

# REPORT

OF THE AUDITOR GENERAL OF QUÉBEC  
TO THE NATIONAL ASSEMBLY

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HIGHLIGHTS



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### **Québec**

750, boulevard Charest Est, bureau 300  
Québec (Québec) G1K 9J6  
Tél. : 418 691-5900 • Téléc. : 418 644-4460

### **Montréal**

770, rue Sherbrooke Ouest, bureau 1920  
Montréal (Québec) H3A 1G1  
Tél. : 514 873-4184 • Téléc. : 514 873-7665

### **Internet**

Courriel : [verificateur.general@vgq.qc.ca](mailto:verificateur.general@vgq.qc.ca)  
Site Web : [www.vgq.qc.ca](http://www.vgq.qc.ca)

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Courtesy Translation

The original version, published in French, takes precedence.



# CHAPTER 1

## OBSERVATIONS OF THE AUDITOR GENERAL

Please note that the text of Chapter 1 is not translated into English.

# CHAPTER 2

## Activities of the Centre de gestion de l'équipement roulant

Performance Audit and Observations of the Sustainable Development Commissioner

Ministère des Transports du Québec

## IN BRIEF

The Centre de gestion de l'équipement roulant (CGER) is a general directorate of the Ministère des Transports du Québec (MTQ). It was established in 1997 to put in place expert leadership in the management of rolling stock that, through its provision of shared services to departments and bodies, should enable the government to achieve savings. However, the CGER has not managed to adequately fulfill this mandate.

Indeed, its clientele has developed more with regard to cities and municipalities than with departments and bodies: the CGER manages only 28% of all government vehicles. As well, its management is more oriented toward its own financial profitability than to the objectives of an authority offering shared services. Moreover, management of its fleet of vehicles and its network of mechanical workshops is neither efficient nor economical. The CGER also contravened the *Act respecting the Ministère des Transports* by paying the MTQ a remittance.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).

# FINDINGS

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1

Management of the CGER is focused on its own financial profitability and it helps manage only 28% of Québec government vehicles.

2

The CGER does not exactly know what the utilization of its vehicles is or when best to dispose of them.

3

The CGER does not analyze the cost nor the time to carry out mechanical work, whereas both vary significantly in the 58 workshops.

4

The CGER's preventive maintenance program is too demanding, compared to the vehicle manufacturers' recommendations, which unnecessarily increases the fleet's operating cost.

5

The CGER contracts extended warranties for all of its trucks and tool vehicles without knowing if the warranties generate savings.

6

The CGER contravened the regulation by paying the MTQ \$34.3 million from the surplus accumulated in the Fonds de gestion de l'équipement roulant and by selling vehicles by mutual agreement.



## RECOMMENDATIONS

The Auditor General has made recommendations to the Ministère des Transports, which are presented below.

- 1 Review the business model of the Centre de gestion de l'équipement roulant so that the Québec government fully benefits from the savings expected from a directorate offering shared services.
- 2 Obtain the appropriate authorizations so that the Centre de gestion de l'équipement roulant continues to provide services to public bodies external to the Québec government.
- 3 Improve knowledge of the use of the rolling stock fleet in order to make the best decisions from a government perspective.
- 4 Assess the relevance of maintaining all 58 mechanical workshops, particularly from an economic point of view.
- 5 Acquire the management tools needed to measure the efficiency of the work done by the mechanical workshops and make any necessary corrections.
- 6 Review the preventive maintenance program, taking manufacturers' recommendations into consideration, so as to ensure that it is carried out efficiently.
- 7 Determine the situations where the purchase of extended warranties is relevant.
- 8 Comply with the regulation respecting the management of the annual surplus of the Fonds de gestion de l'équipement roulant and the disposal of the fleet's rolling stock.



CHAPTER 3

**Financial Assistance  
for Economic Development**

Performance Audit

Ministère de l'Économie et de l'Innovation

## IN BRIEF

The Québec government invests \$3 billion in economic development each year. A comprehensive and well-coordinated strategy is essential, given the many programs offered and the multitude of business support organizations involved. The Ministère de l'Économie et de l'Innovation (MEI) does not fully assume its role in this regard.

