



AUDIT
OF
THE CANADIAN EMBASSY

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Audit Division (SIV)

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EXECUTIVE SUMMARY

An audit of the Political and Public Affairs, International Business Development (IBD), Consular and Administration Programs was conducted in Brussels during the period May 15 to 31, 2000. The previous audit of the Administration and Consular Programs took place in May, 1994.

MISSION MANAGEMENT

Generally staff are hard working, dedicated and professional employees working together to meet all program objectives. The HOM has frequent and lengthy absences from the Mission with respect to his responsibilities as the Personal Representative of the Prime Minister for La Francophonie. To compensate for these absences, he has required Program Managers to contribute in the preparation of his Accountability Document thereby using this document to develop their Program activities. Based on the audit conducted, it was determined that Mission programs are well managed with the exception of Administration which needs more effective management.

POLITICAL PROGRAM

The Political Program is well managed by a knowledgeable, hardworking and dedicated Officer. The workload for the Section is heavy and the pressure is constant. Demands come from DFAIT-HQ and PCO. The Political Counsellor works long days. Work outside normal hours and on the weekend is frequent. The Audit Team supports the recent decision by HQ to provide the Mission with a new LE Officer position to cover domestic political affairs and economic policy issues. It will provide needed depth to the Political/Economic and Commercial/Economic requirements of the Mission, alleviate the daily work pressure and allow the Political Counsellor to focus more on higher priority issues.

PUBLIC PROGRAM

This a busy Mission with a large and important Public Affairs Program which serves both BRU and BREEC. Serving two masters is never easy. The Program appears to be stretched to its limits and an additional LE Officer position may be needed to manage the work effectively. BRU and BREEC both anticipate the work volume will increase because of the EU expansion and the need to do more networking in the area of cultural, education and Canadian studies. A clearer description of the division of the Public Affairs work between BRU and BREEC is necessary in order to obtain a better fix on the appropriate allocation of resources.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

The Trade Commissioner and his staff are very experienced and knowledgeable concerning their sectors, the objectives of the Section and the Trade Program. The work environment is very collegial and professional. The Audit Team is of the opinion that the Trade Section could better utilize Win Exports and further streamline the enquiry process. This will allow more concentration on strategic and proactive activities, give more responsibility to staff and foster a better team approach. Strengthening management of the Section through improved communication, planning and reporting will enhance both the utilization and motivation of the staff to put a greater focus on the Trade Commissioner Service's New Approach concept of higher value activities such as outreach and corporate liaison. The Counsellor, Commercial and Economic has been Chargé d'Affaires during the Ambassador's five month absences during the past year and carried all representational and administrative duties related to the job.

CONSULAR PROGRAM

Effective Consular services are provided to clients on a timely basis. The two LES involved in the day-to-day Consular activities are very experienced, although the senior officer is resigning this summer which will result in the DMCO spending more time on training and providing advice to the replacement officer. Tighter controls are required in the processing of Consular revenues. *** The Embassy is also in the process of hiring Honorary Consuls for the Regions of Flanders and Wallonia.

ADMINISTRATION PROGRAM

There is a need for more effective management of the Administration Program. The Audit Team observed internal control weaknesses in Mission financial controls, no formal LES performance appraisal system and instances of overly cumbersome administrative procedures. The CBS in Administration must pay closer attention to the financial operations and be involved in reviewing the monthly financial statements, which should also be signed off by the HOM. With the change in MCO's this summer the workload distribution for that position and the Deputy MCO should be reviewed so that each employee carries a fair burden. To ensure more efficient Administrative services and to bring new ideas to the sections, the MCO should have regular meetings with the section supervisors; should set objectives and work plans for the sections and also establish service standards for all aspects of Administration so that clients are aware of the time frames for the delivery of services. With an upgrading of the MAO position at BNATO and the addition of a Security Manager position at the Mission, with some responsibilities for BNATO, it is an opportune time for the two Administrators to meet and discuss their respective Administrative roles and responsibilities. These should be set out in a written Memorandum of Understanding. Other challenges for the new MCO are to find replacements for three key LES who are

resigning this summer - the Personnel Officer, Systems Administrator and Consular Officer.

In general, the quality of Administrative services provided to Programs and staff is high. The Mission is responsible for the management of all properties for the three missions and there is a Housing Committee in place to make recommendations on staff quarter allocations. At times, there are misunderstandings between the Mission and DND staff regarding the policies followed in allocating staff quarters and recommendations are made in this report to strengthen the communication process before employees arrive in Brussels and to advise staff and spouses of the responsibilities of the Housing Unit with respect to property maintenance etc.

MISSION MANAGEMENT

Overview

1.1. The HOM has a heavy and demanding workload. He has frequent and lengthy absences from the Mission because of his responsibilities as the Personal Representative of the Prime Minister for La Francophonie. To compensate for these absences, he has required Program Managers to contribute in the preparation of his accountability document thereby using this document effectively to develop their program activities. Each Program Manager has a copy of this document. In addition, the IBD Program Manager has a performance agreement which outlines clear objectives that he must achieve. The Political, Public Affairs and Management Consular Officers, however, do not have such an agreement. Instead, they rely on weekly operational meetings where the Management team discusses program activities and determine how best the HOM can assist in the achievement of these activities. Because the HOM is frequently absent from the Mission, it is even more important to establish with all Program Managers, clear objectives and work plans which can be reviewed on a regular basis to assess progress, performance and intervene as required.

LES Appraisals

1.2 LES appraisals need to be completed, whether or not the individual LES is at the top of his/her salary scale. The annual appraisal process is an excellent tool whereby Program Managers can discuss with the LES his/her achievements and planned activities for the coming year.

LES Staff Committee

1.3 The LES have no staff committee. It disbanded in 1994 due to its inability to make any progress on issues of importance to LES, one of which is the pension and health benefit. The Mission engaged the services of a local Actuarial, Benefits Consultant to analyse the Belgian insurance market to establish a defined contribution pension scheme for the LES. The results of this study were submitted to HQ November, 1997. Although the Mission made repeated enquires concerning its status, no decision has been made by HQ. The LES, as well as Mission Management and the Audit Team, are concerned that the social security benefits continue to lag behind the markers.

Contract Review Board

1.4 The Mission does not have an active Contract Review Board to oversee the contracting selection process. Management relies on the RFO to ensure the process is completed properly. As required by the Deputies in their March 24, 2000

message, each mission is required to established its own Contract Review Board. The Audit Team believes that a Contract Review Board is a particularly good tool where managers can see for themselves how the contracting selection process can be applied to Mission Programs.

Recommendations for Mission

- 1.5 The HOM should request Program Managers, in consultation with himself, to prepare a performance agreement outlining clear objectives and work plans.**
- 1.6 Appraisals should be completed for all LES, even when the individual LES has reached the maximum of his/her salary scale.**
- 1.7 The LES Committee should be re-established and meet regularly with Mission Management.**
- 1.8 The Mission Contract Review Board should be re-activated.**

Mission Responses

- 1.5 A performance agreement outlining clear objectives and work plans will be drawn up between the new Ambassador and the Programme Managers.**
- 1.6 Instructions will be sent out to all programme managers that appraisals must be prepared for all staff even when the individual has reached the maximum of his/her level.**
- 1.7 The HOM will encourage the LES to re-establish the LES Committee which would the give the LES the opportunity to meet regularly with Mission Management.**
- 1.8 The Mission Contract Review Board had been re-activated at the time of the audit. With the departure this summer of the RFO, a new chairperson will be appointed now that the all incoming staff have arrived.**

POLITICAL PROGRAM

2.1 Overview

2.1.1 The Political Program is well managed by the Political Counsellor who is knowledgeable, hardworking and dedicated. The Political Counsellor is supported by a Secretary who provides valuable assistance through drafting text, researching issues, etc. The Mission has been allocated for fiscal year 2000 - 2001 a one time budget of \$100,000 from the Public Diplomacy Fund. The Counsellor has developed a strategy to utilize these funds. The strategy needs to be implemented in consultation with the Public Affairs Section and the HOM. The Division has a hospitality allocation of \$8,000 and believes this is to be sufficient. Our review of hospitality expenditures indicated effective use is being made of it.

