

AUDIT
OF
THE CANADIAN CONSULATE GENERAL

D A L L A S

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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 Dallas during the period November 4 to 8, 2002. The last audit of the Mission was conducted in August 1994 and the scope of the audit was limited to the Administration and the Consular Programs. The Mission's territory is comprised of Texas, Arkansas, Louisiana, Kansas, Oklahoma and New Mexico.

The Head of Mission (HOM) has only been at the Mission for two months yet has made a very favourable impression with the staff. His effective leadership was immediately demonstrated in the manner in which he dealt with personnel issues affecting morale. Team building and an improved synergy is a priority with the HOM. Accountability Agreements need to be developed for all Program Managers. This will provide a baseline from which each manager can develop performance agreements with their staff to facilitate work planning and accommodate performance appraisals.

The PERPA Program focusses on priority areas identified in a results-based plan developed by the Geographic Bureau (NUR) and the Mission including issues such as advocacy, border relations and Trade Policy. There is no spare capacity to cover Cultural and Academic Relations. NUR has advised it is considering an enhanced representation in the US which may impact on adding incremental PERPA resources to Dallas and/or Houston.

The IBD Program is responsible for trade and investment promotion in one of the largest geographic regions in the US. Efforts need to be concentrated on activities to improve the management of the Program. The lack of effective communications and non-inclusive management decisions have resulted in a tense atmosphere within the Program. A positive transition will require the support of outside facilitators and could be done in conjunction with training on the New Approach and the National Quality Institute management framework.

The Consular Program is staffed by a knowledgeable and experienced Program Officer who has a very heavy caseload due to the large geographic area, the high number of Canadian prisoners and the increasing number of passport applications. Service standards cannot currently be achieved due to the workload. It is essential that management prepare a business case to support the need for an incremental Consular Assistant position.

The Administration Program is effective and service-oriented under the management of an experienced and knowledgeable Mission Administrative Officer (MAO). An annual training plan for all staff needs to be developed taking into account Mission priorities. Service standards are needed to ensure clients know the levels and timeliness of services to be delivered.

RECOMMENDATION STATUS

A total of 36 audit recommendations are raised in the report; 34 are addressed to the Mission and two 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 36 recommendations, management has stated that 23 recommendations have been implemented. For each of the remaining 13 recommendations, management has indicated the initiatives in progress or the intended future action.

MANAGEMENT OF THE MISSION

1.1 Overview

1.1.1 Dallas is a well managed Mission with lots of talent. After only two months on the job, the Head of Mission is demonstrating real leadership and has made a favourable impression on both the CBS and LES at the Mission. Given the wide geographic coverage of six states and the extraordinary dynamic market in Texas alone, resources at the Mission are thin, particularly in the PERPA and Consular Programs. The Geographic Bureau (NUR) is looking closely at an enhanced presence in a number of states, including Texas where two-way trade with Canada is at \$33 billion and where Canadian exports are \$20 billion annually. With a population of 22 million and a GDP equal to Canada's, the challenge is how to effectively service Texas. The Mission and NUR are currently looking at resources required in both Dallas and Houston.

1.1.2 The Mission's most urgent problem is the management within the IBD Program which is having a negative affect on morale. The atmosphere within this Program is described as "tense". Team building efforts are required to reinvigorate the IBD Section and improve Mission morale.

1.1.3 The HOM wasted little time in assessing the personnel issues within the Mission and moved quickly to strengthen both management and internal controls. Accountability Agreements need to be developed between the HOM and all Mission Program Managers. This will provide a baseline from which each Manager can develop performance agreements with staff outlining the expectations and priorities of the Mission's Programs.

Recommendation for the Mission

1.1.4 Accountability Agreements between the HOM and Program Managers that clearly delineate the expectations of the Programs in measurable qualitative and quantitative terms should be completed.

Mission Action and Timeframe

1.1.4 Accountability Agreements between the HOM and the IBD, PERPA and Administration Program Managers are now in place.

POLITICAL AND ECONOMIC RELATIONS AND PUBLIC AFFAIRS PROGRAM

2.1 Overview

2.1.1 The Political and Economic Relations and Public Affairs (PERPA) Program is headed by an FS-02 who is also the Consul and the Mission Security Officer (MSO). The Section is supported by a highly qualified LE-09 and an experienced LE-05. The Program's work extends to six states. The Program Manager is highly respected and maintains good communications within the Section and with Headquarters.

2.1.2 There is no position description for the Program Manager that embraces his role and responsibilities as it relates to PERPA, Consular and Security. The PERPA Program encompasses Political and Economic analysis and reporting, Cultural and Public Affairs and Academic Relations. It deals with a number of priority issues such as advocacy, border relations, trade policy, as well as reporting on the US mid-term elections. The level of effort on these files has increased since September 11, 2001.

