

Support to Canadian Interests Abroad
(SCIA)

Class of Contributions

Operational Review

Final Report

Foreign Affairs Canada
Office of the Inspector General
Evaluation Division

June 2005

TABLE OF CONTENTS

ABBREVIATIONS	ii
EXECUTIVE SUMMARY	iii
1. INTRODUCTION	1
1.1 Purpose of the Operational Review	1
1.2 Terms of Reference	1
1.3 Methodology	1
1.4 Profile of SCIA	3
2. FINDINGS	5
2.1 Relevance	5
2.2 Adequacy	7
2.3 Efficiency	9
3. CONCLUSIONS AND RECOMMENDATIONS	18
3.1 Relevance	18
3.2 Adequacy	20
3.3 Efficiency	20
Annex A - Trend Analysis of all SCIA Recipients	25
Annex B - Sample of Contributions Analysed	28
Annex C - Four Categories of Recipients by Percentage of Total	29
Annex D - Selected Data Presented by Case, Division and Category	30

ABBREVIATIONS

DFAIT	Department of Foreign Affairs and International Trade
DG	Director General
FAC	Department of Foreign Affairs Canada
FY	Fiscal Year
IDD	International Security Bureau
ITCan	Department of International Trade Canada
NGOs	Non-government organizations
RBAF	Results-Based Audit Framework
SCIA	Support to Canadian Interests Abroad
SMD	Corporate Finance, Planning and Systems Bureau
SMFH	Grants and Contributions Centre of Excellence
SMP	Program Analysis and Budgeting Division
TBS	Treasury Board of Canada Secretariat
TOR	Terms of Reference
ZID	Office of the Inspector General
ZIE	Evaluation Division of the Office of the Inspector General
ZIV	Audit Division of the Office of the Inspector General

EXECUTIVE SUMMARY

The Support to Canadian Interests Abroad (SCIA) class of contributions is an enabling mechanism that authorizes bureau managers to convert small amounts of their operating budgets (Vote 1) into non-recurring contributions (Vote 10). Currently, the annual amount made available for SCIA utilization is \$600,000 although this amount can be increased or decreased depending on the evolving priorities of both Departments. The purpose of the mechanism is to enable bureau managers to provide important, timely contributions of up to \$50,000 where such funding provides clear and immediate benefits related to the objectives of Canada's foreign policy.¹ Typical events supported include meetings, workshops, and conferences. Recipients include a wide range of institutions, organizations and individuals in Canada and abroad.

SCIA is centrally managed by the Program Analysis and Budgeting Division (SMP) of Foreign Affairs Canada (FAC). The Terms and Conditions of this class of contributions is due for renewal by the end of fiscal year 2005. Since SCIA has never been evaluated, and was last audited in 2002, SMP felt this was an opportune time to commission an operational review by the Evaluation Division from the Office of the Inspector General. The review assessed the continued relevance, adequacy and efficiency of SCIA, and examined whether TBS Transfer Payments Policy requirements were met.

Overall, the review findings indicate that SCIA remains relevant and is a valuable cost-effective tool for managers. This mechanism is less demanding than having to prepare individual submissions to TBS. The level of SCIA use since 1999 has averaged about \$683,000 annually. Over the last three years, use has been consistently below the \$600,000 annual reserve set aside for SCIA. Since the general awareness of its purpose and procedures within the bureaus is low, the adequacy of SCIA's funding level remains largely untested.

While SCIA contributions are compliant with TBS Transfer Payment Policy requirements, indicators of efficiency are mixed: impressive for some contributions and less for others. A number of weaknesses in the current management system of SCIA were identified:

¹ Due to the timing of this Operational Review the previous foreign policy was utilized.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

- at the strategic management level, the review found SMP challenged in its role as central manager, and the SCIA communication, guidelines and orientation inadequate;
- at the administrative level, the review found that record keeping was inadequate, and that SCIA procedures are unclear and difficult to sort out especially for managers and staff using the mechanism for the first time, and;
- at the authorization level, the review found that there were recurring contributions being approved, and that the multi-step approval process was cumbersome involving many different players.

The above findings resulting from the operational review have generated the following general conclusions and specific recommendations:

Conclusion #1 - SCIA encourages and enables FAC managers to make small contributions to initiatives that they believe provide clear and important benefit to Canada. Without SCIA there would be some important initiatives in Canada's interests that would not take place.

Recommendation #1 - That the SCIA class of contributions be renewed before the end of fiscal year 2005.

Conclusion #2 - Congruence of individual contributions with stated strategic priorities would help to assure relevance vis-à-vis approved bureau-level Business Plans.

Recommendation #2 - That application letters from Director Generals to SCIA include adequate justification for the non-recurring contribution being suggested, and that this justification link expected results of the requested expenditure to specific strategic objectives of the relevant Division.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Conclusion #3 - *The \$50,000 limit per contribution remains appropriate and there are currently no compelling reasons to increase this level. The \$600,000 annual amount currently set aside and used could change if the SCIA mechanism was better explained and more widely understood.*

Recommendation #3 - *That the next submission to Treasury Board maintain the same basic parameters: a limit of \$50,000 per contribution, and an annual reserve of up to \$1.5 million for Foreign Affairs Canada and International Trade Canada.*

Conclusion #4 - *The SCIA class of contributions is compliant with TBS approved terms and conditions except for record-keeping practices which have been a long standing weakness both by applicant divisions and bureaus, and by SMP as central manager.*

Recommendation #4 - *That beginning with all contributions approved in the current fiscal year, SMP keep on file a complete record of every approved contribution, from initial proposal or justification to final report and payment.*

Conclusion #5 - *There are opportunities to incrementally improve the administrative and management efficiency of SCIA.*

Recommendation #5 - *That SMP consult with SMFH and Area Managers with a view to streamlining SCIA procedures, including reducing the number of approval steps required for bureaus by giving Area Managers a more explicit coordinating role.*

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Conclusion #6 - *If officers had a better understanding of the purpose of SCIA, knew how SCIA fit within the array of funding mechanisms available within FAC and ITCan, and had improved intranet-supported information service at their finger tips, the mechanism would likely be used more efficiently.*

Recommendation #6 - *That SCIA be relaunched by SMP with improved communications using broadcast messages, a SCIA module for integration into existing officer training, and improved access/documentation on the intranet.*

SMP management responses to the recommendations are incorporated in Section 3 of this report.

1. INTRODUCTION

1.1 Purpose of the Operational Review

The Support of Canadian Interests Abroad class of contributions, hereafter referred to as SCIA, is centrally managed by the Program Analysis and Budgeting Division (SMP) of the Corporate Finance, Planning and Systems Bureau (SMD). SCIA's mandate was recently extended by the Treasury Board of Canada Secretariat (TBS) for six months and is now due for renewal by the end of 2005 FY. This requires a new submission to TBS. Since SCIA has never been evaluated, and was last audited in September 2002, SMP felt this was an opportune time to commission an operational review by the Evaluation Division (ZIE), Office of the Inspector General (ZID). The purpose of this review was to assess the continued relevance, adequacy and efficiency of this class of contributions, and to examine whether TBS Transfer Payment Policy requirements were met.

1.2 Terms of Reference

The operational review was conducted between February and April of 2005. The approved terms of reference (TOR) specified the objectives and scope of the review and the main issues and questions to be examined. It also gave guidance on the methodology to be used. The first deliverable specified in the TOR was a work plan and schedule which was approved by the Evaluation Advisory Committee and the project authority prior to the commencement of the review.

1.3 Methodology

The methodology adopted for this operational review was designed to increase understanding of the SCIA and sharpen the focus of the review on key issues. The Review Work Plan, approved by the Evaluation Advisory Committee, describes the methodology in greater detail and includes an operational review framework and draft data collection tools. The review methodology involved the following six relatively distinct steps:

Step One - File Review and Trend Analysis

A comprehensive list of all end-recipients of funds from SCIA for fiscal years 2002/2003 and 2003/2004, and for the first 3 quarters of 2004/2005 was obtained from SMP. The total population of recipients or "cases" during this time period was determined to be 60

as presented in Annex A. From this sampling frame, 30 cases, or 50% of the total population, was randomly sampled (a selection interval of two was used starting with the first recipient in the list). This random sample is presented in Annex B. Available files for each case in this sample were then requested from the bureaus, the relevant Area Management Office, and from SMP. Once collected, these files were reviewed using a standard data collection checklist to record relevant information.

