

Chapter 3

Citizenship and Immigration Canada

The Economic Component of the
Canadian Immigration Program

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Citizenship and Immigration Canada

The Economic Component of the Canadian Immigration Program

Main Points

- 3.1** We noted serious deficiencies in the management and delivery of the economic component of the Canadian Immigration Program, whose purpose is to recruit highly qualified individuals who can readily contribute to our economy and adapt to our society. These deficiencies seriously limit Canada's ability to maximize the economic and social benefits that immigration affords, and to protect the integrity of its Immigration Program.
- 3.2** We found that immigration offices abroad are overtasked. They have much difficulty coping with the volumes of work and responsibilities assigned to them. Immigration levels set by the government are not met, and applicants are waiting longer and longer for their applications to be finalized — sometimes more than three years.
- 3.3** We noted weaknesses that leave Citizenship and Immigration Canada open to criticism of the quality and consistency of its decisions in selecting immigrants. Visa officers need better selection criteria, better training and better tools to assess immigrant applications more effectively. In addition, the Department does not sufficiently monitor the quality of their decisions. We noted significant differences in approval rates among officers processing similar cases.
- 3.4** Our audit revealed significant weaknesses in the management of medical assessments of prospective immigrants. Since our last audit in 1990, the Department and Health Canada have been unable to take a position on whether changes to standards for medical examinations are required to determine if an applicant poses a danger to public health and safety, or could place excessive demand on health care systems or social services. The same routine tests have been required for the last 40 years and the departments have not decided whether applicants should be routinely tested for any infectious diseases other than syphilis and tuberculosis. We are also very concerned about the lack of rigour and consistency in the overall management of medical assessment activities, including the procedures for supervising the designated local physicians who perform medical examinations of prospective immigrants abroad.
- 3.5** There are serious constraints on establishing criminality and security admissibility of prospective immigrants. Visa officers have little information and support to ensure that applicants are not likely to engage in criminal activities or endanger the safety of Canadians. Some people are thus admitted to Canada without reasonable assurance that they have not committed crimes abroad, engaged in espionage, subversion or terrorism, or been associated with organized crime.
- 3.6** The Department is particularly vulnerable to fraud and abuse. It has no effective measures in place to discourage people from submitting fraudulent applications, and visa officers often resort to detection methods that are costly. In addition, we found inadequate control over revenues, visa forms and computer systems.
- 3.7** Employees responsible for processing immigrant applications in offices abroad are deeply concerned about the present state of affairs. They feel they are not only going against their own values but also making decisions that could carry risks that are too high and that could entail significant costs for Canadian society.
- 3.8** Overall, it is highly questionable whether the Department has the resources and the operational capacity it needs to carry out the tasks required to meet the annual immigration levels set by the government.

Background and other observations

3.9 Citizenship and Immigration Canada is responsible for, among other things, setting immigration policy, selecting immigrants, and evaluating visitors' applications abroad. It also protects Canadians' health and safety by intercepting individuals who are not entitled to enter or remain in Canada, and returning them to their country of origin.

3.10 In 1999, approximately 190,000 immigrants were admitted to Canada. There are four broad components in the Immigration Program: family, economic, refugee, and other. Our audit focussed on the economic component, which accounts for 56 percent of landed immigrants each year. This component is aimed at recruiting skilled workers and business immigrants.

3.11 Immigration services abroad are provided through a complex network of 81 offices in Canadian embassies, high commissions and consulates. About 210 Canadian officers and 980 locally engaged staff work in these offices and process a large volume of immigration visas, visitor visas, and student and temporary employment authorizations each year. Several other federal departments and agencies also have responsibility for results achieved in the Immigration Program, including the Department of Foreign Affairs and International Trade, the Canadian Security Intelligence Service, the Royal Canadian Mounted Police and Health Canada.

3.12 It is disappointing to note that several of the deficiencies discussed in this chapter are similar to those we reported in 1990. Over the years, the government and the Department have undertaken a number of initiatives to remedy the situation, but without much success.

3.13 This situation requires immediate attention by both the Department and the government. On the one hand, the Department must improve its efficiency in processing immigrant applications. Offices abroad are buried in paperwork, and their outdated technology is a serious obstacle to improving performance. The Department needs much better information on the resources required to fulfil its responsibilities in processing applications. On the other hand, a significant investment of resources may be needed to correct the deficiencies we noted and to allow the Department to realize the potential efficiency gains we identified. It is particularly essential that in deciding on annual immigration levels, the government ensure a proper balance between the resources allocated to the Department and its federal partners and the workload required to meet those levels.

3.14 The Department's current review of the *Immigration Act* provides an excellent opportunity to correct some of the deficiencies. However, the challenge for the government and the Department is enormous and complex. Since Parliament has expressed a particular interest in the Program by requiring the tabling of an annual immigration plan, we encourage parliamentarians to follow the situation closely.

The responses of Citizenship and Immigration Canada, Health Canada, the Royal Canadian Mounted Police, the Canadian Security Intelligence Service and the Department of Foreign Affairs and International Trade are included in this chapter. They agree with our recommendations and note that initiatives are under way in several areas.

Introduction

Immigration plays an important role in Canada

3.15 Immigration has played an important role in the economic, social and cultural development of Canada throughout our history. Over the years, immigrants have cleared and farmed our land, introduced new skills to our labour force and brought in capital, thereby helping our economy to develop.

3.16 Immigration has contributed significantly to our population growth. Almost five million of the Canadians surveyed in the 1996 census were born in other countries. This represents more than 17 percent of the population, the largest proportion in over 50 years. Given Canada's aging population and dropping birth rate, immigration is expected to continue playing a key role in our economic and demographic growth.

Overview of the Canadian Immigration Program

3.17 Parliament has given Citizenship and Immigration Canada (the Department) a mandate to manage immigration to Canada. The Department's responsibilities include setting immigration policy, selecting immigrants, and evaluating visitors' applications abroad. In addition, it supports Canada's humanitarian mission and its international commitments by protecting refugees. It also protects Canadians' health and safety by intercepting individuals who are not entitled to enter or remain in Canada, and returning them to their country of origin. The Department works with other levels of government to help new arrivals settle in and adapt to Canada. Finally, it grants citizenship to people who want to become full-fledged Canadians.

3.18 Immigration in Canada is governed by the *Immigration Act* and Regulations. Among other things, the Act

requires the Minister of Citizenship and Immigration to table in Parliament an annual immigration plan for the following calendar year. The annual plan is based on the federal government's current direction to accept annually a number of immigrants equalling up to one percent of Canada's population.

3.19 The planning of immigration levels is done by the Department in consultation with the provinces, certain federal departments, and national and local organizations with a particular interest in immigration. The Department told us that in planning annual levels, it considers external factors such as Canada's capacity to absorb new immigrants and trends in international migration. It also considers internal factors, such as its operational capacity. Following its analysis, the Department recommends to the Minister the immigration levels to be set. The annual immigration levels are then approved by the government before they are announced in Parliament.

3.20 The immigration levels announced annually have remained unchanged for several years at between 200,000 and 225,000 immigrants in four broad components: family, economic, refugee, and other. Our audit focussed on the economic component.

3.21 Immigration services abroad are provided through a complex network of 81 offices in Canadian embassies, high commissions and consulates. About 210 Canadian officers and 980 locally engaged staff work in these offices. In 1999, the offices abroad issued about 184,000 immigration visas, 620,000 visitor visas, 54,000 authorizations for temporary employment and 47,000 student authorizations. There is no consolidated information on the costs of immigration services abroad. Based on the information available, the annual cost of delivering services abroad is at least \$155 million.

The immigration levels announced annually have remained unchanged for several years at between 200,000 and 225,000 immigrants.

The purpose of the economic component is to recruit highly qualified individuals who can readily contribute to our economy and adapt to our society.

3.22 The offices are located throughout the world and offer different types of services. Many offices abroad are officially responsible for a territory that includes many countries. For example, the office in Paris covers France and 14 other countries. Other offices, like Beijing in the People’s Republic of China, are responsible for only the country where they are located. Appendix A presents more details on the network abroad.

3.23 It is important to note that under the Department’s current policy, a person may submit an immigration application to

any office, regardless of country of residence. Consequently, in addition to processing applications from residents of the territory under their responsibility, offices abroad can receive applications from all over the world. Exhibit 3.1 shows the 10 offices abroad with the most cases finalized in 1999.

The economic component of the Canadian Immigration Program

3.24 The purpose of the economic component is to recruit highly qualified individuals who can readily contribute to our economy and adapt to our society.

Exhibit 3.1

Top 10 Offices Abroad in Cases Finalized in 1999



Source: Citizenship and Immigration Canada, Report of the International Region

This component targets skilled workers and business immigrants in particular.

3.25 Skilled workers are those whose occupational skills and abilities meet the needs of the Canadian labour market. Business immigrants are investors, entrepreneurs or self-employed workers who can make a significant economic contribution by establishing, purchasing or investing in a business or commercial venture in Canada. Self-employed workers can also contribute to Canada’s cultural or artistic life.

3.26 Following a change in the federal immigration policy, the economic component has become increasingly important in the last five years. Exhibit 3.2 shows that of the 189,700 immigrants admitted in 1999, about 105,400 or 56 percent were economic immigrants. This was up from 43 percent in 1994.

3.27 The number of immigrants admitted includes both principal applicants (40 percent) and their dependants (60 percent). On arriving in Canada, over 75 percent of these immigrants settle in one of the country’s three major urban centres: Toronto, Vancouver and Montréal. On the whole, skilled workers are younger than business immigrants and arrive with fewer

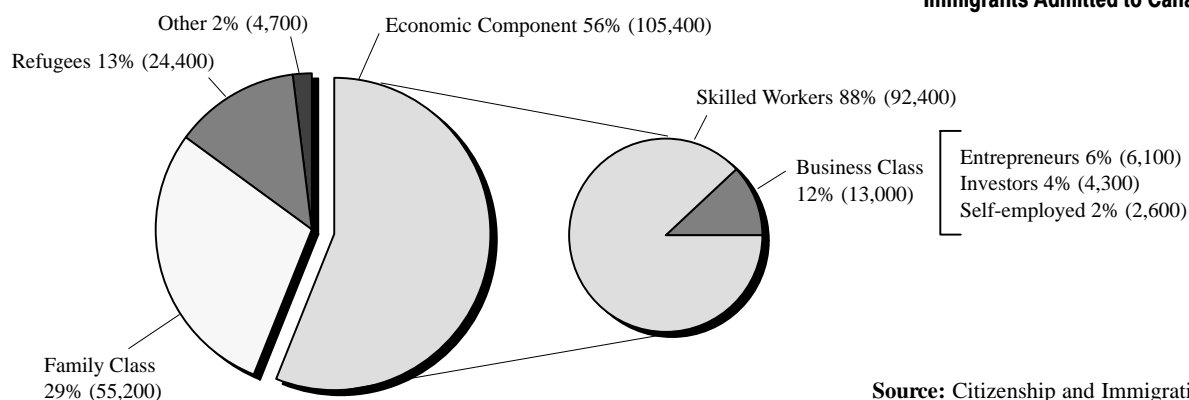
dependants. They are also better educated and better versed in at least one of our official languages. Appendix B provides a more detailed profile of these immigrants admitted to Canada in 1998.

3.28 The countries that are the main sources of economic immigrants change over the years. Departmental figures show that the People’s Republic of China has consolidated its position as the primary source of immigrants to Canada in recent years. Hong Kong, however, has dropped from first to third place since 1996. Exhibit 3.3 shows the 10 countries that were leading sources of economic immigrants in 1998. Applicants originating from these countries represented nearly 60 percent of the total number of immigrants under the economic component.

3.29 Exhibit 3.4 shows the main steps in processing applications of economic immigrants. When considering an application, a visa officer ensures that the applicant meets the selection criteria. (Appendix C lists the specific selection criteria for each category in the economic component.) All applicants and their dependants must also meet the health, security and criminal record requirements of the *Immigration Act*. They are therefore required to undergo a medical examination, and persons aged 18 and

Exhibit 3.2

Immigrants Admitted to Canada in 1999



Source: Citizenship and Immigration Canada

Several other federal departments and agencies also have responsibility for results achieved in the Immigration Program.

over are subject to criminal and security checks.

3.30 Finally, immigration officers at a Canadian port of entry will grant landed immigrant status after ensuring that the immigration visa is still valid. Landed status imposes certain conditions on entrepreneur immigrants. The Department’s regional offices in Canada are responsible for ensuring that these immigrants meet those conditions.

3.31 Applicants who are refused an immigration visa may challenge the visa officer’s decision by applying to the Federal Court for a judicial review.

Several partners contribute to achieving the economic component’s objectives

3.32 Several other federal departments and agencies also have responsibility for results achieved in the Immigration Program. The Department of Foreign Affairs and International Trade is responsible for providing common services and is also the employer of all locally engaged staff for immigration activities abroad. The Canadian Security Intelligence Service advises Citizenship and Immigration Canada on

immigrant-related security matters. The Royal Canadian Mounted Police plays a role in criminal screening. Health Canada is responsible for the health policy aspects of the Immigration Program and setting standards for immigration medical assessments. Human Resources Development Canada is involved in developing criteria used by the Department in selecting skilled worker immigrants and also provides a job validation opinion in some cases.

3.33 Under the Constitution, the federal government and the provinces share jurisdiction over immigration. It is important to note that the *Canada-Québec Accord Relating to Immigration and Temporary Admission of Aliens* gives Quebec authority to set its own selection criteria for immigrants under the economic component. It is up to the Department, however, to ensure that they meet the health, security and criminal record requirements. In 1999, Quebec selected over 14,000 immigrants in the economic component.

