



**Audit of Management Practices of the Permanent Mission of
Canada to the International Civil Aviation Organization**
- A Joint Audit by Transport Canada and Global Affairs Canada

June 2018

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EXECUTIVE SUMMARY

The Permanent Mission of Canada to the International Civil Aviation Organization (ICAO) (the Mission) plays a critical role in advancing Canada's international profile and interest in global aviation standards. As the Mission is highly valuable to Canada, it is important to ensure that it is managed effectively to provide critical services to ICAO and other stakeholders. The objective of the audit was to provide assurance that the Mission has an effective governance framework, sound management practices and controls in place to ensure good stewardship of resources to support the delivery of results.

In general, the audit identified several areas of improvement in the Mission's existing governance framework and management practices. At the departmental level, accountability, roles and responsibilities of the various federal government departments, the divisions within TC (Transport Canada), and the expected role of the Mission have not been clearly defined. At the Mission level, the lack of operational planning and performance reporting, along with insufficiently understood roles and responsibilities amongst the staff, result in the Mission operating in a reactive mode rather than in a planned and proactive manner. Though the Mission has made efforts in working with partners to address stakeholders' requests, processes were ad hoc without any established procedures or mechanism to track services and to measure satisfaction. The Mission allocated resources to both host-state and member-state functions, but there are deficiencies in training and human resources (HR) planning to ensure that staff has the right competencies. As well, the audit identified some weaknesses in the Mission's management controls and oversight in the areas of budget planning and monitoring, expenditure approvals, inventory management and information management.

To address the issues raised by the findings, the audit recommended that:

- TC and Global Affairs Canada (GAC), in consultation with other federal government departments, define a vision for both the member-state and host-state roles. This vision should be implemented through the formalization of Memoranda of Understanding (MOU), which define the roles and responsibilities of departments and their divisions, the expected role of the Mission, communication channels and governance framework for the Mission.
- The Permanent Representative, in collaboration with TC and GAC, prepare and communicate to all relevant parties the strategic, operational, budgetary and HR plans that are aligned with the Mission's mandate and vision.
- The Permanent Representative strengthen management controls, ensure staff have the necessary competencies, communicate values and ethics expectations, and establish stakeholder procedures and performance measurement tools.

A more detailed list of the recommendations and management responses can be found under section 4 of the report – Recommendations and Management Responses.

STATEMENT OF CONFORMANCE

In my professional judgment as Chief Audit Executive, this audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and with the Treasury Board Policy and Directive on Internal Audit, as supported by the results of the quality assurance and improvement program. Sufficient and appropriate audit procedures were conducted, and evidence gathered, to support the accuracy of the findings and conclusion in this report, and to provide an audit level of assurance. The findings and conclusion are based on a comparison of the conditions, as they existed at the time, against pre-established audit criteria that were agreed upon with management and are only applicable to the entity examined and for the scope and time period covered by the audit.

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1. BACKGROUND

1.1. ICAO AND CANADA'S ROLE

ICAO is a specialized United Nation agency that was created with the signing of the Convention on International Civil Aviation on 7 December 1944. Working with 191 member-states, ICAO sets out global standards for aviation safety, security, efficiency and regulation, as well as for aviation environmental protection.

Based in Montreal, ICAO is the largest of the four UN institutions in Canada, and its presence increases the international profile of Montreal and the aeronautic sector resulting in economic benefits.

As a member-state of ICAO, Canada contributes to the technical discussions that form the foundation for the global aviation standards. Canada is one of the 36 elected members of ICAO's Council, the Air Navigation Committee and many of its technical bodies since its inception. As the host-state for ICAO, Canada provides diplomatic services to the ICAO community.

The status, privileges and immunities afforded to ICAO, its officials and representatives of member states are expressly set out in the ICAO Privileges and Immunities Order under the Foreign Missions and International Organizations Act (FMIOA), consistent with the Headquarters Agreement between the Government of Canada and ICAO. The Minister of Foreign Affairs is responsible for the FMIOA.

