AUDIT OF THE CONSULATE GENERAL

SYDNEY

May 2006

Foreign Affairs and International Trade
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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 Sydney from February 7 to 11, 2005. The Consular and Administration Programs were last audited in June 1994.

This is a very well managed Mission with an experienced Head of Mission (HOM) who has adopted modern management techniques to improve staff performance and program planning. Staff morale is high with some stress due to insufficient resources in the Consular Program.

During the period when Foreign Affairs Canada (FAC) and International Trade Canada (ITCan) were separate departments, the Head of Mission (HOM) was the only Canada-Based Staff (CBS) from FAC. Of the four other CBS at this Mission, two were from ITCan and two were from Citizenship and Immigration Canada (CIC). The HOM raised the issue of Other Government Departments (OGDs) CBS resource utilisation for the delivery of FAC programs such as the Consular Program, including Passport supervision and production. The split between ITCan and FAC heightened the issue as ITCan resources could no longer devote time to the Consular Program in Sydney. To resolve this, the HOM had to assume a Program Manager's responsibility for the management of the Consular Program. With the reintegration of the departments of Foreign Affairs and International Trade into a single department, the issue of the lack of CBS supervision for the issuance of some 2,400 passports per year can be re-examined. There is a need for another half-time employee in the Consular Section to help with passport production, as turn-around time is over 20 working days instead of the prescribed ten.

Sydney leads the delivery of the Cultural and Public Affairs Program (CPAP) in Australia while Canberra concentrates on General and Media Relations. The CPAP Section is dynamic, well organised and achieves a lot with few resources. The Mission intends to make a business case for an additional half-time employee in this section.

The IBD Program has successfully collaborated with the Canberra and Auckland missions to establish "the Trans-Tasman Approach" whereby responsibility for priority sectors for the region is assigned to one mission. To further improve this, the two Australian missions need to meet to develop methodology to assess both priority and emerging sectors. An Australia-wide IBD Program Manager should be designated and it is believed this individual would be better placed in Sydney rather than in Canberra. More work needs to be done to include Auckland in a total South Pacific strategy for IBD.

The Administration Program is effectively managed by a Locally-engaged Mission Administration Officer (MAO). Staff indicated satisfaction with the

administrative services provided. Systems, processes and controls are in place and functioning well. Files and other documentation are up to date and well organized.

The location of the Official Residence (OR) in a distant suburb makes it difficult to attract guests. Since a more central location may also have draw-backs, the Mission and Physical Resources Bureau (SRD) should further assess the OR's location before considering a move.

A total of 35 audit recommendations are raised in the report. Of these, 32 are addressed to the Mission and three to HQ. Management has responded to each recommendation indicating action already taken or decision made, as well as future action. Of the 35 recommendations, management has stated that 29 have been implemented. For each of the remaining six 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 Cultural and Public Affairs Program (CPAP), 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 that the Department is receiving value-for-money; and,
- make recommendations, where warranted, to improve the economy, efficiency and effectiveness of programs.

Physical Resources

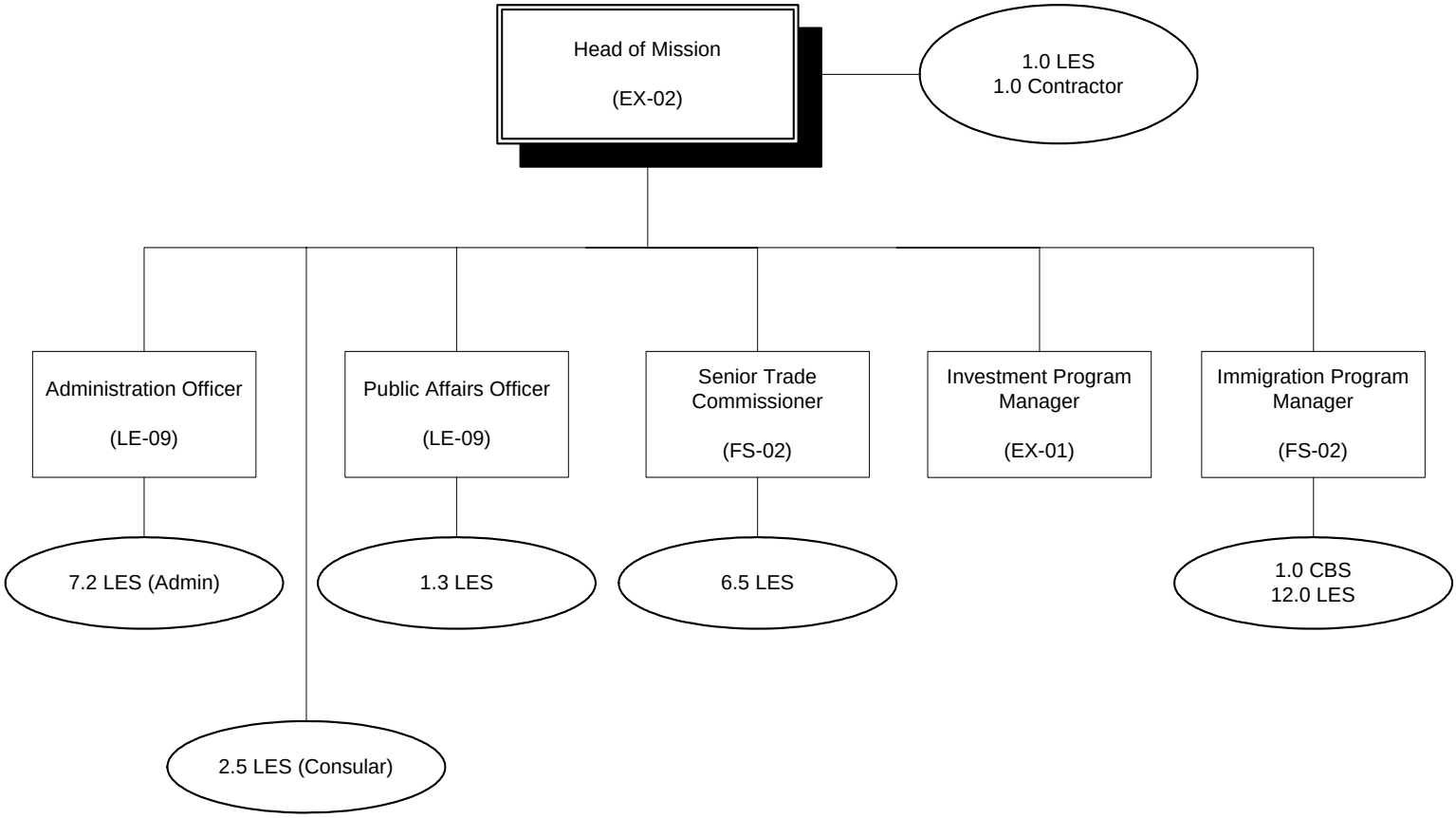
Assets	Crown Leased	Crown Owned
Chancery	1*	1
Official Residence	0	1
Staff Quarters	3	1
Vehicles	0	2

