



AUDIT OF THE PERMANENT MISSION OF CANADA TO THE UNITED NATIONS

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EXECUTIVE SUMMARY

An audit of the Political, the Economic and Social (ECOSOC) and the Administration Programs of the Permanent Mission of Canada (PERMIS) to the United Nations (UN) in New York was conducted during the period January 12 to 16, 2004. The Administration Program was previously audited in August 1995.

PERMIS is a key vehicle for promoting Canadian values and interests in the international community of nations. As a committed multilateralist, Canada places special significance on its role and image in the United Nations, the focus of global multilateral diplomacy. The vast range of issues and complicated dynamics of many UN negotiations, and the need to respond to a constant stream of crises, all place unique constraints and demands upon the Mission. To meet these demands, a high calibre of executive, officer and support staff performance is present at PERMIS.

Work in the Mission is largely framed by schedules dictated by the UN General Assembly (UNGA) and tasking from a wide-range of Headquarters Bureaux and OGDs. Canada's interests at the UN are very broad and Canada is seen as part of a small number of countries that are seen as global as opposed to regional players. Headquarters and Missions, however, have not formally articulated their priorities in a single document that officers can refer to throughout the year. Officers are under pressure to show Canada is a "player" on all issues when many issues are of marginal interest to Canadians. It is critical, therefore, that priorities be clearly established and documented. This should be followed by a well developed work plan that focusses on expected results, reach, resources and a time-frame for delivery. Reporting on the progress of results should follow at mid and year-end.

Officers are frustrated because the heavy workload demands that they cover a broad range of issues. Some officers have developed their own system of ranking what is important. Staff are so busy that it is often difficult to balance work and personal interests. The Mission has not implemented e³ and overtime is not decreasing as Headquarters believes. The Deputy Permanent Representative (DPR) is attempting to change the perception that the Mission is overworked.

Greater attention needs to be paid to the management of this Mission. Synergy issues between programs, improved administrative practices and workload pressures all need to be addressed. There is also a need to better control hospitality and overtime budgets, complete appraisals as required and establish accountability agreements. To ensure this, it is suggested the DPR divest himself of program management responsibilities and assume overall management of the Mission full-time.

There may be potential for savings through co-location of both Canada's missions in New York City. This is a long term project which will require both Chancery leases to co-terminate at the same time. This is not possible until 2012. In the interim,

it may be possible to jointly manage property operations and/or other administrative support functions as a starting point towards full co-location.

A total of 28 recommendations are raised in the report; 25 are addressed to the Mission to implement and three are directed to Headquarters. Management has responded to each recommendation indicating action already taken or decision made as well as future action. Of the 25 Mission recommendations, management has stated that 12 have been implemented and 13 are in the process of being actioned. In the case of the Headquarters recommendations, one has been actioned while two are in progress.

Mission Comments

Canada has for many years been considered a major player at the UN, not quite in the same league as the P5 (USA, UK, France, China and Russia) but well above most countries, developed and less developed, with much larger populations and bigger missions. Canada has achieved this enviable reputation by being an active player not just on the highest profile issues or on a select number of issues where it is most directly concerned but by being active on all major issues. Canada is part of a small number of countries that are seen as global players at the UN. This has had an impact on our ability to deliver on our priorities and, not surprisingly, on the workload of officers.

The cost of focussing solely on only Canada's highest priorities would be a significant loss of reputation and effectiveness for Canada. Our absence from discussions on issues now covered, but which may not be of highest priorities, would be seen by the international community as a signal of retrenchment on the part of Canada, a decision to join the vast majority of states that follow some issues and are absent from the rest. One ironic result of retrenchment would be to reduce our ability to influence the debate on the very issues that are our highest priorities.

Shortly after the visit of the Audit Team, the Mission conducted an extensive priority setting exercise which began by asking officers to make three lists (high, medium and low priority) covering all issues assigned to them. Their lists corresponded to what management sees as this Mission's priorities. The production of a written list of priorities has made it easier to respond to low priority tasking and has contributed to giving management and officers better control over their work.

Officers at this Mission work significant overtime, most of it linked to the September-December period of the General Assembly, the meeting of major bodies such as the ECOSOC, and the meetings of Commissions such as the Commission on Sustainable Development, ministerial visits and political crises in which Canada is deeply involved. The daily schedule of UN meetings (10 AM to 1 PM and 3 PM to 6 PM) makes overtime inevitable during these periods. The officers in all missions to the UN with the exception of a few small missions that are non participants in the work of the organisation work long hours. Focussing on fewer issues would mean that we

would need fewer officers not that these officers would work significantly fewer hours. When meetings end at 6 PM and start again at 10 AM the next morning, there is no option but to work overtime unless we dispense with the advice of those with the subject matter expertise in the Department. This would not be in the interest of the Mission or of the Department.

To compensate for the overtime hours worked, officers are encouraged to take compensatory time off during quieter periods. This provides officers with the time needed to recharge their batteries and avoid excessive costs to the Department. During quieter parts of the year, overtime is discouraged and approved only in rare cases. Thus, while the work/life balance is not what it would be in Ottawa, officers at this Mission apply a work/life balance that is geared to their environment. They may work longer hours than their colleagues in Ottawa but they probably take more leave in the course of a year than do their counterparts.

