



**AUDIT
OF
THE CANADIAN CONSULATE**

DUBAI

January 2000

Audit Division (SIV)

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EXECUTIVE SUMMARY

An internal audit of the International Business Development (IBD), Administration and Consular Programs was conducted in Dubai during the period May 15 to 19, 1999 concurrent with an audit of the Embassy in Abu Dhabi. No previous audits had been conducted at this Mission.

MISSION MANAGEMENT

The Mission is managed on an informal basis and the three Canada-based staff (CBS) meet as necessary. There is a friendly work environment in the Chancery and there are back-up arrangements in place for all activities, which is necessary given the small number of staff at the Mission. The audit team does not wish to impose impediments on management styles, but does believe that there is the need for a more structured approach in a number of areas. This includes the need for a formalized Memorandum of Understanding between the Mission and the Embassy in Abu Dhabi regarding roles and responsibilities of each Mission with respect to the Administration, Trade, Consular and Immigration Programs.

ADMINISTRATION PROGRAM

As of April 1, 1999, the Management Consular Officer (MCO) based in Dubai is also responsible for administrative services in Abu Dhabi. Effective administrative services are provided to Programs and staff. Areas requiring action by the MCO are more housekeeping in nature.

CONSULAR PROGRAM

The MCO is responsible for the Consular Program in all seven Emirates of the United Arab Emirates. Effective services are provided to consular clients with all staff involved (Consul and Senior Trade Commissioner (CSTC), MCO, Consular/Administrative Assistant and Receptionist) ***. Prisoners are visited by the MCO on a regular basis. There was a period when Passport Inventory reports were well in arrears but this situation was corrected just before the audit team's arrival.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

The primary focus of the Mission is its International Business Development Program. The past year has seen the redeployment of staff resources, between Abu Dhabi and Dubai, with a resultant decrease in the staffing level in Dubai. Nevertheless, even though the division of sectors of responsibility allocated to the staff of each Mission is in need of clarification, the real success of the Mission is in its function as a catalyst for the Canadian business community trading into the UAE. The Mission's sponsorship

and active encouragement for the establishment of The Canadian Business Council in Dubai has contributed to the creation of a networking tool for the Canadian Business community present in Dubai to expand the participation of other Canadian firms in this market. The IBD program, staffed with a minimum number of employees, is testament to the effectiveness of a “small is beautiful” model.

MISSION MANAGEMENT

1.1 The CSTC has been at the Mission since August 1996 and follows an informal management processes. The three CBS meet as a group as necessary and meetings are held with all staff once every two months, usually to discuss visits by delegations. The Locally-engaged staff (LES) committee members met with the audit team and expressed the view that there should be a more formal meeting process where they could raise any concerns regarding their terms and conditions of service. These tend not to be discussed at the informal meetings. An agenda for each meeting should be prepared in advance, records of decisions taken should be noted in writing and such minutes should be distributed to all staff.

Recommendation for Mission

1.2 Mission management should meet with the LES Committee on a regular basis.

Mission Response

1.2 Regular meetings of LES will be established every three months, with the LES representatives reporting to MCO on questions, concerns and suggestions.

MCO Responsibilities

1.3 Until March 31, 1999, the responsibility for administrative services, advice etc., for Abu Dhabi was with the MCO in Riyadh. Consular service responsibility for the Emirates has always been with the MCO based in Dubai. Effective April 1, 1999, the MCO in Dubai was given the responsibility to manage Administration in Abu Dhabi as well. The RAM e-mail which notified the Missions of this decision, also notes that in the spring of 2000 the situation regarding the location of the MCO position will be determined after consultation with all parties concerned. It is in the summer of 2000 that the MCO completes his posting and therefore an opportune time to transfer the position to Abu Dhabi.

1.4 Prior to April 1, the MCO was often asked for advice by Abu Dhabi but this did not meet with the approval of the MCO in Riyadh. Since April 1, the MCO has been very active in training and advising the administrative staff in Abu Dhabi. Much has been accomplished in a short period. The MCO spends one day a week in Abu Dhabi conducting his Consular functions and dealing with administrative matters. While systems are being established and training continues, it will be necessary for the MCO to spend more time in Abu Dhabi. Funding for this will be required from RAM.

1.5 It is the view of the audit team that the MCO position should be located in Abu Dhabi. This is the Embassy for the United Arab Emirates and has more CBS and considerably more LES than in Dubai (total staff in Abu Dhabi to be 20, staff in Dubai 10). Other reasons for the move include: policy matters should originate from the Embassy which has the contacts with local Government officials, and there is a higher risk in Abu Dhabi for cash management as Immigration visa fees are processed there. If passport services in the UAE are provided from Abu Dhabi, the MCO would not need to spend as much time travelling to Dubai as the Consular/Administrative Assistant in Dubai is quite capable of conducting prisoner visits and providing day-to-day Consular assistance as necessary. The reporting relationship of the MCO to the Ambassador would also be clear.

