

DEPARTMENT OF  
FOREIGN AFFAIRS

DEPARTMENT OF  
INTERNATIONAL TRADE

OFFICE OF THE INSPECTOR GENERAL

**AUDIT**  
**OF**  
**THE CANADIAN EMBASSY**  
**MEXICO CITY**  
**(including Monterrey and Guadalajara)**

**June 2003**

**Audit Division ( SIV )**

## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
MANAGEMENT OF THE MISSION .....	5
1.1 Overview .....	5
1.2 Management of Workload and Resources .....	5
1.3 Deputy Head of Mission .....	8
1.4 Consulate General in Monterrey .....	8
1.5 Committee on Mission Management (CMM) .....	9
1.6 Resource Proposals .....	9
1.7 Visits Management .....	10
1.8 Chancery Accommodation .....	10
1.9 Communications .....	11
1.10 Contracting with Individuals .....	12
1.11 Overtime, Compensation Time and Leave Policy .....	13
GENERAL RELATIONS PROGRAM .....	15
2.1 Overview .....	15
2.2 Congressional Affairs .....	17
2.3 Political Section and Economic Section .....	18
2.4 Public Affairs .....	19
INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM .....	21
3.1 Overview .....	21
3.2 Program Management .....	22
3.3 Client Services Fund (CSF) .....	23
3.4 New Approach .....	24
3.5 Resources and Work Load .....	25
CONSULAR PROGRAM .....	28
4.1 Overview .....	28
4.2 Service to Canadians and Passports .....	29
4.3 Honorary Consuls .....	29
ADMINISTRATION PROGRAM .....	34
5.1 Overview .....	34
5.2 Human Resources .....	36
5.3 Physical Resources .....	41
5.4 Finance .....	43
5.5 Information and Technology Management .....	50
GUADALAJARA .....	53
6.1 Overview .....	53
6.2 Office Space .....	53
6.3 Staffing .....	54

MONTERREY .....	56
7.1 Overview .....	56
7.2 Staffing .....	57
7.3 Travel and Hospitality Budgets .....	58
APPENDIX A .....	59
SUMMARY OF RESOURCE INCREASES .....	59
APPENDIX B .....	60
MISSION RESOURCES FACT SHEET - MEXICO CITY .....	60
APPENDIX C .....	61
MISSION RESOURCES FACT SHEET - MONTERREY .....	61
APPENDIX D .....	61
MISSION RESOURCES FACT SHEET - GUADALAJARA .....	61

## EXECUTIVE SUMMARY

An audit of the General Relations (GR), International Business Development (IBD), Consular, and Administration Programs in Mexico was conducted in Mexico City during the period March 3 to 14, 2003. The Trade Consulates in Guadalajara and Monterrey were audited during the period March 10 to 12, 2003. Three of the seven Honorary Consuls in Mexico were visited during the period March 10 to 13, 2003 (Acapulco, Oaxaca and Puerto Vallarta). Mexico was last audited in June 1998.

### MANAGEMENT OF THE MISSION

The Mission is undergoing a workload crisis caused by the increasing importance of Mexico as a country of bilateral and multilateral priority, and by a large and continuing number of high level visits. Resources by no means have kept pace with the workload. Although excellent results have been achieved to date, Mexico is handling this workload at a pace that is unsustainable. The effects of the resultant pressure on staff in terms of stress and burnout are evident. A twofold solution is required. First, the Mission's immediate resource needs must be addressed. Instances are cited where this is already taking place. Second, Mission management with help from Headquarters must alter its approach to dealing with the workload, and take immediate steps to improve staff morale and alienation. A number of interpersonal actions for management to implement are set out, including the adoption of established departmental approaches (e.g. e<sup>3</sup>)<sup>1</sup> that are aimed at reducing the problems caused by workload vs. resource imbalances.

Mexico's increasing size and importance also creates a need for a Deputy Head of Mission position for the Embassy, and Consul General status for Monterrey. The former would spread the managerial load of the Head of Mission (HOM), and the latter would improve coverage of Northern Mexico and reduce some of the Embassy's workload.

Chancery overcrowding is being addressed by a combination of internal office space rationalization and by having the Canada Education Centre (CEC) vacate the office space they occupy on the ground floor. The CEC will move out when their MOU with the Department expires in March 2005.

---

<sup>1</sup>e<sup>3</sup> = equilibrium, effectiveness and excellence. This is a departmental approach to striking a balance between clear priorities and the resources available to achieve them. It is a formal process that seeks to find new ways of doing things and new ways for staff to organize for the identification and delivery on priorities. It is also an informal process, a way of thinking about activities, objectives and clients.

The establishment of a proposed visits unit as a common service within the Administration Program should reduce the administrative and logistical burden of visits on Mission programs.

## **GENERAL RELATIONS PROGRAM**

Mexico is a key bilateral relationship, as set out in the Department's Strategic Priorities. Workload has escalated dramatically since the election of the new Mexican government in 2000, and the program has established an enviable record of excellence and effectiveness. Nevertheless, the Program is experiencing the same unsustainable workload pressures as the rest of the Mission. In partial recognition of this, an additional FS 01 Officer will be assigned to the Political Section in the Summer of 2003. Communications and strategic planning need to be strengthened through periodic staff retreats and planning sessions, and more area travel and outreach are needed to enhance exposure to all areas of the country. The Congressional and Public Affairs Section represents too large a span of control for one manager, given the growing importance of each unit. Congressional relations should be transferred to the Economics Section for the short term, leaving the re-titled Public Affairs Section to be headed by a specialist in that field. Recommendations are raised on resource issues. Library services need to be upgraded and refocused so that the Mission's programs are better served.

## **INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM**

### **(a) Mexico City**

The Mexico IBD Program has experienced considerable workload increase over the last three years with no anticipated let-up foreseen in the near future. The Program clearly lacks sufficient resources to meet current operational demands as evidenced by the largely uncompensated overtime routinely worked by all IBD staff to keep up with the workload. The creation of an additional Commercial Assistant position has been recommended. Increased delegation of responsibility to the Deputy Program Manager and other Canada-based staff (CBS) Officers should alleviate the time spent by the Program Manager on administrative functions. Generally, good program design exists, but there is scope for improvement in the areas of communications and teamwork. Annual tri-post staff retreats with participation from Headquarters should be convened for team building and strategic planning purposes.

### **(b) Guadalajara**

The Consulate in Guadalajara is hard pressed to keep up with an expanding IBD and Consular workload. It suffers from lack of office space, but additional space could be leased. Such space would also be required for an

incremental Commercial Assistant and Commercial Officer, which are supported by the Audit Team.

### **(c) Monterrey**

The Consulate in Monterrey is facing increasing client demand to provide a wide range of programs and services in northern Mexico in support of bilateral relations. Monterrey as a Consulate General, with a commensurate increase in resources, would be better placed to deal with the breadth and depth of this workload. Recommendations are raised to provide for an incremental Commercial Assistant and Commercial Officer, and increased travel and hospitality budgets.

### **CONSULAR PROGRAM**

Mexico is the Department's most sensitive consular program, given the large numbers of Canadian tourists and residents and the ten points of consular service delivery in the country. In general, the Program is running well, and Mission management and Headquarters are closely monitoring issues of client service quality. Given the importance of the Honorary Consuls to the program delivery network, serious attention should be focussed on their remuneration, so that it is commensurate with effort expended.

### **ADMINISTRATION PROGRAM**

Growth in DFAIT and Other Government Department (OGD) programs in the Embassy and Consulates, and the number of provincial and other chancery co-locators need to be accompanied by an appropriate growth in administrative staff. The current imbalance is being addressed by the arrival during the Summer of 2003 of a fourth CBS Deputy Management/Consular Officer (MCO), and a request to regularize a locally-engaged staff (LES) Property Assistant contract position. Recommendations are raised for additional resources for fiscal year (FY) 2003-2004.

A series of recommendations are raised to put in place the elements described in Management of the Mission that are required to raise staff morale and rebuild confidence and trust. They address conditions affecting the entire mission.

