



AUDIT OF THE CANADIAN HIGH COMMISSION

DAR ES SALAAM

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**Foreign Affairs Canada and International Trade Canada
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EXECUTIVE SUMMARY

An audit of the General Relations (GR), the International Business Development (IBD), the Consular and the Administration Programs was conducted in Dar es Salaam from November 9 to 12, 2004. The Consular and Administration Programs were last audited in June 1995.

This is a well managed Mission with strong leadership. Communication from the top down is very good and there is effective program coordination and synergy. A sound committee structure is in place and the Head of Mission (HOM) relies on this structure for decision making. The Locally-Engaged Staff (LES) Committee now meets regularly with current management and morale in the Mission has improved appreciably since the arrival of the HOM this past summer. The Mission has recently been expanded by two Canada-based staff (CBS) and one Locally-engaged Officer bringing its total complement to eight CBS and 25 LES. Tanzania has been declared a country of concentration by CIDA and thus the Mission, and its aid program, will grow significantly over the next few years. The profile of Canada in Tanzania is high and Canada's influence with local authorities is more than commensurate with the size and investment of the Mission.

The GR Program which covers four countries of accreditation is effectively managed by an FS-02 Political Officer who devotes one-half of his time to this Program. This Officer wears many hats at the Mission, including overseeing three Commercial staff. He is well connected and has an excellent grasp of the political landscape. His reporting on GR issues, which is mainly focused on Tanzania, is timely, thorough and analytical. He believes more attention could be paid to Madagascar and sees a need for an incremental junior political officer position being added to the Mission. Support should be re-directed from the Commercial Assistant to the Political Section to offset some of the workload. The Program could benefit from more structured planning with the implementation of a results-based plan and an Accountability Agreement with the HOM.

Opportunities to export Canadian goods to the four countries of accreditation (Tanzania, Madagascar, Seychelles and Comoros) are very limited. The IBD Program's efforts are concentrated on the Tanzania mining sector where Canadian companies are largely invested and where the Senior Commercial Officer has excellent contacts and possesses a strong technical knowledge. The Commercial staff operate with little supervision and without objectives or targets. More formal communications, a more proactive program of outcalls and more measurement of outputs and results are needed to bring more structure to the Program and to increase productivity and performance.

The Consular Program is performing well under the guidance of the Management Consular Officer (MCO) and the day-to-day operations are carried out by the Consular Officer. Observations of a minor nature were noted which the Mission is

now addressing. Both the MCO and the Consular Officer would benefit from refresher training.

There is a need for more dynamism from the Administration Program's management. A more proactive approach to managing and better communication within the Section are needed. Complaints were noted concerning the timeliness in which administrative service is delivered. The introduction of service standards would improve accountability and identify to clients the quality of service and the timeliness with which they can expect delivery. In addition, there are issues with the Madagascar bank account that require management's attention.

A total of 44 audit recommendations are contained in this report, one is addressed to HQ, one is for the Nairobi Mission, with the remainder the responsibility of the Mission to implement. Management has responded to each recommendation indicating the action already taken or decision made as well as future action. HQ is not able to implement the recommendation directed its way but suggests compensating controls to mitigate the risk that was observed. The Nairobi Mission is well on its way to implementing its recommendation. The Mission has implemented 23 of its 42 recommendations and the other 19 are in the process of being implemented.

SCOPE, OBJECTIVES AND MISSION RESOURCES

Audit Scope and Objectives

An audit of the Dar es Salaam Mission took place during the period November 9 to 12, 2004. The scope of the audit included a review of Mission management and the General Relations, International Business Development, Consular and Administration Programs. An Appendix to the 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.