1.6 Over the next six months it will be necessary for the MCO to prepare a detailed plan for the move of the position. This should include the resourcing implications, time frames for the move, training requirements for staff in both Missions and the associated costs involved. One of the major decisions to be taken will be with respect to consular and passport services and citizenship processing as, at present, all these activities are conducted in Dubai. If this function is centralized with the MCO in Abu Dhabi, it will have a significant impact on the workload of the staff with consular responsibilities in each Mission. An analysis of the ROCA registrants revealed that approximately 60 percent are in the Dubai area and 40 percent in the Abu Dhabi area. It was pointed out to the team that there are more consular cases in the Dubai area than Abu Dhabi. Service should not suffer significantly as *** in an emergency, the CSTC in Dubai could manage a case or the MCO could travel to Dubai, a one hour 40 minute journey by road. There would be additional administrative work for the Consular/Administrative Assistant in Dubai. Another point to consider regards the banking arrangements, as it will probably not be necessary to maintain bank accounts at both Missions. Thus, there are many areas which need to be examined and RAM/JPD should be kept advised of proposed decisions so that they can evaluate the effects from an HQ and resource point of view. Once the plan is developed and agreed upon, the MCO should formalise a Memorandum of Understanding between the two Missions for all Programs. This should include Immigration, as at present, the MCO devotes approximately 10 percent of his time to this activity. Most of this time is answering visa enquiries and ensuring the transshipment of deportees through the Dubai airport. This function should normally be conducted by Immigration staff and not the MCO or other Dubai staff. With the increase of CB Immigration staff in Abu Dhabi and when the MCO position is moved to Abu Dhabi, there will be even less reason to call upon his services to deliver this portion of the Immigration Program.

Recommendations for Mission

1.7 The MCO should develop a detailed plan for the proposed move of the MCO position to Abu Dhabi, including time frames and resource requirements.

- 1.8 There should be a formal Memorandum of Understanding between Abu Dhabi and Dubai setting out the roles and responsibilities for each Mission with respect to all Program activities (IBD, PERPA, Immigration, Consular and Administration).**

Mission Responses

- 1.7 The Embassy in Abu Dhabi was in a state of transition when the audit team arrived. Since that time, the MCO has spent two days a week in Abu Dhabi and the Office Manager has been trained by the Accountant in Riyadh and by the Accountant in Dubai. Administration in Abu Dhabi now conforms to Departmental standards and methodology. Options for the location of the MCO and accompanying programs are under consideration by the Missions involved, taking into account costs, impact on program delivery and personnel issues.**
- 1.8 After consultations with staff, the HOM and CSTC have agreed upon an appropriate division of responsibilities between the Embassy and the Consulate.**

Recommendation for RAM

- 1.9 The Mission should be adequately funded so that the MCO can carry out his dual Mission responsibilities in an effective manner. (Travel funds and funds to train the Abu Dhabi Administrator.)**

RAM Response

- 1.9 RAM shall ensure that Mission has sufficient funds to enable the MCO to travel between Dubai and Abu Dhabi in order to fulfill his duties as agreed to, and that there shall be sufficient funding for the training of the Abu Dhabi Administrator.**

Resources

- 1.10 The Mission with its current work loads believes that an additional half FTE for administrative duties is required. While they are lean on resources, a decision on additional positions should not take place until the effect of the move of the MCO position is determined. If temporary help is required, people could be hired on contract or on a fixed term basis.**

ADMINISTRATION PROGRAM

2.1 MANAGEMENT OF THE PROGRAM

2.1.1 The MCO is an AS-2 in an AS-3 position and has been at the Mission since August 1997. It is his first posting. Responsibility for the management of the Program has been mainly delegated to the MCO although the CSTC acts as his back up in the MCO's absence. The MCO took over the responsibility for Abu Dhabi administration on April 1, 1999, although he was involved to a certain extent, in an advisory capacity, prior to this date. The MCO position has a unique role in Dubai because of the variety of tasks managed. The MCO has responsibility for Consular, Administration, Immigration, Public Affairs and Other Government Department services.

Accountability Agreement

2.1.2 The CSTC in Abu Dhabi has an Accountability Agreement for the UAE, for 1998/99. In the management services area the objectives are to introduce SIGNET and MITNET, train staff, staff the new Embassy, ensure readiness for Year 2000 and pay close attention to environmental policies. These objectives were not communicated to the MCO. There is a very recent Accountability Agreement between the Ambassador in Abu Dhabi and the CSTC in Dubai, but it does not cover administrative activities. As part of the accountability process and to assist with performance appraisals, there should be an agreement between the CSTC in Dubai and the MCO as to the administrative and consular work plans and objectives for the year. The MCO's time is split along the following lines: consular 50 percent, administration 25 percent, immigration 10 percent, public affairs 10 percent and other government departments 5 percent. As the responsibilities of the MCO position are in a state of flux, such an agreement is timely and necessary.