SCOPE, OBJECTIVES, MISSION RESOURCES

Audit Scope and Objectives

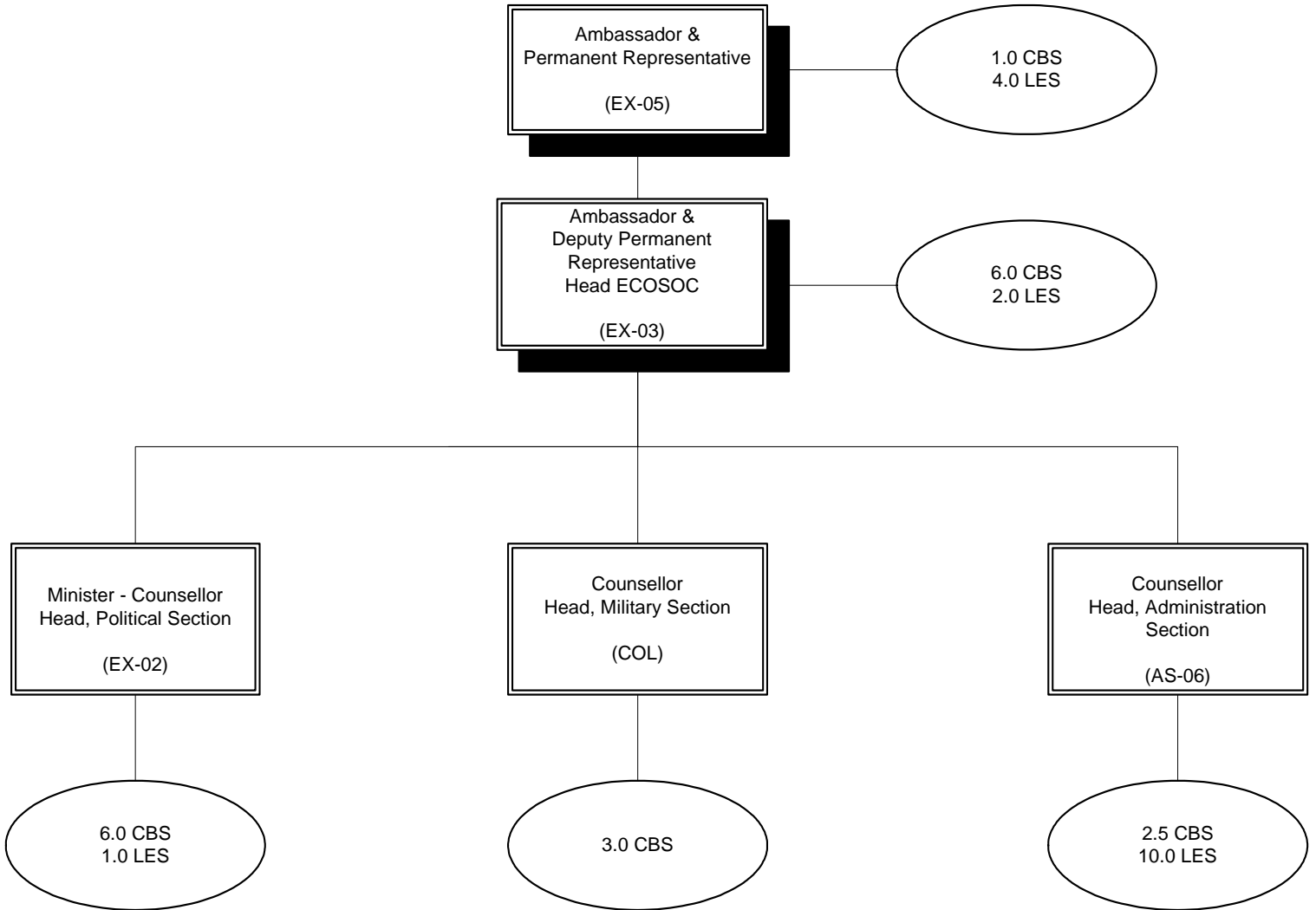
An audit of the Political, the economic and Social (ECOSOC) and the Administration Programs of PERMIS to the UN in New York was conducted during the period January 12 to 16, 2004.

The scope of the audit included a review of Mission Management and the Political, Economic and Social and Administration Programs. An Appendix to this report lists, by Program, the specific areas that were examined during the audit.

The audit objectives were to:

- assess management controls and systems, procedures and activities that make up the programs;
- determine the extent of compliance with legislation, regulations and operating policies;
- assess the reliability and adequacy of information available for decision-making and accountability purposes;
- ensure resources are judiciously used and that the Department is receiving value-for-money; and,
- make recommendations, where warranted, to improve the economy, efficiency and effectiveness of programs.

Organizational Chart



Mission Resources Fact Sheet

Physical Resources

Assets	Crown Owned	Crown Lease	Private Lease
Chancery		1	
Official Residence (OR)	1		
Staff Quarters (SQ)	12*		6**
Vehicles	5		

* Includes one SQ on loan from the Consulate General

** Excludes four SQs occupied by DND personnel which is paid for by Washington Mission

Financial Information (2003-2004)

Operating Budget (N001)	\$3,869,800
Capital Budget (N005)	77,000
CBS Overtime Budget (N011)	100,000
CBS Salaries Budget (N011)	1,238,800
LES Salaries Budget (N012)	984,900
Total	\$6,270,500

MISSION MANAGEMENT

1.1 Overview

1.1.1 The Mission has a very creditable reputation in the United Nations and this is a tribute to the high quality of staff posted to New York. The Deputy Permanent Representative (DPR), who is also the Program Manager of the Economic and Social Affairs (ECOSOC) Section, oversees the overall management of this Mission. During the autumn and spring period when the United Nations General Assembly (UNGA) meets, staff operate at a feverish pace and work extremely long hours. The demands on the DPR are such that there is little time to focus on Mission management. As a consequence, certain management and administration matters have not received the attention required.

1.1.2 There are regular staff meetings with Program officers but only two Committee on Mission Management (CMM) meetings were held in 2003 and senior management did not meet with the LES. The LES did meet with the MCO. As staff of the Administration Program and most LES work outside the secure zone where the Political and ECOSOC sections are located, there is a natural divide that takes place in the Mission. The Political and ECOSOC sections also work on different floors. This separation affects the synergy between sections and has resulted in the Administration Program feeling somewhat isolated and detached from being a full-fledged partner in Mission management. The situation is exacerbated during the Mission's annual planning exercise, when Administration is not invited to actively participate nor is its input solicited.