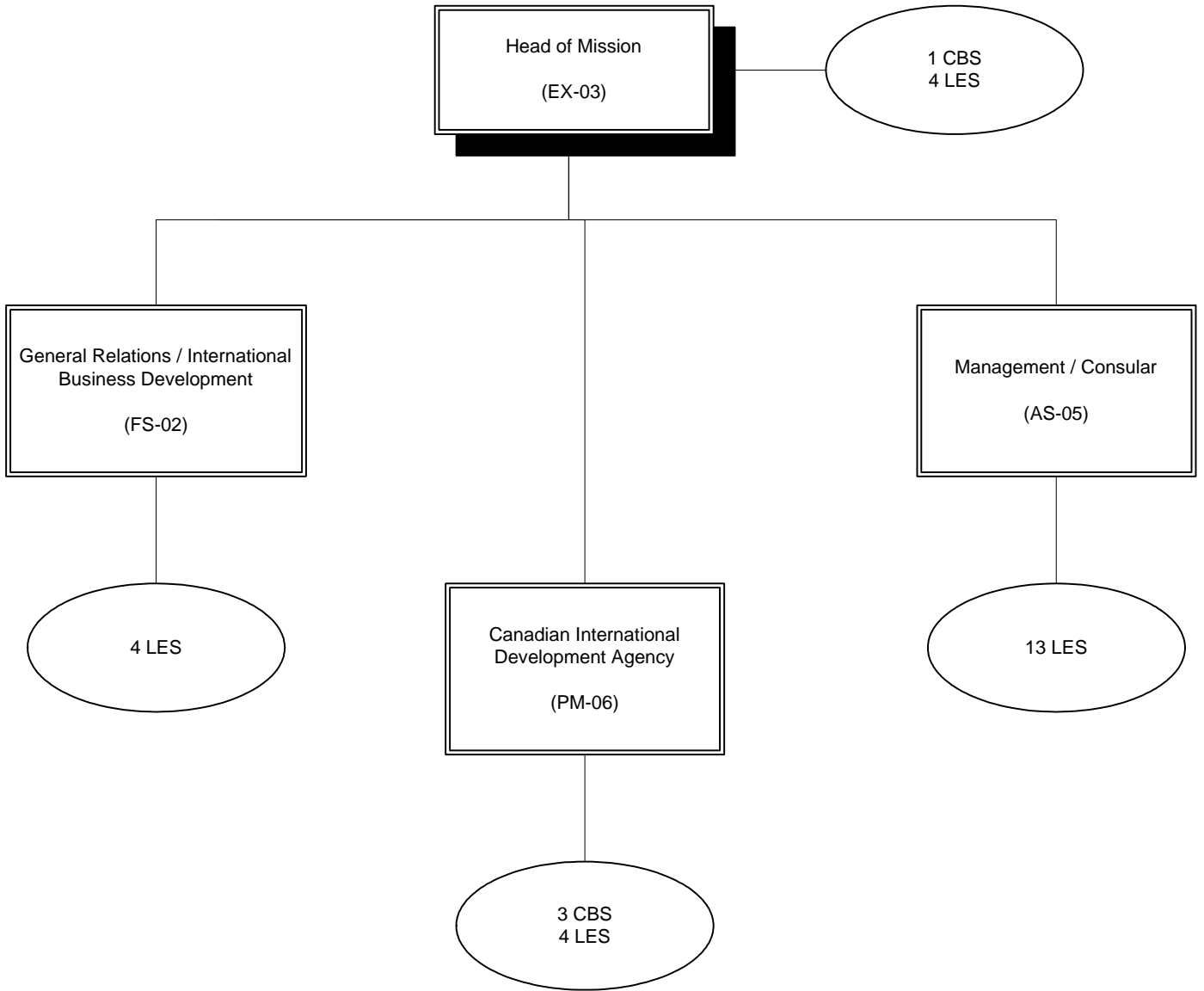
Physical Resources

Assets	Crown Owned	Crown Leased
Chancery	1	0
Official Residence	1	0
Staff Quarters	6	1
Vehicles	7	0

Financial Information 2004/05

Operating Budget (N001)	\$817,896
Capital Budget (N005)	135900
CBS Overtime Budget (N011)	15000
CBS Salaries Budget (N011)	303578
LES Salaries Budget (N012)	503962
Total	\$1,776,336

Organization Chart



MANAGEMENT OF THE MISSION

1.1 Overview

1.1.1 The Mission's reputation as being well managed was confirmed by this visit. The Head of Mission (HOM) is very well respected and his arrival this past summer has boosted the morale of staff. There is excellent co-ordination between programs and there is a team approach evident particularly when tasked with handling large incoming missions (the past year has seen two ministerial visits). Communications with the locally-engaged staff (LES) have improved significantly.

1.1.2 The HOM has reconstituted a number of committees that had not convened for some time. There is a Committee of Mission Management (CMM) which meets weekly and is attended by the HOM, Program Managers and the HOM Assistant. Sub-committees include a Housing Committee and a Health and Safety and Environment Committee. Minutes are available for each of these committees. There are plans to have a LES Classification Committee in place shortly. There is currently no Contract Review Board and this is recommended in the report. The HOM relies heavily on the committee structure for its recommendations. Regular meetings with the LES Committee are also something new at this Mission. Program Managers debrief staff on CMM discussions and decisions, as appropriate. The HOM may wish to circulate the minutes of the CMM to all staff.

1.1.3 Program management would benefit from accords with the HOM. The HOM has had objective-setting meetings with each Program Manager which fed into the work plans of each Program. These objectives and work plans, however, consist primarily of a list of planned activities for the year. The accords, also referred to as Accountability Agreements, would identify in writing the expectations of the Program in measurable terms. These, coupled with results-based plans for each Program, would provide the structure to hold management accountable and identify the basis upon which Program management's performance would be evaluated.

Recommendation for the Mission

1.1.4 Accountability Agreements should be prepared between the HOM and Program Managers identifying the expectations of each Program in quantitative and qualitative terms.

Mission Action and Time Frame

1.1.4 The HOM has set objectives with each PM, based on his PMA. Mission will have in place the agreements by April 10, 2005.

GENERAL RELATIONS PROGRAM

2.1 Overview

2.1.1 The GR Program is managed by an FS-02 Political Officer who is in his fourth year at the Mission. This is an individual that is multi-tasked. In addition to the GR Program, he is responsible for managing three LES Commercial staff and a LES Visa Assistant, he serves as the Mission Security Officer (MSO), backs up the MCO on Consular matters, and works closely with the CIDA Program. It is estimated that 50 percent of the Political Officer's time is devoted to the GR Program.

2.1.2 The Program covers the political and economic activities in four countries of accreditation: Tanzania, Madagascar, Comoros and the Seychelles. Attention is focused primarily on Tanzania. The Political Officer, however, believes more attention should be paid to Madagascar where there are 15 million people. Canada has an Honorary Consul there who is well-connected and who has ready access to Ministers and government officials. This Honorary Consul will, from time to time, deliver diplomatic notes and report on the government's reaction. There is also a Canada Fund Program in Madagascar for which CIDA has appointed a Co-ordinator. Madagascar was visited three times by the Political Officer in his initial year at the Mission and he is hoping to visit there again early in the new year. Traveling to Madagascar from Dar es Salaam is not easy and can take up to two days.