2.1.3 There is no Post Initiatives Fund (PIF) and there are no LES dedicated to Cultural and Academic relations largely because existing LES are working at full capacity on political and economic related activities. In the recent past, the Section was able to optimize its resources in conducting Cultural and Academic activities through a synergistic relationship with the Canadian Tourism Commission (CTC) while CTC was located within the Mission. CTC vacated the Chancery this past summer. NUR will have an opportunity to assess resource requirements for the Section when examining the expansion of missions and related Canadian capacity in the US.

Recommendation for the Mission

2.1.4 **A job description should be prepared for the FS-02 PERPA Manager position describing the duties related to PERPA, Consular and Security.**

Mission Action and Timeframe

2.1.4 **The position description for the FS-02 PERPA Manager is completed.**

2.2 Management of the Program

2.2.1 The FS-02 is effectively managing the PERPA Program. His time is divided with approximately 70 percent dedicated to PERPA, 25 percent to Consular and the remainder to Security. Morale is high in the PERPA Section.

2.2.2 Employees interact well together and have an appreciation and a good understanding of Program priorities. Officers are familiar with the PERPA Plan which is an inclusive work plan developed by NUR with input from the field team. The Plan defines objectives and related activities, anticipated results and budgeted costs. The Program reports semi-annually against this Plan indicating progress towards achieving the goals and objectives or reasons for any deviation.

2.2.3 The Program Manager does not have a formal Accountability Agreement with the HOM (see 1.1.4). There is also a need to develop Agreements between the Program Manager and his staff indicating, in measurable terms, expectations that link to the Program Manager's Accountability Agreement. Such an Agreement would provide a basis for staff appraisals.

Recommendation for the Mission

2.2.4 Goals and objectives that have strong linkages to the PERPA Program Manager's Accountability Agreement should be established for PERPA staff.

Mission Action and Timeframe

2.2.4 Goals and objectives that have strong linkages to the objectives and related activities to the PERPA's Program Manager's Accountability Agreement have been established.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

3.1 Overview

3.1.1 The Program is headed by an EX-01 Consul and Senior Trade Commissioner (STC) who is mid-way through his four-year assignment. He is supported by an EX-01 Consul and Trade Commissioner/Investment from Investment Partnerships Canada (IPC); a Consul and Trade Commissioner (FS-02); three Business Development Officers (BDOs) and three Assistants (BDAs). (One BDO resigned during the course of the audit.) While employees are capable and enthusiastic and, by and large, content with their job packages, the Audit Team observed the emergence of recurring themes pertaining to the management of the Program.

3.1.2 A good sense of teamwork within the IBD Program and strong direction from senior management resulted in a successful Team Canada visit in November 2001. The IBD Officers continue to benefit from the relationships developed during this visit. A more active and targeted approach to follow up activities would provide even greater opportunity to develop and increase their base of business contacts, market intelligence and trade and investment opportunities.

3.1.3 The recent Client Survey suggested that opportunities in the energy sector are being lost because of the absence of a Canadian government office in Houston. Should enhanced representation take place, it is assumed that resources would be incremental and would be assigned to Houston. A Houston presence would free up some of Dallas' time to embark on a more engaged program of activities in states outside Texas.

3.2 Management of the Program

3.2.1 A major challenge facing the IBD Section is the lack of effective communications across the Program. The STC is strong operationally ***. Program meetings are irregular and, when called, are on short notice to deal with specific issues that require immediate action, rather than to encourage discussion or solicit suggestions on common issues of interest or improved internal processes. Employees are not informed of the STC's travel destinations or specific intent of the travel. A Manager is not delegated to act in his absence.

3.2.2 The atmosphere within the Section, at a professional level, is often "tense" resulting in officers working behind closed doors. This environment affects employee morale, results in a barrier to effective teamwork (which, as demonstrated during Team Canada visit, has strong potential), and affects the overall functioning of the Program.

Recommendations for the Mission

- 3.2.3** Improve overall management of the Program focussing on leadership. Team-building retreats and follow-up activities organized with the help of outside facilitators should be considered. Group training on the New Approach and the National Quality Institute management framework will complement these efforts.
- 3.2.4** Hold weekly Program meetings with all staff on operational issues and for sharing of upcoming events and travel plans.
- 3.2.5** A calendar of all officers' travel and events should be kept current and circulated to all staff.

Mission Action and Timeframe

- 3.2.3** Management and leadership of the Program changed with the departure of the previous Senior Trade Commissioner (STC). Effective March 1, 2003, the Consul and Trade Commissioner/ Investment began acting in the position of STC and was permanently appointed on May 19, 2003. The new STC has a different leadership style and has introduced a number of new management practices, which has considerably improved the Section's organization and morale. In addition, the Canadian Foreign Service Institute (CFSI) supports a strategic planning retreat in the Fall of 2003 to further improve team-building.
- 3.2.4** Program meetings have been held weekly since March 1, 2003. Operational issues are raised by all staff and upcoming events and travel plans are shared.
- 3.2.5** A calendar of all staff travel, training, leave and events is maintained electronically and reviewed and updated at the weekly IBD staff meetings. The calendar is then shared with the HOM.