1.1.3 To improve the synergy between Programs and ensure that the Mission is working together as a team, there is a need for better communications. Administration must be seen as an integral part of the process. To assist with this, the idea of having a staff retreat should be considered. This should be complemented with regular CMMs with the minutes of these meetings being distributed to all staff. LES should also be given the opportunity to meet regularly with senior management.

1.1.4 Other issues include the need for management to pay more attention to the Mission's budget, including the use of overtime and hospitality; the need for officers to have Accountability Agreements that set out in measurable terms management's expectation; and completing appraisals for all LES and Canada-based officers on time. Most LES and a couple of Canada-based staff had not received appraisals.

1.1.5 The notion of co-locating both of Canada's missions in New York, the Permanent Mission to the UN and the Consulate General, is also a matter that deserves attention. Both the Germans and the Australians have recently co-located with the result being a realization of savings and improved relations between their missions. An undertaking of this nature, no doubt, presents several challenges. The lease on the Permanent Mission runs to 2008 while the Consulate General's lease expires in 2012.

As a starter, the Permanent Mission's lease when renewed should co-terminate with the Consulate General's. In the interim, joint property services that serve both missions might be considered as a first step towards this end. Property management would have to operate from this Mission as space is at a premium in the Consulate General.

1.1.6 To attend to these management issues, it is suggested that the DPR be given responsibility for the management of the Mission full-time and that he be divested of any specific program responsibility for ECOSOC. It is also suggested that the EX-01 Counsellor position in the Political Section be moved to ECOSOC to head up that Program and an FS-02 position in ECOSOC be transferred to the Political Section in exchange. The higher classification level in ECOSOC will allow for the attraction of suitable candidates to head the Section. This exchange will have to be made following the posting season this summer. These moves are particularly timely given the arrival of a new HOM.

Recommendations for the Mission

1.1.7 **The DPR should be divested from any line program responsibility and be tasked with the overall management of the Mission.**

1.1.8 **The EX-01 position in the Political Section should be transferred to ECOSOC to head up the Section in exchange for an FS-02 position.**

1.1.9 **Management attention should be given to ensuring: internal communications improve with the introduction of regular CMMs, LES meetings with senior management, and a Mission-wide retreat; appraisals are completed on time; accountability agreements are developed for all officers; and the budget, including overtime and hospitality, is effectively used.**

1.1.10 **Management should engage the Administration Program more integrally into its planning exercise and those on-going activities that impinge on the Administration Program's resources.**

Mission Actions and Time Frames

1.1.7 **The DPR has been divested of line responsibilities and the management of the Economic and Social Affairs Section has been transferred to the Mission's legal adviser who will now be the Head of the ECOSOC Section. The DPR has been tasked with the overall management of the Mission.**

1.1.8 The EX-01 position in the Political Section will be transferred to the Head of the ECOSOC Section as soon as the officer occupying the EX 01 position ends her assignment in August 2004.

1.1.9 LES meet monthly and report to MAO and Senior management through their committee representatives and share the minutes of their meeting with the HOM and DPR. Issues arising from the meetings are dealt with at appropriate levels. All LES are invited to attend weekly staff meetings. The HOM will only attend LES meetings on occasion to field questions, as required.

All officers have been reminded to solicit input from employees for outstanding appraisals and complete past due appraisals in an agreed time frame.

The overall budget will be reviewed at more frequent intervals with reports for travel and hospitality distributed monthly.

A Mission wide retreat will be held once summer staff movements have taken place and prior to the beginning of the General Assembly.

1.1.10 Regular CMM meetings are scheduled and will provide the forum for discussion re administrative resources required for program support.

Discussions are underway with the Administration Program Manager to ensure greater integration of that Program in the Mission's planning exercise and in those activities that impinge on the Administration Program's resources.

POLITICAL/ECONOMIC AND SOCIAL AFFAIRS PROGRAMS

2.1 Overview

2.1.1 The DPR is the Program Manager of ECOSOC with a staff of five officers and two support staff. The Political Section is headed up by the Minister-Counsellor who reports to the DPR. The Political Section is comprised of five officers of which two report to the Minister-Counsellor, including the Counsellor Political (EX-01) who has three staff reporting to her.

2.1.2 Mission resources are organized in a fashion that allows for Canada's effective participation and coverage in a variety of UN meetings for which it has an interest. Both programs are structured naturally to cover the six committees of the UN and the Security Council. The work packages are divided up amongst the officers in both programs whose major products are the advancement and defense of Canadian foreign policy priorities in the multilateral context.

2.2 Priority Setting

2.2.1 A key management issue is the need to articulate and focus on priorities. Headquarters, working in conjunction with the Mission, needs to better develop and communicate a vision of Canadian interests in the UN system. This vision should be spelt out in a brief and easily-understood document that is widely circulated within the Mission and would identify priority themes for Canada in the UN. This would greatly facilitate prioritization of work activities of Mission officers and allow for reporting on the progress of results at mid and year-end. In this respect, there is also need for greater distinction between results-based activities and interventions and being seen as participating in UN processes. Many officers believe that they are under pressure to show that Canada is a "player" on all issues, even when many of the issues are marginal to Canadian interests.

2.2.2 To a great extent, day-to-day work of the officers is framed by schedules dictated by the UNGA and committee meeting agenda. However, it is important to make a clear distinction between the UN work agenda, and the "agenda" of Canadian interests. In interviews, when asked about work priorities, Mission staff often stated that their personal work agenda reflected the UN work agenda. They also indicated that they receive little, if any, guidance from Ottawa on over-all Canadian priorities. The lack of a single document which articulates Canada's priorities at the UN makes it difficult for officers to assess whether their use of time is invested in the areas or topics that really matter to the Canadian government.