2.1.2 Work in the Section is driven by the Accountability Document and the Joint Declaration between Canada and Belgium. These two documents set out the priorities for the Section. Work is also impacted by unplanned issues and events that change from day-to-day.

2.2 LE Officer Position

2.2.1 The Political Counsellor maintains a comprehensive network of contacts: Belgium and Luxembourg Administrations, regions, NGOs, media, etc. Her ability to speak Flemish fluently has opened many new doors, generating more work and increasing the effectiveness of the program through greater access.

2.2.2 As such, the workload for the Section is heavy and the pressure is constant. Demands come from DFAIT-HQ and PCO. To cope with this workload, the Political Counsellor must work long days, requiring work outside normal hours and on weekends.

2.2.3 Times spent inside the office responding to demands does not allow the Counsellor to get out as frequently as she would like in order to establish contacts and promote Canadian views. Because of the heavy workload, some files are given less attention than others. For instance, she would like to devote more time to climate change, relations with regions (Wallonia and Flanders) and reporting on developments in Belgium.

2.2.4 The Audit Team supports the recent decision by HQ to provide the Mission with a new LE Officer position to cover domestic political affairs and economic policy issues. This position will provide the needed depth to better deal with the Political/Economic and Commercial/Economic requirements of the Mission, alleviate the daily work pressure and allow the Political Counsellor to focus on prioritized issues such as:

- Public diplomacy;
- Improved coverage of Belgian domestic developments;
- Allow more hospitality/outreach activity;
- Trade policy, economic/environmental reporting; and
- Luxembourg.

Recommendations for Mission

- 2.2.5 The Political Counsellor should supervise the new LE Officer position and define the work allocation, in consultation with the Trade Counsellor and the HOM. The two Sections should clarify roles and responsibilities for supervision, performance appraisals, overtime and leave approval, etc.**
- 2.2.6 The Political Counsellor should draft objectives and an annual work plan for the LE position, in consultation with the HOM, that addresses the priorities set out for the Political and Trade Program.**

Mission Responses

- 2.2.5 The Political Counsellor has written the job description and the position has now been classified by the Classification Committee. As soon as HQ provides the position number, the Political Counsellor will staff the position. The Political Counsellor will supervise the position and the work allocation will be defined in consultation with the Trade Programme Manager and the HOM.**
- 2.2.6 The Political Counsellor will draft objectives and an annual work plan for the LEP position in consultation with the HOM and the Trade Programme Manager.**

PUBLIC AFFAIRS PROGRAM

3.1 Overview

3.1.1 This a busy Mission with a large and important Public Affairs Program which serves both BRU and BREEC. The Division is led by the Public Affairs Counsellor who is supported by two LE Officers and two LE Administrative Assistants as well as one part-time administrative assistant. One of the full time administrative assistants is a receptionist who responds to requests from the public. The Public Affairs Counsellor and one LE Officer divide their time equally between BRU and BREEC. BRU and BREEC have completely different mandates and monitor issues that have no (or very few) points of convergence. Communications and public affairs activities are addressed to different publics and are conducted in three languages (BRU/French and Dutch, and BREEC/English and French). The Counsellor and media relations officers devote half of their time to each mission and have to move quickly from Canada-Belgium mode to Canada-EU mode. It is very difficult to offer quality services to the two entities. The work of a communications officer already demands rapid adjustment to a variety of situations and a good understanding of the files handled. The current situation augments these requirements twofold, placing a good deal of pressure on the Counsellor and his assistant.

3.1.2 The Division's budget is \$85,000 and is used to cover expenses related to BRU Public Affairs activities. The Post Initiative Fund (PIF) for the coming year (00/01) has been increased for both BRU and BREEC from \$15,000 to \$30,000. As well, HQ has approved a one-time allocation to BRU of \$100,000 from the Public Diplomacy Fund. Other initiatives are also funded by other HQ sources, eg. ACA provided \$9,000 for cultural issues, PDS provided \$11,047, Public Diplomacy provided \$4,990 and IFPP provided \$32,000 (BRU initiative) for visiting journalists to Canada.

3.1.3 The Public Affairs Counsellor's strategy is to run hard and keep things going. He works long days and most weekends and is producing impressive results. Notwithstanding, this Program would be better served if there was tighter control and more careful programming exercised.

3.2 Planning

3.2.1 The work is driven by the HOM Accountability Document agreement which sets out the priorities for the Program. No action plans exist that would assist in achieving the target priorities. The Program, instead, essentially reacts to the demands of both Missions and to the issues and events that change from day-to-day. There is no prioritizing of activities and no work reports that provide statistics, i.e. work volumes and summaries documenting results achieved. The Division has not set objectives for the academic and cultural sectors nor for each of the officers. As such, it is difficult to evaluate the division's performance in the absence of any reference or target goals.

Nevertheless, staff has a sense of direction as to their operational responsibilities on a project by project basis through daily interaction with the Public Affairs Counsellor.

3.2.2 Because of the heavy workload pressures, the Public Affairs Counsellor is finding it difficult to network with colleagues from other embassies. He indicated that opportunities in the areas of cultural, educational and Canadian studies are being missed.

3.2.3 Internal issues have not helped the workload situation. The LES Cultural Assistant has been on leave and will return in October. A second LES is not familiar with the technology available and needs to be trained on how to use it. The Division has been using the services of an officer from the Foreign Service Development Program (FSDP). However, the agreement for the FSDP position will end in July which will translate into more work for the rest of the team. Use of interns has been considered but not examined in depth because of lack of available space. The Audit Team believes this may be a viable option for the Section to pursue.

3.2.4 The Program appears to be stretched to its limits and an additional LE officer position may be needed to manage the work effectively. BRU and BREEC both anticipate that the work volume will increase because of the EU expansion, managing the one-time \$100,000 allocation from the Public Diplomacy Fund and the need to do more networking in the area of cultural, education and Canadian studies.

3.3 Role Clarification

3.3.1 The Audit Team believes that the agreement between BRU and BREEC needs to be clarified with regard to the role of the Public Affairs Counsellor within both organizations. A clearer description of the division of work between BRU and BREEC is required. Because of the posting change for the Public Affairs Counsellor this summer, this is an opportune time to clarify the role of the position. In particular, the following should be addressed:

- Work needs of both organizations (current and future);
- Opportunities missed because of the lack of resources;
- Expected level of work to cope with the EU expansion and new challenges; and
- Lessons learned from the existing experience.

3.3.2 Once the division of work between the two missions has been clarified, a review of the resource requirements should be undertaken. The following should be considered in this review:

- The work allocation and objectives;
- Roles and responsibilities (for supervision, performance appraisals, overtime and leave approval, etc.);
- Budget allocation and authority; and
- The job description reflects the agreement between the missions.

Recommendations for Mission

- 3.3.3 BRU and BREEC should clarify the role of the Public Affairs Counsellor with regard to work allocation, roles and responsibilities, reporting relationship, budget allocation and resourcing.**
- 3.3.4 A business case needs to be made to support the Program's contention that an incremental LE Officer position is needed.**

Mission Responses

- 3.3.3 The new Counsellor has been posted since August 24 and will devote the month of September (and possibly part of October) to preparing (a) a document containing a Communications Strategy/Action Plan for BRU and BREEC, (b) an analysis of objectives and expectations for communications/public affairs for the months and years ahead, (c) an evaluation of existing financial resources and the division of expenditures between the two missions, (d) an evaluation of personnel resources according to the Strategies/Action Plans, and (e) recommendations on improvements to be made on these various points. Above all, the documents will serve to clearly establish the level of services it is possible to offer the missions and to inform each of the workload of the "Communications and Culture" section. The documents will also establish the procedures for evaluation reporting, supervision and allocation of budget resources. It will be submitted to the two Ambassadors for discussion purposes.**
- 3.3.4 The Strategies/Action Plans and the analysis will allow for a better judgment of personnel requirements. These documents will be used as a basis for building a case study and determining the urgency of hiring a new LE Officer. This case study requires an in-depth evaluation of existing resources, training needs and possible resource redeployment. The new counsellor will be in a position to determine resource requirements only after testing out the current structure.**

3.4 Contracting

- 3.4.1 The Public Affairs Section has been using the services of a contractor for all design and printing activities required for BRU and BREEC officers. Services relate to design and production of publications both in paper or electronic format. The Public Affairs Counsellor has been administering this contract. Users are required to provide**

the Counsellor with a requisition for services to control tasking under the contract. The most recent contract ended August 31, 1998 and was valued at 480,000 Belgian francs. While, the Audit Team could find no amendments to the contract, subsequent to this period the services of this contractor continued to be used. In fiscal year 1999 - 2000 the Mission paid the contractor 486,711 Belgian francs with no authority. The same contractor has been used since 1996 (sole source contract) without any evidence that a competitive process took place. The contractor is also provided an office on site and uses the Mission's equipment and materiel. The manner in which this contract is being managed would strongly suggest that an employee-employer relationship exists.

