



AUDIT OF THE CANADIAN EMBASSY

KYIV

November 2005

**Foreign Affairs Canada and International Trade Canada
Office of the Inspector General
Audit Division (ZIV)**

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EXECUTIVE SUMMARY

An audit of the General Relations, International Business Development, Consular, and Administration Programs in Kyiv was conducted during the period June 7 to 11, 2004. The last audit of the Mission was conducted in March 1998.

The Mission is headed by an experienced and knowledgeable Head of Mission (HOM) whose focus is on ensuring Programs achieve their goals and objectives and that demands from external clients and Headquarters (HQ) are being met. Internally, however, there is a requirement for more effective communications and synergy among programs, greater support for the Administration Program by the HOM and an overall improvement in the morale of Mission staff. Regular management meetings are needed to discuss Mission issues and deal with administrative matters. All-staff meetings and meetings with the Locally Engaged Staff (LES) Committee would foster improved morale and better teamwork. A Mission-wide team building retreat would also be beneficial to both staff and management.

The General Relations Program provides good support to the HOM and regular intelligence and advice to HQ. The Program is small and highly reactive, covering the whole range of bilateral activities, public affairs, cultural and academic relations and educational marketing.

Trade is a well managed Program and effective in delivering services to clients in a difficult environment. Notwithstanding, the Program is in need of an integrated strategy that embraces not only Client Service Fund supported activities, but also outreach, troubleshooting and advocacy activities of the Program. The decision to eliminate the Senior Trade Commissioner position will no doubt present major challenges for the Mission both in managerial and operational terms.

The Consular and Administration Programs' need for more management rigour calls for an Accountability Agreement between the HOM and the Management/Consular Officer (MCO) to be established which sets out priorities, objectives and expected results. Effort is required by HQ and the Mission to address outstanding personnel issues, to regularize budget levels and to streamline financial procedures. Until this year, the previous six years had not seen the regular completion of performance appraisals. Some LES's limited knowledge of either official language also makes communications difficult.

A total of 36 audit recommendations are raised in the report; 34 are addressed to the Mission and two are addressed to HQ. Management has responded to each recommendation indicating action already taken or decisions made, as well as future action. Of the 36 recommendations, management has stated that 23 recommendations have been implemented. For each of the remaining 13 recommendations, management has indicated the initiatives in progress or the intended future action.

SCOPE, OBJECTIVES, MISSION RESOURCES

Audit Scope and Objectives

The scope of the audit included a review of Mission Management and the General Relations (GR), International Business Development (IBD), Consular and Administration Programs. An Appendix to this report lists, by Program, the specific areas that were examined during the audit.

The audit objectives were to:

- assess management controls and systems, procedures and activities that make up the 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.