2.2.3 This is an important issue. PERMIS officers spend a significant portion of their time attending meetings outside of the office (some estimate as much as 60%). Accordingly, this time use issue further reinforces the need for a more systemic approach to priority setting and the on-going communication of those priorities. The

lack of a document that succinctly summarizes Canadian objectives in the UN also makes officers vulnerable to ad-hoc tasking from a wide range of Headquarters and OGDs. As well, it is important to stress that this document should outline targets and objectives, as opposed to being a “work list” of upcoming events and meetings. Although consultations are held at Headquarters (usually in June), there is no resulting document that is distributed and referred to throughout the year.

2.2.4 Of equal importance, there is no real direction to the Mission from Headquarters management on the *relative* importance of the many different areas of activity at the UN (Human Rights, Disarmament, Peace and Security, etc.). This is significant given the constant shifting of both domestic Canadian priorities and changes in the international environment on many international issues. There is a clear need for greater analysis on how various multilateral areas of interest may vary in significance over time and interact with each other. The general impression of many of the PERMIS officers is that “because everything is important, nothing is a priority.” This contributes to a feeling of frustration on the part of some officers who have to cover lightly a broad range of issues for numerous Headquarters clients rather than focus on defined priorities. This situation also makes it difficult for PERMIS officers to gauge the real importance of much of their tasking from Ottawa. Time-consuming requests for “more information” on very narrow topics may reflect interests of desk officers in Ottawa rather than real reporting priorities with a broader audience.

2.2.5 To help minimize reporting on, and attendance at, meetings of lesser real significance, some of PERMIS management and officers have developed systems to prioritize resolutions based on relevance to Canadian interests. Although these approaches have been communicated to Headquarters, little feedback has been received to date. This should be corrected.

Recommendation for ADM Global and Security Policy (MJW)

2.2.6 MJW, together with the Mission, should identify key stakeholders who will participate in the setting of Canada’s priority themes at the UN. This visioning process should define key result areas on which Canada wishes to focus its attention as a multilateralist. These key results should be the main ingredients of the Mission’s strategic plan.

MJW Action and Time Frame

2.2.6 Headquarters and the Mission have dealt with this matter and, in March (2004), the Mission circulated to all concerned a clear memo setting out the agreed priorities for the UN Mission in New York.

Recommendation for the Mission

- 2.2.7 An important product of the priority setting process should be a dynamic Mission workplan that identifies expected results, reach, resources and time-frame for delivery. The reporting on the progress of results should be undertaken at mid and year-end.**

Mission Action and Time Frame

- 2.2.7 Discussions are underway to explore the most effective way to develop the Mission workplan.**

2.3 Organization

2.3.1 Reporting relationships are complicated and not clearly defined. The Mission's organization chart indicates that the Counsellor Political reports to the Minister-Counsellor, the Head of the Section, whereas the incumbent claims her de facto reporting relationship is to the Ambassador and Permanent Representative who prepared her performance appraisal. Reporting relationships of the Administrative Assistants, as shown on the organization chart, do not reflect the actual relationships. The Counsellor (UN Finance and Management), who is in the Political Section, is physically located on another floor in the ECOSOC area, making supervision difficult. This is also the case with the Assistants who support officers on different floors. There needs to be a realignment of staff on the 14th and 15th floors to work on the floor where they report.

2.3.2 In terms of the allocation of work, there are job packages that some feel could be more reasonably balanced. Not all officers are consulted when there is a shift of work from one resource to another. Some officers observed the ECOSOC Section seem to have some dominance in the eyes of senior management. There also appears to be excessive shifting of the tasking of support staff resulting in confusion and blurring of responsibilities.

2.3.3 Seven officers are currently in acting appointments. FSDPs are classified differently and paid differently but the work is essentially the same. This, apparently, stems from the previous regime when FSDPs did not receive acting pay. This compensation differential currently is not a problem because the individuals accept this fact. This could, however, pose problems in attracting officers to work at the Mission. The Mission already has difficulty in attracting senior level officers owing to the reputation of the Mission being overworked. The DPR is attempting to change this perception.

Recommendations for the Mission

- 2.3.4** Reporting relationships need to be more clearly defined and staff should be physically located in the Section to which they are assigned.
- 2.3.5** Management should evaluate the workload of staff, in consultation with the officers, to ensure it is reasonable and balanced.
- 2.3.6** Officer position descriptions in the Political and ECOSOC Sections need to be reviewed to ensure they are appropriately classified and that incumbents receive equitable compensation.

Mission Actions and Time Frames

- 2.3.4** After the departure of the Political Counsellor this summer, all members of the Political Section will report to the Minister Counselor and Head of the Political Section. While agreeing in principle with the recommendation that staff should be located in the Section to which they report, the physical layout of the Mission does not make this possible at this time. Specifically, the Counsellor UN Finance and Management has an office on the 15th floor and reports to the Minister Counsellor and Head of the Political Section whose office is on the 14th floor. To relocate that officer to the 14th floor would require him to occupy a small windowless office while leaving a larger office with windows vacant on the 15th floor. With respect to the four assistants (excluding the PR's assistant), it is not possible to have them support only officers on the floors where they work. The result would be a complete imbalance in their respective workloads. The work done by some officers generates a great deal of work for assistants while the work done by others does not. The assignment of assistants to officers attempts to balance the workload among the assistants. The organisational charts have been amended to ensure clarity of reporting relationships.
- 2.3.5** Although the process of evaluating the workload has been conducted on a number of occasions in the recent past, another more systematic evaluation will be conducted by the end of August (prior to the beginning of the General Assembly) to ensure that the workload is reasonable and balanced. Such evaluations are required periodically to take into consideration the work generated by new issues or new crises on the UN agenda.