The MEI also inadequately manages its own grants: significant poorly justified non-program grants, advance payment of hundreds of millions of dollars at the end of the financial year, and flawed management of a \$1 billion project.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).

# FINDINGS

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1

The MEI granted \$262.7 million in non-program grants on the basis of incomplete analyses and inadequate documentation.

2

At the end of financial years 2016-2017 and 2017-2018, the MEI advanced the payment of \$335.7 million in grants, which contributed to reducing the government's annual surplus.

3

The MEI is poorly managing a \$1 billion project: launching the project without overall planning and a questionable choice of certain projects.

4

The MEI fails to give sufficient consideration to the performance of business support organizations and to the possible overlap between them in its decision to award them an operating grant.

5

The MEI does not adequately assume its function of government coordination of the economic development assistance granted.

6

The MEI does not adequately assess the impact of its grants and has incomplete and sometimes incorrect management information.

# RECOMMENDATIONS

The Auditor General has made recommendations to the Ministère de l'Économie et de l'Innovation, which are presented below.

- 1 Ensure that each non-program grant is supported by comprehensive analysis and sufficient documentation.
- 2 Ensure that grant payments are made in a timely manner, by making sure that they:
  - do not cover more than one year at a time for the operation of an organization;
  - do not start until the projects concerned are defined and approved;
  - keep pace with the work being completed, in the case of a research project.
- 3 Strengthen management mechanisms in effect when the Ministère gives out grants for large-scale projects such as the one connecting 340 000 households to broadband Internet service. This includes the following steps:
  - produce and keep up to date the planning of all the work to be carried out, including the definition of risks, a cost estimate and a schedule;
  - establish a proposal request and selection process that promotes the fair and equitable treatment of applicants and the optimal use of public funds invested;
  - support decisions through a thorough analysis and sufficient documentation.
- 4 Improve its knowledge of business support organizations in order to consider their performance and avoid potential overlapping between them in awarding operating grants.
- 5 Fulfill its role in coordinating government economic development assistance, including by:
  - ensuring a complete and up-to-date picture of government assistance on the basis of quality management information;
  - setting up consensus-building mechanisms with its government partners that help result in selecting the most effective actions and make it possible to avoid duplication.
- 6 Adequately account for the financial assistance it provides and the results obtained with respect to government objectives based on quality management information.



# CHAPTER 4

## School Buildings: Quality and Availability

Performance Audit and Observations  
of the Sustainable Development Commissioner

Ministère de l'Éducation et de l'Enseignement supérieur  
Commission scolaire de la Capitale  
Commission scolaire Marguerite-Bourgeoys



## IN BRIEF

Both the quality of school buildings and the availability of premises are currently insufficient, making it impossible to adequately meet the needs of students and personnel in a number of school boards. Despite a significant increase in investments provided for in the *2019-2029 Québec Infrastructure Plan*, major challenges remain, particularly because of:

- the low implementation rate of construction projects;
- signs of an overheating construction market;
- the drop in the number of bids received following a call for tenders;
- increased requirements for the construction of primary schools.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).

# FINDINGS

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1

The school boards' infrastructure network is in poor condition and, though there has been a significant increase in the amounts allocated, it will be difficult to achieve the improvement targets set by the Ministère de l'Éducation et de l'Enseignement supérieur (MEES).

2

Needs for additional learning space are not being met in a timely manner due to an inadequate determination of needs and issues in project planning and implementation.

3

The cost of projects for additional learning space is sharply increasing and the MEES does not have sufficient understanding of the reasons for this increase to adequately respond to it.

4

The MEES does not adequately oversee inspection methods, as would be necessary to ensure that it has an accurate picture of the condition of school buildings given the amounts granted over the years.

## RECOMMENDATIONS

The Auditor General has made recommendations to the Ministère de l'Éducation et de l'Enseignement supérieur, which are presented below.