3.34 In the past two years, the Department has signed federal-provincial agreements on provincial nominees with British Columbia, Manitoba, New

Exhibit 3.3

Top 10 Source Countries of Economic Immigrants in 1998

Countries	Number of immigrants admitted
People’s Republic of China	13,248
Taiwan	6,713
Hong Kong*	6,232
Pakistan	5,531
Iran	4,698
South Korea	4,519
India	4,266
France	3,375
Russia	3,263
Philippines	2,634

* Hong Kong is a special administrative region of the People’s Republic of China

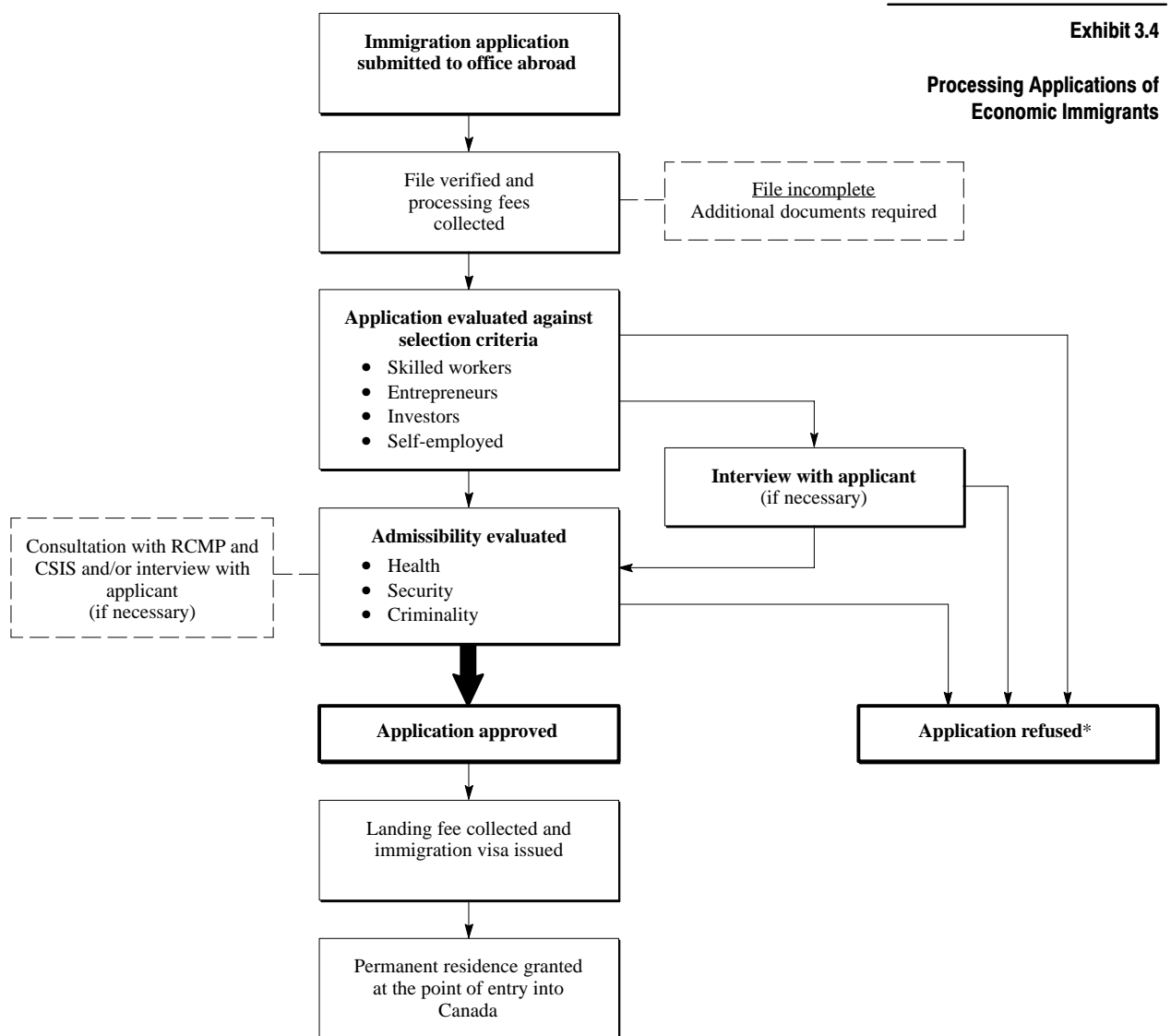
Note: The figures include principal applicants and dependants.

Source: Citizenship and Immigration Canada, *Facts and Figures 1998*

Brunswick, Newfoundland and Labrador, and Saskatchewan. These agreements allow the provinces to recruit immigrants more actively and to nominate a certain number of people likely to meet the specific needs of the provincial labour markets. The provinces then refer them to the Department, which retains responsibility for selecting those who will be admitted.

Major changes have been made to the Program’s delivery since our last audit

3.35 Our last audit of the Immigration Program’s delivery abroad was published in our 1990 Report. Since then, there have been major changes in the division of responsibilities for managing the Program. In 1992, the government transferred the immigration functions of the Department



*If refused, an applicant may request a judicial review by the Federal Court.

Source: Citizenship and Immigration Canada

of External Affairs to the Department of Employment and Immigration. In 1993, most of the responsibilities related to the health of immigrants were transferred from the Department of National Health and Welfare to the Department of Employment and Immigration. Finally, in June 1994, Parliament established the Department of Citizenship and Immigration, a new department combining a range of program elements transferred from several other federal departments.

3.36 In the meantime, the federal government began its Program Review, resulting in large cuts to the budgets of several departments and agencies. Citizenship and Immigration was no exception; its operating budget was cut by \$54 million, almost 20 percent, between 1996 and 1998. To be able to continue delivering its Immigration Program with fewer resources, the Department had to review several of its procedures, adopt new ways of doing business and make significant organizational changes. This included a major reorganization of its service delivery network abroad.

Factors affecting the Immigration Program

3.37 New trends in the flow of migration. During the last decade, globalization has led to major political, social and economic changes. These changes have clearly influenced the flow of migration and, as already noted, the source countries for immigrants have changed over the years. At the same time, the number of visitors, temporary workers and foreign students has risen significantly. Because their applications are given priority by offices abroad, they have an impact on the resources available to process immigration applications.

3.38 Mounting risk of fraud and false statements. Globalization has also created major challenges for immigration generally. Growing numbers of people are

prepared to break our laws to improve their living conditions, and Canadian society is more and more concerned about illegal immigration and abuse of the immigration process. This means the Department must devote more of its resources abroad to control and interdiction efforts and checking documentation.

3.39 Fewer applicants meeting the selection criteria requirements.

Departmental figures show a decrease in the rate of applications approved in recent years. This represents not only fewer potential immigrants but also an increased workload for visa officers, because they must support their decisions thoroughly when they refuse an application. In the event of a judicial review, they must also defend their position before the Federal Court.

3.40 More court cases. Since the passage of the *Canadian Charter of Rights and Freedoms*, the selection of immigrants has moved toward a more legalistic application of the selection criteria specified in the *Immigration Act* and Regulations. It no longer relies mainly on the visa officer's evaluation of the applicant's capacity to settle in Canada and contribute to the economy. Every year, a number of decisions are brought before the Federal Court and recent years have seen this number grow. This trend reflects applicants' heightened expectations of the right to fair treatment. Also, a growing number of applicants are represented by lawyers or immigration consultants.

3.41 Immigration applications are subject to numerous interventions.

Immigration issues deal with people, and frequently attract media attention. In addition, elected representatives, non-governmental organizations and other stakeholders often contact program managers about specific cases. Following up information requests and interventions from lawyers, immigration consultants

Canadian society is more and more concerned about illegal immigration and abuse of the immigration process.

and members of Parliament represents a significant workload in many offices.

A major review of the *Immigration Act* is under way

3.42 The Department began a legislative review in November 1996, with the creation of the Legislative Review Advisory Group. In January 1998, this advisory group published a report with 172 recommendations on immigration and determining refugee status. In the months that followed, the Department consulted many Canadians and, in a January 1999 document entitled “Building on a Strong Foundation for the 21st Century”, announced new directions for the Act and for policies on immigration and protection of refugees. The Department has also used this document to initiate discussions with provincial governments, its federal partners and Canadians. The Department informed us that the Minister is planning to introduce legislative amendments in Parliament sometime this year. The amendments will be aimed at improving the effectiveness, fairness and integrity of the immigration process and making the *Immigration Act* clearer and more consistent.

Focus of the audit

3.43 The primary focus of our audit was to determine whether Citizenship and Immigration Canada is managing the economic component of the Canadian Immigration Program efficiently and economically, fostering the achievement of desired results and maintaining the program’s fairness and integrity. Our audit included visits to several offices abroad and a survey of employees involved in program delivery.

3.44 Further details on the audit objectives, scope, method and criteria are presented at the end of the chapter, in the section **About the Audit**.

Observations and Recommendations

Immigration Offices Abroad Cannot Cope With the Task

Immigration levels not met, longer processing, and applications in process increasing

3.45 Our review of the operational results of offices abroad shows that, on the whole, they are having considerable difficulty processing immigration applications quickly and effectively. Immigration levels have not been met for the past two years. In addition, it has taken longer to reach a decision and there is a growing number of applications at various stages in the process. We find these results particularly worrisome because, as we note later in this chapter, we have serious concerns about the quality of selection decisions. We are also concerned about whether procedures to verify the accuracy of the information that applicants provide are adequate to ensure that they are admissible to Canada.

3.46 Canada received around 173,800 immigrants in 1998 and 189,700 in 1999 (see Exhibit 3.5). These results are below the range of 200,000 to 225,000 immigrants forecast for each of these two years. The Program’s economic component shows the biggest shortfalls. In 1999, for instance, 92,366 people were admitted as skilled workers and only 13,012 as business immigrants — respectively lower by 8 percent and 26 percent than the lowest levels forecast for these two classes.

3.47 Exhibit 3.6 provides data on processing times and numbers of immigration applications in process at offices abroad. We note that processing times are increasing: applicants are waiting longer and longer for their applications to be finalized, particularly those in the economic component. In 1999, the period from the time the

The period from the time the Department received an application until it made a decision averaged 28 months for business immigrants and 25 months for skilled workers.

Department received an application until it made a decision averaged 28 months for business immigrants and 25 months for skilled workers, whereas in 1996 it was 15 months and 13 months respectively.

3.48 As Exhibit 3.6 shows, there are significant differences from office to office. To finalize a skilled worker's application at the Beijing office, for example, took over three years. The situation was similar for business immigrants' applications submitted to the Buffalo and the Islamabad offices, where processing times were 35 and 34 months respectively.

3.49 Finally, the volume of applications at various stages of the process is particularly disturbing: it has increased by 38 percent in the past three years. In late 1999, there were almost 175,000 applications at various stages of processing, which represents over 280,000 potential immigrants.

3.50 The effects of this situation on the quality of service to applicants is clear. Long delays in processing also add to the workload because they result in numerous requests for information from applicants

and those lobbying on their behalf, and offices abroad must respond. In addition, the situation in certain offices leads many applicants to submit their application to offices outside their country of residence, knowing that their wait will be shorter. As explained in paragraphs 3.141 to 3.153, this adds to the difficulties of processing applications.

3.51 These processing delays could have an even greater long-term impact on the effectiveness of the Program's economic component, and they require particular attention. Canada is in tough competition with a number of countries to attract high-calibre immigrants. The Department's inability to process their applications within a reasonable period of time could discourage the most attractive candidates and deprive us of their valuable contribution to our economic development.

Imbalance between resources available and work required to ensure Program integrity

3.52 The Program's current difficulties stem from a number of factors. In this chapter, we note problems of operational

Exhibit 3.5

Statistics on Immigration Levels and Landings

	1998		1999		2000
	Planned Levels	Landings	Planned Levels	Landings	Announced Levels
Economic Component					
Skilled workers	96,600 – 106,600	81,146	100,200 – 111,200	92,366	100,500 – 113,300
Business class	19,300 – 21,300	13,778	17,700 – 19,700	13,012	15,000 – 16,000
Total	115,900 – 127,900	94,924	117,900 – 130,900	105,378	115,500 – 129,300
Family	53,500 – 58,300	50,861	53,500 – 58,300	55,187	57,000 – 61,000
Refugees	24,100 – 32,300	22,644	22,100 – 29,300	24,363	22,100 – 29,300
Others	6,500	5,407	6,500	4,763	5,400
Total	200,000 – 225,000	173,836	200,000 – 225,000	189,691	200,000 – 225,000

Note: The numbers include principal applicants and dependants.

Source: Citizenship and Immigration Canada

efficiency and effectiveness in various aspects of application processing. The Department can certainly improve its way of doing business. However, we have serious concerns about the resources now devoted to processing immigration applications on the one hand and, on the other, the extent of work required to ensure the quality of decisions and the integrity of the Program.

3.53 As we noted in the introduction to this chapter, the Department has undergone large budget cuts in recent

years. It was therefore essential to clearly identify the impact of these cutbacks on its program delivery abroad, and to determine whether immigration levels should be reduced accordingly or could be attained through gains in efficiency.

3.54 During our audit, we noted that the Department's senior management was aware of the challenges in processing applications with its present resources. In planning the 1999 immigration levels, for example, the Department indicated that it would be very difficult to maintain levels

Exhibit 3.6

Average Processing Times and Cases in Process, 1996 to 1999

Average processing time* for immigrant application (months)	1996	1997	1998	1999
Skilled workers	13	16	21	25
Business class	15	18	24	28

*Months required to complete 80 percent of cases

Average processing time* for immigrant application, top 10 foreign offices (months)	Skilled workers	Business class
Beijing (People's Republic of China)	37	25
Buffalo (U.S.A.)	17	35
Damascus (Syria)	22	25
Hong Kong**	16	26
Islamabad (Pakistan)	32	34
London (United Kingdom)	23	24
Manila (Philippines)	25	28
New Delhi (India)	32	30
Paris (France)	14	24
Singapore (Singapore)	34	28

* Months required to complete 80 percent of cases

** Hong Kong is a special administrative region of the People's Republic of China

Cases in process at 31 December	1996	1997	1998	1999*
All categories	127,125	148,765	161,574	174,801
Skilled workers	69,573	91,895	106,351	115,200
Business class	10,300	11,180	11,542	12,248

Source: Citizenship and Immigration Canada, Report of the International Region, Database of the Computer-Assisted Immigration Processing System

*Data obtained to 30 November 1999

In its current operations and with the resources at its disposal, the Department is overtasked.

at 200,000 to 225,000 given its current resource base and delivery network. It said that pressures on the integrity of the Program and selection process would result. Following the government's decision to maintain immigration levels at 200,000 to 225,000, the Department directed offices abroad to meet them. The Department also indicated that offices abroad would be provided with additional resources to meet the challenge through temporary duty assignments. These, however, are short-term measures that cannot be sustained over a long period without risk. Consequently, the Department has made efforts to obtain additional resources but without success. It has also launched a series of initiatives to review its operating methods with the aim of attaining the levels announced by the government. The review of the Program's current performance shows clearly that the Department's efforts have not produced the desired results.