Recommendation for Mission

2.1.3 An agreement setting out work plans, objectives and time frames should be established between the CSTC and the MCO as part of the performance appraisal process.

Mission Response

2.1.3 All MCO programs are ultimately accountable to the HOM. On a day-to-day basis, the MCO is accountable to the CSTC for the Management Program in Dubai and to the HOM for the Management Program in Abu Dhabi. On the same basis, the MCO is accountable to the CSTC for the consular program with the exception of assistance to

Canadians in the Emirate of Abu Dhabi. Other duties are accountable to the CSTC or HOM depending on the location in the country.

2.2 HUMAN RESOURCES

2.2.1 The audit included a review of personnel procedures and files. LES appraisals had been completed before the arrival of the audit team. A number of LES position descriptions need to be updated, especially those for the Receptionist and Consular/Administrative Assistant. Once updated, a Classification Committee should be established to evaluate the positions and make recommendations for change to SPS. Position descriptions should be signed by the employee and the supervisor. The Mission staff works from 0800 to 1530 with no official lunch break. Other breaks are taken as necessary. This is of concern to the Receptionist who, unless relief is available, eats her lunch at the reception window. The MCO should establish a schedule so that the Receptionist has a break period to eat her lunch away from public view.

Recommendations for Mission

2.2.2 LES position descriptions should be updated as necessary and be reviewed by a Classification Committee. All position descriptions should be signed by the employee and the supervisor.

2.2.3 A back-up system should be established so that the Receptionist can take a short lunch-break.

Mission Responses

2.2.2 Three LES positions have been targeted as needing to be updated, being the Administrative Assistant, the Consular and Administrative Assistant and the Receptionist. A Committee of the CSTC, CTC (Agr) and MCO will review the finished products.

2.2.3 Back-up system established by rotating the driver, the Administrative Assistant or the Agriculture Secretary for 30 minutes at lunch hour.

LES Leave records

2.2.4 There is a need for more discipline in the maintenance of LES leave records. The audit determined that for the seven LES not one employee had complete records. Monthly leave reports were missing or not signed by the supervisor. A system should be established of regular monthly reporting and recording of balances for each employee. Approval for carry forward of leave as at March 31, 1999 for employees must

also be obtained from the manager concerned. Leave records for 1998/99 need to be recalculated, after all monthly reports have been submitted.

Recommendation for Mission

2.2.5 All LES leave records should be reconciled for 1998/99 and a system established to ensure control of such records.

Mission Response

2.2.5 Leave records have been reconciled. A new Spreadsheet program is in place to keep track of leave records and missing reports.

Meeting with LES Representatives

2.2.6 The audit team met with the three LES Committee representatives. As noted in the management section of this report, the representatives expressed a desire to meet with Mission management on a more formal basis. The following subjects were raised by the representatives: the establishment of a local medical plan, re-instituting the 13th month bonus which was stopped in 1997, salary increases, more flexibility in the carry forward of annual leave, the poor air quality in the building, lack of supervision of visitors who are reviewing documentation in the Chancery, paid parking and general security concerns regarding access. The MCO was fully briefed on the issues raised at the meeting.

CBS Overtime

2.2.7 Both the CSTC and the MCO claim for a part of their overtime worked. The \$12,000 overtime budget is split approximately 50/50. The CSTC approves the claims by the MCO but eight of the nine claims submitted by the CSTC in 1998/99 were self approved. These claims should be approved by the employee's supervisor, viz. the Ambassador in Abu Dhabi.

Recommendation for Mission

2.2.8 CSTC overtime claims must be approved by the Ambassador in Abu Dhabi.

Mission Response

2.2.8 All current claims are signed off at the appropriate supervisory level. The few previous claims for the former CSTC that were not signed by the Ambassador were done so because the Ambassador was out of the country for an extended period.

Training

2.2.9 The Mission arranged a successful course on servicing clients, for all staff. The Commercial Officer and the Agri-food Assistant have been taking lessons in French but the Receptionist did not wish to participate in these courses. When there is a client at the reception who wishes to speak French, she obtains the assistance from one of the CBS officers. When a person calls on the telephone, the Receptionist asks the caller to speak English or Arabic. Basic training in the French language should be provided to the Receptionist so that telephone enquiries can be answered in French with referrals of calls to other staff members as necessary.

Recommendation for Mission

2.2.10 The Receptionist should be required to take basic French language training.

Mission Response

2.2.10 She has enrolled in French courses. In the meantime, she has been given a number of simple phrases to direct people to a French-speaking staff member.