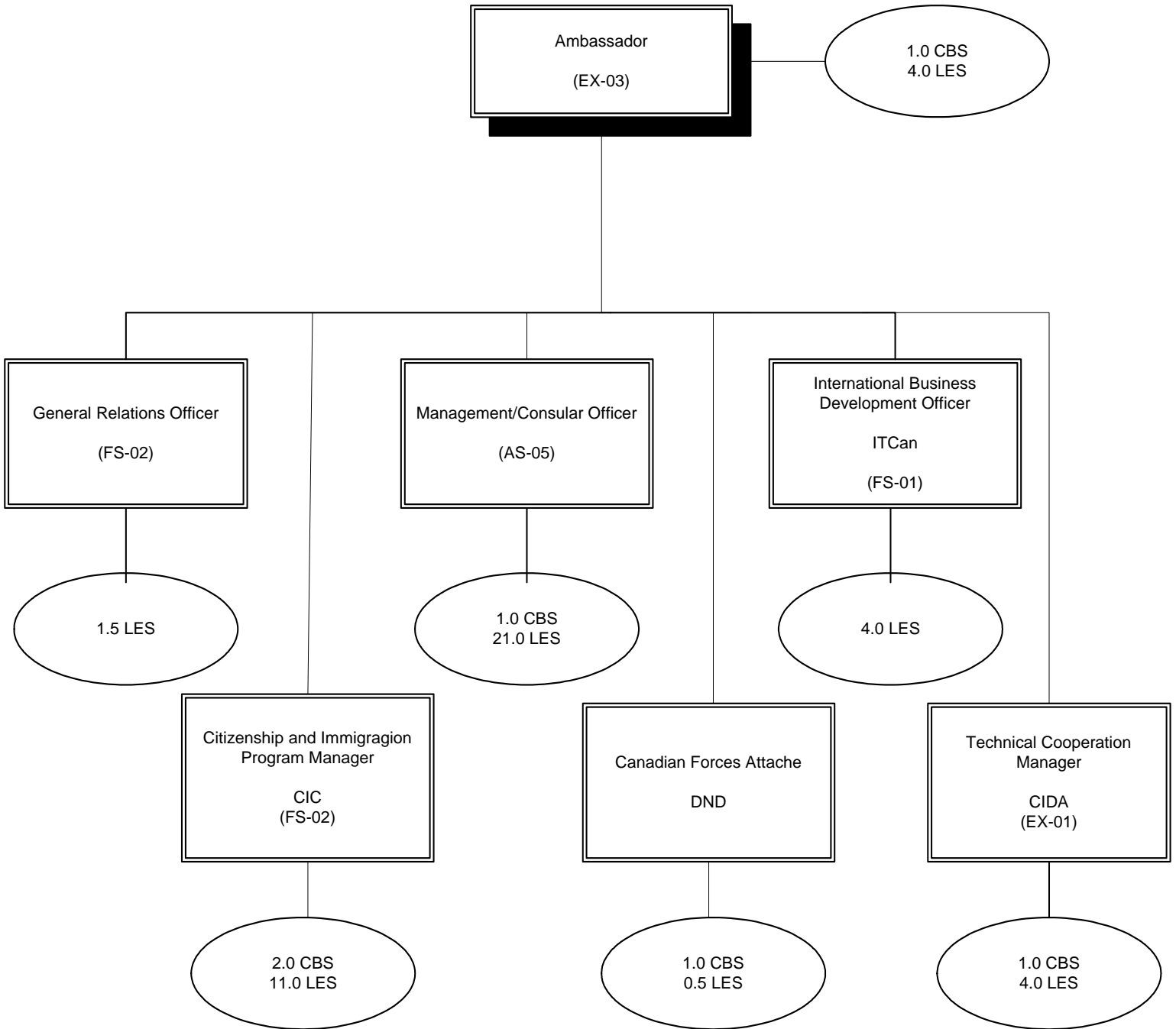
Physical Resources

Assets	Crown Leased	Crown Owned
Chancery	0	1
OR	0	1
SQs	5	10
Vehicles	0	5

Financial Information 2003/04

Operating budget (N001)	\$768,714
Capital Budget (N005)	82,400
CBS Overtime Budget (N011)	11,000
LES Salaries Budget (N012)	848,990
Total	\$1,711,104

Organization Chart



MISSION MANAGEMENT

1.1 Overview

1.1.1 The Mission is managed by an experienced HOM whose focus is largely on managing the bilateral relationship and promoting Canada's interests. He is supportive of all Programs including Other Government Departments (OGDs) and other Canadian partners in furthering their interests. More attention, however, is required by the HOM on internal management issues regarding oversight and support to the Administration Program and in instilling better coordination and teamwork within the Mission, including improving communications and morale.

1.1.2 The Mission has a weekly meeting of Program Managers to share information and provide updates for on-going and upcoming events and a smaller weekly Policy meeting to discuss policy ramifications of external events and departmental activities. Management meetings to discuss mission-wide issues and administrative matters are held only every three to four months. To provide more timely consideration of issues and continuity in terms of assessing progress and follow-up action required, more regular management meetings are required. Minutes of these meetings should be circulated to all staff to ensure they are informed on latest developments and decisions. All-staff meetings are held infrequently, only once or twice per year. Regular meetings should be held to keep staff directly informed of latest developments and future direction and as a forum for information sharing between Programs and the dissemination of administrative and other requirements. Communications with the LES Committee are handled exclusively by the MCO. The HOM should meet the Committee on a quarterly basis and it is suggested that he be present at the initial meeting. Consideration should also be given to having LES Committee members meet with the Committee on Mission Management (CMM).

Recommendations for the Mission

1.1.3 More frequent management meetings to discuss mission-wide and administrative issues should be held with distribution of minutes to all staff.

1.1.4 Regular all-staff meetings should be scheduled.

1.1.5 The HOM should meet regularly with the LES Committee.

Mission Actions and Time Frames

1.1.3 Weekly Program Managers meetings are already in effect. The MCO has the opportunity to relay or discuss any administration issues at the Program Managers meetings. During the preparation of the

Service Delivery Standards with OGDs it was decided by CMM members that a by-monthly CMM meeting would be scheduled with a minimum of six per year.

1.1.4 Since November 2004, the MCO has organised all-staff meetings to discuss LES benefits package, or to discuss possible medical plans with LES Committee are also scheduled to provide updates on the benefits package survey. Meetings at a smaller scale with administrative staff have also taken place to discuss new procedures warranted by operational requirements.

1.1.5 The HOM provides regular updates on the benefits package survey to the LES Committee. Bi-monthly meetings are now scheduled to discuss operational requirements.

1.1.6 Morale is low and there is a lack of team spirit among staff. Some of this can be addressed through better communications as highlighted above. More needs to be done to encourage inter-program activities and engagement of staff and their families. This can, in part, be accomplished through greater coordinating and cooperation between program staff on mission events and projects and through social events and activities that may, as well, be connected to other missions and organizations. Just prior to the audit, a Respectful Workplace seminar was offered by the Mission to all staff. It is suggested as well that a team-building retreat be held in the fall after new staff have arrived.

Recommendation for the Mission

1.1.7 A team-building retreat for the Mission should be scheduled in the fall.

Mission Action and Time Frame

1.1.7 CFSD was contacted. They will be able to help with the creation of a plan that will lead to a team-building retreat scheduled in for February 2006. Meanwhile, the Mission has since November 2004 organized activities such as the Christmas parties at the club and at the OR, or movie nights at our pub with the objective to build a team spirit.

1.1.8 More support and oversight is required by the HOM over the Administration Program. The MCO is in his first year as a Program Manager working in a difficult environment and a complex mission. *** As mentioned, administrative issues have not had frequent enough consideration at CMMs. These factors have left the MCO with inadequate direction and feedback on goals and objectives and the level of

priority to devote to tasks and activities. More management teamwork would ensure that the Administrative Program is on track and assisted when and where required. Formal goals and objectives and workplans should be developed between the HOM and MCO and discussed at CMM. Regular meetings should be used to monitor progress, raise issues and re-adjust plans. Feedback from clients should be sought regarding the adequacy of services being provided and measures should then be taken to improve these.

