



# **AUDIT OF THE CANADIAN EMBASSY**

## **CAIRO**

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**Foreign Affairs Canada and International Trade Canada**  
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## **EXECUTIVE SUMMARY**

The Mission in Cairo is well managed having been presided over by an experienced and well regarded Head of Mission (HOM) who has recently been replaced by a senior officer with previous experience as a HOM in the region. All aspects of this Mission are impressive, including an effective planning process, excellent communications, a sound committee structure, good morale and service oriented administrative support. The Mission has taken up a 'best practice' in holding an annual retreat for all staff that is led by a professional facilitator.

The General Relations Program is well managed with well defined roles and responsibilities and good communications. With the change over of three staff members, there is an opportunity for the Program to adjust existing roles and responsibilities to coincide with an evolving strategic focus that will better match duties and competencies. Also, more comprehensive workplans for staff members are required to ensure proactive initiatives are pursued.

The International Business Development (IBD) Program is well managed providing full delivery of services. Good teamwork and communications are fostered by regular meetings and feedback to staff. An effective planning process focusses work and facilitates program objectives. Establishing performance indicators and a follow-up system to measure results will help to validate the Program's efforts. The New Approach is firmly entrenched and an InfoCentre is in operation. The education fair initiative requires evaluation to ensure continued relevance. The Program needs to maximize the use of travel and hospitality to support program objectives and needs to review the classification levels of Commercial Assistants.

The Consular Program receives strong direction from the Deputy Management Consular Officer (DMCO). Service is provided to clients on a timely basis. Communications are good within the Program and assets are properly controlled and safeguarded. Projects are underway to update the Web site, revise the Octel telephone script and recruit deputy wardens and hold a warden conference.

The Administration Program is an impressive operation with effective leadership by the Management Consular Officer (MCO) and DMCO. There is good teamwork, morale and communications. The Program is providing a high level of service and support to the Mission. New procedures have been implemented establishing effective systems and control frameworks. A departmental 'best practice' is reflected by the service standards established and the Admin Rolodex which outlines in a manual all services, procedures, and roles and responsibilities for both clients and administrative staff.

A total of 29 audit recommendations are raised in the report, 27 addressed to the Mission and two to Headquarters. Management has responded to each recommendation indicating action already taken or decisions made, as well as future

action. Of the 29 recommendations, management has stated that 24 have been implemented. For each of the remaining five recommendations, management has indicated the initiatives in progress or the intended future action.

## **SCOPE, OBJECTIVES, MISSION RESOURCES**

### **Audit Scope and Objectives**

The scope of the audit included a review of Mission Management and the General Relations (GR), International Business Development (IBD), Consular 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 program;
- 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 the Department is receiving value-for-money; and,
- make recommendations, where warranted, to improve the economy, efficiency and effectiveness of programs.