The Department needs to find an IMS solution to the problem of shadow accounting systems. Although the Mission considers it a best practice to maintain a large number of manually-updated spread sheets to track financial expenditures, the Department should provide system-generated, user-friendly reports for management that would eliminate the need for missions to invent their own reports. This same situation has been observed during other mission audits. Mexico's financial systems are running well, and recommendations are raised to fine-tune procedures, and to provide an incremental Assistant Accountant position.

A telecommunications annual work plan should be developed so that an equitable balance can be established between the Mission's needs, its responsibilities in Mexico to maintain the MITNET hub for nine offices, and the needs of the eight missions that have to be served by regional travel. A third telecommunications specialist may be required. Accountability Agreements should be established between the Mission, HQ and the SAs and ELs that clearly set out priorities, objectives and expected results.

## **RECOMMENDATION STATUS**

A total of 67 audit recommendations are raised in the report; 64 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 67 recommendations, management has stated that 46 recommendations have been implemented. For each of the remaining 21 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 Head of Mission (HOM) who is completing his three-year assignment in the Summer of 2003. The Mission is based in Mexico City, and is responsible for all of Mexico. There are no other countries of accreditation. The Mission has two Consulates headed by Consuls and Trade Commissioners (Guadalajara and Monterrey), and seven Consulates headed by Honorary Consuls (Oaxaca, Mazatlan, San Jose del Cabo, Tijuana, Acapulco, Cancun and Puerto Vallarta). The Honorary Consuls in the latter three Consulates operate full-time delivering the Consular Program, and employ staff hired as locally engaged staff (LES) of the Embassy.

1.1.2 There is a basic issue impacting on the Mission that will require the involvement of the HOM, the Program Managers and the participation of various HQ organizations to resolve. The issue is pressure on staff caused by the pace and intensity with which management is approaching Mexico's workload. The effects of overwork and stress are well-known, such as burnout, resentment, insularity, defensiveness, fear of approaching management and apathy regarding creative problem solving. With few exceptions the Audit Team noted these attributes in varying degrees throughout the Mission. Providing incremental resources alone would never be sufficient to deal with the workload, and would not address the main problem. Management must alter its approach to workload and its manner in dealing with staff. If the following basic steps are taken in combination morale could be re-established and sustainable teamwork begun:

- apply established departmental approaches to reconciling priorities and available resources;
- improve communications;
- maintain a respectful workplace;
- recognize employees' efforts; and,
- demonstrate transparency of Mission procedures.

Recommendations on the foregoing are raised in the Human Resources section of the report.

### **1.2 Management of Workload and Resources**

1.2.1 The Mission is experiencing in severe form the familiar departmental problem of expanding workload and finite resources. In Mexico demanding bilateral and tri-lateral programs are compounded by large numbers of high-level visits. Resources have by no means kept pace with workload over the past decade, while the



importance of Mexico as a country of priority has grown considerably. The Mission's paper on "Personnel Pressures and Recommendations", February 2003, together with the extensive documentation prepared by each Program Manager for the audit visit describe the workload situation accurately.

1.2.2 The result of Mexico's workload vs. resource imbalance is a formidable pressure on staff to deliver results. They have accomplished this to a commendable degree, but at a pace that the Audit Team believes is unsustainable. Staff can be expected to perform at peak effectiveness for short periods in order to meet special demands, but in Mexico there has been no letup in the demand, and virtually no periods where staff can pause to catch their breath. There has been heavy use of contract personnel to compensate in part for resource limitations.

1.2.3 The effect of this pressure on staff is stress, burnout, poor communication (e.g., some program "stove piping", and a gap between CBS and LES), and the general emergence of a siege mentality. When combined with uncompensated overtime and instances where respect in the workplace has not been maintained, it has generated poor morale and a sense of alienation between staff and management. Comments to this effect were noted by the Audit Team in virtually every interview with staff.

1.2.4 Over the past years the Department has developed three related approaches to the problem of workload vs. resource imbalances: the New Approach@Work, e<sup>3</sup>, and the New Strategic Planning and Priorities Framework that was launched on November 28, 2002. The latter Framework includes the former two approaches as modern management and "working smarter" priorities. All three approaches embrace common themes of key relevance to Mexico: the establishment of priorities, the focus on effectiveness, and a basis to challenge new demands, including saying "no".

1.2.5 The Audit Team found that the Department's approaches were not being effectively applied in Mexico. "Working Smarter" was replaced by "working harder", and e<sup>3</sup> was replaced by e<sup>2</sup>. Certainly effectiveness and excellence were present in good measure, owing to the quality of the staff and the record of their accomplishments to date. There was no evidence however that the Mission was working toward equilibrium, i.e. of achieving "... a balance between clear priorities and the resources required to achieve them." Neither was there much evidence of "working smarter", i.e. of finding creative ways to meet priorities with less effort and stress.

1.2.6 Incremental resources are necessary but not sufficient for Mexico to approach the equilibrium as it is embodied in the e<sup>3</sup> initiative. On one hand the Audit Team supports a number of the incremental resource requests listed by the Mission in the "Personnel Pressures and Recommendations" paper referred to earlier. These are described in various sections of the report, and summarized in Appendix A. On the other hand, the Team stresses the importance of Management's improving its approach to dealing with workload and with staff. A new engagement between management and

staff must be developed that is aimed at repairing the damage done to morale and rebuilding staff confidence and trust. Such an engagement will have to be built carefully and deliberately, so that staff can see that Management is committed to improvement.

1.2.7 This engagement would have the following as its main elements:

**Approach to Workload:**

- create an environment where e<sup>3</sup> can be adopted.

**Communications:**

- Improve communications throughout the Mission. Workload pressure, stress, fear, and low morale have combined to produce two interrelated effects that inhibit performance - poor communications and absence of creative problem solving. In the current atmosphere staff have neither the time, energy or willingness to work together to find better ways to get things done. Creative teamwork requires good communication. (See Recommendation 1.9.3.)
- Use the Committee on Mission Management (CMM) process and minutes distribution to keep staff informed on management issues under consideration, and hold the monthly all-CBS meetings more frequently, with the discussion base broadened to include management topics. (See Recommendation 1.5.3.)
- Issue an approved LES Handbook that sets out all of the rules, regulations, terms and conditions and benefits of employment, and all local policies and procedures related to LES employment. In this connection the Audit Team supported the visit by HRL (Locally-Engaged Staff Division) to the Embassy and the Trade Consulates that took place in June 2003, in order to approve and issue the Handbook, improve the benefits package, and to answer LES questions at first hand. (See Paragraph 5.2.3 and Recommendation 5.2.13.)
- Inform all staff about groups in Headquarters that can be consulted on issues of concern, i.e., HRL (Locally Engaged Staff desk officers), HRP - Staff Relations (conflict of interest, harassment), SIX - Inspector General (wrongdoing in the workplace), NCX - Ombudsman (informal resolution of problems), HPDA - Employee Assistance (personal counselling), CFSD - coaching on behaviour, plus training).

## **Improving Morale:**

- Demonstrate transparency and due process in personnel and contracting transactions, through a communications process, in order to dispel misconceptions and misunderstandings that may persist on the nature of these processes.
- Establish a formal “zero-tolerance” policy for unprofessional behaviour within the Embassy and Consulates, as a specific aspect of maintaining a respectful workplace. (See Recommendation 5.2.9.)
- Arrange with CFSD (Centre for International Affairs Learning and Management Development) for professionally facilitated team-building and employee empowerment courses, in order to build staff self-confidence and a sense of being an important part of the Mission. HPDA (Employee Assistance Program) should also be consulted in this regard. (See Recommendation 5.2.6.)
- Demonstrate that the LES are part of the Mission and that their contributions are valued.

Recommendations on the foregoing are set out as indicated above, or in the Human Resources section (paragraph 5.2) of the report.

### **1.3 Deputy Head of Mission**

1.3.1 Given the size of the Mission, the complexity of the issues, the number of OGDs, and the presence of the Consulates, consideration should be given to the creation of a Deputy Head of Mission position. This would provide greater focus on management issues and co-ordination between programs in the Embassy, and between the Embassy and the Consulates. Similar to corresponding positions in other large missions, the Deputy Head of Mission would focus on the management of the Mission, leaving the HOM free to concentrate on bilateral and other ‘outward-looking’ issues.