Recommendation for the Mission

- 1.1.9 An Accountability Agreement between the HOM and the MCO should be established for the Administration Program which clearly sets out priorities, objectives and expected results.**

Mission Action and Time Frame

- 1.1.9 The MCO left the Mission in October 2004. This recommendation is to be implemented therefore in September 2005 between the new HOM and the new MCO.**

1.1.10 LES performance appraisals have not regularly been completed at this Mission during the past six years although recent efforts have been undertaken to ensure that the appraisals for the past year are completed. As part of the performance review process, clear performance objectives should be determined for each employee at the Mission, training needs should be identified and managers should offer oral feedback in addition to the written comments on the assessment form.

Recommendation for the Mission

- 1.1.11 Annual performance appraisals need to be completed for all staff, performance objectives set, and training needs identified.**

Mission Action and Time Frame

- 1.1.11 Emphasis has been put on the LES performance appraisals that are overdue. Clear instructions to the accountants not to provide an increment to the employee until authorised by the MCO were given. The Mission is reviewing whether to complete appraisals under the old system or include the outstanding periods in the new PMP system. The new PMP system is to be implemented by the end of February 2006.**

1.1.12 The MCO has been acting as an ad-hoc Mission training coordinator but a formal coordinator needs to be appointed by the HOM. Given the MCO's workload,

consideration should be given to appointing another Canada-Based Staff (CBS) as coordinator. The training coordinator will need to develop a training plan encompassing training needs as identified in each individual's performance appraisal. The limited knowledge of either official language by some of the LES should be one of the priority areas addressed in the Mission's training plan.

Recommendation for the Mission

- 1.1.13 Appoint a training coordinator and develop an annual training plan for all staff that prioritizes the Mission's training requirements.**

Mission Action and Time Frame

- 1.1.13 See 1.1.11 - A training Coordinator will be appointed in September 2005.**

GENERAL RELATIONS PROGRAM

2.1 Overview

2.1.1 The General Relations Program is managed by an FS-02 Program Manager who is supported by an LE-08 Political/Economic Officer and a half-time LE-05 Assistant who is shared with the Department of National Defence (DND). The Program Manager, until recently, was also the Mission Security Officer (MSO). This responsibility now belongs to the MCO.

2.1.2 The Program as its own initiative and in response to tasking from HQ provides regular intelligence and advice on internal developments and advocates to Ukrainian decision makers and opinion leaders on issues important to Canada such as democratic reform, the judicial system and the elimination of corruption and NATO enlargement issues. Goals and objectives for the Program flow from the HOM's Accountability Agreement which complement and support the HOM's initiatives and activities. There is good teamwork in the Program with priorities determined through the weekly Program Manager and Policy Committee meetings.

2.1.3 The Political/Economic Officer provides support to the HOM and Program Manager on a wide range of activities, political reporting, public affairs, cultural events and academic and educational marketing. She spends 40 percent of her time collecting and analysing local political information and doing research for the HOM and Program Manager and about 25 percent devoted to providing reports and briefings. Another 20 percent is spent on public affairs, acting as spokesperson for the HOM, preparing speeches and press releases and liaising with the media. This includes preparing the HOM's outreach program and supporting him at events. Approximately 10 percent is spent on cultural events and initiatives supported by an \$8,000 Post Initiative Fund (PIF) and specifically requested Public Diplomacy funds. Academic relations and educational marketing make up the remaining time. Little time is spent on economic reporting as this has not been a priority and good quality information is available from other organizations. In addition to the general operational administrative support provided by the Assistant, a technician has been hired on contract to maintain and update the Mission web site.

2.1.4 The Political/Economic Officer is a key resource in the Mission given her experience, wide-ranging responsibilities and support provided to the HOM and the Program Manager, including local language capability. In comparison to similar positions in other missions, the current LE-08 classification level appears low. The Mission should review the duties and responsibilities and, if warranted, submit it to the Classification Committee for re-evaluation.

Recommendation for the Mission

- 2.1.5 The Mission should review the classification of the LE-08 Political/Economic Officer position.**

Mission Action and Time Frame

- 2.1.5 The Mission has initiated a comparison of the incumbent's level 8 job description with the responsibilities of the benchmarked level 9 positions. Given that no benchmarks for Political/Economic officer positions appear among the listed benchmarks, information is being gathered so that a comparison can also be done with job descriptions of employees performing similar work in other Missions.**

The new MCO will review the information gathered from other missions and propose a review of the position to the Classification Review Committee by the end of June 2005.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The IBD Program is headed by the Trade Program Manager (a CO-02 currently working in an FS-01 position). She is supported by two LES Commercial Officers, and two LES Commercial Assistants. There is no clear explanation why a Program Manager position is classified as FS-01. This, however, is a mute point as the CBS Trade position is being withdrawn as part of the world-wide reallocation exercise.