Recommendation for Mission

3.4.2 The Public Affairs Counsellor should initiate a competitive process in the selection of a contractor for the design and production of publications. There should be a formal contract signed with the contractor for a designated period and the selection process should be repeated following the expiration of each contract.

Mission Response

3.4.2 The Counsellor has already met with the contractor performing the design and printing work for the mission in order to review the projects regularly assigned to him and determine those that are essential for the proper functioning of the Section and the missions. A number of the projects assigned largely exceed the responsibility of the "Communications and Culture" section and have been discontinued. This applies to the graphic design work offered free of charge (contractor's rates, paper costs, use of Embassy equipment) to various associations, some of which are already receiving a grant from the federal government.

A one-year contract was drawn up last June by the outgoing Counsellor for this service provider, and hence any possible action on this issue can only be taken in 2001. In the meantime, the new Counsellor will consult with the two missions to clearly identify their graphic design and printing needs. In putting an end to the current situation (use of Embassy premises and equipment by a contract worker) and to the "appearance of an employer-employee relationship", the Communications and Culture Section could find itself with an excessive workload which it is unable to assume. Any final decision in this respect will have to take account of the consequences for the financial resources of the Communications and Culture Section.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

4.1 Overview

4.1.1 The Trade Program in the Brussels Mission is headed by a Trade Counsellor who is supported by three Commercial Officers and three Assistants. The total budget for the Program is \$45,000. The Commercial Division of the Canadian Embassy in Brussels is dedicated to the development of economic, commercial, industrial and scientific relations between Canada and both Belgium and Luxembourg. In addition to his regular duties, the Counsellor, Commercial and economic carries out Chargé d'Affaires duties during the Ambassador's absences. This entails a substantial burden during and off business hours, particularly during the heavy fall program of commemoration ceremonies.

4.1.2 Each Officer is assigned responsibility for a number of sectors. Officers respond to enquiries, conduct outreach and corporate liaison calls, arrange mission visits to Canada and to Belgium, and participate at and attend conferences, seminars and trade shows. Officers are supported by Assistants who perform the administration component to the above activities and serve as back-up to the Officer. There is an information centre managed by one of the assistants, which supports the information, distribution and filing needs of the Section. This individual could also respond to enquiries of a general nature (see recommendation 4.4.6).

4.1.3 The Trade Section is increasing emphasis on investment initiatives. Belgium is Canada's seventh largest trading partner and eighth largest investment partner. It is also considered an important gateway to European markets due to an environment of multiculturalism, affluence, consumer discrimination, relatively low start-up costs and established distribution channels to other European countries.

4.1.4 In the area of trade promotion, the Section has in the past year tracked 128 companies into the Win Export System, up from 55 the previous year. On the investment side, a country action plan has been developed and corporate liaison targets established. The post made 19 Corporate Liaison calls during the past year. There have been six cases of investment by companies in Canada, 27 active files being worked on and the identification of an additional 25 prospective investors. It should be noted that as of May, 2000, Belgium-Luxembourg was added to the very select, "Country Champion Program" which will entail substantial additional proactive work on the part of the Trade Section. The Trade Commissioner and his officers keep track of their major visits, meetings conferences, missions, etc. These totalled 352 such actions for four officers, ***. The Section also maintains a Commercial Network booklet which lists contacts at: the Mission; the Belgium Embassy in Ottawa; the Quebec delegation; and companies in Belgium and Canada.

4.1.5 The Trade Commissioner and his staff are experienced and demonstrate a good knowledge of their sectors, the objectives of the Section and the Trade Program overall. The work environment is very collegial and professional. The Audit Team is of the opinion that the Trade Section could better utilize the Win Exports and streamline the enquiry process. This will allow more concentration on strategic and proactive activities, giving more responsibility to staff. The following issues cover specific areas where improvements are possible. Taken together these issues point at further strengthening the management of the Section through better communication, improved planning and reporting, enhancing utilization and motivation of the staff, and putting greater focus on the Trade Commissioner Service's New Approach concepts of higher value activities such as outreach and corporate liaison.

4.2 Work Plans

4.2.1 The IBD Program Manager has a performance agreement with the HOM that coincides with the HOM's accountability document. It has not, however, been translated into formal work plans for the Trade Section. Instead work plans consist of oral understandings between the Trade Commissioner and his staff. Staff has a sense of direction regarding their operational responsibilities and short term goals due to ongoing interaction with each other and the Trade Commissioner.

4.2.2 Formal work plans at the Section and Officer level would enhance clarification of objectives and their relative priority and enable the development of strategies, identification of associated activities, assignment of workloads, establishment of expected results and allow for regular assessment of performance both at the Section level and individually.

4.2.3 The effective use of work plans as a management tool will increase effectiveness as results can be assessed against specific strategies, activities, etc. and these can then be adjusted to maximize resource utilization. Associated costs of strategies and activities can then be accurately determined and resource levels justified.

Recommendation for Mission

4.2.4 The IBD Program Manager should prepare work plans for his Section and for each of his Officers.

Mission Response

4.2.4 We agree with the suggestion for the production of sectional work plans and individual officer work plans based on the STC accountability statement and with the inclusion of budgets for specific activities.

4.3 Resources

4.3.1 The Trade Program has a budget of \$45,000, an investment promotional budget of \$34,200 and a TIF budget of \$4,000. This budget supports the activities of seven staff including local area travel, conference attendance, training, trade show participation, hospitality, professional services and advertising. Conference attendance is restricted to low cost events and within the region due to limited travel funds. Updating market studies is also restricted due to a lack of contract funds.

4.3.2 The Audit Team believes that as the New Approach concept becomes more entrenched, funding shortfalls will become more evident. As the Program becomes more involved in proactive activities, requirements for travel, hospitality and professional services will increase. This can be offset to some degree by streamlining the processing of enquiries as discussed further in this report under the New Approach. As well, the new LES Political position will devote 15% to economic reporting/trade policy issues. This will assist Trade which has only devoted limited time and resources to these activities. This new position will also allow for better links between the Political and Trade Sections ensuring that political issues with trade implications and vice versa will not be overlooked. The Third Secretary position in BREEC is to allocate 10% of its time to the Trade Section. Due to the heavy workload in BREEC, there has been very little interaction with only one example of tasking in the recent past.

4.4 Trade Commissioner Service's New Approach

4.4.1 The principals and philosophy of the New Approach are being adopted and are being used by the Trade Section. The Section finds HQ initiatives such as the Post Support Unit, the Horizon Internet Site and regional training helpful in contributing to implementing this concept. Indications are that enquiries are changing in nature from general and low level information requests to more substantive and directed ones. Also more activity is devoted to outreach calls, corporate liaison, missions, conferences, and the upgrading of the Web page, including the addition of eight market studies in the past year.

A) Maintaining Information in Win Exports

4.4.2 Inputting of information relating to the tracking of Canadian companies and updating the contact data base is inconsistent between staff. In some cases, backlogs are considerable. This is due to technical difficulties being experienced with the Win Exports, personal preference for manual files which are well organized and maintained by the archivist, and, a lack of time.