Note that a sample size of 50% is well above accepted norms in terms of reliability, that is, being able to generalise to the full population. Findings were further triangulated with other data collection methods as indicated in Steps 2 through 4 below. Additional to the file review of the sample cases, this step also included a detailed trend analysis of the total population for the sample period plus a more general analysis for the entire period of fiscal 1999/2000 to 2003/2004 using accounting spread sheets provided by SMP.

Step Two - Interviews with SMP Personnel

This step involved face-to-face interviews with six SMP personnel, past and present, to collect the views and opinions of those closest to the program.

Step Three - Interviews with Bureau Directors and/or other Representatives

This step involved face-to-face interviews with bureau directors and/or representatives who had successfully applied through SMP for SCIA-facilitated contributions. For each of the 30 cases in the sample used, an effort was made to interview the person directly involved with the contribution. The focus was on management system efficiency, the adequacy and relevance of SCIA, and lessons learned. The total number of individuals interviewed was 20 which covered all 30 cases found in the sample. In other words, 100 percent of the cases in the sample were covered by Step 3 interviews. This provides a high level of assurance that the data collected was representative. Note that in a few cases where it was difficult to confirm an appointment, telephone interviews replaced face-to-face meetings.

Step Four - Interviews with SCIA Contribution Recipients

The end-users of SCIA contributions were considered an important group of informants for the operational review to gather feedback on SCIA relevance and management efficiency. Seventy-five percent of the cases in the random sample, or 20 out of 30 cases, were contacted by e-mail or telephone during this step. A low response rate resulted in only nine interviews covering a total of 13 cases in the random sample.

Since this represents 21 percent of the total population, the data is considered less reliable than the data collected in steps 1, 2 and 3.

Step Five - Presentation of Findings and Preparation of Final Report

A formal presentation of the findings, conclusions and recommendations of the operational review was made to the Evaluation Advisory Committee represented by ZIE and SMP. After review of the draft report by the Evaluation Advisory Committee, written comments were consolidated and integrated into a final report without altering the validity or reliability of the findings and ensuring impartial reporting standards were maintained.

Step Six - Preparation of an RBAF

Using the data collection and analysis completed as part of the operational review, a Risk-Based Audit Framework (RBAF) was produced for SCIA. Although not directly part of the operational review, the RBAF was a parallel process that included a risk assessment working session with SMP, ZIE, and the Audit Division (ZIV).

1.4 Profile of SCIA

SCIA, was approved in 1994 following a submission to TBS by the Department of Foreign Affairs and International Trade (DFAIT) dated October 1993. It was submitted to TBS as a program request which has created some confusion. SCIA was not designed to be a fund, that is, it does not come with its own money, nor does it have a set of objectives with expected, measurable results. Instead, it is an enabling mechanism that authorizes bureau managers to convert small amounts of their own budgets (Vote 1) into non-recurring contributions (Vote 10).

The purpose of this mechanism is two-fold. First, SCIA enables bureau managers to provide important, timely contributions of up to \$50,000 to institutions, organizations or individuals in Canada and abroad where such funding provides clear and immediate benefit related to the objectives of Canada's foreign policy. Second, SCIA allows bureau managers to respond quickly to modest requests for funds, and remain accountable without incurring the heavy administrative load of a separate submission to TBS for each relatively small, one time, event-focussed contribution. In short, the intent of SCIA is to enable managers to respond to requests for funds, or to pro-actively identify potential areas for a Canadian contribution without burdening their Department nor TBS with thirty or more requests for small contribution funds each year.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Typical events supported include meetings, workshops, and conferences. Typical budget items covered include travel and accommodation expenses, rental of meeting rooms, translation and printing, working lunches and dinners, and payment of stipends. Expected recipients of the contributions are a wide range of institutions, organizations or individuals in Canada and abroad, many of whom are established or nascent cooperating partners of FAC or ITCan. Examples of the very wide range of recipients benefiting from SCIA include: Mountbatten Centre in Southampton, United Kingdom; Capilano College, Vancouver, British Columbia; the Munk Centre, University of Toronto. (Annex B has a more exhaustive list).

Although SCIA is centrally managed by the Program Analysis and Budgeting Division (SMP), any division within Foreign Affairs Canada (FAC) or International Trade Canada (ITCan) can apply to use SCIA. The annual amount presently set aside for SCIA utilization is \$600,000 but actual amounts authorized vary considerably from year to year with a maximum ceiling of \$1.5 million.

Initiatives contributed to through SCIA are those that cannot be funded under other existing transfer payment programs within FAC and ITCan. Most of those interviewed as part of the Operational Review insisted that without this class of contributions, the involvement of non-government organizations (NGOs), academic institutions, and a broad range of associations and individuals in the promotion of Canadian foreign policy interests would be hampered. To take one case as an example, the Dalhousie University Killam Lectures in September and October 2004, were supported by \$5,000 from SCIA. These lectures were considered important by FAC to highlight the significance of the bilateral Canada-Mexico relationship in the eastern region of Canada. Several very high profile Mexican speakers came to the university. The lectures were well attended, reports from participants and local media were positive, and the lectures were considered by the University and FAC staff to have been successful in meeting the objectives.

2. FINDINGS

2.1 Relevance

Issue 1 - SCIA Relevance

The purpose of SCIA is to provide a very flexible and efficient tool for managers to convert small amounts of their operating budget into Vote 10². The unanimous view of 26 managers and staff interviewed - from a representative mix of divisions - is that this mechanism remains relevant and that SCIA is a valuable tool for managers.

Division managers, area managers, and SMP representatives agree that there will always be important opportunities, identified by bureau managers, to make modest contributions to third parties in support of Canada's foreign policy. Therefore the SCIA mechanism remains useful and should be preserved.

The utilization of SCIA may have diminished somewhat since 1994 for the following three reasons. First, a number of division managers explained that their operating budgets have been reduced over the last years, resulting in less potential to use SCIA. Second, new innovative funds such as Global Partnership, Public Outreach and Diplomacy Program, and the Human Security Fund, means that there are other ways of supporting initiatives that previously may have relied on SCIA. And third, little has been done to promote SCIA. Within the bureaus, the review found that there is generally a low level of awareness of SCIA's purpose and requisite procedures. Some interviewees insisted that opportunities to use SCIA are being lost due to lack of familiarity with this mechanism.

Issue 2 - Benefit to Canadian Interests Abroad

The file review, and interviewees, strongly suggest that with some notable exceptions, clear and immediate benefit to Canadian international interests can be attributed to SCIA facilitated contributions. The assessed level of benefit is subjective and general

² The Department budget approved by Parliament includes tranches of money for different purposes. Each tranche or "vote" has its own terms and conditions which regulate how the money is spent. Vote 1 money is for the operating budget and covers costs such as staffing, staff travel, and office supplies. Vote 10 is money that can be used to make a contribution to a third party outside of the government. Bureaus cannot transfer money from their operating budget (Vote 1) in order to make a contribution (Vote 10) without explicit authorization from TBS.

Support to Canadian Interests Abroad (SCIA) - Class of Contributions

since the definition of “clear and immediate benefit to Canadian interests abroad”³, by intention, is not criteria based. However, when interviewed, those most directly involved in a particular contribution are usually able to provide a very detailed and often impassioned description and evidence of important outcomes. To give a few examples:

- Interns placed in Canadian missions in Lima, San Salvador, and Tegucigalpa for one-year;
- Russian experts brought to an international disarmament conference co-hosted by Canada;
- US Congressional Fellows visited the Lester B. Pearson Building and the Canadian Parliament during study tour;
- Latin American Aboriginal leaders attended a conference on human rights in Washington;
- Training by Red Cross to 25 Canadian NGOs on sexual exploitation in humanitarian crisis; and
- Support to Peruvian Government to host Arms Registry workshop in Lima.