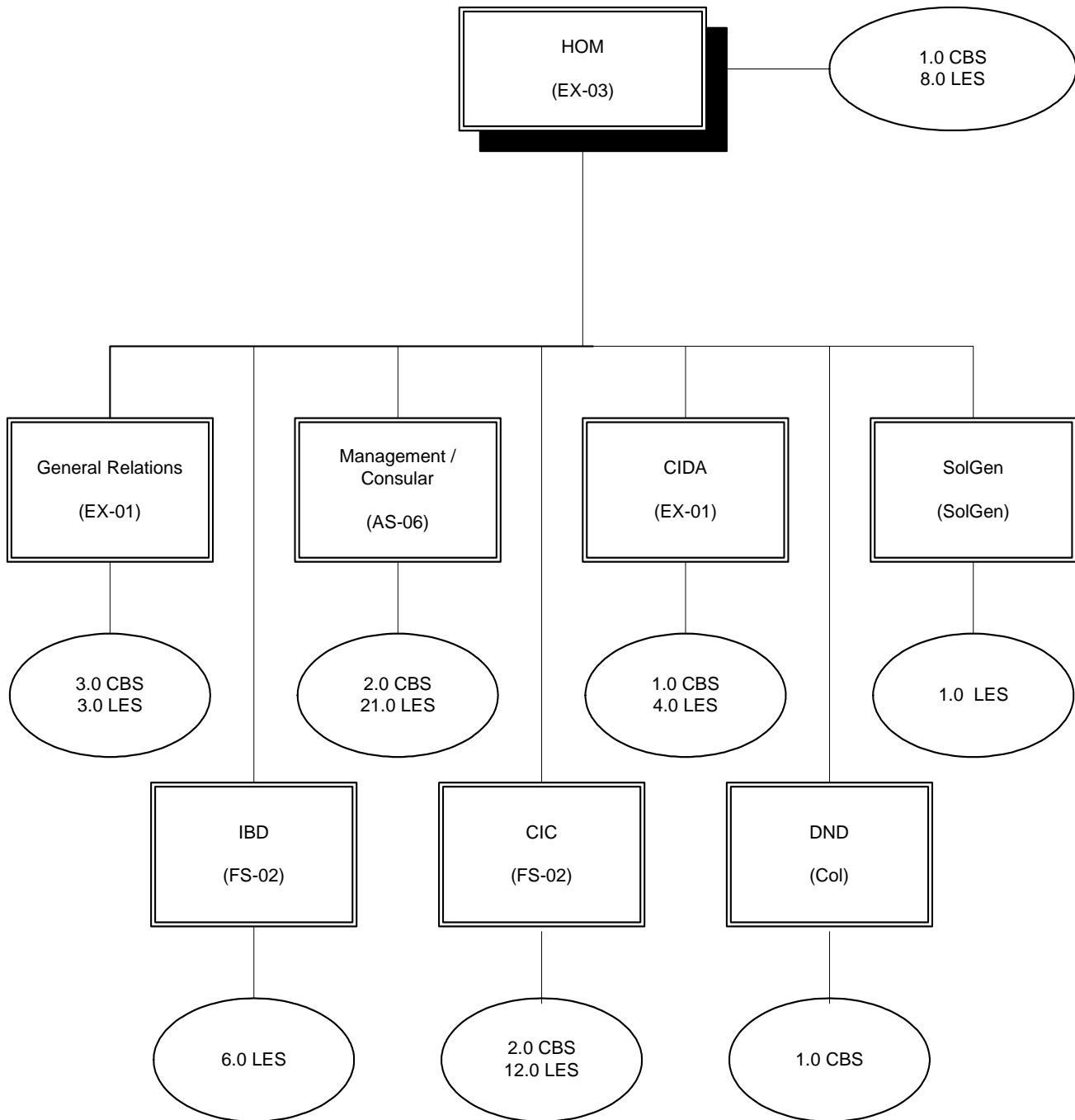
## Physical Resources

<b>Assets</b>	<b>Crown Leased</b>	<b>Crown Owned</b>
Chancery		1
Official Residence		1
Staff Quarters	15	
Vehicles	10	

## Financial Information 2004/05

Operating budget (N001)	\$1,487,516
Capital Budget (N005)	178,516
CBS Overtime Budget (N011)	14,000
LES Salaries Budget (N012)	1,040,546
Total	\$2,720,578

# Organization Chart



## **MISSION MANAGEMENT**

### **1.1 Planning**

1.1.1 The Mission has instituted an effective annual planning process where input is solicited from each Program Manager based on review of the Geographic Bureau's business plan. This input then forms the basis for goals and objectives incorporated in Performance Measurement Agreements for each program. Monitoring and review of achievement of goals and objectives is on-going throughout the year by the HOM with a formal assessment as part of the appraisal process at year end. In addition, the Mission should consider structuring formal reviews for each program throughout the year.

### **1.2 Communications**

1.2.1 Communications between programs and within the Mission as a whole are good. The HOM meets with Program Managers at least weekly and more frequently as required. All staff meetings are held monthly in addition to ad hoc meetings for special announcements. An annual retreat is held with a facilitator to discuss morale, communications and conflict resolution. This event has been cited as very positive by staff and has greatly contributed to good morale and more effective communications. A monthly Mission newsletter is published electronically by volunteers from each program.

### **1.3 Committee Structure**

1.3.1 The Mission has an effective committee structure in place. The Committee of Mission Management (CMM) meets weekly with all Program Managers. Minutes are distributed to Canada-Based Staff (CBS), Geographic desks, Citizenship and Immigration (CIC) and the Canadian International Development Agency (CIDA). The Mission should also consider distributing minutes to all staff to increase transparency and a sense of inclusion.

1.3.2 A Housing Committee, a Classification Committee, a Health and Safety Committee and a Contract Review Board meet as required and are operating effectively. In addition, ad hoc Committees are created for special purposes. The Mission has eight positions under classification review. To promote transparency for this review, all Program Managers (PMs) are on the Classification Committee. Following this exercise, the Mission may wish to review the classification levels of all positions to ensure comparability.

1.3.3 For the Locally-Engaged Staff (LES) Committee, members from each program are elected every two years. The Committee meets with the HOM and MCO every two months. Minutes are distributed to all LES.



## **Recommendations for the Mission**

**1.3.4 The HOM should establish regular individual meetings with Program Managers to assess goals, objectives and plans.**

**1.3.5 The Mission should distribute CMM minutes to all staff.**

## **Mission Actions and Time Frames**

**1.3.4 The HOM currently meets weekly or more frequently with individual Program Managers, and will use some of these discussions to review and assess goals, objectives and plans which are formalized in the respective Performance Management Agreement.**

**1.3.5 The Mission will begin distributing CMM minutes to all staff, effective immediately.**

## **GENERAL RELATIONS**

### **2.1 Overview**

2.1.1 The General Relations Program is headed by an experienced Officer (FS-02 in an EX-01 position) who oversees a staff of three CBS and three LES. A newly arrived Third Secretary (FS-01) is responsible for domestic affairs, public affairs and culture and is supported by an LES Officer responsible for translation, press reviews and public affair events. An LES Political and Economic Officer is responsible for political reporting, economic reporting, high level contacts and access, and organization of events and visits. A Program Assistant/Social Secretary supports both the GR Program and the HOM. A CBS Administration Assistant provides secretarial support and handles COMSEC and courier runs. Also reporting to the GR Program is a CBS Security Manager.

### **2.2 Management of the Program**

2.2.1 The Program is well managed with defined roles and responsibilities for staff. Strategic focus is derived from the HOM's Performance Management Agreement and reflected in the Program Manager's PMA and the work objectives for the Third Secretary. Communications are good with weekly Program meetings and a Program Manager who is accessible to staff. There is good teamwork within the Program and between other mission programs.