Mission Comment

One significant process change, that was identified as an issue by the Audit Team, is that the STC BDA no longer carries out any financial services that are already being provided by Administration. This has reduced duplicity and has freed the BDA to focus on more relevant business development activities.

3.2.6 Individual work plans, which include the sectors' strategic direction, have been developed but a consolidated business plan for the IBD Program does not exist. Last minute changes by the STC to previously approved business items occur, occasionally without consulting the responsible officer. Proactive activities account for the majority of Officers' time.

3.2.7 Officers participate in approximately four outreach programs per month in Texas. States outside Texas are infrequently visited. Increased focus on sectors not currently identified as a priority, such as Science and Technology, will require a review of resource capabilities. Outcall reports are not produced. A leading practice at one Mission called for an outcall report to accompany the relevant travel claim before the claim was approved by the Manager.

3.2.8 EX Performance Management Agreements (PMAs) for the current performance cycle have not yet been developed. Also, there is a need for the STC to develop Accountability Agreements with his BDOs and their Assistants.

Recommendations for the Mission

3.2.9 A PMA should be developed for the STC and the Trade Commissioner/Investment Officer, with emphasis on improving the management of the Program and implementing the New Approach.

3.2.10 Accountability Agreements which include commitments to the New Approach should be developed between the STC and staff.

3.2.11 A yearly consolidated business plan defining the priorities for the IBD Program should be developed by the team and reviewed quarterly to ensure objectives are being met.

3.2.12 Quarterly reviews of workload among officers and the STC should be set in place to provide an opportunity for discussion, modification and agreement based on changes in priority and/or budget considerations.

3.2.13 A program of outcalls to the five states outside Texas should be developed into the work plan of appropriate officers.

3.2.14 A report for every outcall should be circulated.

Mission Action and Timeframe

3.2.9 A PMA was developed in January 2003 between the previous STC and the Trade Commissioner/Investment Officer. Now that the

Investment Officer has replaced the STC on a permanent basis, the PMA will be revised with the HOM in the context of the broadened responsibilities.

- 3.2.10** **Accountability Agreements were completed for four IBD staff. Under the direction of the new STC, the remaining four will be completed by September 30, 2003.**
- 3.2.11** **The IBD Work Plan for FY 2003-2004 was finalized on April 30, 2003 in consultation with stakeholders, all IBD staff, and included several lengthy planning sessions with the officers. The Plan will be reviewed quarterly to ensure that objectives are being met.**
- 3.2.12** **The IBD Budget is reviewed on a monthly basis by all officers to ensure that resources are being allocated properly. This will also be done on a quarterly basis, along with the Work Plan to ensure that the workload is evenly distributed and financial targets are being met. Workload will also be addressed individually between the STC and all staff on a semi-annual basis once outstanding Accountability Agreements (mentioned under 3.2.10) are in place.**
- 3.2.13** **The 2003-2004 Work Plan collectively covers activities in each of the five states outside Texas. As well, each officer has been given a geographic area in which they are considered the liaison, main point of contact and expert in that State/region. This has encouraged overall greater strategic market intelligence for the territory and more travel outside of the Dallas area.**
- 3.2.14** **Since March 1, 2003, a report for each outcall has been completed and circulated. We are also developing a simple format that will ease the administrative burden of this reporting. The practice of submitting an outcall report with each travel claim will be piloted.**

3.3 New Approach

3.3.1 **The IBD staff are aware of and committed to the concepts of the New Approach (NA). Many of the NA principles are applied though not as consistently as they should be. Program management needs to promote more vigorously the implementation of the NA. Services outside the NA are sometimes offered by the Mission when judged to be of value in a particular circumstance. All IBD staff will collectively be attending a refresher course on the New Approach early in calendar year 2003. A list of additional service providers is not available on the Mission web site. The Mission is currently developing such a list.**

Recommendation for the Mission

- 3.3.2** Once developed, publish a list of qualified local service providers on the Mission web site on InfoExports.

Mission Action and Timeframe

- 3.3.2** A list of qualified local service providers was developed in January 2003 for all major centres in the territory. The lists has been submitted to Ottawa for translation and will be posted on the web as soon as it is ready.

3.3.3 WIN Exports On Line is not being used appropriately for Client relationship tracking. Although management and employees claim to follow the six core services, there are only 17 entries in the system to date this year. A consolidated effort was made to update the data last November/December 2001 when the call was made for the Client Survey. The Mission uses Maximizer for its local contacts management.

3.3.4 A decision on the required resources for the IBD Program in Dallas will be re-addressed once decisions on Houston have been taken. Lack of entries in WIN do not help to justify requests for additional resources.

Recommendation for the Mission

- 3.3.5** WIN Exports On Line should be used to track Client relationships.

