

**AUDIT
OF
THE OFFICE OF THE CANADIAN EMBASSY**

SAN SALVADOR

FEBRUARY 2003

Audit Division (SIV)

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EXECUTIVE SUMMARY

An audit of the International Business Development, Consular and Administration Programs was conducted in San Salvador, a Spoke of the Hub Mission in Guatemala City, during the period May 6 and 7, 2002. The General Relations Program was not audited due to time constraints. The audit was conducted concurrently with the audit of the Mission in Guatemala City. This is the first audit of this Mission since it opened in 1996.

MANAGEMENT OF THE MISSION

The Mission, led by a Chargé d'Affaires, an FS-02 with limited experience in managing a Program abroad, is undergoing considerable change. Although a Memorandum of Understanding between the Hub and the Spoke has been updated recently and visits of Program Managers have been stepped up, the Mission continues to seek increased direction and guidance from the Hub. The Head of Mission will need to focus more attention to this Office to address the larger issues raised in this report. There is a need for an Accountability Agreement to spell out exactly what is expected from this Mission. There is little Political and Economic reporting and the Mission has not been pro-active in profiling itself through outreach activities. The Chargé is spending the bulk of her time on Consular and Administration matters. The Mission feels constrained by its lack of technology and accommodation, and the fact it has not been provided its own budget. However, before the Department commits to increasing Mission resources and expanding its office space, the expectations of this Mission, in all Programs, need to be clearly defined.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

An LE-08 Commercial Officer (CO) is carrying out this Program with limited direction from the new Program Manager in Guatemala City. The Program Manager believes there are opportunities for trade development in El Salvador. A more structured approach, however, in the form of a work plan, is needed to capitalize on these opportunities. The CO should also be given measurable goals and objectives to improve his accountability.

CONSULAR PROGRAM

This is an active Program which is handled by a Consular/Administrative Assistant who is new to the position. The incumbent has had little Consular training. With the volume of passports increasing, the requirement for the Hub to issue passports on the Mission's behalf needs to be examined.

ADMINISTRATION PROGRAM

The Mission Administration Officer (MAO) is effectively delivering the day-to-day administration. Despite this, a new Management and Consular Officer (MCO) is to be added to the Mission this summer. The Mission needs to work closely with the Hub in the area of budget determination and financial reporting. Payment procedures should be changed to ensure the Hub is exercising payment authority before payment is released to suppliers. Financial arrangements for the Mission would support San Salvador having its own official bank account and having access to IMS. The number of knowledgeable workers would also suggest that San Salvador qualifies to have its own mini-server. This would address many of the technological woes the Mission is currently experiencing.

RECOMMENDATION STATUS

This report contains 19 recommendations, nine of which are directed to the Mission, five for Guatemala City, the Hub Mission, and five the responsibility of Headquarters to action. Given the responses received, the Mission has successfully implemented all nine recommendations, the Hub Mission has actioned three while two are currently in the process of being implemented. Two of the recommendations for Headquarters have been implemented, while there are three in progress.

MANAGEMENT OF THE MISSION

1.1 Overview

1.1.1 San Salvador is a Spoke of Guatemala City (the Hub), and is headed by a Chargé d’Affaires, an FS-02, who has been at the Mission since September 2000. The Chargé reports to the Head of Mission (HOM) in Guatemala as does the Regional CIDA Officer, an EX-01, the other Canada-based employee in San Salvador. The Chargé is responsible for the day-to-day management of the Mission which includes seven Locally-Engaged Staff (LES), a contract employee in the Immigration Section and two contracted security guards. There is also an Intern employed in the Trade Program. There is a Memorandum of Understanding (MOU) between the Hub and Spoke that was updated in February 2002 which sets out the roles and responsibilities of the two Missions.

1.1.2 The Mission can be characterized as a growing office with an evolving mandate and complicated relationships. In 1999, this Mission consisted of one Canada-based employee and five LES. The Chargé has limited experience and has not previously managed a Program abroad. Handover notes were left by her predecessor and she was given a broad set of objectives by the HOM. The Mission would benefit from having an Accountability Agreement delineating clearly what it is expected to deliver. The HOM visits the Mission for a few days each quarter and the Chargé attends the monthly CMM meeting held in Guatemala City. Even though the Trade and Immigration Program Managers and the MCO from Guatemala City are frequent visitors to the Mission, more visits and support from the HOM would be welcome. The General Relations Program Manager has not visited as San Salvador reports directly to Headquarters on political and economic matters.