3.55 Our opinion of the situation is not cut and dried. On the one hand, the significant weaknesses we note in this chapter lead us to conclude that in its current operations and with the resources at its disposal, the Department is overtasked. On the other hand, we have noted deficiencies that have a considerable impact on the efficiency of its operations. Significant investments may be required to correct some of them. The Department lacked the data we would need to calculate the savings possible through improved efficiency. We thus could not determine the degree of imbalance at present between the resources available and the level of work required to ensure the integrity of the Program.

Much better information needed on resources required in offices abroad

3.56 We expected to find sufficient and reliable information on the resources needed to process immigration applications. However, we noted that the

Department's approach to determining needs and allocating resources requires significant improvements.

3.57 We first noted that the Department's data on resources allocated to offices abroad are presented for all activities related to processing the applications of immigrants and non-immigrants alike. There is no consolidated information for the Department as a whole on the resources used in processing immigration applications. Nor does the Department have complete information on the resources used by its federal partners in processing applications.

3.58 In addition, in 1990 we recommended that efficiency norms be established for each office to serve as guides for determining immigration levels, assigning targets for application processing and allocating resources. Efficiency norms are the fundamental basis for measuring the operational capacity of the Department. They are essential to justifying the level of resources it needs to attain the target levels of immigration. We note that the Department has not yet established such norms.

3.59 It is important that the Department have reliable information on the average time it normally takes staff to process a given number of immigration applications while ensuring that they comply with the Act. These norms need to reflect local conditions like the infrastructure in each country, the language, complexity of the applications, size of territory covered, the risk of false statements and fraudulent documentation, and the expertise of the office's Canadian staff and locally engaged employees. To that end, it is essential that the Department clearly establish the level of quality and integrity it expects in the processing of applications and the degree to which that level is at risk.

3.60 Without such norms, the Department cannot establish precisely enough the level of resources required in each office abroad. This makes it difficult for the Department to evaluate the effect of resource reductions on volumes of applications it can handle and on their processing times. It also makes it hard to determine by how much offices can increase their target volumes or reduce their processing times with additional resources. As a result, we noted situations where headquarters had significantly increased processing targets for certain offices, while the managers of those offices were unable to explain how they would meet them. Also, it is important that the Department have better information on the resources required by the Department of Foreign Affairs and International Trade, the Canadian Security Intelligence Service and the Royal Canadian Mounted Police.

Employees deeply concerned

3.61 During our visits, we observed the work of visa officers and Immigration Program managers and interviewed a number of them. As part of our audit, we also conducted a survey of employees in offices abroad who are responsible for processing immigrant applications. Our meetings and this broad consultation enabled us to draw very positive conclusions about the calibre and commitment of those responsible for program delivery abroad. Our observations in this chapter are in no way intended as a criticism of them. However, we are very concerned about the potential impact of existing problems on employee morale, attitudes and future performance.

3.62 Generally, employees are very concerned about the present state of affairs and feel they are no longer up to the task. A high percentage of employees feel they must contend with operational requirements that seriously limit their ability to protect the Program's integrity. They have neither the time nor the tools

they need to do the work that is normally required. Many of the employees' comments indicate an obvious malaise. Visa officers feel they are not only going against their own values but also making decisions that could carry risks that are too high and that could entail significant costs for Canadian society.

3.63 The Department should:

- **acquire the necessary tools to rigorously identify the level of resources required for processing applications in the offices abroad; and**
- **ensure an appropriate balance between the resources allocated to each office and the targets assigned to each for processing applications.**

Department's response: The Department has recognized these problems and has taken action. A model to identify the level of resources required for processing both immigrant and non-immigrant applications in offices abroad is being validated for implementation in the 2000–01 fiscal year. It is designed to ensure an appropriate balance between resources allocated to each office and the targets assigned. The model includes a monitoring feature that will indicate ongoing resource deficits/savings.

3.64 The government should ensure an appropriate balance between annual immigration levels and the capacity of the Department and its federal partners to meet those levels while ensuring compliance with the *Immigration Act*.

The Quality and Consistency of Selection Decisions Are at Risk

3.65 Visa officers evaluate the applications of economic immigrants using a point rating system. They examine mainly the applicant's education, employment training, work experience, occupational demand, age, knowledge of English and French, and personal suitability. In the case of business immigrants, officers must also ensure that

The Department cannot establish precisely enough the level of resources required in each office abroad.

We draw very positive conclusions about the calibre and commitment of those responsible for program delivery abroad.

Selection of business immigrants relies primarily on regulatory definitions that are vague and difficult to apply.

the applicant meets the definition of investor, entrepreneur or self-employed worker (see Appendix C for specific selection criteria).

3.66 To ensure the quality and consistency of decisions and the Program's integrity, we believe that five essential conditions must be met. The selection criteria must be relevant and measurable. Officers must have the skills and knowledge needed to process applications. They must have efficient and effective tools for evaluating the criteria and detecting misrepresentations. Monitoring mechanisms must be in place to ensure the quality and consistency of decisions. Finally, it is essential that the Department have measures to discourage applicants from being dishonest and that it impose penalties in cases of abuse.

Selection criteria not conducive to attaining Program objectives

3.67 If the objective of the economic component is to be met, skilled workers and business immigrants must be highly qualified and able to adapt rapidly to our economy and our society. The Department must therefore be able to rely on criteria that support the selection of such persons.

3.68 The economic component has been the subject of many studies since 1985. Appendix D lists the studies we reviewed. We took the results of these studies into account in the course of our audit. We also examined program evaluation reports prepared by the Department.

3.69 Recent studies show that the selection criteria for skilled workers are no longer adequate and are not supported by indicators of immigrants' integration into Canadian society. In addition, the selection criteria raise false hopes among immigrants. In basing selection on a list of occupations in demand in Canada, the Department implies that there is a shortage of workers in certain professions. Furthermore, this list was prepared in

1993 and has not been updated since. It may therefore not be a true reflection of Canada's labour market. Moreover, entry to professions in Canada and recognition of professional titles and diplomas pose major problems for new immigrants.

3.70 Selection of business immigrants relies primarily on regulatory definitions of entrepreneur, investor and self-employed worker. However, these definitions are vague and therefore difficult to apply. This was confirmed in the responses to our survey of visa officers. In addition, the majority of business class cases reviewed by the Federal Court involved the way officers had interpreted these definitions. Finally, a federal-provincial task force indicated that the method of selecting business immigrants puts the Program at risk because it leaves open the possibility of fraud, organized crime and illegally obtained money. Many visa officers and managers of offices abroad told us they had the same concerns.

3.71 The studies we reviewed also mentioned concerns specific to each category in the business class. A major concern about investors was the lack of control and monitoring of the way invested funds were managed in Canada. Important legislative amendments made in April 1999 addressed this issue. The studies criticized the fact that once in Canada, a good percentage of immigrants in the entrepreneur class had not met the conditions imposed by their visa. The Legislative Review Advisory Group expressed the view that the self-employed class should be eliminated, because it provides a loophole for applicants who are unable to meet the requirements for investor or entrepreneur immigrants.

3.72 In the document entitled "Building on a Strong Foundation for the 21st Century", the Department proposed amending the selection criteria for skilled workers to emphasize versatility and flexibility rather than focussing on specific occupations. In addition, the

Selection criteria for skilled workers are no longer adequate and are not supported by indicators of immigrants' integration into Canadian society.

Department plans to add explicit conditions for entrepreneurs and investors that deal with business experience, education and knowledge of an official language. However, the Department has not said what it plans to do about the selection criteria for self-employed workers.

3.73 The Department should amend the selection criteria to make them conducive to a rigorous selection of economic immigrants and the achievement of the Program's objectives.

Department's response: While the current selection system has served the country well, the Department is redesigning the selection system based on the longer-term goals of building Canada's human capital base. Development of the new model has been based on extensive research and consultations to reflect the changing labour market. The model will shift away from the current occupation-based system to select skilled workers with sound and transferable skill sets.

Visa officers receive insufficient training

3.74 In general, visa officers are Canadian citizens with at least one university degree who have passed the Foreign Service examinations. The goal is to recruit adaptable, imaginative and flexible candidates who show good judgment and have excellent communication and analytical skills. The Department also uses locally engaged employees as visa officers.

3.75 In 1998, the Department joined forces with the Department of Foreign Affairs and International Trade to develop a Foreign Service development program, including a competency-based model, in order to recruit and train officers who could meet its future requirements. We encourage the Department to pursue its efforts in the selection and training of new

employees. However, we have concerns about the development program for visa officers. In our opinion, their training is insufficient in several respects.

3.76 A good understanding of local conditions is a key factor in evaluating immigration applications. Canadian officers told us that their training needs have not been met, particularly training on the social and economic conditions in applicants' countries of origin. Evaluating business immigrants' applications is complex and requires a certain expertise in business administration. We noted that the training in this area has been very limited in the last five years.

3.77 There is a pressing need for training to improve visa officers' decision-making skills in an increasingly legalistic environment. A course of this kind was developed in 1996, but fewer than 25 percent of visa officers were able to enrol because there were no resources to offer it. Such training could improve their decisions and their motivation, which would help reduce the number of cases brought to the Federal Court and the number of cases lost, as happened in one of the offices where the training was offered.

3.78 For some years, the Department has relied on temporary staff and employees on single assignments overseas to meet the demand abroad. These Canadians perform the duties of visa officers. We therefore expected that they would receive the training they need to assume these responsibilities. However, several did not.

3.79 Local training initiatives help officers develop and maintain their skills. However, the importance attached to training varies considerably from one office to another. Some offices offer training regularly on a range of subjects related to evaluating immigration applications. Others are content to offer a few courses on the use of computer software.

A good understanding of local conditions is a key factor in evaluating immigration applications.

There is a pressing need for training to improve visa officers' decision-making skills in an increasingly legalistic environment.

3.80 The Department should review its overall training strategy and take the necessary steps to ensure that all those responsible for immigration decisions receive appropriate training.

Department's response: Since 1992, the full-time equivalents allocated for training dedicated to overseas operations have increased by 50 percent and the budget has doubled. A number of new training programs have been developed and delivered, including courses for Immigration Program Managers and a rigorous training and probation system for locally engaged Designated Visa Officers. The Department, in conjunction with the Department of Foreign Affairs and International Trade, has established an enriched training program for foreign service officer recruits, modelled on the federal government's Management Trainee Program. Building on the success of the Strengthening Refusals training course, the Department has launched a litigation training course, delivered on-site in missions with high volumes of litigation, to enhance decision-making skills and consistency in processes. A conference for visa officers from each of the Business Immigration Centres was held in February 1999 to share best practices and promote consistency in decision-making. Country-specific information that describes the business environment for the top source countries of business-class immigrants has been developed and distributed. Efforts to increase relevant training opportunities for overseas staff will continue.

Officers need better tools to evaluate applications

3.81 We noted that the lack of certain basic tools to support officers in their decision making has a negative impact on the efficiency and effectiveness of operations.

3.82 For example, the Department does not use standardized language tests;

each officer must use his or her judgment to evaluate an applicant's ability to communicate in English or in French. Cases brought to the Federal Court revealed some problems with procedural fairness in assessing the applicant's language skills. In addition, there are no tools to help officers readily assess education and employment training. Each must therefore conduct the necessary research.

3.83 In the absence of better tools, officers sometimes have to rely on interviews to evaluate an applicant's language skills, academic training and work experience. Interviews are one of the most costly activities in the processing of applications and often delay it considerably. It is therefore essential that interviews be used only when there is no more economical and effective way to obtain the required information.

3.84 The Department should ensure that visa officers have the necessary tools and means to help them make their selection decisions efficiently and effectively.

Department's response: As part of the overall review of the immigration processing continuum, the Department is working on an array of projects and initiatives to facilitate decision making abroad. For example, standardized language tests for both official languages, country-specific resource tools on how documents issued by local educational institutions should be assessed, and descriptions of business environments are being developed. In addition, the Department will expand the use of Business Performance Assessments, which are an impartial and objective assessment of the economic performance of an applicant's business and a verification of the applicant's role in the management and operation of the business, completed by selected international accounting firms. The Department will be redesigning its selection criteria for economic migrants to make Canada's immigration system

simpler, more effective, and more comprehensible, which should result in straightforward and more consistent decision making.

No framework for monitoring quality of decisions

3.85 Visa officers have broad discretionary powers and their decisions can be challenged only by a judicial review before the Federal Court. A framework for quality assurance is therefore essential to ensure the quality and fairness of decisions. But the Department has no such framework.

3.86 Overall, we observed that the quality of decisions is not monitored sufficiently. In offices abroad, managers seem torn between their desire to manage the Program well and the fear that their interventions will be seen as a hindrance to officers' use of their discretionary powers. Monitoring activities therefore vary considerably from one office to another and performance indicators in this area are very limited. More attention is paid to the number of cases processed.

3.87 Acceptance rates can be one indicator of consistency in decision making. We noted significant differences in approval rates among officers processing similar cases in the same office. As paragraph 3.148 notes, we also found that acceptance rates for nationals of the same country varied by more than 40 percent among certain offices. The lack of an appropriate quality assurance framework for decisions leaves the Department open to criticism.