B) Enquiries

4.4.3 A considerable amount of time is spent responding to enquiries. This ranges between 40% and 60% of an Officer's time and 80% of an Assistant's time. The Trade Commissioner also responds to enquiries for the particular sectors that he handles. Many of these enquiries are routine in nature requiring only a standard response or a basic information research. Time and effort could be minimized by having the Information Centre Assistant process these types of requests independently with only the Officers and the Trade Commissioner periodically reviewing the responses to ensure quality and consistency. Time spent on doing low value work could be more effectively used on outreach and corporate liaison activities. This is a practice that is recommended by the Post Support Unit under its procedures regarding Commercial Section Information Centres.

C) Turnaround Standard

4.4.4 The client survey results illustrated that the Mission had a low score responding to enquiries within the five day standard. While officers are aware of this, instances were cited where the standard is not met due to lack of time and absences. It was noted that efforts are made to ensure that important requests are always actioned. However, to ensure that all clients are given the same consideration, the Section should adopt a system to monitor turnaround times in order to be able to take corrective action when necessary. When workloads are high and not all enquiries can be actioned, acknowledgement letters can be sent indicating to the client when they can expect a response.

Recommendations for Mission

- 4.4.5 **Client tracking information should be inputted into the Win Export system on a timely and consistent basis.**
- 4.4.6 **Enquiries of a routine nature should be actioned by the Information Centre Assistant.**
- 4.4.7 **That a system be implemented to ensure that turnaround standards are controlled.**

Mission Responses

- 4.4.5 **The information assistant will be tasked with regular encoding of tombstone information into the WIN.**
- 4.4.6 **We plan to increase the workload of the information centre assistant for certain types of enquiries. However, the other two assistants will**

continue to do the bulk of business info research as they have acquired sectoral expertise and the volume of inquiries is much too heavy for one assistant.

4.4.7 The information centre assistant will implement a new enquiry turnaround system to ensure the five day compliance.

4.5 Communications

4.5.1 Day-to-day communications and information sharing is being successfully accomplished through distribution of enquiries, outgoing correspondence, documents, magazines, pamphlets, etc and through regular interaction between staff and the Trade Commissioner. Monthly staff meetings are also held to share information about ongoing work, however, staff identified a need for more regular meetings to discuss issues beyond daily operations. This would include discussing workloads, strategies for the Section, responsibilities, work procedures, overall objectives, including those of the HOM and the Trade Commissioner, etc. Once all staff is fully aware of both HOM and Section requirements, activities and outputs can be identified to address these. The Trade Commissioner recognizes this need citing the desirability of retreat-like activities. Operational demands and lack of time are obstacles to this type of activity.

4.5.2 Related to this issue, staff both at the Officer and Assistant level expressed a desire to take on more responsibility and to be more involved in proactive and higher value work. This is not only desirable but will be necessary when the burden of enquiry work is reduced and, as described above, the Section collectively determines optimal strategies and work procedures.

4.5.3 The Section would also be well served if it could regularly and consistently summarize and present its activities, outputs and achievements. At present, most reporting to the HOM is on a verbal basis. Written information is passed on in reaction to operational issues and events and requests from HQs.

4.5.4 To effectively communicate the work being done and related value added, formal and regular reporting should be incorporated into the performance agreement between the HOM and the Trade Commissioner.

Recommendation for Mission

4.5.5 The Trade Section, through more frequent meetings and retreats, should work collectively to: refine objectives, strategies and work procedures; determine how greater responsibility and challenge can be assigned to staff; and develop a framework for reporting the Section's accomplishments and achievements.

Mission Response

- 4.5.5**
- All trade staff have reviewed the STC accountability statement.
 - Trade Section meetings will take place every second week.
 - A retreat will be organized in the near future.
 - Accomplishments and achievements are currently being reported through specific corporate liaison calls or other type of reports including the 128 cases which we inventoried for the Client Tracking Survey last January. In addition the STC will prepare a quarterly report for the HOM, based on the Section's Work Plan.

CONSULAR PROGRAM

5.1 Management of the Program

5.1.1 The Consular Program is under the responsibility of the MCO, but the daily management of the Program is handled by the DMCO. Reporting to the MCO are two experienced LES, the Consular Officer and the Consular Administrative Assistant. The Consular Officer leaves the position in June 2000. The Mission has a temporary employee for the summer period and a competition will be held in the fall to permanently staff the position.

Consular Services

5.1.2 The provision of Immigration services for all of Europe was transferred to Paris and London. Although, the Mission does not offer these services, the Consular staff and the Mission Receptionist still receive many Immigration enquiries. In March 2000, 40 percent of the cases handled by the Mission were Immigration requests. Even though this service was transferred, it continues to impact on Mission resources.

Networking

5.1.3 The Section has not had a current contact list for some time. To facilitate the exchange of information between contacts, the Consular staff needs to maintain an up-to-date contact list of local authorities and consular representatives from other missions, Canadian and foreign. The Mission needs to also periodically make personal contacts with these individuals.

Recommendation for Mission

5.1.4 The Mission should prepare a list of contacts of local authorities and Consular representatives from other Missions and maintain a personal contact schedule.

Mission Response

5.1.4 The Mission has revised its contact list and will continue to develop contacts with other missions represented in Brussels.

5.2 Services to Canadian Citizens

5.2.1 The Consular staff are dedicated employees and offer a professional service in both official languages. Services are offered in an effective way, with minimal supervision. The staff are using the tools available, such as COSMOS and HQ Watch Office.

5.2.2 Consular service standards are met and sometimes exceeded. No delays were noted for passport issuance. The Audit Team noted that the service standards were not displayed in the reception area for clients to see what services they can expect.

5.2.3 Approximately 7,000 to 8,000 Canadians live in Belgium and a few hundred in Luxembourg. The Belgian system is complex for a Canadian. Because there is no reciprocal employment agreement between Canada and Belgium, it is difficult to obtain a work permit. Belgian authorities do not recognize Canadian legal documents such as drivers' licences, etc unless it has a recent issue date, i.e. an issue date not later than thirty days from the current date. This results in a considerable workload preparing legal documents.

5.2.4 Three Canadians are presently incarcerated in Belgium. The Consular Officer regularly visits these individuals.

Honorary Consuls

5.2.5 At the time of the audit visit, the HOM had forwarded to the Honorary Consul (HC) in Luxembourg a statement of goals and objectives. The HC was instructed to review and comment on these. When both parties have agreed to their content, the intention is for the HC to submit a report annually. The HOM will assess progress, performance and intervene as required. *** The Audit Team is satisfied that the Mission is taking the appropriate steps to address the issue. The Mission has also launched a process for the hiring of Honorary Consuls in the Regions of Flanders and Wallonia.

5.2.6 The Audit Team did not visit the Honorary Consuls because of time limitations.

5.3 Passport Services

5.3.1 Blank passports are kept in a secure area. An accounting of these passports was carried out by the Audit Team and security procedures to maintain these documents were found to be adequate.

5.3.2 The Audit Team noted internal control weaknesses in the collecting and recording of Consular revenues. Although Consular revenues are regularly transferred to the Finance Section, it is not counted in the presence of both officials and an official receipt is not always signed by the recipient. As well, these monies are not regularly reconciled to the IMS reports. As a result, Consular revenues were coded incorrectly for six months before the Mission discovered and corrected the error.

5.3.3 ***

Recommendations for Mission

- 5.3.4** Two people should count Consular revenue when transferring it to the Finance Section and both individuals should be signing the official receipt.
- 5.3.5** IMS reports should be regularly reviewed to ensure that Consular revenues are appropriately coded.
- 5.3.6** ***

Mission Responses

- 5.3.4** When funds are transferred to the Finance Section, the employee verifies the content of the envelope in the presence of the Consular Section employee and signs the detailed revenue form. An official receipt is then drawn up and duly signed.
- 5.3.5** The appropriate codes are clearly indicated on the consular forms and also on the associated RO.
- 5.3.6** ***

ADMINISTRATION PROGRAM

6.1 Management of the Program

6.1.1 Under the management of the MCO, the Mission is responsible for the Administration Programs in both BRU and BREEC as well as specific administrative activities for BNATO. Reporting to the MCO is the DMCO, a CB Systems Administrator, a CB Technician, and the LES Accounts Supervisor, Personnel Officer and Administrative Assistant. The MCO concentrates on finance and personnel issues, attends the CMM for both BRU and BREEC, and is the Mission Security Officer. The DMCO is responsible for the management of Physical Resources and General Services. The DMCO is to assume the MCO position when the incumbent departs while a replacement DMCO is being posted from Ottawa.