1.1.3 Mission staff also believes there is a need for more guidance and direction from the Hub and for communications between both Missions to be improved. The Mission has not been provided a budget and has discretion to spend only up to \$500 before seeking approval from the Hub. Staff feels isolated and constrained by what they term is a “micro-mission” mentality. The Chargé spends most of her time on consular and administrative matters and there is little, if any, political and economic reporting. The Chargé recognizes that the Mission has not been very pro-active in raising its profile through outreach activities.

1.1.4 Reporting relationships at the Mission are unique. The LE-08 Commercial Officer and the LE-07 Immigration Case Analyst report to their respective Program Managers in Guatemala. There is no reporting to the General Relations Program Manager. It is not clear to whom the LE-08 Consular/Administrative Officer reports. The organization chart shows this Officer reporting to the Chargé but both individuals believe the Officer reports to the MCO in Guatemala City. The MCO maintains that the

organization chart is correct but indicated that he is responsible for the Consular/ Administrative Officer's performance appraisal but with input from the Chargé.

1.1.5 Weekly staff meetings are held although minutes are not produced. Discussions at these meetings revolve around administration and upcoming events. For the most part, staff indicated that they work well together as a team.

Recommendations for Guatemala City

1.1.6 **An Accountability Agreement should be prepared and updated annually identifying, in measurable terms, the goals and objectives of the Mission in San Salvador for all Programs.**

1.1.7 **Guatemala City should step up efforts to improve communications with San Salvador by having the minutes of the CMM circulated to all staff in San Salvador and by increasing the number of visits by the HOM.**

1.1.8 **The reporting relationship of the LE-08 Consular/Administrative Officer should be clarified.**

Guatemala City Responses

1.1.6 **The Mission is in the process of preparing an Accountability Agreement primarily based on the MOU which exists between the two Missions.**

1.1.7 **Minutes of the CMM are being circulated weekly. The new HOM has stepped up the number of visits to San Salvador as required.**

1.1.8 **The recent addition of a CBS MCO to San Salvador has resolved the reporting relationship issue and the LE-08 now reports to the MCO.**

Recommendation for the Mission

1.1.9 **Maintain minutes of the weekly staff meeting and circulate these to the management in Guatemala City.**

Mission Response

1.1.9 **Implemented.**

Mission Vision

1.1.10 The Mission is hampered by limited Chancery space and the situation worsens one week each month when the Visa Officer from Guatemala City visits the Mission. The Chancery was originally designed for six LES employees. Space will be even tighter when the Management Consular Officer (MCO), a new position, arrives this summer. Unless there are plans for this Mission to expand, the role of the new MCO is not clear. Administration is currently operating satisfactorily and the addition of an MCO position will have a material effect on the work distribution. Space is available on the floor above the Chancery but the Mission believes the landlord is only prepared to lease the entire floor (432 m²) which is much more than the Mission requires. The Mission's current space is 350m².

1.1.11 Before this Mission makes a commitment to lease additional space, the Audit Team believes that Headquarters, together with the Mission and Guatemala City, must decide on the role and responsibilities for this Mission. Developing the Accountability Agreement (Recommendation 1.1.6) would be the start of this process.

Recommendation for LGD

1.1.12 The Bureau, together with the Guatemala City and San Salvador Missions, should decide the future of this Mission before making any commitment for incremental space.

LGD Response

1.1.12 LGD is in the process of reviewing the status of San Salvador and has indicated in the Business Plan that it is a priority to bring it to a full-fledged Mission with an Ambassador.