2.3.6 This recommendation can only be addressed by the management of our Department. The inequities in pay at this Mission are outside our capacity to redress. The Mission has informed HQ Personnel of the level each position should be and it is understood that the recommendations have been accepted. However, until action is taken by the Department to reclassify these positions, pay disparities will continue to exist.

2.4 Nature of Work at the Mission

2.4.1 Overall, morale within the Mission is good. Officers, however, are often so busy with their personal work packages that there is no time to liaise with other busy officers. There appears to be a lack of two-way synergy between the Political Section on the 14th floor and ECOSOC on the 15th largely because of the physical disconnect. In fact, officers on the 14th floor believe that the flow of work is too one-way from ECOSOC and believe that there should be more shared efforts in work that overlaps.

2.4.2 E³ is not in evidence at the Mission. Some expressed doubt as to whether it can be applied given the nature of the work and the UN schedule. Some felt that there is a need for HQ to assist and advise the Mission on ways it can be implemented. There is a strong impression at Headquarters that overtime at this Mission is being reduced. This, however, is not true. It is true that actual charges against the overtime budget have lessened but composite time has more than made up the difference. Moreover, when composite time is taken it places added pressure on other officers who are required to cover off. Composite time when carried over to the next fiscal year must be cashed out in November and, when it is, it is charged against the salary budget.

2.4.3 In an effort to balance work and personal interests, officers are encouraged not to work on weekends and in the event that overtime is worked, to accrue composite leave. The September to December time-frame is excessively busy because of the UN General Assembly where meetings after the sessions often run late. However, the period January to June is a somewhat quieter period and it is during this time the DPR is encouraging officers to use up accrued compensatory time.

2.4.4 Work-life balance is an important issue at this Mission. The workload is heavy, with a large volume of meetings, visiting delegations, and urgent reporting requirements. A specific ongoing pressure on officers is that the UN schedule of meetings, especially during UNGA, necessitates evening work on a frequent basis. This is especially demanding on family life. Although the need to report on a timely basis makes a degree of evening work inevitable, both Ottawa and Mission management need to ensure that evening work is focussed on essential and time-sensitive work reflecting priority Canadian interests. As well, Mission management and officers should “push-back” on non-priority reporting in an effort to minimize evening work.

2.4.5 There is already considerable dialogue and consultation with like-minded countries through such entities as CANZ (Canada, Australia and New Zealand). The Mission needs to promote even greater “burden-sharing” with our close allies such as relying on their representation and reporting on issues of lesser significance to Canada and sharing our reports on issues where our close allies commit little or no resources. This “quid pro quoing” will optimize resources and assist officers in making more judicious use of their time.

2.4.6 Within the New York City area, there is a considerable number of Canadian graduate students who could be interested in internships in the Mission. Both the Mission and Headquarters should examine how the selective use of interns can be used to augment the research capacity of the Mission on issues of strategic importance. Although there are some constraints such as office space, considerable background research and analysis could be conducted by interns off-site and this research could augment that of the officers who, for operational reasons, have little time for this kind of endeavor.

Recommendation for the Mission

2.4.7 The Mission should make a concerted effort to bring more equilibrium into the workplace. The Mission should develop alternative resourcing strategies including using interns and collaborating with Canada’s allies at the UN at every opportunity to better maximize the use of resources.

Mission Action and Time Frame

2.4.7 Priorities for the Mission have now been formally documented and these priorities that are of lesser importance, officers are expected to only monitor and intervene when circumstances warrant. With respect to the two specific proposals: interns and collaborating with our allies to maximize the use of resources, the Mission offers the following comments. The Mission has looked carefully at using interns in light of the positive experience that other missions have had and have come to the conclusion that under present circumstances, the use of interns at this Mission is not feasible. Firstly, the Mission does not have the office space to house interns and even if it had, security regulations would make it impossible to house them near the officers with whom they would be expected to work. Secondly, the Mission has no funds available to assist interns in defraying the high cost of living in New York. Most interns are not interested in doing research for which, in any event, the Mission has only limited use, that is what they do in the academic setting. Most want some hands on experience of the UN. Missions that have

interns use them to complement their diplomatic activities. This requires that the interns have access to most of the information that is available to officers and be allowed to work alongside officers much in the same way our Junior Advisers do from September to December. Our security regulations make this impossible.

As for collaborating with our allies, the Mission has been doing this with Australia and New Zealand for some time. Measures to significantly increase the degree of work sharing are being implemented at this time. At a meeting on March 25, the DPRs of Australia, New Zealand and Canada began systematically exploring the areas where cooperation could be most effective. On a smaller scale, similar efforts will be made to increase work sharing with Switzerland and Norway, in particular. The Mission expects that specific arrangements will be in place for the beginning of the General Assembly in September.

2.5 Media/Communications Officer

2.5.1 In September 2003, the Mission recruited a highly talented and capable LE-09 Media/Communications Officer. This hiring represents an important opportunity for the Mission to expand media coverage of Canadian positions and initiatives at the UN. It should also be stressed that it is clearly in Canada's interests to seek greater media coverage of Canadian leadership and initiatives on those issues and areas within the United Nations which resonate with the Canadian public (Human Rights, Peace Keeping, etc.).

2.5.2 New York City is home to a major concentration of international media and headquarters for the most influential media organizations in the US. This fact provides the Mission with an excellent opportunity to use these contacts to contribute to "branding" Canada within the United States. The Mission, working in conjunction with media relations division in Headquarters, should make every effort to exploit this position and ensure that adequate resources are made available for its success. The officer's hospitality budget is currently a minimal US \$300 per quarter and should be increased to enable him to carry out aggressive network-building with key journalists.