1.2. THE PERMANENT MISSION OF CANADA TO ICAO

The Mission, a liaison between the ICAO and the Government of Canada, represents and assists Canada in fulfilling both the diplomatic host-state role and technical member-state role.

- For the host-state responsibility, the Mission facilitates the ICAO community members' experience in Canada and matters of a diplomatic nature, including intergovernmental relations, ICAO building management issues, and immigration and protocol matters.
- For the member-state responsibility, the Mission represents and advances Canada's position in regards to global aviation standards.

The Mission is currently composed of seven employees led by the Permanent Representative of Canada. From Fiscal Year (FY) 2014/15 to FY 2016/17, the total actual expenditures of the Mission were \$847,667, \$797,363 and \$774,018¹ respectively.

There are four main federal government departments that are working with the Mission and ICAO on a regular basis. TC has the responsibility for overseeing the operations of the Mission including financial and HR delegated authority, and provides support and advice on aviation

¹ The actual expenditures are based on information recorded in Transport Canada's financial management system.

issues. In addition, GAC provides support and advice to the Mission in the context of international and institutional relations, diplomatic corps and property matters, and supplies funding to support the ICAO building. Furthermore, Public Services and Procurement Canada (PSPC) and Immigration, Refugees and Citizenship Canada (IRCC) provide services to ICAO in regards to real property management and immigration files respectively. The Permanent Representative, though accountable for the Mission to ICAO, has no formal responsibilities over the services delivered by the various federal government departments. However, in a typical Canadian Mission abroad, the Head of the Mission has all the employees providing services under his or her responsibilities.

1.3. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

The audit's objective is to provide assurance that the Mission has an effective governance framework, sound management practices and controls in place to ensure good stewardship of resources to support the delivery of results.

The audit team compared the existing conditions against the pre-established audit criteria, in areas of governance, controls and stakeholder needs, to develop the findings and conclusions in the audit report. For a detailed list of criteria associated with the audit objective, please refer to Annex A – Audit Criteria.

The audit reviewed the governance framework, organizational structure and management practices in place to support the Mission's operations for the period between April 1, 2014 and March 31, 2017.

The following methodology was used in conducting the audit:

- Review of key documents such as work plans, job descriptions, organizational charts;
- Review of inventory records and a physical count of Mission inventory;
- Review of a risk-based judgmental sample of transactions in six areas, as summarized in table 1;
- Interviews with GAC, TC, PSPC and IRCC staff and management;
- Interviews with Mission staff and management; and
- Interviews with staff at the ICAO secretariat, City of Montreal and Province of Quebec.

Table 1. Summary of the sample transactions. This table provides a breakdown of the six sample areas and the number of transactions selected for review in each area.

Sample Area	Number of Transactions Selected
Contracts and Related Expenditures	12
Staffing Actions	5
Expenditure Transactions	6
Hospitality Claims	10
Travel Claims	5
Overtime Transactions	4

2. AUDIT FINDINGS

2.1. DEPARTMENTAL LEVEL GOVERNANCE

2.1.1. Vision and Governance

The Mission advocates Canada's interests and works with other member-states to develop and uphold international norms and rules for civil aviation. In addition, the Mission fulfills host-state responsibilities of a diplomatic nature for ICAO's international delegates, staff and families. This mandate is aligned with TC and GAC's departmental mission statements as well as strategic outcomes.

In 2014, a memorandum was prepared by the Permanent Representative of the Mission and approved by the Minister of TC outlining a strategy to sustain and reinforce Canada's commitment to ICAO through the following two pillars:

- a) Host-state: reinforce Canada's commitment; and
- b) Member-state: strengthen engagement on safety, security, economic and environmental policy matters and to the processes and structures of ICAO.

The brief outline of the Mission's strategy above was not further developed into a vision for the Mission to guide its strategic and operational planning.

In terms of committee structure, the existing committees for the Mission included: the interdepartmental committees that organized and coordinated activities for ICAO's 2016 Assembly; and a property management committee that coordinates operational matters concerning the ICAO building. These committees provided direction for specific areas within their mandate but were not designed to provide ongoing oversight, in a coordinated fashion, on the overall Mission operations. Therefore, it was determined that the governance structure to coordinate stakeholder activities and to provide oversight on the Mission operations on a continued basis was not in place.