Mission Action and Timeframe

- 3.3.5** A concerted effort is being made to make greater use of WIN to track client relationships. A full review of the way in which Canadian clients are being serviced by the IBD section in Dallas will be completed by the STC over the course of the summer. Input for the review will include the results of the recent Client Survey and staff consultation. The processes/ procedures that will be examined will include WIN, International Business Opportunities Centre (IBOC), Post Support Unit (PSU), Business Mission Agreements (BMAs), and Trade Commissioner Service (TCS) Standards. The outcome will be a complete picture of client inquiries, work flow, identification of the challenges and obstacles facing staff and an action plan. The results will be an improvement, where needed, in the overall client service area. Update to be provided September 30, 2003.

3.3.6 The International Business Opportunities Centre (IBOC) at Headquarters and the Business Mission Agreement (BMA) are under-utilized. Marketing material

provided by the Trade Commissioner Service (TCS), such as posters, brochures and roll-ups are neither displayed nor available at the Mission. Cell phones are provided to all staff and laptops with remote access are available to all Officers on request. Non-clients are referred to the domestic network. The Mission uses the Post Support Unit (PSU) on a regular basis.

Recommendations for the Mission

- 3.3.7 Ensure that trade leads are systematically disseminated back to Canada through IBOC.**
- 3.3.8 The BMA should be used to clarify the roles and responsibilities of trade mission organizers and the Mission, the steps and schedules that need to be followed to achieve success, as well as for clarifying financial responsibilities.**
- 3.3.9 TCS marketing material should be prominently displayed in public areas of the Mission and within the IBD Program area.**

Mission Action and Timeframe

- 3.3.7 The STC has taken steps to ensure that IBOC is used to its fullest advantage. In the context of the client service review (3.3.5), the IBOC system will be reviewed as well. Update to be provided by September 30, 2003.**
- 3.3.8 All incoming missions are being organized around a Business Mission Agreement (BMA).**
- 3.3.9 TCS Posters are displayed in the IBD Program area and a new TCS banner is now featured prominently in the common area in the Consulate General lobby. Additional posters and marketing material are being ordered from Ottawa and displayed where appropriate and used to communicate with clients.**
- 3.3.10 Results of the recent Client Survey show an improvement from the previous two surveys; however, the Mission still falls short of other regions of the US. Program management had expected better results and acknowledges that there is a need for further improvement. Employees indicate they respond to enquiries within the five-day turnaround time; however, there is no monitoring process to support this service standard claim.

Recommendations to the Mission

- 3.3.11 An action plan identifying areas and methods for improvement should be developed based on results of the recent Client Survey.**
- 3.3.12 Mechanisms to monitor application of TCS service standards should be put into place.**

Mission Action and Timeframe

- 3.3.11 To be completed in the context of the broader client service review (3.3.5). Update to be provided by September 30, 2003.**
- 3.3.12 To be completed in the context of the broader client service review (3.3.5). Update to be provided by September 30, 2003.**

3.4 Investment

3.4.1 The Consul and Trade Commissioner/Investment arrived at the Mission in February 2002. Her predecessor was the first officer to fill this newly-created position and left the post prematurely during her first year. Few files or contact lists were available on arrival of the current IPC incumbent. As a result, she is essentially building the portfolio from the ground up. She has received valuable coaching from the Program Manager, attended a US investment officers training conference in PEI and makes use of the HORIZONS investment site, all of which she has found useful in striving to achieve her goals.

3.4.2 BDOs are responsible for investment promotion within their individual sectors. To varying degrees, they keep the Investment Officer informed of potential opportunities and introduce her to relevant local contacts. There is a need to increase the focus of these Officers on investment opportunities and to build this responsibility into their work plans. Because of the large investment component within the bio-tech sector, the entire sector, including trade promotion, is handled by the Investment Officer.

Recommendations for the Mission

- 3.4.3 Investment workshops and training should be scheduled for BDOs to encourage an increased focus on investment within their market sectors and to develop a greater synergy with the Investment Officer.**
- 3.4.4 The functionality of retaining the bio-tech sector in the portfolio of the Investment Officer should be reviewed.**

3.4.5 Investment promotion objectives should be included as part of the individual Accountability Agreements of the BDOs.

Mission Action and Timeframe

3.4.3 As the current STC is the former Investment Officer, this has enabled greater cohesion and synergy between the trade and investment programs.

3.4.4 Effective April 1, 2003, biotech sector responsibilities have been returned to the Trade Commissioner.

3.4.5 The BDO Work Plans already include investment promotion objectives and will also be part of the individual Accountability Agreements of the BDOs.

3.5 Resources and Support to the IBD Program

3.5.1 The three Business Development Assistants (BDAs) are located in a tight working space in an open area. Each Assistant supports two officers. Two of the BDAs spend a significant amount of time responding to incoming enquiries (50% and 15%-20%). Another spends 50% of her time accounting for the IBD budget, a function that rightfully belongs with the Finance Section of the Administration Program. Two of the Assistants attended LES training in Ottawa in March 2002. The STC is currently examining the benefits of implementing an Info Centre and is planning to visit the Boston Consulate General to view its operations. This could significantly influence the work now carried out by the BDAs.