LGD agrees with the plans to increase the space in San Salvador.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

2.1 Overview

2.1.1 The IBD Program in San Salvador is carried out by an LE-08 Commercial Officer (CO) who reports to the Trade Program Manager in Guatemala. Prior to January 2002, the CO reported directly to the Chargé. While the current Program Manager visits the Mission every three to four weeks, his predecessor only visited the Mission five times in three years. Assisting the CO is an Intern, on a one-year contract, who has been at the Mission since September 2001. The CO also has the support of the Chargé's Administrative Assistant 15 percent of her time.

2.1.2 Trade between Canada and El Salvador is small but growing. Canadian exports in 2000 were \$22.3 million and imports from El Salvador were \$152.5 million. Canadian investment is approximately \$48 million principally in banking and mining exploration. El Salvador's economy has shown strong growth since 1996. Canada has concluded two rounds of discussions with El Salvador, Guatemala, Honduras and Nicaragua with the goal of concluding a Free Trade Agreement with these countries.

2.1.3 The CO has received training on the Trade Commissioner Service's New Approach. He has not, however, been given any specific goals and objectives from his Program Manager in Guatemala City and there is no work plan in place. He has recently been given a \$500 hospitality allocation for the first time. He spends little time making out-calls. The 25 to 30 percent of his time spent outside the office is primarily consumed visiting government ministries to obtain information for Canadian companies bidding on specific government projects or attending seminars. He divides his time responding to enquiries and working on longer term activities such as recruiting companies for trade shows. There are approximately 20 enquiries each month, including those from local companies and companies from Canada. Responses are handled within five working days. When the CO is away, Guatemala City prepares the responses. The key sectors for which the CO is responsible are environment, construction, food and beverages, pharmaceutical and technology. A recommendation has been made in the Guatemala City audit report to have the Program Manager establish measurable goals and objectives for the CO and to develop a work plan to achieve these established targets.

CONSULAR PROGRAM

3.1 Management of the Program

3.1.1 The LE-06 Consular/Administrative Assistant, under the supervision of the MAO, handles the day-to-day responsibilities of the Program. Since she joined the Mission in October 2001, she has had one week of training in Guatemala, which included exposure not only to Consular operations but to all elements of administration as well. She is enrolled in a French language course and spends four hours each Saturday on her own time learning the language. Prior to mid-April she also served as the Mission Accountant, but now her involvement is strictly Consular. As a result, she is gaining confidence in undertaking this responsibility but, at the same time, would benefit from further Consular training.

3.2 Service to Canadians

3.2.1 Passport, citizenship and certification of documents are the three primary services offered. Passports are issued from Guatemala City except for emergency passports. The Mission has been photocopying each passport application dating back to March 2001***. In an effort to improve delivery time for issuing a passport, the Mission recently began forwarding documents to the Hub twice weekly instead of once a week. The Mission has been telling clients it takes 15 days to produce a passport but has been producing them in 10 days. But as volumes are increasing and because applications received in San Salvador are considered to be "mail-in" applications, and to ensure the application process is not compromised, Guatemala City is insisting on having a 20 day delivery cycle. This 20 day standard conforms with the Passport Bureau's directives for mail-in applications.

3.2.2 The Mission processed 487 passports in the calendar year 2001, up from 390 in 2000. In the initial four months of 2002, the Mission issued 157 passports. With passport procedures being highly labour intensive because of the requirement to photocopy everything sent to Guatemala City, it is questionable why this Mission is not currently issuing its own passports. The amount of time processing the passport would be offset by the reduced amount of time currently spent photocopying. The Mission has made overtures to the Consular Affairs Bureau (JPD) to issue its own passports and is awaiting a decision.

3.2.3 There are currently 855 Canadians registered with the Mission composed largely of dual-national Salvadoran-Canadians. The highest concentration of these Canadians live in the Greater San Salvador area. Eight wardens have been appointed in eight different districts, three of which are outside San Salvador. The Consular Emergency Contingency Plan was updated in April 2002.

Recommendation for the Mission

- 3.2.4 The Consular/Administrative Assistant should be provided the Consular specialist training course.**

Mission Response

- 3.2.4 In October 2002, the Consular/Administrative Assistant received training and the Mission plans on placing the Receptionist on training in February 2003.**

ADMINISTRATION PROGRAM

4.1 Management of the Program

4.1.1 The LE-08 Mission Administration Officer (MAO) carries out the day-to-day operations of the Administration Program. Reporting to him is the LE-06 Consular/Administrative Assistant, the LE-04 Consular/Receptionist and the Driver. The MAO has had Consular, Office Manager and Property and Materiel Management training. He has yet to receive IMS training. He finds the MCO in Guatemala City to be very supportive.