### **1.4 Consulate General in Monterrey**

1.4.1 With the growing importance of northern Mexico to Canadian interests, consideration should be given to upgrading the Consulate in Monterrey to the status of a full Consulate General. Initially set up to deliver the IBD Program in northern Mexico, Monterrey is now responding to an increasing demand for services commensurate with the growth of Canada’s presence in the region bordering on the southern US states. This is also the entry point for most goods, including Canadian, flowing south. This would also take some of the pressure from the other programs in the Embassy.

## **1.5 Committee on Mission Management (CMM)**

1.5.1 Currently the CMM is composed of the HOM and the three DFAIT Program Managers, who meet once a week. Minutes are prepared and circulated to all Embassy and Consulate CBS, and NMX in Ottawa. The sub-committees of the CMM include: Personnel, Occupational Health and Safety, Contract Review Board, Housing, Fine Art, and the Canada Fund. Once a month there is a Staff Meeting of all CBS staff, including Guadalajara and Monterrey by conference call speaker phone. Minutes of the monthly Staff Meeting are distributed to the same CMM minutes addressees, plus other DFAIT and OGD addressees in Ottawa.

1.5.2 The Audit Team felt that the composition of the CMM, being confined to the HOM and only DFAIT program managers, was somewhat small and exclusive, as the OGD program managers were not included. The Mission responded to the effect that anything larger would be unwieldy, and that all CBS were included in the monthly Staff Meetings. The Mission may wish to consider expanding the composition of the CMM in particular, and reviewing the Mission's committee structure in general. In the meantime, the monthly Staff Meetings should be held more frequently, and the content should go beyond discussion of current activities to include broader management issues, especially those touching on staff welfare.

### **Recommendation for the Mission**

**1.5.3 Convene the current monthly CBS Staff Meetings on a more frequent basis, and extend the discussion subject matter to include management issues.**

### **Mission Action and Time Frame**

**1.5.3 Agree that these meetings should be held more frequently, workload permitting. Management issues will continue to be included for the benefit of all CBS.**

## **1.6 Resource Proposals**

1.6.1 As mentioned earlier, Appendix A summarizes the Mission's resource proposals that are supported by the Audit Team, and for which the Mission will be building business cases. Two CBS and one LES Assistant positions have already been approved. For FY 2003-2004 the Audit Team is supporting the Mission's requests for two LES Officer and eight LES Assistant positions.

1.6.2 It is imperative that growth in DFAIT program and OGD resources be matched by the appropriate number of administrative staff. The administrative resources supported in this report will serve to redress a previous imbalance between

common services support and resources in the rest of the Embassy. A Deputy Management/Consular Officer (DMCO) is one of the two CBS positions that have already been approved, and three of the eight LES Assistant positions above are for the Administration Program. Common services support should always be kept in balance with the size and needs of the Embassy, including all of the Consulates, and the Mission's regional responsibilities in Telecommunications and Finance.

1.6.3 Agriculture and Agrifood Canada (AAFC) are posting a CBS Officer to the Embassy for the Summer of 2003, and DFAIT is requesting LES support for this position as one of the eight LES Assistants mentioned above. To be effective, CBS Officers must be adequately supported.

1.6.4 The balance of the FY 2003-2004 LES resources mentioned in 1.6.1 are for DFAIT programs in the Embassy and the Trade Consulates.

## **1.7 Visits Management**

1.7.1 Visits management is a specific aspect of Mexico's workload that requires special attention. The Mission is experiencing now the same explosive growth in workload, especially in high level visits, that Beijing experienced a number of years ago when China opened up to Western contacts. There are lessons to be learned from Beijing's experience. The Audit Team recommends that the Mission establish a dedicated visits and logistics unit, as a mission common service, patterned largely after Beijing's unit. This could be considered a "working smarter" approach. The purpose of the unit would be to reduce the disruption caused by visits by specializing in their common aspects, thereby leaving management free to concentrate on the substantive aspects of the visit. Mission ongoing workload would also be less disrupted. A key element of the unit's operations will be the matching of standards of service provided for the visit to the priority of the visit, keeping in mind the services provided by Mexican protocol to various levels of VIP foreign visitors.

1.7.2 Such a visits unit would not be established overnight. An audit team visiting Beijing approximately five years after the initial creation of its Unit found the unit to be working well and providing a good level of service. It had experienced considerable evolution and development over this period, and various reporting relationships. It now reports to the MCO, as should Mexico's proposed unit. See Recommendations 5.1.11 and 5.1.12.

## **1.8 Chancery Accommodation**

1.8.1 Chancery office accommodation is of concern for the management of the Mission. Demand for office accommodation caused by growing numbers of DFAIT, OGD and provincial staff is placing a considerable burden on an already crowded Chancery. The Mission has a space management plan for the Chancery which has been sent to HQ for consideration. During the audit the Departmental Library (SXKL)

team reviewed the Mission Library and among other recommendations indicated that space could be made available by culling the existing collection and removal of un-needed furniture. The Canada Education Centre (CEC) which occupies space on the Chancery's ground floor will be leaving when its MOU with the Department expires in March 2005. Although there is over-crowding, internal re-allocations are expected to deal with the problem until the CEC departs.

## **1.9 Communications**

1.9.1 As mentioned earlier, Mexico needs to improve communication throughout the Mission in all its dimensions, including intra-program, cross-program, CBS/LES, and management/staff. Policies need to be reviewed and explained openly, so that all staff understand the basis for management intervention. Allowing the LES Committee to meet during working hours would be a good first step. Retreats should be held on a regular basis, some of which can be assisted by outside facilitators, including from HQ. Given the Mission's size and awkward office layout, the HOM and Program Managers need to be diligent in ensuring that:

- (a) information from the CMM and the Canada-Based Staff Meetings is communicated to the LES;
- (b) regular and formal meetings should be held more frequently (e.g., bi-weekly);
- (c) meeting content is enriched to include discussion of management issues, strategies, plans and priorities, and includes input from staff. Such meetings should be more than an occasion for announcements and one-way transfers of information on upcoming events;
- (d) horizontal communication takes place as necessary on issues and projects of cross-program relevance. A best practice in this regard is the inter-program communication that takes place between Trade Policy and the Congressional Affairs; and,
- (e) an atmosphere of freely flowing communications is encouraged, as a necessary basis for productive teamwork.

1.9.2 Implementation of the above five elements horizontally and vertically should provide the communications framework necessary for effective teamwork and creative problem solving. In this respect the Embassy IBD Program staff have already held a retreat and are planning a IBD tri-post plus HQ meeting in the autumn.

## **Recommendation for Mission**

- 1.9.3 Improve the content, frequency and participation of staff meetings and project meetings, and encourage freely-flowing communications throughout the Mission as an essential element of creative teamwork.**

## **Mission Action and Time Frame**

- 1.9.3 Implemented as feasible. Regularly scheduled meetings are held by all Programs, as well as augmented by Program Staff retreats (IBD, GR, and Administration/Consular).**

## **1.10 Contracting with Individuals**

1.10.1 Given the general need for resources, the Mission has been contracting with individuals in order to meet workload demands, whether episodic or ongoing. The limitations on contracting with individuals in the Treasury Board and DFAIT guidelines are specifically designed to avoid establishing employer/employee relationships by means of contracts. In the first place, there is no authority to remunerate employees other than by salary to individuals in duly established positions, and in the second place, such situations are inequitable vis-à-vis the contractor's benefits as compared to an employee's benefits. In general, the Mission should review all service contract situations with a view to determining if an employer/employee situation exists. If such a situation exists and the need is ongoing, and funding is available, then the position should be regularized. Contracts longer than 20 weeks establish an employer/employee relationship, and the cooling off period between contracts with the same individual is three months. An alternative to regularization is to enter into third-party contracting arrangements.