3.88 Unlike family class applicants, economic immigrants have no appeal mechanisms under the *Immigration Act* to have the visa officer's decision changed. However, a judicial review by the Federal Court may allow for re-examination of a refused application when, for instance, it appears that the principles of natural justice have not been respected. Recent years have seen more cases brought to the

Federal Court. These judicial reviews place a heavy demand on the resources of the Department and the federal government. The results of our survey of visa officers indicated that there is a danger that the reviews will have an adverse effect on their motivation and behaviour. In fact, visa officers fear that the Department has lost control of the Program due to external factors such as judicial reviews and abuse of the process by certain applicants and their representatives. Many officers and managers now feel that the objective of selecting desirable immigrants has been replaced by the objective of justifying refusals. In their opinion, the program has evolved to a point where the burden of proof in many cases rests on their shoulders and not the applicants'. The current situation clearly demonstrates the need for a solid framework for monitoring the quality of decisions. Such a framework would foster the coherence and legitimacy of the process, and would contribute to the making of sound, well-justified and documented decisions.

3.89 The Department should adopt a quality assurance framework to ensure consistency in decision-making and the fairness and integrity of the program.

Department's response: There are already a number of quality assurance initiatives that examine uniformity in decision making and the interview waiver criteria currently being applied. A number of missions abroad have established their own quality assurance initiatives; however, they are not comprehensive in nature. The Department will expand the existing quality assurance programs. A new quality assurance program would monitor the quality and consistency of decisions and make adjustments as required, while validating and readjusting the delivery network's risk management framework and practices.

In response to concerns regarding litigation of visa officers' refusals, the Department has developed an action plan

We noted significant differences in approval rates among officers processing similar cases in the same office.

for a more co-ordinated and strategic approach to litigation. An important component of this plan is litigation training in missions abroad. Ten missions account for 72 percent of all visa litigation and, by March 2000, training will have taken place in six of these missions. The Department has also analyzed the quality of decision making, in the context of judicial reviews.

Need for better ways to protect against fraudulent applications

3.90 The selection of immigrants is based on a system of voluntary declaration. Applicants must, in good faith, submit the information required to process their application. It is realistic to expect that some applicants will try to beat the system and that visa officers will process some applications that contain false statements and fraudulent documents. The Department has noted an increase in the submission of false statements and fraudulent documents.

3.91 In view of such a threat to the Program's integrity, we would expect that the Department would develop a strategy with measures to discourage fraudulent applications and make it possible to detect abuses and impose penalties. But we found that efforts in this direction have been sporadic and poorly co-ordinated.

3.92 The Department is very tolerant of applications that are accompanied by false statements and fraudulent documents. Submitting false information results in the refusal of an application at worst, and nothing prevents the applicant from submitting another application the next day. The penalties now stipulated in the Act are practically unenforceable in other countries.

3.93 In this environment, visa officers must rely on their experience and resort to detection methods that are very costly. These include interviewing applicants,

examining original documents, and making telephone calls or site visits to confirm the validity of documents and statements. Some officers can count on more specialized assistance. There are immigration control officers (ICOs) in 27 offices abroad. ICOs are employees of the Department who have been assigned the role of preventing travel to Canada by people without the required documents. Their role is to liaise with airlines and local authorities to intercept improperly documented passengers. Some visa officers have taken advantage of ICOs' expertise in recognizing fraudulent travel documents to detect fraudulent documents in immigration applications. Some ICOs develop on-the-job expertise in detecting fraud and false statements. However, this additional task is not part of their core duties. Therefore, the support they provide to visa officers varies considerably from one office to another.

3.94 In our opinion, the Department could reduce the significant amount of resources used to detect fraudulent applications if it had effective measures to discourage them. The Department would be well advised to review the policies and measures it applies when applicants make false statements or try to abuse the program.

3.95 The Department should establish and implement a strategy to reduce to an acceptable and manageable level the risk that applicants will submit false statements or fraudulent documents.

Department's response: The Department agrees with the observations and is examining measures to enact additional sanctions for applicants submitting false statements and/or fraudulent documents. The Department will review and consolidate its anti-fraud ability and is evaluating diverse strategies to maximize fraud detection.

Submitting false information results in the refusal of an application at worst, and nothing prevents the applicant from submitting another application the next day.

Controls to Protect Canadian Society Are Deficient

3.96 One of the objectives of the *Immigration Act* is to maintain and protect the health, safety and good order of Canadian society. Another objective of the Act is to deny use of Canadian territory to persons likely to engage in criminal activities. Section 19 of the Act defines the classes of people who are inadmissible to our country. In addition to meeting the selection criteria, applicants must meet the admissibility criteria before they are allowed to immigrate to Canada. However, the Minister may issue a written permit authorizing a person to come to or remain in Canada even if he/she is inadmissible. In 1998, for example, 153 permits were issued to medically inadmissible persons and 1,352 permits were issued to people with criminal convictions of varying degrees of severity.

3.97 A sound risk management approach is critical to meeting this objective. It is not cost-effective, or even possible, to have controls in place to guarantee that all inadmissible persons are identified. However, controls must reflect the risks to public health and safety and provide reasonable assurance of protection.

3.98 Our survey of visa officers shows that it is often difficult to establish with any reasonable certainty whether an applicant is inadmissible. We noted that very few applicants are denied permanent residence on the grounds of inadmissibility. In fact, since 1994 fewer than 2 percent of applicants have been turned down for reasons of health, criminality or security.

3.99 On the whole, we are very concerned about the Department's ability to ensure compliance with legislative requirements in this area. We noted serious deficiencies in the way it applies admissibility criteria related to health, criminality and security. It is somewhat

disappointing to note the limited progress it has made since our 1990 Report, which noted many of the same problems. We believe that the Department needs to take corrective action without delay to ensure the integrity and effectiveness of the Canadian Immigration Program.

Significant weaknesses in determining medical admissibility

3.100 Under the Act, persons are inadmissible if their state of health poses a danger to public health or public safety, or if admitting them could reasonably be expected to place excessive demands on the health care system or social services. All immigration applicants and their dependants are therefore required to undergo a medical examination.

3.101 The Department employs Canadian physicians to manage the determination of medical admissibility. These departmental physicians supervise local physicians whom the Department has designated to conduct medical examinations on its behalf. These designated local physicians forward the results of the examinations to the departmental physicians who, in turn, submit their recommendations to visa officers. Determining whether or not applicants and their dependants are admissible is ultimately the visa officer's responsibility.

3.102 We note that in April 1993, the Immigration and Overseas Health Services Division of the Department of National Health and Welfare was transferred to the Department of Employment and Immigration. Both departments signed a memorandum of understanding (MOU) that sets out, among other things, guidelines for managing medical admissibility and mechanisms for co-operation between them. The MOU stipulates that Health Canada is responsible for the health policy aspects of the Immigration Program and for setting standards for immigration medical assessments. Citizenship and Immigration

In 1990 we pointed out the need to define the terms “danger to public health and public safety” and “excessive demand”. Ten years later, these terms have not yet been defined.

The same mandatory tests have been required for the last 40 years, namely urinalysis and tests for syphilis and tuberculosis.

is responsible for the medical evaluations and defining what constitutes excessive demand on health care or social services.

3.103 In our opinion, to be able to discharge its responsibilities under the Act effectively, the Department needs to meet three conditions. First, the standards for medical examinations must be based on clear definitions of “danger to public health and public safety” and “excessive demand”. Second, the Department needs assurance that the medical examinations are being conducted in accordance with accepted requirements and practices. Finally, it needs to have effective mechanisms in place to monitor immigrants who require medical surveillance after arriving in Canada.

3.104 There is a need to define the terms “danger to public health and public safety” and “excessive demand” to ensure compliance with the Act. In 1990 we pointed out the importance of defining these terms. Ten years later, we are disappointed to see that they have not yet been defined. Several attempts have been made (see Exhibit 3.7) but with few results.

3.105 In order to assess the medical admissibility of applicants, departmental physicians rely on the results of mandatory tests and the outcomes of the medical examinations performed by the designated local physicians. Although the medical examination could be an effective tool to detect a serious medical condition, it is less reliable than mandatory tests — especially when medical conditions are asymptomatic or when the supervision of designated local physicians is insufficient.

3.106 Applicants and their dependants undergo the same mandatory tests that have been required for the last 40 years, namely urinalysis and tests for syphilis and tuberculosis. There has been considerable change in the identification of infectious diseases over the years, which include such viruses as human immunodeficiency virus (HIV) and

hepatitis B and C. Questions have been raised as to whether these diseases could present a danger to public health or entail heavy costs for the health care system and social services in Canada. Health Canada informed us that pending an evidence-based analysis of the risks these diseases pose to public health, tests for them have not yet become part of the routine testing of applicants.

3.107 Evaluating “excessive demand” requires that a departmental physician first estimate the costs associated with an applicant’s medical condition and then determine whether those costs are too high to admit the applicant into Canada. To help in this, the Department prepared draft reports in 1994–95 analyzing the costs associated with 10 medical conditions. These reports have not been updated since then or officially released. Because there are still no official criteria for establishing the point at which a cost is considered excessive, departmental physicians must devise their own and, as they think appropriate, consult their medical colleagues or related literature. The absence of specific criteria makes it very difficult for departmental physicians to determine whether applicants are admissible and to justify their refusals in Federal Court. Furthermore, the quality and consistency of decisions on medical admissibility are far from assured.

3.108 Significant weaknesses in managing and overseeing the network of departmental and designated local physicians abroad. Since 1995, the Department has made significant changes in the way it carries out and manages activities for determining medical admissibility. These changes, largely dictated by the need to deal with cutbacks, have had a negative impact on the Department’s ability to discharge its responsibilities in this area.

3.109 We noted that the Department’s responsibilities are so decentralized that no one is really accountable for results. In addition, there has been very little

direction, support and oversight of activities. There are no mechanisms for ensuring the quality of decisions made abroad by the departmental physicians, and limited audit or evaluation of their activities.

3.110 We believe that serious questions need to be raised about the workload of the departmental physicians. The current organizational chart includes 11 positions at headquarters and 11 abroad. Departmental physicians at headquarters

were responsible in 1999 for, among other things, policy development, supervision of overseas activities, performing around 100,000 medical assessments for North America and monitoring about 350 designated local physicians. In addition, they reviewed all negative medical decisions. In the same period, departmental physicians overseas performed over 200,000 medical assessments and supervised 800 designated local physicians located in over 160 countries. Furthermore, they

Serious questions need to be raised about the workload of the departmental physicians.

Exhibit 3.7

**Key Initiatives to Review the Standards for Medical Examinations
Since the Auditor General's 1990 Report**

Date	Key Stages
1990	Creation of a committee composed of Department and Health Canada representatives to review inadmissibility criteria.
June 1992	The Medical Inadmissibility Review Committee recommends, among other things, that systematic screening for syphilis be discontinued and that the meaning of excessive demand on health care and social services be defined.
February 1993	Introduction of Bill C-86 to amend the <i>Immigration Act</i> by removing references to disability and stating that the meaning of excessive demand would be defined in Regulations. (This section of the Act never came into force.)
August 1993	Publication in the <i>Canada Gazette</i> of a proposed regulation on excessive demand.
August 1995	Section 22 of the Regulations dealing with excessive demand is deemed ultra vires by the Federal Court.
September 1995	Health Canada's Laboratory Centre for Disease Control sets up the Montebello project to develop a model based on scientific evidence so that it will be possible to analyze known, emerging or re-emerging contagious diseases from a migratory point of view. The United States, Great Britain and Australia take part in the project.
October 1997	Department's Policy and Operations Committee approves a proposal to draft regulations concerning excessive demand.
January 1998	The report <i>Not Just Numbers: A Canadian Framework for Future Immigration</i> recommends that the concept of excessive demand be defined by the Federal-Provincial Council on Immigration and Protection and described in the Regulations in such a way that it is transparent and objective. It adds that Health Canada, in consultation with the Department and provincial health ministers, should prescribe medical tests to identify persons who are, or are likely to be, a danger to public health or public safety.
Summer and fall of 1998	Meeting of the Federal-Provincial-Territorial Immigration Health Working Group. The Department consults the provinces on the concepts of excessive demand and danger to public health or public safety.
November 1999	Health Canada advises the Department on routine tests for syphilis and tuberculosis. Research continues on hepatitis B and HIV.

managed the occupational health and safety program for employees abroad. Exhibit 3.8 provides examples of the workload of some departmental physicians abroad.

3.111 Before the 1995 restructuring, the Department had 44 positions for departmental physicians — twice as many as now. Yet the number of files is more or less the same. In addition, four positions are now vacant; some have been vacant for over two years. Also, many of the departmental physicians could decide to retire in the very near future or to leave for other reasons. Moreover, the Department is having major difficulties attracting departmental physicians. The lack of resources threatens to compromise the Program’s delivery and integrity.

3.112 Cutbacks in resources have taken into account only the activities related to medical admissibility, without regard to the resources needed by the occupational health and safety program for overseas staff. Yet the activities of that program represent an important part of the departmental physicians’ responsibilities. These include meeting regularly with the staff of offices abroad and monitoring the quality of health care provided to

Canadian personnel abroad. Moreover, the Department acknowledges that it is not able at present to fully discharge its responsibilities in this area.

3.113 The work of the departmental physicians requires that they have not only medical expertise but also a good understanding of the *Immigration Act*, the public health infrastructures of the countries under their responsibility, and strong management skills to supervise designated local physicians properly. We noted that the work of the departmental physicians receives little supervision. Like visa officers, physicians can be transferred regularly and they face similar difficulties with the tools and information available to them for making their decisions. Training in how to manage medical admissibility activities is inadequate and there is no transition period between the departure of one physician from an overseas office and the arrival of a successor. There is no assurance that practices are consistent.