LES Travel Assistance Benefit

2.2.11 LES are provided a travel assistance benefit which covers a return air ticket to the employee's home country for the employee, a spouse and up to three dependents up to the age of 19. The Mission pays for the air ticket based on an invoice from the travel agency and following the trip, supported by production of the ticket stub. There have been cases where an employee has travelled to a country other than the employee's home country. As long as the air fare is cheaper than to the home country, the Mission has been allowing this practice. The LES Handbook of November 1996 notes: "normally, it is an air ticket to the employee's home country".

Recommendation for Mission

2.2.12 The Mission should document the nature of the comparable benefit paid by its competitive marker employers and ensure consistency of application to Mission staff. This should clarify whether the benefit is to provide return transport to an employee's "home" country, or to any destination, up to the cost of transport to the "home" country.

Mission Response

- 2.2.12** The issue has been addressed by marker information, indicating that the marker missions also allow travel elsewhere than the home country. The travel assistance benefit is not normally provided until 12 months have been served, unless for operational reasons the program manager requests otherwise.

2.3 FINANCIAL MANAGEMENT

2.3.1 The MCO is the Designated Financial Officer and he is assisted in managing financial operations by the Consular/Administrative Assistant. Riyadh input all of the financial data into FINEX. An account is maintained at the Royal Bank of Canada in Dubai.

Budget reporting

2.3.2 The Mission budget for 1998/99 totalled \$993,905. Budget forecasts are discussed with the other two CBS after input from the Consular/Administrative Assistant. The MCO keeps close control on the status of the budget after reconciling monthly reports received from Riyadh. The Agri-food Manager has a number of encumbrances for food shows, travel, etc. He is not provided with regular reports on the status of his encumbrances, so that he can reconcile these to his commitment records. Signing authorities for expenditures against the Mission budget are out of date, and do not always include the limitations under the various payment authorities.

Recommendations for Mission

- 2.3.3** The Agri-food Manager should be provided with monthly encumbrance reports.
- 2.3.4** Signing authority delegation documents should be updated to include financial limits under the various sections.

Mission Responses

- 2.3.3** We are now providing him the monthly reports.
- 2.3.4** Documents have been updated and sent to SBR, current to September 12, 1999.

LES Pay

2.3.5 LES pay transactions are processed by Riyadh with payments direct into employee bank accounts. The employees are not advised of how the amount transferred is calculated. As the net amount includes salary, overtime, accommodation allowance, commuting allowance and in some cases salary equalization benefit, employees should be advised of the detail making up the transfer. When increases in an employee's salary is due (e.g. increment dates), the Consular/Administrative Assistant advises Riyadh by e-mail. No EXT-208s are prepared or approved by the MCO.

Recommendations for Mission

2.3.6 **LES should be provided with a detailed slip setting out their monthly earnings and deductions.**

2.3.7 **The MCO should complete an EXT-208 for each change in LES salary, and forward this approved document to Riyadh for action.**

Mission Responses

2.3.6 **LES are provided with pay slips as of May, 1999.**

2.3.7 **All 208s for Dubai and Abu Dhabi have been updated and sent to Riyadh and HQ.**

Official Hospitality

2.3.8 The official hospitality claims of the CSTC and MCO were reviewed and found to be in order. The IBD chapter of this report has comments on the official hospitality claimed by IBD staff, including a recommendation that both Missions be involved in the establishment of "at home" meal cost guidelines. Local guidelines were updated on April 1, 1999 and need adjustment to reflect the new Official Hospitality policy. The local guidelines note that "all Canadian events" are to be kept to a minimum and normally less than 20 percent of the budget and that indirect costs should not exceed 25 percent of the total allocation. The new policy sets the indirect limit at 10 percent and, for entertaining Canadians, only the HOM can host such events and they must be on an exception basis.

Recommendation for Mission

2.3.9 **Local official hospitality guidelines should be updated to reflect the new official hospitality policy (effective April 1, 1999).**

Mission Response

- 2.3.9** **The directive was not received by the Mission, as all Small Missions were left off the distribution list. Signet Service Centre has dealt with the problem when the system was switched over to Signet 2000. The Mission has changed its directive to be in line with the new policy. Both the Embassy and the Consulate follow the same guidelines.**

Advances

- 2.3.10 The FINEX report of April 21, 1999 notes an outstanding advance of 5000 (AED) (\$1,938) for a security deposit on a staff quarter leased for a Temporary Duty employee. The employee has returned to Canada and the deposit should be requested from the landlord.