3.5.2 The issue of IBD resources devoted to accounting is a problem endemic to many Missions. Considerable time is being devoted to running parallel or shadow tracking systems. The Horizon website provides guidance on how financial reporting for Client Service Funds can be rendered through IMS. This situation will be raised with SMD (Corporate Finance, Planning and Systems Bureau) by SIV (Audit Division) in an effort to find a solution to this problem.

Recommendations for the Mission

3.5.3 Review the feasibility of moving one BDA to space used for storage within the IBD Section. If not possible, ergonomic work stations, providing an added level of privacy, should be pursued.

3.5.4 Investigate establishing an InfoCentre to respond to enquiries, monitor service standards and undertake client tracking.

Mission Action and Timeframe

- 3.5.3** As of March 31, 2003, the space used for storage has been converted into an open work station for one of the BDAs. In addition to allowing more room and privacy for all BDAs, this change has contributed to a more aesthetic environment that yields greater productivity.

- 3.5.4** To be completed in the context of the broader client service review (3.3.5). Update to be provided by September 30, 2003.

CONSULAR PROGRAM

4.1 Management of the Program

4.1.1 The Consular Program is managed on a day-to-day basis by a seasoned and enthusiastic LE-08 Consular Program Officer who reports to the Program Manager of the PERPA/Consular Sections (FS-02). The Program Manager spends approximately 25 percent of his time on Consular. The LE-08 is backed up by one of the BDAs. In addition, the PERPA Assistant/Researcher (LE-05) and the Receptionist (LE-04) handle numerous calls of a Consular nature. The Consular Program is accredited to six states.

4.1.2 There are few staff meetings in the Consular Program but the Program Manager maintains an open door policy for communications, is highly respected by LES and shows a keen interest in Consular activities. He stays abreast of the sensitive and high profile cases and is copied on all CAMANT messages. The LE-08 and his backup have been trained in Canada and both are trained on COSMOS. COMIP reporting was behind for several months but is now up to date.

4.1.3 There is no formal planning of objectives or identification of priorities in the Consular Program. An annual work plan is an essential tool to justify resources and promote results that are achievable. It would enable staff to be more committed to the Program's priorities. The overall Program priorities, goals and objectives should begin with an agreement between the HOM and the Program Manager and these priorities would then be communicated to Program staff. Formalized work planning would provide a basis for optimizing resources and highlight any gaps where additional resources would be justified. It also provides a basis for performance measurement for staff appraisals.

Recommendation for the Mission

4.1.4 A work plan should be developed that clearly defines the Consular Program's goals and objectives and sets out priorities which are agreed to by HOM, Program Manager and staff.

Mission Action and Timeframe

4.1.4 A Consular Program work plan has been completed.

4.2 Service to Canadians

4.2.1 The Consulate has a heavy caseload which has increased substantially since September 11, 2001 as more Canadians enquire about steps to be taken in the

event of an emergency. The number of Canadians in the region is unknown; however, it is estimated there are upwards of thirty thousand Canadians living in Texas alone. Since the events of September 11, Canadians have been encouraged to register online and there are efforts to update and maintain the Registration of Canadians Abroad (ROCA) system. There is no specific Consular Contingency Plan for this region; however, the Consular Affairs Bureau (JPD) is developing a Plan that will apply to all Canadian Consulates in the US.

4.2.2 The Program is experiencing difficulties meeting Consular service standards due to heavy workloads. There is a shortfall of the required prison visits due to insufficient resources both human and financial (travel budget). Passport turnaround times are not being achieved. There have been approximately 4,000 calls in the past six months for passports alone. Each month there are 500 enquiries relating to Immigration. The Consular Program Officer is selective in prison visits, choosing sensitive cases only. There are 160 Canadian prisoners in the six States accredited to the Mission. Although service standards cannot be met with respect to prison visits, all prisoners are sent a package of Consular services that are available to Canadians abroad.

4.2.3 The Business Development Assistant who serves as back-up indicated that it is difficult for her to handle her own work in the IBD Section and the Consular work when the Consular Program Officer is away for an extended period. The Consular Program requires an additional Consular Assistant to ensure service standards are respected and to reduce the additional work stress placed on other employees engaged in the Program.

4.2.4 Currently, clients are served in an open reception area which is not secure and inadequate for privacy reasons. Plans are underway to construct a secure interview room.

Recommendation for the Mission

4.2.5 To meet existing Consular service standards, the Program requires an incremental Consular Assistant position. A business case for this incremental resource should be submitted to North American Bureau (NAD) and JPD for action.

Mission Action and Timeframe

4.2.5 Funding for an incremental Consular Assistant position has been received and Mission will commence the hiring process.

4.3 Passport Services

4.3.1 Passport issuance for the US is centralized in Hull. Because of a backlog in the Passport Office in Hull and the attendant high number of complaints received, JPD has asked the Consulate to issue more passports. This has increased the Mission's workload. Consequently, 90 passports have been issued in the past seven months. Seventy-four passports were issued over the entire fiscal year 2001-2002.