As can be noted from the few examples given above, typical immediate benefits from SCIA would include Canadian influence, representation, or leverage in a process that has international dimensions. Another typical benefit is that an international, multi-stakeholder meeting or process with significant implications for Canada is supported by Canada’s government, and seen to be supported by an international audience. In only one case out of the thirty contributions sampled was a benefit to Canadian interests abroad clearly absent.

Issue 3 - Consequence of nonexistence of SCIA

Interviewees indicated that without SCIA bureaus would: 1) use less appropriate contracting methods; 2) create additional TBS submissions - with all the built-in inefficiencies this entails - as happened prior to 1994; and/or 3) not achieve the number of small initiatives considered important in meeting overall objectives of individual FAC and ITCan divisions. The third point was strongly expressed by many of those interviewed. It is believed by FAC and ITCan managers interviewed that the SCIA

³ Excerpt from the purpose of SCIA as stated on page 9-24, in Schedule A, of the DFAIT submission to TBS dated October 1993.

mechanism enables them to support small initiatives that can significantly boost Canada's reputation and influence.

Interviews with end-recipients suggest that small contributions made using the SCIA mechanism were sometimes critical, that is, the event would not have occurred otherwise, or would have occurred but without a significant Canadian contribution. This was corroborated during interviews with a number of division managers. As has already been noted, results from these contributions vary considerably but can generally be verified through questioning the officers directly involved or from reviewing related final reports when these are filed and available.

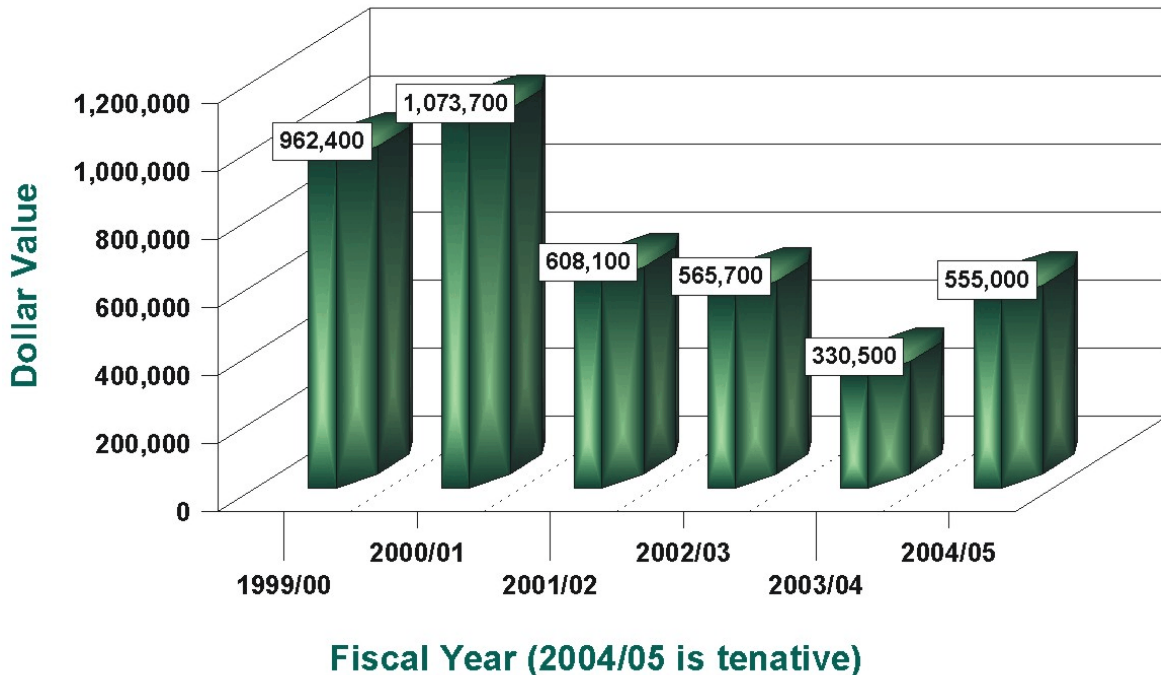
2.2 Adequacy

Issue 1 - SCIA Level

According to the file review and interviewees all applications from bureaus to use SCIA get approved by SMP. With one exception, no one interviewed felt that the \$50,000 limit was too low or recommended that the ceiling be increased. In fact, several managers stated emphatically that they would not be comfortable being accountable for contributions larger than this amount without a project review committee in place to share responsibility for selection of eligible projects. A trend analysis, presented in Chart 1 below and in Annex A, demonstrates that the level of SCIA use since

1999 has averaged about \$683,000 annually. Over the last three years use has been consistently below the \$600,000 annual reserve set aside for SCIA.

Chart 1 - Dollar Value of SCIA Contributions by Year



The review indicated that little has been done to promote SCIA, and general awareness of its purpose and procedures is poor within the bureaus. Therefore the adequacy of SCIA's funding level remains largely untested.

Issue 2 - SCIA Usage by FAC and ITCan

The review discovered that ITCan barely makes use of SCIA. A trend analysis of 33 months shows only one contribution through an ITCan bureau valued at less than half-of-one percent of all contributions made during this period (see detailed dollar values by bureau in Annex A). Three explanations were provided by interviewees. First, ITCan has its own effective funding mechanisms which make application through SCIA unnecessary. Second, ITCan typically uses a cost-recovery model when participating in multi-stakeholder events. Participants are expected to pay for their attendance or involvement since there is normally an expectation of direct benefit in the form of advertisement, company profile, new sales, or new business contacts. Third, ITCan may lack knowledge of the SCIA. Since it has been used so rarely, awareness within ITCan through word-of-mouth would likely be limited.

2.3 Efficiency

Issue 1 - Management Practice/Mechanism

FAC and ITCan bureau managers forward their SCIA conversion proposals to SMP for approval. As part of the approval process, SMP instructs bureaus that they must demonstrate how their contributions meet SCIA criteria as per Treasury Board directives. The approval letter to the bureau includes the following:

- Terms and Conditions (SMP document produced to inform applicant divisions);
- Standard blank contribution agreement format;
- Annex C of the TB Policy on Transfer Payments (June 2000) which lists 22 basic provisions and which serves as a compliance checklist; and
- Notification that draft contribution agreement needs to be approved by Grants and Contributions Centre of Excellence (SMFH) before monies can be released.

The bureaus as immediate recipients are responsible for filing and providing as required complete information on financial and operational activities related to each contribution. Before final payment is authorized to end-recipients, bureaus are responsible for having on file a final report that summarizes the project objective, rationale, actual costs, and perceived benefits to Canada. The end-recipients are organizations or institutions that sign a contribution agreement with a cooperating bureau in order to actually receive an approved sum of money. As detailed in the contribution agreement that they sign before receiving any funds these recipients have an array of responsibilities including keeping proper accounts and complete records, and making these available for up to five years for the purpose of audit or inspection.

Reflecting on the system described in the paragraph above, there were mixed responses as to whether or not SCIA is efficient. A number of interviewees suggest that SCIA procedures can be unclear and both difficult and frustrating to sort out. Others stated that at times the process can be cumbersome and slow. Those who claim the mechanism is efficient are Area Managers and other staff or managers who have had considerable experience with SCIA.

An analysis of data collected during the file review also examined efficiency. Basic data collected during the file review is collated and presented in Annex D. Note that the data collected has been used to analyse three indicators of efficiency: speed of SMP approval, speed of SMFH approval, and delay between approval and final payment.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Key findings related to these indicators, gleaned from the raw data presented in Annex D, are summarized in Table 1 below followed by a discussion.