6.1.2 This report notes areas where controls need strengthening, especially in Finance. The DMCO arrived at the Mission in August 1997 and has been tasked with a heavy workload by the MCO. The DMCO is pro-active and a good planner and communicator. It is to be hoped that when she takes over the MCO responsibilities that there will be a fair division of the workload between the MCO and the DMCO. Impacting on future services will be the need to train new staff in the key LES positions of Personnel Officer, Consular Officer, and Systems Administrator, all of whom are leaving this summer.

6.1.3 Program Managers were interviewed regarding the quality of services they receive from Administration. In general, the Managers were very complimentary regarding the quality of services received. Concerns raised were with respect to the poor air circulation in the Chancery and the unreliability of staff quarter maintenance by outside contractors

BNATO Administration

6.1.4 The MAO position at BNATO is being upgraded from a CR-6 position to an AS-5 as the DFAIT and DND Administrative Sections will be amalgamated into one. BNATO has an O & M budget; however, staff quarter leasing, maintenance and utility costs are in the BRU reference levels and are managed by the BRU Housing Unit. The Unit is responsible for the maintenance of the BNATO Official Residence and the Crown-owned staff quarter occupied by the CANMILREP. At present, the BNATO Systems Administrator reports to the BRU Systems Administrator who spends two days a week at BNATO. All BNATO accounting transactions are processed by the Finance Section at BRU. Decisions will need to be made regarding the responsibilities of the Security Manager with respect to all three missions. With the integration of the DFAIT and DND Administration Sections at BNATO, it is an appropriate time for the BNATO MAO and the BRU MCO to determine the roles and responsibilities for both administrations. These responsibilities should be documented in a Memorandum of Understanding and distributed to all staff.

Recommendation for Mission

- 6.1.5 In consultation with the MAO at BNATO, a written Memorandum of Understanding setting out the roles and responsibilities on administrative matters for both BNATO and BRU should be prepared.**

Mission Response

- 6.1.5 During the fall of 2000, the MAO at BRU and the MAO at BNATO will draft a written Memorandum of Understanding for the approval of the two Ambassadors.**

Objectives and Work plans

6.1.6 The MCO had input to the HOM Accountability Agreements of BRU and BREEC. Besides the general objectives of providing efficient administrative services to clients, there was an emphasis on using an innovative spirit to initiate change within Administration. The MCO had the responsibility to initiate and encourage this change, however, fell short of the target because he had not established objectives for himself and work plans for his staff. The Audit Team identified areas where change would improve internal controls in finance, the LES performance appraisal process and administrative procedures. The MCO does not have formal meeting of supervisors to discuss issues and concerns. There is an informal Friday morning breakfast session but Consular and Finance staff do not attend. Because attendance restricted, it is not an effective forum to discuss work related issues. In line with objectives, the MCO, in consultation with his staff, should establish service standards for all administrative activities. Because there are no service standards, management and staff, as well as clients have no yardstick to compare performance against. By instituting service standards it may be possible to motivate staff to change their procedures.

Recommendations for Mission.

- 6.1.7 Objectives and work plans should be established for all Administrative staff. These objectives should be related to the HOM Accountability Agreements and tied to the appraisal process.**
- 6.1.8 Regular formal meetings should be held by the MCO with supervisory staff to discuss objectives, current issues and review workload.**
- 6.1.9 Service standards should be established for all aspects of Administration so that both Administrative staff and clients are aware of the quality and the timeliness of service to expect.**

Mission Responses

- 6.1.7 Objectives and work plans will be established for all administrative staff by their respective supervisors by December 2000.**
- 6.1.8 The new MCO schedules weekly meetings with the various administrative Heads of Section.**
- 6.1.9 Service standards will be drawn up by the Heads of Section of the Consular, General Services, Housing Unit, Signet Support Communications, Personnel and Finance during the fall of 2000.**

6.2 Human Resources

6.2.1 The MCO is responsible for Human Resources and is supported by a full time senior LES and Assistant who works half time on human resources, and the other half on finance. The Mission provides human resources services for both BRU and BREEC, as well as consulting services and pay administration for BNATO.

6.2.2 The Senior LES has an excellent working knowledge of human resources management as well as a good comprehension of the Belgian employment system. The individual is leaving this fall and a replacement needs to be recruited.

Health and Pension Plan

6.2.3 The Mission engaged the services of a local Actuarial, Benefits Consultant to analyse the Belgian insurance market to establish a defined contribution pension scheme for the LES. Results of this study were submitted to HQ in November, 1997. Although the Mission has repeatedly inquired of its status, no decision has yet been made by HQ. The LES, as well as Mission Management and the Audit Team, are concerned that the social security benefits set out in the study continue to further lag behind the markers as they wait.

Recommendation for HRL

- 6.2.4 A decision should be made as soon as possible on the November 1997 LES Pension Report.**

HRL Response

- 6.2.4 The consultant's report has been reviewed and queried with the mission (November 2000). Once the pension design details and pension provider have been finalised then we will move forward with the pension scheme implementation.**

Staffing

6.2.5 A sample of staffing files were reviewed by the Audit Team and found to be in order. Job descriptions are not regularly updated. Our review of ten found eight had not been updated since 1996. In these eight cases there was a lack of coincidence between the actual duties performed and the job description. In addition, the audit of the Finance Section found that the latest job descriptions for the accounting positions are dated 1993. Both the job description and organization chart show the Senior Accountant reporting directly to the RFO rather than the MCO. Following Program Review II, positions were removed and those remaining did not have the position description updated to include new tasks.

Recommendations for Mission

6.2.6 Programs managers, in conjunction with the LES, should review job descriptions to ensure they correspond to the actual duties being carried out.

6.2.7 Organization charts and job descriptions should be changed to reflect the actual reporting relationships.

Mission Responses

6.2.6 A memo will be sent to all program managers requesting that job descriptions be updated in their respective sections. The deadline set for receipt of the updated descriptions is December 2000.

6.2.7 Upon receipt of the updated job descriptions and establishment of new positions created in compliance with the entire process (classification, obtaining of a position number, recruitment), it will be possible to update the organization charts of the two missions.

LES Pay

6.2.8 The LES pay is prepared by two software packages (Easy Pay for the Belgian LES and Lotus Notes for the Canadian LES). The amounts paid are in accordance with the approved salary scale. The LES pay system is maintained by the HR Assistant who is also responsible for maintaining employee Leave and Attendance records which she uses to prepare pay data. Although we did not note any irregularities, the lack of segregation of duties increases the potential for unintended errors or deliberate manipulation of records.

Recommendation for Mission

- 6.2.9 The leave and attendance and pay functions should be segregated between two employees and monitored closely by the supervisor.**

Mission Response

- 6.2.9 In future, all pay data will be entered by a third person.**

LES Handbook

6.2.10 The hours of work and holidays for the three missions are not the same. Each mission has adopted the practices followed within its working environment. Staff at BRU work from 8:30 to 17:15 from January 1 until June 30, and 8:30 to 17:00 for the balance of the year. This enables staff to receive an additional four days off. Staff at BREEC work from 9:00 to 17:45, except in August when they work to 16:30 the first week and to 17:00 for the balance of the month, entitling them to receive six additional days off. BNATO has its own unique working hours that are more in line with NATO member states.

6.2.11 Employees at all three missions are confused and some believe there is an injustice. The Audit Team reviewed the situation and is satisfied that all is in order. This perception needs to be clarified and the LES Handbook could be the vehicle to explain the differences.

Recommendation for Mission

- 6.2.12 The LES Handbook should explain clearly why each mission has different working hours and vacation days.**

Mission Response

6.2.12 The LES Handbook clearly states that hours may differ depending on the operational needs of each mission. Hours are decided in light of circumstances and needs by the Management Committee at year-end. When decisions have been ratified by the respective Heads of Mission, a memo is sent to each staff member explaining the Mission's schedule and the terms of application. Since hours of work and holidays are reviewed annually and an individual memo is in circulation indicating the schedule to be applied, we do not see the usefulness of incorporating this in the Handbook.