2.1.2. Accountability, Roles and Responsibilities

The Mission is accountable to the Minister of TC and reports directly to the DG of Air Policy. All of the Mission's employees are considered employees of TC including the Permanent Representative. As the principal departments that support the Mission, TC and GAC alternatively nominate a Permanent Representative as outlined in a documented appointment process. Except for this alternation arrangement, the audit team could not obtain any foundational documents to explain the rationale for the current governance model and reporting structure of the Mission.

Between the Government of Canada and ICAO, the audit noted clearly defined roles and responsibilities with respect to diplomatic privileges and immunities as well as the property

management of the ICAO building. Although TC and GAC are the two key federal departments involved in the operations of the Mission, IRCC and PSPC also play a role to support the Mission's host-state responsibilities. However, there is no MOU to define clear accountabilities, roles and responsibilities among the departments. Regarding the roles of TC and GAC, they are outlined in the Permanent Representative's job description. Management in the two departments indicated a general understanding of each department's roles despite no formal document.

TC has an oversight role to play through its coordination of technical (i.e. safety, security, civil aviation and environment) matters in its member-state role, as well as administrative matters (i.e. financial, legal, HR and contracting) of the Mission. Meanwhile, GAC supports the Mission on various issues in its member-state role such as institutional elections, the Canadian position on administrative and budgetary issues at ICAO and sensitive matters of foreign policy to ensure alignment with Canadian strategic foreign policy priorities. In addition, GAC is the lead federal department on host-state relations with ICAO, and provides support through its Diplomatic Corps Services Program of the Office of Protocol as well as in the area of property management of the ICAO building. The audit found that within TC, although Director General (DG)-Air Policy plays the role of a central point of contact in some cases, there is insufficient coordination of the technical matters as requests are made to/from various TC divisions causing potential overlap of work and confusion. Furthermore, there are numerous communications channels amongst TC, GAC, IRCC, Mission and ICAO which occur in a haphazard manner. Due to the lack of centralized coordination within TC, and the cross communication channels that occur on an ad hoc basis, the Permanent Representative could be missing key information relating to the ICAO in order to provide a whole-of-government approach when making decisions.

2.2. STAKEHOLDER EXPECTATIONS

The Mission, in collaboration with other departments, has been working to address stakeholder matters in both host-state and member-state areas. Its stakeholders can be divided into three groups whose expectations, although not formally defined, can be summarized as follows based on interviews:

- **ICAO community.** The ICAO community mainly consists of the ICAO secretariat, the member-states of ICAO, and the president of the Council. Its expectation is for the Mission to act as a coordinator for the services provided in Canada.
- **Federal government departments.** The stakeholders in the federal government rely on the Mission's liaison, network and facilitation to carry out their own mandates. Specifically, divisions within TC such as DG-Civil Aviation, DG-Aviation Security, DG-Aviation safety, and DG-Environmental Policy rely on the Mission as a strategic interface between ICAO and Canada. Similarly, GAC's International Organizations Bureau rely on the Mission to ensure alignment with Canada's foreign policy priorities and approach to international organizations at ICAO. Furthermore, IRCC, PSPC and the Office of Protocol in GAC rely on the Mission and ICAO to refer relevant matters to them when appropriate.

- **Provincial, municipal government and Non-Government Organizations (NGOs).**

The Mission is also expected to act as a community liaison between ICAO and the Province of Québec, the City of Montréal, and other NGOs.

Post 2013, the role of the Mission evolved from a greater focus on member-state activity to an equal focus on both member-state and host-state activity. A supplementary agreement to continue Canada's role as host for the period 2016-2036 was established. In support of this agreement, a list of 26 host-state commitments was developed. The audit noted that progress has been made in fulfilling these commitments, of which one is outstanding as of March 2017 regarding convening a GAC-led consultative committee at ICAO, based on the tracking produced by GAC. ICAO has also expressed their appreciation for Canada's efforts, particularly for the addition of the dedicated host-state resources at the Mission.