Table 1 - Indicators of SCIA Efficiency			
Indicator of SCIA administrative efficiency	Minimum	Maximum	Average
1) <u>Speed of SMP approval</u> - Number of days between request from bureau to use SCIA and official approval letter from SMP	1	50	12.5 days
2) <u>Speed of SMFH approval</u> - Number of days between request from bureau for SCIA and approval of contribution agreement	0*	126	28.9 days
3) <u>Speed of payment</u> - Number of days between approval by SMP and final payment to end-recipient	10	227	111 days
* In one case from the sample studied, SMFH approval was received before the contribution was officially approved by SMP			

In the sample of cases studied, the process of obtaining SMP approval seemed fairly efficient. Column E of Annex D - data collated from Columns D and C - suggests that the usual speed of approval by SMP, that is, the number of days between the date of a bureau's application and SMP's approval letter, is well under two weeks (on average 12.5 days including holidays and weekends). In only 4 (18%) of the 22 cases was SMP approval time three weeks or more. Specific reasons for these longer delays were not explored.

The second indicator of SCIA administrative efficiency, i.e., approval by SMFH, was found by the review to add considerable delay. The speed of SMFH approval, that is, the average length of time between the application by a bureau to use SCIA and SMFH approval of a contribution agreement that met all terms and conditions set out by TBS is shown in Column G of Annex D - data collated from Columns F and C. There were 12 cases where data from the file review was complete enough to allow analysis. For these cases, the length of time ranged from zero to 123 days. The average approval time was 28.9 calendar days. Note that for Case 24 with zero lag time the bureau actually received approval from SMFH before addressing a letter to SMP asking for authority to use SCIA. The review found four other incidents (cases 8, 15, 17 and 24) where a bureau approached SMFH before receiving SMP approval to use SCIA. It was

not clear whether this reflects confusion by bureaus regarding application procedures or innovation and search for efficiency as staff looked for ways to speed up the process of getting a contribution approved and monies released.

The reasons given by SMFH for delay in approval were mainly threefold. First, the SMFH centre of excellence for grants and contributions was new and still being established in 2004. Second, applicants were not always aware that they had to receive approval from SMFH, nor familiar with the process of requesting approval. And third, sometimes the draft contribution agreement submitted by a bureau did not adequately meet TBS terms and conditions and therefore needed to go through a revision process.

A third indicator of efficiency examined was speed of payment. Some interviewees acknowledged delay of payment as an inefficiency. Most often delays were caused by: 1) lack of knowledge or familiarity by the initiating officer(s) of the procedures to follow when applying to SCIA; 2) staff rotation and therefore temporary inaction on a file once the urgency of an event had passed; 3) change in plans including rescheduling an event to a later date; or 4) a delay in receiving a final report from the end-recipient or delay caused by the bureau not accepting a final report - considered inadequate - from the end-recipient.

For the 16 cases where data from the file review was complete enough to allow analysis, the number of days between approval of a contribution from SMP and final payment to the end-recipient ranged from 10 days to 7.5 months. The average time was about 3.6 months. A meaningful assessment of whether or not this signifies efficient performance can only be determined by a detailed case-by-case examination. The specific circumstances and context of each contribution will determine how quickly an event can be approved, completed, reported on, and paid for. In conclusion, the average length of time from initial approval of a contribution to final payment is less than four-months.

Issue 2 - Operational Cost

Costs were calculated on the basis of person-days. Interviewees gave a range of estimates which are summarized in Table 2.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Table 2 - Estimate of Person-days Required Per Contribution				
SMP	SMFH	Division	Area Manager	Finance
1.0 - 1.25	0.25 - .50	1.0 - 5.0	1.0 - 1.5	0.25
<p>On average a total of 3.5 to 8.5 person days per contribution agreement (includes initial justification, application, approval, completion and signature of an acceptable contribution agreement, approval and payment of invoices, and follow-up to receive report, plus general administration)</p>				

Taking the mid-point level of effort estimate depicted in Table 2 suggests that on average about six person-days are required to manage each SCIA contribution - a contribution which on average has a dollar value of about \$19,000. Six days of department time to manage a \$19,000 contribution may be considered inefficient. However, when the usefulness of the contribution and value of the results achieved as perceived by key stakeholders is taken into consideration, then the SCIA can be considered reasonably cost-effective. Furthermore, the costs of SCIA administration are significantly lower than the estimated cost of \$450,000 to prepare fifty individual TBS submissions quoted in the 2002 Internal Audit Report.

Issue 3 - SCIA Knowledge

The file review and interviews clearly demonstrated that many staff and some divisions were not familiar with SCIA's purpose nor the related procedures for application. A number of senior managers interviewed, several with thirty or more years of work experience in FAC or ITCan, had never heard of SCIA before this operational review. Some interviewees were still under the impression that SCIA came with its own Vote 10 budget rather than being an authority for a bureau to convert from its existing operational budget. Almost all interviewees agreed that if bureaus were more informed about SCIA the mechanism might be used more widely and more efficiently. A number of managers stated specifically that having known more about SCIA, they would have used it in the recent past.

A trends analysis (Annex A) shows that the International Security Bureau (IDD) is the biggest user of SCIA. More than thirty percent (30%) of all contributions between April 2002 and end-December 2004 were approved for this bureau. The SCIA was originally developed by two program analysts within IDD who also helped in writing the submission to TBS in October 1993. Therefore, it is probably accurate to say that IDD more than any other bureau is well aware of SCIA's purpose and procedures.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Annex A provides evidence that most bureaus within ITCan and a number of bureaus within FAC - specially International Organizations (IMD), South and South-East Asia (PSD/PND), and Middle East and Africa (GMD/GGC) - rarely or never used SCIA during the 33-month period under review. Some bureau managers indicated that they rely on SCIA because of the nature of their work. For example, IDD is very much policy, process and negotiation oriented and finds many opportunities to support consensus building meetings. Therefore, based on their knowledge of SCIA's purpose and procedures, IDD continues to use the SCIA mechanism to support events such as those meetings (refer to Table 3).

Table 3 - Share of SCIA Contributions Authorized - April 2002 to end-2004 -		
Applicant bureau receiving SCIA authority	Amount (\$)	% of Total
IDD - International Security Bureau	345,559	30.4%
RWD/RBD - Europe Bureaus	200,000	17.6
LGD - Latin America and Caribbean Bureau	137,272	12.1
GHD - Global Issues Bureau	131,627	11.6
NAD - North America Bureau	129,023	11.4
All Other Bureaus	190,754	16.8
Total SCIA Conversion Authority Utilized	1,135,135	100

There was strong general agreement by bureau directors that SCIA should be better communicated and explained within FAC and ITCan. Specific suggestions included adding a module on SCIA into ongoing officer orientation and training, using broadcast messages to inform officers about SCIA and improving the intranet sites where SCIA and contributions in general are explained.

Issue 4 - TBS Regulations

Interviews revealed that SMP has implemented TBS best practices for SCIA contributions. All SCIA contributions must have their contribution agreements approved by SMFH. This provides greater assurance that TBS rules and regulations as outlined in the *Policy on Transfer Payments, Annex C - Requirements for Contribution Agreements* are being consistently applied. The SMFH centre of excellence has the

expertise to advise and guide bureaus during the formulation of all contribution agreements that are part of SCIA. Interviews with the manager of SMFH and others provided assurance that TBS recommendations were being consistently applied to SCIA contributions. This was further corroborated by the file review.

In 21 out of 29 cases examined (72%), final reports were on file or in one case available on-line. In all 16 cases where data was sufficient to facilitate analysis (both a report and copies of relevant payment requisitions were on file), final payments by the Department were made based on receipt of a final report from the end-recipient. Only one case out of the 30 cases examined did not meet TBS regulations.

Issue 5 - Strengths of Management System

Having SMP as the overall manager of SCIA provides consistency and coherence that would be lacking if individual bureaus had their own authority to convert Vote 1 for Vote 10 funds. SMP does not make its own contributions and has no vested interest in SCIA itself. Therefore, the approval process is neutral, unbiased and enables SMP to remain objective in authorizing proposals based on SCIA's purpose and criteria rather than on bureau priorities.