4.3.2 Official receipts are issued to clients for both passport fees and Consular service fees paid. Passports are well secured. Passport inventory counts are done monthly and certified by the Program Manager. The HOM verifies the inventory quarterly. Passports were reconciled to the latest inventory certified on October 31, 2002. The Consular Program does not maintain an emergency cash fund but instead relies on the Administration Section for emergency and petty cash needs. This works well.

ADMINISTRATION PROGRAM

5.1 Management of the Program

Overview

5.1.1 The Administration Program is headed by a LE-09 Mission Administration Officer (MAO), ***. LES in the Section include a System Administrator (LE-08), an Accountant (LE-06), an Administration Assistant (LE-05), a Receptionist (LE-04) and a Chauffeur/Administration Assistant (LE-04). The MAO has an open door policy with his staff and others in the Mission which fosters good communication. He is a member of the Committee on Mission Management (CMM). He has an informal style of management, visiting individually with staff daily and calling meetings on a project basis. The Section also services 13 Canadians located in Houston and two Canadians located in Wichita who are employed with the Canada Space Agency by providing Foreign Service Directives (FSD) advice and performing some administration requirements for their privately-leased staff quarters (SQs).

Planning/Service Standards

5.1.2 The Mission is very satisfied with the services provided by the Administration Section. The MAO uses many of the tools provided from Headquarters for planning purposes (e.g., the Mission Property Management Plan and the Mission diary). The Program could benefit from having service standards and an overall work plan for the Section. Standards would allow clients to know the quality of service to expect and the time frames and what the Section requires to process a particular request. With the recent arrival of the HOM, it is being recommended (See 1.1.4) that Program Managers, including the MAO, be given an Accountability Agreement which sets out expected goals and objectives in terms that are measurable and for which they can be held accountable. The work plan for Administration would be an extension of this Accountability Agreement.

Recommendations for the Mission

- 5.1.3 Develop service standards for the Administration Section for approval by the CMM.**

- 5.1.4 Develop a work plan for the Administration Program, detailing objectives for the year and communicating them to staff and the CMM.**

Mission Action and Timeframe

5.1.3 After detailed consultation with management, service standards are being circulated and will be submitted for approval to the CMM by June 30, 2003.

5.1.4 A work plan has been completed and submitted to the HOM and will be communicated to the CMM and Administration staff.

5.2 Human Resources

Management of the Program

5.2.1 Management of Human Resources falls under the purview of the MAO. The LES Handbook was updated and forwarded to Headquarters in October 2002 for review and approval. Aside from a recent competition, which did not involve the MAO, recruiting and staffing procedures follow established guidelines. The Mission updated the Mission Report in October 2002 and forwarded it to Headquarters. Appraisals are complete and up-to-date.

5.2.2 An LES Committee was reactivated in October 2002 after an absence of several years. There is an Occupational Health and Safety Committee that meets regularly and follows up on outstanding issues.

Recommendation for the Mission

5.2.3 All recruitment exercises should follow established procedures and ensure the active involvement of the MAO.

Mission Action and Timeframe

5.2.3 Immediately following the Audit Team visit in November 2002, all recruitment exercises now follow established procedures which include a recruitment committee and the active involvement of the MAO.

Classification

5.2.4 There are currently two positions being evaluated for re-classification. One is the Accountant (LE-06) and the Mission intends to use the newly developed benchmarks in its evaluation. The other is the Consular Program Officer (LE-08), and the Mission is discussing the impact of the potential reclassification to LE-09 with Consular Affairs Bureau (JPD).

Positions

5.2.5 Headquarters is proposing to fund Consular Assistant positions for certain Consulates in the US. Dallas has been identified as one of the potential recipients. This report (paragraphs 4.2.2 and 4.2.3 of the Consular Section) amplifies the need for an incremental Consular position.

Training

5.2.6 The MAO is the training coordinator for the Mission. The Mission has no formal training plan; although, it capitalizes on training opportunities such as the HOM Assistant training in Headquarters or software seminars provided locally. All IBD staff will be receiving New Approach training in early 2003. IBD employees should be strongly encouraged to benefit from TCS Virtual Training through the Horizons web site. A survey of staff is needed to inventory the training that has been received and to identify further training that is required.

Recommendation for the Mission

5.2.7 Develop an annual training plan for all staff that prioritizes the Mission's training requirements.

Mission Action and Timeframe

5.2.7 The bulk of Mission training and funding takes place through CFSI and Geographic Bureaus on a regular basis. In addition, Mission management is formulating a training plan for FY 2003-2004 for all staff that will prioritize our requirements.

5.3 Physical Resources

Management of the Program

5.3.1 Physical Resources are well managed by the MAO. The Mission owns the Official Residence (OR) and an SQ. The Chancery is Crown-Leased. There are also three privately-leased SQs. The Administration Section services 13 Canadians located in Houston and two Canadians in Wichita by setting rental ceilings, assisting with housing searches and making rental and other payments for the privately-leased SQs. The Mission updates the PRIME data base regularly and uses the Mission Property Management Plan and the SRSF Maintenance Work Plan in its management of properties. There is a Housing Committee which meets only prior to the arrival of Canadian-Based employees requiring a privately-leased SQ.