3.114 Departmental physicians rely on the work of designated local physicians in deciding whether or not to recommend medical admissibility. Controlling the quality of their work is essential to the integrity of the process, given the high risk of fraud or bribes. There have already

Exhibit 3.8

Workload of a Departmental Physician in 1999

	Paris (one position)	Port of Spain (two positions)	Singapore (one position)
IMMIGRATION MEDICAL ASSESSMENT			
• Designated local physicians supervised	144	165	82
• Countries under his/her responsibility	55	71	34
• Medical assessments completed	33,094	17,933	23,862
OCCUPATIONAL HEALTH AND SAFETY			
• Scheduled visits to other countries	33	35	16
• Visits completed	11	31	5
• Total staff to whom health services were to be provided	1,650	706	707

Source: Citizenship and Immigration Canada

been cases where X-rays or blood samples were switched, or medical reports issued on applicants who were not examined. We are therefore concerned about the lack of rigour and consistency in the procedures for training, supervising and managing designated local physicians. In many cases, there is no regular contact between departmental physicians and the designated local physicians they supervise. Sometimes medical admissibility is even based on reports by local physicians not designated by the Department. In these circumstances, it is difficult to be sure that designated local physicians always observe procedural and professional requirements for medical examinations.

3.115 Insufficient monitoring of immigrants who require medical surveillance after arriving in Canada.

Some immigrants are found to be medically admissible even though their condition presents certain problems. In these cases, the departmental physicians have found that applicants do not pose an immediate health threat to Canadians but need to be kept under medical surveillance by the appropriate authorities once in Canada. Non-active tuberculosis is a good example of such a condition.

3.116 As we noted in our September 1999 Report Chapter 14, National Health Surveillance: Diseases and Injuries, surveillance is extremely important. The success of a surveillance program depends largely on whether federal, provincial and territorial health departments and local authorities can develop partnerships, work together and share a good understanding of what must be done to prevent diseases and reduce their occurrence.

3.117 The main role of the Department in the medical surveillance program is to provide the necessary information to public health authorities. We did not look at medical surveillance activities during our audit. However, we are seriously

concerned about the findings of an internal audit report released in October 1999, which concluded that the Department did not know what percentage of immigrants do not comply with medical surveillance requirements or whether provincial health authorities receive a complete list of immigrants who are to be kept under medical surveillance.

3.118 In our opinion, it is important that the Department ensure that immigrants under medical surveillance report to relevant public health authorities and thus comply with the conditions attached to their visa.

3.119 On the whole, it is our opinion that the Department has not adequately discharged its responsibilities in the management and monitoring of medical admissibility activities. In addition, we believe that the transfer of medical services to the Department from Health Canada did not produce the desired results. Better co-operation between the two departments is needed to ensure full compliance with the provisions of the *Immigration Act*.

3.120 The Department and Health Canada should take the necessary steps to ensure full compliance with the medical admissibility provisions of the *Immigration Act*.

Department's response: The Department agrees with the recommendation. The Department has launched a review of the present structure and human resource issues related to medical doctors in the organization.

The Department will seek Governor-in-Council approval of a regulatory definition of excessive demand and will continue to work with Health Canada on the issue of routine testing.

An action plan, being developed in response to the issues raised in the internal audit of medical surveillance, will be implemented in consultation with

Controlling the quality of the work of designated local physicians is essential to the integrity of the process.

Health Canada and the Canadian Tuberculosis Committee.

Health Canada's response: Health Canada will work with Citizenship and Immigration Canada and other relevant departments to clarify roles and responsibilities and to review and update, as appropriate, associated memoranda of understanding for improving the management of public health risks posed by migrants entering Canada.

Health Canada will continue to meet with key stakeholders concerned with public health risks in migrant populations and develop an action plan to strengthen joint management of those risks.

Serious constraints on ability to establish criminality and security admissibility

All applicants and their dependants aged 18 and older undergo criminality and security checks before they are granted permanent residence.

3.121 Under section 19 of the *Immigration Act*, visa officers have the authority to deny entry into Canada to anyone likely to engage in criminal activities or endanger the safety of Canadians. Applicants are inadmissible if there are reasonable grounds to believe that they have committed a criminal offence, have links with organized crime or have engaged in espionage, subversion or terrorist activities, or are likely to do so. Admission will also be denied to anyone who has committed war crimes or crimes against humanity, or is likely to commit acts of violence in Canada. Therefore, all applicants and their dependants aged 18 and older undergo criminality and security checks before they are granted permanent residence.

3.122 Canadian visa officers are responsible for determining admissibility with respect to criminality and security. To do this, they must first examine the information submitted by the applicant. Then, based on their experience and their knowledge of conditions in the applicant's country or countries of residence, they determine whether they need an in-depth

investigation to make their decision. If so, they decide how to obtain the information.

3.123 The RCMP and the Canadian Security Intelligence Service (CSIS) have liaison officers at posts abroad who devote part of their time to immigration matters and assist visa officers. Some of the Department's offices have immigration control officers (see paragraph 3.93) who may also be involved in determining an applicant's admissibility.

3.124 Criminality checks consist mainly of examining the information that accompanies an application, including a police certificate from all countries where the applicant has lived for more than six months. This document certifies whether an applicant has a criminal record. Sometimes the RCMP provides visa officers with information on criminal history or other pertinent information. Also, the Department, in consultation with the RCMP, CSIS and other agencies, has developed profiles to help visa officers identify individuals who might be associated with organized crime groups. When an individual matches the profile, visa officers usually refer the case to the Department's Case Management Branch at headquarters. The Branch examines the files, investigates further — including consultation with its key partners when necessary — and makes a recommendation to the visa officer responsible for processing the application.

3.125 Security checks are based on risk assessment, and use profiles prepared by CSIS in co-operation with the Department. These profiles identify the types of people most likely to be inadmissible under the *Immigration Act* for reasons linked to espionage, subversion or terrorism. Any applicants who correspond to one of these profiles are referred by visa officers to CSIS for a check. In general, CSIS conducts additional analysis in almost 20 percent of the cases referred to it. When CSIS finds matters of concern, it raises them with the Department in the form of a written brief.

CSIS prepares an “inadmissibility brief” when it believes that the applicant is a member of the inadmissible class as described in the *Immigration Act*. When the information gathered by CSIS does not, in its opinion, meet the threshold of inadmissibility but is still a security concern, it prepares an information brief. CSIS also issues information briefs when, in the course of its investigation, it comes across matters of possible interest to the Department — for example, criminal activities or health concerns. These briefs are forwarded to the Case Management Branch, which does the necessary follow-up and provides advice to visa officers, as already noted.

3.126 Little information for determining admissibility on the basis of criminality and security. Evaluating admissibility relies primarily on the co-operation of third parties. It often depends on the good will and honesty of local police forces and, in most cases, the validity and reliability of the information they provide cannot be verified. The availability of the information is also often an issue. We found that as a result, a criminal background check is often limited to verifying whether a police certificate is attached to the application, without questioning the document’s authenticity or reliability.

3.127 Frequently, information cannot be obtained because of the political or social situation in certain countries. For this reason, the Department does not require a police certificate for applicants from more than 40 countries. Almost 23 percent of applicants come from these countries. Some people are thus admitted with no assurance that they have not committed crimes abroad.

3.128 Finally, there are serious constraints on the use of certain information whose source or nature cannot be disclosed. Information obtained from CSIS often falls into this category. Paragraph 82.1(10) of the *Immigration Act*

allows certain information, obtained in confidence from a foreign government or an international organization, to remain undisclosed during a judicial review. However, the Act does not protect the confidentiality of information obtained from Canadian sources, other information agencies, or other sources. And yet, protecting information sources is an essential condition of continued co-operation by partners or other stakeholders. In these circumstances, visa officers tend to avoid making negative decisions for fear of being unable to defend them in Federal Court, even when there is a reasonable suspicion that an applicant has engaged in espionage, subversion, terrorism or violence, or may do so. All of these constraints make it difficult to declare a person inadmissible. We noted that very few applicants are denied admission on the basis of security concerns. In fact, in the last five years, fewer than one percent of applicants were deemed inadmissible on this basis. Exhibit 3.9 illustrates the status of the 156 applications processed abroad that were subject to a brief from CSIS between 1996 and 1999.

3.129 Determining admissibility is a significant challenge for visa officers. Visa officers need a good knowledge of the infrastructure and social and political conditions in all countries for which an applicant has submitted a police certificate so they can assess its reliability. They also need a knowledge of fraud trends in immigration applications and organized crime to make informed decisions. However, officers have little information about conditions in countries other than where they are posted. Globalization and offshore applications (see paragraph 3.146) therefore add to the complexity and risk inherent in their work.

3.130 We noted that officers receive very little training in how to determine admissibility, use security profiles, or identify trends in organized crime.

There are serious constraints on the use of certain information whose source or nature cannot be disclosed.

We question whether what the Department expects of visa officers in the areas of criminality and security is reasonable.

Procedural manuals for security review are over 10 years old and need to be revised.

3.131 We believe that determining admissibility in the areas of criminality and security requires a high level of expertise, and we question whether what the Department expects of visa officers is reasonable. The tools at their disposal, their heavy workload, and their relatively short assignments are significant obstacles to acquiring the expertise they need to be reasonably sure their decisions are sound.

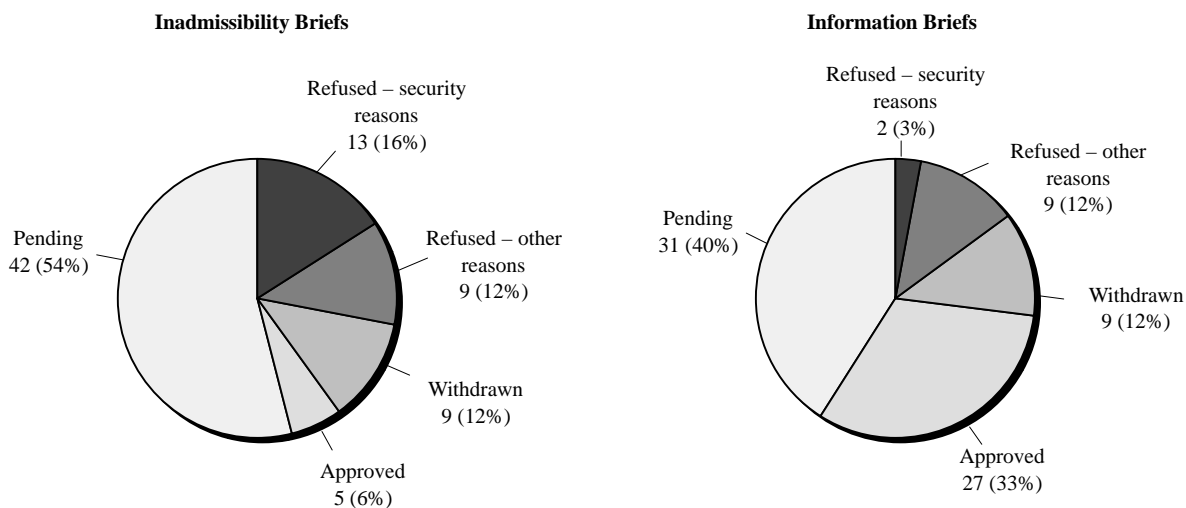
3.132 Although the immigration control officer (ICO) positions were created primarily to prevent the movement of illegal migrants to Canada, we noted their positive contribution in many cases to determining admissibility. For example, one office assigned to an ICO the responsibility for all admissibility decisions. This approach has the potential to ensure a higher level of expertise and more consistency in decision making.

However, if the Department wants to officially expand the role of the ICOs to include security and criminality screening, it is important that ICOs be properly selected and trained to carry out these additional responsibilities. We noted that their assignments generally last from two to four years, and we found weaknesses in their selection, training and supervision. For instance, several ICOs are visa officers with no experience in enforcement. The basic training planned for these positions is not always offered, and it changes from year to year. Finally, the ICO's role varies from one office to another, depending on the expectations and priorities of the Immigration Program manager.

3.133 The Department could also improve the way it collects criminal intelligence. Information is presently gathered by various stakeholders but is not systematically exchanged. Since their various computer systems are not compatible, data are not always shared

Exhibit 3.9

Status of Cases Subject to a Brief From Canadian Security Intelligence Service Between 1996 and 1999*



Source: Citizenship and Immigration Canada

*Data for 1 January 1996 to 31 August 1999.

between offices and headquarters or between the Department and the RCMP and CSIS. In addition, efficiency and effectiveness could be improved if referrals to CSIS were sent electronically, as they are for applicants in Canada. The processing time for overseas referrals currently ranges from two to five months, while electronic referrals can be processed in eight days, on average.

3.134 The effectiveness of the process has not been evaluated. We noted weaknesses in the procedures used to ensure that activities for determining admissibility are effective. Among other things, offices abroad and headquarters have not established mechanisms to ensure the quality of decisions. We noted significant differences in operating methods and risk management among the offices we visited. For example, the number of cases referred to CSIS varies greatly from one office to another and from year to year, with no apparent reason. The Department has never determined that its methods for identifying persons linked to organized crime are adequate. Nor do the Department, the RCMP or CSIS know how effective the profiles they use are. The Department does not systematically inform CSIS or the RCMP of decisions on admissibility or inadmissibility made on the basis of their advice.

3.135 Government-wide and departmental responsibilities need to be reviewed. The memorandum of understanding (MOU) between the Department and the RCMP has been undergoing revision since 1986, and the MOU with CSIS goes back to 1987. However, important changes were made to the *Immigration Act* in 1993 with the adoption of Bill C-86, one purpose of which was to clarify the classes of persons who are inadmissible. The changes introduced the notion of organized crime and clarified that of terrorism. However, the roles of the parties involved in determining admissibility were not

clarified. We believe they need to be reviewed to ensure compliance with the provisions of the Act. We note, for instance, that the Department, the RCMP and CSIS are all involved in the monitoring of activities related to organized crime.

3.136 In addition, the Department has not established a structure that would enable it to determine admissibility efficiently. Responsibilities for the direction, management and monitoring of the activities involved are decentralized and fragmented. For example, the Enforcement Branch is responsible for policies, while the International Region monitors the operations abroad. In addition, the Case Management Branch analyzes complex or sensitive cases and provides advice directly to visa officers. We are concerned by the lack of integration of the activities carried out by these three branches and the lack of accountability for their overall direction and effectiveness.

