

**AUDIT  
OF  
THE CANADIAN CONSULATE GENERAL**

**ATLANTA**

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**Audit Division ( SIV )**

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## **EXECUTIVE SUMMARY**

An audit of the Political and Economic Relations and Public Affairs (PERPA), International Business Development (IBD), Consular and Administration Programs was conducted in Atlanta during the period October 15 - 25, 2001. The previous audit of the Consular and Administration Programs was conducted in August 1994. The Consulate in Miami reports to the Head of Mission in Atlanta and is the subject of a separate report.

### **MANAGEMENT OF THE MISSION**

More involvement of the HOM and Program Managers in day-to-day operations is being recommended, with greater rigour applied to planning, monitoring and assessing operational activities and outputs and with stronger supervision and control mechanisms to ensure administrative effectiveness. Improvements to Program planning and reporting and increased communication and team building are required. The Mission committee structure needs to include an LES Committee, a Contract Review Board and a proper functional Housing Committee.

The Mission is experiencing increasing difficulty regarding operational coordination and supervision of the Miami Mission. Headquarters needs to consider the existing relationship and the benefits of having Miami operate autonomously.

### **POLITICAL AND ECONOMIC RELATIONS AND PUBLIC AFFAIRS (PERPA) PROGRAM**

The PERPA Program has been able to demonstrate productive results given its resource base and large territory. The Program faces challenges in resourcing upcoming staff departures and in providing an environment that enhances teamwork. The Program will also need to better prioritize its heavy workload to address the constant and competing demands being placed on it.

### **INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM**

The IBD Program in Atlanta presents a formidable challenge to manage. The large territory for which it is responsible includes a wide diversity of rapidly growing sectors as well as 54 of the Fortune 500 companies offering tremendous opportunities for Canada both in business development and investment. The HOM, the Senior Trade Commissioner (STC) and the Business Development Officers all need to be more engaged in corporate liaison visits. The Program needs to be managed more firmly, particularly with a staff whose performance is mixed, and an example needs to be set for officers to follow in making and reporting on these corporate out-calls. The IBD Business Plan continues to be a point of contention with Headquarters because its

content is not always sector specific and it is the Program's belief that more flexibility should be provided for horizontal issues (e.g., Women in International Trade) and unanticipated activities. Initiatives, deemed to be important to the Program, remain unfunded with only five months to go before the end of the fiscal year. The Program has had limited success in implementing the Trade Commissioner Service's New Approach.

## **CONSULAR PROGRAM**

The Consular Program in Atlanta is operating efficiently and effectively and has successfully negotiated with two states to adopt the Transfer of Offenders Treaty. Recommendations are being raised regarding formalizing work plans, developing a contingency plan for the region and ensuring that inventory reconciliations are performed monthly by the Program Manager.

## **ADMINISTRATION PROGRAM**

Recent resource turnover, combined with the need for at least another one-half FTE, has put considerable strain on the Program. The Mission Administration Officer (MAO) is faced with handling many day-to-day duties rather than supervising and managing. This has resulted in inadequate planning and insufficient supervision. Many of the deficiencies noted in the previous audit report persist. More involvement is required by the HOM to ensure that controls are in place and functioning as intended. Formal work plans for the Program would serve as a management tool and provide direction to staff. Long-term planning and follow-up systems regarding the property function are required to alleviate concerns related to SQs and their maintenance. More attention and rigour are required in processing purchasing and financial documents to ensure adherence to Departmental and Government policies and regulations.

## **RECOMMENDATION STATUS**

A total of 57 audit recommendations are raised in the report; 54 are addressed to the Mission and three are addressed to Headquarters (HQ). Management has responded to each recommendation indicating action already taken or decisions made, as well as future action. Of the 57 recommendations, management has stated that 28 recommendations have been implemented. For each of the remaining 29 recommendations, management has indicated the initiatives in progress or the intended future action.

## **MANAGEMENT OF THE MISSION**

### **1.1 Overview**

1.1.1 The Mission is headed by a Consul General who arrived at the Mission in the fall of 2000. The Mission is based in Atlanta, Georgia and is responsible for the southeast region which includes the States of Georgia, North Carolina, South Carolina, Tennessee, Mississippi, Alabama, Florida, Puerto Rico and the U.S. Virgin Islands. A satellite office in Miami reports to the Consul General based on a Memorandum of Understanding (MOU) dated December 1998.

1.1.2 Several issues regarding management of the Mission are being raised in this section for the Mission's and HQ's attention. These will require more involvement of the HOM and Program Managers in day-to-day operations with greater rigour applied to planning, monitoring and assessing operational activities and outputs and stronger supervision and control mechanisms to ensure administrative effectiveness. \*\*\*  
Changing this situation will necessitate finding ways to improve communications and to foster team building and trust. Recommendations to address these issues are being raised in the report.

### **1.2 Relationship with Miami**

1.2.1 While the Miami Consulate reports to Atlanta, there is little evidence of 'value added' by the existing arrangement. With the growth of the Miami Consulate and the increasing workload of the Atlanta Mission, more autonomy and independence has developed regarding the activities and operations of the office in Miami. Program coordination with Miami is not reflected in PERPA or IBD work plans and direction is difficult for the Atlanta Mission to provide due to distance and insufficient knowledge of and contact with the South Florida territory. The HOM and the PERPA and IBD Program Managers agree that they are hard pressed to cover their assigned territory and do not have the resources or time to properly support Miami's operations.

1.2.2 This issue is being raised in the Miami Audit Report recommending that HQ consider the benefits of the Miami Mission operating autonomously with an independent HOM reporting directly to HQ.

### **1.3 Work Plans**

1.3.1 There is a Performance Agreement between the HOM and the North American Bureau (NAD) which sets out goals and objectives for the HOM and links the NAD business plan and the strategic, operational and management priorities of the Mission. Work plans at the program level have only been developed for IBD and PERPA. The IBD plan has not yet been agreed to by HQ and therefore has neither

been finalized nor fully funded. For the PERPA Program a work plan was developed. However, required year-end reporting against the previous plan is still outstanding.

1.3.2 For the Administration and Consular Programs documented work plans are not in place. Work plans are useful in describing how objectives are to be carried out in terms of activities, processes, expected results, assigned responsibilities and deadlines. They allow management to provide direction, monitor progress, make adjustments, determine resource requirements and evaluate results.

### **Recommendations for the Mission**

**1.3.3 Finalize the IBD work plan.**

**1.3.4 Submit year end reporting against the PERPA work plan.**

**1.3.5 Develop work plans for the Administration and Consular Programs.**

### **Mission Responses**

**1.3.3 The IBD work plan resulted from the three-day planning session held in St. Augustine with the combined input of the staffs from both the Atlanta and Miami Missions. The plan was the most thorough and strategic undertaken by the Atlanta post in memory. It narrowed the sector focus to permit a more intense effort in a few key areas, and deliberately focussed on activity that would give priority to out-calls and network building by all officers, and less to traditional “project” activity. As was the case with all posts, not all proposals for funding were immediately agreed by Headquarters as more proposals were put forward than there were funds to support. Nevertheless, all key proposals were eventually funded and were successfully carried out.**

**1.3.4 A written year-end report against the PERPA work plan was not submitted in April 2001 as the priority efforts at the time focussed on the preparations needed for successful visits by Canada’s Prime Minister, many Cabinet Ministers and Atlantic Team Canada in May 2001. In light of the unusual work load at the time and the fact that activities held in the territory are regularly reported to HQ, it was decided that it was best to concentrate all efforts toward the preparations needed for these visits. The year-end reporting against the PERPA work plan will take place in the usual manner during current fiscal year.**

**1.3.5 More formal written work plans will be developed. The Consular work plan will comprise such items as a schedule of prison visits;**

**planned meetings with State officials for representations on the Transfer of Offenders Treaty (TOOT); liaison visits to the Honorary Consul in Puerto Rico; plans to deal with seasonal or peak periods or expected staff absences; updates of contingency plans; etc. The Administration Program will compile all planned activity in a format more suitable to merge with the Mission's overall work plan.**

#### **1.4 Communication**

1.4.1 It was noted by many staff that communication could be improved. While Mission staff meetings and various Program meetings are held, it was felt that these were insufficient and that existing communications are primarily downward. From a constructive point of view, staff desire more communication regarding Mission direction, the HOM's role in operations and each other's Programs. When this has occurred, for example during the Team Canada visit, staff felt more connected and empowered working in a team environment with regular communication and direction. Periodic participation of the HOM in Program meetings and direct involvement of staff in high level meetings and HOM activities, when and where appropriate, would reduce communication barriers and increase employee commitment to Programs and management. Management needs to assess the best use of time and resources in selecting the appropriate mix of communication methods. As well, staff consultation and involvement in addressing this issue will increase the degree of success.