2.2.2 The Program is experiencing a change-over with three new incumbents in the past few months (Third Secretary, Administrative Assistant and Program Assistant/Social Secretary) and the anticipated departure of the Public Affairs Officer. This situation presents an opportunity for the Program to adjust roles and responsibilities along with strategic focus, in line with changing objectives and staff competencies. This is particularly the case for the Political and Economic Officer where there exists an overlap of responsibilities and duties between the Third Secretary and the Public Affairs Officer. A retreat/teambuilding exercise could be used to facilitate this process.

### **Recommendation for the Mission**

**2.2.3 The GR Program should adjust staff roles and responsibilities in line with its strategic focus.**

### **Mission Action and Time Frame**

**2.2.3 This is already being implemented with the re-drafting of two LES job descriptions and the hiring process for the new LES Public Affairs Officer.**

2.2.4 In addition to redefining roles and responsibilities, providing more structure in terms of workplans for each staff member would allow a more proactive approach to planning and pursuing new initiatives and would facilitate follow-up, the evaluation of results and the assessment of performance.

### **Recommendation for the Mission**

**2.2.5 The GR Program should develop workplans for staff and on-going mechanisms to follow-up and evaluate performance and results.**

### **Mission Action and Time Frame**

**2.2.5 The GR Program will be taking the opportunity in the coming months, in the context of the Mission planning exercise and the hiring of the new LES Public Affairs Officer, to develop workplans and follow-up mechanisms.**

## **INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM**

### **3.1 Overview**

3.1.1 Because of its demographics, Egypt is and will remain a key market in the Arab world. The private sector is beginning to recover slightly because of various steps taken by the government to liberalize the economy and extricate itself from state monopolies. However, given the geopolitical risk factor, the after-effects of the events of September 11 and a currency that continues to float because of devaluation, true economic recovery, as well as foreign investment, is still elusive.

3.1.2 The Commercial Program is led by a manager (FS-02), supported by three Commercial Officers and three Assistants. Program staff provide the full range of commercial services in Egypt and also cover Sudan. Key sectors for 2004-2005 revolve around agriculture, petroleum and gas, and education, but other sectors such as communications, the environment and high technology are also covered.

3.1.3 There is good cooperation and coordination with departments that have significant interest in the Egyptian market; such is the case with Agriculture and Agri-Food Canada, for which Egypt represents the fourth-ranked emerging market as well as for the Mission's other sections, particularly the Public Affairs Section and the Canadian International Development Agency.

### **3.2 Management of the Program**

3.2.1 The Commercial Program is well managed and staff are qualified, motivated and competent. They ensure full delivery of trade promotion and international business development services. The Program's work environment is good, and the staff, most of whom are trilingual, provide service in both of Canada's official languages.

3.2.2 Staff appreciate the team work and current management style. Responsibilities are well defined and satisfactorily divided between the Commercial Officers. A weekly meeting facilitates planning and provides the opportunity to discuss the Program's activities and initiatives, enabling regular follow-up on how business is being conducted. Communications are good and frequent, both horizontally and vertically, as is feedback. Performance appraisals are done within the prescribed time frames.

3.2.3 Annual planning takes place with staff identifying results and priorities. However, it will be important to continue this process and, on an ongoing basis, compile performance data relating to services provided, clients served and results obtained. First, performance indicators should be identified based on objectives, and then targets should be specified in terms of clients to be contacted and the level of service to be provided. This approach would provide follow-up data on the Commercial Program's

accomplishments and allow efforts to be better focussed on activities that address the needs of target clients.

### **Recommendation for the Mission**

**3.2.4 The IBD Program should institute a follow-up system focussed on establishing performance indicators and collecting and analyzing data with a view to the ongoing assessment of the Program's performance in terms of results.**

### **Mission Action and Time Frame**

**3.2.4 During the commercial section retreat held in January 2005, it was decided that we would apply the following measures to increase our performance indicators:**

- a) Reply to enquiries by e-mail through WinExport to ensure proper tracking;**
- b) Tracking and highlighting success stories by Canadian clients in different media mainly through GMR's Rendez-vous newsletter and WinExport. This also applies to major successful events and organized activities such as Savour Canada, Educ-Canada.**

### **3.3 The New Approach**

**3.3.1 All Commercial Section employees have mastered the New Approach. They have shown their understanding of basic services and client identification. They also use New Approach tools such as Horizons, the International Business Opportunities Centre and the Post Support Unit. New employees participate in LES training and incorporate the changes and best practices posted on Horizons. WIN is used sufficiently given the system's technical limitations. No Business Mission Agreement (BMA) has been used recently, but the Mission intends to use it when the need arises. The Senior Commercial Assistant ensures the five-day response time is respected.**

### **3.4 InfoCentre**

**3.4.1 Although all parts of the Infocentre are not centralized, the basic components are in operation. The Senior Commercial Assistant records and monitors the progress of the requests being handled, while the sectoral Commercial Assistants handle routine inquiries. Officers can therefore concentrate on issues with higher value-added. Formalizing certain parts of an Infocentre would make it possible to regulate**

and standardize the use of WIN and conduct routine follow-ups with the client regarding results. It should be noted that the current model works, is well adapted to needs and provides good flexibility.