2.5.3 The new Media/Communications officer can also greatly leverage his contribution to the Department by working closely with Headquarters media relations divisions and the geographics divisions. There are few foreign correspondents based in Canada; however, some of the foreign correspondents based in New York could be invited to Canada for short visits that could result in greater coverage of Canada.

2.5.4 To maximize the potential impact of the Media/Communications Officer, the Mission must develop a media relations strategy which would include input from HQ divisions, the Consulate General in New York and our Washington Mission.

Recommendations for the Mission

2.5.5 **A media strategy should be developed to maximize the potential impact of the Media/Communications Officer.**

2.5.6 **The Media/Communications Officer should be allocated appropriate resources to develop a network of contacts.**

Mission Actions and Time Frames

2.5.5 **A media strategy is in the process of being developed in concert with the Media/Communications Officer and the appropriate Headquarters divisions.**

2.5.6 **As part of the general revision of the hospitality allocation, the Media/Communications Officer was allocated appropriate resources to develop a network of contacts.**

ADMINISTRATION PROGRAM

3.1 Management of the Program

3.1.1 The Management Administration Officer (MAO) is an experienced CBS officer in the last year of her posting at the PERMIS. During her assignment, she has implemented a number of improvements with emphasis on property management and the office working environment. The MAO has effectively created an excellent team atmosphere where employees enjoy working.

3.1.2 The Administration team is viewed by management as one that provides excellent support services; however, the opposite would not hold true as Administration continually needs to remind officers to produce travel claims, hospitality diaries and account for personal calls. Service standards have been formulated but the Mission needs to recognize that cooperation and accountability on both sides are needed to maintain effective delivery of the Administration Program.

3.1.3 The Program operates mostly in isolation from the remainder of the Mission. This isolation is most noticeable during the Mission's annual planning exercise to which Administration is not invited. There is a need for better integration and coordination between Administration and the rest of the Mission and a recognition of the role Administration can play in contributing to the Mission's overall goals and objectives. The MAO has taken the initiative to develop an annual plan with operational goals and objectives for the Program.

3.1.4 Due to the lack of interest by senior management regarding administrative issues, the MAO provides managers with limited financial and operational information. Appropriate and reliable information/reports need to be prepared for and reviewed by senior management and used to provide overall direction and guidance to the MAO.

3.1.5 Although internal communications are satisfactory, the MAO needs to conduct monthly meetings to ensure Administration staff are well informed on Mission/Program initiatives and upcoming activities. Monthly meetings would also serve to close the perceived gap between LES and CBS.

Recommendation for the Mission

3.1.6 The MAO should hold monthly meetings with all of the Administration staff.

Mission Action and Time Frame

3.1.6 Monthly meetings have been scheduled as of March 2004.

3.2 Human Resources

3.2.1 The Human Resource function is well managed by the MAO. The Mission is staffed with several long standing employees and benefits from low staff turnover and good employee morale. A review of classification and staffing files indicates that files are well documented to support actions taken.

3.2.2 While managers provide regular feedback to employees, the majority of LES have not received a performance appraisal in several years. Likewise, a few CBS have not received an appraisal this year. All appraisals should be completed annually. (See recommendation 1.1.9) There was one case where an employee had not satisfactorily performed the duties of the position. This was reflected in a performance appraisal and the employee was denied an increment. Documentation on file indicates that the Mission closely monitors the performance of this employee. Training plans have not been developed for employees. Training needs and analysis should be coordinated with the performance appraisal process. Training plans should be developed for all employees.

3.2.3 The Mission has an active LES Committee comprised of representatives mostly from the Administration Section which meets monthly with the MAO. The Committee keeps minutes of its meetings to record decisions taken, and takes follow-up action on outstanding issues as necessary. As previously noted, the Committee would benefit from meeting with senior management.

3.2.4 The LES Handbook is outdated. The latest version was completed in 1994 and this continues to be a main focus of LES meetings. The absence of an up-to-date Handbook makes it difficult when hiring LES in terms of identifying benefits and entitlements. HRL advises that a Handbook for the US will not be available until a comprehensive review of benefits in the US is completed in 2005-06. In the interim, HRL is focussing on pension, severance, leave and overtime issues with a view to bringing standardization in US missions. HRL advises the delays are in large part due to a shortage of resources. The Mission, as a consequence, needs to work closely with HRL to identify all terms and conditions of employment. It may be advisable for HRL to visit the Mission and discuss these matters with LES.

3.2.5 The cost of living is an issue with many CBS officers, especially those with small children. The allowances do not reflect the extremely high cost of day care for pre-school children. This situation has led to one employee's decision to return to Ottawa mid-way through a posting. A comprehensive review of child care issues abroad is currently being conducted by a special study group of the National Joint Council (NJC) Committee on the Foreign Service Directives.

3.2.6 Two CBS feel they were ill-prepared for their posting to New York, in terms of cost of living and FSDs. This was raised in Headquarters and NADX has since

coordinated a briefing session on FSD benefits applicable to assignments in the US for anyone contemplating a US assignment this year, including OGDs.

3.2.7 The Drivers/Messengers, Handyman and HOM Chauffeur are all being paid on the HOM Chauffeur pay scale. This dates back to the conversion of the GS pay scale to the new LES pay scale in the mid `90s. At the time, the Drivers/Messengers and Handyman were mistakenly transferred to the HOM Chauffeur pay scale and have since received corresponding increments. The situation needs to be rectified. The Mission is currently holding a competition to replace a Driver/Messenger who recently retired. The Mission needs to ensure that the new employee is paid at the proper pay level. The Mission should consult with HRL on these matters.