#### **Recommendation for the Mission**

1.4.2 **In consultation with staff, Mission management should examine options aimed at increasing and improving communications, team building and trust.**

#### **Mission Response**

1.4.2 **CFSI and NUD provided resources to supplement the post budget enabling the Mission to implement an extensive workplace review and team building exercise in early 2002. An enhanced communications plan was developed and launched. An all staff retreat and a management retreat focussed on core values and communications were held early in the 2002. Small group meetings with the HOM have been initiated, CMM minutes are circulated to all staff, a local communications expert has presented a half-day seminar, a two-day all staff retreat focussed on National Quality Initiative (NQI) is planned for the coming months, an increased number of informal social gatherings are being planned and the Mission is working towards developing an outside philanthropic cause the staff can work on together.**

## 1.5 Committees

1.5.1 The Committee on Mission Management (CMM) meets on a weekly basis and functions as a forum for management to share information, anticipate upcoming events and make decisions.

1.5.2 The Housing Committee (HC) has not met in nearly a year and only twice since its formation. The meetings held were not productive. In consideration of the issues raised in the Physical Resources Section of this report, the Housing Committee needs to be revitalized to provide oversight and support to the function and advice to the CMM and the HOM.

1.5.3 The Mission also does not have an LES Committee. With over 20 LES working at the Mission, a forum should be offered for these employees to collectively raise and discuss issues and communicate with management. Often such committees serve as conduits for information and to develop buy-in for decisions. The Audit Team met with the LES as a group and found a strong desire for LES to interact with Management. A wide range of issues was discussed and indicates topics Mission Management and LES could work on together through a LES Committee. Some specific issues raised were:

- overtime - concern that overtime funds are not available for LES even though overtime work is still requested;
- workload - LES felt duplicate tasks are often assigned to different persons or programs with little coordination of effort or common goals;
- communication - inadequate time spent by Mission Management communicating with the LES, except to manage large projects such as Team Canada visits; and,
- common courtesy is at times missing and affects morale.

A LES Committee that meets quarterly could help to address these issues. A Committee would improve communication at the Mission, including increasing interaction with the HOM.

1.5.4 The Mission also needs to establish a Contract Review Board (CRB) as outlined in the DFAIT's contracting policy to ensure that contracts are processed transparently in accordance with contract regulations. The previous audit recommended that contracts be reviewed by the CRB prior to commencement of the contract.

## **Recommendations for the Mission**

- 1.5.5**        **Ensure that the Housing Committee functions as intended with a clear mandate and appropriate membership.**
- 1.5.6**        **Establish a LES Committee, with LES representatives from each Program and level.**
- 1.5.7**        **Minutes of the LES Committee meetings and decisions of meetings between the Committee and Mission Management should be maintained.**
- 1.5.8**        **The Mission should establish a Contract Review Board to ensure that the competitive bid process is undertaken and payments are made in accordance with regulations.**

## **Mission Responses**

- 1.5.5**        **To date, the Mission has established a Housing Committee comprised of all Canada-Based Officers (CBO), minus the HOM. The Administration Manager serves as an advisor to the Committee on procedural and policy matters. The Administration Manager has provided members of the committee and the HOM with a notebook outlining the terms of reference for the committee, several pertinent chapters from the 1995 drafted version of the Property Management Manual, specific information from the Material Management Manual currently listed on the Intranet and all relevant FSDs from the 2001 version.**
- 1.5.6**        **Based on the Audit Team’s recommendation, the LES staff met and opted to form an LES Committee. The staff then asked for volunteers to serve on the Committee and the members were selected by vote. Each Program is represented on the Committee and the Committee has met on two occasions.**
- 1.5.7**        **The CMM has requested that the Chairperson of the LES Committee report to Management on all issues warranting discussion. Although actual minutes are yet to be circulated, the issues of overtime and parking for LES were raised. The Mission is currently attempting to address these issues.**
- 1.5.8**        **A Contract Review Board has been re-established and currently reviews contracts according to the existing Mission Contract**

**Guidelines which were most recently circulated to all staff on the 14<sup>th</sup> of October 2001, just prior to the audit team's visit to Atlanta.**

## **POLITICAL AND ECONOMIC RELATIONS AND PUBLIC AFFAIRS PROGRAM**

### **2.1 Overview**

2.1.1 The Political and Economic Relations and Public Affairs (PERPA) Program has the lead role in strategically engaging and representing Canada in the southeast U.S., in projecting positive views of Canada to the U.S. media, in responding to the U.S. post-September focus on homeland defence, and generally in managing Canada's bilateral trade/economic, transboundary energy and environmental issues through targeted advocacy efforts. The Program is headed by a Consul and Program Manager, an SI-06, acting in a senior FS-02 position. He is supported by two LE-09 LES Officers, one responsible for media relations and cultural affairs and the other, political and economic reporting and academic relations. The Program is assisted by a Secretary/Researcher (LE-05).

### **2.2 Management of the Program**

2.2.1 The Canada-Based Program Manager is responsible for the PERPA and the Consular Programs. The Program has an ambitious workload which is reflected in its PERPA plan and by its achievements and successes, including two Prime Ministerial visits and Francophonie 2001.

#### **Resources**

2.2.2 Within the next 10 months, the Program anticipates two staffing changes. \*\*\* While these changes have been known for some time, there are no plans in place to provide for replacements. For Program continuity and workload purposes, contingency options need to be developed and put into action.

#### **Recommendation for the Mission**

**2.2.3 In consultation with NAD and HPF, develop resourcing options for PERPA staff replacements.**

#### **Mission Response**

**2.2.3 The Mission has successfully made arrangements in consultation with NAD for the temporary replacement of the Canada-Based PERPA Program Manager \*\*\*.**

## **Team Building**

2.2.4 During the past year, roles and responsibilities were being sorted out as the Program was adjusting to a new Program Manager and a new HOM. Also, \*\*\*. These factors, combined with heavy workload pressures, have contributed to strained relations between staff and Program Management. There is a need within the Program to develop trust and team work. Given that staff are experienced, more opportunities could be provided for them to take initiative, to represent the Program and to offer input into decision making.

## **Recommendation for the Mission**

**2.2.5 The Program should incorporate team building initiatives in conjunction with Mission-wide efforts.**

## **Mission Response**

**2.2.5 The Mission has collectively taken great measures to improve in the area of communication and team building. Refer to Recommendation 1.4.2.**

## **2.3 Planning**

2.3.1 The Program's activities are organized under seven main categories as documented in the PERPA plan: Strategic Engagement; International Business Development/Investment; Public Diplomacy; Environment, Energy and Border Issues; Trade Relations and Economic Policy; Culture; and Global Foreign Policy. Objectives for each category are itemized in this plan along with related activities, expected outcomes and costs. The plan was developed by the Program Manager in consultation with and input from the HOM and the Program Officers.

2.3.2 While there was positive feedback from HQ regarding the plan, it was noted that it did not follow the priorities as set out in NAD's Business Plan as requested and that a final report against last year's plan was not submitted. Apart from complying with HQ, reporting against the Program plan would demonstrate success, as well as identify areas and activities where the most value is added, which could then be linked to current plans and activities. The plan could also be better employed as a management tool and communication vehicle if there was a further breakdown of each objective into specific activities with assigned responsibilities, time frames and expected resource utilization.

## **Recommendation for the Mission**

- 2.3.3 The PERPA Program should develop a more detailed work plan for its staff.**

## **Mission Response**

- 2.3.3 The PERPA Program will use, as a basis, its annual plan to further elaborate a work plan for its staff with specific goals and objectives for the officers of the PERPA section. This will help provide further workload predictability for all concerned while allowing officers more flexibility in taking initiatives with a view to achieving the goals and objectives allocated to each and everyone of them.**

## **2.4 Workload**

2.4.1 The PERPA Program has a heavy workload and covers a large territory. Its resources are being stretched to accomplish the activities identified in its plan and to address the continual ad hoc demands that cannot be fully anticipated. Officers are working 25 to 30 percent overtime just to keep up. The Program Manager is also incurring similar overtime. While overtime is not unusual, particularly in a reactive environment, continual overtime to this extent is indicative of either insufficient resources to meet the existing workload or insufficient priority setting and matching of workload to current resources.

2.4.2 The Program needs to review its activities and determine the level of essential work that can be reasonably accomplished. Agreement should be sought with HQ regarding discontinuing lower priority areas that are unlikely to receive attention or, conversely, increasing resources to the level of workload considered essential.