### **3.5 Education Fair**

3.5.1 The third education fair organized by the Commercial Section, in conjunction with the Public Affairs Section, is an initiative focussed on raising awareness among Egyptian citizens about Canadian educational institutions. The key objectives are to encourage Egyptian students to consider Canada as a study destination and develop partnerships between Canadian and Egyptian colleges and universities. The movement of students is already underway and Canadian institutional participants are forging business ties that are, in some cases, leading to the establishment of Canadian schools in Egypt.

3.5.2 This initiative, which strengthens the third foreign policy pillar and gives Canada high visibility, enjoys a certain level of success among Canadian institutions judging by the growing number of participants. It is self-sufficient, attracts a good number of sponsors and receives good media coverage. It also lives up to the expectations of Canadian institutions in this part of the world, expectations that are not met by other providers of this type of service. This kind of initiative has piqued the interest of other missions in the region, which have emulated the approach used by the Cairo Mission to organize similar fairs.

3.5.3 However, in order to consider incorporating this kind of activity into the services of the IBD Program, it is advised that the Mission examine the initiative's relevance, determine to what extent it meets needs not otherwise addressed, and identify results in terms of the promotion of Canada's image and the economic spin-offs. It should be noted that a review has already begun within the Mission on this subject.

### **Recommendation for the Mission**

**3.5.4 The Mission should assess the education fair's spin-offs in order to draw conclusions about its relevance, effectiveness and impact and to determine who within the Mission will be responsible for it.**

### **Mission Action and Time Frame**

**3.5.4 A survey of all Canadian participants at Educ-Canada 2004 is presently being done (Feb. 2005). Once the results of the survey are compiled, the Political/Public Affairs, Commercial and Immigration sections will meet to draw some conclusions. With the creation of ITCan, it is very likely that the entire responsibility for the promotion of education will reside with the IBD Program. However, we will need**

**to reassess resources that reside in the Political and Public Affairs section (i.e. some promotion is done by the Second Secretary, the Public Affairs Officer and the Program Assistant).**

### **3.6 Resources**

3.6.1 Officers noted that cuts to Client Service Fund (CSF) budgets limit their travel and activity opportunities. Officers have proven to be resourceful in increasing the CSF with money from partners and sponsors. Hospitality and travel budgets, however, have not been fully used during the past two years, due to the lack of coverage of Sudan pending improvement of the political situation there. Poor economic performance and currency fluctuation are paralyzing investor confidence, resulting in few high value-added activities.

#### **Recommendation for the Mission**

**3.6.2 Pending the normalization of trade with Sudan, the Commercial Program should maximize the use of the CSF in Egypt by using the hospitality and travel budgets to support, when appropriate, outreach visits or the transportation portion of CSF activities.**

#### **Mission Action and Time Frame**

**3.6.2 During the present FY (2004-2005), the IBD Program used more extensively its hospitality and travel budgets for CSF-related activities and this same practice will continue in the next FY. (Note: With Egypt's economic downturn during 2001 to mid 2004, there were fewer promotional activities than in the past. Therefore, this situation had an impact on the utilization of hospitality and travel budgets. The economic situation is now improving so we will be able to maximize our budgets in 2005-2006.)**

3.6.3 Employees noted that their workload is generally reasonable with peaks experienced around events and visits. The two (LE-04) Commercial Assistants handle routine inquiries from local clients and contacts with minimal supervision by the officers. They deal directly with the International Business Opportunities Centre and the Post Support Unit (PSU). In addition to usual duties, the Senior Commercial Assistant (LE-05) manages the basic process of an Infocentre and keeps the form letters and budgets up-to-date. The three Commercial Assistants have the capacity to take on more responsibility. Consideration should be given to enhancing their job descriptions based on the needs of the Program. An initiative is already underway to review the classification level of these positions and new job descriptions have been submitted. The Program should ensure that Trade Commissioners Service's (TCS) competency profiles for Commercial Assistants are reflected in the review.

## **Recommendation for the Mission**

- 3.6.4 The Mission should revise the classification of the three Commercial Assistants to reflect their duties.**

## **Mission Action and Time Frame**

- 3.6.4 New jobs description are done and the reclassification is in progress. The Mission Classification committee will soon make its recommendations to the HOM, therefore it is expected that the new classification will be effective early in FY 2005/2006.**



## **CONSULAR PROGRAM**

4.1.1 The Consular Program is well managed by the Deputy Management / Consular Officer (DMCO) who is also responsible for Human Resources (HR) and the Mission Drivers. The Consular Section is comprised of a Consular Officer (LE-07), a Passport Examiner (LE-06) and a Consular Assistant (LE-05).

4.1.2 Strong direction from the DMCO, with full support of the Management / Consular Officer (MCO), is provided to staff. Communications are good within the Program and proper operational controls are in place. Consular services are provided in a timely fashion to clients. Passport blanks, consular revenues and other assets are adequately protected.

4.1.3 The DMCO has been analysing workloads and has developed plans to address the following projects: updating the Web site, revising the telephone Octel script, recruiting deputy wardens and organizing a warden conference.

4.1.4 The Audit Team was accompanied by a Co-ordinator Data Quality Analyst from the Passport Office who reviewed the Mission's passport processing systems and provided to staff a briefing on the upcoming Mission Passport Print Solution Project. As this project will change the service standards for passport delivery from five working days to match those in Canada of ten days, the Mission will need to develop a communication plan for its clients when the new system is implemented in 2005.