4.1.2 The role of the MAO has recently been re-structured. Prior to April 2002, the MAO supervised and assisted the Consular/Administrative Assistant and handled all Administration except for Finance. The Consular/Administrative Assistant served Consular clients and did the Mission's accounting. This arrangement resulted in both Consular and Accounting operations falling behind. The fact the Consular/Administrative Assistant's office is shared with three other employees, where there is a busy photocopier, did not help.

4.1.3 The MAO's new role is restricted to Administration while the Consular/Administrative Assistant is doing strictly Consular work. The MAO oversees the Consular Program and backs up the Consular/Administrative Assistant. At the time of the audit, there was no backlog of work.

4.2 Human Resources

4.2.1 The Hub Mission is heavily engaged in the Human Resources management that affects this Mission. Competition boards generally include an employee from Guatemala City and competition files are retained in Guatemala City. Forms for carrying out the Enhanced Reliability Checks (ERCs) are completed in San Salvador but the actual ERC and checking of references are performed in Guatemala. Personnel files are kept in Guatemala City although this Mission is now attempting to build its own files, i.e., CVs and job descriptions. Leave and attendance records are also maintained in Guatemala City where it is well controlled. When an MCO position is added to San Salvador, Human Resources responsibilities will have to be examined to determine if more responsibility should be repatriated to San Salvador.

4.2.2 The LES job descriptions were updated in September 2001 by the Hub. Because of the recent redistribution of work between the MAO and the Consular/Administrative Assistant, a lack of coincidence exists between the actual duties and their job descriptions. The duties again will change when the new MCO arrives. Position descriptions, when updated last year, were never reviewed by the Classification Committee at the Hub.

Recommendation for the Mission

- 4.2.3 Job descriptions for Administration and Consular Programs should be re-written to reflect the actual duties of the positions. This should await the arrival of the new MCO.**

Mission Response

- 4.2.3 With the arrival of the new MCO in August 2002, the job descriptions were re-written in October.**

Recommendation for Guatemala City

- 4.2.4 Job descriptions for the LES in San Salvador should be submitted to the Classification Committee to ensure their appropriate classification status.**

Guatemala City Response

- 4.2.4 The new job descriptions will be reviewed by the Classification Committee.**

4.2.5 The Mission has been employing an individual to assist the Immigration Case Analyst for the past three and one-half years on a series of emergency contracts. This is a “fenced” position for which Citizenship and Immigration Canada (CIC) is providing the funding. There is no position number. Given the long term requirements for this position and the employer-employee relationship that the current arrangement connotes, this position should be regularized.

Recommendation for the Mission

- 4.2.6 Regularize the position of Assistant to the Immigration Case Analyst.**

Mission Response

- 4.2.6 The position has been classified as an indeterminate LE-05. Approval of the costing templates at CIC was undertaken in November 2002.**

4.3 Physical Resources

4.3.1 The MAO manages Physical Resources which include a Crown-Leased Chancery and two Crown-Leased Staff Quarters (SQs). Since November 2001, storage space has been leased. SQs offer good housing in a secure environment and require

little maintenance. The Mission Property Management Plan (MPMP) and information in PRIME, which is prepared by the Hub, are up-to-date. Inventories for the Chancery, the two SQs and informatics equipment are current.

4.3.2 Chancery space is tight but the floor above the Chancery is available. The landlord is prepared to lease the whole floor which is far more than the Mission requires. However, with a high vacancy rate and with the second phase of the Trade Centre to be built shortly, acquiring only the space required may be possible.

4.3.3 Storage space was acquired to store surplus furniture resulting from the move by the Chargé into a new SQ and being provided new furniture at the time. This storage is costing US \$500 per month. The Mission acknowledges that it should dispose of this furniture to avoid these high costs.