3.137 We believe that the Department could make gains in efficiency and effectiveness through a comprehensive strategy and better co-ordination among the organizations involved. We also believe that a structure combining all the Department's activities related to determining admissibility would be much more effective. The Department could then benefit more from initiatives to systematically collect information on security and criminality and to detect and prevent illegal immigration.

3.138 The Department should review its operating methods and its management and accountability framework for activities related to determining admissibility on the basis of criminality and security.

Department's response: Of the options available, the Department considers the existing management structure, as it relates to issues of admissibility and criminality, appropriate to an organization whose program delivery structure spans

The Department could make gains in efficiency and effectiveness through a comprehensive strategy and better co-ordination among the organizations involved.

the entire globe. The Assistant Deputy Minister Policy and Program Development is accountable for policy and functional guidance on admissibility determination and the Assistant Deputy Minister Operations is accountable for operational delivery of the policy. While the accountability framework is clear, the Department will review the adequacy of mechanisms for co-ordination of information and functional direction to identify whether potential exists to increase the efficiency and effectiveness of these activities.

3.139 The Department, in collaboration with the Royal Canadian Mounted Police and the Canadian Security Intelligence Service, should ensure that in determining admissibility they have the necessary tools to allow them to use information whose source or nature cannot be disclosed, while ensuring that applicants are treated fairly.

Department's response: The Department agrees and is examining policy and legislative changes to ensure that information obtained in confidence from Canadian or foreign sources can be protected in admissibility hearings.

Royal Canadian Mounted Police's response: We agree.

Canadian Security Intelligence Service's response: Some tools are available in certain circumstances for the use of sensitive classified information in the determination of admissibility. We have also worked actively with Citizenship and Immigration Canada in its legislative review to find appropriate solutions that would facilitate the use of such information and, at the same time, ensure fairness in the determination of admissibility.

3.140 The Department, the Royal Canadian Mounted Police and the Canadian Security Intelligence Service should consider whether the present

division of responsibilities is sufficiently clear and is still relevant and effective to ensure security and public order in Canada, as provided for in the Immigration Act.

Department's response: The current division of responsibilities between the Department, Canadian Security Intelligence Service and the Royal Canadian Mounted Police is derived from the legislation governing the respective agencies and is based on sound operating practices. The state of these relationships is a constructive and healthy one. The Department is actively engaged in discussion with its partners to ensure that the Memoranda of Understanding are current in light of changing environments.

Royal Canadian Mounted Police's response: We agree.

Canadian Security Intelligence Service's response: The role of the Service is well defined by its own legislation and the Immigration Act. The Service does recognize that policies and mechanisms to clarify and specify roles and responsibilities are tools that should be reviewed regularly to ensure that they are suited to present situations and challenges. The Service and Citizenship and Immigration Canada constantly exchange ideas for new approaches and methods to ensure the relevance and effectiveness of our screening program.

Offshore Applications Add to Processing Difficulties

3.141 An offshore application is one that is submitted to an office abroad that does not have responsibility for the applicant's country of residence. Examples would be an application by a resident of the People's Republic of China submitted in Buffalo, or one by a resident of Russia submitted in Hong Kong.

3.142 As already noted, it is the Department's policy that immigrants can submit an application at any one of the

Department's offices abroad, regardless of where they reside. However, section 10 of the *Immigration Act* gives the Minister authority to decide where visa applications are submitted and assessed. This authority was invoked in 1998 when business immigration centres were created. But this does not preclude offshore applications, since business immigrants can submit an application to any one of the business centres, regardless of their country of residence.

3.143 The Department cites many reasons why applicants may choose not to submit their applications to offices in their country of residence or in a neighbouring country. One reason appears to be that many people try to submit their applications to offices where processing times are shorter. Others are trying to avoid a more detailed review of their application and the choice of an office abroad is often influenced by their representatives. We noted that Canadian practices in this matter differ from those in the United States. The American law is much more restrictive, and offshore applications are exceptions.

3.144 The growing number of offshore applications has been a striking phenomenon in recent years. Between 1992 and 1998, the number of offshore applications rose from 7,600 to 39,000. Offshore applications represented more than 48 percent of all the economic immigrant applications received in 1998.

3.145 Our analysis shows that the majority of these applications are submitted by residents of countries where the Department offers immigration services. For example, more than 60 percent of offshore applications in 1998 were submitted by residents of the People's Republic of China, India and Pakistan. The majority of applicants from the People's Republic of China were not submitting their applications in Beijing. Instead, they were presenting them at other offices around the world, mainly in

Buffalo, Hong Kong and Singapore (see Exhibit 3.10). Consequently, a large proportion of the workload in many offices abroad involves processing offshore applications. In 1998, for example, offshore applications represented over 90 percent of applications processed by the offices in Buffalo, Hong Kong and Warsaw.

3.146 Offshore applications clearly have a negative impact on the quality and consistency of decisions. As noted earlier, visa officers must be well informed about the conditions in an applicant's country of residence to be able to make an informed decision. In particular, they must be knowledgeable about the country's statutes and regulations, its customs and practices in commercial enterprises, its educational system, and reference documents that support the application. Otherwise, they cannot readily evaluate the information provided by applicants and spot potential false declarations and fraudulent documents.

3.147 Despite the fact that many offices receive applications from residents of many countries, there is no central database on conditions in the applicants' countries of residence. It is therefore unrealistic to expect that visa officers know enough about conditions in the various countries. In processing offshore applications, they are definitely more vulnerable than those who work in offices that have responsibility for the applicant's country and who thus have more experience and expertise in the milieu.

3.148 We also noted that the processing of offshore applications is not conducive to consistency of decisions. We noted differences among certain offices of up to 40 percent in approval rates for residents of the same country.

3.149 Our survey of officers showed that about 90 percent of them believe that offshore applications have a significant negative effect on the quality of their decisions. A strong majority think they are

Exhibit 3.10

Immigration Applications for Economic Component in Some Offices Abroad (1998)

Office	Applications received*			Origin of Offshore Applications			
				Number of Countries	Principal Countries	Number of Applications	%
Buffalo	Total	9,603	100%				
	Applications within territory	732	8%				
	Applications offshore	8,871	92%	160	People's Republic of China	2,388	27
					India	1,126	12
					Pakistan	697	8
				England	257	3	
				Others	4,403	50	
				Total	8,871	100	
Hong Kong	Total	14,968	100%				
	Applications within territory	585	4%				
	Applications offshore	14,383	96%	39	People's Republic of China	12,190	85
					Pakistan	1,053	7
					Taiwan	301	2
				India	279	2	
				Others	560	4	
				Total	14,383	100	
London	Total	6,878	100%				
	Applications within territory	5,133	75%				
	Applications offshore	1,745	25%	75	India	437	25
					Pakistan	417	24
					Bangladesh	93	5
				Philippines	91	5	
				Others	707	41	
				Total	1,745	100	
Singapore	Total	1,931	100%				
	Applications within territory	1,421	74%				
	Applications offshore	510	26%	32	People's Republic of China	177	35
					India	123	24
					Pakistan	84	16
				Philippines	62	12	
				Others	64	13	
				Total	510	100	
Warsaw	Total	1,577	100%				
	Applications within territory	111	7%				
	Applications offshore	1,466	93%	42	Ukraine	486	33
					Albania	312	21
					Russia	287	20
				Belarus	72	5	
				Others	309	21	
				Total	1,466	100	

* Applications within territory represent immigration applications submitted by residents of countries for which the office is responsible. Offshore applications represent immigration applications submitted to an office that is not responsible for the applicant's country of residence.

Source: Citizenship and Immigration Canada, Database of Computer-Assisted Immigration Processing System

also highly detrimental to the consistency of decisions. Moreover, they do not think they can validate the pertinent information on the application. They frequently cite offshore applications as one reason why they must often admit immigrants who they are not convinced meet the objectives of the Program.

3.150 Offshore applications mean a heavier workload for staff of offices abroad. Most of the managers we met with in offices abroad consider that visa officers have to spend more time, perhaps twice as much, processing offshore applications as applications from clients residing in the countries under their offices' responsibility. Several factors could explain this. First of all, since officers are less familiar with the documentation and know little about the statutes and regulations in offshore applicants' countries, it takes them longer to assess the applications. In addition, under a 1998 departmental directive, they have to interview most of the applicants. This directive is aimed primarily at reducing risk and ensuring more consistency in the processing of offshore applications, and it emphasizes that waiving the interview must be the exception and not the rule. Finally, officers are encouraged to consult the office responsible for the applicant's country of residence to verify the supporting documents. However, the office in the country of residence often lacks the resources to respond satisfactorily to such requests.

3.151 The concerns raised in offices abroad about their difficulties with offshore applications have been known for several years. We noted that in 1995 and 1997, some managers of offices abroad clearly reported the risks involved in processing these applications. Despite the introduction of certain measures to minimize the risks, such as creating business centres and tightening the criteria for waiving interviews, we noted that

managers and visa officers still have the same concerns.

3.152 It is evident that offshore applications have significant implications for the current network of offices abroad and the Department's strategy for responding to migration flows. Among other things, it is important that the Department clarify its strategy for the processing of offshore applications from the main source countries. For example, during our visits we noted the need to review the strategy for providing immigration services in the People's Republic of China and the role of the offices in Beijing and Hong Kong.

3.153 At the end of our audit, the Department undertook to review several application issues, including offshore applications. It is now studying various approaches to processing applications. We encourage the Department to pursue these efforts. However, we expect it to rigorously analyze the benefits and risks of proposed approaches, taking into account the need for quality and consistency of decisions as well as operational efficiency and program integrity. Any model for processing applications will be effective only to the extent that the offices have the necessary skills, procedures and tools to keep risk at an acceptable level.

3.154 The Department should take the necessary action to ensure that applications are processed in the offices that have the necessary skills to make informed and consistent decisions efficiently.

Department's response: The Department agrees on the challenges identified for offshore processing and the need to focus on program integrity. A number of redesign options and improved delivery proposals for the overseas network are presently under review and pilot projects have been launched. The objective is to provide more efficient processing without

Visa officers frequently cite offshore applications as one reason why they must often admit immigrants who they are not convinced meet the objectives of the Program.

Any model for processing applications will be effective only to the extent that the offices have the necessary skills, procedures and tools to keep risk at an acceptable level.

sacrificing program integrity, including the need for local knowledge.

Technology Used Does Not Permit Efficient Delivery of Services Abroad

The outdated technology used in offices abroad is a serious obstacle to improving the performance of employees and activities.

3.155 In this chapter, we have already noted several opportunities for the Department to operate more efficiently. However, we think the outdated technology used in offices abroad is a serious obstacle to improving the performance of employees and activities.

Numerous efforts to upgrade the systems have failed

3.156 The information on each immigration application abroad, along with other information collected until processing is complete, is entered in the Computer Assisted Immigration Processing System (CAIPS). This system, developed in the 1980s, also allows offices abroad to exchange data with headquarters.

3.157 However, data from CAIPS do not provide all the information the visa officers need to make a decision. They need to consult various other departmental databases. Some of these systems are legacies remaining from the former departments of External Affairs and Employment and Immigration. These systems are not integrated with CAIPS, and their data cannot be shared or accessed easily from abroad. The current state of systems significantly hampers efficiency, since visa officers need to spend a lot of time gathering the information they need to process applications. Moreover, data matching and completeness are far from assured.

3.158 The Department modified its existing systems on several occasions to respond to the most pressing operational requirements, knowing that it would need a more significant project to fully resolve the problems. Following the creation of

the new Department of Citizenship and Immigration in 1994 and the passage of certain legislative amendments, the Department undertook an in-depth review of its activities abroad and began to upgrade CAIPS.

3.159 In 1995, the Department revamped and reorganized activities abroad, mainly to reduce costs. Upgrading the computer systems was essential to the success of this reorganization. The upgrading project that had begun in 1994 was therefore reassessed, and it was incorporated into a larger project of the Department.

3.160 However, in 1997 the upgrade project was again re-evaluated. Based on that review, the Department concluded that the magnitude of the project carried inherent risks that were unacceptable. Among the major risk areas were complexity and scope, security, transition and conversion. The Department also noted that it needed \$160 million to complete the project but had only \$72 million available. For these reasons, the project was scaled back in March 1997 after \$60 million had been spent. Certain initiatives continued until March 1999 at an additional cost of \$18.7 million.

3.161 In late 1999, the Department launched another systems upgrade project. It justified the project with almost the same arguments used in 1994. It noted that the level of obsolescence, redundancy and unplanned complexity of its existing collection of case management systems place the Department in a position of serious business risk. It also noted that without the new system it would not be able to attain its service delivery goals or effectively ensure the Program's integrity.

3.162 The scope of the current project is considerable: preliminary figures indicate an investment of approximately \$194 million and an expected time to completion of about five years. Realism and caution are essential. The Department needs to bear in mind the reasons why the

The Department needs to bear in mind the reasons why the earlier projects failed and to manage this project more carefully.

earlier projects failed and to manage this project more carefully.

Offices abroad are buried in paperwork

3.163 We noted in 1990 that the Department was missing opportunities to cut down on paperwork and administrative tasks. Ten years later, this observation is still current. In fact, during our audit we noted that offices abroad are flooded with forms, files, faxes and other documents.

3.164 Employees in offices abroad spend a great deal of their time receiving and recording data for immigration applications, archiving files, handling correspondence, collecting and reimbursing fees for processing applications and granting rights of landing, and handling and controlling visa forms. In a 1995 report, the Department estimated that two thirds of the time spent processing an immigration application in an office abroad was devoted to these administrative tasks and only one third to deciding on the application. Significant resources abroad are used in tasks that add little value.

3.165 It is crucial that the Department review this situation as soon as possible and identify opportunities to improve productivity by using more appropriate technology. Among other things, electronic filing of applications would free many of the resources presently used to record data from application forms into CAIPS. Further, the use of credit cards and direct deposits and payments could significantly improve the efficiency of revenue processing and reduce the risks related to these activities. Overall, we believe that there is a high potential to improve efficiency in these areas.