LES Appraisals

6.2.13 A review of 56 LES appraisals indicated that 23 had not been completed on an annual basis. This applied particularly to senior LES who have reached the maximum of their salary scale. Salary increases are only given after an approval has been signed by the manager that the employee's work is satisfactory. This document, however, is not serving as the vehicle to review the performance of the employee.

Recommendation for Mission

6.2.14 Each Program Manager should be providing his/her staff with a yearly performance appraisal.

Mission Response

6.2.14 For such employees who have not reached the maximum of their salary scale, a memo will be circulated to the supervisors on January 1 of each year to ensure that an appraisal report is produced.

Training

6.2.15 A sample review of LES personnel files indicated that, except for IT and some specialized courses, there are few training opportunities. To improve the situation, the Mission is planning to establish a Training Committee that will prepare an overall detailed training plan.

Classification

6.2.16 The Mission was delegated classification authority in February 1997. A Classification Committee was created; however, it has been inactive since the last classification action was completed in June 1999. At the time of the Audit visit, there was one classification to be actioned that had been outstanding over 12 months with respect to the LES administrative assistant at BNATO. The Classification Committee has not yet met to discuss this request.

Recommendation for Mission

6.2.17 The classification review of the LES Administrative Assistant position should be completed by the Classification Committee as soon as possible.

Mission Response

6.2.17 **The inspection report indicates that one classification had been outstanding for over 12 months: this was not the case. A classification cannot be made if certain elements are missing for performing a correct evaluation.**

The Committee met on July 14, 2000 to examine the request and study the classification in light of the documents received by the Canadian Delegation to NATO; it found that classifying the position at a higher level was not justified. Hence there was no prejudice to the employee in terms of salary.

Spousal Employment

6.2.18 The absence of a reciprocal employment agreement between Canada and Belgium, combined with the linguistic barriers, makes it difficult for spouses to find employment. All Canadians working in Belgium outside of the three missions must obtain a work permit. To facilitate working in the missions, spouses should receive training in Consular courses, SIGNET, C4 and language. As well, they need to obtain their enhanced security clearance before going abroad.

Official Languages

6.2.19 The Mission has a designated official languages officer. The majority of staff are bilingual and offer services to the public in the two official languages. There are two unilingual anglophone employees whose responsibilities include communicating with both mission staff and local service providers - the Community coordinator and the EL technician. In addition, the military security guard who is arriving this summer, is a unilingual anglophone. HPD should take the necessary steps to assign bilingual employees to Belgium or ensure language training is provided before the assignment.

6.3 Physical Resources

6.3.1 Management of Physical Resources is the responsibility of the DMCO who has a total of 14 LES in the Section, including an Administrative Assistant, three Deputy Directors, a Receptionist, four cleaners, two drivers, and three handymen. The Brussels Housing Unit is part of the Section and is responsible for the administration of three Official Residences, one Crown-owned staff quarter occupied by the CANMILREP, 59 Crown-leased staff quarters, a privately leased staff quarter, a leased Canadian Community Centre and one warehouse. The only staff quarters classed as representational are those occupied by the two Minister/Counsellors.

Housing Committee

6.3.2 The Housing Committee comprises members from the three missions and the Military side of BNATO. The MCO is the Chairperson but is not a voting member. The Housing Committee is responsible for recommending the staff quarter allocations each posting season and considering requests for moves and Accommodation Deficiency Adjustments. The allocations for the two Minister/Counsellor positions are the responsibility of the BRU HOM, not the Housing Committee. Members of the Committee visit new staff quarters to be leased to ensure the standard and location are acceptable.

6.3.3 The clients of the Housing Unit include many OGD staff and a high number of DND personnel either at BNATO or on secondment to NATO. The system for housing allocations is different between DFAIT and DND and this leads to misunderstandings when DND staff are posted to Brussels. DND staff on DND postings often select their own staff quarter but the DFAIT system tasks the HOM at BRU with this responsibility. The Housing Unit has established clear policies on how the allocation process is conducted, but this is not always understood or accepted by new arrivals. The policy basically calls for all staff quarters to be within the DFAIT space guidelines and provides for single or couples without children to be placed in apartments and for families to be placed in houses. The Mission Report does have a brief mention of the policy but should include more detail. The question of the briefing of DND staff before being posted to Brussels was taken up with the Deputy MILREP by SIX, as it is mainly DND staff who are not familiar with the DFAIT allocation system. To demystify the process, it would be beneficial if the Director of the Housing Unit met with all new arrivals, including spouses, after the posting season has ended, to discuss the policies and to field any questions regarding staff quarter servicing, etc.

Recommendations for Mission

6.3.4 The Mission Report on the staff quarter allocation policy and process followed by the Housing Committee should be expanded to ensure that it is clear and understood by all newcomers.

6.3.5 Once new families have settled in at the end of the posting season, there should be a meeting of all newcomers with the Director of the Housing Unit to discuss the allocation policy and to explain the policies with respect to staff quarter requirements.

Mission Responses

6.3.4 The Mission Report will be expanded prior to the next posting cycle.

6.3.5 A briefing will be organized in the coming weeks for all incoming staff.

Recommendation for BNATO - Deputy MILREP

6.3.6 Prior to being posted to Brussels, DND staff should be briefed regarding the staff quarter allocation process. Acceptance of their allocated staff quarter should be a condition of their assignment to Brussels.

BNATO - Deputy MILREP Response

6.3.6 Prior to being posted to Brussels, DND staff are briefed using the DND “Welcome to Brussels” briefing package. This package will be reviewed to ensure the allocation process is adequately explained. Once DND staff are posted to Brussels they will be expected to conform to the allocation system.

Those DND staff members who arrived in Brussels during summer 2000 were briefed by the Deputy MilRep on their responsibilities during occupancy of staff quarters. This is scheduled to be followed by a briefing of all DND staff on housing procedures, once a preparatory meeting between Housing Staff and DND Management has occurred.

Staff Quarter Leasing

6.3.7 The Housing Unit Director and Deputy Director are actively involved in the location and selection of new staff quarters. In the past, the Mission had a number of staff quarters which exceeded the space guidelines. As leases are cancelled and new properties acquired, the stock of staff quarters, except for one, are now within the guidelines. Most staff quarters are located in the southeast part of the city and efforts are made to group staff quarters as it is more efficient for the handymen to provide service. The Mission continues to negotiate with landlords for paying improvements and maintenance costs. Standard leases are for nine years with a review every three years. Rents are paid quarterly and security deposits are not required. When leases are terminated, there is considerable negotiation with landlords as the premises must be returned in the same condition as when originally leased, with no provision for wear and tear.

Property Services

6.3.8 Services are generally provided by the Housing Unit with one Section responsible for maintenance and another Section responsible for furniture and

furnishings. Effective systems are in place for the provision of these services. Each day the handymen will meet with their supervisor to discuss work priorities. If the work cannot be conducted by the handymen, quotes are obtained from established tradespeople. For the repainting of staff quarters on change of an occupant, three painting companies are now used. One area where the Mission is to institute a change is with respect to feedback to clients when there are delays in the provision of services. This usually occurs when outside contractors are hired or where negotiations regarding payment must be undertaken with the landlord. Once staffing in the Unit is settled, the Mission proposes that the Administrative Assistant will be tasked to monitor the progress on client requests and to inform the client of the request status. Since the hiring of the new Deputy Director there have been concerted successful efforts to improve service and to be more pro-active in attending to maintenance problems. Also, many of the contractors hired in the past have not been rehired, and this has resulted in considerable savings to the Mission.

6.3.9 Each spring the DMCO prepares a plan for the departure and arrival of personnel in the summer. The Unit works well as a group, a critical requirement for the coordinated scheduling. This summer alone there will be 28 departures and arrivals.

6.3.10 Inventories of assets in the staff quarters are not up-to-date because of problems with the equipment used to record the control identification for the assets. The Mission was requested by SRD on April 4, 2000 to conduct a full inventory of fine artwork and this has commenced.