- 1** Determine the investments required in asset rehabilitation and preventive maintenance in order to meet government targets, and ensure that school boards carry out the work deemed necessary.
- 2** Ensure that the projects for additional education space address additional learning space needs in a timely manner, in particular:
  - by improving the needs determination process;
  - by monitoring project durations and by ensuring that corrective action is taken, as needed.
- 3** Evaluate the financial impact of new requirements for the construction of school buildings in order to make informed decisions.
- 4** Monitor the costs of projects for additional learning space in order to intervene appropriately when the situation so requires, for example, in the event of an overheating construction market or when deficiencies are observed in project management.
- 5** Further oversee inspection methods and improve the information needed to maintain an up-to-date picture of school buildings' condition, in order to make it easier to monitor performance in this regard.



# CHAPTER 5

## Youth Protection: Management of Interventions Following a Report to a Director of Youth Protection

Performance Audit and Observations of the Sustainable Development Commissioner

Centre intégré de santé et de services sociaux de la Montérégie-Est  
Centre intégré universitaire de santé et de services sociaux de la Capitale-Nationale

Centre intégré universitaire de santé et de services sociaux de l'Estrie —  
Centre hospitalier universitaire de Sherbrooke

Ministère de la Santé et des Services sociaux

## IN BRIEF

The situations in which the *Youth Protection Act* is enforced are exceptional and circumscribed. The objective of the Act is to put an end to situations that compromise the safety or development of children. This should not be confused with the desire to meet all the needs of children for help.

Youth protection interventions involve a number of actors, both from the health network and from school, educational, community, police and judicial sectors. Our mandate addresses those of the health and social services network.

The way the youth protection system currently operates is flawed. Improvements need to be made to the interventions carried out by the directors of youth protection (DYPs) of the institutions audited so as to result in better protection of the children under their responsibility. These DYPs are not receiving sufficient support in their role from their institutions and are inadequately supervised by the Ministère de la Santé et des Services sociaux (MSSS).

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).

# FINDINGS

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1

Children do not have timely access to the services they need to rectify the situation which endangers their safety or development. The average time between reporting and the implementation of measures to correct a situation is anywhere from 158 to 226 days.

2

DYPs do not identify certain hints of potential risk such as recurring reports for the same child. Doing so would enable them to be more confident with respect to the relevance of their decisions, which have a major impact on the future situation of the child.

3

The organization of the work and supervision of interventions of the DYPs need to be improved.

4

Institutions fail to provide the DYPs with sufficient support enabling them to fulfill their role in child protection. The goal of giving them access to the institution's other services has not yet been attained.

5

The MSSS has not determined whether the norms of clinical practice used in youth protection remain adequate. It does not monitor DYP interventions with the goal of assessing their effectiveness and being able to intervene in a timely manner, as applicable.

## RECOMMENDATIONS

The Auditor General has made recommendations to the directors of youth protection of the institutions audited, to the institutions audited—namely, the Centre intégré de santé et de services sociaux de la Montérégie-Est, the Centre intégré universitaire de santé et de services sociaux de la Capitale-Nationale and the Centre intégré universitaire de santé et de services sociaux de l'Estrie – Centre hospitalier universitaire de Sherbrooke, and to the Ministère de la Santé et des Services sociaux. These recommendations are presented below.

### Recommendations to the directors of youth protection of the institutions audited

- 1 Respect the time limits for accessing the services in place in order to rectify the situation which endangers the child's safety and development.
- 2 Identify and analyze situations of potential risk so as to increase confidence in the relevance of the decisions made at the different stages of the intervention process.
- 3 Review both the organization of work and the supervision to make interventions more effective.

### Recommendation to the institutions audited

- 4 Step up actions taken to better support DYPs so that they may assume their child protection role.

### Recommendations to the Ministère de la Santé et des Services sociaux

- 5 Revise the norms governing clinical practice in youth protection and make any corrections needed.
- 6 Develop a strategy for monitoring DYP interventions so as to evaluate their effectiveness and be able to intervene in a timely manner, as applicable.