*****Ground lease

Financial Information 2004/05

Operating budget (N001)	$1,287,712
Capital Budget (N005)	49519
CBS Salaries Budget (N011)	504160
LES Salaries Budget (N012)	1702198
Total	$3,543,589

Organization Chart



MISSION MANAGEMENT

1.1 Overview

1.1.1 This is a well managed mission headed by an experienced and capable HOM who has adopted modern management techniques as evidenced by the integrated approach to completing the Mission's annual plan and Performance Measurement Agreements for Program Managers and himself. The Committee on Mission Management meets every second Monday with a rotating LES attending. Minutes are kept and circulated electronically to all staff with distribution to Canberra, Wellington, Auckland, the Asia South and Pacific Bureau (RAD) and the Southeast Asia and Pacific (RAE). Other committees include the Housing Committee, the Contract Review Committee, the Health and Safety Committee and the LES Committee who meet on an as needed basis. Minutes for these committees are recorded. The HOM maintains an open door policy with Program Managers and employees. General staff meetings are held several times per year to discuss such items as compensation and benefits packages, health plans and mission statements. Staff are of good quality, well organized and morale has improved since the arrival of the HOM. Morale is very good to excellent.

1.1.2 Canberra, Sydney, Wellington and Auckland belong to an association called the Tasman Connection. It was initially set up to share common trade promotion objectives but has evolved to include program objectives from CIC to Public Affairs to General Relations. The last interpost meeting between Sydney and Canberra was in April 2004 and included all program managers. This one-day meeting provided an opportunity to better align program objectives between the two missions, share ideas and exploit joint strategies and activities. Canberra and Sydney are looking at how to include Wellington at the next meeting. This would add a useful dimension when discussing a regional approach to the Tasman Connection.

CULTURE AND PUBLIC AFFAIRS PROGRAM

2.1 Overview

2.1.1 The Culture and Public Affairs Program (CPAP) is headed by the Culture and Communications Officer, an LE-09 who is assisted by a Public Affairs Coordinator, an LE-06 and a half-time assistant, an LE-04 who also replaces the receptionist when on break. The CPAP handles most of the Cultural events across Australia while Canberra takes the lead on media relations and academic and educational marketing. Sydney's focus is on the art and cultural industries, in particular music, film/television, literature/publishing and aboriginal arts. It leverages the visits of high profile artists such as K.D Lang to promote lesser known artists. Through partnerships with Heritage Canada, the Alberta Art Foundation for the Arts, Air Canada and Allied Artists Australia it organised the "Made in Alberta" visit of Albertan musicians in February 2005. These are but a few examples of the many events organised by this program. In all, the Program accomplishes a lot with few resources.

2.1.2 This group works very well together and has adopted e^3 concepts to organising and planning its work. There is close collaboration with our missions in Canberra and New Zealand. Communication with the HOM and the Trade Program are excellent as is the coordination of cross-program events such as the Canada Day Celebrations.

2.1.3 The Section maintains a "To Do Time-Line" of some 60 public affairs and cultural events requiring its attention and action. It also includes administrative needs such as Public Diplomacy training and updating job descriptions. This "To Do Time-Line" also provides dates of events, who is to attend, what is to be done and by whom. It also identifies budget needs and sources of funding such as the Post Initiative Fund (PIF), Arts & Cultural Industries Promotion (ACA) funding or Public Diplomacy funding. Added to this, is the calendar of "Incoming Visits" listing events and incoming artists or groups from Canada. Last year there were more than 100 visits to Sydney and the region. These instruments provide the Mission with a comprehensive and easy work plan to follow. This Section also managed the production of "The Southern Compass" a "How to" guide for musicians interested in performing in Australia and New Zealand.