4.1.5 While passports are well secured, processing occurs in the open area of the Consular Section. The Mission will be examining the option of creating a separate, secured passport printing office in a storage room and this may impact the re-configuration planned in the Consular Section.

4.1.6 As found with other missions, managing complex consular cases involving dual nationals is challenging, given the limited access available to the Mission in situations where Canadian citizenship is not recognized, combined with high client expectations.

4.1.7 The Mission issues approximately 1100 passports and processes nearly 220 citizenship applications and 2200 notarial requests per year. The Registration of Canada Abroad (ROCA) system has 1700 registered Canadians, though the Mission estimates that there are closer to 3000 in Egypt.

4.1.8 At one point, there was a backlog in completing the monthly passport report but that has been resolved with the arrival of the DMCO. Two COMIP statistical reports were not filed and the Mission is following up with Headquarters (HQ) on those reports still outstanding.

4.1.9 While controls within the Program are considered good, improvements can be made by implementing the following recommendations:

#### **Recommendations for the Mission**

- 4.1.10 **Verification of the number of passports received upon shipment and in inventory at the end of the month should be conducted by two CBS. The Passport Office will be revising the form to add a place for the second signature.**
- 4.1.11 **The cash register key should be kept with the Passport Examiner and transferred to another Consular Assistant during absences rather than leaving it in the machine.**
- 4.1.12 **The DMCO should retain a copy of the passport numbers of the working inventory to match against passports issued.**

#### **Mission Actions and Time Frames**

- 4.1.10 **The Mission now verifies passport supplies received upon shipment and inventory verification at the end of the month is now conducted by two CBS.**
- 4.1.11 **The Mission confirms that the cash register key is now kept on a wrist ring by the Passport Examiner and transferred to another Consular Assistant during absences, so that the key is not left in the machine.**
- 4.1.12 **Since the Inspection/Audit team's visit, the DMCO has begun matching the numbers of passports issued against the passport numbers of the working inventory.**

## **ADMINISTRATION PROGRAM**

### **5.1 Management of the Program**

5.1.1 The Administration Program, headed by an experienced AS-06 MCO, is a well managed and impressive operation with effective leadership provided by the MCO and DMCO.

5.1.2 During their first year at post, the MCO and DMCO focussed on implementing new procedures, re-establishing systems and tightening internal controls at the Mission. These changes have been well communicated to all staff through a number of means such as service standards and the Mission's Admin Rolodex. Staff indicated that the Program is providing a high level of service and support to the Mission.

5.1.3 Within the Administration Program, morale is good and there is a strong sense of teamwork. The MCO and DMCO have made a concerted effort, via staff meetings and individual direction, to explain the rationale behind procedural changes and the enforcement of regulations to achieve buy-in from Administration staff. The Program has workplans identifying priorities and there is a clear understanding of issues to be addressed.

5.1.4 The MCO has developed the Mission's "Admin Rolodex" which is seen as a best practice by the Audit Team. The Rolodex documents the administration procedures applicable at the Mission organized by topic, and includes short descriptions of what services can and cannot be provided and contacts and links to applicable manuals/web sites for further information. This tool is easy to navigate and is a concise reference for both CBS and LES.

### **5.2 Human Resources**

5.2.1 The Human Resources function is well managed by the DMCO with general oversight by the MCO. The DMCO is assisted by an LE-06 HR Assistant. Personnel files, classification files and competition files were found to be very well documented. A master database of all LES HR and pay-related information is being developed by the Mission. This will amalgamate all existing information into one spreadsheet for ease of reference and for tracking purposes.

5.2.2 Job descriptions are up-to-date, however, a number of appraisals are outstanding in the Administration and Consular programs. The Mission has a Training Coordinator and employees readily take advantage of training opportunities made available to them. According to the Canadian Foreign Service Institute's (CFSI) recently released Report on Learning 2003-2004, Cairo had the second highest number of sessions completed (19) in the North Africa and Middle East Region. Training has been

reactive in the past; however, the Mission intends to develop a Mission-wide training plan next year to ensure a proactive approach is in place.

5.2.3 The Mission plans to undertake a reclassification exercise whereby eight positions from three program sections (IBD, Development and Immigration) will be reviewed. The Mission is concerned that this may have significant repercussions on morale given that only certain positions are being reviewed. The Mission may wish to consider reviewing all positions to ensure consistency of position levels.

5.2.4 At the time of the audit, the Mission was revamping the Classification Committee and confirming participation of at least five Program Managers as well as the MCO as advisor. The Locally Engaged Staff Services Bureau (HLD) informed the Mission that classification committees are generally comprised of at least three Canada-based officers, with the MCO as Chairperson, and normally do not include LES as members. The Mission is modifying the Committee's composition to reflect this structure.

5.2.5 The LES Handbook is dated 1999; however, an interim benefits survey was completed and approved by HLD in 2002. The Mission is now in the process of drafting sections of Part 2 which were not part of the interim review. These include the pension scheme, insurance plans and severance provisions. The Mission has an LES Committee and a Health and Safety Committee in place, both of which function well. These committees meet regularly and record minutes of meetings held.