2.1.3 Contact with Comoros and the Seychelles has been sparse although the HOM, in the short time he has been at the Mission, has already presented his credentials in Comoros. Comoros was visited by the Political Officer in 2003 and again when the HOM was there in October (2004). The Seychelles were visited by the previous HOM and the Management Consular Officer (MCO) in the last three years but the Political Officer has yet to visit. A trip there is planned for him in 2005.

2.1.4 The Political Officer has an excellent grasp of the issues in Tanzania and is well respected both inside and outside the Mission. He actively reports on a wide range of issues. Headquarters has expressed a high degree of satisfaction with the quality and frequency of reporting which is considered thorough and analytical. A variety of subjects are reported on including, inter alia, the terrorism threat level and next year's election in Tanzania; the political reconciliation process taking place in Zanzibar and the upcoming elections; and the International Conference on Peace, Security, Democracy and Development in the Great Lakes Region which took place in Dar es Salaam in November 2004. This Conference had largely consumed the Political Officer as Canada was playing a leadership role in supporting the United Nations and the African Union at this Conference. Canada also co-chaired the Group of Friends of the Great Lakes Region which is composed of 29 member-states and 10 international organizations. The Mission has also experienced two ministerial visits this past year which placed additional demands on this Officer.

2.1.5 The Program would benefit from more structure. The Department's Strategic Framework provides the guidance for the Program and a work plan has been prepared. This plan, however, consists mainly of a listing of activities for the current year. A more formal approach could be beneficial in linking HQ and HOM priorities to Program goals and objectives and then incorporating those into a results-based document with clearly identified objectives, activities, milestone dates, performance indicators and expected outputs. An accountability accord between the HOM and the Political Officer would also articulate the expectations of the Program and form the basis upon which the Political Officer's performance could be evaluated.

2.1.6 The Political Officer believes the GR Program could support an incremental junior officer position. Currently, the Political Officer operates without any administrative support. The LE-05 Commercial Assistant could be brought into the GR Program to assist the Political Officer, when required. The Mission could also benefit from a more robust Public Affairs function which is now carried out by the LE-08 Commercial Officer who devotes 20 percent of his time to this role. Last year Public Affairs mainly consisted of the release of 15 news items to the media for CIDA and ITCan activities. The HOM has expressed a need for a more formalized outreach program, including the media. A well prepared work plan would better define Program requirements and the necessary level of resources.

Recommendation for the Mission

2.1.7 A results-based work plan for the GR Program, including Public Affairs, should be developed which identifies the Program's objectives, activities, milestone dates and expected results.

Mission Action and Time Frame

2.1.7 A work plan will be in place by April 10, 2005.

INTERNATIONAL BUSINESS DEVELOPMENT

3.1 Overview

3.1.1 The Mission's IBD Program comprises two Commercial Officers (one LE-09 and one LE-08) and a Commercial Assistant (LE-05). The LE-08 spends approximately 20% of his time on public affairs activities. For IBD work, these staff report functionally to the Regional Trade Commissioner in Nairobi, and on a day-to-day basis to the Program Manager in the GR Section.

3.1.2 Tanzania is the focus of IBD efforts in the Mission territory as the other countries of accreditation are either too small or too poor to be able to purchase Canadian goods and services. Canada's main interest in Tanzania is investment in the natural resource sector with mining being the largest component. Canada is the leading player in the Tanzanian mining sector, with Canadian mining firms having invested more than US \$1 billion in mine development. Canadian firms operate two of the country's six active gold mines with a third scheduled to come on line in the next year. There is also a Canadian company who is in the first year of a five-year preliminary study to determine whether it will proceed with a large nickel mine development in Western Tanzania. There is a concerted anti-mining movement by anti-globalists, both foreign and domestic, and the Canadian companies are often targeted. Consequently, a considerable amount of time is spent by the Mission on troubleshooting and advocacy in support of Canadian companies.

3.1.3 While trade potential in the Mission's four countries of accreditation is extremely limited, consulting work financed by international financial institutions has had some success. In addition, as a result of the inclusion of the city of Dar es Salaam in the list of cities under Industry Canada's Sustainable Cities Initiative (SCI), three of the new sectors identified by the Mission have emerged as important sectors covered under the SCI and are being targeted for further development.

3.1.4 The Senior Commercial Officer (LE-09) is extremely knowledgeable and has an excellent network of key local contacts in a wide range of sectors, both in the private and public sectors. He has an excellent understanding of commercial opportunities in the Tanzanian market and the interests and activities of Canadian firms operating in Tanzania. He has gained strong technical knowledge in the mining and oil and gas sectors.

3.1.5 The Mission had an insufficient number of contacts to be able to participate in either the 2000 or 2002 TCS Client Survey. However, following training undertaken at the Mission, there has been a marked improvement in the volume and quality of trade tracking. A review of correspondence revealed that the IBD Section provides a good level of support to Canadian clients with market prospect and key contact being the most commonly provided services.

3.1.6 The TCS New Approach @ Work, which focuses on client service and delivery, is well understood and accepted by the IBD Section. While there is little evidence of TCS promotional material, at the time of the audit the IBD section was in the process of moving to new offices within the Chancery that will allow the Section to establish a resource centre with room for promotional material.

3.1.7 The IBD planning process was undertaken through a retreat involving all members of the IBD Section and including the Regional Trade Commissioner from Nairobi. The business environment, opportunities and challenges as well as the priority sector rationalization are well thought out and provide the basis for the development of individual work plans for officers. The IBD Program is organized on a sectoral basis.