Translation of Press Releases

2.1.4 The Section produced over 50 Press Releases last year. These are published on the joint Sydney/Canberra web site and are not translated into French because of insufficient resources. Canberra produces fewer press releases and does have the resources to translate these into French. Consequently, the French web site contains some French and some English press releases which could be the cause of complaints from readers. The Department's Official Languages Policy states:

"*Similarly, mission Web pages designed for the exclusive use of a local, non-Canadian public, may be issued in the local language(s) exclusively. Each such page must be identified in English, French and in the local language(s) as being for the use of a local public exclusively*.

2.1.5 The Mission currently identifies releases with an Australian flag and 'intended for an Australian audience; produced only in English' notice under the release on the English page and "Préparé pour un public australien; disponible en anglais seulement' on the French page. The Mission estimates that it can translate up to 20 releases per annum with local budgets, but will still face the challenge of insufficient funds to cover the backlog and keep up with the pace of 40-50 releases issued per annum.

Recommendation for the Mission

2.1.6 The Mission should establish with Canberra a local policy of translating all or none of its local press releases intended for a local non-Canadian public.

Mission Action and Time Frame

2.1.6 The reasons for the Mission's uni-lingual releases are a) lack of resources and b) they are intended for an Australian audience. The Mission is currently in discussion with Canberra about this issue. As of August 2005, all the Mission press releases are translated locally and posted on the Website in both official languages. This is consistent with Canberra's approach with the exception that it translates through HQ. Given Sydney's volume, it is more cost effective to translate locally through our qualified translator.

Additional Resources

2.1.7 According to the Mission, this Section is forgoing Public Diplomacy opportunities because of workload and time constraints. Additional tasks, such as translations and drafting of Press Releases could be shifted to the Program Assistant's position were it made full time. The employee currently occupying this job is a fully qualified translator and has been utilised by other sections of the Mission to do translation work. This would free up the Section Co-ordinator from basic duties and enable a greater emphasis on project work within the Mission's cultural priorities.

Recommendation for the Mission

2.1.8 The Mission should prepare a business case to convert the part-time Administrative Assistant in the Cultural and Public Affairs Section to full-time employment.

Mission Action and Time Frame

2.1.8 This is a priority as we further "mainstream" our Public Diplomacy program. The business case was submitted October 28, 2005.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The Commercial Section is headed by the IBD Program Manager (FS-02). He is supported by four LES Commercial Officers and three Commercial Assistants, one of whom is the manager of the InfoCentre. In addition, two trade interns are working in the Section. Late last year, an EX-01 level officer was added to Sydney. This officer reports to the three HOMs in the region (Sydney, Canberra and Wellington, New Zealand) and is responsible for investment promotion in both countries. This position is not formally part of the Commercial Section in Sydney.

3.1.2 The regional economy remains very strong and is expected to continue to grow. In conjunction with Canberra (as part of the Trans-Tasman strategy - see below), eight priority sectors have been identified. In the most recent client survey completed by the Trade Commissioner Service, Australia remains in the top ten destinations for Canadian exporters.

3.2 Management of the Program

3.2.1 The Program Manager is on his second posting as a head of program. All staff within the Section respect the experience of the Program Manager, particularly for his role in guiding the Section through the business planning process. The Program Manager has developed a planning template that is used by all officers and often plays devil's advocate in questioning some of the assertions in the sector plans. To ensure that officers are clear on the results expected of them, the Program Manager should draw up Accountability Agreements with his officers. These should be based on the strategic plans developed by the officers and include detailed work plans that outline expectations and performance measurements that are results-based. These should then be used to monitor operations and provide feedback.

Recommendation for the Mission

3.2.2 Draw up Accountability Agreements between the Program Manager and the officers based on expected results.

Mission Action and Time Frame

3.2.2 Quarterly objectives have been established for IBD staff by agreements with the Senior Trade Commissioner (STC) and are providing the basis for operational review, results assessment and feedback. Furthermore, as with the entire Consulate, FAC/ITCan's new Performance Management Program (PMP) process is being

phased in during 2005/2006 to complement this program-specific activity.

3.2.3 The Program Manager should use the Accountability Agreements as a major tool in managing the Program. There is the perception that the Program Manager may, at times, place too much emphasis on details, particularly administrative details. In guiding staff through the business planning process, officers are able to see the broad vision that the Program Manager is hoping to achieve. This leads to the formulation of sector strategies and plans that form the basis for the Accountability Agreements that are agreed upon collectively by the officers and the Manager. Using these Agreements, the Program Manager needs to do periodic, perhaps quarterly, checks against objectives. Officers are looking for the Program Manager's broad objectives for the Program, not his involvement in details. They also count on him to provide support when needed including access at higher levels and securing necessary resources to undertake strategies.

Recommendation for the Mission

3.2.4 Use the Accountability Agreements to provide quarterly feedback to Commercial Section staff.

Mission Action and Time Frame

3.2.4 As per the response in 3.2.2 , quarterly objectives have been established for IBD staff by agreements with the STC and are providing the basis for operational review, results assessment and feedback.

3.2.5 The Program Manager has developed an outcall strategy that identifies key targets and objectives and incorporates calls by the HOM. Calls on target companies are initiated at the working level. Once working level contacts are initiated and objectives established, calls at more senior levels involving the Program Manager and the HOM are pursued. With specific objectives identified for the senior level calls, they tend to be more productive on both sides. Calls at senior levels are used to advance specific objectives rather than simply for courtesy. This strategy has been formulated but is only at the early stages of implementation. There is some evidence that officers were not getting out of the office as frequently as expected by the Program Manager. It is expensive to travel within Sydney. Taxi fares to suburban industrial areas can be in excess of $50 in each direction. A check of both the travel budget and car logs for office vehicles suggest that the level of outcalls could be increased. The outcall strategy developed by the IBD Section should be aggressively implemented and specific objectives to be achieved through the outcalls should be included in the Accountability Agreements for each officer.