3.1.2 Ukraine is a difficult place to do business. The political, legal and state administrative systems are under tight control of the President who has close ties with Ukraine's powerful business interests. Economic and trade reforms have been blocked in favour of the Ukrainian and Russian oligarchies that support the current regime. For Canadian business interests, this translates into high costs for market entry and heightened risk in protecting investments given the inadequate judicial, legal and other service infrastructure present in the country. In fact, the Mission is providing significant support to the Canadian business community in troubleshooting and advocacy. Despite this difficult business environment, Canada ranks in the top 15 of investors with an estimated \$80 million invested since independence in 1991. Exports from Canada to Ukraine have climbed to \$61 million in 2003, an increase of 109 percent from the previous year and 66 percent from the year before. The major reasons behind this export growth can be attributed to economic growth, increased privatization and investment as well as a poor wheat crop in Ukraine. The results of the upcoming Presidential election in October 2004 will be important for the direction and speed of economic reform and for prospects for foreign investment.

3.2 Management of the Program

3.2.1 The Trade Program is well managed. The Senior Trade Commissioner (STC) is accessible and supportive of her staff, meets regularly with her team, provides direction and enables initiative while maintaining control of the Program. The Program is staffed with experienced, self-motivated officers who are knowledgeable of their assigned sectors. The Commercial Assistants are an integral part of the Program and are given responsibility and autonomy for their own sectors. Each staff member is provided with their own hospitality and travel budgets and have access to the Client Service Fund (CSF) to fund their projects. There is a serious question on how the Program will be managed in the absence of a CBS Trade Program Manager. The current plan is to manage the Program remotely from Warsaw but this will be unsatisfactory for a number of reasons. The high level of troubleshooting and advocacy work of the Mission will be difficult to fulfill from a distance. The HOM is unable to take on the role of the STC without sacrificing other priorities, and the LES Commercial Officers, although highly qualified, cannot substitute for the ability of a CBS to be effective in the current environment. Interpersonal problems exist within the team that are currently held in check by the Program Manager. These will be difficult challenges

for the designated LES manager assigned to handle the day-to-day work within the team. The loss of position also puts at risk the continuance of the Canada-Ukraine for the governmental Economic Commission, the principal formal mechanism for bilateral decision on trade issues.

Recommendation for Policy and Strategic Planning (TBX)

3.2.2 In consultation with the Mission and Central, East and South Europe Bureau (RBD), review the need for a Trade Program Manager in Kyiv in light of the above impacts on the Program.

TBX Action and Time Frame

3.2.2 At this time there are several instances where trade sections at post are comprised only of LES. These tend to be countries of relatively low priority from a trade perspective which do not in our view justify relatively scarce CBS trade resources. The Ukraine became one of these posts following the 2003 internal review of CBS resources abroad. These reviews are conducted annually as a means to ensure that the department's overseas staff complements continue to reflect relative market priorities, conditions, and client needs.

The Mission could request a re-consideration of the CBS trade position during the course of the next redeployment exercise, which will take place in September. However, Ukraine ranks 62th on the most current iteration of the Canadian Commercial Interests List, and as a result would not by our existing guidelines normally be considered eligible for CBS staff.

3.3 Planning

3.3.1 The Program Manager has instituted the elements required for an effective planning process for the IBD program. Commercial Officers and Assistants are required to draw up annual plans. Although centred around Client Service Funds, these plans show a logical chain between activities and outcomes expected in the short and medium terms for each of the sectors managed by the Commercial Officers/Assistants. Very good initiatives are being put forward through this planning process. However, the process does not allow for the identification of the overall goals of the Trade Program at the Mission nor does it account for activities that are not related to the CSF such as troubleshooting, advocacy and outreach. The Program needs, in fact, to integrate all aspects of trade development, investment, outreach, troubleshooting and advocacy work in their overall plan and to put greater emphasis on proactive activities that are outside of the CSF projects listed. More detailed workplans

for Officers flowing from the overall Program plan will enhance priority setting as well as facilitate monitoring and assessment of performance.

Recommendations for the Mission

- 3.3.2 Develop an integrated strategy for the IBD Program that includes CSF supported activities, outreach, troubleshooting and advocacy.**
- 3.3.3 Draw up Accountability Agreements between the Trade Program Manager and staff based on expected results.**

Mission Actions and Time Frames

- 3.3.2 IBD Program staff, including the Warsaw-based STC, held a two-day session to develop a work plan that identifies key issues and strategies to pursue for the current fiscal year (including for outreach, troubleshooting and advocacy). The work plan stems directly from ITCan plans/priorities and HOM, STC and mission accountabilities. Priority sectors and related activities have now been identified and CSF, travel and hospitality funds have been allocated accordingly.**
- 3.3.3 The STC and staff have developed and agreed on both quantitative and qualitative performance measures are now built into the annual appraisal process. The focus is on setting targets for such things as outreach, IBOC submissions, VTC registrations, core services provided to clients, publishing, setting advance criteria for trade missions in/out (e.g. targets vis-à-vis anticipated contracts, partnering outcomes, utilizing additional service providers, etc.), and leveraging funds from clients and partners to stretch our resources to achieve maximum outcomes. The status on various expected outcomes is the subject of regular reviews, including during staff meetings and on a one-to-one basis (including during regularly-scheduled appraisal review lead-up sessions with the STC).**

3.4 New Approach

3.4.1 The New Approach is understood by staff, but there is still inconsistent usage of the tools available especially WIN tracking, the Post Support Unit and Business Management Agreements. WIN Training is difficult to access as the bandwidth at the Mission is not sufficient to allow for proper downloads. There is a low level of enquiries and very few trade missions visiting the post. The challenge for the Trade Program is to generate interest. Most activity is outreach in Ukraine which is then fed back into International Business Opportunities Centre (IBOC) and to the International

Trade Centres. There is a tendency to go beyond the provision of core services especially with the Mission's troubleshooting and advocacy role. However, this makes sense given the current climate for trade and investment in the country.