Recommendations for the Mission

3.2.8 **Training plans should be developed for all employees.**

3.2.9 **The Mission should contact HRL to rectify the current Drivers/Messengers and Handyman pay levels.**

3.2.10 **The Mission should ensure that the new Driver/Messenger is compensated at the appropriate Driver/Messenger pay scale.**

Mission Actions and Time Frames

3.2.8 **Training plans are developed but funding requirements remain a major obstacle to implementing the plans. IAM has been unable to assist.**

3.2.9 **HRL has given a final determination in this case. In essence, the issue can only be resolved through attrition and subsequent recruitment at the proper levels. This has already occurred for two of the three affected employees with the recent recruitment of a Driver and Handyman at the correct salary levels.**

3.2.10 **The recently recruited Driver/Messenger and Handyman have both been hired at the correct level. This leaves only one employee who remains at an incorrect level. HRL has determined that no action can be taken against this employee and that the matter must resolve itself through attrition and eventual recruitment to proper level.**

Recommendation for HRL

3.2.11 **An updated LES Handbook should be completed and released as soon as possible.**

HRL Action and Time Frame

3.2.11 At this stage, HRL can only suggest that Part 1 be distributed to all employees and that the current Handbook not be used or distributed to any new employee without the notice “under review”. LES should be informed that Mission Administration should be consulted on any Mission specific conditions as they arise and, as interpretation of the different conditions is ascertained by HRL, they can be communicated to LES in writing as addendum, until they can be consolidated in an updated Handbook at a future date.

3.3 Physical Resources

3.3.1 Property is managed by an LE-07 Property Manager with close oversight by the MAO. The past couple of years have seen significant work completed at the Chancery to modernize and upgrade the work environment. Staff quarters (SQ) are well maintained and a well thought out plan for ongoing maintenance has been formulated.

3.3.2 PERMIS operates with a portfolio of 12 SQs purchased mostly during the 1980's. Annual maintenance and property taxes in New York are very expensive, although less costly than private leases. However, as Crown-owned properties age and maintenance costs increase, the Mission needs to re-assess the cost of holding onto these assets versus the cost of renting. ***

3.3.3 Property maintenance in New York can be complex and onerous as contractors seek to obtain primarily contracts of significant value. Consequently, finding a contractor for minor repairs requires several phone calls and these are usually a low priority for the contractor(s). To deal with this and other underlying issues, there would be value in amalgamating the property maintenance services at PERMIS with CONGEN who manages an additional 14 SQs in Manhattan. The possibility of hiring a property management firm needs to be explored.

3.3.4 The Mission has three storage sites for material, equipment and excess furniture. A plan to dispose of the excess furniture is in place; however, this has not been a priority. The Property Manager needs to move forward with the disposal plan, including returning excess furniture to SRD, where warranted. This should allow the Mission to eliminate at least one of the storage spaces.

3.3.5 The property files are complete and well documented. The Property Manager relies heavily on the advice and approval of the MAO and rarely makes a decision without consulting with the MAO. As the Property Manager has been in this position for four years and given her level, she should be encouraged to act more independently and to take on additional responsibilities for decision-making.

Recommendations for the Mission

- 3.3.6 *****
- 3.3.7 Negotiate with CONGEN and SRD the option of amalgamating the property maintenance services at PERMIS and CONGEN and/or explore the possibility of hiring a property management firm.**
- 3.3.8 Dispose of excess furniture and eliminate commercial storage, where possible.**
- 3.3.9 The Property Manager should be delegated more responsibility commensurate with the classification level of the position.**

Mission Actions and Time Frames

- 3.3.6 *****
- 3.3.7 A meeting has been scheduled for October 18, 2004 between the MCOs of both Missions to initiate discussions on sharing administrative resources including physical resources.**
- 3.3.8 Disposal of all warehoused surplus furniture took place on July 10, 2004.**
- 3.3.9 The Property Manager has been encouraged to exercise more responsibility in terms of judgement and decision-making. The recent death of the CNGNY property manager will provide an opportunity to give guidance to the replacement staff there as well.**

3.4 Finance

3.4.1 Finance is well managed by the MAO with the assistance of an experienced LE-07 Accountant and LE-04 Accounts Clerk. The Mission will be faced with a number of challenges as the Accountant will be departing this spring followed by the MAO in the summer. It is important the Mission proceed quickly with the hiring of a new Accountant. Every effort needs to be made to provide as much training as possible to the new Accountant before the MAO's departure.

3.4.2 The Mission manages a total budget of \$6.3 million, of which \$3.9 million is allocated to operating expenses. In the past, the Mission has had difficulty managing the increasing rents, taxes and utilities in New York as these placed an incredible strain on the budget. Reference levels were insufficient to fund the Mission's operations.

Through efforts made in Headquarters to increase funds for the Mission, PERMIS' reference levels were increased in 2002-03 to correct this situation.

3.4.3 The Mission processes approximately 80 cheques and 175 electronic fund transfers (EFTs) per month. Only a couple of manual cheques are processed each year. Since the implementation of IMS, the Mission has processed EFTs through its own bank account. This practice is different from that of other US missions who go through Washington with their EFTs. Headquarters policy is to have all US missions use Washington.

3.4.4 The current practice has weaknesses. The Mission uses a stand alone system to process payments on the banking software which only requires one CBS approval for payment release, contrary to the FFA policy. Electronic payments should be approved by two CBS before payments are released, as is the case for cheques. In IMS, the EFTs are disguised as "manual cheques" which does not reflect the true nature of the payments. In addition, all transactions need to be re-keyed on the banking software for transmission to the local bank. Given these internal control issues and the inconsistency with the general practice in the US, the Mission needs to consult with SMFF regarding the process followed. SMFF should also verify if other US missions have adopted a similar practice.