As already noted in the preceding discussion, SCIA prevents having to prepare separate TBS submissions which are considered more administratively demanding. Interview respondents were of the opinion that the bureaus achieved a "big bang" with these small allocations of resources. While avoiding the need for individual TBS submissions for each small contribution, SCIA discourages reliance on alternative contracting methods that are less appropriate relative to TBS guidelines. At the same time, SCIA allows flexibility in what can be approved. Requests from bureaus almost always get approved and only occasionally require significant revision. And because money utilized for SCIA-facilitated contributions comes from a bureau's own operating funds, there is a built-in accountability with a natural tendency to spend effectively.

Issue 6 - Weaknesses of Management System

A number of weaknesses in the current management system of SCIA were identified by the operational review: poor record keeping; the challenges faced by SMP as central manager; cumbersome multi-step approval process; inadequate SCIA guidelines and orientation; and recurring contributions. These are discussed below.

Record Keeping

During the operational review, it was difficult for bureaus involved in the review to retrieve a coherent paper trail for each contribution. For example, only 10 of the 30 cases in the random sample used for the review had “complete” files determined by their ability to provide answers to five very basic questions: date of application to SMP by the division; date of SMP approval; date of SMFH approval; date(s) that the recipient was paid; and date of final report received by the bureau from the end-recipient. As can be noted from the table found in Annex D, even this level of basic information was quite difficult for the review to retrieve. Currently, there is no central repository for SCIA files. Instead, different pieces may be found in different locations: personal filing systems of individual desk officers; bureaus files; files of area managers; and files kept by SMP - thus hindering the effective retrieval of SCIA records by SMP.

Role and Responsibilities of SMP

The review found that SMP’s role is strong at the front end of the SCIA approval process when assessing requests for access to SCIA. It is largely absent while the funds are actually being used leaving responsibilities to the applicant division. At the end of the process when files should be consolidated and completed with the release of the final payment, SMP’s role should again be prominent.

SMP sets conditions when approving a contribution but does not monitor adequately to see if these conditions are met. Divisions are not sending a complete copy of relevant correspondence to SMP for each contribution, yet SMP does little to encourage compliance. Also, SMP’s own paper trail for SCIA is sparse with many SMP files for specific contributions incomplete and even absent. SMP files are often unclear as to what criteria were used to determine why a particular application was approved or what results were ultimately achieved.

Interviews with SMP revealed that managing SCIA is challenging for them. They do not feel comfortable second-guessing the approval of Director Generals and would prefer that this responsibility reside with Area Managers. Individuals interviewed see their role as managing the SCIA process and the actual vote transfer but not managing or monitoring the contribution itself. They believe that since SCIA utilizes money coming directly from a bureau’s own operating budget, the bureau, and not SMP, is ultimately accountable.

The review found that the main issues noted in the report of SCIA’s 2002 internal audit have not been fully acted upon by SMP. To take one example, audit recommendation

3.2.5 (page 5 of the report) states: *SMP should take additional steps to ensure that the managers from other divisions clearly understand the respective role and responsibilities for administration of [SCIA].* Another audit recommendation (3.3.7 on page 7 of the report) states: *SMP should ensure the assessment and selection of projects is appropriately documented by divisional managers.*

Although SMP has taken some important steps to address issues underlying these two recommendations, it is evident through this review that the issues remain unresolved and problematic. Management of SCIA is shared with the applicant bureaus, and these bureaus retain front-line responsibility for individual contributions, therefore SMP feels that it is inappropriate to demand or enforce its role as central manager. Due to being understaffed, SMP managers have difficulty to justify allocating their scarce human resources to small contributions for which applicant bureaus are primarily accountable.

Cumbersome Approval Process

The approval process for a contribution requires authority from a minimum of five desks:

- Area Managers give the initial green light to divisions that the SCIA mechanism is appropriate and that operating funds are available within the bureau - although they are not formally a part of the approval process;
- Director Generals approve division requests to use SCIA for a particular contribution;
- The Director of SMP approves requests signed by the bureau Director General to use SCIA;
- SMFH approves the draft contribution agreement before it is forwarded to end-recipients for signature; and
- An accountable officer of the recipient organization must agree to the terms and conditions laid out in the contribution agreement and sign it.

Desk officers, the ones typically spearheading the process of getting a contribution agreement in place, explain that this process can be cumbersome and confusing, and that the number of steps can cause delays within the Department and frustration among the officers and end-recipients involved. This potential for delay seems to be evident in the data collected as part of the file review (see discussion above in Section 2.3, Issue 1). Some interviewees recommended a more streamlined process or a one-stop service. For example, a desk officer should be able to apply to her/his Area Manager to

use SCIA and the Area Manager would then obtain all the other approvals required except for signature of the end-recipient.

Guidelines and Orientation

There are many players involved in the SCIA approval process. The specific steps required are not made clear enough for bureaus according to most of those interviewed. Presently the internal web-page devoted to SCIA is difficult to find and very sparse. Access to this site needs to be improved, and the site needs to be more instructive, comprehensive, and interactive.

Several interviewees felt that staffing levels within SMP, and perhaps within SMFH, are inadequate to fully support SCIA. They indicated that without more staff to handle an additional workload, promoting SCIA could lead to administrative tasks that could not be adequately supported. On the other hand, they agreed that improved familiarity with SCIA through training and intranet-based technical support could improve efficiencies. Most bureau managers and staff advocated specific solutions such as a one-stop SCIA desk, improved guidelines and orientation to SCIA on the intranet.

Recurring Contributions

SCIA is often used for recurring events. Although not the rule, this is clearly not an exception: of 30 cases examined as described in Annex A, about one-third showed evidence of multi-year, recurring funding, or in other words, the same initiative received funding over two or more years. In one case examined, the same event - with a different topic each year - has been approved annually since 1994. In numerous cases, funding continues at least three years in a row. Currently, the instructions provided in the terms and conditions for SCIA do not clearly specify that SCIA is to be used only for “non-recurring” contributions. As a result, this condition is applied inconsistently. It should be clearly stipulated that all contributions supported by SCIA should be justified on the basis of being catalysts, initiations, or seed-money, and is not meant for annual on-going funding.

3. CONCLUSIONS AND RECOMMENDATIONS

Based on the findings presented above, this operational review draws the following conclusions, each followed by a specific recommendation:

3.1 Relevance

Conclusion #1 - SCIA remains a relevant management tool. It encourages and enables FAC and ITCan managers to make small contributions to initiatives that they believe provide clear and important benefit to Canada. Even with reduced levels of operating funds, opportunities continue to present themselves to bureaus where authority is required to convert their Vote 1 monies to Vote 10 contributions. Without SCIA there would be some important initiatives in Canada's interest that would not take place.

Recommendation #1 - That the SCIA class of contributions be renewed before the end of fiscal year 2005.

Management Response #1 - Per the Treasury Board (TB) Policy on Transfer Payments (June 2000), approved terms and conditions for existing transfer payment programs continue to apply until the earlier of their expiry date or March 31, 2005, at which point Departments must obtain TB approval to replace or renew such terms and conditions. Given that the SCIA was established in 1993 with no expiry date, it was required to be renewed by March 31, 2005. However, due to the volume of TB submissions, including those respecting renewal of transfer payment programs, FAC obtained authority from TB Secretariat to extend the program authorities (Terms and Conditions) for the SCIA program until March 31, 2006. Work is underway to develop the requisite TB submission seeking renewal of the SCIA program. The submission will include updated Terms and Conditions to ensure compliance with the Policy on Transfer Payments. The results of the Operational Review (and of the 2002 audit) of the SCIA will inform development of the TB submission.

Expected Results #1 - Renewal of the SCIA program will enable the Department to continue capitalizing on this flexible mechanism to promote Canadian interests abroad.

Responsibility Centre #1 - The SCIA program is currently centrally managed by the Planning, Program Analysis and Budgeting Division within FAC. As part of the renewal plans, the Department will explore whether the SCIA program could be more appropriately managed by a policy-oriented bureau within the Strategic Policy and Public Diplomacy Branch (PFM) and within the Strategic Policy bureau of ITCan

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

(CSC/CSS) if/once a portion of the SCIA program is transferred to ITCan. Such a move would be consistent with the need to ensure the SCIA focuses on the evolving policy priorities of the Department(s).