3.5 Performance Measurement

3.5.1 The activities and initiatives pursued by individual Officers and Assistants are monitored on an on-going basis by the Program Manager and are discussed at Program meetings. However, there is no systematic manner in which results are tracked and performance measured. There is a need to establish a core set of performance indicators and to establish specific targets with respect to clients reached, client satisfaction, service delivery and anticipated outcomes. This type of information is valuable in determining which strategies, activities and initiatives provide the most value to targeted clients. This, in turn, allows the Program to adjust priorities, redirect operations and reallocate resources. It can also provide input at the Departmental level in assessing the validity of existing policies and strategies.

Recommendation for the Mission

3.5.2 Develop the capability to collect, analyse and evaluate performance data regarding clients reached, services provided and results achieved.

Mission Action and Time Frame

3.5.2 There is a much stronger emphasis now on setting and achieving 'results based' performance indicators. Starting at the very basic, staff have identified priority sectors of opportunity in Ukraine for Canadian clients. Based on value added to program objectives, key activities have been agreed (including for outreach, troubleshooting, advocacy). Criteria have been established for trade mission activity, outcalls (including planned calls with HOM), IBOC enquiries, WIN and VTC entries/activity. Staff are accountable for achieving their individual objectives, including providing core services for Canadian clients. Outcomes are reviewed on an ongoing basis with the STC, including in lead-up sessions for the annual appraisal process, and corrective action taken in the event it is deemed necessary.

CONSULAR PROGRAM

4.1 Overview

4.1.1 The Consular Program is well managed by the MCO with the assistance of an LE-07 Consular Officer. Good service is provided to Canadians and service is available in both official languages.

4.1.2 The Mission processes approximately 70 passports, 30 citizenship applications and 420 requests for notarial services each year. The Registration of Canadians Abroad (ROCA) system indicates there are 245 registered Canadians, though the Mission believes there are more in Ukraine. While ROCA forms are handed to clients when they come to the Mission, the Mission has not been placing the annual newspaper ad soliciting registration.

4.1.3 Managing the Consular and Administration Programs, in addition to assuming the MSO duties, is challenging and time consuming. The MCO's accessibility to staff has consequently been limited. His availability needs to be more structured to allow set times for activities such as signing documents. This could be accomplished by having the MCO set out in his Outlook Calendar consistent, specific times for these tasks.

4.1.4 The HOM Assistant is the Vice-Consul and backs-up the MCO during absences. There needs to be more communications among the team. A good practice would be to have a regular monthly meeting, including the Receptionist who acts as back-up for the Consular Officer, to share information.

Recommendations for the Mission

4.1.5 Establish regular staff meetings for the Consular Program.

4.1.6 Structure set times for authorization of documents.

Mission Actions and Time Frames

4.1.5 On November 2004, the Consular Officer has received signing authority from JPD. The MCO conducts monthly meetings with the Consular Officer. The Receptionist has received consular training in Canada and is now able to provide back-up to our Consular Officer and our Vice-Consul. The Receptionist has been given the responsibility of ROCA and the on-line registration.

4.1.6 Documents are now received between 9:00 a.m. and 12:00 p.m. and returned to clients between 3:00 p.m. and 4:00 p.m.

4.1.7 The Mission has an Honorary Consul (HonCon) in L'yyi but no warden system. The Mission raised concerns regarding the benefit of keeping an HonCon in L'yyi. This is difficult to determine given the HonCon had not recently been provided with an annual letter of instruction nor provided with any written feedback on performance. (The Honorary Consul receives oral feedback from the HOM when she visits Kyiv or when he visits the Consulate, every two months or so.) The MCO made his first visit to the HonCon's office with one of the Audit Team members and the Consular Officer indicated that she had not visited to provide any training (though she is in regular contact by phone). To properly evaluate the HonCon's role, the Mission should begin by establishing objectives for the HonCon for Consular duties and other Program responsibilities. It would also be useful to create a single file for the HonCon which includes expense claims to aid the monitoring process.

Recommendation for the Mission

4.1.8 Provide an annual set of instructions and objectives to the HonCon so that performance can be properly evaluated.

Mission Action and Time Frame

4.1.8 A letter providing instructions and objectives to the Honorary Consul in L'yyi was sent on December 11, 2004. The HOM and the MCO have quarterly meetings to follow up on the objectives set in 2004.

4.1.9 Other observations to improve efficiency and to enhance controls are listed below.

Recommendations for the Mission

4.1.10 The Mission should establish a warden network to assist in communicating with the Canadian community.

4.1.11 To encourage Canadians to register, the Mission should be placing an advertisement annually in local newspapers.

4.1.12 When Consular fees collected reach the equivalent sum of \$500, they should be deposited immediately, or once a week if less than \$500.

4.1.13 Examine the option of creating a small Consular interview area at the edge of the Receptionist window, to allow for a more secure and private area on initial contact with clients.