Recommendation for Mission

- 2.3.11** **The security deposit for the Temporary Duty employee's accommodation should be recovered from the landlord.**

Mission Response

- 2.3.11** **The deposit was recovered on June 7, receipt 953291 was issued, and the funds deposited to the Mission bank account on June 8, 1999.**

Payment Processing

- 2.3.12 As Riyadh input transactions to FINEX, all cheques drawn are manually prepared in Dubai. All payments, except LES pay, are made out of the Dubai bank account. In the audit report for Riyadh there is a recommendation that there be a formal agreement between the two Missions as to the financial services which Riyadh will provide. There are significant time delays in the input to FINEX, especially at month's end when Riyadh is instructed by Paris to close the accounts up to six days before a month end. As payments often need to be made during those six days, cheques are prepared and issued and usually presented at the bank. This results in many "adjustments" to the monthly bank reconciliations. This also means that "fund purchases" and revenues appear on the bank statement in those last six days but not in FINEX. Thus, requiring further "adjustments" at month's end.

- 2.3.13 A review was conducted of the March 1999 financial statements. It was noted that in two cases the documentation for accounting for consular fees was not correctly stated. In both cases the total amounts were incorrectly added resulting in shortfalls of 147 and 30 (AED), total of approximately \$70. The Consular/Administrative Assistant could offer no explanation for the discrepancies. Recommendations are made

in the Consular section of this report to strengthen controls in the handling of the revenue.

2.3.14 It was also noted that the CSTC was signing for the receipt of payments for gardening at the staff quarter, even though he was hiring a person to conduct this work. There were also cases where accounting documentation was not signed under Section 33 or 34 of the Financial Administration Act (FAA) and a case where an employee approved a payment to himself.

Recommendations for Mission

2.3.15 Receipts should be obtained from the person performing the gardening work for the CSTC.

2.3.16 All payment vouchers should be approved under sections 33 and 34 of the FAA and employees should not approve expenditures they claim.

Mission Responses

2.3.15 When gardening work is paid, a receipt for payment is obtained from the Gardener.

2.3.16 They will no longer approve their own expenditures, and have not since May 1999.

2.4 PHYSICAL RESOURCES

2.4.1 The Chancery and three staff quarters are all Crown-leased. Usually, for three months of the year, a temporary duty officer is posted to the Mission and a leased apartment is obtained for this employee. The Mission has an up-to-date Property Management Plan. There is an active Housing Committee composed of the CSTC, a spouse and the Agri-food officer. All staff quarters were visited by the audit team. All are very acceptable with one in a high-rise and the other two being villas, with small grounds. Reception areas are adequate. Distribution accounts and occupancy agreements are up-to-date. The spouse of the CSTC was contracted to complete the Distribution accounts and also arrange for the disposal of surplus assets. Surplus assets were being held in private leased storage. A number of items were shipped to Abu Dhabi and the balance sold for 1200 (AED) (\$480). The Write-off form was approved but there was no documentation kept as to from whom the proceeds were received or the price received per item. Where the spouse of a CSTC is contracted for services, it is necessary to obtain the prior approval for such contracts from SBEE.

Recommendations for Mission

- 2.4.2** When assets are disposed of, there should be complete accountability for the proceeds received.
- 2.4.3** If the spouse of the CSTC is contracted to provide services, such contracts should be pre-approved by SBEE.

Mission Responses

- 2.4.2** Noted. No disposal this year however.
- 2.4.3** Have contacted SBEE and pre-approved a similar matter recently.

Chancery

2.4.4 Surplus space in the Chancery has resulted from the move of the Immigration Program to Abu Dhabi. This space includes a separate entrance and waiting area with two reception windows, three spare offices and a small area for files. The Mission is considering moving the reception area from its present location to the former Immigration area. This would mean a larger waiting area with ample chairs and a desk for clients to complete forms etc. The present reception area could be utilized for trade information and include some of the documentation now within the Chancery, thus obviating the need for access to the Chancery proper. One downside is that the Consular wicket would not offer any privacy to clients, as it does at present.

Official vehicles

2.4.5 There are two official vehicles at the Mission - a 1995 Chevrolet Lumina and a 1996 Ford Taurus. Logs are maintained of vehicle usage but there is no calculation of the kilometres per litre which each vehicle consumes. Parking is provided for the vehicles in the Chancery, along with spaces for the CBS and the Commercial Officer's vehicles.

Recommendation for Mission

- 2.4.6** On a monthly basis the Driver/Messengers should calculate the kilometres per litre for each official vehicle, and such reports should be reviewed by the MCO.

Mission Response

- 2.4.6** Monthly vehicle logs with mileage information were commenced in June.

2.5 INFORMATICS

2.5.1 The MCO is responsible for informatics management including the Year 2000 requirements. Required reports to HQ on Year 2000 are up-to-date, and note that the Chancery landlord and the landlord where one staff quarter is located (a high-rise building) have provided details of building systems. The landlords for the two villas which are leased do not respond to requests for building system information. The MCO will proceed to obtain generators and ensure a well-stocked water supply. The Contingency Plan template, which needs to be completed for Dubai and Abu Dhabi had been received at the Mission just prior to the arrival of the audit team.