Recommendation for the Mission

3.2.6 Specific objectives to be achieved through outcalls should be reinforced and monitored through inclusion in the Accountability Agreements for each officer.

Mission Action and Time Frame

3.2.6 Outcall plans with specific objectives have been emphasized in the Accountability Agreements. However, staff have noted that travel budget constraints resulting from cuts, the arrival of new staff without funding, and the diversion of existing budgets to the Investment program (because additional funding has not been provided to this as per audit recommendation 3.4.2) will limit the range of what is achievable.

3.3 Trans-Tasman Approach

3.3.1 The Sydney and Canberra missions in Australia along with Auckland, New Zealand have developed a plan to provide coordination among the three missions. The Trans-Tasman approach consists of two steps. The first is the rationalization of priority sectors among the two Australian missions followed by the identification of specific sectors that could be rationalized across the Tasman Sea. The rationalization of priority sectors within Australia has been a successful way to coordinate activities between Sydney and Canberra ensuring that resources are used most efficiently. Each of the LES Commercial Officers in Sydney and Canberra and the number two CBS position in Canberra have been assigned the lead for one priority sector covering the entire country. If an inquiry comes into Sydney and the lead officer for this sector is in Canberra, the inquiry is transferred to Canberra. This approach has been successful, but there are a number of steps that could be taken to make this approach even more efficient.

3.3.2 There is no process in place that allows the two missions to re-assess priority sectors or recognize new emerging sectors. In addition, the rationalized approach requires close coordination among officers in both missions. Beyond coordination, there needs to be trust developed among all officers and confidence that inquiries passed from one mission to another will be handled adequately. The two programs have not met together as a team in over four years. There is a need for an all-staff meeting to foster closer working relationships and to develop methodology for assessing priority sectors and identifying emerging sectors.

Recommendation for the Mission

3.3.3 The Missions in Sydney and Canberra should convene an all-staff Trade meeting to foster closer working relationships and to develop methodology for assessing priority sectors and identifying emerging sectors. Consideration should be given to including personnel from Auckland in this meeting.

Mission Action and Time Frame

3.3.3 It has not yet been possible to convene an all-staff Trade meeting. However, the senior trade representatives from Canberra, Sydney (Investment and IBD) and Auckland met in Auckland March 2005 to calibrate respective strategies and objectives, and there was a three post Trans-Tasman Trade meeting March 8, 2006 attended by the STCs, the Investment Counsellor and the Sydney Trade staff.

3.3.4 In addition to realistically assessing priority sectors, the two trade teams should assess where these priorities should be led from. An Australia wide re-assessment will likely lead to a reallocation of resources to Melbourne or even Perth. Re-allocation, however, should be consistent with the Trans-Tasman approach. Consideration for movement to Melbourne or Perth should be based solely on whether there is logic for a sector to be led from one of these cities. Given the limited resources, moving a resource to one of these cities for purposes of providing geographic coverage would be unsustainable. The Program in Australia does not have the resources to provide coverage in a geographic sense.

Recommendation for the Mission

3.3.5 The two trade teams should assess where priority sectors should be led from, leading to a possible re-allocation of resources.

Mission Action and Time Frame

3.3.5 Re-allocation of resources on the geographic basis recommended in the Audit report has been suggested to HQ. However, HQ has indicated that it is not able to comply with this notion at this time. Notwithstanding, the trade programs in Sydney and Canberra will continue to re-assess the best distribution of sectors on an ongoing basis. Re-allocation of IBD resources between the two programs has already occurred in that a CBS officer level position has been transferred to Sydney.

3.3.6 To ensure that the Trans-Tasman approach to coordination between Sydney and Canberra continues beyond the terms of the current Program Managers, there needs for a Manager to be accountable for the country-wide IBD Program. The current structure with two Program Managers managing separate, and yet coordinated programs, will not guarantee the continuation of the in-Australia Trans-Tasman approach. Given that the commercial centre of Australia is Sydney (with Melbourne as the second centre), it would be logical to have overall coordination of the Program from Sydney. Canberra will continue to play a major role given the trade access and policy issues that have an influence on Canada/Australia IBD relations, but this will be secondary to the private sector commercial relationship. Currently, the Program Manager position in Sydney is an FS-02 position while the Program Manager position in Canberra is an EX-01 position. The EX-01 manager in Canberra is due to leave this coming summer. This provides an opportunity to re-evaluate the overall structure of the Program in the country. One way to achieve coordination would be to move the EX-01 position to Sydney and give this Manager overall responsibility for the entire country. The Program Manager in Sydney and the number two CBS position in Canberra could be given responsibility for the day-to-day operation of the respective offices. Another option to consider is to task the Consul General in Sydney as "Director IBD" for all three missions, thereby exercising co-ordinated responsibility for our entire IBD interests in the South Pacific.

Recommendations for the Mission

3.3.7 To provide overall coordination of the IBD Program in Australia, the EX-01 Program Manager position in Canberra should be moved to Sydney.

3.3.8 Consider the utility of designating the Consul General in Sydney as Director of IBD for all three South Pacific missions.