Recommendation for the Mission

4.3.4 The Mission should dispose of its surplus furniture as soon as possible.

Mission Response

4.3.4 This recommendation has been implemented.

4.4 Finance

4.4.1 The MAO is the Mission Accountant. The Mission's Reference level is set at \$656,777 but the MCO in Guatemala City forecasts a deficit of \$70,000 because rent for the new Chancery had not been adjusted at Headquarters. The Mission is financed through a standing advance of US \$20,000 issued to the Chargé. The Mission maintains an unofficial bank account (not in IMS or registered with the Receiver General) in the name of the Office of the Canadian Embassy. This account is reimbursed twice monthly from Guatemala City based on the disbursements submitted. The advance was increased in January 2002 from US \$10,000 as a result of cheques being refused because of insufficient funds in the account. The overdraft protection level was also increased from US \$500 to US \$5,000. The Mission does not have access to IMS, the Department's financial management system. Mission accounts for one full month were reviewed and found to be in order.

4.4.2 The Mission issues between 70 and 80 cheques each month. The average monthly disbursements range between US \$18,000 and \$19,000, excluding salaries and rents which are paid by the Hub. The LES payroll is prepared by the Accounting staff in Guatemala City. A Quattro-Pro spreadsheet listing revenues and expenditures is submitted to Guatemala City once a week for input into IMS. Every two weeks, the bank account in San Salvador is reimbursed the expenditures less the

revenues collected and retained. Consular revenues are received in cash and deposited twice weekly. The Immigration revenue, on the other hand, is received by cheque or bank draft and forwarded daily to the Hub along with the relevant documentation by courier for deposit and processing. The reason for not depositing this revenue into the Mission's bank account could not be explained.

4.4.3 This Mission does not know its reference level. It has no input into the budgetary process. The Chargé has discretion to spend up to \$500 and the MAO \$100 but must seek MCO approval for anything larger. The Mission had not received any financial reports dating back to December 2001. Moreover, bank reconciliations had not been done by the Mission since October 2001. (The MCO reconciled the account during the audit.) There is a need to more actively engage San Salvador in the budgeting process and review its current discretionary spending limits. Consideration should also be given to setting up an official bank account for the Mission and giving San Salvador "read only" access to IMS. IMS will resolve the financial reporting issue but will necessitate that IMS financial training be given to the MAO.

Recommendations for SMFF

- 4.4.4 **Consideration should be given to providing the Mission with its own official bank account.**
- 4.4.5 **The Mission should be given "read only" access to IMS and the MAO should be provided IMS training.**
- 4.4.6 **The forwarding of San Salvador's Immigration revenues to the Hub should be examined with a view to depositing it into San Salvador's own bank account.**

SMFF Responses

- 4.4.4 **SMFF has been in contact with the Mission who is in the process of regularizing the San Salvador "unofficial account". It should be recognized that this carries with it workload issues for the Mission.**
- 4.4.5 **SMFF fully supports the Mission having "read only" access to IMS, and the Mission is investigating band width issues.**
- 4.4.6 **SMFF has advised the Mission that all Immigration revenue should be deposited into San Salvador's bank account.**

Recommendation for Guatemala City

- 4.4.7 San Salvador should be more engaged in the budgetary process with the Hub, and San Salvador's discretionary spending limits should be reviewed.**

Guatemala City Response

- 4.4.7 Responsibility for budgetary process and planning is now the purview of the new CBS MCO with the support of the Hub. Discretionary spending limits will be revised and increased with Hub approval.**

Payment Processing

4.4.8 Spending authority (Section 34 FAA) is exercised by San Salvador while payment authority (Section 33 FAA) is exercised by the Hub. Two signatures are required on cheques, including at least one by a Canada-based employee. Occasionally two LES have signed cheques when no Canada-based employee has been available. Cheques generally vary between US \$50 and \$2,000. The Mission maintains a petty cash fund of US \$350 and individual transactions are capped at US \$25. The number of cheques could be reduced with greater use of the petty cash fund. The petty cash fund can be increased to \$2,000 and individual transactions can go as high as \$200, which would eliminate much of the paper work and required signatures.