Key Dates #1 - Preliminary consultations are underway on the issue of the managing bureau. TB submission is to be developed in time for approval by TB no later than March, 2006.

Conclusion #2 - Benefits to Canada can be attributed from most SCIA contributions. Since SCIA was designed to be flexible, justifications for individual contributions vary widely. Congruence of individual contributions with stated strategic priorities would help to assure relevance vis-à-vis approved bureau-level Business Plans. Being clearer on how relatively small non-recurring sums of money can contribute significantly to a division's priorities would boost accountability and justification for preserving SCIA.

Recommendation #2 - That application letters from Director Generals to SCIA include adequate justification for the non-recurring contribution being suggested, and that this justification link expected results of the requested expenditure to specific strategic objectives of the relevant Division.

Management Response #2 - The current application process requires requesting bureaux to demonstrate how the proposed contribution supports Canadian interests abroad. A revamped, renewed SCIA program will request also that bureaux make an explicit link between the proposed contribution and the strategic objectives of the Department and of the Bureau, consistent with their respective business plans.

Expected Results #2 - This will help ensure that proposed contributions are aligned with the priorities of the requesting bureau, and by extension, with the strategic objectives of the Department.

Responsibility Centre #2 - Sponsoring bureaux will continue to be responsible and accountable for the information contained in their applications to the SCIA. This information will be one prerequisite for a successful SCIA application.

Key Dates #2 - This requirement will be part of the new process for applications under the renewed SCIA program.

3.2 Adequacy

Conclusion #3 - The \$50,000 limit per contribution remains appropriate and there are currently no compelling reasons to increase this level. The \$600,000 annual amount used could change if the SCIA mechanism was better explained and more widely understood.

Recommendation #3 - That the next submission to Treasury Board maintain the same basic parameters: a limit of \$50,000 per contribution, and an annual reserve of up to \$1.5 million for Foreign Affairs Canada and International Trade Canada.

Management Response #3 - While SMP typically maintains an approximate \$600,000 annually in its reference levels for this program, the existing terms and conditions for the SCIA provide authority for contributions under the SCIA of up to \$1.5 million annually. The renewal of the SCIA program will seek an identical ceiling (\$1.5 million annually). The \$600,000 annual reference level will remain unchanged. Should a portion of the SCIA program be transferred to ITCan, this would require separate authorities for ITCan (approved by TB) to be able to administer the program. These authorities would be consulted between ITCan and TBS, with the assistance of SMP as the current program manager.

Expected Results #3 - The \$1.5 million annual ceiling will assure continued flexibility to be able to make contributions of up to this maximum.

Responsibility Centre #3 - SMP, the current manager of the SCIA, will seek these same authorities through the TB submission renewing the SCIA program.

Key Dates #3 - TB submission to be approved by TB by no later than March 31, 2006.

3.3 Efficiency

Conclusion #4 - Significant efforts since the September 2002 audit to improve compliance with TBS requirements have had a positive effect. The SCIA class of contributions is compliant with TBS approved terms and conditions except for record keeping practises which have been a longstanding weakness both by applicant divisions and bureaus, and by SMP as central manager. The paper trail for individual contributions could be improved using basic filing principles and a central SMP repository for completed files. SMP could use a standard checklist to assure that each contribution approved has a complete file in this repository. Unless the file for a previous contribution is complete, a bureau should not be approved for additional SCIA

conversions. Although SMP would prefer not to have responsibility for this control function, it is not one that the central manager of SCIA should avoid.

Recommendation #4 - That beginning with all contributions approved in the current fiscal year, SMP keep on file a complete record of every approved contribution, from initial proposal or justification to final report and payment.

Management Response #4 - Commencing in 2005, SMP has created a central filing system for SCIA contributions. Once files are completed and returned to SMP (required by virtue of SMP's letter to the requesting bureau approving access to the SCIA), they are filed according to the fiscal year during which the SCIA contribution is made.

Further efforts will be undertaken to improve follow up with the bureaux/divisions making contributions under the SCIA so as to ensure that all documents requested are submitted to SMP for filing purposes. A one-page checklist will be developed for use by SMP to assist SMP efforts in tracking SCIA contribution files.

Expected Results #4 - This will result in more efficient and effective tracking of SCIA contribution documents for records purposes. This should in turn elicit more rigour on the part of the administering bureau/division, including their own follow up with recipients on final reports, requests for payments and an assessment by the bureau/division of the results of the contribution.

Responsibility Centre #4 - SMP as program manager.

Key Dates #4 - Creation of one-page checklist for SMP (to assist in the tracking of the documents necessary for filing) will be drafted and operationalized by January, 2006.

Conclusion #5 - There are opportunities to incrementally improve the administrative and management efficiency of SCIA. The current mechanism is cumbersome, with a multi-level approval process (Area Manager, DG, SMP, SMFH) that bureaux find difficult to navigate. Being more client-focussed would require a one-stop service for bureaux. Using the Area Management Offices as service provider would be ideal for bureaux and should be explored. Area managers are well located to build capacity within bureaux to use SCIA efficiently.

Recommendation #5 - That SMP consult with SMFH and Area Managers with a view to streamlining SCIA procedures, including reducing the number of approval steps required for bureaus by giving Area Managers a more explicit coordinating role.

Management Response #5 - The roles of SMP and SMFH are distinct. SMP manages access to the SCIA program. SMFH, as the departmental Centre of Expertise of Grants and Contributions, provides independent analysis and advice on the content of grant and contribution agreements irrespective of the program within FAC or ITCan. It is not feasible nor desirable from a program management point of view to combine the functions of SMP and SMFH as regards the SCIA.

Currently, bureaus submit their requests for access to the SCIA directly to SMP; SMP reviews the request and if approved, responds directly to the requesting bureau. As a general rule, Area Management Offices are copied on this correspondence as is SMFH. The number of approval steps would not diminish with an increased role (as coordinator) for Area Managers. Irrespective of Area Manager involvement, a Director General should still be required to make the formal request to access the SCIA. This is a reflection of the fact that the Director General, for the bureau and on behalf of a requesting division, is accountable for the contribution made. As well, it is the bureau that advocates for a proposed contribution based on the bureau priorities and strategic objectives.

While we would agree that Area Managers need to be more involved throughout the process of application to the SCIA program, including confirming that operational funds are available, providing guidance to a requesting bureau/division on the process, confirming that payment to an applicant can be made, the approval process itself cannot be further streamlined, i.e., the number of approvals cannot be minimized. SMP as the current program manager will consult with SMFH and with Area Management Offices on ways to enhance the role of Area Managers.

Expected Results #5 - Given the planned improvements to the SCIA program administration in part resulting from this Operational Review, the process itself will be better communicated, better understood. This should in turn enable a more efficient and more effective process.

Responsibility Centre #5 - SMP, as program manager, will consult with SMFH and with Area Management Officers.

Key Dates #5 - Consultation to be completed in time for renewal of SCIA program Terms and Conditions, in time for March 31, 2006.

Conclusion #6 - SCIA's purpose and procedures are not well known or understood within FAC and ITCan. Better communication and improved technical support could lead to wider utilization and improved efficiency. If officers had a better understanding of the purpose of SCIA, knew how SCIA fit within the array of funding mechanisms available within FAC and ITCan, and had improved intranet-supported information service at their finger tips, the mechanism would likely be used more efficiently.

Recommendation #6 - That SCIA be relaunched by SMP with improved communications using broadcast messages, a SCIA module for integration into existing officer training, and improved documentation on the intranet. More specifically:

- there is need for a flow chart, which lays out the standard steps, procedures, and authorities involved from start to finish, including expected turn around time at critical points;
- there is need for a contact list which is kept up- to- date so that desk officers know who to contact at different stages in the process;
- there is need for improved SMD web-pages - within or linked to the Corporate Finance Planning and Systems site - devoted to SCIA and linked to a generic section for contributions similar to what is already available for contracts; and
- a short module for basic orientation on SCIA should be added in the one-week director's orientation course and in the resource management curriculum used for basic financial management developed by the Foreign Service Institute.