However, the Mission has not developed standardized procedures to carry out host-state and member-state functions as described in the examples below:

As part of its host-state responsibilities, the Mission receives a variety of requests in the areas of immigration, visa, protocol, health, education, parking, and banking. Given related jurisdictional challenges and to provide effective advice, the Mission needs to coordinate with different levels of government and private companies. A host-state procedure that documents the common processes in addressing the different type of requests could help streamline the response process and ensure a consistent level of service to everyone. It would also strengthen long-term efforts to achieve policy coherence from a whole-of-government perspective and target areas and priorities for service improvement.

- The Mission, as part of its member-state responsibilities, is expected to reach out to the various divisions in TC to advance Canada's policy interest in ICAO standards. For example, one of the Mission's responsibilities is to coordinate with the divisions in TC to respond to the state letters generated by the technical discussions at ICAO. The responses are generally viewed as Canada's contribution to ICAO's technical matters, and the perception of the quality of a country's contribution can influence the voting for that country's ranking at the ICAO triennial Assembly. There is currently no documented procedure to outline the process for disseminating, prioritizing and tracking the responses to the state letters causing confusion over roles and responsibilities. Interviews also indicated that, in general, greater engagement is needed from the Mission to proactively seek input from the divisions in TC and to build relationships with member-states. As many players are involved, a well-documented procedure could improve response time and help to ensure all key parties are consulted to properly represent Canada's position.

In addition, there is no formal mechanism to document stakeholder expectations and to periodically measure their satisfaction. The Mission attempted to track service level data such as types of requests and turn-around time, but the tracking was not complete as it did not include all the service categories. Based on interviews, stakeholders expressed an overall level of satisfaction even though at times they did not know who to contact for certain matters since they did not have the knowledge of the array of services provided by the

Mission. Without documenting the stakeholders' needs, developing indicators, and tracking services provided, it is difficult to properly measure stakeholder satisfaction and make improvements, when required.

2.3. MISSION ORGANIZATIONAL STRUCTURE AND RESOURCING

The Mission, employing seven Full-Time Equivalent (FTEs), performs two main functions in the areas of member-state and host-state with administrative support. Given the importance of these two functions, the Mission splits its FTEs by devoting approximately 3.5 to the host-state function, 2.5 to the member-state function, and one to administrative support.

The audit team did not find any assessment conducted to determine whether a gap existed between the required and existing competency levels of the staff nor any HR plan. A HR plan at the DG-Air Policy level was developed but it did not provide sufficient detail at the Mission level.

Without a competency assessment and an HR plan, it is difficult to conclude whether the staff has sufficient competencies to support the achievement of the Mission's mandate. Interviewees at both the management level and the staff level expressed concerns regarding the high turn-over of the staff during the audited period and whether the new staff possessed the required competencies. Concerns were also raised regarding insufficient training and resourcing to perform the two main functions effectively.

There is no proper tracking of the training taken by the Mission staff, and the audit noted that the staff is not required to take foundational training in the areas in which they are often asked to provide advice (e.g. diplomacy, immigration and real property management). Foundational training could improve the quality of the advice provided by the Mission staff, which in turn could improve satisfaction of the ICAO community.

For the purpose of comparing the organizational structure and resourcing, the audit attempted to identify Canadian Missions similar to the ICAO Mission. However, as the ICAO Mission plays the dual role of member-state and host-state functions, while most other Canadian Missions have only the member-state role, it is difficult to perform such comparison. Nonetheless, the analysis does point to the fact that various funding models exist for Canadian Missions to international organizations.

- Canadian Mission to North Atlantic Treaty Organization (NATO): Jointly funded and staffed by GAC and the line department, Department of National Defence.
- Canadian Mission to International Energy Agency: Funded and staffed solely by the line department (i.e. Natural Resources Canada).
- Canadian missions abroad: Funded and staffed principally by GAC.