1.10.2 The Audit Team noted the following contract situations should be reviewed from an employer/employee point of view, and the appropriate action should be taken:

- Cultural Affairs Officer (conversion to indeterminate status - paragraph 2.4.2);
- Property Assistant (conversion to indeterminate status - paragraph 5.1.4);
- IBD Contact Database Contractor - Guadalajara (to review);
- IBD Contact Database Contractor - Monterrey (to review)

## **Recommendation for the Mission**

- 1.10.3 Review all contracts with individuals to determine if an employer/employee relationship exists, and if so either regularize the position, eliminate the situation, or else turn it into a third-party contract.**

## **Mission Action and Time Frame**

- 1.10.3 Term positions (2) in Congressional Relations, contracts for Property Assistant, and one IBD assistant each in Monterrey and Guadalajara will be regularized on July 1, 2003 to full indeterminate LES status.**

## **1.11 Overtime, Compensation Time and Leave Policy**

1.11.1 The problems for staff of balancing visits workload and ongoing workload are compounded by Mission policies on overtime, compensation time, and annual leave. Overtime is only compensated for time directly associated with participation in a visit or event; daily or routine overtime to prepare for these events and to continuously play "catch up" after the event is not compensated. The time spent on incoming mission and senior level visit preparations (especially logistics) means the day-to-day work of serving clients is suffering. Depending on workload volumes and patterns, there are many times when staff are not allowed to take earned compensation time and annual leave. However, toward the end of the fiscal year, staff are then obliged to take earned leave as time off work, because of insufficient funds to compensate them in cash. This forces staff to take leave at inconvenient times of the year. Due to the lack of communication between management and staff, there was a misconception that unused leave in excess of the maximum permissible carry-over of five days would be lost. After investigation the Audit Team found no instances of lost leave.

1.11.2 Although all Mission programs are subject to the foregoing policies and practices, their effects are particularly felt in the IBD Program at Mission and at the Consulates. Together with excessive use of contractors, they are examples of management in the face of heavy workload pressure.

## **Recommendations for the Mission**

- 1.11.3 Undertake a reality-based review of overtime requirements and salary budgets, and recommend the appropriate amounts to be built into program budgets in order to compensate Mission staff appropriately, and to avoid fiscal year-end budget shortages.**



- 1.11.4** In consultation with HRL, examine the requirement for a five-day maximum leave carry-over policy with a view to replacing it with an equitable maximum leave carry-over policy.

#### **Mission Actions and Time Frames**

- 1.11.3** A reality-based review of overtime requirements is undertaken at the beginning of each fiscal year. Overtime is compensated for all staff who present claims which have been approved and signed by managers for pre-approved overtime. Management will continue efforts to oversee overtime budget and application of new policies which will be implemented as result of change to benefits in the fall. The CBS overtime budget was raised for a fourth time to CAD 60,000 in light of continuous high level visits.
- 1.11.4** HRL and Mission will carry out a full-scale benefits survey in early June which will revisit the five-day maximum leave carry-over provision and add an extension of six months to the time that LES can now take their leave, as well as do away with carry-overs.

## GENERAL RELATIONS PROGRAM

### 2.1 Overview

2.1.1 The GR Program is headed by a Minister-Counsellor at the EX-02 level. He is assisted by three CBS Officers at the FS-02 level who are in charge of the Political, Economic, and Congressional and Public Affairs Sections, respectively. The Minister-Counsellor is in the first year of his assignment. At the time of the Audit, he had been active in his assignment for approximately three months, following a period of Spanish language training that commenced soon after his arrival.

2.1.2 The Minister-Counsellor is supported by a CBS Assistant (SCY) and an LES Assistant. The Political and Economic Sections are each supported by a Locally-Engaged Program Officer (LEP) Analyst at the LE-09 level.

2.1.3 The Congressional and Public Affairs Section has two units. The Congressional Affairs unit is staffed by a term LE-08 Officer and a term LE-06 Assistant. The Public Affairs unit consists of Academic Relations, Information and Media Relations, Cultural Relations, and the Mission Library. The three relations areas are each staffed by an LEP at the LE-09 level. The Mission Library is staffed by a Head Librarian at the LE-07 level, and two LES Assistants. During the course of the audit the Library was reviewed by two librarians from the departmental Library in Ottawa (SXKL), and their final report dated April 4, 2003 has been circulated to the Mission. Their main recommendations are included in this report.

2.1.4 The GR Program is experiencing the same unsustainable workload vs. resource pressures as the rest of the Mission. The workload is accurately described in the extensive briefing material that was prepared by each Section. Until recently, there had been no increase in Political/Economic CBS resources for over a decade. The Mission requested an incremental CBS FS-01 position for the Political Section, which has already been approved and funded. The officer will be posted to the Mission in the Summer of 2003.

2.1.5 Despite the escalating demand on the Program as a result of the dramatic increase in bilateral engagement between Canada and Mexico since the election of the new Mexican government in 2000, the Program has established an enviable record of excellence and effectiveness. The growing number of visits in both directions by senior officials have led to new areas of bilateral co-operation such as security, governance, human rights, labour, justice and aboriginal issues. Mexico is a key bilateral relationship, as set out in the Department's twelve priorities that were announced as part of the Strategic Planning and Priorities Framework on November 28, 2002. There is a need for Mexico's GR Program to be resourced in a manner commensurate with its bilateral status. The Audit Team believes this growth as a minimum might develop as

set out in the following paragraphs. Such growth in due course could include an additional LES Assistant at the Program level to support the Minister-Counsellor and the Section Heads.

2.1.6 The CBS SCY reporting to the Minister-Counsellor and backing up the HOM's Executive Assistant is currently overfilling this position as a SCY-03. The position is classified at the SCY-02 level, and should be reclassified accordingly.

### **Recommendation for the Mission**

**2.1.7 Reclassify the CBS SCY-02/CR-04 position in the GR Program to SCY-03/AS-01.**

### **Mission Action and Time Frame**

**2.1.7 The CBS SCY-02 position is being reclassified to AS-01 as part of the SCY/AS group conversion undertaken by HPF. The Mission is awaiting confirmation of this from HPF.**

### **Planning and Outreach**

2.1.8 With the pressure of daily activities keeping staff focussed on their own duties, opportunities for meetings, strategic planning sessions, retreats, etc., are reduced at a time when the need for such activities and their results is crucial. There is a similar need for in-country travel and out-of-office outreach activities, to increase awareness of regional issues, and to enhance exposure to all areas of the country.

2.1.9 As the Program Manager for one of the Mission's flagship programs, the Minister-Counsellor should take the lead in implementing initiatives to address the foregoing needs. Of special importance is the need for co-ordination on economic and congressional relations with the IBD Program. A similar recommendation has been raised for the IBD Program.

### **Recommendations for the Mission**

**2.1.10 Convene strategic planning sessions and periodic retreats for the GR Program. Undertake area trips and outreach activities to enhance exposure to all areas of the country.**

**2.1.11 In conjunction with the IBD Program Manager, co-ordinate activities and reporting in the Economic, Political and Congressional Relations areas so that the needs of all clients are addressed.**

## **Mission Actions and Time Frames**

**2.1.10**        **Retreats have taken place and more are now scheduled. Area trips have in fact been sufficient, given the limited Mission travel budget and the presence of Canadian Consulates in Monterrey and Guadalajara. Additional area travel will be undertaken based on priorities, time and budget permitting.**

**2.1.11**        **Congressional Relations reporting is fully co-ordinated with the IBD Program. Efforts are on-going to ensure that the political and economic areas work more closely with Congressional Relations. Progress has been made over the past two years, and more is anticipated.**

## **2.2 Congressional Affairs**

2.2.1            This Unit was set up to analyse developments and dynamics in the new Mexican Congress, and to track issues and legislation from drafting to finalization on behalf of clients within the Embassy and in Canada. It also handles parliamentary relations on a bilateral, regional and hemispheric basis. Close liaison is maintained with the Trade Policy Section within the IBD Program.

2.2.2            The terms of the two LES in the unit expire in 2004. These positions were funded by freezing, until 2004, the FS-02 Canada/Mexico Exchange Officer position assigned to the Mission. This position provides for a CBS Foreign Service (FS) Officer to be assigned to the Mexican Ministry of Foreign Affairs (MFA), in exchange for a Mexican MFA foreign service officer to be assigned to DFAIT in Ottawa. This exchange is not taking place at present. In view of the ongoing role of this Unit, the two term positions should be converted to indeterminate status. This would provide for continued stability in the unit, and would enable the FS-02 position to be used for other purposes.