5.2.6 The main areas of interest to the LES Committee are the Egyptian pound devaluation (the currency used for salary payments) and the updating of the LES Handbook. LES were compensated for the devaluation of the local currency with salary increases in the past two years. The Committee would like the Mission to move to Canadian dollar salaries as opposed to Egyptian pound salaries; however, this is not in line with local markers.

5.2.7 The Mission has a Community Co-ordinator position. The work is shared between two spouses and their work is appreciated by staff and spouses. Spousal employment in Cairo is difficult due to language requirements. The Mission has one designated expatriate position which is currently being filled by a spouse. A few spouses have also been hired on contract to fill temporary vacancies. Unfortunately, there is a perception that these temporary opportunities are not always well communicated to all interested parties. The Mission should ensure that a transparent process is in place.

5.2.8 The Mission has two long-term contractual arrangements:

- A food service operator has been working on contract at the Mission for approximately 20 years. He manages and operates the Mission's food and beverage sales during normal working hours of the Mission, as well as casual

and minor catering services. To avoid a potential employee-employer relationship, the Mission should consider contracting this individual through the Mission's social club.

- A warehouse service provider has been working on contract at the Mission for seven years. To avoid a potential employee-employer relationship, the Mission is looking at negotiating a contract with a professional warehouse/moving company but has not taken action yet. In the meantime, the new Facilities Assistant position remains vacant. The Mission should proceed with a competition process to fill this position and then review the need for a warehouse service provider.

### **Recommendations for the Mission**

- 5.2.9 Ensure all appraisals are up-to-date.**
- 5.2.10 Ensure temporary vacancies at the Mission are well communicated to all spouses.**
- 5.2.11 Review the food service operator's and the warehouse service provider's contractual arrangements to ensure no employee-employer relationship exists.**
- 5.2.12 Proceed with a competition to fill the vacant Facilities Assistant position.**
- 5.2.13 Review the need for a warehouse service provider.**
- 5.2.14 Follow through on developing a Mission-wide training plan.**

### **Mission Actions and Time Frames**

- 5.2.9 Further to the Inspection/Audit Team visit, all supervisors who have outstanding appraisals to complete have been reminded of their responsibility to have these brought up-to-date. The Mission will ensure that all outstanding appraisals are completed by March 31, 2005, and will continue with the existing bring-forward reminder system which the HR section maintains to remind supervisors pro-actively of upcoming appraisal and salary increment due dates for staff.**
- 5.2.10 Though Program Managers attempt on an ad hoc basis to offer suitable temporary vacancies in their sections to different spouses, the Mission will, effective immediately, adopt a formal notification**

**system to ensure that all spouses are notified of upcoming temporary employment opportunities within the Mission.**

- 5.2.11** The Mission will, in consultation with HLD, review the contractual arrangements which have been in place for many years for the food operator and the warehouse service provider to determine whether an employer-employee situation exists, and remedial action which can be taken. The Mission will explore the Inspection/Audit team's useful suggestion of establishing a new contract for the food operator via the Canada Club rather than the Mission to maintain an arm's length relationship.
- 5.2.12** The Mission will review the job description for the vacant Facilities Assistant position and proceed with a competition within the next few months to staff the position.
- 5.2.13** As indicated to the Inspection/Audit team during the visit, the Mission has explored the option of contracting out the storage and management of the Mission's materiel assets to professional warehousing/moving company service providers. The Mission will in the next few months determine the cost-effectiveness of this option versus maintaining the leased warehouse storage space the Mission currently uses, and rolling some of the duties of warehouse inventory management to the job package for the Facilities Assistant.
- 5.2.14** The Mission will complete the Mission-wide Training Plan within the next three months.

### **5.3 Physical Resources**

5.3.1 The Physical Resources Section is well managed by the MCO, assisted by a Property Manager (LE-07), a Materiel Assistant (LE-05) and a Building Operator (LE-05). The Facilities Assistant (LE-04) position remains vacant.

5.3.2 The Mission has developed good plans for the management of this function. The MPMP is up-to-date and is an effective tool for managing physical resources. The Mission has created an impressive inventory tracking system for assets in the Official Residence (OR) and all staff quarters (SQ). Inventories are tracked through a bar code system and photographic images are hyper-linked in the system. A life cycle management plan for all furnishings and appliances was also developed. It includes such details as condition, year, and replacement date of furnishings and appliances.

5.3.3 The Mission moved into the new Chancery two years ago. It functions well and is suitable for the Mission's needs; however, there are ongoing problems with the air system, which seem to be caused by the positioning of the sensors. The Mission is working with the Physical Resources Bureau (SRD) to resolve this matter. A new Immigration interview booth was planned to be set up this fiscal year; however, Citizenship and Immigration Canada (CIC) has requested that this project be delayed until funding is resolved.

5.3.4 The OR is a stately 50 year old Crown-owned house, located near the Mission. It requires major renovations, including plumbing and electrical work, which are planned for next year. The latest estimate for the refurbishment is US \$490,000, not including relocation costs for the occupant for approximately 12 months. An assessment should be made to determine whether it would be more cost-effective to refurbish or replace the OR. Before making this assessment, the Geographic Bureau should determine the housing requirements for the HOM in Cairo.