3.1.8 Both IBD Officers have excellent working relationships with the GR Program Manager. However, there is a need for a more formal communications structure between the Manager and the IBD staff as well as more expert guidance and support from the Regional Trade Commissioner in Nairobi. At present, the GR Program Manager maintains daily contact with the Commercial Section, but there are no formal regularized staff meetings. Such meetings would be beneficial in ensuring the IBD Section is achieving its objectives, prioritizing and assigning work, and monitoring performance against the results-based IBD business plan. Currently, IBD staff operate without individual work plans or specific targets (e.g. outcalls, reporting). The Program would benefit from a more proactive program of outcalls focused on identifying opportunities and gathering market intelligence, particularly for projects financed by international financial institutions. To ensure that staff efforts are maximized, there is a need to monitor individual performance and output on a regular basis. By periodically taking stock of the activities and results of the two IBD Officers and the Assistant (e.g. through WIN entries, outcalls completed and reports produced) the Program Manager and Regional Trade Commissioner can hold officers responsible for their level of activity and outputs produced and measure individual performance. Due to the other demands on the GR Manager, the physical location of the commercial staff and the lack of IBD background, the locally-engaged officers and assistant are working independently on a day-to-day basis.

3.1.9 More activity could be generated with hospitality funds, especially at the IBD Officer level. Hospitality usage should be discussed at weekly meetings and programmed like any other event.

Recommendations for the Mission

3.1.10 Accountability Agreements should be established setting out in measurable terms the expected results of the individual Commercial Officers.

- 3.1.11 The Program should identify and gather market intelligence on export opportunities associated with the funding activities of various international financial institutions (IFIs) and the supply of Canadian services.**

Mission Actions and Time Frames

- 3.1.10 Accountability Agreements will be established in conjunction with the drafting of the 2005/06 IBD Plan which will be prepared in conjunction with the start of the new fiscal year.**
- 3.1.11 The Commercial Assistant has been tasked with performing a weekly review of the relevant IFI websites to identify possible contract opportunities and provide leads to the Trade Commissioner for actioning.**

Recommendation for Nairobi Mission

- 3.1.12 The Regional Trade Commissioner in Nairobi should provide increased guidance and direction on a regular basis to the IBD Officers in Dar es Salaam.**

Mission Action and Time Frame

- 3.1.12 The Regional Trade Commissioner (RTC) is planning to visit Dar Es Salaam the third week of March for two days to discuss IBD directions and priorities and agree on how guidance will be provided in future. In addition to telephone and e-mail contact, the RTC plans to visit once per quarter in the new fiscal year, ideally during events such as Trade Fairs and major Missions. The RTC will also be discussing with Dar es Salaam and Addis Ababa a possible strategy session in Nairobi to include the three trade missions.**

CONSULAR PROGRAM

4.1.1 The Mission's Consular territory includes Tanzania, Madagascar, the Seychelles and Comoros. There is an Honorary Consul in Antananarivo, Madagascar. The Consular Program operates under the direction of the MCO who spends approximately 20 percent of his time on consular matters while daily operations are delegated to the Consular Assistant (LE-06). The Consular Assistant is experienced and provides quality service to clients, seeking advice from the MCO as needed. The Program does not have bilingual capacity, but the Receptionist is able to assist with French-speaking clients. Given that the Consular territory includes Madagascar it would be beneficial if the Consular Assistant had the ability to communicate with French-speaking clients.

4.1.2 The MCO received his consular training nearly 15 years ago while the Consular Assistant was trained in 1997. The back-up to the Consular Assistant is the Visa Assistant (LE-05) who has received training more recently. To improve efficiency and ensure staff in the Section possess the necessary skills, both the MCO and Consular Assistant would benefit from receiving further Consular training as a refresher. The MCO recently instituted weekly meetings with the Consular Officer to discuss cases and new directives from Headquarters. This meeting has helped improve communications.

4.1.3 Backing-up the MCO is the Political Officer who has never received consular or passport training. He takes his Consular role seriously but would benefit from further guidance and tools being provided to him from the MCO and Consular Assistant. The Consular Section could provide the Political Officer with a handbook guiding him in delivering key aspects of the Consular program in the absence of the MCO.

4.1.4 Monthly COMIP reports are current and filed as required. The Honorary Consul in Madagascar has recently fallen behind in sending the Mission required documentation for emergency passport services. The MCO has communicated documentation requirements directly to the Honorary Consul.

4.1.5 The Contingency Plans for the four countries of accreditation are currently being updated. The Registration of Canadians Abroad (ROCA) needs to be updated and the Section should have a regular follow-up schedule to ensure ROCA is systematically reviewed. The Mission held a warden conference in September 2004 and, while it was successful, not all wardens attended. The Mission contacts wardens semi-annually. A more frequent contact schedule would be beneficial to keep registration lists updated and the warden system tested.

4.1.6 The Mission issued 131 passports in 2003 and current year statistics show a significant increase. Passport services are timely and efficient although passport service standards and fees are not posted in the consular booth. Passport stock is appropriately controlled with minimal working stock issued to consular staff. The

working stock and access to the passport preparation equipment is being effectively controlled as well.

4.1.7 The Consular Assistant examines passport applications in detail and is up to date with passport directives. She is alert to information irregularities and contacts the Passport Office (JWS) for entitlement confirmation as required. ***

4.1.8 Final passport inspection is done by the MCO who reviews passport applications against photocopies of a citizenship card or a birth certificate. A file review indicated no processing irregularities, with proper documentation on file and routine verifications completed before passports were released.

4.1.9 A few recent passport inventory reports were printed at the required date but were not signed until much later suggesting that the physical count did not occur within the prescribed time frame. The monthly passport inventory count should be done and signed between the 1st and 10th of the following month. A review of the passport inventory count showed no discrepancies.