Mission Actions and Time Frames

- 4.1.10** **On November 2004, a letter providing the responsibilities of a warden in both official languages was sent to all Canadians in Ukraine. The mission has now five wardens identified. Regular letters are sent to Canadian to promote and increase our warden network.**

- 4.1.11** **On November 2004, advertisements in French, English, Russian and Ukrainian were published in local newspapers inviting Canadians to register with our mission. The mission has received over 300 new registration. Our back-up Consular Assistant is now responsible for our ROCA data base.**

- 4.1.12** **Effective November 2004, Consular revenues are deposited weekly.**

- 4.1.13** **A Proposal was sent to Ottawa. The Mission is expecting specifications and project coordination from SRD. The project is to be implemented end of April 2005.**

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 The Administration Program is headed by an MCO in the first year of his second posting. This is his first experience as Program Manager. Kyiv is a challenging environment in which to live and to operate ***. The MCO has a firm grasp of what projects need to be done but would be well served to place more attention on established priorities and developing work plans for these.

5.1.2 Greater involvement by the HOM is required in the Program. It would be useful to have the HOM and the MCO develop an Accountability Agreement which sets out achievable and expected goals and objectives (see recommendation 1.1.9). This would allow for work plans to be developed for each of the administrative disciplines and facilitate staff appraisals by establishing priorities and identifying results to be achieved. Work plans can assist the Program to become less reactive and more proactive.

5.1.3 The Mission intends to complete the drafting of its service standards by the end of 2004. The Administration Program will benefit from this as it allows clients to know the quality of service they can expect, the time frames for delivery of such services, and what information or action the Section requires on the part of clients in order to process the various requests.

Recommendations for the Mission

5.1.4 Develop a work plan for the Administration Program, detailing objectives for the year, and then communicate it to staff.

Mission Action and Time Frame

5.1.4 Work Plan to be implemented with the new MCO.

5.1.5 To improve communications among the staff of the Administration Section and to provide better direction, there is a need to meet regularly to share information, review priorities, resolve difficulties and reinforce teamwork. These meetings should include monthly all Administration/Consular staff meetings, plus monthly functional section meetings to develop plans, set budgets, analyse workload, and monitor progress. Staff such as the Receptionist, Drivers, Cleaners, while not always available to attend all meetings, should be included when possible so that their challenges can also be addressed.

Recommendation for the Mission

- 5.1.6 Conduct regular staff meetings for the Administration Program as a whole and regular meetings for the various Sections.**

Mission Action and Time Frame

- 5.1.6 Monthly all staff meetings and weekly meetings for Physical Resources personnel are now taking place.**

5.2 Human Resources

5.2.1 The Human Resources (HR) function is managed and largely delivered by the MCO. An LE-05 Administrative Assistant assists the MCO with duties such as tracking leave but, for the most part, the MCO delivers this function and responds to HR inquiries. Prior to the arrival of the MCO last year, little attention had been given to matters such as job descriptions, appraisals, and benefits. As mentioned in the Consular section of this report, the MCO is very busy with day-to-day management of the Consular and Administration Programs, and it will be very difficult for him to find time to effectively deal with outstanding HR issues at the Mission.

5.2.2 LES indicated concern over a perceived lack of responsiveness on the part of management on a number of personnel issues, such as the completion of a comprehensive benefits review, which was scheduled to be completed this year but has not yet been undertaken. The LES Committee is particularly upset and disappointed by this lack of movement, given a perceived change in local employment conditions since the last benefits review was completed, particularly relating to health and pension provisions. Completing the benefits review needs to be a top priority of the MCO. It is suggested that the Locally Engaged Staff Services Bureau (HLD) offer whatever assistance is possible to the MCO to help him to address this issue in a timely fashion. A visit by HLD to the Mission in the very near future should be undertaken if operationally feasible.

Recommendation for the Mission

- 5.2.3 A comprehensive review of the LES benefits package needs to be undertaken as soon as possible.**

Mission Action and Time Frame

- 5.2.3 Mission has completed its input and is waiting for feedback from HLD.**

Recommendation for HLD

- 5.2.4 HLD should, if operationally feasible, undertake a visit to the Mission to assist with the completion of the LES benefits review and other personnel issues.**

HLD Action and Time Frame

- 5.2.4 Kyiv is on the list of missions planned for review by HLD. The Mission should first conduct a benefits survey so that the review can be initiated. There will not be a visit to the Mission in fiscal year 2004-05. The possibility of a visit will be reassessed in the next fiscal year, in the context of the HLD available travel budget and any other travel which may be desirable in this part of the world.**

5.2.5 Job descriptions have not been updated for many years and need to be reviewed to ensure they reflect accurately the duties of the positions. Once the task of updating these job descriptions is complete and both managers and employees have signed the revised job descriptions, a full classification review of all positions should be undertaken by the Classification Committee, ensuring relativity between positions and comparability to existing benchmarks.

Recommendation for the Mission

- 5.2.6 Job descriptions need to be updated and submitted to the Classification Committee for review.**

Mission Action and Time Frame

- 5.2.6 Effective November 2004, all job descriptions for the Trade, Immigration and Administration were updated and submitted to the Classification Committee for review and recommendations. Public Affairs and Technical Assistance sections job descriptions will be reviewed by the end of February 2006.**

5.2.7 The Materiel Manager position was recently reclassified from an LE-07 to an LE-05 position by the MCO without being processed through the Classification Committee and against the recommendation of HLD. The incumbent is salary protected. A written inquiry from the affected employee was sent to the Classification Committee on May 4, 2004 and, at the time of the audit, no written reply had been received.