Mission Actions and Time Frames

3.3.7 An EX-01 position has been transferred from Canberra to Sydney.

3.3.8 We understand that designation of the Consul General in Sydney as Director of IBD for all three South Pacific missions has been considered by HQ and any action has been deferred to a future date. When the EX-01 position that has recently been transferred from Canberra to Sydney becomes encumbered in 2006, with a substantive EX-01, then ITCan will make an assessment of how it wishes to continue managing the IBD and Investment programs in Australia and New Zealand – utilizing a trade-HOM or an ITCan EX – both will have compelling business cases.

3.3.9 The other aspect of the Trans-Tasman approach is coordination in selected sectors across the Tasman Sea involving the missions in Australia and Auckland, New Zealand. The Trans-Tasman approach will not work in every sector, but in selected sectors, this appears to be an effective and innovative way for the missions in the region to effectively use their limited resources. For the Trans-Tasman sectors, one officer is responsible for a sector in Australia and New Zealand. Currently, three sectors are included: biotechnology is handled by Canberra, Information and Communication Technologies (ICT) is handled by Sydney and forestry/building products is handled by Auckland. From a Canadian company interest perspective, the assignment of each sector is related to the dominance of that country in the sector. For example, Canada's interest in forestry lies in softwood lumber, a sector dominated by New Zealand in the region. Australia clearly dominates in biotech. For these sectors, the markets are homogeneous in nature and there are a great number of common contacts that work in both markets. Companies active in these sectors approach the two countries as if it was one market. There is a great amount of cross fertilization spurred on by the free-trade agreement between the two countries, and contacts within the selected sectors tend to attend the same conferences and trade shows. To adequately support this innovative approach, changes should be made to InfoExport and the Virtual Trade Commissioner (VTC) to allow clients to recognize the cross-Tasman responsibilities for officers in selected sectors. The Mission indicated that it will continue to seek changes to both systems and hope that the new system to be rolled out will address some of these issues.

Recommendation for TCW

3.3.10 Changes should be made to InfoExport and the VTC to allow clients to recognize the cross-Tasman responsibilities for officers in selected sectors.

TCW Action and Time Frame

3.3.10 Technology should support and reflect the business process. Models like the Trans-Tasman are increasingly used in other markets. However, at present the assumption that sectoral responsibility for a market is handled within the market is embedded deeply into the architecture of InfoExport and the Virtual Trade Commissioner. Estimates of the cost to change the present technology platform to allow a more precise reflection of how Trans-Tasman is organized have been prohibitive.

Any change in the system to allow a precise reflection of the division of work according to Trans-Tasman–like models will have to be undertaken as part of a larger system architecture change. We are examining this as part of the process of moving ITCan to the TRIO

eCRM platform. We cannot commit to a time frame, as much depends on how TRIO development and deployment proceeds.

In the interim, we reiterate our offer to show the relevant Australia officers with the appropriate New Zealand sector responsibilities, and vice versa. However, we are unable to have New Zealand officers show in New Zealand tabs for sectors handled by officers in Australia or vice-versa.

3.4 Investment

3.4.1 An EX-01 level Officer responsible for investment was added to Sydney last year. This Officer reports to the three HOMs in the region (Sydney, Canberra and Wellington) and is responsible for investment promotion in both Australia and New Zealand. This Officer is not formally part of the IBD Section in Sydney and was placed at the Mission without resources (financial and human). The Officer currently operates on the basis of funding provided by the HOM and has an intern working for him temporarily. Without travel or Client Service Funding the Officer can do little to develop an investment strategy. This is a very expensive resource to have in place without support. The level of support required will depend on what the Officer is planning to achieve. If the Officer's role is to develop an investment strategy and then have it implemented by the trade programs in the respective missions, then resources will be required for a relatively short period of time. If, on the other hand, the intention is to locate this Officer in Sydney for an extended period of time to both develop and implement an investment strategy, ongoing resources will need to be provided. In either case, the current situation is unsustainable.

Recommendation for MKS

3.4.2 The investment position in Sydney needs to be adequately resourced.

MKS Action and Time Frame

3.4.2 The investment position will be integrated into the Commercial-Economic Section over the course of this year to allow the Mission to support the full range of trade, investment and innovation programs.

3.5 Commercial Assistants

3.5.1 The Commercial Assistants are very capable. One acts as the Manager of the InfoCentre and does a good job of qualifying contacts and potential leads. She also monitors responses to make sure that the five-day turnaround service standard is

met. Another Commercial Assistant is responsible for the development of the mission's web site and the posting of material on InfoExport and the VTC. When the InfoCentre was initiated, there was a tendency to make sure that the Commercial Assistants devoted all of their time to their specific responsibilities. Now that the InfoCentre has been successfully established and the web site is up to date, there are times when the Commercial Assistants are under-utilized. They are willing to take on additional work from the Commercial Officers, including research. This should be encouraged as it will also free up time for the officers to get out of the office.

Recommendation for the Mission

3.5.2 The Program should provide additional and higher level tasking for Commercial Assistants.

Mission Action and Time Frame

3.5.2 The Commercial Assistants have become more involved with helping officers with project management, additional and higher level tasking and promotional design following the recommendations of the Audit.

CONSULAR PROGRAM

4.1 Overview

4.1.1 In the recent past, the Consular Program was managed by the Senior Trade Commissioner assisted by a Consular Program Officer, a full-time assistant and a part-time assistant. During the period of the FAC and ITCan split it was no longer possible for the STC to continue to manage the Consular Program. To remedy this situation the HOM developed a shared "cross-Consulate CBS duties" for the Consular function. Consequently, the HOM acted as the primary Mission Consular Officer and the junior CBS Immigration Officer was responsible for the control and distribution of blank passports, ID and observation labels.