5.3.5 A Housing Committee is in place and makes housing allocation recommendations to the HOM. SQs, all Crown-leased, are situated in two areas of Cairo: Maadi (for families with children) and Zamalek (for singles and couples without children). The Mission, in consultation with SRD, looked at the possibility of purchasing SQs but deemed it not cost-effective nor suitable at this time. The general practice amongst other diplomatic missions in Cairo is to lease rather than buy. Purchasing SQs would be very costly given that villas are poorly built and would require a significant investment in terms of fit-up costs. Building is not recommended as it would be costly, very time consuming and the quality of work would not meet Canadian standards.

5.3.6 The SQs visited by the Audit Team were found to be of good quality and well furnished. SQs are inspected annually by the Physical Resources Section. Of note is SQ 3410117 which is oversized. The SQ falls in the same range of lease cost as other SQs, but in terms of size distorts the housing portfolio and, therefore, should be released upon the departure of the current occupant.

5.3.7 In 2000, the Mission developed an impressive work request system in Outlook to manage occupant requests. The system has proven to be very effective. Requests are received by the Physical Resources Section through e-mail and actions taken are logged and tracked. CBS are pleased with the level of service received by the Physical Resources Section. There are no allowances for accommodation deficiency in Cairo.

5.3.8 The Mission has a fleet of nine official vehicles plus one scooter. All are well maintained. Log books and monthly vehicle reports are up-to-date and provide necessary controls for monitoring usage, gasoline consumption and maintenance.

## **Recommendation for the Mission**

**5.3.9 Release SQ 3410117 upon departure of the current occupant.**

### **Mission Action and Time Frame**

**5.3.9 The occupant of SQ 3410117 will be departing the Mission this summer, with the current lease expiring on Sept 30, 2005, at which point the Mission will likely release the unit from the Mission's housing inventory given the concerns about its size in relation to the rest of the portfolio. A replacement staff quarter which conforms to FAC's Housing Guidelines and Mission norms for leasing costs will be sourced by the Mission Housing Committee.**

### **Recommendations for GMD**

**5.3.10 Determine the housing requirements for the HOM in Cairo.**

**5.3.11 In consultation with SRD, and in light of the above recommendation, determine whether the current OR should undergo refurbishment or be replaced.**

### **GMD Actions and Time Frames**

**5.3.10 The current OR presents a number of important program advantages due to its location, the cachet of its history, its long association with Canada and its undeniable strengths as a representational facility.**

**5.3.11 After consultation with the Mission and SRD it has been determined to retain the OR and to complete the required repairs/renovations at a reduced cost.**

## **5.4 Finance**

**5.4.1 The Finance Section is under the direction of the Financial Management Officer (FMO) who is the MCO. The MCO is supported by the Accountant (LE-07), an Assistant Accountant (LE-05) and a Finance Messenger (LE-03). Mission accounts are well organized and appropriate processes and systems are in place providing good segregation of duties and controls.**

**5.4.2 The Mission effectively controls its budget of \$2.7 million. The Area Management Office - Africa and Middle East (GAM) conducted a reference level re-balancing exercise and the Mission returned \$175,000 this year. The Mission highlighted that this will need to be reviewed for future years as maintenance contracts**



for the Chancery have not yet been established and there is currently an employee couple at the Mission which could result in the need for an additional property upon their departure.

5.4.3 The Mission is monitoring its relationship with the bank as there have been several instances where service has not been provided at the level required. For example, the bank currently does not return original cancelled cheques and stopped providing copies of the cheques. The Mission is exploring the banking sector to determine what other suitable suppliers exist.

5.4.4 The staff of the Finance Section are located in one office with no windows. The Mission is investigating if a window or windows can be added to allow for better air circulation and lighting.

5.4.5 The Mission may wish to conduct a review of its travel meal rates to ensure they reflect the local market conditions.

5.4.6 The following procedural recommendations are noted for action.

#### **Recommendations for the Mission**

**5.4.7 For hospitality claims, the diaries should include more detail on the overall evaluation of events, i.e. the purpose of the event, how it impacts the program; and ensure that the guest list for hosted events is included.**

**5.4.8 To improve security the Mission should vary the times bank runs are made.**

**5.4.9 The Mission should make a photocopy of the signed cheques before issuance and request from the bank photocopies of the endorsed cheques (both front and back) for verification purposes.**

**5.4.10 The Mission should introduce pre-printed numbered receipt books for suppliers to complete when they do not offer a receipt.**

**5.4.11 The Mission should review the cellular phone usage and costs to determine the optimal means to acquire this service.**

**5.4.12 The Finance Section should be provided with copies of cost sharing agreements with third parties to allow for proper monitoring of payments against Special Purpose Accounts (SPA).**

- 5.4.13** The Mission should streamline the procedure for section 34 FAA approval to ensure only one approval is obtained per transaction (up to three section 34 signatures are obtained during the current process).
- 5.4.14** Limit client service hours for the Finance Accounts Section to allow staff to concentrate on financial transaction processing.