Management Response #6 - It is acknowledged that while the SCIA is a popular mechanism for making important, timely contributions to recipients to promote Canadian interests abroad, the existence of the SCIA program is not universally known within FAC.

The SMD Bureau (Corporate Finance, Planning and Systems Bureau) currently has a link on its intranet site that links visitors to information on the SCIA class of contributions. This link provides the most up to date guidelines respecting access to the SCIA, the process for requesting access, the role of SMFH, and file maintenance guidelines. This link will be updated once the SCIA program renewal is approved by TB.

In order to improve the communication about this important tool (the SCIA), the intranet link on the SCIA will include hyperlinks to the SMFH's Centre of Expertise and a direct link to a sample standard contribution template. SMP will explore the feasibility of

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

including information within the training modules offered to Departmental employees, as well as explore other communications opportunities.

Expected Results #6 - More comprehensive and effective use of the SCIA mechanism. Improved access to information by potential users of the SCIA. This should in turn result in smoother and more timely implementation of contribution arrangements with recipients.

Responsibility Centre #6 - SMP as current program manager, in consultation with SMFH.

Key Dates #6 - Spring, 2006, post TB approval of a renewed SCI and results of internal consultations on future program manager.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Annex A - Trend Analysis of all SCIA Recipients

APRIL 1, 2002 TO END-DECEMBER 2004 - SORTED BY BUREAU & DIVISION				
BUREAU	DATE	END-RECIPIENT ORGANIZATION	BUDGET	SMP REF
IDD - International Security Bureau				
IDA	31/06/03	Eisenhower Institute	\$36,000	0114
IDA	24/05/02	Mountbatten Centre	\$30,000	0215
IDA	29/01/03	Nov 2002 South America and & Carribean	\$14,500	0009
IDD	08/03/04	Royal Society of Canada	\$10,450	77
IDD	10/03/03	Simons Foundation	\$20,000	0008
IDD	18/03/03	NATO Office of Financial Control	\$50,000	0076
IDD	23/07/04	Verification, Research, Training & Informatics	\$47,559	0129
IDD	13/03/03	Sub-Regional Workshop Armaments - Namibia	\$20,000	0010
IDD	18/03/03	The Royal Society of Canada	\$14,000	0077
IDD	18/03/03	UNDP	\$42,000	0083
IDN	10/03/03	OPCW Regional Work in Aruba	\$16,000	0004
IDN	09/08/02	OPCW - University of Surrey	\$21,000	0327
IDN	10/06/02	OPCW for Fidji	\$5,000	0258
IDR	24/07/02	The Royal Society of Canada	\$19,050	0115
Total SCIA Contributions Utilized by IDD			\$345,559	
LGD - Latin America and Caribbean Bureau				
LGD	28/08/02	Canadian Foundation for the Americas	\$10,000	0236
LGD	18/06/02	Robarts Centre, York University	\$10,000	0266
LGD	07/06/02	Capilano College	\$24,000	0249
LIA	30/03/04	Conference Board of Canada	\$10,000	0277
LIA	15/09/04	Summit Implementation Review Group (OAS)	\$13,300	0151
LIA	18/12/03	Secretariat for the Summit Process (OAS)	\$20,100	0263
LIA	04/10/04	Secretariat for the Summit Process (U of	\$5,000	0177
LIA	31/10/02	OAS	\$15,902	0453

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

LIA	08/03/04	French Translation Summer Reports	\$7,000	43
LIA	12/11/03	York University CISS	\$21,970	0160
Total SCIA Contributions Utilized by LGD			\$137,272	
RWD - European Union, North and West Europe Bureau				
REN	18/12/03	Annual CERT CEO	\$10,000	0264
REN	09/04/04	Canada-UK Colloquium	\$30,000	0162
RWD	16/12/02	Queen's University	\$30,000	103
RWD	09/02/04	Collège de l'Europe in Bruges	\$37,000	162
RWD	.02/10/03	Canada-UK Colloquium	\$30,000	0205
Total SCIA Contributions Utilized by RWD			\$137,000	
RBD - Central, East and South Europe Bureau				
RBD	26/03/03	Database of Reconciliation Initiatives	\$10,000	0085
RBD	16/04/03	ICTY	\$5,000	0303
RBD	07/04/03	ICTY	\$45,000	unknown
RBD	16/04/03	CDRSEE	\$3,000	0085
Total SCIA Contributions Utilized by RBD			\$63,000	
GHD - Global Issues Bureau				
GHC	05/02/03	OAS Participation of Indigenous Representatives	\$50,000	0034
GHC	24/03/04	OAS Indigenous Populations	\$27,000	0071
GHH	29/01/03	CIDEHUM - Human Rights of Migrants Intern	\$2,500	0288
GHH	31/01/03	Human Rights Internet	\$30,000	0028
GHH	18/03/03	Canadian Red Cross to Train NGOs	\$3,127	0082
GHH	24/04/04	CIDEHUM - Human Rights of Migrants Intern	\$6,000	0288
GHH	12/08/03	Human Rights Internet	\$3,000	0184
GHH	14/09/04	Geneva Institute for Human Rights.	\$10,000	0172
Total SCIA Contributions Utilized by GHD			\$131,627	

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

NAD - North America Bureau				
NAD	31/07/02	Canadian Parliamentary Internship Program	\$10,000	0134
NAD	18/06/02	University of Toronto (Munk Centre)	\$25,000	0196
NAD	25/03/03	UQAM	\$17,800	0070
NAD	12/02/04	Canadian Parliamentary Internship Program	\$12,400	0115
NAD	12/01/03	Norman Paterson School of International Affairs	\$7,000	0116
NMX	17/09/04	Dalhousie University for the Killam Lectures	\$5,000	0173
NMX	24/3/04	North America Forum on Integration	\$13,500	0062
NMX	12/02/04	North American Forum of Integration	\$5,000	0278
NMX	16/07/04	North American Forum on Integration	\$2,000	E/mail
NUR	17/09/04	Parliamentary Internship Programme	\$11,723	0156
NUR	26/07/04	UQAM Conference	\$13,000	E/mail
NUR	22/12/04	Canadian/American Border Trade Conference	\$7,500	0220
Total SCIA Contributions Utilized by NAD			\$129,923	
Other Bureaus				
AGC	24/03/04	OAS CICTE (anti-terrorism)	\$49,087	0070
EBD	16/11/02	International Policy on Agriculture, Food & Trade	\$5,000	0477
GGD	30/06/04	Canadian Council for Africa	\$50,000	0092
GPX	10/06/04	Centre for Policy Studies in Russia	\$6,667	0093
GPX	12/05/03	Swedish Nuclear Power	\$10,000	0189
GPX	04/11/02	European Conference for the NCDI Conf.	\$20,000	0327
JLO	01/12/04	Conference for Pacific Tuna Convention	\$50,000	0250
Total SCIA Contributions Utilized by Others			\$190,754	
Total SCIA Contributions Utilized			\$1,135,135	

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Annex B - Sample of Contributions Analysed