2.4. MISSION LEVEL MANAGEMENT AND PROCESSES

2.4.1. Mission Management

At the Mission level, no strategic and operational plans were developed to provide direction and guide operations. In the absence of these plans, it is difficult to determine whether the Mission is carrying out its priorities, meeting objectives and achieving results as expected. As well, the Mission does not have any performance measurement tools nor does it report on results. Staff meetings take place but there were insufficient minutes to review for the audit team to conclude on their frequency and nature.

Job descriptions for Mission employees are specific to each position including that of the Permanent Representative, which outlines the position's specific accountabilities. However, the roles and responsibilities carried out by Mission staff as described by them do not fully align with their job descriptions. Mission staff indicated that they frequently perform overlapping duties to address emerging requests. This misalignment of roles is further enhanced by an absence of performance evaluations for the majority of Mission staff. Due to these gaps, it is difficult to determine whether Mission staff is carrying out their roles as expected. Mission staff expressed challenges in carrying out their roles due to unclear Mission objectives and priorities, unclear roles and responsibilities, high staff turnover and a lack of documented procedures. Consequently, this creates a duplication of certain tasks and gaps in others.

Mission staff also indicated a need for a clear and common understanding of the Mission objectives and priorities, indicating that the 2014 strategy document was neither communicated nor sufficient. Further reinforcing the lack of direction at the Mission level was the turnover in the Permanent and Alternate Representative positions in 2016. Due to the lack of direction and clear understanding of roles and responsibilities among the staff, the Mission operates in a reactive mode rather than in a planned and proactive manner.

2.4.2. Mission Processes

Budget Planning and Monitoring. The budget planning and monitoring process for the Mission takes place through discussions at the senior management level, and monthly budget meetings at both the senior management level and the staff level. Although Mission's spending and budget provided by TC is well tracked and monitored, there is no tracking of the ad hoc funding provided by GAC such as \$6,000 provided for travel and hospitality activities in FY 2015/16. Properly tracking all expenditure incurred by the Mission could help management better understand the Mission's spending trends which ultimately improves the accuracy of budget forecast.

Inventory. The inventory of the Mission consists of items such as crystal, chinaware dishes, silverware, cutlery and alcohol. The audit did not find any procedures in place to guide the management of inventory, and the Mission did not have a complete and accurate inventory

record. For example, while there was an inventory record for alcohol, crystal, chinaware dishes and cutlery, no record was kept for silverware or furniture.

In addition, the accuracy of the inventory records was low, as the counts have been completed on an ad hoc basis, and the current method used to track alcohol consumed during hospitality events was not sufficiently reliable. The audit team also identified discrepancies in the crystal, chinaware dishes and cutlery inventories after performing a physical count. Without inventory management procedures (including disposal) and a proper tracking of the inventory at the Mission, it is difficult to estimate the current value of the inventory and to properly safeguard the items.

Contracting, Expenditure and Claims. The audit reviewed the supporting files for 11 sampled contracts and found the contracting approach to be appropriate based on the dollar threshold. Ten of the 11 samples reviewed were low dollar value procurement.

Furthermore, the audit reviewed 18 expenditure transactions (i.e. 12 related to the sampled contracts and six not related to the sampled contracts), five hospitality claims, five travel claims and four overtime claims. The areas of improvements are noted as follows.

- Proper pre-approval under Section 32 of the *Financial Administration Act (FAA)* for initiating the spending and committing the fund was not consistently applied. As such, the pre-approval was not in place for four of the 18 (22%) expenditure transactions, three of the five hospitality claims (60%), three of the five (60%) travel claims and all four overtime claims reviewed.

The reason for the missing approval varies. In most cases, the Mission was using the blanket hospitality authority approved by the TC Minister as the Section 32 approval, though a separate approval should be in place to commit and to verify the availability of funds. In other cases, the approval was either granted retroactively or no reason was provided for missing the approval. Even though the pre-approval was missing for all four overtime claims reviewed, there were emails that showed pre-approvals for other overtime transactions in the audited period.