2.2.3            The role and importance of congressional relations will continue to grow and evolve in accordance with similar trends in the Mexican Congress and Senate. The Unit's current organizational position reporting to the Congressional and Public Affairs manager creates too broad a span of control for that manager. Public Affairs is also growing and evolving as Mexico's bilateral importance in the Public Diplomacy area grows. At present, lobbying of Congressional Deputies and Committees is not permitted, but that could evolve. Lobbying Congress could turn into a distinct activity, as it is in the United States. This would have a dramatic effect on the Mission's congressional relations activities. For the short term, the Audit Term believes that the Congressional Relations Unit should report to the Head of the Economic Section, thus creating a new combined section. The Head of Public Affairs would then be free to

focus exclusively on the demands of that Section. In the longer term, we would see the Congressional Affairs Unit growing to becoming its own Section, and headed by an FS-02.

### **Recommendations for the Mission**

- 2.2.4 Convert the two Congressional Affairs LES Term positions to indeterminate status.**
- 2.2.5 Transfer the Congressional Affairs Unit's reporting relationship from the present Congressional and Public Affairs Section to the Economic Section.**

### **Mission Actions and Time Frames**

- 2.2.4 Conversion to indeterminate status will be completed by 01 August 2003.**
- 2.2.5 The Congressional Affairs Unit's reporting relationship will be transferred to the Political Section in mid-September 2003. The Mission considers this to be a better alignment of roles and subject matter responsibilities.**

### **2.3 Political Section and Economic Section**

2.3.1 Although the incumbents of these two positions are both at the FS-02 level, the positions are still classified at the FS-01 level. As a reflection of the growing importance of these two Sections within the General Relations Program, these two positions should be reclassified accordingly.

2.3.2 As mentioned earlier, the Political Section will be receiving an incremental FS-01 Officer this Summer, and we have recommended the transfer of the Congressional Affairs Unit to the Economic Section. In due course we would see a need for an incremental FS-01 position for the Economic Section as well.

### **Recommendation for the Mission**

- 2.3.3 Reclassify the FS-01 Section Head positions in the Political Section and the Economic Section to FS-02.**

### **Mission Action and Time Frame**

- 2.3.3 Agree. New FS levels for these two positions have been proposed under FS restructuring.**

## **2.4 Public Affairs**

2.4.1 The current Head of the Congressional and Public Affairs Section will be leaving the Mission during the Summer of 2003. Given a transfer of the Congressional Affairs Unit to the Economic Section, a new Head of a re-titled Public Affairs Section could focus exclusively on the demands of public affairs and public diplomacy in all its specialized dimensions. The Mission is recruiting a senior FS-02 fully experienced in these programs.

2.4.2 The Mission's assessment of Public Affairs resource needs is well-articulated in its paper "Personnel Pressures and Recommendations", referred to earlier. Of these resource proposals, the Audit Team supports the immediate conversion of the Cultural Affairs contract person to a LE-08 LES Officer position (see para. 1.10.1), and an incremental LES assistant position to support the Information & Media and the Cultural officers. In due course a business case could be made for additional LES assistant support. In this case both the Information & Media and Cultural Affairs Units would each have an assistant.

### **Recommendation for the Mission**

**2.4.3 Create an LES Assistant position to be shared by both the Media & Information and the Cultural Affairs Units.**

### **Mission Action and Time Frame**

**2.4.3 Financing is not forthcoming from HQ for this position. The Mission will pursue with HQ to see when funding might become available.**

### **Mission Library**

2.4.4 The following are highlights from the Review of Library Services report that was forwarded to the Mission on April 4, 2003. The report was prepared by two Departmental Librarians from SXKL (the Headquarters Library) who visited the Mission for five days during the course of the audit. Their eight-page report contains useful information and recommendations aimed at improving library services in the Mission. Their visit was co-ordinated by the Audit Team as part of the Audit Division's (SIV) audit of Departmental Library Services, which was taking place concurrently at Headquarters and other Missions. The Mexico Library has a budget of \$18,000.

2.4.5 The issue of prime concern to the Mission was the office space occupied by the Library collection, furniture, and workstations. By culling the collection, discarding unneeded furniture and reconfiguring the layout, considerable floor space could be saved. A draft floor plan was forwarded to the MCO showing the space that could be made available for other Mission uses.

2.4.6 Ongoing library services were reviewed under three headings:

- Providing specialized information about Canada to targeted Mexican clients.
- Serving as a centralized public enquiries function for the Mission.
- Providing information about Mexico to Mission staff.

The Library staff's efforts are almost exclusively devoted to providing services to the first two client groups. The first group are targeted Public Affairs clients, consisting of academics, government officials, journalists, etc., and the second are self-selected members of the general Mexican public. Mission staff make little use of the library for their information needs. The Library's clients are primarily Public Affairs clients and the general public. There is an important and largely unfulfilled role for the Library to play in ensuring that Mission staff have access to accurate, timely and relevant information on Mexico. During their review the Librarians interviewed Program Managers and other Mission staff regarding their information needs and how the Mission Library might be placed to help. The Headquarters Library has a key role to play in this regard, by helping the Mission Library develop services to Mission staff. One example is examining the feasibility of forming a reciprocal agreement with Canadian information vendors for the exchange of access to selected electronic databases with Mexican libraries. Once in place, this exchange would provide the Mission Library with electronic access to Mexican university and other libraries' databases and catalogues.

2.4.7 The report contains a series of recommendations aimed at improving the above three services, as well as on general library operations. Basically, the services need to be re-focused and upgraded so that the interests of the Mission's programs are better served. Statistical information should be gathered on services provided, types of client, and sources consulted, using Remedy software to record, monitor and profile requests. In so doing, services, tools and collections can be improved or altered, and options justified.

### **Recommendation for the Mission**

**2.4.8 Consider the SXKL Review of Library Services report of April 4, 2003 with a view to implementing the recommendations on the Mission's Library, and consult with SXKL on advice and training that can be provided to the Mission by the Headquarters Library staff.**

### **Mission Action and Time Frame**

**2.4.8 A Library Committee will be created in the Fall of 2003.**

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

### **3.1 Overview**

3.1.1 Bilateral trade flows, and Canadian exports to Mexico in particular, have been growing dramatically since the inception of NAFTA. Although it is impossible to attribute such results to the activities and outputs delivered by the IBD Program, it is reasonable to assert that the program has contributed to such results as indicated by the number of clients served, participation in events, provision of market information and intelligence, provision of advice and assistance and by ensuring access to the Mexican market in accordance with existing trade agreements.

3.1.2 The IBD Program is headed by a Minister-Counsellor who is results-oriented and a strong strategic planner. She is supported by generally well qualified and dedicated staff: four Canada-based Officers, four Commercial Officers and six Commercial Assistants in Mexico; one CBS Officer, two LES Officers and one LES Assistant in Guadalajara; one CBS Officer, three LES Officers (including Export Development Canada (EDC)), and two Assistants in Monterrey. Both Guadalajara and Monterrey offices report to the Minister-Counsellor in Mexico.

3.1.3 The IBD Program in Mexico City includes two Trade Development Units, a Trade Policy Unit and an Agricultural Unit. The Program is delivered in a context of expanding economic growth in Mexico and a constantly changing regulatory environment which requires close monitoring to ensure unfettered market access for Canadian goods. The Program has experienced considerable workload increase over the last three years, with no anticipated let-up in the near future; it is under-resourced to meet current and projected operational demands.

3.1.4 In addition to dealing with a high volume of enquiries and business visits, the Program has been distracted by a plethora of high-level incoming visits and missions. It has also been involved in a large number of trade fairs and special events which, due to a large logistics component, consumes valuable personnel resources.

3.1.5 Generally speaking, the program is well organized, staff are provided with good direction on objectives and expected results. There are particularly strong synergies and a close working relationship between the Trade Policy Unit, the Trade Development Units and the Agriculture Unit, which are acknowledged by the Trade Policy Unit as their primary clients in addressing market access issues. Excellent cooperation was noted with the EDC offices in both the Embassy and the Monterrey Consulate with which a number of events have been co-organized, as well as joint out calls. Good cooperation also exists with the new Alberta office which has recently co-located in the Embassy.