4.1.10 A considerable number of photocopied old passport applications are kept but not appropriately stored. Passport Office directives call for missions to dispose of photocopies of applications once originals have been returned to the Passport Office (JWS).

4.1.11 The consular and passport fee schedule was reviewed for the first time in over a year and was found to need updating due to currency fluctuations. The fee schedule needs to be reviewed regularly to ensure that correct fees are collected when clients pay in local currency. Official receipts are issued to clients for all passport and consular fees and the fees and EXT25 form are kept together in a well controlled cash box. Consular revenue is reconciled and delivered to the Accounting Section only on a monthly basis. Per the Receipt and Deposit of Money Regulations, revenues are required to be deposited at least once per week.

Recommendations for the Mission

4.1.12 The Consular Assistant should receive French language training.

4.1.13 The MCO and Consular Assistant should attend the Consular Specialist Course when available.

4.1.14 The ROCA database needs to be updated and Contingency Plans filed.

4.1.15 ***

- 4.1.16** The MCO should perform all final passport inspections against original documents (citizenship card or birth certificate).
- 4.1.17** The monthly passport inventory count should be completed and signed by the 10th of each following month.
- 4.1.18** Photocopies of passport applications should be destroyed once originals have been returned to JWS.
- 4.1.19** Consular revenues should be deposited at least once a week.

Mission Actions and Time Frames

- 4.1.12** The Mission will evaluate the Consular Assistant's French language capabilities and aptitude and pursue appropriate training.
- 4.1.13** The Mission will explore training possibilities with CFSI.
- 4.1.14** The ROCA database is now being updated on a monthly basis. Contingency Plans outstanding for Comoros, Seychelles and Madagascar will be filed by May 1, 2005.
- 4.1.15** Implemented.
- 4.1.16** Implemented.
- 4.1.17** Greater effort will be made to observe this reporting deadline.
- 4.1.18** Implemented.
- 4.1.19** Implemented.

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 The Administration Program is managed by an experienced MCO in his second year at the Mission. The Program provides only a satisfactory level of service to Mission clients and to the Honorary Consulate in Madagascar. Complaints of service delays were noted at the time of audit. Service can be improved by a more proactive approach to managing, through implementing service standards, and increasing focus on communication and performance by staff.

5.1.2 The MCO recently instituted individual weekly meetings with key staff members such as the Accountant and a bi-weekly meeting for all staff in the Administration Section. These meetings have been well received and should be continued; additional meetings also need to be established as detailed in this report.

5.1.3 The Program has no service standards, and their development and implementation should be made a priority given client concerns. These standards should indicate not only time-frames for delivering a service (e.g. making payments within specific time frames), but also processing times (e.g. for responding to work orders). When developed, they should be communicated to clients and compliance by staff should be monitored.

5.1.4 The Organizational Chart shows the Property Assistant and Purchasing Assistant reporting to the Accountant/Office Manager while in reality they report directly to the MCO. The Organizational Chart should be updated to reflect current reporting relationships. Position descriptions should also be reviewed, in particular that of the LE-07 Accountant/Office Manager and the LE-06 Property Assistant, to ensure they are indicative of current responsibilities. The Classification Committee should review position descriptions as duties and responsibilities change. Appraisals are not complete for all LES in the Administration Program. Improving communication, clarifying reporting relationships, implementing service standards, and instituting annual performance reviews are necessary to ensure consistent and efficient service.

Recommendations for the Mission

5.1.5 A monthly all-staff meeting for the Administration Program should be instituted.

5.1.6 Detailed service standards should be developed and implemented, specifying both processing and time frames.

5.1.7 The Organizational Chart should be updated to reflect current reporting relationships in the Administration Program.

- 5.1.8 Position descriptions should be reviewed and updated, where necessary, and submitted to the Classification Committee for re-evaluation.**

Mission Actions and Time Frames

- 5.1.5 Implemented.**
- 5.1.6 Client Service Standards will be implemented by April 1, 2005.**
- 5.1.7 Implemented.**
- 5.1.8 Position descriptions will be reviewed and updated, where necessary, and submitted to the Classification Committee for re-evaluation by July 1, 2005.**

5.2 Human Resources (HR)

5.2.1 The Human Resources (HR) function is generally well managed. Apart from the Administration and Consular Programs, performance appraisals and position descriptions are current. The Mission plans to re-institute the Classification Committee and position descriptions should be submitted to the Committee for review as duties change. Staff commented that they did not generally receive the opportunity to discuss appraisals with their manager as a part of the performance review process.

5.2.2 No training plan or training budget has been established. The MCO is the training coordinator and canvasses program managers on training needs but has yet to develop a comprehensive Mission training plan. This plan should be developed in consultation with managers, drawing from training requirements identified in performance reviews. Particular areas highlighted as key components of a training plan for this Mission include French language and Information Technology (IT) training for office staff, in general.

Recommendation for the Mission

- 5.2.3 A formal training plan should be developed, and a training budget established by the CMM.**

Mission Action and Time Frame

- 5.2.3 A formal training plan will be developed, and a training budget established by the CMM by May 1, 2005.**

5.2.4 An LES Committee is in place which largely served as a social committee prior to the arrival of the new HOM. Formalized meetings between the Committee and Management are now encouraged. The Committee has not developed Terms of Reference (TOR) although formalized meetings between the Committee and Management have now been scheduled four times a year. LES, in general, are very satisfied with the increased access to the HOM through recently instituted all-staff meetings and the LES Committee.