## **Recommendation for the Mission**

- 2.4.3 The PERPA Program should cost and prioritize its known workload in line with its resources and, if necessary, seek incremental resources.**

## **Mission Response**

- 2.4.3 The Mission will review its known workload in line with its resources with a view to consider the necessary adjustments, if any, and consequential incremental resources needed as we witness a power shift to the southeast U.S.**

## INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

### 3.1 Overview

3.1.1 The IBD Program has the lead role in advancing the trade and investment objectives of DFAIT and OGDs. The Program is headed by an experienced Senior Trade Commissioner (STC), an FS-02, acting in an EX-01 position. He is supported by two Canada-based FS-02 officers, the Deputy STC/Senior Investment Officer and a Consul/Trade Commissioner. In addition, there are four LE-09 Business Development Officers (BDOs) who have worked in the Consulate for 12 to 17 years. The Market Information Centre (MIC) is staffed by a LE-05 Co-ordinator and two LE-04 Business Development Assistants (BDAs). Currently one of the BDA positions is vacant.

3.1.2 The Program in Atlanta is responsible for business development and investment in seven states in the Southeastern United States and the territories of Puerto Rico and the U.S. Virgin Islands. The region is home to the international headquarters of 54 of the Fortune 500 companies and leads all American regions in the six major retail segments—food, apparel, automotive, furnishings, pharmaceuticals and leisure. The expansion of professional services, particularly in health care, transportation and communication, has made the area a prime target for investment promotion and technology transfer. The population of the region is estimated at 50 million and, in year 2000, Canada's exports to the southeastern U.S. exceeded \$27 billion. This southeast region currently represents one-seventh of the economy of the U.S.

3.1.3 This year, the Consulate General hosted two visits from the Prime Minister, including the Team Canada Atlantic Mission in May led by three federal cabinet ministers, four provincial premiers, ambassadors from Canada and the U.S., and some 100 Canadian business people. Canada's profile in the region was raised considerably by the Team Canada Mission and by the Prime Minister's visit to North Carolina where he met with some 25 leading companies. These visits pre-occupied most of the IBD resources during the fourth quarter of 2000 and first quarter of 2001. In November 2001, the Mission was to host a follow-up Team Canada visit involving 40 Canadian companies. Headquarters has recognized the stellar contribution of the Consulate's staff in ensuring the success of these visits. The Consulate General has also participated in pilot testing the Covey Effective Business Skills Workshop and is one of a selected number of U.S. Missions to pilot the application of the framework of the National Quality Institute's Progressive Excellence Program for operational organization. These extraordinary events all impinge on the IBD Program's ability to deliver services in the short term even though the Program should benefit in the long term.

3.1.4 The Program has demonstrated initiative in creating a Market Information Centre (MIC) as part of the Trade Commissioner's New Approach to serving Canadian business abroad. The Client Survey 2000 indicated that business and partner clients favourably viewed the services delivered during 1999. The Program has followed the lead of the Consulate General in Boston to set up this MIC to better respond to inquiries and to deflect routine work away from Trade Officers. Investment promotion has been given increased attention and greater prominence in the Program's Business Plan. An investment team has been designed to increase investment activity. Also, as part of the Program's strategy to cover the region, blitz campaigns of major centres have been organized to broaden exposure and assess potential markets.

3.1.5 While recognizing the accomplishments of the IBD Program, the Audit Team believes there is scope to improve the IBD Program in Atlanta.

## **3.2 Management of the Program**

3.2.1 There is a need for the Program Management to exercise stronger leadership. The management style is "hands-off" and a more firm approach would benefit the Program. The Deputy STC has been empowered to co-manage the Program. This co-sharing of management has led to some confusion.

3.2.2 A series of initiatives designed to move the Program to the "new way", including implementation of a Market Information Centre, has necessarily required the staff to adjust to a number of changes. This was accentuated by several factors, including the absence of the Co-ordinator of the Centre \*\*\*. In addition, some experimentation, in an attempt to create the most effective supervisory mechanism for the Centre, resulted in some early variation in reporting relationships. All BDOs are long-standing employees which has benefits in terms of continuity but presents a challenge in implementing the paradigm shift involved in the Trade Commissioner's New Approach. \*\*\* The STC chairs a weekly half-hour meeting with all trade staff and this is a good opportunity to review work to date and solidify the team.

3.2.3 The IBD Program would benefit from greater engagement by the HOM. The HOM has purposely kept a distance from the Program because of her background in Trade. The HOM is a position that opens doors to valuable contacts and provides opportunities for gathering information and leads that can be shared with Trade Officers. To date the Program is not fully capitalizing on this potential. The information gathered from the HOM's liaison visits is not consistently passed on to the Program nor are visit reports prepared. There have been few occasions when the STC and the Senior Investment Officer have accompanied the HOM on her liaison visits. To maximize the HOM's outreach potential, the HOM needs to meet regularly with the STC and other Program Managers to review her calendar. These meetings would also serve as fora for the HOM to debrief on events she attended and to suggest follow-up action.

## **Recommendations for the Mission**

- 3.2.4** Program Management should take a firmer approach to establish objectives, closely monitoring Program activity and holding individuals fully accountable for their actions.
- 3.2.5** An annual off-site retreat should be held for members of the IBD Program.
- 3.2.6** The HOM should be more engaged in the IBD Program and her outreach potential should be maximized. IBD Program Management should accompany her on corporate liaison visits. The HOM should debrief the Program on events attended and recommend issues for follow-up.

## **Mission Responses**

- 3.2.4** Firmer objectives will be established as part of our annual planning process which will be designed to meet the standards expected under Level II of the National Quality Institute's Program. Objectives for corporate liaison calls have been established and we now have a monitoring program in place so that results can be reviewed on a monthly basis.
- 3.2.5** We concur. An off-site retreat was held this past year and we are already planning a similar retreat for the current year.
- 3.2.6** We are now engaged in implementing an active program of corporate liaison calls for the HOM, and are ensuring reports have been adequately registered.

## **3.3 New Approach to Service Delivery**

**3.3.1** More can be done to implement the Trade Commissioner's New Approach. There is little material evident in the Chancery in the form of handouts and posters that outlines and promotes the services provided by the Trade Commissioner Service to businesses and partner clients. A supply of good marketing material can be obtained from Headquarters for display and distribution at events and during out-calls. The partner-client brochure outlines the use of a Business Mission Agreement (BMA) which is advocated for use with visiting Missions. Atlanta has yet to use the BMA although the Program is aware that its use is strongly advised.

**3.3.2** Officers are not as actively engaged as expected in making required out-calls, gathering market intelligence and making new contacts as is called for under the

New Approach and as indicated in the 2001 Business Plan. Mobile tools, including laptops and electronic personal organizers, have been provided to staff to encourage officers to work the region. Officers are having difficulty adjusting to a decreased emphasis on traditional trade shows and events and moving to an increased emphasis on new mechanisms to generate leads. Program management has only made a limited number of corporate liaison calls and reports. In the recently completed performance appraisals, Program Management has addressed these concerns by setting specific targets for each officer, including a designated number of substantive out-calls (20) to be conducted and reported upon.

3.3.3 Officers interpret out-calls differently (in some cases contact with an individual is considered an out-call) and reports vary considerably although a template had been developed and its use agreed upon. Moreover, not all out-call reports are recorded consistently; some are recorded in the Mission's "I Drive" as called for by Program Management, others are entered in Mission WIN and others in WIN Online. There is a need for officers to present a schedule of proposed out-calls by month or quarter for approval by management, with a pre-visit brief that sets out the objectives of each call. Following the visit, the out-call report, using the agreed template, should be submitted for review by management.

3.3.4 Several systems are used to track and report activities. The concurrent use of Mission WIN, WIN Online, the "I Drive" and Outlook for local contacts causes some reporting duplication and complicates the monitoring process. Mission WIN, for example, currently contains some 28,000 contacts, many of whom are not up to date. The integrity of the data needs examination. According to the New Approach, officers need to record core service delivery in WIN Online. The next client survey, to have been conducted in the first quarter of 2002, will have seen a master client list derived directly by TCS and TCE from the WIN Online data base. The MIC Coordinator has recently been appointed WIN Champion at the Mission. The Coordinator needs to meet with the Regional Systems Manager (RSM), who is based in Atlanta, to learn the responsibilities associated with this position.

### **Recommendations for the Mission**

- 3.3.5 **The Mission should obtain, display and distribute IBD marketing material that outlines the Trade Commissioner Service's New Approach.**
- 3.3.6 **Program Management should lead, by example, the making and reporting of out-calls for all Trade Officers to follow.**
- 3.3.7 **Officers should be required to submit a list of proposed out-calls to management at least quarterly with a pre-visit brief that identifies the visit's objectives. Following the visit, a report should be prepared**

outlining the contacts made, the profile of the company, an analysis of its operations and the potential for business development and investment. One single reporting system should be used by all IBD staff for these reports.