## 3.2 Program Management

3.2.1 A good planning framework has been developed for the program as a whole, featuring overarching objectives, priorities and delivery strategy. Individual officers have their own work plans with clear, comprehensive objectives and results which are generally well aligned with the overall plan. The Program Manager maintains close supervision of all key activities and remains involved in decisions at all levels, perhaps too closely at times with the more experienced officers. The Program Manager has been an effective mentor for newer CBS personnel.

3.2.2 Although the organizational structure appears to be well balanced and appropriate given current resource levels, it does not accurately reflect operational realities. In practice, personnel at all levels within the program report directly to the Program Manager for many activities. At times, the Program Manager will task Commercial Officers and Commercial Assistants without going through their immediate supervisor and will oversee the implementation and quality of assignments. On occasion, tasks are assigned to multiple staff which can lead to confusion. Over the medium term, program management should examine the overall architecture of the IBD Program and explore opportunities for improvement, including the possibility of experimenting with a prime-post model if deemed practical and appropriate, given local market conditions.

3.2.3 Control and approval of program expenses have not been delegated to the Deputy Program Manager, nor other CBS Officers. Doing so would alleviate the inordinate amount of time currently spent by the Program Manager on administrative and control functions. Increased delegation would free valuable time to play a more strategic role, travel to satellite missions and network with key business clients in Mexico City and throughout the country.

### Recommendation for the Mission

**3.2.4 The Program Manager should enhance the general empowerment of the Deputy Program Manager and other CBS Officers by increasing their supervisory responsibility and delegating greater financial authority.**

### Mission Action and Time Frame

**3.2.4 The IBD Program in Mexico City is already divided in four sections each headed by a CBS responsible for between two to four LES. This provides each section head empowerment and supervisory responsibilities. Each CBS has now been given signing authority for up to CAD\$5,000 for contracts and other program expenses, which in**

**the Mission's view strikes the right balance between prudence and empowerment.**

3.2.5 As recommended in paragraph 2.1.11, synergies with the Economic Unit (located in the General Relations Program) are important to the IBD Program. Sector officers have valuable viewpoints to offer to the recently created Economic Unit, particularly, but not restricted to issues such as foreign direct investment and maquiladoras (the main economic force in Mexico) and resource sectors. These views should be shared on an ongoing basis with the economic staff.

3.2.6 The Consulates in Monterrey and Guadalajara keep other parties informed of their activities, and conversely keep abreast of what is happening elsewhere regarding in-coming or out-going missions, special events and general programming in their sectors of responsibility. Notwithstanding this good coordination at the operational level, there is a need for all members of the Mexico IBD Program as a whole to examine fundamental management and strategic issues, as well as significant changes in the external environment through periodic open and substantive discussions among all team members.

### **Recommendation for the Mission**

**3.2.7 Undertake team-building initiatives, such as annual tri-post staff retreats, including participation from Headquarters to address strategic planning issues and to develop an enhanced dialogue among IBD staff.**

### **Mission Action and Time Frame**

**3.2.7 Agreed, and the first tri-Post retreat with NMX participation will take place on December 11, 2003. A tri-mission strategic planning meeting took place in February 2003 to plan for next fiscal year and beyond. In addition, monthly tri-mission meetings with the two consulates connected by phone do take place, focusing on joint planning and the exchange of best practices.**

### **3.3 Client Services Fund (CSF)**

3.3.1 The CSF is managed in a strategic, integrated and coherent manner. The Consulates, which report to the Mexico Program Manager, and individual IBD officers are called upon to identify and develop project proposals prior to the commencement of the fiscal year, in consultation with the Mexico Division (NMX) and other partners. Proposals are vetted, assessed and prioritized on the basis of their potential contribution to program objectives. Priority projects are approved by the Program Manager after consultation with program staff and adjustments are made throughout

the implementation period as required. The program is making full use of planning and reporting tools provided by IBD Policy and Strategic Planning Division (TBX).

3.3.2 For each CSF project a Statistical Order (SO) number is established by the Mission Accountant within the CSF Commitment (CO) in IMS. The SO enables the office manager to track more than one source of funds and report on the entire project. However, the office manager noted that IMS no longer allows her to use the SO number. This situation recently occurred when funds were received from different pre-commitments as a supplement to the initial CO. In addition, the new funds cannot be blended into the applicable project and the office manager must set up a second line item. Third and fourth line items will be required if further funds are received as the year-end approaches and Missions find themselves with surplus funds that can be re-allocated to other projects. As the Mission already has 50 line items for 50 projects, adding additional line items to these projects makes the accounting unnecessarily complex and time consuming to manage. The Mission has advised SMP through TBX of the problem.

### **Recommendation for SMD**

**3.3.3 In consultation with the Mission and TBX, develop and implement an IMS solution to the problem of multiple line items for CSF projects.**

### **SMD Action and Time Frame**

**3.3.3 The process of multiple line items was established in consultation with missions and TBX to allow each mission to set up a different line item to reference each individual CSF initiative within the same CSF Commitment (CO) document number. Thus, each CSF initiative can be represented by a separate line item and referenced to its own budget and its own unique Statistical Order (SO).**

### **3.4 New Approach**

3.4.1 There is a good understanding among staff of the New Approach and its six core services and a good system is in place to ensure that all enquiries are responded to within the five day standard. There is also consistency in identifying clients and non-clients. However, there is a tendency to provide some clients with an enhanced level of service which goes beyond New Approach standards. Instances of over-servicing were noted in the Agricultural Section as well as in other units (e.g. mail-outs done on behalf of Canadian companies). In the event that enhanced services are provided, program officers have been instructed to clearly inform clients that such services are being provided on an exceptional basis in order to avoid confusion over client service standards and to account for any inconsistencies concerning comparisons of service levels with other missions in the region or around the globe.

3.4.2 All staff members were fully familiar with, and making regular use of the New Approach tools. The Horizons Champion regularly briefs colleagues on new tools and features posted to the Horizons website. In addition to Horizons, the Audit Team noted regular usage of the Post Support Unit and International Business Opportunities Centre (IBOC).

3.4.3 The overall level of satisfaction and utility of services provided by the Program, as reported by clients in the most recent Trade Commissioner Service (TCS) Client Survey, point to opportunities for improvement. This is particularly the case with respect to knowledge of the market and gathering and dissemination of intelligence in a timely manner. The Client Survey results have been taken to heart by program officers and a clear analysis of the program's weaknesses (from a client perspective) have been articulated and communicated to all IBD staff by the Program Manager. To address these shortcomings, an action plan has been developed which calls for IBD staff with sectoral responsibilities to hold, on average, two meetings per week with local contacts and to produce concise business opportunity reports every 30-40 days. In addition, in order to focus more time and energy on market information and intelligence gathering, Canadian pavilions at Mexican trade shows will no longer be organized by the Mission. Instead, trade associations and other partners will assume the lead, while the Mission will focus on value-added initiatives during the trade shows such as networking events, matchmaking and specialized seminars.

### **3.5 Resources and Work Load**

3.5.1 Bilateral trade flows, particularly Canadian exports to Mexico, have grown significantly since the inception of NAFTA. Over the past 24 months in particular, the Program has often been consumed by large incoming delegations and/or planning and coordination of stands at trade fairs and other promotional events. Visits to and from Canada have increased as follows: incoming visits in 2000, 2001 and 2002 respectively were 24, 75 and 99, and outgoing visits during the same period were 1, 28 and 32 respectively.

3.5.2 The constantly increasing workload, exacerbated by a heavy Canadian visits program, has clearly put a strain on all Mission staff, particularly in the IBD Program. Program personnel are stretched to the limit, resulting in substantial, regular overtime. The growth in workload, however, has not been matched by commensurate resources, other than the new NRCAN-funded LES position received in September 2002. A new Agricultural Specialist position (CBS) funded by AAFC has been approved for fiscal year 2003-2004. This is a most welcome additional resource; however, AAFC has refused to provide funding for administrative support despite strong justification from the Program Manager. The benefit of this new position, which will strongly enhance both the trade development and trade policy capacity of the Program, will be diminished by adding even more pressure on an already stretched support staff. The Mission has already requested an LES Assistant to support this position.