2.5.2 The Commercial Program Assistant is the local Systems Administrator (SA) receiving functional advice from the Regional Systems Manager (RSM) based in Paris. The local back-up for the SA is the Program assistant to the Agriculture Counsellor. The Mission has 10 workstations plus two spare ones in the former Immigration area. The SA estimates that she spends 30 to 35 percent of her time on SA and Year 2000 duties. She received one week of training in Ottawa and will visit HQ again in July 1999 for two weeks training on SRP. There were concerns with the lack of an effective back-up server for a six-month period despite efforts by the RSM to correct the problem. The situation has now been rectified. A new server room is to be located in one of the surplus Immigration offices and bids are being requested for the reconfiguration work required. There is no formal informatics training plan for the Mission as the SA advises users on a one-on-one basis.

2.5.3 *** The OCTEL scripts are now in three languages: Arabic, French and English.

CONSULAR PROGRAM

3.1 MANAGEMENT OF THE PROGRAM

3.1.1 The MCO manages the Program for all seven Emirates. He is assisted by the Consular/Administrative Assistant and Receptionist in Dubai and the Office Manager in Abu Dhabi. The CSTC in Dubai also becomes involved in consular cases in the absence of the MCO. The MCO spends approximately 50 percent of his time on consular activities including visits to prisoners and travel to Abu Dhabi one day a week for consular and administrative duties. The Consular/Administrative Assistant handles enquiries and attends the consular wicket from 0900 to 1200 each day, and in addition she is responsible for revenue accounting and passport issuance. This employee spends about 50 percent of her time on consular activities and also has delegated authority to notarize documents for use in Canadian jurisdictions.

3.1.2 There is a proposal to move the MCO position to Abu Dhabi in the summer of 2000 and this is supported by the audit team. Decisions will need to be taken regarding passport issuance which could reduce risk levels by being centralized in Abu Dhabi, or could continue to be issued from both offices. Section 1.6 of this report highlights the resourcing and service implications of this move for consular clients.

3.2 SERVICE TO CANADIANS

3.2.1 Effective services are provided to clients with all staff involved being very service oriented. Service standards are published for consular activities. The ROCA system is continuously updated by the Receptionist. Approximately 3000 Canadians are registered but there are probably up to 6000, in the UAE. Of those registered, approximately 60 percent are in the Dubai area and the rest in the Abu Dhabi area. The Duty Officer Handbook is up-to-date and includes the list of 31 wardens.

3.2.2 Prisoners are visited every two weeks in Abu Dhabi and every three weeks in Dubai. The time taken on each visit is two hours and the MCO feels that the regular visits are essential for the morale and well being of the prisoners. The Dubai Consular-Administrative Assistant is well qualified to conduct local prison visits. Thus, if the decision is made to transfer the MCO to Abu Dhabi, there will be little need for him to travel from Abu Dhabi on a regular basis for this purpose. Funds supplied by families of the prisoners are held and accounted for by the MCO.

3.2.3 The Mission is now on the after hours Watch Office system. As noted in Section 3.9 of this report there is a concern regarding the lack of bilingual services for telephone calls, with the recommendation that the Receptionist be required to take French language training.

3.3 PASSPORT AND CONSULAR SERVICES

3.3.1 The Consular/Administrative Assistant is responsible to account for Consular revenues. Once balanced, she writes herself a receipt and accounts for the funds in her capacity as Mission Accountant. These dual responsibilities create increased risk. Therefore, the MCO must regularly conduct more detailed tests of consular accounting transactions. It is not recommended that another person be involved in accounting transactions. As noted in Section 4.13 of this report, a test of the March accounting entries revealed two cases where accounting records did not balance, resulting in an unaccounted shortage of 177 AED (\$70). Balancing and depositing of consular revenues is not conducted in a timely manner and should be on a set day of each week. A cash check was conducted by an audit team member on May 18, 1999.

3.3.2 The Passport Office raised concerns with the audit team regarding the lack of timeliness in receiving passport inventory reports from the Mission, the lack of responses to e-mails sent on the subject and the need for closer attention when examining passport applications. These concerns were discussed with the staff involved. Prior to the audit team's arrival the backlog of passport inventory reports had been finalized and sent to the Passport Office. These were for the period from July 1998 to April 1999. The CSTC is not verifying the passport inventory every three months, as is required.

Recommendations for Mission

3.3.3 Consular revenues should be accounted for at a minimum on a weekly basis.

3.3.4 The MCO should monitor consular revenue accounting records closely. This should include selecting a sample of consecutively numbered issued passports each month and ensuring that the fees for those passports appear on the EXT-119.