**3.3.8** Program Management should meet with the RSM to discuss reporting in WIN Online and Mission WIN. The MIC Coordinator, the newly designated WIN Champion, should receive training from the Regional Systems Manager regarding tasks associated with this responsibility.

**3.3.9** The IBD Program should make a commitment to use WIN Online to track Canadian clients and to settle on one system for maintaining local contacts. The data contained in Mission WIN should be evaluated to ensure it is relevant and current.

### **Mission Responses**

**3.3.5** Brochures are being displayed as appropriate.

**3.3.6** Program Management is participating in our new structure for undertaking and reporting on corporate out-calls, targets have been established, and progress is being monitored. Program Management in Atlanta in fact leads all other U.S. posts in contributions to the Department's Corporate Liaison Information Management System (CLIMS).

**3.3.7** Implemented.

**3.3.8** The MIC Coordinator has only recently been appointed. She is in regular liaison with the RSM and is playing an increasing role as WIN Champion. Training for all new staff has been provided by the RSM.

**3.3.9** Agreed.

### **3.4 IBD Business Plan**

**3.4.1** The IBD Business Plan for 2001-2002 has been under negotiation with Headquarters since January 2001 and has yet to be finalized. The Plan further evolved from a planning meeting held in St. Augustine in February 2001 that also included the Trade Commissioner from Miami as well as Headquarters staff from the U.S. Bureau and Overseas Operations Division. The Plan seeks to move the Program to the New Approach by limiting project activity and focussing on corporate out-calls and a thorough assessment of potential for Canadian exporters. The Plan identifies the three

priority sectors as Information/Communications Technology, Biotechnology and Energy efficient “green building,” with Women in International Trade as an additional thrust. The U.S. Bureau is not entirely on-side with the initiatives identified in the Plan for a number of reasons including:

- (a) the Plan content cannot always be clearly linked to a specific sector;
- (b) the Plan for Atlanta incorporates the Trade Program for Miami but Miami’s contribution is indistinguishable, making its accountability difficult and diluting the significance of its program;
- (c) the Women in the International Trade component is not sector related and it is not clear how this component contributes to the overall program objectives; also, the deployment of resources for this initiative is seen as a diversion from the stated primary objectives;
- (d) the deployment of every Trade Officer on two major blitz campaigns (Huntsville, Alabama, and Tampa, Florida) to raise awareness of Canada and to gain knowledge of trade and investment opportunities in the areas is not considered necessary; and,
- (e) the division of officers into an investment team and a business development team counters the concept of the “business development continuum” which has investment as a component.

3.4.2 The Program does not agree with the sector approach suggested by Headquarters and sees no contradiction between its focus on a few key sectors and undertaking several initiatives that cut across a number of sectors (horizontal). In putting its Plan forward, the Program asked for flexibility to permit a trial emphasizing several initiatives that are horizontal in nature such as blitz activity, efforts to assist the role of Women in International Trade, and a project to improve the research capability of the Mission. The Program’s view is that these also serve important objectives. The blitz campaigns, it claims, are aimed at raising Canada’s profile generally at important centres beyond Atlanta. By its very nature, this is an initiative that involves multiple sectors. The Program believes that Headquarters should set aside some funding to support such projects apart from sector funding. Indeed, the Program points out that, in the past, a substantial Post Initiated Project Proposals (PIPP) budget allocated to each mission accommodated such activity. The Mission sees the Headquarters decision in 2001 to reduce the PIPP budget to a nominal amount as greatly constraining their operating flexibility.

3.4.3 To date, \$94,000 of the Program for International Business Development (PIBD) funding has been allocated, of which only \$28,000 has been spent. In part, this is a consequence of the Team Canada Atlantic Mission which virtually eliminated the first quarter for normal activity. While additional funding is ear-marked for Atlanta,

contingent upon approval of the Plan by Headquarters, it is questionable whether sufficient time remains in the year to utilize further funds. With five months remaining in the fiscal year, the Program is reviewing the situation to determine if, in fact, the current allocation can be disbursed. Several initiatives, deemed important to the Program (e.g., blitz campaigns to Huntsville and Tampa and initiatives in the area of Women in International Trade), have yet to be funded.

### **3.5 Investment**

3.5.1 The investment portfolio has the benefit of a full-time Senior Investment Officer at the Mission. This Officer has been actively making investment calls and recording them in the Department-wide Corporate Liaison Database. This Officer has provided investment training to all staff; as well he has organized seminars for business clients to sell Canada as “a place to invest”. Other than the Senior Investment Officer’s own calls and visits, there is little evidence that the Trade Officers are engaged in promoting investment. He has offered his services to these officers to assist with their investment efforts.

3.5.2 To accelerate investment activity in the Southeast, the Program has formulated the establishment of an Investment Team comprised of the Senior Investment Officer as well as a CBS and a LES Trade Officer who will each dedicate 80% of their time to investment. This concept is still in its formative stage and is yet to be operational. For investment to be successful, it is critical that the HOM and Program Management be more actively engaged in promoting and supporting the Senior Investment Officer in his efforts and by participating in and reporting on out-calls and corporate liaison visits. (Refer to Recommendation 3.2.6.)

### **3.6 The Market Information Centre**

3.6.1 The Market Information Centre (MIC) was conceptualized in January 2000 and is still evolving twenty months later. Numerous heads have been designated and, at one time, there were as many as three individuals in charge. Currently the MIC reporting relationship is directly to the STC. In August 2001, as part of the National Quality Institute Self-Assessment exercise, the MIC processes for handling inquiries were mapped. This process should be adhered to by all staff.

3.6.2 It has taken time to define the roles, structure, and expectations of the Centre. Progress was hampered by absences of the Coordinator after which the position remained vacant for three months. A new Coordinator was promoted from within, having previously served as a Business Development Assistant (BDA). The primary function of the MIC is to process and track all inquiries and to deflect routine work away from the Trade Officers.

3.6.3 Currently, there are approximately 50 inquiries a month and the turnaround time for responding is well within the five day service standard. With no

central entry point, however, there is no assurance that the MIC is in receipt of all inquiries. Some Officers acknowledge that every inquiry received is not forwarded to the MIC. Experience at other Missions has demonstrated that, rather than having individual e-mail addresses on business cards and the Website, a single e-mail address would ensure that the MIC handles all requests.

3.6.4 Formerly, BDAs were assigned to support Officers and under the MIC arrangement, some Officers do not feel they are sufficiently supported. This perception by Officers could be a function of a number of things: the failure to fully staff the Centre, the assignment of limited sector work (giftware and education) to the two MIC staff and the fact that the MIC Coordinator is involved in reformatting IMS budget data onto a Quattro Pro spreadsheet which consumes about three days of her time each month. This information is available in the Department's IMS financial system and the procedures followed by the Coordinator are a duplication of effort. Steps need to be taken to staff the vacant BDA position, to evaluate whether BDAs should be responsible for specific sectors, to give read-only access to IMS and to provide the MIC Coordinator with IMS training.

3.6.5 In December 1999, the MIC position descriptions were written and submitted to the MAO to forward to HRL in Ottawa for review and reclassification. In the summer of 2000, HRL evaluated the Coordinator position at LE-06, and the BDA positions at LE-05, one level higher than previously, but did not reclassify them. In January 2001, the Mission was given authority to classify positions. No review of these positions, however, has been carried out by the Mission to date. The prolonged delay has affected morale among MIC staff. The classification review of these positions needs to move forward without delay. (Refer to Recommendation 5.2.7 in the Human Resources section of report.)

3.6.6 Ideally, the MIC function should not report to the STC but to the other Canada-Based Consul/Trade Commissioner, a position that has traditionally been filled by an FS-01 on initial posting. There is currently no FS-01 Officer serving in this Mission. The notion of giving the lead for the MIC to the FS-01 Officer is to allow for valuable management experience to be gained and to expose this Officer to the wide diversity of Program activity. This is the model followed in the Consulate General in Boston. When the position becomes vacant, serious effort should be made to staff at the FS-01 level.

3.6.7 The 2001-2002 Business Plan (Annex A) indicates that the Program will conduct a thorough review of the MIC to assess its strengths and weaknesses and to make recommendations on staffing. The Audit Team suggests that the scope of this review be expanded to determine if the MIC is achieving its goals and to determine if the current model is appropriate for this Program.