Recommendation for the Mission

- 5.2.8 The Classification Committee should review the classification decision and provide a written explanation to the Materiel Manager.**

Mission Action and Time Frame

- 5.2.8 In November 2004, a new job description at the level LE-05 was written for this position. The initial position reclassification upwards from LE-05 to LE-07 was improperly done and never signed for reclassification action. A review of the whole file will be carried out by the classification Committee at their next meeting.**

5.2.9 Eight LES have French language capacity including those with Receptionist and Consular responsibilities. Of more concern is the fact that a number of office staff do not have working knowledge of either official language. The CMM recently approved a policy whereby all new hires will need one or both official languages. The Mission training plan should include a training strategy for staff lacking the necessary level of official language proficiency for their duties (see recommendation 1.1.13).

5.2.10 Designated Ukrainian speaking positions at the Mission are not filled with Ukrainian speakers, such as the Political Economic Program Manager position. There is currently no CBS at the Mission with a fluent capacity in the host language. Efforts need to be made to ensure that designated positions are filled with personnel with the appropriate Ukrainian language skills.

5.2.11 ***

5.2.13 There are no spouses currently employed although one spouse replaces the Locally Engaged Information Technology Professional (LEITP) during annual leave. Another is due to replace the HOM Assistant during turnover this summer. A Reciprocal Employment Agreement (REA) has been under negotiation for many years but has not been finalized. A community Co-ordinator contract exists and was shared equally by two spouses this past year.

5.3 Physical Resources

5.3.1 The Physical Resources Section is managed by a CBS Officer on secondment from the DND who also serves as the Mission Security Manager (MSM), reporting to the MCO. This Property Manager has been at the Mission for almost three years during which time much progress has been made to improve the Mission's housing portfolio. He is assisted by a Property Assistant, a Materiel Manager and a maintenance team of three LES. More formalized planning would be beneficial in the

management of this function, including the devolution of a maintenance budget to the Property Manager.

5.3.2 A review of staff quarters (SQs) and the Official Residence (OR) indicated a good level of service delivered to clients although concerns were raised from clients regarding scheduling and organization skills in the Section. While the Property Manager endeavours to provide timely, transparent service, he is constrained by communications issues as a number of his staff do not have the capacity to speak in either official language.

5.3.3 The Chancery is a Crown-owned building located in downtown Kyiv. The Chancery is at maximum threshold with Citizenship and Immigration (CIC) working out of the basement and an employee situated in a renovated lunch room. Working conditions are difficult and contribute to the morale problems at this Mission. SRD has developed a project to expand the Chancery to better accommodate CIC and Administration, but delays have been experienced, due to problems with the local architectural consultant, and more recently to issues involving the land title of the property. These issues are being resolved by the Mission and SRD. The construction phase of the annex project will have to be carefully planned and managed if employees are to continue working in the Chancery during construction.

5.3.4 The OR is a Crown-owned apartment located on the third floor of the same building as three SQs. The OR interior has recently been refurbished in the representational areas and is presentable. Although the OR meets departmental size guidelines, there are other aspects that make it unsuitable as a long-term residence. A new OR should be acquired when a suitable and affordable property becomes available.

5.3.5 A Housing Committee is in place and makes housing allocation recommendations to the HOM. There are presently five families at the Mission, living in both apartments in the city centre and houses in the suburbs, with schools offering bus service for all students. The SQ profile has seen considerable change over the past number of years with older SQs requiring heavy maintenance being replaced by newer accommodation. This has decreased maintenance expenditures while also increasing tenant satisfaction, and there are no longer Accommodation Deficiency Adjustments (ADAs). The Mission Property Management Plan (MPMP) mentions the Mission's desire to dispose of three Crown-owned SQs in Yaroslaviv Val for security reasons. These SQs were visited by the Audit Team who supports the Mission's planned course of action for the reasons identified in the MPMP.

5.3.6 While the work of maintenance staff is judged to be of high quality, more attention needs to be spent on streamlining the maintenance process. Work orders are presently received by the Property Manager, Materiel Manager and Administrative Assistant, sometimes leading to confusion in scheduling and follow-up. The Section needs to develop and implement service standards (in conjunction with standards for the entire Administration Section) and a more efficient electronic work order system.

This system should include mechanisms to ensure clients receive information regarding job scheduling and feedback from clients is provided on work when completed. Communication with clients is made particularly difficult by the inability of key property personnel to speak either official language. Work orders for the attention of the Property Assistant must be translated by either the Materiel Clerk or Administrative Assistant. It is recommended that the Property Assistant job description be rewritten so that the capacity to communicate in an official language is required, and that the incumbent be offered language training to allow him to effectively fulfill the requirements of his position.

Recommendations for the Mission

5.3.7 An electronic work order system should be implemented, offering clients better scheduling of work and a feedback mechanism on work quality.

5.3.8 The job description for the Property Assistant should be revised and the incumbent offered official language training.

Mission Actions and Time Frames

5.3.7 During the month of November 2004, an electronic work order system was tested by the LESITP and the Property Manager, offering clients better scheduling of work and a feedback mechanism on work quality. The electronic form is now used by our clients.