3.166 The Department should review its systems and practices with a view to maximizing the efficiency of its operations and the use of its resources.

Department's response: Many successes were realized as a result of the Systems

Modernization program, including major upgrades to the Department's Information Technology (IT) infrastructure, improvements to overseas and domestic systems, new case-processing centres, and new domestic call centres. Investments were made to ready our IT systems for year 2000. Projects currently under way or in the planning stages will afford additional short-term relief by providing better integration between overseas and Canada, passport readers at missions abroad, and a secure Permanent Resident Card.

Information technology is integral to Department's program delivery and the department recognizes that enhancements to our IT systems and infrastructure will significantly improve our ability to do business, both in terms of increased program integrity and better client service. The Department is committed to the development of a Global Case Management System (GCMS) that will provide an integrated set of applications and infrastructure components to support all of Department's client case management operations.

Department Highly Vulnerable to Fraud and Other Irregularities

3.167 Conducting immigration activities abroad entails high risks. Large amounts of money are handled, the forms on hand are worth a great deal on the black market, and the computer systems contain very sensitive information. We noted that the Department regularly has to investigate complaints and allegations of complicity, favouritism, theft of public funds, solicitation, and theft of visas. It is thus important that management have in place solid controls to safeguard its assets and ensure that its operations are run properly.

3.168 Our audit attempted to determine whether such a control environment exists for revenues, immigration visas and computer systems. On the whole, we found that the controls for prevention and

early detection of errors and fraud are inadequate. We therefore believe the Department is particularly vulnerable to fraud and other irregularities.

3.169 The Department is responsible for establishing policies and procedures for revenue control, security of visa forms and the secured storage of immigration-related information. In each office abroad, the Department assigns to visa officers various responsibilities for controls. Hence, one officer may deal with revenue collection, another with control of documents and another with systems management. We note that these are daily responsibilities beyond the main function of visa officers: to decide on admissibility and selection of immigrants. The Department of Foreign Affairs and International Trade (DFAIT) also has some responsibilities in these areas. According to a 1992 Memorandum of Understanding between the two departments, DFAIT is responsible for security compliance inspections of policies and procedures dealing with immigration forms and immigration-related information in offices abroad. It is also responsible for providing accounting services, including cash receipt and deposit facilities.

Revenue control is inadequate

3.170 In 1998–99, the Department collected \$347 million in fees for processing immigrant or visitor applications and granting rights of landing. Nearly 62 percent of these fees, about \$214 million, are collected at offices abroad.

3.171 One of the significant weaknesses in revenue control is the Department's inability to reconcile accounts, that is, to verify that the number of visas issued corresponds to the fee amounts collected for them. In offices abroad, cash receipts are recorded using cash registers or POS+, a customized computer system. Neither of these methods is linked to the Computer

Assisted Immigration Processing System (CAIPS), which controls immigration applications and issuing of visas.

3.172 We also found that the controls in the POS+ system are weak, and data can be altered without leaving an audit trail.

3.173 A number of visa officers with revenue collection responsibilities said they lack the skills to perform certain monitoring duties, such as prevention and detection of abuse or fraud. In a 1996 report, the Department's internal auditors stressed the need for a centre to provide opinions, advice and direction on revenue control to offices abroad. However, no action on this has been taken. We also found that there is no systematic monitoring of revenue collection activities. We were thus not surprised to find during our visits that operating procedures and the rigour of controls varied considerably from office to office. We believe that the Department's Finance and Administration Branch and its International Region Branch and DFAIT need to work together more closely to ensure an appropriate framework for revenue control and management. Finally, in light of existing control weaknesses and high risks of error and fraud in offices abroad, we think internal audits are needed more often.

Visa form control needs to be improved

3.174 Visa form control is an essential measure to guard against abuse. Illegal immigration is a growing phenomenon and visas are now worth several thousand dollars on the black market. The Department's Office of Professional Conduct reported that in cases under investigation in 1998, an estimated 500 visas were missing or stolen.

3.175 During our visits we examined the procedures followed by the visa officers responsible for control of these documents. In general, the control procedures appear to be adequate but there is no way to ensure that they are applied in a uniform and consistent way. We noted

In 1998–99, the Department collected about \$214 million at offices abroad.

that the quality of control depends on the officer responsible or on the level of involvement and monitoring by the manager of the office. As with revenue control, we found that control procedures and rigour in applying them differ from one office to another. Given the high risks, it appears that not enough internal audits are conducted in this area.

3.176 Finally, the Immigrant Visa and Record of Landing document (immigration form IMM1000), once approved by an immigration officer at the port of entry, attests that the applicant has received permanent resident status and allows the individual to enter Canada. This form is outdated and no longer meets current needs. It is a lengthy form, with no photo of the holder, and it is easy to falsify. This is why forgers and people-smugglers are so eager to get their hands on it. We believe that such an unsecured document significantly weakens the effectiveness of control over illegal immigration. We expressed our concerns about this to the Department in our 1990 Report. The Department's various study reports have also raised several concerns about this form.

Computer systems are not adequately protected

3.177 We also examined the control environment for the security of computer systems, that is, protection of data and access to them. The visa officer responsible for systems management is required to ensure that systems operate properly and are secure. This is an extremely important task, since unauthorized access to the systems and to the information they contain may, for example, make it easier for inadmissible persons or illegal immigrants to enter Canada. It can also permit confidential information to be communicated, altered or destroyed. Ensuring that computer security is adequate requires clear and effective rules on access and use, and stringent monitoring of compliance with

those rules. We have serious concerns about the level of security in all the offices abroad that we visited.

3.178 Although the officers who manage computer systems abroad are fairly competent users of the systems, they do not have all the expertise needed to ensure effective computer security and control. In view of this, we were surprised by the lack of monitoring of their activities. Our observations and those of internal audit indicate that certain established rules are not being followed. Among other things, staff who are not authorized to do so can print visas and make decisions. Moreover, others appear on the list of authorized officers when they are no longer on staff at an office abroad. Finally, in many cases officers do not systematically monitor unauthorized attempts to access systems.

3.179 The Department needs to monitor how these officers are fulfilling their responsibilities. It needs to know to what extent the rules are not being followed. However, there are practically no internal audits or security audits in this area, notwithstanding a Treasury Board directive requiring that comprehensive security audits be conducted at least once every five years.

Resources allocated to evaluation and internal audit are clearly insufficient

3.180 Internal audit and evaluation are an essential part of frameworks for control and performance measurement. The Corporate Review Unit carries out these activities for all of the Department's activities in Canada and abroad. The job is a considerable one. Moreover, as discussed in this chapter, the risks inherent in immigration operations abroad are significant and there are numerous requirements the Act imposes on the treatment of applications. It is thus important that the Unit have the necessary means to carry out the various aspects of its role. Particularly important are deterring fraud and other irregularities and

We have serious concerns about the level of computer security in all the offices abroad that we visited.

providing senior management with reasonable assurance that activities are carried out efficiently and effectively and in accordance with operational instructions and the Act.

3.181 We noted that the resources allocated to these activities were cut significantly when the various functions were reorganized under the new Department of Citizenship and Immigration, and again as a result of Program Review. In 1999 the Department allocated five full-time positions to the Unit and a budget of about \$800,000 for professional service contracts. However, the Unit has been unable to fill all the positions and has had no more than three employees at any given time over the course of the year. Two positions were still being staffed at the end of 1999.

3.182 In our view, the Corporate Review Unit's resources are clearly insufficient for it to carry out its role in the Department. Moreover, as we describe in the next section, its lack of resources seriously limits the Department's capacity to measure the performance of the Immigration Program. Given the significant weaknesses we noted during our audit, we have serious questions about the priority the Department places on this important function.

3.183 The Department should:

- **review, in collaboration with the Department of Foreign Affairs and International Trade, the mechanisms for the control of revenues, visa forms and computer systems to ensure that they provide a reasonable level of protection against fraud and other irregularities; and**
- **strengthen the role of internal audit throughout the organization.**

Department's response: The Department is presently updating the *Cost Recovery and Key Document Management manual*

for overseas missions to improve visa officers' knowledge of internal controls over revenue and key documents. A training needs analysis is being finalized in order to improve the tools available overseas. The computer system supporting the cost recovery function has recently been upgraded to network installation to increase security over transaction processing. Furthermore, the Department is examining the replacement of this system to increase revenue controls.

The Department also intends to make use of credit/debit cards in its missions abroad and has already started discussions with its partners in this regard. The Department will also investigate other banking options that may also provide for an improved security and efficiency of its revenue management processes.

A new Permanent Resident Card has been designed to replace the IMM1000 and is awaiting implementation, subject to funding. In 2000–01, the Department will conduct a security audit to strengthen and ensure compliance of our systems' security guidelines.

The Department agrees with the need for additional capacity for internal audit throughout the organization and is committed to strengthening this function in the 2000–01 fiscal year.

Foreign Affairs and International Trade's response: *The Department fully agrees with the need for a review of certain control procedures to minimize the risk of fraud and other malfeasance at our missions abroad. Financial review, including a review of revenue control procedures, is a standard audit item when our internal audits are carried out at missions. As well, all Mission Administrative Officers are given fraud awareness training before they are sent on an overseas assignment and the briefings for all new Heads of Mission also include this subject.*

A Need to Measure Results and Report Them to Parliament and the Public

3.184 Performance measurement and evaluation help organizations improve the way they monitor and manage their key activities. They enable management to identify what has worked and what has not, and whether its systems and resources are focussed on the areas of greatest risk. At the same time, they generate information that enables organizations to report to the public on the effectiveness of their activities.

Department focusses performance measurement on meeting immigration levels

3.185 Performance measurement consists of the ongoing review of activities and their results. It makes it possible to measure progress toward objectives. Performance indicators are the key to such measurement. We expected to find a complete range of indicators used to measure the performance of offices abroad. However, this is not the case. The Department's performance indicators are focussed primarily on meeting immigration levels. For instance, as we have already noted, the Department needs better information on the use of resources and on the quality and uniformity of selection and admissibility decisions.

3.186 Whereas performance measurement is an ongoing review, program evaluation is a periodic review. The Department can use program evaluation to measure the effectiveness of its activities in selecting immigrants under the various categories of the economic component and determining their admissibility.

3.187 We have noted that the skilled worker class in the Immigration Program was evaluated in 1998, and the report showed the strengths and weaknesses of the present selection criteria. The

evaluation relied primarily on the Department's database, which can be used to compare certain characteristics of immigrants when they arrive in Canada with information in a database on the economic performance of immigrants, maintained by Statistics Canada on behalf of the Department. Among other things, the evaluation report looks at how immigrants' level of education or language knowledge when they apply is linked to their economic situation later on.

3.188 However, the evaluation efforts are not sufficient. Moreover, the last program evaluations of the business component (investors, entrepreneurs and self-employed workers) date back to the early 1990s. It would be interesting to use databases such as the one mentioned in the preceding paragraph in evaluating the business component. Although medical examination activities were evaluated in 1995, the scope of the evaluation was limited. In fact, the aspects that dealt with the effectiveness of the medical examination and immigrants' use of health care services in Canada were both abandoned. We have already noted that activities to determine criminal and security-related admissibility have never been evaluated (paragraph 3.134).

3.189 Finally, we believe that the lack of clarity of roles and responsibilities is a significant obstacle to performance measurement. Clarity is essential to define expectations, ensure adequate direction and monitoring of activities, and provide a complete report on the results that are achieved. We have already noted the need for the Department to clarify roles and responsibilities within the organization and with its federal partners, such as Health Canada, the RCMP, CSIS and DFAIT. In fact, given the current operational challenges and the recent major changes to the network of offices abroad, the Department needs to review the division of roles and responsibilities of all stakeholders to ensure that they meet

The Department needs better information on the use of resources and on the quality and uniformity of selection and admissibility decisions.

Both policy and administrative actions are required to address the issues raised in this chapter, and choices need to be made.

its needs for support to immigration activities abroad.

The information provided to parliamentarians is limited

3.190 We expected that the Department would provide Parliament with a complete report on the effectiveness of the criteria used in selecting and determining the admissibility of economic immigrants. We examined the Department's Report on Plans and Priorities and its Performance Report for recent years. We noted that the data they present focus mainly on volumes of activities and related outputs. We believe these documents would be of much greater use if they included information on outcomes. For example, for economic immigrants this could include indicators of their integration into Canadian society — the extent to which they are employed, contribute to our tax system or depend on social programs.

3.191 The Department should improve its measurement of performance in key activities and its communication of the results.

Department's response: The Department has focussed in particular on data integrity issues and has established a data warehouse to facilitate the monitoring, analysis and reporting of program outputs, using consistent and reliable information. However, further efforts have been seriously constrained to date by the year 2000 priority and other resource issues. In addition, because of resource constraints, evaluation frameworks developed by the Department to assist in examining outcomes remain to be implemented.

Nonetheless, the Department has made considerable progress in using its longitudinal database on immigrant economic performance, with partner departments and the provinces, to research the economic outcomes of immigrants and to conduct research on the new selection criteria and support other policy initiatives. The Metropolis Project has

also contributed to improved information on program outcomes. Thus, while improvements have been made, further progress in this area will be dependent on additional resources and improved information technologies.

Conclusion

3.192 We observed deficiencies in the management and delivery of the economic component of the Canadian Immigration Program that, taken together, lead us to conclude that the Program's integrity is seriously at risk. We also noted several opportunities to improve efficiency and effectiveness in application processing. Given the similarities between operating methods and mechanisms for delivering all aspects of the Program abroad, we believe that many of the weaknesses we noted apply to other components of the Program, such as the family class and visitors. It is highly questionable whether the Department can handle the number of applications involved in meeting the annual immigration levels set by the government and, at the same time, maintain the quality of decisions and the Program's integrity at an acceptable level and ensure compliance with the *Immigration Act*. We believe that the deficiencies we noted could seriously limit the Department's ability to maximize the economic and social benefits that immigration affords, and to offer Canadians the level of protection contemplated by the Act.