3.3.5 Passport inventory reports should be prepared on a regular monthly basis and, every three months, the CSTC should verify the passport blanks on hand.

Mission Responses

3.3.3 They have been accounted for weekly since May 1999.

3.3.4 Passport inventory and fees are reconciled on a monthly basis by the MCO.

3.3.5 All reports and records are current to November 30.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

4.1 OVERVIEW

4.1.1 The primary focus of the Mission is its International Business Development Program. The past year has seen the redeployment of staff resources from Dubai to Abu Dhabi. Though the division of sectors of responsibility allocated to the staff of each Mission is in need of clarification, the real success of the Mission is in its function as a catalyst for the Canadian business community trading into the UAE. The Mission's sponsorship and active encouragement for the establishment of The Canadian Business Council in Dubai has contributed to the creation of a networking tool, for the Canadian Business community present in Dubai, to expand the participation of other Canadian firms in this market. The IBD program, staffed with a minimum number of employees, is testament to the effectiveness of a "small is beautiful" model.

4.2 MANAGEMENT OF THE PROGRAM

4.2.1 The IBD section of the Mission, composed of the Program Manager, a senior Agri-food officer seconded from Agriculture Canada and a LES Commercial officer, is supported by two Commercial Assistants, one of whom provides Systems Administration services to all Mission Programs. A partially prepared Accountability Agreement dated May 15, 1999 between the Dubai Consulate and the Embassy in Abu Dhabi exists, assigning accountability for delivery of parts of the IBD Program in the seven Emirates of the UAE. While there is no difficulty in the attribution of the Agriculture sector to the Agri-food Counsellor in Dubai for his accountabilities for delivery of his mandate throughout the Gulf region, the same clarity of responsibility is not yet in place for other market sectors of interest within the Emirates. The draft Accountability Agreement does not clarify services to be delivered from Dubai, other than responsibility for the IBD program to the Consul in charge of the office.

4.2.2 Apart from IBD Program, the official hospitality diaries and activity logs of the Mission's IBD officers demonstrate significant involvement, in the past year, in two ministerial visits (federal and provincial), naval visits and a Vice-Regal visit.

4.2.3 Performance appraisals of staff in the IBD section are up-to-date, but could benefit from inclusion of specific annual tasking drawn from the senior officer's Accountability Agreement.

Recommendation for Mission

4.2.4 Accountability Agreements, including specific tasking of each program officer in Dubai, should be prepared on an annual basis, to

form the core document on the basis of which performance appraisals of both LES and CBS can be prepared.

Mission Response

4.2.4 Accountability Agreements or program objectives will be prepared for CBS and LES officers.

4.3 RESOURCE MANAGEMENT TOOLS

4.3.1 The Mission accountability agreement lists priority projects and targets. However, the management information reports of resource consumption in the areas of overtime, hospitality, travel and professional services do not facilitate linking projects or program targets to the factual records of what has been done. Minor modification of the Mission's financial records in these areas would turn these reports into useful quantitative tracking tools. This would allow the fine tuning of resource allocation at sector or project level within the Mission's accountabilities for delivery of the IBD program. Activities appear to have had successful results, but without meaningful links between each activity and the cost of delivery, an assessment of cost benefit of effort is difficult to judge.

4.3.2 Two trade promotion initiatives, the establishment of The Canadian Business Council in Dubai and the 1999 Gulf Food Fair, were tracked through Mission files and the centralized tracking system. Both commentary on file and oral feedback from businessmen interviewed during the audit show that Departmental service guidelines were being followed.

4.3.3 The IBD Section maintains logs of traffic incoming and outgoing to facilitate the tracking and management of enquiries. Preparatory work has been done towards the creation of a Mission Internet web site. This will ease the delivery of assistance to Canadian suppliers such as the preparation and editing of trading sector reports, checklists for exporters and the collection of briefing papers on how to access local markets, both for local consumption and, more importantly, for onward shipment to areas not served by local Canadian offices. Some of the core material is available on the Info Export site but further expansion of the material with a distinctively Canadian optic is required.

Recommendation for Mission

4.3.4 Refine the Mission-specific pages in the Info Export web site to ensure the inclusion of checklists for doing business in the UAE and information on how to access commercially available local services, without the need for the intervention of the Consulate.

Mission Response

- 4.3.4 Business, sectoral, trade show and general information on the UAE has been updated for inclusion on the Info Export Web Page.**

Headquarters Program Funding

4.3.5 Targeted GMD funding has been provided to both Missions in the UAE to address IBD projects; however, the allocation of funding for similar sectors to each Mission may reduce the ability of either Mission to capitalize on the critical mass of resources required for the delivery with the greatest possible return. Each Mission has been allocated current-year funding in the medical, construction, oil and gas and IT sectors, while the draft sector distribution of responsibilities between the staff of the two Missions shows these sectors to be the primary responsibility of individual officers in the location where the industry is concentrated locally.