5.2.5 A review of a recent staffing action showed the competition to be well managed, transparent and fully documented. The staffing process is elaborate in nature and perceived as fair by staff at the Mission.

5.2.6 A benefits review has not been undertaken since 1999 but is scheduled for 2005. An employee handbook dated November 1, 2004 is being circulated by Mission Administration but should not be distributed as it has not been authorized by the Locally Engaged Staff Division (HLD).

Recommendation for the Mission

5.2.7 The employee handbook dated November 1, 2004 should be submitted to HLD for approval and then distributed to LES.

Mission Action and Time Frame

5.2.7 The draft employee handbook has been submitted to HLD. Once HLD approval is received, it will be distributed to the LES for comment before being put in final form.

5.3 Physical Resources

5.3.1 Physical Resources is headed by the MCO with the assistance of a Property Assistant (LE-06) and a Purchasing Assistant (LE-05). The Section is also supported by three non-office staff, i.e. one handyman and two gardeners. The volume of activity has increased over the past six months due to new staff quarters (SQs) and Chancery renovations undertaken to accommodate additional CBS. In the past year, the Section handled approximately 800 work order requests, higher than in previous years. This increased workload has highlighted some service issues, with clients commenting that the Section generally provides quality service but not always in a timely fashion. More focus needs to be placed on this function by the MCO and particular attention needs to be given to processing work orders according to clear guidelines and service standards.

5.3.2 The MCO needs to initially meet with the Property Assistant and the Purchasing Assistant each morning to review the work orders for the day, develop an action plan, and review progress with outstanding work orders. As performance

improves against prescribed standards, the requirement for daily meetings can be re-assessed.

5.3.3 Occupancy Agreements had all been signed at the time of the audit. Distribution accounts were complete for all SQs but not for the Official Residence (OR). A distribution account does not exist for the Chancery but the Purchasing Assistant maintains a card system which closely monitors inventories and supplies.

5.3.4 The Chancery is Crown-owned and located on an island site downtown near other diplomatic missions. The Chancery is well maintained and a refurbishment is planned for 2007. Renovations are underway to move the Commercial Section to the first floor to accommodate a growing CIDA Section.

5.3.5 The property portfolio consists of six Crown-owned SQs, five on the Caribou Court compound, one off compound, and one Crown-leased property off compound, which is currently up for sale. The Mission is currently in the process of leasing another SQ for a recently added CBS. SQs are well maintained although some aesthetic renovations should be planned for the Caribou Court compound and incorporated into the Mission Property Management Plan (MPMP). Some SQs have been expanded to accommodate families by renovating the garages into family rooms, and, in certain cases, constructing additional bedrooms. The creation of an additional room to SQ3070043 should be capitalized and not expensed as the cost was greater than \$10,000. The Mission has been attempting to dispose of vacant SQ3070063 as it would require a considerable investment to bring it to standard and its current configuration is inappropriate. *** The MPMP should be updated to reflect current plans to dispose of this SQ.

5.3.6 A major renovation was undertaken at the Official Residence (OR) in 2002/03. While the renovation took longer than originally planned, it resulted in an increase in the functionality of the OR. Some concerns were raised regarding the height of the counters in the kitchen and dissatisfaction with some kitchen appliances which break down regularly.

5.3.7 The municipality currently owns the land between the OR and the road. The Mission is free to use the land as needed for parking when hosting large events but has concerns that future development, particularly given this property's prime location on the coast, may limit the effectiveness and value of the OR. The Mission has been in contact with local officials regarding the potential purchase of this land and should maintain a dialogue with SRD on this subject.

Recommendations for the Mission

- 5.3.8 The MCO should institute daily meetings with the Property Assistant and Purchasing Assistant to review work orders, develop an action plan, and review progress on outstanding work orders.**
- 5.3.9 The Distribution Account for the OR should be completed.**
- 5.3.10 *****
- 5.3.11 The room addition to SQ3070043 should be capitalized as the cost was greater than \$10,000. The Mission should contact SRD who is responsible for capitalizing assets for the Department.**

Mission Actions and Time Frames

- 5.3.8 Implemented.**
- 5.3.9 The Distribution Account for the OR will be completed by May 1, 2005.**
- 5.3.10 *****
- 5.3.11 The Mission will contact SRD by April 1, 2005 to capitalize this asset.**

5.4 Finance

5.4.1 The Finance Section is headed by a LE-07 Office Manager/Accountant who is supported by a LE-05 Assistant Accountant. Accounting responsibilities include a budget of \$3.8 million (\$1.8 million for FAC/ITCan and \$2 million for CIDA). The Section also supports the Honorary Consul in Madagascar. The Honorary Consul collects both consular and immigration fees which are deposited in the official bank account in Madagascar. A summary sheet and the bank statement are forwarded from the Honorary Consul to the Mission to allow for IMS input. The Madagascar account also allows for the receipt and disbursement of CIDA funds transferred from the Mission. Cheque signing authority for this account rests with the Mission. In addition to this account, the Mission has two bank accounts of its own: a USD account and a Tanzanian Shilling (TZS) account. Between these three accounts, the Mission issues approximately 100 cheques and a few EFTs each month.

Banking

5.4.2 The Mission's monthly bank reconciliations have not been forwarded to SMFF for three months. This delay is not attributed to Finance, but rather to program management which has been slow in reviewing the accounts. SMFF procedures call for

Mission monthly bank reconciliations to be submitted within ten working days of the close of the financial period.