CHAPTER **6**

**Protection of Incapacitated Persons  
Under Public Protective Supervision**

Performance Audit

Curateur public du Québec

## IN BRIEF

The Curateur public does not take necessary measures to ensure incapacitated persons' rights are respected and to preserve their autonomy. Indeed, the key processes it put in place include various shortcomings and its management information is insufficient to adequately assess and report on its performance.

The representation plan took over eight years to be standardized and computerized; despite these efforts, some people did not have one yet, and others had an incomplete or outdated plan. Furthermore, without a rigorous analysis, the Curateur public has reduced the frequency of visits to incapacitated persons. Finally, while it must ensure that the people it represents are reassessed at the time required by the law, significant delays have accumulated over the years.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).

# FINDINGS

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1

It took more than eight years for a standard, computerized representation plan to be available. As of December 31, 2018, some incapacitated persons still did not have a personalized representation plan, and when they did, it was often incomplete or outdated.

2

The Curateur public reduced the frequency of visits, based on risk management. In practice, this concept of modulated visits was applied without rigorous analysis of incapacitated persons' needs, and the interventions carried out were not in line with the established planning.

3

Significant delays persist in processing reassessment requests.

4

The Curateur public's management information on several activities related to the protection of incapacitated persons under public protective supervision is insufficient to enable it to assess its performance and report adequately.

# RECOMMENDATIONS

The Auditor General has made recommendations to the Curateur public, which are presented below.

- 1 Ensure that each incapacitated person under public protective supervision has a quality representation plan that is reviewed and implemented in a timely manner.
- 2 Measure the effectiveness of its concept of modulated visits and make the necessary modifications in order to, among other things:
  - maintain a personal relationship with the incapacitated person;
  - ensure that risk assessments reflect the reality of each incapacitated person.
- 3 Ensure that each person it represents is reassessed within the time limit provided for in the *Civil Code of Québec* or established by the Superior Court of Québec.
- 4 Obtain sufficient, relevant and reliable management information regarding the protection of incapacitated persons under public protective supervision in order to assess its performance, make the necessary adjustments and report on it in a timely manner.



CHAPTER 7

## Use of Antibiotics in Food-Animal Production

Performance Audit

Ministère de l'Agriculture, des Pêcheries et de l'Alimentation

## IN BRIEF

The Ministère de l'Agriculture, des Pêcheries et de l'Alimentation (MAPAQ) is not providing the leadership needed to ensure the judicious use of antibiotics in food animals so as to maintain their therapeutic effectiveness in both the animals and in humans.

For example, the MAPAQ:

- does not send a clear message about the importance of reducing the amount of antibiotics used;
- does not have the information needed to assume its responsibilities;
- is slow in proposing regulations to prohibit or restrict the uses of antibiotics recognized as inappropriate;
- has few measures in place to promote the judicious use of antibiotics by producers and veterinarians.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).



# FINDINGS

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1

The MAPAQ has not specified the means it intends to use to ensure the judicious use of antibiotics in food animals.

2

The MAPAQ does not have the information it needs to assume its responsibilities with respect to the use of antibiotics in food animals.

3

The MAPAQ is late in proposing regulations to prohibit or restrict those uses of antibiotics in food animals that are recognized as inappropriate.

4

The MAPAQ has little control over compliance with regulatory requirements tied to the administration of antibiotics in food animals.

5

The MAPAQ provides producers and veterinarians with little incentive to fully contribute to lowering the use of antibiotics in food animals.

6

The MAPAQ lacks effective control of mills and livestock producers who prepare premixes and medicated feeds for animals.

7

The MAPAQ does not rigorously monitor compliance with antibiotic residue levels permitted in foods.

## RECOMMENDATIONS

The Auditor General has made recommendations to the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, which are presented below.

- 1 Clarify the judicious use of antibiotics and the means it intends to implement to achieve this objective.
- 2 Acquire the information it needs to assume its responsibilities with regard to the use of antibiotics in food animals.
- 3 Take the necessary measures to ensure that antibiotics whose uses are recognized as inappropriate in food animals are no longer used for these purposes.
- 4 Ensure producers' compliance with regulations regarding the use of antibiotics.
- 5 Put in place measures to encourage producers and veterinarians to fully contribute to lowering the use of antibiotics in food animals.
- 6 Exercise effective control over the application of the *Regulation respecting medicinal premixes and medicinal foods for animals* with respect to mills and livestock producers subject to the regulation.
- 7 Strictly monitor compliance with respect to antibiotic residue levels permitted in foods.