- Although the approval under Section 34 of the *FAA* for certifying goods received and services rendered was given for all the samples reviewed, the due diligence was not always sufficient. The audit did not find appropriate confirmation from the Mission to indicate goods received or services rendered for nine of the 18 (50%) expenditure transactions.

Under the normal process, the Permanent Representative at the Mission has the delegated authority to grant Section 34 approval on Mission expenditures. However, due to the turnover in 2016 and increased volume of transactions around the triennial ICAO Assembly in September 2016, Section 34 approval was temporarily granted by DG-Air Policy in Ottawa, in order to not delay the payment process. During such time, the goods and services were received at the Mission's Montreal office, while the Section 34 approval was granted in Ottawa based on a confirmation from the Mission.

- The audit did not conduct separate testing for the approval under Section 33 of the *FAA* for initiating payment as existing corporate control reduces the risk in this area. TC has implemented controls in Oracle, its corporate financial management system, to limit system access for initiating payment to the staff of the corporate accounting directorate with proper delegated authority. This control is also documented in a recently developed process for Internal Control over Financial Reporting in TC.
- Travel claims could not be linked to Mission events due to lack of a detailed event plan. As a result, it is difficult for the audit to determine why certain travel took place especially when pre-approvals were not always in place.
- Payment was late mainly in 2016 during the turnover of staff and increased transactions around the ICAO Assembly. Of the 18 expenditure transactions reviewed, eight payments (44%) were late, out of which six were for the ICAO Assembly event. Even though the total interest paid by the Mission was small as not all late transactions have incurred an interest payment, the practice, if continued, could negatively impact the reputation of Government of Canada.

Staffing. The audit reviewed supporting documentation for five sampled staffing processes including an acting appointment, two casual appointments and two student hiring processes. While TC HR was not involved for the two student hiring processes, the remaining three staffing processes followed the proper staffing process including consulting the HR advisor and providing the required documentation.

Information Management. The Mission's information management practices need improvement. Due to the lack of information management or handover procedures and high turnover at both the staff and senior management, the Mission could not provide a number of documents requested by the audit, including the supporting documentation for two student hiring processes and five hospitality claims. These documents, for transactions that took place before the joining of the current Mission administrative staff but within the last three FYs, are ordinarily expected to be maintained to support expenditures. In addition, the Mission does not use the mandatory information management tool – the Records, Document and Information Management System (RDMIS) – which is expected to be used by all divisions in TC.

Values and Ethics. Management has not regularly communicated expectations on values and ethics. Other than a standard TC values and ethics web link that has been shared with new employees upon hiring, the audit found no additional values and ethics training.

During the audited period, the Mission hosted hospitality events that were partly funded by other organizations. In one event, TC refused a financial contribution to avoid creating a potential conflict of interest as the private company was regulated by TC. Though the risk of conflict of interest was properly mitigated for that event, documented guidance would set out appropriate processes for future cost sharing events.

2.5. RECOMMENDATIONS

Recommendation 1:

TC and GAC, in consultation with other federal government departments, should define a vision for both the member-State and host-State roles and implement this vision through formalization of MOUs taking into consideration:

- the accountabilities, roles and responsibilities of each department including its divisions with regards to the member-state and host-state functions;
- the expected role of the Mission;
- communication and coordination; and
- the governance framework and oversight required for the Mission.

Recommendation 2:

The Permanent Representative of the ICAO Mission, in collaboration with TC and GAC, should prepare and communicate to all relevant parties:

- a multi-year strategic plan that supports the vision and outlines the Mission's objectives, priorities and expected outcomes;
- an annual operational plan;
- a budget that supports the achievement of the operational plan; and
- an HR plan taking into consideration the competencies and training required for each position specifically those related to diplomatic skills.