## **Recommendations for the Mission**

- 3.6.8** The vacant Business Development Assistant position should be staffed as soon as possible.
- 3.6.9** When the Consul/Trade Commissioner position becomes vacant, the Mission, in consultation with the Assignments Division (HPF), should consider staffing it at the FS-01 level and the MIC should report to this position.
- 3.6.10** The Market Information Centre should become the single window entry for fax, letter and e-mail requests to Trade staff.
- 3.6.11** The Market Information Centre should be given “read only” access to IMS and the Coordinator should receive IMS training to avoid duplication of financial reports in Quattro Pro.
- 3.6.12** The scope of the planned review of the Market Information Centre should be expanded to assess if the Centre is achieving its goals, to determine if the current model is appropriate for Atlanta and to evaluate if the Centre’s staff should engage in sectoral work.

## **Mission Responses**

- 3.6.8** The vacant BDA position has been staffed.
- 3.6.9** We agree that one Canada-Based position should be staffed at the FS-01 level. This has historically been the case, but did not prove possible when this position was last staffed. We agree that the MIC should report to this position.
- 3.6.10** We agree the MIC should become the single window entry point for enquiries. We are still working on this, but have not yet fully solved this problem.
- 3.6.11** We agree that the MIC should have access to IMS and should receive IMS training as appropriate. We are not yet convinced that this will avoid the need to duplicate financial reports in Quattro Pro. Atlanta is not alone in questioning the effectiveness of the IMS system to sufficiently provide quick and accurate updates on program spending.

**3.6.12 We fully intend to conduct a thorough review of the MIC in all aspects. This has not yet been done. This review will form a key element of the mission's pursuit of Level II certification under the program of the National Quality Institute.**

### **3.7 Relationship with IBD Program in Miami**

3.7.1 The relationship with Miami is unclear and there has been some debate over the specific territory each covers. A visit to the Miami Consulate by the Inspection and Audit Team has concluded that there are sufficient grounds to propose that the Consulate in Miami become an independent office. This recommendation is made in the Inspector General's report on Miami. The current territory for the IBD Program in Atlanta, includes Puerto Rico and the U.S. Virgin Islands, in addition to the seven Southeastern States. Program coverage to these territories has been irregular and, except for a visit to Puerto Rico scheduled for November 2001, this area does not figure in the work plan. Should the decision be taken to set up a separate Consulate in Miami, it may follow that responsibility for Puerto Rico and the U.S. Virgin Islands will transfer to the Miami office, given the "Gateway of the Americas" concept.

3.7.2 The relationship between Atlanta and Miami has been minimal for some time but with the arrival of the new Miami Consul/Trade Commissioner in October 2001, conference calls during the weekly Atlanta management meeting have been initiated. While a decision concerning the future status of Miami is pending, this regular inter-post dialogue should continue as a vehicle for discussion of coverage and areas of mutual interest. Should a separate Mission be established, there may be resource implications for the present complement at each office which could result in the transfer of some designated positions. It is understood currently that little resource support has been given to covering the State of Florida by the Atlanta IBD Program.

## CONSULAR PROGRAM

### 4.1 Management of the Program

4.1.1 The Consular Program is well managed by the PERPA Manager and by the Senior Consular Officer (LE-08) who is responsible for day-to-day operations. Back-up is provided by the PERPA Assistant/Researcher. Staff are experienced and knowledgeable. Reporting between the Senior Consular Officer and the PERPA Manager is effective, as is the case between the Mission and HQ. The HOM is kept apprised of high profile cases and major issues. HQ is informed on all Consular related meetings with state officials and is provided with monthly Consular statistical reports.

4.1.2 Given that the PERPA Assistant/Researcher will be leaving next summer, the Program will need to consider identifying a back-up to the Senior Consular Officer and the provision of required training.

4.1.3 The Program would benefit from development of a formal work plan which would, on a yearly basis, identify goals and objectives, on-going activities and projects and include expected results and outputs. A documented plan would facilitate management of current initiatives such as contingency planning, ROCA registration, prisoner visits and acquiring a back-up resource.

### Recommendation for the Mission

**4.1.4 Develop a formal work plan for the Consular Program.**

### Mission Response

**4.1.4 A more formal written work plan for the Consular Program will be developed and will comprise such items as a schedule of prison visits; planned meetings with state officials for representations on TOOTs; liaison visits to the honorary consul in Puerto Rico; plans to deal with seasonal or peak periods or expected staff absences; updates of contingency plans; etc.**

### 4.2 Service to Canadians

4.2.1 Consular services are provided in a timely and effective manner. These services are provided to States within the Atlanta Mission's territory, and to Puerto Rico and the U.S. Virgin Islands. The Miami Consulate is responsible for Florida. The Consular Program has seen a significant increase in requests for Consular services since the September 2001 terrorist attacks in the United States and has responded effectively to this additional workload.

4.2.2 Consular services are provided in both official languages and are mainly in response to passport and citizenship requests. While the Mission also responds to arrest and detention cases and other general inquiries, it manages very few cases of Canadians in distress, on average only two cases per year. There are currently 64 active prisoner cases, for which the Program Manager has planned one to three visits per year. This past year, the Mission has conducted three visits. In addition, the Senior Consular Officer communicates with prisoners on a regular basis by phone or in writing. The Consular Program has been successful in negotiating with two states to adopt the Transfer of Offenders Treaty. Mississippi and Tennessee have formally signed on and Georgia and North Carolina are close to finalizing an agreement. A contingency plan is already in place for Puerto Rico and the U.S. Virgin Islands and work has started on developing a contingency plan for the Southeast Region.

### **4.3 Passport Services**

4.3.1 Passports are issued on an emergency basis only. All other passports are issued by the Hull Passport Office. A reconciliation of the Mission's passports and other assets was conducted and all were accounted for. This exercise is carried out monthly by the Senior Consular Officer, who also signs off on the Passport Inventory and Record of Issue Form (PPT 034). The Senior Consular Officer was recently delegated signing authority for notarial services. However, this was misinterpreted as authority to sign off on the Passport Inventory and Record of Issue Form. This form should be signed and the reconciliation performed by the Program Manager monthly and by the HOM quarterly. The Program Manager and HOM are not currently involved in this process.

### **Recommendation for the Mission**

**4.3.2 Ensure that the passport reconciliation is performed by the Program Manager monthly and by the HOM quarterly.**

### **Mission Response**

**4.3.2 As required, the HOM will sign in the future, quarterly reports in March, June, September and December and the Consular Program Manager will sign all monthly reports as they relate to passport reconciliation.**

4.3.3 Passport and Consular revenues and supplies are adequately secured. Revenues are brought to \*\*\*. Government regulations, as stipulated in the Financial Management Manual, Chapter 23, require that all revenue be deposited \*\*\*. The Mission does not have a Consular petty cash nor an emergency cash parcel. It is currently evaluating the need for a Consular petty cash.

## **Recommendation for the Mission**

**4.3.4 Ensure that Consular revenues are deposited \*\*\*.**

## **Mission Response**

**4.3.4 In light of the provisions of Chapter 23 of the Financial Management Manual, Mission has now implemented weekly deposits of Consular revenues and will deposit any Consular revenue \*\*\*.**

## **4.4 Honorary Consul**

4.4.1 The Honorary Consul in Puerto Rico is providing adequate service on behalf of the Mission. The liaison between the Mission and the Honorary Consul is effective. The Mission supports the Honorary Consul and is currently in the process of renewing his appointment for a three-year period. No formal agreement exists outlining goals and objectives for the Honorary Consul. The Honorary Consul sends all Consular documentation to Atlanta for monthly input of Consular workload statistics/hours. This takes up minimal time from the Senior Consular Officer.

## **Recommendation for the Mission**

**4.4.2 Establish a formal agreement with the Honorary Consul, including annual goals and objectives.**

## **Mission Response**

**4.4.2 The Mission will initiate the process of establishing at the beginning of each fiscal year an annual tasking for Canada's Honorary Consul in Puerto Rico. Such annual tasking will incorporate measurement of work and performance assessment for the Honorary Consul and will be elaborated in accordance with the spirit of the provisions defining the functions normally expected of an honorary consul under Chapter 7 of the Manual of Consular Instructions.**

## **ADMINISTRATION PROGRAM**

### **5.1 Management of the Program**

5.1.1 The Administration Program is managed by an experienced LES MAO. Administration resources include an Accountant, a part-time Account Clerk/Receptionist, an Informatics Manager and an Administrative Assistant. Additionally, there is a full-time chauffeur and housekeeper provided to the HOM in Atlanta. The chauffeur also provides assistance to the Administration Program primarily in the areas of office maintenance, office supply procurement and mailroom responsibilities. The Program's resources are being stretched to cover all aspects of Program delivery in Atlanta and to provide the Miami Office with support in processing financial expenditures and Systems Administrator (SA) services. The MAO has also been occupied with the acquisition of a new Official Residence. This project has been supported successfully by the MAO.