3.193 Moreover, it is disappointing to note that several of the deficiencies discussed in this chapter are very similar to those we noted in 1990. The government and the Department have undertaken a number of initiatives to remedy those problems but have not produced the desired results.

3.194 This situation requires immediate attention. Both policy and administrative actions are required to address the issues raised in this chapter, and choices need to

be made. On the one hand, a significant investment of resources may be needed to correct the deficiencies we noted, and to allow the Department to realize the potential efficiency gains we identified. It is particularly essential to ensure a proper balance between the resources allocated to the Department and the workload of carrying out the tasks required to meet the annual immigration levels set by the government. On the other hand, many of the deficiencies we noted indicate that more rigour is needed in the overall management of activities both at headquarters and abroad. Efforts to meet immigration levels cannot be allowed to compromise the quality of decisions and the integrity of the Program.

3.195 Weaknesses in the Department's performance management and control frameworks have certainly contributed to the difficulties in the present system. In addition, the absence of a position on certain issues such as medical admissibility has hampered the Department's ability to fulfil its responsibilities. Finally, the Department's tolerance of abuses by certain applicants has had the effect of weakening its control over the Program, and has resulted in the adoption of certain practices whose efficiency and effectiveness are seriously questioned today.

3.196 As part of its major review of the Act, the Department has undertaken initiatives that provide an excellent opportunity to correct many of the deficiencies we identified in the management and delivery of the program. This chapter makes suggestions that could help the Department guide its future choices. It is essential that it base its analysis of options and its choices of solutions on a solid understanding of the risks and challenges it faces. It also needs a solid understanding of the essential conditions that must be met if the Program is to fully meet legislative requirements and Canadians' expectations.

3.197 However, the challenge is enormous and complex. We believe the Department would be well advised to develop an action plan setting out the main tasks, timetables and resource requirements, and clearly establishing responsibility for results within the Department and among its various partners.

3.198 An important role for parliamentarians. Since Parliament has expressed a particular interest in the Program by requiring the tabling of an annual immigration plan, parliamentarians and the appropriate parliamentary committees may want to follow the situation closely. They may want to require that the Department prepare an action plan and monitor the Department's progress. They may want to ensure that any necessary legislative amendments are made in a timely manner and address the areas of major concern. Finally, they may want to review the annual immigration plan to ensure a proper balance between established immigration levels and the Department's capacity to attain them.

Department's overall response: As noted in the chapter, since 1990 there have been significant changes in how the government has organized its responsibilities for immigration, refugee and citizenship policies and programs, including creation of the new department of Citizenship and Immigration Canada. As well, Program Review resulted in further restructuring arising from a 20 percent reduction to the Department's resource base. Since 1990, the immigration and refugee programs have also faced significant policy, program and operational challenges, resulting from a rapidly changing international environment arising from globalization, the emergence of new technologies, changing political, economic and trade alliances. All of these have affected the legal and illegal movements globally of immigrants, refugees, temporary workers and visitors. This has required the Department to

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manage its programs in an increasingly complex environment: with sustained high immigration from less-developed source countries; pressures on our borders from individuals seeking a better life; the emergence of sophisticated international people-smuggling and trafficking (often involving transnational organized crime), and new initiatives to address war crimes. Meeting these challenges has required innovative ways of managing our business, developing new partnerships with provinces, non-governmental organizations and like-minded countries.

Despite these challenges, the Department has delivered over one and a half million new immigrants and refugees since 1992. It has delivered visitor, student and temporary worker visas, which have increased in volume by more than 25 percent over the same timeframe, with student visas alone up 67 percent. The Department also created the Immigration Control Officers network to provide international leadership in responding to people smuggling and, in just the past

year, the Department responded quickly and effectively to both the Kosovo crisis and irregular marine arrivals in British Columbia.

In short, the Department has strategically used its scarce resources, taking into account competing policy and operational priorities as well as risks to program integrity. It has also streamlined its operational delivery network and business processes to better allocate existing resources, seeking separate funding for new initiatives. The most recent federal Budget identified \$60 million (over three years) for processing immigrants, which will significantly enhance client service. In addition, the annual permanent increase to our base budget of \$48.6 million to improve essential public services will assist in meeting other needs. While considerable progress has been made and many successes delivered, the Department still faces significant challenges, as outlined in this chapter, and is committed to addressing the recommendations.



About the Audit

Objective

The objective of our audit was to determine whether Citizenship and Immigration Canada is managing the economic component of the Canadian Immigration Program efficiently and effectively, in a way that fosters the achievement of desired results and maintains the fairness and integrity of the Canadian immigration system.

Scope and Approach

We examined four important sectors of the economic component: the strategic framework and overall direction; program objectives and evaluation of results; service delivery abroad; and reporting on performance. Quebec's selection of immigrants falls outside federal jurisdiction and was not covered in our audit.

We met with representatives of Citizenship and Immigration Canada, both at headquarters and in offices abroad. We visited nine immigration offices: Beijing, Buffalo, Hong Kong, London, Manila, Moscow, New York, Paris and Rabat. Our examination consisted mainly of conducting interviews with staff, reviewing application files, consulting management documents and audit reports, and analyzing databases. In addition, we surveyed all visa officers and Immigration Program managers. By 1 December 1999, 229 people had responded to the survey questionnaire. The overall response rate was therefore 60 percent. Finally, we obtained additional information from the Department of Foreign Affairs and International Trade, Human Resources Development Canada, the Royal Canadian Mounted Police, the Canadian Security Intelligence Service and Health Canada.

Criteria

We expected:

- the roles and responsibilities within the federal government to be established in a way to facilitate efficient and effective management of the Canadian Immigration Program;
- the organization of activities and the allocation of resources to take into account inherent risks and to encourage the attainment of immigration levels in an economical and efficient way while maintaining the Program's integrity;
- the objectives of the economic component to be clearly set out and the selection criteria to be conducive to meeting those objectives;
- mechanisms in place to ensure the quality of decisions and the Program's integrity;
- a control framework to protect the main assets;
- management practices to make it possible to monitor the Department's performance carefully; and
- information intended for Parliament to be relevant, reliable and complete.

Audit Team

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Appendix A

Network of Offices Abroad

The 81 offices abroad include the following:

- 9 Regional Program Centres (RPCs)
- 20 RPC satellite offices
- 26 full-service centres
- 7 specialized offices
- 19 other information offices

RPCs, satellite offices and full-service centres provide services to immigrants and non-immigrants (visitors, temporary workers and students). RPCs work together with satellite offices, which provide information requested by the RPCs and, in some cases, finalize applications. Specialized offices deal mainly with illegal immigration and refugees. The following table presents a list of Citizenship and Immigration Canada offices abroad, by geographic region and by type of office.

Other information offices not listed below are offices where employees of the Department of Foreign Affairs and International Trade provide answers to certain information requests.

Types of Office	The Americas	Europe	Africa — Middle East	Asia — Pacific
Regional Program Centres (RPCs) Satellites	Buffalo * Detroit Los Angeles New York ** Seattle **	London* Abu Dhabi Paris* Rabat Rome Tunis Vienna Prague	Accra Abidjan Damascus* Amman Beirut Tehran	Manila Seoul* Tokyo Singapore* Bangkok Dhaka Djakarta Taipei Beijing* Shanghai
Full-Service Centres	Bogota Buenos Aires ** Guatemala Havana Kingston Lima Mexico City Port-au-Prince Port of Spain Sao Paulo	Ankara Belgrade Bonn* Bucharest Kiev Moscow ** Warsaw	Cairo Nairobi Pretoria Tel Aviv	Colombo Hong Kong* Islamabad New Delhi Sydney
Specialized Offices	Caracas Miami Washington Santiago	Geneva The Hague (Specialized satellite of Bonn)		Canberra

*Nine offices, designated Business Immigration Centres, deal with immigration applications of investors, entrepreneurs and self-employed.

**After initial review, Business Immigration Centres have the option of forwarding business applications to one of the four visa offices for interview and finalization.

Source : Citizenship and Immigration Canada

Appendix B

Data on the Profile of Immigrants in the Economic Component, 1998

	Skilled Workers		Business	
	Number	%	Number	%
Principal Applicants and Dependants				
Principal Applicants	35,867	44	3,814	28
Dependants	45,279	56	9,964	72
Total	81,146	100	13,778	100
Census Area (Principal Applicants)				
Toronto	16,914	47	917	24
Vancouver	6,632	18	1,071	28
Montreal	3,881	11	921	24
Other/Elsewhere in Canada	8,440	24	905	24
Total	35,867	100	3,814	100
Age (Principal Applicants and Dependants)				
0 to 14 years	20,772	26	3,662	27
15 to 24 years	6,657	8	2,876	21
25 to 44 years	48,233	59	4,357	32
45 to 64 years	5,353	7	2,820	20
65 years or more	131	0	63	0
Total	81,146	100	13,778	100
Education (Principal Applicants)				
0 to 9 years of schooling	645	2	430	11
10 to 12 years of schooling	1,446	4	1,053	28
13 or more years of schooling	1,500	4	303	8
Trade certificate	2,981	8	486	13
Non-university diploma	3,469	10	458	12
Bachelor's degree	17,925	50	866	23
Master's degree	6,142	17	167	4
Doctorate	1,737	5	51	1
Total	35,845	100	3,814	100
Language Ability (Principal Applicants)				
English	26,603	74	1,538	40
French	2,104	6	132	3
Both French and English	3,535	10	105	3
Neither	3,625	10	2,039	54
Total	35,867	100	3,814	100

Source: Citizenship and Immigration Canada, *Facts and Figures 1998*

Appendix C

Selection Criteria for Immigrants in the Economic Component

Skilled Workers

- A skilled worker is an independent immigrant, meaning an individual who has competencies in a trade or profession, experience and personal qualities that meet Canadian selection criteria. They are assessed against the following criteria:

Factor	Points (Minimum of 70 points)
Education	16
Employment training	18
Experience (Zero (0) units of assessment are a bar to further processing unless the applicant has arranged employment approved by the National Employment Service in Canada and has a written statement from the proposed employer verifying that he or she is willing to employ an inexperienced person in this position.)	8
Occupation (Zero (0) units of assessment are a bar to further processing)	10
Arranged employment or designated occupation	10
Demographic factor	10
Age	10
Knowledge of English and French	15
Personal suitability	10
Assisted relative	5

Business Class

During the selection process, officers first assess whether the applicant meets the definition. Then they assess the applicant using a point system based on a certain number of factors that measure the applicant's capacity to get established successfully.

Investors

- Investors must have successfully operated, controlled, or directed a business, and have accumulated through their own efforts a net worth of at least \$800,000. The applicant will be required to make a minimum investment of \$400,000, paid to the Receiver General for Canada. The investment is subsequently allocated to participating provinces and territories in Canada. These governments use the funds for job creation and economic development.

Factor	Points (Minimum of 25 points)
Education	16
Employment training	18
Experience	8
Demographic factor	10
Age	10
Knowledge of English and French	15
Personal suitability	10

Entrepreneurs

- Entrepreneurs must have the intent and ability to establish, purchase or make a substantial investment in a business in Canada that will contribute significantly to the economy and create jobs. The business must employ at least one Canadian citizen or permanent resident other than the entrepreneur and his/her dependants. The entrepreneur must be actively involved in managing the business. Entrepreneurs and their dependants are admitted to Canada under the “terms and conditions” that they establish and actively manage a business in Canada within two years of arrival.

Factor	Points (Minimum of 25 points)
Education	12
Employment training	15
Experience (Zero (0) units of assessment are a bar to further processing)	8
Demographic factor	10
Age	10
Knowledge of English and French	15
Personal suitability	10

Self-Employed

- Self-employed immigrants must establish or purchase a business in Canada that will keep them employed and contribute significantly to Canada’s economy or cultural or artistic life.

Factor	Points (Minimum of 40 points)
Education	16
Employment training	18
Experience (Zero (0) units of assessment are a bar to further processing)	8
Occupation	10
Demographic factor	10
Age	10
Knowledge of English and French	15
Personal suitability	10

Source: Citizenship and Immigration Canada

Appendix D

List of Principal Studies on the Economic Component Since 1985

Economic Component	
1987	<i>Economic Consideration for 1988–1990 Selected Immigrant Worker Level</i> , Policy and Program Development Branch, Ottawa, Employment and Immigration Canada.
1989	<i>Immigrant Settlement Indicators: A Feasibility Study</i> , Ottawa-Hull, Policy Analysis Directorate, Immigration Policy Branch, Employment and Immigration Canada.
1995	<i>Economic Impact of Recent Immigration</i> , Ottawa, Standing Committee on Citizenship and Immigration.
1997	<i>Not Just Numbers: A Canadian Framework for Future Immigration</i> , Ottawa, Immigration Legislative Review.
Skilled Workers	
1986	<i>Determining the Occupational Composition of the Selected Immigrant Worker Category</i> , Ottawa, Labour Market Outlook and Structural Analysis, Strategic Policy and Planning, Employment and Immigration Canada.
1998	<i>Towards a New Model of Selection — Current Selection Criteria: Indicators of Successful Establishment?</i> , Ottawa, Economic Policy and Programs Division, Employment and Immigration Canada.
Business Class	
<i>Investors</i>	
1992	<i>The Ministerial Task Force on Immigrant Investor Program: A Discussion Document</i> , Ottawa, Employment and Immigration Canada.
1992	<i>Interim Report: The Immigrant Investor Program</i> , Ottawa, Standing Committee on Labour, Employment and Immigration.
1995	<i>Refocusing the Immigrant Investor Program</i> , Ottawa, Immigrant Investor Program Advisory Panel, Industry Canada.
<i>Entrepreneurs</i>	
1985	<i>The Canadian Entrepreneurial Immigrant Program: A Policy Approach</i> , William L. Marr, Department of Economics, Wilfred Laurier University.
1987	<i>The Economic Impact of the Entrepreneur Immigrant Program</i> , Alan Nash, Institute for Research on Public Policy, Ottawa.