)

n Bibliothèque Marc-Favreau

Project management framework

- The project was subject to the CGP, but it was not applied
- A preliminary project program was produced but did not include, as expected in keeping with good practices, all of the elements of a project approval file (PAF) in order to give the authorities a detailed overview of the stakes and principal aspects of the project (e.g. scope, governance, financial aspects)

Project governance

- Serious shortcomings were identified: project governance structure not clearly defined, no project manager designated, silo management by each of the units involved, the inexperience of the individuals designated by the borough to manage the project, who learned project management on the fly, the borough not being aware of some of its key responsibilities
- The Service de la culture and the Service de la gestion et planification immobilière (SGPI) did not provide the borough enough assistance

Project follow-up and monitoring

- There were shortcomings with respect to the follow-up of the timeline, and the contractor refused to provide an up-to-date schedule for the work (2-month delay), which compromised the follow-up of the construction work and the planning for the next stages of work to be done
- The estimates were based on standard projects and did not take into account the complexity of the project and the requirements of the REB program (Architectural design and LEED certification), resulting in a difference of \$2 million between the revised cost estimate (\$17 million) and the overall cost of the project (\$19 million)

Project closeout and accountability

- No formal accountability report or closing balance sheet were produced to enable assessment of the project and the achievement of its objectives

Main Findings

Project Management (cont'd)

n Caserne 32

Project management framework

- No project approval file was produced to provide the authorities with a detailed overview of the project's issues and principal aspects (e.g. scope, governance, financial aspects)

Project governance

- The project governance structure was not clearly defined
- No document was produced to set out the roles and responsibilities of the stakeholders and the deliverables for which they were responsible

Project follow-up and monitoring mechanisms

- The project was delivered three months late, thereby failing to meet the December 31st deadline for the implementation of the fire risk coverage plan. This delay was the result of external factors beyond the contractor's control
- The work schedule was not updated after the initial version was produced. As a result, those responsible for the project were not able to ensure adequate follow-up of the progress of the work and take measures to reduce the impact of the delay and the failure to achieve the objectives provided in the fire risk coverage program
- No justification of the difference (11%) between the reference estimate (\$5.9 million) and the lowest tender (\$6.3 million) was given in the contract-awarding decision-making file
- following a comparison of the lowest tender (\$6.3 million) and the estimate initially produced by an external firm (\$5.5 million), this difference increased to close to 20%

Project closeout and accountability

- No formal accountability report or closing balance sheet was produced to enable assessment of the project and the achievement of its objectives

1. Comments from the Auditor General

Summary of the Highlights and Related Issues (2009–2015)

- n As my term comes to a close on June 2, it seems timely to summarize the highlights of the value-for-money and information technology audits conducted by the BVG during my seven-year term
- n I have also pointed out the key measures taken or begun, as well as those that should be carried on by the municipal administration to remedy the main shortcomings that have been identified

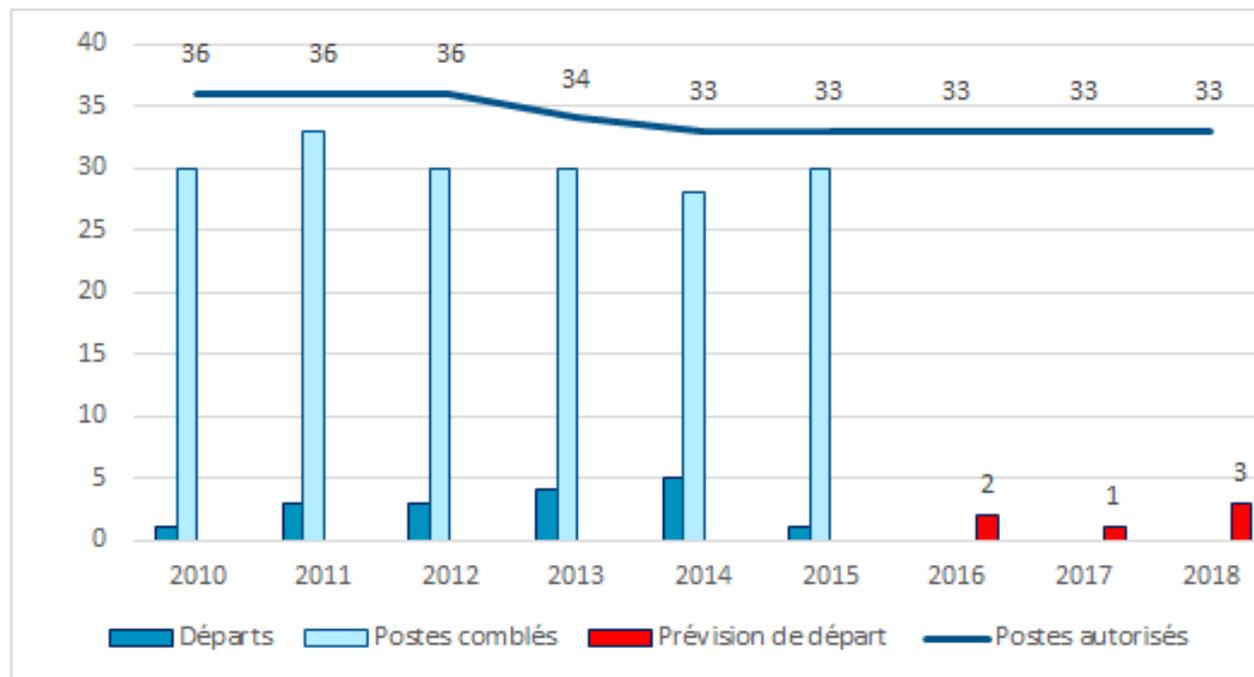
Summary of the Highlights and Related Issues (2009–2015)

- A Water meters
- B Telecommunication services outsourcing project
- C Distribution of contracts awarded by the authorities to contractors
- D Integrated control system of the Montréal metro (STM)
- E Public self-serve bicycle project (BIXI)
- F Implementation plan for infrastructure work and quality control of materials
- G Application of the *By-Law Concerning the Sanitation, Maintenance and Safety of Dwelling Units*
- H Fire safety cover plan and fire hydrants
- I Physical and logical penetration tests
- J Snow clearing contracts and contracts for the collection and transportation of waste material
- K Compliance with laws and by-laws
- L Information technology governance
- M Management of financial contributions
- N Business continuity management and information and communications technology recovery management

Maintaining the Bureau du vérificateur général's expertise

- As I mentioned several times in my previous annual reports, attracting and retaining competent resources within the BVG remains an ongoing challenge

Evolution and forecasting of BVG workforce from 2010 to 2018



Maintaining the Bureau du vérificateur général's expertise

- n We noted that:
 - Positions were vacant at year's end from 2010 to 2015
 - Three positions were vacant as of December 31, 2015
 - Six departures are planned during 2016–2018, including three of the four members of the BVG's management team
- n This situation significantly compromises our ability to carry out our mission of watchdog over the city's public finances for elected officials and citizens, all the more so because:
 - Results of the most recent recruitment efforts were disappointing, and even disastrous in the case of value-for-money resources
 - The qualified staff the BVG needs is not only rare but also in high demand by the private sector and the public sector
 - The salary package that we are able to offer is less competitive than that of our reference market
- n **I sought the collaboration of the Service des ressources humaines to support us in searching for solutions to this thorny issue of maintaining expertise**

2. Overview of the Bureau du vérificateur général

3. Financial Statement Audit

5. Acknowledgements