Recommendation for Mission

- 4.3.6 Once having resolved the allocation of sectors of prime responsibility between the two Missions in the UAE, the Mission should request GMD to make an appropriate redistribution of this program funding.**

Mission Response

- 4.3.6 Discussions have taken place between the trade programs in Dubai and Abu Dhabi. GMG has redistributed funding as requested to reflect market realities.**

Official Hospitality - IBD

4.3.7 The Program-support funds used by the Agricultural Counsellor, provided by Agriculture Canada, totalling \$30,000 are used for both travel and official hospitality purposes. All costs incurred in the 1998/99 fiscal year were fully supported by receipts, expenditures were within the limits of the Mission guidelines and targeted to the promotion of the agri-food sector.

4.3.8 Official Hospitality activities of the CSTC and the Commercial Officer were reviewed in detail for the 1998/99 fiscal year. The targeting of hospitality efforts to the IBD Program was evident. Documentation was generally acceptable and included detailed support of outside catering services by commercial invoices. The basis of payment for the use of unit costs for "at home" entertainment needs documentation, as does the basis of payment for the costs of domestic help used in the delivery of hospitality. It was noted that some claims by the CSTC had been approved by the claimant rather than by a third party. Significant changes in the directive this year and

the effect of the changes on Mission operations were reviewed with the IBD program staff.

4.3.9 Participation in the activities of the local Consular Corps were noted as being essential to the effective delivery of the IBD program.

4.3.10 Claims included hospitality expenses of approximately \$1,800 incurred by an officer, other than the claimant, in the delivery of Programs in the UAE. Documentation of the initial disbursements was incomplete and needs to be clarified, both in terms of documenting the actual costs of services and beverages consumed and the provision of receipts for commercial catering services. Guidance was provided on an appropriate methodology to initiate a budget transfer to address the diversion of resources to the claimant's budget to render an accurate reflection of resource utilization, as well as to facilitate the accurate certification of accounts.

Recommendations for Mission (Information: Abu Dhabi)

4.3.11 Given the small number of staff in each of the two Missions in the UAE it is recommended that the task of documenting actual costs of "at home" hospitality functions be shared between the two Missions to facilitate the establishment of unit costs in the Mission's hospitality guidelines.

4.3.12 Claims must be approved under section 34 of the FA Act by an employee other than the claimant to whom appropriate financial signing authority has been delegated. For the CSTC in Dubai, this would be either the Ambassador or the MCO.

Mission Responses

4.3.11 Completed and shared between Dubai and Abu Dhabi.

4.3.12 Employees will no longer approve their own expenditures, and have not since May.

4.4 TRAINING AND DEVELOPMENT - IBD

4.4.1 All five Mission staff involved in delivery of the IBD program have recently received PMI training and are starting to use the tools in that system for the delivery of their daily trade promotion activities. Given the recent commencement of the initiative, qualitative commentary is not possible, other than to confirm the very positive sense of buy-in expressed by Mission program staff.

4.5 OGD OPERATIONS - AGRICULTURE CANADA - AGRI-FOOD SECTOR

4.5.1 The viability of our Mission in Dubai is facilitated by the presence of the regional Agricultural Counsellor, seconded from Agriculture Canada, assisted by a LES Commercial assistant whose time is allocated approximately 75 percent to agriculture and 25 percent to support the Education Resource Centre initiative in the Dubai market. The regional Agriculture Counsellor's territory includes UAE, Oman, Qatar, Kuwait, Saudi Arabia, Iran, Egypt, Lebanon, Jordan, and Syria. While he is accountable to the Consul in charge of the Mission, he reports directly to Agriculture Canada from which he has funding for trade promotion initiatives, travel, hospitality and program funding. Funding is provided via EN/budget transfer through the Dubai Mission financial services.

4.5.2 The Agriculture Canada budget is maintained by the LES Commercial Assistant on a QPW spreadsheet. There is close collaboration with the Mission financial services which receives IMS reports from Riyadh. Control mechanisms were tested and found to be acceptable.

MISSION RESOURCE FACT SHEET

Personnel (FTEs)

	CBS	LES	Total
International Business Development	1.8	3.0	4.8
Consular	.5	.5	1.0
Administration	.6	3.5	4.1
Immigration	.1		.1
Total	3.0	7.0	10.0

Physical Resources

ASSETS	OWNED	LEASED
Chancery	0	1
OR	0	0
SQs	0	3
Vehicles	2	0

Financial Information (1998/99)

Operating	\$585,171
LES Salaries etc.	350,434
CB Overtime	12,000
Capital	46,300
Total	993,905