Gardening Services

6.3.11 The Mission has a local policy covering the provision of gardening services for those staff quarters with large grounds, whereby the employee and Mission share gardening service costs based on the size of the grounds. Full gardening services are provided to the CANMILREP, Deputy CANMILREP and two Minister/Counsellors either by utilizing an Official Residence gardener or contractors. After discussions with SRD, it was determined that these three employees should be contributing a share, either in cash or in kind (i.e. contributes personal time), towards the gardening services costs. This would be consistent with departmental policy.

Recommendation for Mission

6.3.12 CANMILREP, the Deputy CANMILREP and the two Minister/Counsellors should contribute a share towards the costs of gardening services.

Mission Response

6.3.12 Shares will be calculated and the concerned officers informed of the requirement to contribute towards the cost of gardening services.

Staff Quarter Visits

6.3.13 Of the staff quarters, 32 are apartments and 27 are houses ranging from small townhouses to large villas. SIX and an Audit Team member visited 12 staff quarters being a mix of family size, employee status, apartments and houses. There is a good mix of housing ranging from large villas for the CANMILREP and a Minister/Counsellor both with representational responsibilities to medium and small size villas, and medium and small sized apartments. All staff quarters were well furnished and well maintained where the Mission was responsible for the minor maintenance. One landlord was negligent in conducting maintenance work and the particular apartment is to be released when the occupant completes her posting. Employees or spouses interviewed while at their staff quarters were very appreciative of the services provided by all staff in the Housing Unit and noted that there had been an improvement in services upon the arrival of the DMCO and with the hiring of the new Deputy Director. The only negative comment was with respect to the work conducted by outside contractors who often did not keep appointments and performed substandard maintenance. Any concerns brought to the attention of the Audit Team were discussed with the DMCO.

Visit to the Three Official Residences

6.3.14 The BNATO Residence is not a large house. The living room is barely adequate for representational purposes. There is little that can be done to change the situation without incurring considerable expense. Considerable refurbishment has taken place in the reception and private areas of the Residence, although the refurbishment of the guest's suite remains to be finalised. It has attractive grounds which include a swimming pool and tennis court. To enhance security and privacy, the height of the fence and gates has been raised.

6.3.15 The BREEC Official Residence, Dames Blanches, is large and also has extensive grounds. The property is well maintained, although the repainting of the outside of the Residence has not been completed. This project is scheduled for 2001/2002. An outstanding issue is whether the swimming pool should be repaired or filled in. The Audit Team is of the opinion that repairs should go ahead at an estimated cost of \$50,000 and that the pool, which is heated, be opened only during the spring to late summer period. The estimated cost to fill in the pool is \$20,000 and this task would require a solid fence to be torn down, and also considerable expense to landscape the area around the pool.

6.3.16 The BRU Official Residence was custom built to Canadian specifications. The Residence has excellent representational areas and comfortable family quarters. There was a recent refurbishment of the reception areas and there was considerable discussion between the Mission and SRD regarding the redecoration plan. Changes were made in the location of a number of items and oriental carpets will replace the large carpeted area in the lounge after the wooden floor has been re-stained. Some furniture was upholstered and additional end tables were located in the room. The refurbishment of the dining room area and second floor rooms has not been completed. Other major projects which require consideration are the extension of the weather canopy over the front door entrance and coating the roof with aluminum paint.

Chancery

6.3.17 The Chancery has been recently refurbished and is well-appointed, efficient and very presentable. The air conditioning in the three conference rooms was also upgraded. Staff have concerns about the air quality in the building and testing has been conducted. The Occupational Health and Safety Committee is monitoring the situation. Space in the Chancery is adequate for existing and planned additional resources. HQs had instructed the Mission to return space to the landlord, however, shortly after the space had been returned, the Mission was advised that additional staff were being added to the establishment. On its own accord, the Mission contacted the landlord and took back 250 square metres to house the two Systems Administrators and Revenue Canada staff. The majority of the fit-up costs were met by the landlord. SRD is responsible for Chancery leasing but urgent action was required by the Mission to ensure that all staff would be located in the one building.

Cable Television and Internet Fees

6.3.18 The Mission pays the cable television fees for all staff, either directly to the cable service provider or through condominium fees for those staff living in apartments. The total amount paid to the cable service provider in a year approximates \$18,800 CDN and the payments have been made since 1967. There is no provision under the FSDs or Departmental policy for the Mission to make these payments directly to the service provider, which are a personal expense of the staff member. SMD is to review this matter as there is inconsistency in application of funding amongst all Missions. Some Missions do not pay at all while others pay 100 percent or, in some cases, there is a mix where some staff have the cable service paid for while others do not. SMD must address this matter and issue a policy or directive which will apply equitably worldwide.

6.3.19 In addition, the Mission is paying the subscription costs for Internet access at the homes of three CBS. The cost is approximately \$20 a month per hookup. There is no provision under the FSDs or Departmental policy for the Mission to make these payments, which are a personal expense of the staff members. It is the understanding of the Audit Team that this issue is being addressed by HQ.

Recommendation for SRD/SMD

- 6.3.20** A policy regarding the payment or non-payment of cable television and internet service costs for CB employees should be established and be promulgated to all missions.

SRD Response

- 6.3.20** A cable and satellite television policy does exist and we are currently reviewing it (with HPM) regarding payment of cable and satellite fees, however, until such time as it is changed, the current policy is to be applied as documented in the Draft Property Manual, Chapter 21, Maintaining Property. To summarize, the Crown will not pay the monthly cable or satellite television charges.

SMD Response

- 6.3.20** The department does not have a *financial* policy regarding payment by the Crown of internet installation and monthly access fees for employees at their residence. The department believes that this should continue to be a managerial decision based entirely on operational requirements. As such, the manager is in the best position to assess which employees require internet access at their residence.

6.4 Finance

6.4.1 The Finance Section is responsible for processing the accounts of all three missions. The Section is managed by the MCO who is supported by one LES Senior Accountant and four Assistants, one of whom divides time between finance and personnel.

6.4.2 The Senior Accountant is responsible for tasking work and writing appraisals of the four Assistants. The Senior Accountant has not had an appraisal since 1986 when she reached the top of the salary scale (see Human Resources for recommendation 6.2.15). There are no regularly scheduled meetings with the MCO, but the four Assistants work closely together and the work flow is effective. There are no formal service standards for the financial services provided.

6.4.3 The latest job descriptions for the accounting positions are dated 1993. Both the job description and the organizational chart show the Senior Accountant reporting directly to the RFO rather than the MCO (see Human Resources for recommendation 6.2.7).

Recommendation for Mission

6.4.4 Regular meetings should be held between the MCO and all Finance staff.

Mission Response

6.4.4 The new MCO will meet regularly with the Head of Finance as well as other Heads of Section to discuss work priorities.

Role of the Regional Financial Officer (RFO)

6.4.5 The RFO is primarily responsible for assisting missions in the region. He spends approximately 10 per cent of his time assisting the three missions in Brussels by answering queries or advising them on regional changes that affect the missions. The Department has recently decided to remove this position from Brussels.

Internal Financial Controls

6.4.6 The accounts are reconciled on a monthly basis by the Senior Accountant, however, they are not reviewed or signed by either the MCO or the HOM. Although all payments have been authorized by a delegated CB Officer under section 34 (spending authority) of the FA Act, it is critical that a CB Officer review all bank reconciliations. The CB Officer is to ensure that the reconciliations are accurate and that adjustments are fully explained.

6.4.7 The Audit Team observed that section 33 (payment authority) of the FA Act was being signed by the LES Senior Accountant. Cheques are then machine generated and machine signed. The machine is located in the Accounting Section and always accessible to the Senior Accountant. The Financial Management Manual (section 28) stipulates that only the HOM, the Deputy HOM or the Designated Financial Officer can be delegated section 33 signing authority.

6.4.8 The Mission apprised the Audit Team that it is not common practice in Europe for banks to return paid cheques. Without the paid cheque in hand the Mission is unable to ensure that all cheques processed during that month are for legitimate expenditures and bear the appropriate authorization.