Recommendation 3:

The Permanent Representative of the ICAO Mission should strengthen management controls to ensure the Mission is operating effectively and efficiently by taking measures to:

- strengthen budget planning and monitoring, oversight, controls and monitoring with respect to contracting, expenditure approvals, inventory management and information management;
- develop Mission staff competencies and clarify roles and responsibilities through communication of job descriptions, implementation of performance evaluations and provision of training;
- regularly communicate management expectations on values and ethics including specific examples relevant to the Mission;
- develop procedures to address stakeholder requests to ensure consistency and efficiency for the member-state and host-state functions; and
- establish performance measurement tools in order to report on the achievement of expected outcomes on a regular basis taking into consideration of the internal Mission operations against stated outcomes; and the service level standards to measure internal and external stakeholder satisfaction.

3. CONCLUSION

The audit identified several areas of improvements in the Mission's existing governance framework and management practices. At the departmental level, accountability, roles and responsibilities of the various federal government departments, the divisions within TC, and the expected role of the Mission have not been clearly defined. At the Mission level, the lack of operational planning and performance reporting, along with insufficiently understood roles and responsibilities amongst the staff, result in the Mission operating in a reactive mode rather than in a planned and proactive manner. Though the Mission has made efforts in working with partners to address stakeholders' requests, processes were ad hoc without any established procedures or mechanism to track services and to measure satisfaction. The Mission allocated resources to both host-state and member-state functions, but there are deficiencies in training and HR planning to ensure that staff has the right competencies. As well, the audit identified some weaknesses in the Mission's management controls and oversight in the areas of budget planning and monitoring, expenditure approvals, inventory management and information management. These identified weaknesses could be addressed by TC, GAC and other departments establishing a MOU to clarify roles and responsibilities, improving Mission strategic and operational planning and strengthening management controls at the Mission level.

Recommendation	Management Response	Timeframe	OPI(s)
<p>should prepare and communicate to all relevant parties:</p> <ul style="list-style-type: none"> • a multi-year strategic plan that supports the vision and outlines the Mission’s objectives, priorities and expected outcomes • an annual operational plan • a budget that supports the achievement of the operational plan; and • an HR plan taking into consideration the competencies and training required for each position specifically those related to diplomatic skills. 	<p>will be updated on a regular basis.</p> <ul style="list-style-type: none"> • The Mission plans to start the development of an annual operational plan. • The Mission plans to start the development of a proposed budget to support the achievement of the operational plan in Summer 2018 and to complete it by September 2018. • The Mission plans to start the development of an HR plan, including any adjustments to the organizational structure (as necessary). 		<p>Canada to ICAO</p>
<p>3. The Permanent Representative of the ICAO Mission should strengthen management controls to ensure the Mission is operating effectively and efficiently by taking measures to:</p> <ul style="list-style-type: none"> • strengthen budget planning and monitoring, oversight, controls 	<p>We agree with recommendation 3.</p> <ul style="list-style-type: none"> • A new Permanent Representative has been hired. <p><i>Note: Several internal measures and practices have been put in place, since the arrival of the new Permanent Representative, in recent months to improve budget, expenditure, inventory and information processes. However, as recommended, enhanced standardized procedures, control mechanisms and HR processes will</i></p>	<p>April 2018</p>	<p>Global Affairs / Transport Canada</p>

Recommendation	Management Response	Timeframe	OPI(s)
<p>and monitoring with respect to contracting, expenditure approvals, inventory management and information management;</p> <ul style="list-style-type: none"> • develop Mission staff competencies and clarify roles and responsibilities through communication of job descriptions, implementation of performance evaluations and provision of training; • regularly communicate management expectations on values and ethics including specific examples relevant to the Mission; • develop procedures to address stakeholder requests to ensure consistency and efficiency for the member-state and host-state functions; and • establish performance measurement tools in order to report on the achievement of expected outcomes 	<p><i>be developed, and training will be provided to cover all operational steps.</i></p>		
	<p>Systematic reviews of all internal processes has been initiated to identify areas where corrective, enhanced or new practices are needed. In addition, all staff has been asked to provide input and suggestions to the coordinator in charge of this review.</p>	<p>June 2018</p>	<p>Permanent Mission of Canada to ICAO</p>
	<p>Job descriptions based on current structure are up to date and regular individual and group meetings are taking place to clarify roles and responsibilities. Job descriptions will need to be update in the future when new structure is put in place. All staff has been offered training opportunities to develop competencies (ex. leadership, time management) during this FY and that will continue in the future. Performance evaluations and training plans are done on time with clear expectations and feedbacks. In addition, minutes of weekly staff meetings are now recorded and circulated to enhance communications of on-going activities.</p>	<p>April 2018</p>	<p>Permanent Mission of Canada to ICAO</p>
	<p>The Permanent Representative has fully communicated the management expectations and the importance of respecting the Code of Values and Ethics and provided concrete examples related to past experience</p>	<p>January 2018</p>	<p>Permanent Mission of Canada to ICAO</p>