3.5.3 In addition to an inadequate level of personnel resources, many staff members perceive that there is an imbalance in the distribution of workload amongst IBD staff, based in part on the abilities and performance of incumbent resources. Tensions have arisen within the ranks as some personnel feel that they are burdened with a disproportionate share of responsibilities and/or are expected to compensate for the deficiencies of other colleagues. The Program is experiencing sub-performance issues with some staff, specifically with regard to weak and insufficient analytical reporting. The Program Manager has discussed the matter with the employees and management's concerns have been documented in performance appraisals.

3.5.4 Aggravating an already challenging situation is the fact that since August 2001, 11 of the 19 LES positions have turned over (58%). Employment opportunities outside the Mission with more attractive salary levels, better work/life balance, as well as a limited career path for LES support staff within the Mission, have contributed to this high turnover. Any prospect of upward mobility in the Mission is perceived by the LES support staff as essentially non-existent. The burden of an almost constant re-staffing is a rigorous and time-consuming process. In addition to the resources consumed by the recruiting process, there is the added cost to the Program (time and money) of training new employees in the various systems such as WIN, Horizons, New Approach, etc. Overall, the impact of such high turnover is highly disruptive and robs the Program of its potential effectiveness and efficiency.

3.5.5 In order to improve efficiency, Program Management has already taken steps to become more selective in its participation in trade fairs, which will allow more time available for higher value-added activities such as the acquisition of market information/intelligence. Additional efficiencies can be achieved through more streamlined contracting practices and the establishment of a dedicated logistics planning unit within the Mission which would serve all Mission Programs. (See paragraphs 5.4.4 and 5.1.12.) These two measures would free up valuable officer's time to undertake increased pro-active business development and focus on substance rather than logistics.

3.5.6 The Mission's "Personnel Pressures and Recommendations" paper recommends seven incremental LES positions for the IBD Program among Mexico City, Monterrey and Guadalajara, which the Audit Team strongly supports. As shown in Appendix A, three of these resources are recommended for FY 2003-2004, the rest are for the medium term.

## **Recommendations for the Mission**

**3.5.7 The Program Manager should continue to monitor and ensure an appropriate balance in the distribution of responsibilities among team members, including the Consulates, and take corrective measures if expected results are not forthcoming.**

**3.5.8 The Mission should continue to work with NMX to obtain support resources for the new CBS Agricultural Specialist.**

**Mission Actions and Time Frames**

**3.5.7 Corrective measures had already begun well before the Audit Team's visit. These measures will ensure more even balance in the fulfillment of responsibilities among team members of the Trade Program. Close monitoring is continuing to ensure that any perceived imbalance is addressed by taking further corrective action, and a Market Information Center will be created, effective April 1, 2004.**

**3.5.8 Done. Financed from the Mission's budget.**

## CONSULAR PROGRAM

### 4.1 Overview

4.1.1 The Consular Program is the overall responsibility of the MCO, but is managed on a day-to-day basis by an AS-06 DMCO who is in the first year of his posting in Mexico. The Mission provides ten points of consular service in Mexico: the Embassy, two Consulates headed by Trade Commissioners, and the seven Consulates headed by Honorary Consuls, three of which were visited by the Audit Team. The Mission co-ordinates a network of 23 Wardens across the country, many of whom work closely with the Honorary Consul in their area. The Consular Program serves one of the largest client bases globally, with approximately 1,000,000 Canadian visitors to Mexico annually and 10,000 Canadians resident in the country. According to the Consular Case Management Division (JPO), Mexico is the Department's most sensitive consular program.

4.1.2 The Program in all its aspects is running well, and morale is good in the Embassy Consular Section, and at the three Consular Consulates visited: Acapulco, Oaxaca, and Puerto Vallarta.

4.1.3 In Headquarters, the Audit Team met with JPO on May 21, 2003 to discuss JPO's concerns regarding differences in approach to consular service delivery between JPO and the Mission. Also involved are differing attitudes toward the extent of services to be provided to clients. JPO is endeavouring to have the Mission fully adopt the departmental approach and attitude. These points did not arise during the audit visit, and the team did not monitor ongoing case work. The Audit Team has noted JPO's concerns, and that JPO is dealing directly with the Mission to have them resolved.

4.1.4 The Trade Consulates in Monterrey and Guadalajara are included as two of the consular service delivery points, each with a significant clientele. This key relationship should be reflected in the Mission organization charts, as currently only their IBD Program status is illustrated.

### Recommendation for the Mission

**4.1.5 Show the consular relationship between Guadalajara and Monterrey and the Embassy on the Mission organization charts.**

### Mission Action and Time Frame

**4.1.5 Done.**

4.1.6 As mentioned in paragraph 1.9.1, internal communications is a key for effective teamwork and problem solving. It is important to remember that good communications need also to be maintained with important external partners such as the Wardens and the Honorary Consuls.

## **4.2 Service to Canadians and Passports**

4.2.1 Over the past few years the Mission has been expanding its warden system and now currently has 23 in place throughout Mexico.

4.2.2 The Consular Assistant LE 06 which serves the public at the window in the Mission requires a quiet period at the end of the working day in which to complete certain tasks related to the handling of funds. As the window is open for most of the day to serve walk-in clients, the Mission should be able to adjust the service hours so that the Consular Assistant is able to close the window earlier so that she can concentrate on her daily financial returns.

### **Recommendation for the Mission**

**4.2.3 Provide an opportunity for the Assistant attending the consular window to process the daily financial returns within normal working hours.**

### **Mission Action and Time Frame**

**4.2.3 Done. Service to the public hours was reduced by one hour in May, 2003 so that the Consular Assistant can perform administrative and financial tasks.**

4.2.4 Passport and citizenship services are effectively and efficiently handled by the Consular Program. The Mission issues approximately 2,000 passports per year. Passports were reconciled to the latest inventory certified on February 28, 2003.

4.2.5 As a result of heavy consular workload a new Consular Assistant position was approved effective April 1, 2003. To assist the Program until this position is filled, a contractor has been processing passports since December 2002.

## **4.3 Honorary Consuls**

4.3.1 Given the size of the consular clientele in Mexico, providing high quality, cost-effective service is a unique and demanding challenge. The establishment of a county-wide network of seven consulates headed by Order-in-Council appointed Honorary Consuls has provided a relatively inexpensive yet highly effective consular capability to meet this ongoing and growing requirement. These Consulates have been



established in Mexico's most important tourist areas: Acapulco, Cancun, Oaxaca, Mazatlan, Puerto Vallarta, San Jose del Cabo, and Tijuana. The Honorary Consuls report to the Head of the Consular Section in Mexico City. The cost of running these offices is a fraction of what it would cost to establish full Consulates run by CBS, yet the quality of consular service is outstanding and the dedication of the employees is truly impressive.

4.3.2 Despite an enviable record of accomplishment, based on visits to the offices in Acapulco, Puerto Vallarta and Oaxaca, there are several areas of concern which should be addressed on an urgent basis.

### **Remuneration**

4.3.3 The remuneration for the three full-time Honorary Consuls in Acapulco, Cancun and Puerto Vallarta should be reviewed and established on the basis of equivalent salaries for LES in Mexico City, plus financial compensation for the appropriate pension and health plans which they do not receive as Order-in-Council appointees. The present system, in which the support staff at these missions is hired as locally-engaged staff of the Embassy with the right to full pension and health benefits, is creating tension within the office environment and a sense that the Honorary Consuls have a second class status. The lack of transparency on the establishment of their total remuneration is also a sore point. The Honorary Consuls at these three Missions believe, with justification, that their remuneration should be based on the dollar value of the total compensation package offered an equivalent Level 9 Locally-Engaged Officer in Mexico City. Increased compensation must be viewed in the context of the much greater costs that would be incurred if the Consulate had to be staffed by CBS.

4.3.4 The remuneration for the Honorary Consuls in Mazatlan, Tijuana, Oaxaca and San Jose del Cabo should be reviewed. Based on our experience in Oaxaca, it appears that the Honorary Consuls are working long hours for very minimal compensation. They may not always work on a part-time basis, and problems could arise later if their remuneration is not commensurate with effort expended.