#### **Mission Actions and Time Frames**

- 5.4.7** The Mission will ensure that sufficient detail is documented in the hospitality diaries for approval by the respective supervisor, effective immediately (Feb 2005).
- 5.4.8** As of this writing (Feb 2005), the Finance Messenger has been instructed to vary the times and routes for the bank runs which occur three times per week to carry out minor banking transactions. Since last year, the Mission has implemented a daily armoured cash pick-up service arranged through the bank to collect daily consular and visa/immigration revenue at the end of the working day, which has minimized the risk of any cash left overnight on mission premises.
- 5.4.9** The Mission will begin requesting a random selection of endorsed cheques from the bank given the high service charge per photocopy (USD 5 per copy) and the bank's continued refusal to provide copies of all Mission-issued cheques after their encashment, despite our numerous representations at various levels. Further to other client service issues which the Mission had \*\*\*, the Mission had looked at other options last year for the provision of banking services, in consultation with SMFF, but will continue to maintain the official bank accounts \*\*\* in the short term given slight improvements in service during recent months. The Mission will continue to monitor service levels and keep the option open to switch banks should problems recur. The Mission will also begin keeping photocopies of all signed cheques before issuance to verify against the randomly selected bank photocopies.
- 5.4.10** Given that receipts are difficult to obtain from many cash-based small vendors in Egypt, the Mission will attempt to enforce the requirement, especially for petty cash expenditures, to have vendors or suppliers sign our pre-printed receipts. The Mission has already on hand blank generic receipt books (though not sequentially numbered) which have been made available to staff in the past few

years; the Mission will begin as of this writing (Feb 2005) to enforce usage of these generic receipts in instances where receipts are not readily available.

- 5.4.11** The Mission has had for the past few years a system whereby cellular phone lines were acquired in the name of the Embassy for official lines and personal lines for CBS and LES in order to qualify for bulk quantity discounted usage rates, with a robust monthly process of collecting personal shares of charges from employees. The Mission will re-examine the cost-effectiveness of the current arrangement and determine whether there are better ways of providing cellular phone service for mission operations. The Mission will monitor usage and costs for the next few months to determine whether any changes should be made to the Mission's cellular phone policy.
- 5.4.12** All Program sections (FAC/ITCan and Partner Departments) at the Mission will be asked to provide copies of cost sharing agreements with third parties to provide enhanced monitoring and verification of payments by the Accounts section against Special Purpose Accounts (SPA).
- 5.4.13** The Mission will begin to streamline the procedures for obtaining signatures for sections 34 and 33 FAA approvals by enforcing the requirement to have the Program Manager for the section responsible for generating the expenditure to sign off under section 34 on a stamp on the original invoice/receipt prior to Accounts section entering the transaction into IMS, with the MCO/DMCO signing off on section 33 on the "Requisition for Payment" header sheet generated when the cheque is printed in the IMS run. The Mission has traditionally obtained signatures for sections 34 and 33 on both the "Section 34/33 Report - Line Item Details" header generated for each document by IMS before the cheque is printed, and the "Requisition for Payment" header generated by IMS after the cheque is printed, because of conflicting instructions from SMFF as to what is required to satisfy HQ audit requirements. The Mission will in the next few weeks streamline this approvals procedure as outlined above.
- 5.4.14** The Mission has determined that limiting the client service hours to prior to 3:30 p.m. every day when the bank armoured cash pick up service arrives to pick up cash will be feasible to allow the Accounts section to spend an hour each day behind closed doors to carry out the cheque printing runs and to process transactions. The Mission

**will begin closing the Accounts section to clients at 3:30 p.m. every day beginning this month (Feb 2005) to monitor client response, and will amend as required to balance client service levels and work flow efficiency.**

## **5.5 Information Management**

5.5.1 Information technology is managed by a Foreign Service Information Technology Professional (FSITP) with assistance from a Locally-Engaged Information Technology Professional (LEITP), under the supervision of the MCO. The FSITP is new to the position, but has quickly adjusted and is providing good service to the Mission. He currently has a number of initiatives underway to improve the efficiency of the section.

5.5.2 The Mission is in the process of updating technical information in ITP World as well as ensuring the SIGNET user list is accurate. At the time of the audit, preparations were underway for the Mission's SIGNET 3 implementation in October 2004. The Mission is also scheduled for a bandwidth increase shortly after, which should address the slow performance of remote applications such as Outlook and IMS.

5.5.3 There is no training plan in place and training needs are being addressed on a reactive basis. The FSITP should assess the needs of the Mission and create an information technology training plan. This plan should be incorporated into the overall Mission training plan.

### **Recommendation for the Mission**

**5.5.4 The Mission should develop an IT training plan and incorporate it into the Mission-wide training plan.**

### **Mission Action and Time Frame**

**5.5.4 With the recent introduction in Sept 2004 of SIGNET 3 and in Feb 2005 of InfoBank, the Mission will in the next three months assess the impact of these and other technological changes and identify employee training needs with respect to information technology to develop an IT training plan which will be part of the Mission-wide Training Plan currently being developed.**

## 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 (ZID) 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 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 therefore based on issues and information identified and gathered at all levels, HQ, mission management, and mission operations. Accordingly, not all areas receive 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

**General Relations Program (Political/Public and Cultural)**

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

**International Business Development Program**

Management of the Program	Investment
Program Planning	Science and Technology
New Approach Framework	Trade Policy and Market Access
Trade Development	Performance Measurement

**Consular Program**

Management of the Program	Citizenship Services
Service to Canadian Citizens	Honorary Consuls
Passport Processing	Admission to Canada

**Administration Program Management**

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	Materiel 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