Recommendations for Mission

6.4.9 The Mission accounts should be reviewed and signed on a monthly basis by the MCO and the HOM.

6.4.10 **Signing authority under section 33 of the FA Act should be delegated to the appropriate CBS officer.**

6.4.11 **A formal request should be made to the bank to return all paid cheques to the Mission at month end.**

Mission Responses

6.4.9 **The bank reconciliation will be signed by the Head of Mission or the Administrator.**

6.4.10 **The designated CBS officer will sign under section 33 of the Financial Administration Act. The assistant financial officer will also retain signing delegation so as to provide the mission with as much flexibility as possible; this signing authority will be exercised only in the absence of the designated CBS officer. All payment requests are audited for accuracy of financial coding, compliance with directives, authorization, amount, available budget, and signature under section 34 of the Financial Administration Act before signing section 33.**

6.4.11 **This is not common practice in Belgium: banks do not return used cheques (see Lloyds letter, attached).**

Petty Cash

6.4.12 **Petty cash reimbursements are paid directly to the CBS without authorization from their supervisor that the goods and/or services have been received. To comply with the Financial Administration Act, Section 34 authority is required for these expenditures.**

Recommendation for Mission

6.4.13 **Petty cash reimbursements should be approved by a delegated manager.**

Mission Response

6.4.13 **The responsible manager will henceforth approve petty cash reimbursements.**

Travel

6.4.14 **Travel authorities are not prepared for staff members who do not require a travel advance. Under the previous financial system (Finex), a travel authority was**

automatically produced by the system and approved, whether or not an advance was requested. IMS does not have this functionality, therefore travel authorities will need to be manually prepared. Departmental policy states that all travel must be pre-approved.

Recommendation for Mission

6.4.15 All official travel should be supported by an approved travel authority.

Mission Response

6.4.15 The traveller's immediate manager will henceforth submit an authority for the travel in question. A memo will be sent to all program managers.

Funds Purchase

6.4.16 A Letter of Credit is being used to purchase funds, placing an unnecessary administrative burden on the Mission. Electronic transfer is a more efficient and effective way of purchasing funds for the Mission accounts. In addition, it provides the Mission an opportunity to benefit from more favourable exchange rates.

Recommendation for Mission

6.4.17 The purchasing of local currency should be done using electronic transfers and the Letter of Credit should be cancelled.

Mission Response

6.4.17 The Letter of Credit is no longer used.

LES Salaries

6.4.18 Salaries are currently paid on a monthly basis, with fifty percent directly deposited into the employee's bank account, while the other half is paid directly through cheques. The processing and reconciliation of these cheques places an unnecessary administrative burden on the Mission.

Recommendation for Mission

6.4.19 Direct deposit should be implemented for all LES salary payments.

Mission Response

- 6.4.19 Canadian employees as well as suppliers have a choice as to method of payment. It is therefore fair to allow locally engaged staff the same choice. Processing a cheque is no more of a burden for the accounting clerks than processing a bank transfer.**

FSDs

6.4.20 FSD requests are prepared by the Accounting Section. Preparation of FSD requests is not an accounting function and would be better placed in the hands of the Administrative Assistant to the MCO. Eliminating the Accounting Section from the process will reduce the level of effort now incurred by the Mission. Documentation would be processed in one location rather than two, reducing duplication and increasing timeliness.

Recommendation for Mission

- 6.4.21 FSD administration should be centralized with the Administrative Assistant to the MCO.**

Mission Response

- 6.4.21 The responsibility for FSD administration has been centralized with the administrative assistant to the MCO.**

Reference Levels and Budgets

6.4.22 Reference levels are allocated on the basis of previous year expenditures. It is distributed by cost centre for each of the Program Managers in BRU, BREEC and BNATO. There are no formal meetings of Program Managers to set reference levels. It is assigned strictly based on last year's amount and managers are inclined to spend what they are allocated. The Audit Team found in its review of the CMM minutes that budgets were not discussed. Program Managers do not prepare at the beginning of the year a work plan outlining and costing their planned activities for discussion with the HOM. Such an exercise would encourage cost savings, if managers discussed openly what they need and what they might be able to do differently.

Recommendation for Mission

- 6.4.23 Budgets should be discussed by all Program Managers at CMM and any requested adjustments should be discussed and approved in consultation with HOM.**

Mission Response

- 6.4.23 The mission will ensure that budget allocations are discussed at the CMM and that work plans are prepared in the future.**

Official Hospitality

6.4.24 A number of hospitality claims made by the HOM and Officers for the fiscal year 1999/2000 were audited to ensure compliance with the Official Hospitality Policy and Mission Hospitality Guidelines. The claims were utilizing the per capita rate for lunches and dinners. The individual diary sheets for functions are not being signed nor is there a brief notation evaluating the results of the function in all cases. The new policy requires that the Mission cost out in detail at least two functions (lunch and dinner) in a year as proof that the per capita rate utilized is reasonable. These costings should be maintained on the official hospitality file.

Recommendations for Mission

- 6.4.25 Individual diary sheets should be signed by the claimant and include a short notation evaluating the results of the function.**
- 6.4.26 Where per capita rates are used to claim for official hospitality expenses, the actual costs for at least two functions of each type (lunch and dinner) should be determined bi-annually to ensure that the per capita rate is reasonable.**

Mission Responses

- 6.4.25 A note has been sent out to all officers asking them to sign their individual diary sheets and to include a short notation evaluating the results of the function.**
- 6.4.26 Per capita rates will be revised bi-annually ie April 1 and October 1.**

6.5 Information Management

6.5.1 The SIGNET and Systems Administration Section has two System Administrators (SA), a CBS and the other a Canadian LES. They are based at BRU and provide various services, including user support and training to BRU and BREEC staff. The CBS SA is also responsible for supervising the BNATO SA. The Mission has no Technical Committee in place to deal with Information Technology and Communications issues, however, a user group has been established at BREEC.

6.5.2 The CBS SA will take over the role of the European Regional System Manager (RSM) this summer. The LES SA is leaving the Mission this summer and a replacement needs to be found and trained.

6.5.3 There is a high level of satisfaction with SIGNET at the Missions and most officers are using it effectively for program delivery. All BREEC officers have C4 computers at their workstation.

6.5.4 There are stand alone computers at the Mission which are used by contractors and summer students that do not require a SIGNET account. Surplus computers are on loan to CBS and LES and all loans are supported by a signed loan agreement.

6.5.5 The CB SA ensures that all new staff have the appropriate security clearance before issuing a SIGNET account. In addition, he will hold a security briefing and distribute copies of the policy.

Communications

6.5.6 There is one Electronics Technician (EL) based at the Mission providing technical services to BRU, BREEC, BNATO and The Hague. Because the EL is the COMSEC custodian he travels to The Hague approximately six times a year to monitor and provide technical maintenance for the phone system, MITNET, OCTEL and secure fax. However, if any problems occur at the Brussel missions during his absence, it can not be immediately corrected.

Recommendation for Mission

6.5.7 The Mission should designate a deputy COMSEC custodian as back-up.

Mission Response

6.5.7 The Canada-based Security Manager has been designated as the COMSEC Custodian and all inventories have been updated and sent to HQ. The EL has been designated as the deputy COMSEC custodian.

Local Telephone Lines

6.5.8 The Mission staff expressed frustration with the reliability of the telephone line. The line frequently goes out of service and employees are not able to use MITNET, SIGNET, COSMOS and IMS. The Mission may want to consider monitoring these disruptions in order to determine the impact this has on productivity.

MISSION RESOURCES FACT SHEET

Human Resources (FTEs)

PROGRAM	CBS	LES	TOTAL
HOM Office	2	5	7
Political Affairs	2	–	2
Comm/EC	1	6	7
Public Affairs	0.5	4.5	5
Consular	–	2	2
Administration *	5	19	24
Total	10.5	36.5	47

* Note: 1 CBS is a Regional Financial Officer

Physical Resources for 3 Missions: BRU, BNATO, BREEC

ASSETS	OWNED	LEASED
Chancery	--	2
OR	3	--
SQs	1	59 Private Lease: 1
Vehicles	12	--

Financial Information 1999/2000

LES Salaries	\$4,149,335
Operational + Capital	\$6,637,108
CB Overtime	\$53,180
Total	\$10,839,623