5.1.2 There are several challenges facing the Administration Program. Inadequate planning regarding staff quarters (SQ) and related maintenance has resulted in a sub-optimum housing portfolio. Age of the SQs and growth of the city continue to raise concerns about the Mission's housing portfolio. Lack of rigour in applying procedures and rules governing purchasing and payment has resulted in inappropriate expenditures and questionable practices. Many of these same issues were raised in previous audit reports. There is a need to strengthen controls through more segregation of duties, for closer supervision over the activities of the MAO by the HOM and by the MAO over her staff, and for better monitoring by HQ.

### **5.2 Human Resources**

5.2.1 The Human Resources function is generally well managed and efficient in that: Personnel Utilization Profiles (PUPs), EXT 208 LES Employment/ Pay Certificates and Organization Charts are up to date and in agreement; personnel files are complete with up-to-date job descriptions; appraisal reports have been recently completed; and leave and attendance records are well maintained.

5.2.2 As reported in the Mission Management section of this report, the Audit Team found that staff relations and employee morale can be improved with greater emphasis on team building and communication. As well, issues relating to classification, a LES Committee, overtime and an acting appointment are being raised.

### **Classification**

5.2.3 The Mission received delegated classification authority in January 2001 in conjunction with the MAO completing the LES classification course. Since receiving

delegated classification authority, the Mission has not processed any outstanding reclassification requests.

5.2.4 Before January 2001, the Mission had reorganized its IBD Assistants into a three-person Market Information Centre (MIC) and proposed reclassifying its staff as an LE-06 Info Centre Coordinator and two LE-05 Business Development Assistants (BDA). The employees were told of this proposal; however, the positions are still classified at LE-05 and LE-04 levels, ten months after the Mission received delegated authority. The Mission has had sufficient time to evaluate these positions and complete the process.

5.2.5 The Mission has delayed establishing a Classification Committee because it felt it could not include CBS who are part of the affected Program, in this case Trade. The Mission has tried to establish a Committee made up of officers in Miami and another Mission to evaluate the positions by teleconference. This has resulted in further delays. The Mission needs to establish a committee of CBS and LES in the Mission and ensure objectivity of classification decisions. Other U.S. Missions that have received this authority have been able to successfully complete reclassifications using staff from only their Mission.

5.2.6 The Info Centre Coordinator position was recently filled by one of the BDA's. The Mission intends to run a competition in January 2002, to staff the now vacant BDA position. In the interim, an emergency employee has been hired.

### **Recommendations for the Mission**

**5.2.7 Establish a Classification Committee to review classification levels of the three Trade positions.**

**5.2.8 Consideration should be given to back-dating any reclassification decisions regarding the Trade positions.**

### **Mission Responses**

**5.2.7 Action was completed in November 2001, with the participation of a CBO located in Boston and another in Miami.**

**5.2.8 Positions were reclassified retroactively to April 1, 2001.**

### **Overtime**

5.2.9 The LES do not generally claim overtime except for hours related to travel and major events such as the recent Team Canada visit. The LES reported that claiming overtime is strongly discouraged. However, workload pressures require that

many LES work long hours. Many staff feel that because compensatory time off is left to the discretion of each Program, there are discrepancies in how the policy is being applied. The LES overtime paid to date was primarily for the Team Canada visit for which the Mission was reimbursed by UAM at mid-term. The Mission is not operating with a specific overtime budget in Fund N012 LES Salaries. The LES overtime needs to be budgeted in advance so that the Mission is able to establish program-by-program work plans that take into account overtime funding. Managers need to know how much overtime can be approved and employees need to know that they will be compensated for such work.

5.2.10 The CBS overtime was originally budgeted at \$2,500 for this fiscal year. By mid-year, three CBS at the Mission had submitted claims totalling \$22,835. AAM provided additional funds at mid-year to meet these commitments. Clearly, the original budget is not sufficient given the level of overtime accumulated.

5.2.11 Claims are submitted and approved only after overtime is taken. The Mission has now forecasted another \$15,000 in overtime for the remaining five months of the fiscal year. The Mission must strike a balance between the programming needs for overtime and fiscal responsibility. Priorities need to be re-evaluated as demands increase to minimize overtime requests. Workloads need to be analysed and monthly overtime requests should be avoided. Overtime should be tied to specific program needs.

### **Recommendations for the Mission**

**5.2.12 Analyse workload and set up an appropriate budget for overtime, for both CBS and LES.**

**5.2.13 Ensure that overtime is authorized in advance for specific Program needs and that workloads are adjusted to allow for changing priorities with a view to reducing the amount of overtime claimed.**

### **Mission Responses**

**5.2.12 The Mission is currently undergoing an assessment of overtime associated with travel within the Mission territory and to Canada. New airport security measures have resulted in longer travel times, invariably resulting in overtime for travel in the territory or to Canada. With the recommendation of more out-calls from Mission Officers, overtime will increase. Once the assessment is complete, the overtime costs associated with travel will be reported to HQ in the Mission work plans.**

**5.2.13** Efforts have been made to pre-approve overtime throughout the year which have been partially successful. It is expected that with a more realistic budget allocation, tighter management of overtime budgets will be facilitated. A plan is in place with an emphasis on communication and discipline among managers to ensure better success in this area.

#### **Recommendation for AAM**

**5.2.14** Review and adjust the overtime budget to reflect operational requirements.

#### **AAM Response**

**5.2.14** AAM will undertake a comprehensive review of the CBS OT budget. Based on a quick review of past years expenditures, it is evident that in-year substantial funding had to be injected. However, when comparing current budgets (December 31, 2002), \$2,500 initially allocated to Atlanta do compare with other similar size missions (Boston, Chicago, Dallas, Detroit) which appears to be able to manage within their allocation. While we agree that the initial allocation might be on the low side considering the workload, we also need assurance that proper controls including the set-up of priorities are in place.

#### **HOM Assistant**

**5.2.15** The HOM Assistant and Administration Assistant have voluntarily changed positions. This change took place in March 2001 on an acting basis. Both employees concerned were interviewed and indicated to the Audit Team that they are satisfied with their position change. Although the pay levels of the two employees changed, benefits were not adjusted since they were considered acting appointments. This is not allowed according to the LES regulations since an employee cannot act a lower level. Pay and benefits will have to be changed to reflect the new levels. Documents need to be corrected now to reflect this change as permanent, effective March 2001. There should be no requirement for correction of pay. However, the Mission will have to contact our Washington Embassy regarding LES benefits to ensure that benefits data reflect the changes as of March 2001.

#### **Recommendations for the Mission**

**5.2.16** Correct the EXT 208 documents to reflect the permanent change of these positions effective March 2001.

**5.2.17 Consult our Washington Embassy to confirm that applicable benefit changes are effective March 2001.**

### **Mission Responses**

**5.2.16 The EXT 208s have been revised as per advice received.**

**5.2.17 The Washington Embassy has been consulted and is providing instructions to initiate the benefits revisions.**

\*\*\*

5.2.18 The PERPA Program Manager \*\*\*. The vacancy of this position, \*\*\*, will leave a significant Program gap and will require the Mission and Headquarters to develop a plan to deal with this issue. The Audit Team found that, to date, the Mission has not begun to address this issue. \*\*\* The Mission must, with the assistance of HPF and NAD, immediately develop and cost a plan to address the temporary vacancy of this position.

5.2.19 \*\*\* Neither the Mission nor the Program has made plans to deal with this staffing issue. (Refer to Recommendation 2.1.4 in the PERPA Section.)

### **5.3 Physical Resources**

5.3.1 Physical Resources are managed by the MAO. The Mission profile consists of a Crown-Leased Chancery, a Crown-Owned Official Residence (OR) and three Crown-Owned SQs. Additionally, one CBS is housed in a privately leased apartment. The MAO has had the added responsibility of managing the recent purchase of a new OR. This increase in activity will continue for the next year during the fit-up of the new OR and the disposal of the old OR. No additional resources have been allocated to support the MAO during the change of ORs. A number of recommendations are being raised to improve overall management of the function.

#### **Work Plan**

5.3.2 The Mission Property Management Plan (MPMP) is used by the Mission, in conjunction with the SRSF Maintenance Plan, to structure property work. The MPMP is detailed and provides Headquarters with a good overview of property issues in Atlanta. It does not provide sufficient detailed planning for the Mission. The MPMP is completed once a year and does not include all planned work. For example, the MPMP focuses on the work planned for two of the three SQs (6190014 and 6190008) but there are no details on the planned work for SQ 6190012. This third SQ, however, has received considerable work and the occupant has recently submitted an Application for Accommodation Deficiency Adjustment (ADA). The Audit Team viewed all SQs and

noted that all three require further renovation. The Mission should document more detailed plans of all work for each property. It is important to use detailed plans to identify time frames to address occupant requests and to demonstrate resolutions to concerns. It can also serve as part of the accountability for the MAO.