5.4.3 The Mission has experienced recent problems with its bank. There have been delays in receiving returned cheques, confusion as to whom to contact at the bank, and, at times, statements are received that span a period of more than one month. Involvement by the MCO may help resolve these problems.

5.4.4 ***

Recommendations for the Mission

5.4.5 The Mission should submit its bank reconciliations to SMFF on a timely basis.

5.4.6 The MCO should meet with the bank to resolve problems and discuss on-going service needs.

5.4.7 The Mission should establish alternate deposit methods.

Mission Actions and Time Frames

5.4.5 The Mission will give priority to faster submission of its monthly bank reconciliations.

5.4.6 The MCO will meet with the bank by April 1, 2005 in order to clarify and resolve problems and discuss on-going service needs.

5.4.7 ***

Madagascar

5.4.8 The Mission is unable to indicate what individuals have signing authority for the Madagascar bank account. The Team is, therefore, unable to assess if funds paid from this account (mostly CIDA) have been properly authorized.

5.4.9 Processed cheques are not returned from the bank and there are no photocopies taken of the cheques. The Mission needs to request that processed cheques or photocopies be returned by the bank so that the bank reconciliation can be properly completed each month. If cashed cheques are unavailable, then the cheques should be photocopied before being released by Finance.

5.4.10 In September 2004, at the request of SMFF, the Mission removed signing authority for the two bank accounts in Dar es Salaam from the Accountant. LES are not

to have this authority when there are CBS at the Mission. The Accountant may currently have signing authority on the Madagascar bank account; this however, could not be confirmed. Also, there appears to be no place for signature on the cheques. The Team is concerned that a cheque may clear the account without a signature. Both these issues need to be investigated.

5.4.11 The banking fees for the Madagascar account are high. This is largely attributed to the transfer of HQ funds to Madagascar through Dar es Salaam. The Mission needs to contact SMFF to see if more cost effective methods exist for transferring funds.

5.4.12 A problem exists with communication between the Finance Section and staff in Madagascar. Neither the Accountant nor the Assistant speak French, and staff in Madagascar do not speak English very well. This has resulted in confusion surrounding the Madagascar Account.

Recommendations for the Mission

5.4.13 The Mission should verify the signing authorities on the Madagascar bank account and adjust these authorities where required.

5.4.14 The Mission should request the return of cancelled cheques for the Madagascar account from the bank and, if not possible, the Mission should photocopy its cheques.

5.4.15 The Mission should ensure two signatures are required on a cheque for it to be cashed.

5.4.16 SMFF should be contacted to determine if there are more economical methods for transferring funds from HQ to Madagascar.

5.4.17 The MCO should take a more active role in overseeing the bank account with Madagascar.

Mission Actions and Time Frames

5.4.13 The Mission will verify the signing authorities on the Madagascar bank account and adjust these authorities where required, by April 1, 2005.

5.4.14 As it is not possible to have cancelled cheques returned, the Mission will photocopy cheques prior to release, effective immediately.

- 5.4.15** The Mission has confirmed that the Accountant does not have cheque signing authority for the Madagascar bank account. The Mission continues to obtain two signatures on all cheques.
- 5.4.16** The Mission has previously been in contact with both SMFF and the Honorary Consul in order to find a more economical method for transfer of funds. Efforts will continue, although the Malgache banking system may not allow for further economies.
- 5.4.17** Implementation of the Audit Team recommendations 5.4.13- 5.4.16 will address this recommendation.

Payment Processing

5.4.18 Staff at the Mission raised concerns about the quality of service received from the Section. Payment processing is particularly slow; the Honorary Consul also raised this issue as there have been delays in dealing with claims from Madagascar. There are no documented procedures or service standards for processing payments.

5.4.19 The payment process can be expedited by tracking and monitoring transactions. To determine the length of time a payment is taking, a date stamp should be used to stamp all invoices received. Each completed step in the process can also be stamped and initialled. The MCO could then monitor the process to understand where and why delays occur. Part of the current delays can be attributed to Program management which is slow to exercise payment authority.

5.4.20 Service standards, once developed, need to be communicated to all staff. These standards will help to ensure delivery of services on a timely basis. The payment process should also be documented with set times and responsibilities assigned for each step.

5.4.21 Consolidating payment runs at set times, i.e. Monday and Wednesdays only and limiting service hours will improve efficiency by reducing ad hoc processing and allowing Finance staff to focus on detailed processing without interruption.

Recommendations for the Mission

- 5.4.22** Service standards for payment processing should be developed and communicated to all staff at the Mission.
- 5.4.23** All invoices should be date stamped and tracked to facilitate monitoring and analysis of payment processing.

- 5.4.24** The payment process should be documented, with time frames and responsibility assigned for each step. This document should be distributed to clients to promote awareness of processing requirements in Finance.
- 5.4.25** Invoices should be batched for processing with payment runs on set days only and limited service hours should be established in the Finance Section.

Mission Actions and Time Frames

- 5.4.22** Client Service Standards for payment processing will be developed and communicated to all staff at the Mission, by April 1, 2005.
- 5.4.23** Implemented.
- 5.4.24** The Mission will address this recommendation through the implementation of Client Service Standards.
- 5.4.25** Invoices will be batched for processing with payment runs on set days and limited service hours will be established in the Finance Section by May 1, 2005.

Official Receipts

5.4.26 Amounts are clearing the bank account prior to the date on the official receipt. The Assistant advised that he waits until cheques clear the bank before issuing a receipt, as there have been problems with cheques clearing in the past. A receipt must be issued each time money is received. If the Assistant waits until the cheque clears, the effectiveness of this control is lost.