Consular/Passport Workload

4.1.2 The Mission is responsible for Eastern Australia including New South Wales, Queensland and the Northern Territory. In 2004 the Mission issued 2,483 passports, processed 321 citizenship applications, 61 notarial services and maintained the ROCA database containing 896 registrants. The Mission estimates that some 10,000 Canadians live in Australia. Canadian visitors to Australia are numerous and all transit through Sydney, thus necessitating constant updates to ROCA to confirm arrival and departure dates. Added to this workload are the numerous consular cases, mostly dealing with lost, stolen and renewal passports, and visiting and liaising with the 12 Canadian prisoners in the Mission's territory. Canberra has prime responsibility for the Consular Emergency Contingency Plan with Sydney providing information as required.

4.1.3 The increase in workload is mostly related to passport services, and the Mission indicated an increase in public complaints. Consular Program resources are insufficient to meet service standards and some Consular calls are not answered because of insufficient resources to do so. At the time of the Audit the passport turn around time was at least 20 working days instead of 10. The Consular Team works efficiently and has developed effective office procedures to produce passports and has established financial controls over Consular revenues. Priorities in issuing passports are identified and properly controlled, thus delaying services to other applicants as well as other routine work such as returning ID documents to applicants. Consular Staff are dedicated and work unclaimed overtime in order to provide a minimum level of service to clients. At the time of the audit, there were no FAC CBS resources other than the HOM to oversee the issuance of Passports, consequently passports were independently issued by the LES working in the Consular Section. The HOM, having assumed management of the Consular Program, made himself available at anytime, when required, to provide oversight to the issuance of Passports.

4.1.4 In July 2004, the Mission presented a business case to Headquarters for additional resources. Consular Affairs (CND) agreed with its demand; however, at issue was the source of funding for the $35,000 needed to hire an additional half time

employee to help reduce backlog and staff stress level. Added to this issue are the plan to repatriate the printing of passports to Canada (which while changing work processes will not likely change workload levels) and the need to resolve the lack of CBS oversight over the issuance of passports. Given workload requirements and until the long-term impact on Consular resources is known, the Team recommends an additional half-time term position in the Consular Section.

Recommendations for CND

4.1.5 Consular Affairs, in conjunction with Passport Canada, should formulate and implement appropriate strategies to mitigate the lack of CBS approval of passports issued and to improve control over the issuance of passports.

4.1.6 CND should provide interim funding to the Mission to hire a half-time term employee to reduce the passport backlog and enable the Mission to provide better consular services.

CND Actions and Time Frames

4.1.5 This recommendation is being addressed in the context of the Mission Passport Print Solution (MPPS) project, led by Passport Canada in collaboration with Consular Affairs. Sydney is among the Phase 1 missions to which MPPS will be deployed. Global implementation is scheduled to be completed by April 2006.

4.1.6 It will be at least a year before the Consular Bureau is in a position to fund new LES consular resources abroad. This is dependent on generating additional revenue for the department from existing and cost recovery initiatives. In the short term, the Consular Bureau is working with Area Management Offices to meet critical needs. Sydney is included on a priority list for Temporary Duty assignments during the upcoming fiscal year.

Control of Passport Blanks and Labels

4.1.7 Passport blanks, ID and observation labels were reconciled to the Mission Passport and Label Inventory Report produced by PMP. The HOM counts and reconciles passports and labels on a monthly basis, in the presence of the Junior Immigration Officer and the LES Consular Officer. The main supply of blank passports and labels is kept in a security shell in the secure area of the Mission and in and out movement of stock is recorded by the Junior Immigration Officer and/or the HOM. A working supply of 25 to 50 passports is kept in a security shell in the Consular Section. Consular staff have access to this working supply and are able to produce passports

independently since they have full access to the Passport Management Program (PMP). This constitutes a control weakness which is heightened by the lack of CBS oversight over the issuance of passports. ID and observation label printers are not housed in a secure Dasco cabinet, consequently labels are returned to the security shell during quiet hours.

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 The Administration Program is effectively managed by an experienced LE-09 Locally-engaged Mission Administration Officer (MAO). The MAO is assisted by an LE-08 System Administrator, LE-07 Accountant, LE-04 Administration Assistant, LE-04 Receptionist, LE-04 Administration/Accounts Clerk and LE-03 Driver/Messenger. Staff indicated satisfaction with the Administrative services provided. Systems and processes are in place and functioning well. Files and other documentation are up to date and well organized. There is a good committee structure in place which includes Committees on Mission Management, Classification, Housing, Occupational Health and Safety and Contract Review Board.

5.1.2 Under the Working Holiday Program to Canada, the Mission processes 7,500 work permits for Australian passport holders and 2,000 for New Zealand passport holders. This Program provides an opportunity for youth to enjoy an extended holiday in Canada while undertaking temporary casual work. Administration has been overseeing the successful running of the program over the past few years, contracting youth to process the applications for approval by Citizenship and Immigration Canada and computerizing various steps of the process.

5.2 Human Resources

5.2.1 During interviews staff indicated that they are not always claiming overtime and that the overtime is of their own volition in order to satisfy their own professionalism. While this dedication is admirable, continuous overtime should be discussed with supervisors so that priorities can be determined, staff appropriately compensated and work properly tracked so that if more resources are required business cases can be developed. The overtime policy for the Mission should be reviewed by the CMM and communicated clearly to all staff.