### **Recommendation for the Mission**

**5.3.3            Develop a detailed work plan and schedule for SQs to identify improvements, inform occupants and monitor work regarding the property profile.**

### **Mission Response**

**5.3.3            The Mission will supplement the MPMP by updating a more detailed schedule of work as projects are presented and approved by the Housing Committee.**

### **Work Orders**

5.3.4            The Mission does not use a Work Order system to manage occupant requests because, as a small Mission with only three SQs, an informal process was considered sufficient. Occupant requests, however, have recently increased and satisfaction with the service received is mixed. Occupants indicated that requested work takes a long time to be completed and that they are not always satisfied with the results. Work is assigned more on an ad hoc basis in response to the latest complaint. A work order system is important to document requests, approve work, and provide a mechanism for follow-up.

### **Recommendation for the Mission**

**5.3.5            Adopt a Work Order system to request, approve, and track work requests for SQs.**

### **Mission Response**

**5.3.5            The MAO will coordinate with the Administrative Assistant and the occupants of the properties to formulate a more sophisticated work order system.**

### **Housing Committee**

5.3.6            The Mission established a Housing Committee in October 2000 consisting of two CBS and the MAO. The Committee met twice in October 2000 and has not met since. It is not functioning and not assisting Mission Management to exercise its

property and materiel responsibilities. A clear mandate and clear guidelines are necessary for a Housing Committee, a sub-committee of the CMM, to function well and meet its purpose. At this Mission, the Housing Committee requires greater attention from the CMM and the HOM. For a Mission of this size, all CBS occupants of SQs should form the Housing Committee to provide a wider basis for decision-making. Consideration could also be given to including a CBS spouse. This issue and related recommendation are being raised in the Mission Management section of this report.

### **Crown-Owned SQs**

5.3.7 As indicated above, the housing profile consists of three Crown-Owned SQs and one private lease. All three SQs were acquired by DFAIT in 1979, for approximately \$75,000 each. In the past 18 months, the Mission has spent \$140,000 on maintaining these three houses. The SRSF Maintenance Work plan previews a further \$352,000 in renovations over the next two fiscal years. These houses appear tired and occupants are not satisfied with their location or condition. The Mission has indicated in its MPMP that all three houses be considered for replacement due to age, size, location, and rising maintenance costs. The problems associated with these SQs are a drain on the limited Mission resources and are adversely affecting employee morale. SRD needs to consider scheduling a visit to the Mission to analyse the work required for these SQs and the feasibility of selling the SQs in favour of alternative leasing options.

### **Recommendation for SRD**

**5.3.8 Visit the Mission to review the renovation requirements of the three Crown-Owned SQs and analyse the potential for leasing in Atlanta.**

### **SRD Response**

**5.3.8 As a result of the Maintenance Inspection in March 2002, the SRSF work plan has been adjusted, reducing substantially the planned expenses on these properties. A review of the replacement proposal will be scheduled by SRSK.**

### **Grounds Maintenance**

5.3.9 The Mission has authorized quarterly grounds maintenance for the SQs including, among other things, general lawn care, trimming of trees and shrubs, and cleaning of gutters. Occupants are responsible for grounds maintenance in addition to this unless specified in the Occupancy Agreement. One SQ, over and above the quarterly service, is receiving weekly grounds maintenance. The Mission has not yet recovered a personal share.

5.3.10 The Mission expended \$21,715 last fiscal year and \$18,692 to date this fiscal year for grounds maintenance. This year, the Mission used four different vendors for this service. Of this total, \$7000 has been spent on SQ 6190012. Despite this, the occupant considers the yard to be in such poor condition as to be unuseable and has requested an ADA. The Audit Team agrees that the yard is in very poor condition and is not useable. Little improvement can be seen after six months of work. In this case, better value may be achieved if the Mission considers a one time contract for landscaping as opposed to weekly grounds keeping. SRSF needs to be consulted regarding this work and the attendant funding.

#### **Recommendation for the Mission**

**5.3.11 SQ 6190012 may require a one time landscaping contract to improve its grounds. Consult SRSF regarding the scope of work and funding.**

#### **Mission Response**

**5.3.11 The Mission obtained two bids for a one time landscaping contract on this SQ dated September 17, 2000. The two bids varied in proposed cost from 14K USD to 25K USD. The Mission has requested funds from SRSF via the MPMP and direct e-mail correspondence. SRSF has denied funding as this project is not a priority. The Mission has initiated the project in multiple phases to accommodate Mission budget limitations. There has been noticeable improvement to date but the project is not yet complete.**

#### **\*\*\* Furniture for SQ**

5.3.12 \*\*\* furnishings are considered the personal responsibility of the occupant according to the Materiel Authorization Tables (MAT 3). \*\*\*

5.3.13 \*\*\* The Mission may keep the furniture to include in temporary pack-up kits or dispose of it.

#### **Recommendation for the Mission**

**5.3.14 \*\*\* dispose of the \*\*\* furniture or keep it as part of a temporary loan pack-up kit.**

#### **Mission Response**

**5.3.14 Noted.**

## **Control of Official Vehicles**

5.3.15 One official vehicle is dedicated for use by the HOM. For the second vehicle, the Mission is using an Outlook Calendar in a Public Folder to maintain a schedule. A log is used but drivers do not always record their name or purpose of their trip, or other pertinent information required for adequate control. Mileage is not calculated and monitored. The Mission needs to consult the Manual of Materiel Management regarding correct record keeping required for official vehicles and ensure that drivers maintain a completed EXT 1447 Vehicle Log.

## **Recommendation for Mission**

**5.3.16 Use the form EXT 1447 Vehicle Log to monitor vehicle usage and ensure that each time a vehicle is used the driver completes the form.**

## **Mission Response**

**5.3.16 The Mission will replace the current log sheet with the EXT 1447 and advise all staff to complete the form when the vehicle is used.**

## **Disposal of Crown Assets**

5.3.17 The Mission is not complying with the guidelines regarding disposal of surplus Crown assets. Better records are needed indicating inventories of surplus items and the final sale price obtained for each item. Records are not kept of sale advertisements sent to other Consulates and newspaper ads are not used to advertise sales. Official receipts are not given to purchasers. For all sales, particularly large items such as vehicles, a newspaper advertisement needs to be used to ensure a maximum number of bids. The AAM needs to take a greater interest in sales of assets and ensure compliance with disposal guidelines. The Manual of Materiel needs to be consulted regarding the guidelines governing disposal of assets.

## **Recommendations for the Mission**

**5.3.18 The Mission should comply with departmental disposal procedures and the Disposal Report EXT 369 should be signed by the HOM.**

**5.3.19 Ensure that newspapers are used to advertise all sales and that records are kept to document the entire process thoroughly .**

**5.3.20 Ensure that official receipts are used for all sales.**

**5.3.21 Report to the AAM, prior to and after, all sales of surplus materiel.**

## **Mission Responses**

**5.3.18**        **The Mission has implemented procedures to comply with disposals and the HOM now signs the EXT 369 Disposal Reports.**

**5.3.19**        **Appropriate advertising will be used for future sales.**

**5.3.20**        **Official Receipts will be issued for all sales.**

**5.3.21**        **Sales of surplus materiel are now monitored by the AAM.**

## **5.4 Finance**

5.4.1            The Finance function is managed by the MAO who is the designated Financial Officer. The MAO is assisted by an Accountant and Assistant Accountant/Clerk. The Assistant Accountant/Clerk works half-days in the accounting section and the other half-day at the reception desk. When at the reception area, the Assistant Accountant enters financial data in IMS (financial system) when time permits. Both employees, the Accountant and the Assistant Accountant, are performing well, but in light of the observations raised, further training would be of benefit.

5.4.2            The Administration Program is not fulfilling its responsibilities to ensure that there is uniformity in the interpretation and application of existing financial procedures and instructions. Financial processes and controls in place were examined and accounts were reviewed. As a result serious control issues are being raised.

## **Official Receipts**

5.4.3            Booklets of Official Receipts are kept in the safe of the secure area while others are distributed to the Accountant and to the Consular section. There is no control of the Official Receipts booklets through recording and reconciling receipt numbers attributed to each custodian. It is the MAO's responsibility to monitor and distribute the Official Receipts booklets.