Recommendation	Management Response	Timeframe	OPI(s)
<p>on a regular basis taking into consideration of the internal Mission operations against stated outcomes; and the service level standards to measure internal and external stakeholder satisfaction.</p>	<p>applicable to current issues. Staff is aware and comfortable to raise values and ethics issues with management. This practice will continue on an on-going basis.</p>		
	<p>In progress. The Mission has started to identify priority areas to develop up-to-date off-the-shelve information packages for standard host-state related requests (for ex. education, medical, immigration, etc.) and requests from the City of Montreal, universities, and associations (for ex. co-hosting events, movie related requests, speeches, etc.). Information packages are expected to be completed in August 2018. However, they will need to be regularly updated and adjusted, and dedicated resources will have to be allocated to this process. On the member-state side, a more systematic consultation process has been initiated for federal government Departments and Agencies to better support the Mission in the Council process. Structured procedures will be developed to pursue more effective and active engagement between the Mission and partners (e.g., structured “strategy” meetings). Increased effective and more timely interventions expected as a result (i.e., to advance Canada’s aviation interests globally). Regular information sharing and reporting is now being implemented to ensure that</p>	<p>June 2018</p>	<p>Permanent Mission of Canada to ICAO</p>

Recommendation	Management Response	Timeframe	OPI(s)
	<p>partners are kept apprised of developments on major international civil aviation matters, and will be further enhanced.</p>		
	<p>In progress. The Mission has created a quarterly visual tool listing all significant achievements/engagement specifically for member state and host state initiatives and activities. It will serve as the basis to develop more sophisticated tools to measure performance against stated outcomes to be developed for the next FY. This will also be incorporated in the next cycle of performance management exercises. Service standards will also be developed.</p>	<p>June 2018</p>	<p>Permanent Mission of Canada to ICAO</p>

APPENDIX A – AUDIT CRITERIA

Criteria 1: The Mission has an effective governance framework that supports the delivery of results.

It is expected that the Mission's strategic objectives, priorities and activities are aligned with TC, GAC and ICAO objectives. The roles and responsibilities, and accountabilities at both departmental and the Mission level are clearly defined, communicated and fulfilled. As well, the governance and oversight of Mission management is effective.

Criteria 2: Sound management practices and controls are in place.

It is expected that the budgeting, contracting, inventory, staffing, and financial management practices are compliant with governmental policies. The Mission's organizational structure and resourcing is commensurate with its mandate. Furthermore, the Mission management and staff have the necessary training, tools and guidelines and the Mission reinforces and complies with the Value and Ethics Code.

Criteria 3: Internal and external stakeholder needs are identified and met.

It is expected that the stakeholder needs are documented and there is clear lines of communication. As well, mechanism is in place to measure stakeholder satisfaction.

APPENDIX B – LIST OF ACRONYMS

DG	Director General
FAA	Financial Administration Act
FMIOA	Foreign Missions and International Organizations Act
FTE	Full-time equivalent
FY	Fiscal Year
GAC	Global Affairs Canada
HR	Human Resources
ICAO	International Civil Aviation Organization
IRCC	Immigration, refugees and Citizenship Canada
MOU	Memoranda of Understanding
NATO	North Atlantic Treaty Organization
NGO	Non-Government Organization
PSPC	Public Services and Procurement Canada
RDMIS	Records, Document and Information Management System
TC	Transport Canada