RANDOM SAMPLE OF SCIA PROJECTS APRIL 1, 2002 TO DEC 31, 2004					
CASE #	DATE ACTIONED	ORGANIZATION	BUREAU	BUDGET	SMP AUTHORITY
1	24/5/02	Mountbatten Centre	IDA	\$30,000	215
2	7/6/02	Capilano College	LGD	\$24,000	249
3	18/6/02	U of T, Munk Centre	NAD	\$25,000	196
4	31/7/02	Canadian Parliamentary Internship	NAD	\$10,000	134
5	28/8/02	Canadian Foundation for the Americas	LGD	\$10,000	236
6	2/11/02	European Conference for the NCDI	GPX	\$20,000	327
7	16/12/02	Queens University	RWD	\$30,000	103
8	29/1/03	South America and Caribbean Workshop	IDA	\$14,500	9
9	5/2/03	OAS	GHC	\$50,000	34
10	10/3/03	OPCW Regional Work in Aruba	IDN	\$16,000	4
11	18/3/03	Royal Society of Canada	IDD	\$14,000	77
12	18/3/03	Canadian Red Cross	GHH	\$3,127	82
13	25/3/03	UQAM	NAD	\$17,800	70
14	24/4/03	CIDEHUM	GHH	\$6,000	288
15	31/5/03	Eisenhower Institute	IDA	\$36,000	114
16	2/10/03	Canada-UK Colloquium	RWD	\$30,000	205
17	12/11/03	York University CISS	LIA	\$21,970	160
18	18/12/3	Annual CERT CEO	REN	\$10,000	264
19	9/2/04	Collège de l'Europe in Bruges	RWD	\$37,000	162
20	12/2/04	North American Forum of Integration	NMX	\$5,000	278
21	8/3/04	Royal Society of Canada	IDD	\$10,450	77
22	24/3/04	OAS CICTE (anti-terrorism)	AGC	\$49,087	70
23	30/3/04	Confer. Board of CDN	LIA	\$10,000	277
24	10/6/04	Center for Policy Studies in Russia	GPX	\$6,667	93
25	16/7/04	North American Forum on Integration	NMX	\$2,000	E/mail
26	26/7/04	UQAM Conference	NUR	\$13,000	E/mail
27	15/9/04	Summit Implementation Review Group	LIA	\$13,300	151
28	17/9/04	Dalhousie University for the Killam	NMX	\$5,000	173
29	09/04/04	Canada-UK Colloquium	REN/RWD	\$30,000	162
30	22/12/04	Canadian/American Border Trade	NUR	\$7,500	220
Total Dollar Value				\$557,401	

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Annex C - Four Categories of Recipients by Percentage of Total

Category or Type	Description of Category	# of Cases in Sample	Frequency
Category 1 Meeting	Characterized by exchange of views and consensus building (includes workshop, conference, review meeting, round table, colloquium, process leading to a major meeting).	22	78.9 %
Category 2 Internship	Characterized by payment of stipend and/or specific expenses of one or more Canadian or non-Canadian interns in an intern program that is of particular interest to the Department.	3	10.7 %
Category 3 Staff Training ⁴	Characterized by payment of direct training costs levied by college or other training initiative and incurred by staff of FAC or other organization selected to participate in short-term course.	2	7.1 %
Category 4 Academic Lecture	Characterised by lecture(s) on a given topic rather than an exchange between multiple stakeholders. A one-way dissemination of information not expected to lead to a consensus position.	1	3.6 %
Based on 28 cases out of the total sample of 30 cases. Case 10 was not considered since it was cancelled and Case 13 was not considered since no file was available for review.			

⁴ Of the 30 cases examined, two involved staff training. In the first 3 to 4 years that RWD requested SCIA money, it was actually used to fund three DFAIT staff training. Senior manager interviewed recognized that staff training should not have been approved. At the time of approval the division lacked knowledge on SCIA's purpose, and SMFH was not implemented as a second-level control mechanism before SMP's approval.

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Annex D - Selected Data Presented by Case, Division and Category

Case #	A Divn	B Catgy	C Date Appl	D SMP	E (D - C)	F SMFH	G (F - C)	H Request	I Report	J Paid	K (J - I)
1	IDA	1	15/05/2002	24/05/2002	9	-	-	30 000	02/10/2002	09/01/2003	226
2	LGD	2	-	07/06/2002	-	12/06/2002	-	24 000	01/09/2002	13/09/2002	-
3	NAD	1	08/05/2002	14/05/2002	6	-	-	25 000	-	-	-
4	NAD	2	28/03/2002	03/04/2002	5	-	-	10 000	-	-	-
5	LGD	1	23/05/2002	04/06/2002	1	18/06/2002	26	10 000	20/06/2002	25/06/2002	21
6	GPX	1	25/10/2002	30/10/2002	5	-	-	20 000	undated	04/03/2003	125
7	RWD	1	09/08/2002	12/09/2002	34	-	-	30 000	01/12/2002	-	-
8	IDA	1	24/11/2002	09/01/2003	46	04/12/2002	10	14 500	30/01/2003	29/01/2003	20
9	GHC	1	29/01/2003	03/02/2003	5	-	-	50 000	31/03/2003	-	-
10	AND	1	-	-	-	-	-	0	cancelled	cancelled	-
11	ADD	1	-	-	-	07/03/2003	-	14 000	29/03/2004	-	-
12	GHH	3	27/02/2003	-	-	-	-	3 127	-	19/03/2003	-
13	NAD	1	-	-	-	-	-	17 800	-	-	-
14	GHH	2	14/01/2003	28/01/2003	14	-	-	6 000	01/07/2003	16/07/2003	169
15	IDA	1	03/04/2003	17/04/2003	14	07/04/2003	4	36 000	09/05/2003	06/08/2003	111

*Support to Canadian Interests Abroad (SCIA)
- Class of Contributions*

Case #	A Divn	B Catgy	C Date Appl	D SMP	E (D - C)	F SMFH	G (F - C)	H Request	I Report	J Paid	K (J - I)
16	RWD	1	26/08/2003	29/08/2003	3	09/09/2003	14	30 000	01/12/2003	31/03/2004	185
17	LIA	1	07/05/2003	09/06/2003	2	08/05/2003	1	21 970	-	11/11/2003	152
18	REN	1	14/11/2003	17/11/2003	3	-	-	10 000	08/05/2003	-	-
19	RWD	3	05/03/2004	-	-	-	-	37 000	-	-	-
20	NMX	1	27/11/2003	03/12/2003	6	19/12/2003	22	5 000	01/06/2004	20/07/2004	227
21	IDD	1	-	-	-	07/03/2003	-	10 450	29/03/2004	31/03/2004	-
22	AGC	1	12/03/2004	16/03/2004	4	-	-	49 087	-	26/03/2004	10
23	LIA	1	-	10/03/2004	-	-	-	10 000	23/03/2004	31/03/2004	21
24	GPX	1	24/03/2004	21/04/2004	28	17/03/2004	0	6 667	01/05/2004	16/07/2004	86
25	NMX	1	08/03/2004	09/03/2004	1	-	-	2 000	14/04/2004	20/07/2004	133
26	NUR	1	29/04/2004	12/05/2004	13	15/06/2004	47	13 000	23/06/2004	14/09/2004	125
27	LIA	1	16/07/2004	19/07/2004	3	28/07/2004	12	13 300	-	16/09/2004	59
28	NMX	4	03/09/2004	08/09/2004	5	15/09/2004	12	5 000	19/11/2004	undated	-
29	RWD	1	06/07/2004	25/08/2004	50	09/11/2004	126	30 000	online	still unpaid	-
30	NUR	1	15/10/2004	04/11/2004	20	27/12/2004	73	7 500	28/11/2004	17/01/2005	105
					277		347	539601			1775

Support to Canadian Interests Abroad (SCIA)
- Class of Contributions

- A Division within the Department
- B Category (one of four categories as detailed in Annex D)
- C Date of application by bureau to SMP for approval (determined by date on request letter from bureau to SMP)
- D Date of SMP approval (determined by date on SMP's approval letter to bureau)
- E Number of calendar days between application by division and approval by SMP (277 days divided by 22 cases equals an average of 12.5 days for each application)
- F Date of SMFH approval (determined by examination of filed copies of e-mails from SMFH to bureau)
- G Number of calendar days between application by division and contribution agreement approval by SMFH (347 days divided by 12 cases equals average of 28.9 days for each application)
- H Requisition (amount of money actually paid to recipient based on IMS record provided by SMP)
- I Date final report received (determined by examination of report(s) available in various files examined)
- J Date of final payment (based on date of final payment as recorded in various files examined)
- K Number of calendar days between date of approval from SMP and date of final payment (1,775 days, divided by 16 cases, average of 111 days for each application or about 3.6 months)