5.3.2 Disposal of surplus assets is carried out when needed and follows departmental guidelines.

5.3.3 Administration has developed an excellent inventory system using bar coding and pictures. Inventories of fine arts, the Official Residence and storage are complete and up-to-date. Work will commence shortly on the inventories for the Chancery.

Chancery

5.3.4 The Chancery has just finished a refurbishing project (new carpets and painting), the majority of which was paid by the landlord via the lease's tenant improvement allowance. The Chancery makes a very favourable impression on visitors. The Chancery occupies one entire floor of an office building; there is also a small storage area in the building.

5.3.5 Because of the departure of the Canadian Tourism Commission this past summer, there are four offices and a small boardroom that are currently vacant. Discussions are underway with representatives of one province with regard to the possibility of it occupying this space. There is sufficient space available in the Chancery to accommodate proposed new Consulate staff.

Official Residence

5.3.6 The Official Residence (OR) is a beautiful Crown-Owned house in an excellent neighbourhood. It is a relatively recent purchase and is very functional for representational purposes while, at the same time, offering a suitable home for family living.

Staff Quarters

5.3.7 The Mission has one Crown-Owned Staff Quarter (SQ) that houses the Trade Program Manager. The Mission has developed a well-documented system for setting price ceilings for private-leased SQs and works closely with real estate companies to remain current with regard to the real estate market. The price ceilings afford staff the opportunity to find suitably sized housing in good, safe neighbourhoods and provide the flexibility to accommodate single and family lifestyles. Staff, in general, are pleased with their housing.

5.4 Finance

5.4.1 The MAO is the Mission Financial Officer. The Accounting Section, well managed by the MAO, includes an experienced Accountant. Both individuals work well together. Program staff are very satisfied with the financial services they receive.

Evidence on file also suggests that members of the Canada Space Agency in Houston and Transport Canada in Wichita who receive financial services from the Mission are also pleased with the service. The Mission's budget is effectively controlled through the establishment of cost centres and commitments which facilitate understanding the budget reports. The departure of the Canadian Tourism Commission in June 2002 has reduced the number of payments by almost one-third.

Accounting Section

5.4.2 The Accounting Section is well organized. The Mission accounts are kept in good order and reflect the care taken by the Accountant when inputting financial data into the Integrated Management System (IMS) and dealing with financial transactions. The Accountant has not attended IMS financial training offered to accountants at HQ. Should an opportunity arise, it would be beneficial for her to attend this course. There is currently no back up for the Accountant. It would be appropriate to have the MAO's Administrative Assistant trained on IMS to provide the support necessary during the Accountant's absence.

5.4.3 The Accounting Section has no quiet hours in which service is closed off to clients. Having this time, preferably in the morning, would enable the Accountant to better concentrate on financial transactions which require meticulous attention, issuing cheques and inputting financial data into IMS. This is a practice followed at many missions.

5.4.4 Bank deposits are made weekly and the funds are deposited ***. Two persons should be counting the funds, placing the funds in a sealed envelope and signing the envelop before the envelop is taken for deposit ***.

Recommendations for the Mission

5.4.5 Establish quiet hours for the Accounts Section limiting the time in which clients are to be serviced.

5.4.6 The Administrative Assistant should be trained on IMS to serve as backup to the Accountant during her absence.

5.4.7 Procedures should be put in place to improve control in handing funds * for deposit at the bank.**

Mission Action and Timeframe

5.4.5 The MAO, in consultation with the Accountant, discussed the issue of quiet hours. Rather than designate specific periods during the day or week for quiet times, it was deemed more appropriate that

when quiet periods were required, she would close her door to staff to reduce the frequency of interruptions. This will be communicated to all staff.

- 5.4.6** The Administrative Assistant devotes approximately 20% of her time to assisting the Accountant, which involves, but is not limited to, reviewing invoices, copying documentation and correlation of the monthly accounts. She will also be attending a Material Management training program in Ottawa in June 2003. Following this training, we will be recommending on her behalf that the Training Co-ordinator of the Mission make representation to Canadian Foreign Service Institute (CFSI) that she be included for any courses being offered on IMS.
- 5.4.7** We have now implemented a procedure whereby *** count the money being deposited to the official account, then seal and sign the envelope before the funds are taken to the bank.

Hospitality and Travel Expenses

5.4.8 Shortly following the arrival of the new HOM, instructions were sent to staff advising the manner in which hospitality claims should be submitted. A review of hospitality claims show improvement in complying with the Department's Official Hospitality Policy. Prior to these instructions, claims were frequently submitted with only a credit slip attached as proof of payment without the actual receipt/invoice attached. The number of guests entertained and the type of meal claimed were also not identified. As a consequence of our review, two recoveries were made - one as a result of exceeding the 10 percent allowance for indirect hospitality, and the second claiming American dollars when Canadian dollars should have been applied. Given the frequency in which similar findings are noted in other mission audits, Corporate Policy, Reporting and FIS Implementation (SMSP) needs to remind all missions of the need to improve supporting documentation for amounts being claimed.