## **Recommendation for the Mission**

**5.4.4**            **Ensure that controls over the distribution and monitoring of Official Receipts are established.**

## **Mission Response**

**5.4.4.**        **The MAO is now in possession of the unissued Official Receipt books. A method to track the used receipts is still being devised to ensure accurate tracking.**

## **Cheques**

5.4.5 Cheques are required to be signed, according to the Financial Manual, by the Head of Mission or by two (2) officers, one of whom must be in a position to which financial signing authority is delegated. Two months of accounts were reviewed and more than fifteen (15) cheques were cashed bearing only one signature that was not the HOM's signature.

## **Recommendation for the Mission**

**5.4.6 The Mission should ensure that cheques are properly authorized and that the bank does not process improperly authorized cheques.**

## **Mission Response**

**5.4.6 The Mission will exercise more diligence on confirming all checks are signed by two Officers with signing authorities. In addition, the Mission will contact the banks and remind them of our two signature requirement.**

## **Contracts**

5.4.7 The Mission does not have a Contract Review Board (CRB) resulting in contracts not being subject to independent review and approval. The previous audit recommended that contracts be reviewed by the CRB prior to commencement of the contract. A contract for grounds maintenance was reviewed based on the information available. The following findings raise concerns regarding the contracting process.

(a) A contract for grounds maintenance was awarded on May 31, 2001. Proposals were not sent to other companies and no other bids were received. The contract was awarded to the husband of the HOM's Assistant.

(b) The previous grounds maintenance contractor was paid at the end of each month after submitting an invoice. The new contract calls for payment to be issued in advance (at beginning of each month). The reason for having an advance payment is not explained.

(c) There is no documentation on file to specify the hourly rate for additional work.

(d) On April 23, 2001, the MAO sent an e-mail to the previous contractor advising him that his services were no longer required at five (5) different locations. The e-mail stated that "without close supervision on our part,

the quality of service provided to the properties was not up to our expectations". Of the five (5) addresses listed, three (3) were not DFAIT properties. One was the MAO's own address and the other two properties belonged to \*\*\*

### **Recommendations for the Mission**

- 5.4.8 As recommended in the previous audit, the Mission should obtain additional proposals for contracts.**
- 5.4.9 Ensure payments are made only upon receipt of an invoice which indicates services rendered.**
- 5.4.10 The MAO should provide documentation showing that services rendered at the other three non-Mission locations were not part of the Mission's contract with the previous contractor.**

### **Mission Responses**

- 5.4.8 Contracting procedures under the purview of the Contracting Review Board require proposals for significant contracts.**
- 5.4.9 Contracts will be paid in accordance with payment terms outlined in the contract.**
- 5.4.10 The MAO has provided documentation showing that services rendered at the other three non-Mission locations were not part of the Mission's contract.**

### **Disbursements of Public Funds**

5.4.11 Payments are being issued without proper documentation. \*\*\* For example:

- statement of accounts, faxed copy of invoices and photocopy of invoices are regularly used as supporting documentation for payments;
- travel claims are incomplete and not properly supported;
- a payment of \$2000 was issued to pay an invoice of \$1080 leaving a credit of \$920 with the supplier; and,
- the Mission pays fees for both local cable and satellite service at the Official Residence without justification.

## **Recommendations for the Mission**

- 5.4.12**        **The Mission should ensure that original invoices or receipts and other supporting documentation are obtained before issuing payments.**
- 5.4.13**        **Payment for both local cable and satellite service should be justified with proper approval.**

## **Mission Responses**

- 5.4.12**        **Supporting documentation is now required as part of the payment authorization process. Further advice will be sought from SMD and the RFO regarding supervisory and monitoring controls over the payment process.**
- 5.4.13**        **The Mission will seek clarification and proper justification from HQ.**

## **Safe Storage of Funds and Official Receipts**

- 5.4.14**        **\*\*\***

## **Recommendation for the Mission**

- 5.4.15**        **\*\*\***

## **Mission Response**

- 5.4.15**        **\*\*\***

## **5.5 Information Management**

**5.5.1**        Mission staff are satisfied with the service provided by the System Administrator (SA) and the SIGNET 2000 system. Response time is satisfactory and problems are resolved efficiently. Back-up, as needed, is provided by the SA in Dallas. The SA at the Mission is responsible for both Atlanta and Miami. Travel and support to Miami by the SA have so far been reactive. The Mission documents this work by sending a memo to HQ indicating the requests received from Miami and work accomplished by the SA. There is a lack of communication between SXCH and the Mission as to activities being tasked to the SA via HQ. This often results in a lack of understanding of the SA's workload and priorities. More travel to Miami is being requested and Atlanta is concerned with maintaining its own current level of support. There is no plan in place detailing a schedule for visits and work to be carried out in Miami. Detailed records of time spent on support of Miami are not kept.

## **Recommendation for the Mission**

- 5.5.2 Establish a work plan and schedule for visits to Miami, as part of an annual plan for the SA.**

## **Mission Response**

- 5.5.2 The Mission is evaluating alternative options for servicing the Miami Office. Should it be decided to maintain the current relationship, the Mission will create a schedule of travel to Miami and keep records of all work carried out on the behalf of Miami.**

## **Recommendation for SXCH**

- 5.5.3 Monitor the support provided to Miami by Atlanta, consider costs and work load for the Atlanta SA and explore options to address needs in Miami.**

## **SXCH Response**

- 5.5.3 Miami SIGNET-D support provided remotely (with regular on-site visits) by Atlanta is being monitored. The Atlanta Remote Systems Administrator ("RSA") has been asked to document his activities in supporting Miami (in particular, to produce trip objectives in advance, and then follow-up trip reports), which included four visits per year, double the standard. The workload for the RSA has been reviewed and SXCH continues to feel that this is within the current Small Mission SIGNET support model. With a view to improving support to small missions in the Americas, in late December 2002, Miami began participation on a two-month pilot project where the Ottawa-based SIGNET Call Centre would be the first line of support for all Miami calls. The results of this pilot have yet to be determined.**

5.5.4 The SA provides informatics training at the Mission on an individual basis and staff have had opportunities to attend external training courses. The SA has determined specific training needs for employees on programs such as Quattro Pro and Presentations and the SA intends to use the old workstations for group training. Training was provided recently for SIGNET Remote Access (SRA). No overall informatics training plan, however, exists in the Mission. The SA needs to document requested training and develop a plan that could be shared with all staff and Headquarters. This could be a separate informatics training plan or part of the overall Mission training plan.

## **Recommendation for the Mission**

**5.5.5            Develop an informatics training plan and schedule.**

### **Mission Response**

**5.5.5            The Mission is in the process of its Phase II NQI certification and will cover the particulars of the informatics training under the HR process mapping exercise.**

## **PSAT Facilities**

5.5.6            The Mission was provided with a PSAT telephone in 1999 during the Y2K exercise. Post Y2K, all PSAT telephones were removed from U.S. Missions. The Mission was one of two U.S. Missions that temporarily lost communications following the terrorist events of September 11, 2001. Given this experience, the provision of back-up communication systems to the U.S. Missions should be considered.

## **Recommendation for SXTT**

**5.5.7            Determine the need for a PSAT telephone at the Mission.**

### **SXTT Response**

**5.5.7            SXT will now provide a PSAT telephone to each mission. Missions will be required to purchase additional units that they require.**

## **Registry**

5.5.8            A central filing registry is maintained by the Administration Assistant and by individual staff. The registry is used primarily for Administrative filing. Individual programs, more and more, maintain their own filing systems. Procedures have been adapted to accommodate electronic files. The SA has recently created Public Folders which include sub folders such as Admin Calendar, Trade Contacts and Mission Projects and Official Travel, which are being used by Mission staff.

## MISSION RESOURCES FACT SHEET

## Human Resources (FTEs)

| PROGRAM         | CBS | LES | TOTAL |
|-----------------|-----|-----|-------|
| Head of Mission | 1   | 1   | 2     |
| IBD             | 3   | 7   | 10    |
| PERPA           | 1   | 3   | 4     |
| Consular        | 0   | 1   | 1     |
| Administration  | 0   | 9   | 9     |
| Total           | 5   | 21  | 26    |

## Physical Resources

| ASSETS   | OWNED | CROWN<br>LEASED | PRIVATE<br>LEASED |
|----------|-------|-----------------|-------------------|
| Chancery |       | 1               |                   |
| OR       | 1     |                 |                   |
| SQ       | 3     |                 | 1                 |
| Vehicles | 2     |                 |                   |

## Financial Information 2001-2002

|              |             |
|--------------|-------------|
| LES Salaries | \$1,684,324 |
| Operational  | 874,173     |
| Capital      | 35,000      |
| CB Overtime  | 3,000       |
| Total        | \$2,596,497 |