4.4.9 Cheques are being released to suppliers before Section 33 is authorized by the Hub. There is a need for San Salvador to wait until the transaction has been duly authorized and input into IMS before releasing the cheque. Arrangements at other Spoke missions call for the Hub to produce a Section 33/34 FAA report from IMS and fax it to the Spoke prior to the Spoke paying its suppliers.

Recommendations for the Mission

- 4.4.10 Cheques should always contain two signatures, one of which is from a Canada-Based employee.**
- 4.4.11 The petty cash fund and the individual transaction limit should be increased to reduce the need to make payments by cheque.**
- 4.4.12 Cheques should not be released until receipt of the Section 33/34 FAA IMS report from the Hub.**

Mission Responses

- 4.4.10** **The MCO's name has been added to bank signing card for Section 33 FAA. All cheques will have two signatures, one of which will be of a CBS.**
- 4.4.11** **This has been implemented with the arrival of the new MCO.**
- 4.4.12** **The new MCO is signing Section 33 FAA and documentation continues to be forwarded to the Hub for IMS processing.**

4.5 Information Management

4.5.1 Technical support is provided by the Systems Administrator (SA) in Guatemala. The Chargé is the designated SIGNET Support Assistant but has not been trained, nor does she have the time to undertake this role. During the last fiscal year, the SA visited the Mission on six different occasions. The Mission would welcome increased visits from the SA. The SA last visited the Mission in December 2001 but a trip is planned for after the audit.

4.5.2 The Mission is equipped with ten SIGNET and four stand-alone PCs. The Mission is continuously encountering technical problems, many of them minor (e.g., printer problems), which are not solvable in-house. While the Mission has had the MM 2000 micro-mission upgrade, users complain the system is not quick and effective. There is frustration with the time it takes to download material and access e-mail.

4.5.3 By definition, this Mission no longer is classified as a "micro-mission" for technology purposes. With ten knowledgeable workers, it appears to qualify, according to SXD criteria, to have its own mini-server. Currently, the Mission's server is located in Mexico. The SA indicated that a mini-server in San Salvador would ease many of the woes staff are experiencing. The designation of another individual, i.e., the Receptionist, to be the SIGNET Support Assistant (she has the time and interest) should also be considered to solve many of the minor technical issues that emerge each day. The individual would need to work closely with and be fully trained by the SA in Guatemala City.

Recommendation for SXD

- 4.5.4** **SXD should consider installing a mini-server in San Salvador given the number of knowledgeable workers and the frustrations currently experienced by Mission staff.**

SXD Response

- 4.5.4** It is true that San Salvador has reached an upper limit of our IT support threshold range and has been identified as one of the 21 missions around the world that have become critical pressure points. We are reviewing these missions to determine what the IT costs for upgrading might be, including the space and security issues which must be addressed. Funding for any increased service must be negotiated between SXD, SRD and the AMAs. A sub-Committee of the Committee on Representation Abroad (CORA) is studying how best to address funding issues for infrastructure upgrades due to growth in missions. It is our understanding that the Mission space in San Salvador is going to be expanded and space for a server room (DCC) will be included.

Recommendation for the Mission

- 4.5.5** The Mission should designate someone other than the Chargé to be the SIGNET Support Assistant and this individual should be provided the necessary training by the Systems Administrator in Guatemala to effectively fulfill this role.

Mission Response

- 4.5.5** The new MCO, a former Systems Administrator himself, is now filling this position.

MISSION RESOURCES FACT SHEET - SAN SALVADOR

HUMAN RESOURCES (FTE)

	CBS	LES	TOTAL
POLITICAL/PUBLIC AFFAIRS	1	1	2
TRADE		1	1
IMMIGRATION		1	1
ADMINISTRATION/CONSULAR		4	4
DEVELOPMENT	1		1
TOTAL	2	7	9

PHYSICAL RESOURCES

ASSETS	CROWN-OWNED	CROWN-LEASED
CHANCERY		1
SQs		2
VEHICLES	1	

FINANCIAL INFORMATION 2001-2002

LES SALARIES	\$ 257,434
OPERATIONAL	378,843
CAPITAL	18,000
CB OVERTIME	2,500
TOTAL	\$ 656,777