5.4.9 The review of Mission accounts also raised observations relating to official travel which were brought to the attention of the MAO. Immediate action was taken to effect recovery. Following the audit, another set of instructions was sent to staff to improve the quality and accuracy of travel and hospitality claims.

Recommendation for SMSP

- 5.4.10** SMSP should send a reminder to all missions that credit card slips supporting a claim for either hospitality or travel need to be accompanied with actual invoices and receipts before a claim can be processed for payment.

SMSP Action and Timeframe

- 5.4.10 SMSP is drafting a policy with regard to official receipts for expense claims to address issues such as this, and once approved and translated it will be transmitted to staff.**

Mission Comment

- 5.4.10 Although this paragraph is intended for SMSP response, the Mission has implemented this request as a standard procedure before a claim can be processed for payment.**

Monthly Bank Reconciliation

5.4.11 The Mission reconciles its bank account monthly and the reconciliation is forwarded to HQ within five working days of month end. The signature of the HOM, appearing on the Bank Reconciliation Statement produced by IMS, is effectively certifying that all debits and credits appearing on the Statement are in accordance with fund purchases, revenues collected and cheque and cash payments during the period. This certification, however, does not apply to other forms of payment including electronic fund transfers (EFTs) and Direct Deposit (B payments made by HQ at the request of the Mission) attesting that these are valid transactions. Departmental financial instructions do not call for these types of payments to be certified. In consequence, there are opportunities for abuse. IMS does have the capability of producing reports listing the EFT and Direct Deposit payments. These payment reports should be added to the reconciliation process and back-up documentation supporting these payments should be verified to the payments listed on the report as part of the month-end procedures.

Recommendation for SMFF

- 5.4.12 To reduce the risk of having funds misappropriated and going undetected, SMFF should ensure that EFT and Direct Deposit monthly reports form part of the month end reconciliation for certification by the MCO/MAO and the HOM.**

SMFF Action and Timeframe

- 5.4.12 SMFF, in conjunction with Integrated Management System, SMSF, is currently developing new monthly bank reconciliation procedures and reports in order to improve financial management and controls to address issues such as this.**

Mission Comment

5.4.12 Although this paragraph is intended for response by SMFF, the Mission has now implemented a procedure whereby weekly EFT reports are reviewed by the MAO and monthly EFT and Direct Deposit reports form a part of the end of month reconciliation and certified by the HOM, MAO and Accountant.

5.5 Information and Technology Management

5.5.1 The MAO is responsible for the overall management of information and technology (IT), with an experienced LE-08 Systems Administrator (SA) effectively managing the day-to-day operations. The SA has been in this position for eight years. An LE-05 in the IBD Section provides back-up to the SA. The backup has been trained by the SA. The SA is well respected by the CBS and LES within the Mission. Systems within the Mission run well and there is sufficient band width as online speed is comparable with Ottawa. The SA is provided with a training budget so that he may stay abreast of contemporary IT issues. There is no informatics training plan within the Mission. This plan should be incorporated into an overall Mission training plan which is suggested in 5.2.7 of this report.

5.5.2 There are 25 SIGNET connections with 21 users and four extra for training purposes. There are eight remote access users and 8 notebooks.

5.5.3 The Techserve listing is updated regularly. The system does a daily back-up and the tapes are stored on site in a fireproof safe. There are no user group meetings and there is no IT Committee. Staff expressed a desire to have an IT Committee to share information management knowledge and issues.

5.5.4 The SA provides basic EL duties and is in regular contact with the EL in Washington. Telephone systems are excellent in Dallas.

Recommendation for the Mission

5.5.5 An IT Committee made up of a cross section of Mission staff should be developed.

Mission Action and Timeframe

5.5.5 An IT Committee has been developed which includes the SA, LES International Business Development Officer (IBDO), PERPA Manager, STC Manager and the MAO.

MISSION RESOURCES FACT SHEET

Human Resources (FTEs)

PROGRAM	CBS	LES	TOTAL
HOM	1	1	2
PERPA and Consular	1	3	4
IBD	3	6	9
Administration	0	6	6
Total	5	16	21

Physical Resources

ASSETS	CROWN-OWNED	CROWN-LEASED	PRIVATE-LEASED
Chancery	0	1	0
OR	1	0	0
Dallas SQs	1	0	3
Houston SQs	0	0	13
Wichita SQs	0	0	2
Vehicles	2	0	0

Note: CBS who are in Houston and Wichita are employed with the Canada Space Agency.

Financial Information (2002-2003)

Operating Budget	\$1,214,729
LES Salaries	1,373,466
CBS Salaries (includes O/T)	630,608
Capital	20,300
Total	\$3,239,103