3.4.5 Reporting needs to be more effective. Managers currently only receive budget reports on a quarterly basis. Program Managers need to assume greater financial responsibilities by obtaining and using financial information. Comprehensive and regular financial reports should be prepared and reviewed by management at least monthly.

3.4.6 Hospitality diaries were reviewed to ensure compliance with policies and procedures. Hospitality has been under-used in the Political Section where only a small percentage of the Section's allocation was used during the current fiscal year. As well in the Political Section, a small number of officers use most of the funds and one officer used double his allocation. In general, hospitality records were incomplete and not routinely submitted quarterly, as required. With few exceptions, officers need to be made accountable for completing detailed and timely expense reports. Records did, however, consistently include receipts for expenses incurred.

3.4.7 The CMM reviewed hospitality per capita rates in 2003. Rates used at PERMIS differ from those used at CONGEN. There is no obvious reason why rates should differ and the Mission should consult with CONGEN to ensure consistent rates in New York.

Recommendations for the Mission

3.4.8 The Mission should seek guidance from SMFF in terms of processing EFTs and take corrective action.

- 3.4.9** Program managers should be provided with more detailed and more frequent financial IMS reports.
- 3.4.10** The Mission should consult with CONGEN to ensure consistency of hospitality rates used in New York.
- 3.4.11** Hospitality diaries should be filled out in full and expense reports submitted quarterly. Hospitality funding should be carefully managed to ensure its use contributes to the achievement of program objectives.

Mission Actions and Time Frames

- 3.4.8** Effective March 1, 2004, all EFT payments are processed through Washington.
- 3.4.9** Monthly reports will be given to senior management and all program managers by July 1, 2004.
- 3.4.10** With the exception of small discrepancies, the rates are virtually the same. We are working together with the Consulate to get both rates in line.
- 3.4.11** Hospitality diaries will be reviewed on a monthly basis by the DPR to ensure that they are complete and that hospitality is used to contribute to the achievement of program objectives.

Recommendation for SMFF

- 3.4.12** SMFF should determine if other US missions are processing EFTs through their own bank account and take corrective action as necessary.

SMFF Action and Time Frame

- 3.4.12** SMFF has just completed a world wide banking study which will address this issue.

3.5 Information Technology

3.5.1 The System Administrator (SA) was assigned to PERMIS in August 2002 and has made considerable improvements to the information technology at the Mission. Work at PERMIS can be very heavy, especially during the General Assembly when several FSDPs are assigned to the Mission. ***

3.5.2 During UNGA, the SA is on duty 24/7 with no back up except for the SA at the CONGEN who does not have access to the secure area. To relieve this pressure, Mission management is encouraged to make a formal request for the assignment of a temporary SA during UNGA. The Office Assistants also need to receive full training on the use of departmental software to reduce the demands for assistance from the SA.

3.5.3 The Mission needs to work with the CONGEN to provide joint IT training, whenever possible.

Recommendations for the Mission

3.5.4 The Mission should request the assignment of a part-time SA from HQ during UNGA.

3.5.5 Office Assistants should be provided with full training on the use of departmental software; where possible, this training should be given jointly with the CONGEN.

Mission Actions and Time Frames

3.5.4 Mission requested temporary duty of SA during UNGA59. IMOP unable to provide funding, nor is the Mission able to fund.

3.5.5 Whenever time and work pressures permit, training will be provided to all Assistants in coordination with schedules at the Consulate.

Appendix

The following tables indicate the areas of each Program that were reviewed to determine compliance to policies and procedures and to assess efficiency and effectiveness. For each Program listed, reference can be made to the specific audit guides on the Office of the Inspector General (SIX) Intranet site containing the detailed audit criteria and audit procedures applied during the audit.

The focus and extent of on-site work is based on an assessment of materiality and related risk. This is done through communication with HQ bureaux, including briefings by line management and the functional bureaux responsible for each of the areas listed below, review of relevant HQ and mission documentation and past audit findings and an analysis of recurring trends and systemic issues.

During the audit, audit issues and lines of enquiry are further refined from information gathered through interviews with the HOM and Program Managers, a confidential survey questionnaire of all staff, a meeting with the LES Committee, individual interviews with staff, and results of other documentation reviewed.

The level of audit work for a given area is therefor based on issues and information identified and gathered at all levels, HQ, mission management, and mission operations. Accordingly, not all areas received equal attention. More work and time are devoted to material and high risk issues, particularly those of interest to management. Occasionally, due to time limitations or other factors, it is not possible to provide audit coverage for all areas. Areas not covered are noted in the Scope and Objectives Section of the report.

Mission Management

Accountability Agreements	Communications
Strategic and Operational Plans	Hub and Spoke Relations
Program Integration and Coordination	Other Government Departments
Committee Structure	Performance Measurement

Political/Economic and Social Affairs Programs

Management of the Program	Media Relations
Program Planning	Economic Reporting
Political Reporting	Performance Measurement

Administration Program

Management of the Program	Services Standards
Program Planning	Communications
Policies, Systems and Procedures	Performance Measurement

Human Resources

Management of the HR Function	Classification
Staffing	Pay and Benefits
Staff Relations	Training and Development
Official Languages	Health and Safety
Community Program Activities	Import of Goods

Physical Resources

Mission Property Management Plan	Official vehicles
Chancery	Inventories
Official Residence	Material Management
Staff Quarters	Recreational Property
Maintenance	Disposals

Finance

Budget Process	Reconciliations
Control Framework	Banking
Expenditure Authority and Payment	Cash Accounts
Receipt and Deposit of Money	Advances
Transfers (COs, IOs and SOs)	Petty Cash
Cost Recovery	Currency Conversion
Contracting	Hospitality

Information Technology

Training	Capacity
Equipment Configuration	Contingency and Back-up
Systems	Web Sites
Service	PSAT