Recommendation for the Mission

- 5.4.27** The Finance Section should issue Official Receipts at the time it receives money and not wait until the funds clear the bank.

Mission Action and Time Frame

- 5.4.27** Implemented.

Contract Review Board (CRB)

5.4.28 The Mission currently does not have a Contract Review Board (CRB) to review contracts. Also, there are no minimum values for sole sourcing contracts.

Missions are required to have a CRB and a reasonable dollar threshold should be established for contract review. Numerous documents on the SMD intranet site provide advice and guidance regarding CRBs, including a “toolkit” for reviewing contracts.

5.4.29 The Mission does not use the Materiel Management (MM) module in IMS. A new policy was introduced by HQ, effective December 2004, requiring all contracts approved by the CRB to be entered into the MM Module.

Recommendations for the Mission

5.4.30 The Mission should implement a CRB to review contracts. Minimum values for sole sourcing contracts should be established by the CMM.

5.4.31 The Mission should use the MM module in IMS to comply with the new HQ Policy on Contracting. Staff using this module should receive appropriate CFSI training.

Mission Actions and Time Frames

5.4.30 A CRB will be established immediately and will set a minimum for sole-source contracts.

5.4.31 The Mission will explore CFSI training in order to commence use of the MM module in IMS so as to comply with the new HQ Policy on Contracting.

Hospitality

5.4.32 The Mission’s hospitality policy was reviewed. Ceilings had been established and approved by the CMM. Hospitality files were appropriately documented.

Fund Centre Access

5.4.33 Earlier in the fiscal year, another Mission made an entry in IMS that affected Dar es Salaam’s fund centre resulting in a reduction of the funds available for use by the Mission. Dar es Salaam was unable to process payments for a number of days as it waited for HQ to reverse the erroneous entry. Access to all Missions is given to IMS users at any Mission where it has financial responsibilities of a spoke.

Recommendation for SMS

5.4.34 In consultation with SMF, steps should be taken to restrict access within IMS to specified Missions. If this is not possible, compensating

controls should be developed and promulgated to Missions to ensure errors between fund centres are quickly detected and rectified.

SMS Action and Time Frame

5.4.34 SMSF has consulted with SMFF on this recommendation. As noted an individual Mission fund centre can be posted to by another Mission (i.e. a Hub Mission). This model was put in place to facilitate the transfer of funds across the department. Restricting this access would have a major impact on Mission and Headquarter business processes and have workload implications that would outweigh the benefits. As a compensating control, Missions are required to review their financial reports on a regular basis to identify any transactions posted incorrectly and take appropriate action.

5.5 Information Technology (IT)

5.5.1 The MCO is responsible for managing Information Technology at the Mission, with an LE-08 Information Technology Professional (LEITP) responsible for day-to-day operations. Systems are functioning effectively within the Mission and staff indicate they receive good service from the LEITP who maintains a good client service focus. She is suitably trained for her duties. The SIGNET 3 installation planned for January 2005 will resolve some user concerns such as the need for Microsoft Office.

5.5.2 The LEITP has not yet delivered much training to Mission users and no IT training plan has been developed. An IT training plan will become more important for this Mission given the upcoming SIGNET 3 installation. The LEITP should survey staff a few weeks following SIGNET 3 installation to determine specific training needs and use this information to organize group training, where possible. Some training will need to be offered by outside parties with the LEITP organizing these sessions. When developed, the IT training plan should be incorporated into the Mission Training Plan.

5.5.3 The Mission is in need of more work stations to offer group IT training on-site. There is only one spare workstation for the entire Mission while a minimum of four workstations will be required to offer group training in the board room.

5.5.4 The back-up to the LEITP is the Receptionist who, while capable, has not received training to fill this role. Given the service nature of the LEITP duties, it is a problem for the Receptionist to make herself available to clients during absences of the LEITP. The MCO needs to examine the current arrangements and determine if it will be possible for the Receptionist to receive the necessary training and provide IT services as needed. If so, the MCO and LEITP need to consult with the Regional Manager (RM) in Nairobi to seek advice on an appropriate level of training for the back-up.

5.5.5 While the Mission has OCTEL, calls are channelled directly to the Receptionist during office hours, with no OCTEL script in place to handle calls of a routine or repetitive nature. Given the time the Receptionist spends responding to routine inquiries and given that the Mission does not have a Visa Section, an OCTEL script needs to be developed and implemented.

Recommendations for the Mission

- 5.5.6 An IT training plan should be developed and incorporated into the Mission training plan.**
- 5.5.7 The Mission should procure additional workstations to offer training in the board room.**
- 5.5.8 The MCO should revisit the selection of the Receptionist to back-up the LEITP as her availability to fill this role is limited.**
- 5.5.9 The MCO and LEITP should consult with the Regional Manager in Nairobi to develop a training protocol for the back-up to the LEITP.**
- 5.5.10 An OCTEL script should be developed and implemented to handle routine inquiries.**

Mission Actions and Time Frames

- 5.5.6 An IT training plan will be developed and incorporated into the Mission training plan by June 1, 2005.**
- 5.5.7 The Mission is in the process of procuring additional workstations to offer training in the board room.**
- 5.5.8 The MCO will revisit the selection of the Receptionist to back-up the LEITP.**
- 5.5.9 The MCO and LEITP will consult with the Regional Manager in Nairobi to develop a training protocol for the back-up to the LEITP by May 1, 2005.**
- 5.5.10 An OCTEL script will be developed, as needed, and implemented to handle routine inquiries.**

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

General Relations Program

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