5.2.2 The Mission believes that some positions are under classified. Comparison for job levels internally, as well as with Canberra, would ensure consistency within the country. The Mission indicated that given the size of both missions, similar committee requirements and operating environments, it was open to the idea that certain committees such as Classification and the Contract Review Board could be managed jointly.

Recommendations for the Mission

5.2.3 Review the overtime policy and communicate it to all staff.

5.2.4 Review job descriptions and classification levels.

5.2.5 Explore the possibility of establishing joint committees with Canberra.

Mission Actions and Time Frames

5.2.3 The LES overtime policy has been reviewed and approved by the CMM and relayed to staff.

5.2.4 The Mission reviewed the job descriptions of positions that are believed to require reclassification. Three positions (HOM Assistant, Public Affairs Co-ordinator and Accounts Clerk) were reviewed by the classification committee, comprised of staff from both Sydney and Canberra, and the positions were reclassified November 2005.

5.2.5 The MCO in Canberra has agreed to be part of Sydney's Classification Committee and Contract Review Board. When the new job descriptions are ready, the MCO in Canberra will be requested to be a member of that classification review.

5.2.6 Benefit issues of concern to the LES include employer paid contributions to the health fund, income protection and superannuation payments, the pension plan reinstatement of certain employees in the Canada pension plan scheme, a separate review of Sydney salary levels and salary packaging. The LES Committee was disappointed by Locally-engaged Staff Services Bureau's (HLD) announcement that as the benefits review for the Mission was not among the 45 already started, its submission would be deferred to a later date.

5.3 Physical Resources

5.3.1 The MAO, with the assistance of the LE-04 Administration Assistant and LE-03 Driver/Messenger, is responsible for the Property/Materiel Section. The Chancery is located on two floors of a high-rise building in the city's downtown and is well maintained. While the Chancery is Crown-owned, there is a 99 year ground lease. Every three years, market value of the commercial strata of the building is used to determine the lease payments. In 1991 the cost was $44,000 AUD per annum and has steadily increased to $181,500 AUD in 2003, the last valuation year. The Property Strategy Section (SRSK), in consultation with the Mission, has agreed to postpone till 2006 the formal review of the lease payments on the ground lease so it can coincide with the cyclical review already planned for in the agreement. A proposal to retain the services of a private company to revisit past years lease payments was deferred indefinitely following discussions with other major property holders/tenants in the building who voiced serious concerns about the validity of the undertaking as well as of the company proposing the venture.

5.3.2 The Official Residence (OR) is a lovely well maintained Crown-owned heritage building. The Mission expressed concern that as the OR is in a suburb some distance from downtown, it is difficult to attract guests for hospitality. Moving the OR downtown would also present a challenge attracting guests as there is limited parking. The OR's suitability needs to be assessed to determine a possible relocation and SRSK will include in its Property Plan for next fiscal year a project aimed at assessing the continued retention of the OR.

5.3.3 The Mission has one Crown-owned Staff Quarter (SQ) and three Crown-leased SQs. The Audit Team concurs with the Mission's assessment to sell the Crown-owned SQ. Changes to the city since its purchase have made commuting very long and schooling is far. The Section had been reticent to do minor fit-up (painting, furniture replacement) to keep costs down, which should have been done prior to the current occupant moving in. This needs to be rectified to provide appropriate living conditions for the occupants and to keep the property in top condition to sell.

Recommendations for the Mission

5.3.4 With SRD assess the adequacy of the location of the OR.

5.3.5 Complete the fit-out of the Crown-owned SQ.

5.3.6 Obtain SRD's approval to sell the Crown-owned Staff Quarter.

Mission Actions and Time Frames

5.3.4 The HOM will liaise with SRD to assess the adequacy of the location of the OR.

5.3.5 The Crown-owned SQ has been disposed of and a replacement leased SQ has been acquired by the Mission.

5.3.6. The Crown-owned SQ has been disposed of.

5.3.7 While systems and processes within the Section are considered good, the following procedures should be implemented.

Recommendations for the Mission

5.3.8 The MAO should verify and approve the monthly review of vehicle usage and expense logs.

5.3.9 Fire extinguishers should be provided in Crown-leased SQs as well as Crown-owned SQs.

5.3.10 Secure storage should be provided in the Receptionist's office for consular revenues and documents and in the Working Holiday Program office for cheques.

Mission Actions and Time Frames

5.3.8 The MAO has started verifying and approving the monthly review of vehicle usage and expense logs.

5.3.9 Fire extinguishers have been provided in all SQs.

5.3.10 Locked drawers have been provided to the Receptionist to keep consular revenues. Arrangements are currently underway for the Working Holiday Program staff to move to another level of the building where locked cabinets will be provided to staff. (Note: starting during the Audit visit the cheques were being left with the Accountant for securing at the end of the day).

5.3.11 In the Canberra Audit Report, the issue of the payment of municipal rates and the question of reciprocity are raised and the Canberra Mission will be clarifying the issue with the Ministry of Foreign Affairs. In Sydney, payment is also being made for the Crown-owned properties.

5.4 Finance

5.4.1 The MAO is appropriately engaged in the Finance function and effectively monitors the Mission's budgets and financial operations. The Mission recently changed banks and has been pleased with the result. This bank is now more responsive to requests and the Mission can now produce duplicate cheques. The bank does not provide armoured vehicle pickup of receipts but the Mission is exploring various companies to source this service. Bank reconciliations are up to date.