5.3.8 A new job description at the level LE-05 was written. The incumbent of the property position was given English classes. After discussions with RAM, it was suggested that a term position can be implemented to assist the Property Manager with his duties. The new MCO will have to review the current situation.

5.3.9 The Section generally maintains good files and records but a file review indicated some Occupancy Agreements and distribution accounts are not signed by either the employee or administration.

Recommendation for the Mission

5.3.10 Occupancy Agreements and distribution accounts should be signed.

Mission Action and Time Frame

5.3.10 Occupancy Agreements completed. As for distribution accounts it is proposed to start adding new items as of the beginning of the new F/Y and to try to update the rest on an on-going basis.

5.4 Finance

5.4.1 The Finance function is managed by the MCO and supported by two LE-07 Accountants. The Mission raised concerns that there are deficiencies in both operating and salary budgets. There is confusion with regard to past reference level changes that are currently having a negative impact on the Mission, such as the 1997-98 transfer of capital to operating funds and funding of the DND Assistant position. The Mission, with the assistance of the Area Management Office for Europe (RAM), needs to review the reference level and determine if it is sufficient to cover required expenses. Mission accounts are well organized and appropriate processes and systems are in place providing proper segregation of duties and controls. The MCO monitors the function closely, particularly since Ukraine is still a cash society, though this is starting to change.

Recommendation for the Mission

5.4.2 A full budget regularization process needs to be undertaken by the Mission in collaboration with RAM.

Mission Action and Time Frame

5.4.2 On-going discussions are taking place with RAM.

5.4.3 Banking operations in Ukraine need to be regularly monitored to determine when alternatives to existing procedures can safely and effectively be implemented at the Mission. Changes to operations that should be possible in the future include:

- arranging direct deposits by applicants at the bank for CIC visa fees and Consular fees;
- making more payments by direct transfer rather than with cash, for example LES salaries;
- discontinuing to conduct personal banking for CBS, once ATMs and/or credit cards are found to be more secure;
- using acquisition cards for purchases and travel arrangements with reputable suppliers; and,
- transferring funds into the country in the local currency rather than in US dollars.

Recommendation for the Mission

- 5.4.4 Implement new financial procedures to coincide with advances in banking operations in Ukraine.**

Mission Action and Time Frame

- 5.4.4 New banking operations are being reviewed by our financial advisor in SMFF now on temporary duty in Kyiv. Personal drawing and deposit of immigration revenues are being reviewed.**

5.4.5 Travel and hospitality claims are generally well documented, though improvements such as providing more detail in evaluating events and ensuring all receipts are included on file are required.

5.4.6 Other measures to improve efficiency and to enhance controls are recommended below.

Recommendations for the Mission

- 5.4.7 The MCO should undertake spot checks of cash accounts and SA adjustments, in addition to his monthly verifications.**

5.4.8 Re-open discussions with the bank to accept the Department's requirement to have two signatures on bank instruments; currently the bank only requires one authorized signature.

5.4.9 The Accountants should be provided with Business Intelligence (BI) training to improve the Section's reporting capabilities.

5.4.10 When implementing the bank's electronic banking software, coordinate the implementation of IMS interface so that there are fewer documents to verify and sign.

Mission Actions and Time Frames

5.4.7 Implemented on a monthly basis.

5.4.8 This is part of the review described in 5.4.4.

5.4.9 The new accountant will receive this additional training as part of continuing development.

5.4.10 The Mission is waiting for the bank's electronic banking software in English before implementing this recommendation. The Mission has informed the bank of our interest to pursue this recommendation.

5.5 Information Technology (IT)

5.5.1 The MCO is responsible for the overall management of Information Technology, with an experienced LE-08 LEITP managing the day-to-day operations. Systems are functioning within the Mission and staff indicate they receive good service from the LEITP.

5.5.2 The SIGNET 3 upgrade is scheduled for Kyiv this summer, by which time the LEITP will have received training. The LEITP is developing a training plan for staff regarding the SIGNET 3 upgrade, but generally there is no informatics training plan for the Mission. This plan should be incorporated into an overall Mission training plan as suggested in the HR section of this report.

Recommendation for the Mission

5.5.3 An informatics training plan should be developed and integrated into the Mission's overall training plan.

Missions Action and Time Frame

5.5.3 On-going identification of requirements will be undertaken under the new FSITP arrives in September 2005. Immediate needs are covered by on-line tutorial offered by CFSS.

5.5.4 The Mission has requested approval and support from HQ to install appropriate telephone lines at the Mission, which will relieve some of the frustrations experienced by staff, as contacts/clients currently have to go through the switchboard. The volume of calls, particularly in the afternoon when CIC client calls are taken, can make it very difficult to reach the Mission.

5.5.5 The servers are located in the basement. In the past, the Mission has experienced difficulties with mould in this room. The Mission hopes that the planned Annex and Chancery renovation will allow for a better re-configuration for the LEITP's office and server room. The LEITP currently shares his office and so has very limited space for testing or repairing hardware.

APPENDIX

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

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

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

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

Mission Management

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

General Relations Program (Political/Public and Cultural)

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

International Business Development Program

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

Consular Program

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

Administration Program Management

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

Human Resources

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

Physical Resources

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

Finance

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

Information Technology

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