CHAPTER ∞

**Motion of the National Assembly  
respecting the Fonds vert**

Progress Report

## IN BRIEF

This chapter presents the motion adopted by the National Assembly with respect to the Fonds vert as well as the work undertaken by the Sustainable Development Commissioner in line with this motion.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).



CHAPTER 9

**Review of the Government Sustainable Development Strategy**

Watch

## IN BRIEF

The Government Sustainable Development Strategy is one of the cornerstones of the implementation of the *Sustainable Development Act*.

The Ministère de l'Environnement et de la Lutte contre les changements climatiques wishes to have a new strategy adopted by the end of 2020. Given that the current strategy has been in effect since October 2015, this would nearly comply with the five-year period for reviewing the strategy, as stipulated in the Act. However:

- the time frame for doing so is tight: in view of the delays that occurred during the review of the previous strategy as well as during the implementation of the current strategy, it is not without risk;
- the Ministère did not take action to produce, before the planned adoption of the next strategy, two very important documents necessary to make informed choices in this strategy.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).





# 10

## CHAPTER

### **Government's Consolidated Financial Statements 2018-2019: Findings and Comments to the Attention of Parliamentarians**

Ministère des Finances

## IN BRIEF

In accordance with the *Auditor General Act*, the Auditor General annually audits the government's consolidated financial statements.

The audit for the fiscal year ended March 31, 2019 generally went well. However, for the seventh consecutive year, we expressed a qualified opinion in our independent auditor's report. This qualification needs to be taken seriously since it means that the government's consolidated financial statements do not give an accurate picture of its financial situation. Indeed, inadequate accounting of some transfer payments results in accumulated deficits being understated by at least \$11.9 billion.

The government's consolidated financial statements are a cornerstone of accountability and are useful in assessing management of public funds. As such, we encourage the Ministère des Finances to pursue its efforts to further shorten the statements' publication timeframe. We also believe that an annual review of these financial statements by a parliamentary committee would strengthen oversight of the government's performance and allow parliamentarians to discuss with the Auditor General its annual findings stemming from the audit of these important financial statements. Consequently, we again invite the National Assembly to implement this annual review.

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).

# FINDINGS

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1

The preparation and the annual audit of the government's consolidated financial statements generally went well.

2

The absence of an annual review of public accounts by a parliamentary committee does not promote adequate oversight of the government's performance.

3

The accumulated deficits are understated by \$11.9 billion.

4

There has been an improvement of the timeframe between the signing of the consolidated financial statements and their publication.

## Other Comment

Portfolio investment in Airbus Canada Limited Partnership  
(formerly C Series Aircraft Limited Partnership)

11

CHAPTER

## Follow-Up of the 2018 Pre-election Report Forecasts

## IN BRIEF

The year 2018-2019 ended with a much larger surplus than anticipated. According to the *Public Accounts 2018-2019*, the surplus was \$8.3 billion, compared to the estimated \$1.9 billion in the 2018 Pre-election Report. This \$6.4 billion difference is attributable to higher-than-anticipated revenues of \$4.2 billion—a 4% increase—and lower-than-anticipated spending of \$2.2 billion, reflecting a 2% decrease.

A number of factors explains this difference, including sustained economic growth, a larger-than-anticipated increase in government enterprises revenues, project delays and decisions following the release of the Pre-election Report, such as the acceleration of the debt repayment.

In light of these results, the Ministère des Finances will need to continue to follow up on some of our findings so as to assess the efficiency and rigour of the government's budget process with the goal of improving the quality of forecasts.

Follow-Up of the 2018 Pre-election Report Forecasts is available at [www.vgq.qc.ca](http://www.vgq.qc.ca) (in French only).