5.4.2 The Mission is in the process of returning $30,000 to Headquarters following analysis of its third quarter figures. In the future, prior to returning money, the Mission should first ensure that proposals are reviewed by the CMM, as there is a perception that Administration had unilaterally decided which projects were to be funded.

5.4.3 In general, hospitality files are well maintained, and there are useful evaluation comments of events attached. The HOM is a member in a sporting club and the Mission needs to re-evaluate the benefit of this membership to ensure value for money in achieving Program objectives.

Recommendations for the Mission

5.4.4 Proposals for the use of the Mission's budget should be reviewed by the CMM rather than Administration.

5.4.5 Review the benefit of the HOM's club membership for value in achieving Program objectives.

Mission Actions and Time Frames

5.4.4 The HOM has reviewed this process and confirms that Administration always has and will continue to advise CMM of status of budget on a regular basis and in future will ensure that decisions to return funds are clearly consulted and communicated.

5.4.5 The HOM Club membership has been terminated (for the record, please note that the HOM was covering 75% of membership fee personally; and that the Premier of New South Wales was a regular at the Club granting rare access to other members).

5.4.6 Mission accounts are well organized and appropriate processes are in place. To further improve controls, the following procedures should be implemented.

Recommendations for the Mission

5.4.7 Section 33 and 34 (FAA) should also be exercised on SA, SD, FT documents to ensure proper signing authority.

5.4.8 The Mission should issue official receipts for Passport Revenues.

5.4.9 The custodianship for the petty cash should be transferred from the Administration/Accounts Clerk to another individual not working in the Finance Section.

5.4.10 The Mission has been using a historical breakdown of revenue streams, to input Citizenship and Immigration Canada (CIC) revenue into IMS. With the accurate tracking of receipts in CIC's POS+ system, the Mission should be inputting revenues based on the actual coding provided from that system.

5.4.11 The Mission should obtain corporate acquisition cards for staff to use, rather than having staff use their own credit cards.

Mission Actions and Time Frames

5.4.7 The Mission has commenced signing of Sections 33 and 34 for all SA, SD and FT documents from March 2005 of this year.

5.4.8 Official receipts are now being issued for all passport revenues. (Please note that the Consular manual states there is no requirement for official receipts.)

5.4.9 The petty cash parcel is now held by the Administration Assistant.

5.4.10 Mission was using historical breakdown of revenue streams to input CIC revenues into IMS as recommended by SMFF. However, at the request of the Auditors, we have reverted back to inputting revenues based on the actual coding provided from the POS+ system

5.4.11 The HOM and the MAO both have received acquisition cards which should meet the requirements of the staff at this Mission.

5.5 Information Management

5.5.1 The Locally Engaged ITP is responsible for Information Management and reports directly to the MAO. He is backed up by the Administrative Assistant and by the LEITP in Canberra and by the FSITP in Manila. Program managers and staff are satisfied with the services provided by the LEITP including the coordination of IT training**.**

5.5.2 With the installation of SIGNET 3 and the acquisition of Blackberries at the Mission, staff expressed interest in receiving training for these new tools. During the Team's visit, the Mission sent a message to all staff requesting input on developing a training plan. The Mission needs to ensure that the training is conducted.

5.5.3 With the installation of SIGNET 3, the contact management program Lotus Approach, which the Mission has been using for the past 8 years, no longer meets baseline requirements. It has not been replaced, and was consequently installed on the SIGNET 3 platform. This system is used mainly by the Public Affairs Section. The Trade Program recently opted for the TRIO and WIN contact management programs while the HOM's assistant uses Microsoft Outlook Contacts. The use of three different contact management programs makes it difficult to share contacts and update lists. The constant need to compare lists produced by these systems is time consuming and inefficient.

5.5.4 The Octel tree for Consular calls needs to be reviewed to verify how callers are transferred when requesting various functions at different steps of the tree.

For urgent cases, clients are directed to the Consular Officer's phone; however, it seems that if she is not there, the call is not transferred to another Consular staff member. Staff covering the switchboard often have calls returned back to them or have callers call back resulting in clients frustration.

5.5.5 Back-up tapes are prepared as required; however these are kept unprotected in the Server Room, instead of being secured in a safe and independent site. It was also noted that the server wiring cabinet, located in a corridor, was not locked as required.

Recommendations for the Mission

5.5.6 Develop an informatics training plan and include training for SIGNET 3 and Blackberries.

5.5.7 Review the Consular Octel tree to ensure that calls are being transferred appropriately.

5.5.8 The Mission should seek guidance from SXD as to the best Contact Management System to be used by the Mission.

5.5.9 Back-up tapes should be kept in a safe and secure site other than the Server Room.

5.5.10 Ensure that the server wiring cabinet is locked at all times..

Mission Actions and Time Frames

5.5.6 Subsequent to the upgrade to SIGNET 3, the Mission developed an informatics training plan and all staff have been provided the required training. The Mission also organized a training for Blackberries which was attended by most of the users. Additional training can be provided if required.

5.5.7 Consular Octel tree has been reviewed to ensure that calls are being transferred appropriately and the Mission Receptionist has been advised to put all "urgent calls" directly to any of the available staff in Consular.

5.5.8 The Mission LEITP has contacted the Regional ITP Manager to seek his guidance in implementing a common Contact Management System at this office.

5.5.9 Back-up tapes are now stored in the security vault.

5.5.10 Arrangements have been made to lock the server wiring cabinet at all times.

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