### **Recommendations for the Mission**

**4.3.5 Consider upgrading the remuneration and benefits packages for the Honorary Consuls in Acapulco, Cancun and Puerto Vallarta to a level equivalent to that received by a LE-09 Consular Officer in the Embassy.**

**4.3.6 Review the remuneration of the Honorary Consuls in Mazatlan, Tijuana, Oaxaca and San Jose del Cabo to ensure that it is commensurate with effort expended.**

## **Mission Actions and Time Frames**

- 4.3.5** A salary survey was conducted in May 2003 and salaries were revised upwards by 11% retroactive to April 1, 2003.
- 4.3.6** The Mission verified with Consular Program Services (JPP) that the Honorary Consuls in San Jose, Oaxaca, Tijuana and Mazatlan receive the highest honorarium established by Order in Council worldwide. Given the volume of work, the Mission is comfortable with the honorarium they currently receive. The Mission will review their situation annually.

## **Flexible Hours**

- 4.3.7** A system of flexible hours should be established for the staff of the Honorary Consulates based on the seasonal pattern of heavier workloads experienced in the fall and winter months. In the heavy tourist months, weekend work and after normal office hours work are common. The pressure of this increased demand for emergency consular service could be relieved without incurring heavy overtime costs by reducing the normal hours worked in the Summer months and working a longer period in the busier "tourist" months. The yearly working hours would remain constant.

## **Recommendation for the Mission**

- 4.3.8** Establish a system of flexible hours for the Honorary Consulates.

## **Mission Action and Time Frame**

- 4.3.8** Puerto Vallarta has been authorized flexible hours since November 2001 but did not implement this at the time due to staff changes. Authority to implement flexible hours was reiterated to the Honorary Consul once again this fiscal year and now that all positions are filled, she will implement.

## **Identity Cards**

- 4.3.9** The Honorary Consuls should be issued Canadian Government identity cards by the Embassy similar to the cards which are issued to all locally engaged staff. These cards have proven invaluable in assisting employees who need recognized identification in dealing with the local authorities.

## **Recommendation for the Mission**

**4.3.10 Issue identity cards to the Honorary Consuls.**

## **Mission Action and Time Frame**

**4.3.10 Done.**

## **Consulate Office Location, Furnishings, Décor and Equipment**

4.3.11 Increased funding needs to be allocated to the overall quality of the furnishing of the Consulates. These are important Canadian Government offices but they tend to have the look of offices operating on a minimal budget. The furnishings often look shabby and the decoration of the offices is lacking in terms of providing a Canadian look. A few Canadian prints or properly framed posters would add much to the appearance of these offices.

4.3.12 The establishment of new office quarters with an adequate budget for furnishings and decoration for the Consulate in Puerto Vallarta should be given highest priority. The existing office space is cramped and inadequate.

4.3.13 The stamps held by each office should be reviewed and those no longer needed should be returned to the Embassy or destroyed. Some of the offices are holding stamps which are never used, but for which they are accountable and which are held in secure facilities.

4.3.14 The larger offices need a capacity to shred documents and clear instructions on the destruction of forms and documents, many of which are copies of documents which are also held by the Embassy in Mexico.

## **Recommendations for the Mission**

**4.3.15 Upgrade the furnishings and decor in all Consulates.**

**4.3.16 Find a new office location for Puerto Vallarta.**

**4.3.17 Rationalize the stamps held by the Consulates.**

**4.3.18 Develop a policy for retention of documentation by the Consulates, and provide means for destroying culled documents.**

## **Mission Actions and Time Frames**

- 4.3.15**      **Mostly done, as part of the normal process of ongoing refurbishment.**
  
- 4.3.16**      **The move to new offices in Puerto Vallarta will be completed in June 2003, and the new Consulate premises will be inaugurated in the presence of local dignitaries on July 4, 2003.**
  
- 4.3.17**      **Done.**
  
- 4.3.18**      **Policy completed and implemented. Shredders provided to all Consulates.**

## **ADMINISTRATION PROGRAM**

### **5.1 Overview**

5.1.1 The Administration Program is headed by an experienced AS-07 in an EX-01 MCO position, who has been at the Mission for two years. The MCO has worked hard to improve efficiencies in the Program and to oversee the logistics for many of the high-level visits. The MCO is concerned with the morale issue in the Mission and has taken a number of positive steps to improve it, such as meeting monthly with the LES Committee. Similar to other Mission programs, the Administration Program has been experiencing an intense demand to provide services. The Program, while committed to client service, lacks the resources to meet demands. In recognition of this, a temporary duty DMCO was assigned to the Mission for four months ending on March 31, 2003, and a fourth CBS DMCO position has been approved for the Program, to be staffed at the Mission in the Summer of 2003, to be in charge of Finance, Contracting and Logistics.

5.1.2 Unfortunately, two DMCOs (Property and Personnel) will be leaving the Mission this Summer, both having shortened their postings. As a result, the MCO will be introducing the two replacement DMCOs and the fourth DMCO to their duties at the same time.

5.1.3 With the anticipated growth expected in other DFAIT programs, OGDs and the Consulates, it is important to keep in mind that there needs to be a corresponding growth in the Administration Program, on which they depend for support. Ideally, administrative growth should lead growth elsewhere in the Mission, not lag it, as is the case at present. In this way continuity of service can be assured, by provision of adequate resources, tools and procedures to cope with the growth.

5.1.4 The Mission plans to convert a contractor in the Property Section to an indeterminate LES position, which we support. We are recommending that two incremental positions be created, one in the Finance Section and the other as an assistant to the MCO, as described below.

5.1.5 The Program has developed an Operational Plan that includes objectives and outlines tasks and priorities.

### **Visits, Events and Logistics**

5.1.6 In 2002, the Trade and Political Sections of the Mission, with assistance from Administration, handled approximately 99 visits of two or more persons. Of these visits, 24 were large ministerial delegations, as well as the visit of the Prime Minister. The remaining 75 visits were delegations led by either federal or provincial senior

bureaucrats or Canadian business interest groups. The trend is continuing in 2003. In the first three months of 2003 the Mission has handled ten ministerial visits and three delegations led by either federal or provincial senior officials or Canadian business interest groups in addition to the third visit by the Prime Minister in 15 months.

5.1.7 As a means of assessing the impact of visits on Mission resources, the Audit Team analysed the amount of time staff in the IBD Program spend on logistics and visit administration, based on data supplied by the IBD Section. This data was considered representative of general Mission experience. The conclusion is that both the lead officer and support staff of a senior level visit can spend from 19% to 62% of their time on logistic/administration matters. The data did not include time spent by officers and support staff of other programs, especially Administration, towards the preparation for the visit. Entire teams are assembled for each visit, with little specialization, except for the Logistics Manager in the Administration Program. Senior staff spend too much time on visit administration and logistics, and learning from team to team and visit to visit is not maximized. While the number of visits and their timing may be difficult to control, especially for high level visits, the drain they represent on resources is more subject to Mission control. There are four basic ways to do this:

- specify standards and levels of service based on priority;
- refer visitors to approved local service providers;
- discourage low priority visits;
- establish a dedicated and specialized visits unit.

5.1.8 All of the above measures can be employed, either singly or in combination. The Mission should consider the creation of a specialized Visits Unit, to be included within the Administration Program as a common service. The unit would be responsible for the standardized basics of visit logistics, coordination and administration, while the designated lead officer from the relevant program would continue to manage the overall event. The Visits Unit would retain best local practices, and learning and experience from past visits, and set up standard procedures for the various types of visits. This would leave lead officers free to concentrate on the substantive elements of the visit, e.g., the program, the speeches, the press releases, etc.

5.1.9 The precedent for such a Unit is the Events and Logistics Unit (ELU) of the Canadian Embassy in Beijing. It is staffed by three senior LES, and reports to the MCO. A Mission audit team reviewed Beijing's ELU during an audit of that Mission in January 2001, and found it to be working well, some four years after it had been established. The Audit Team provided information to Mexico on Beijing's Unit. Originally, Beijing was being inundated with high level visits, similar to Mexico's situation today. There are lessons to be learned from Beijing's experience, including the fact

that the ELU went through considerable evolution before it arrived at its present form, and that discipline is required of all concerned in establishing standards and levels of service for the various types and priorities of visit.

5.1.10 Mission Management will need to establish a governance structure and resources to be dedicated to the unit, and its services and procedures. The addition in the Summer of 2003 of the new Deputy MCO to manage this function will provide the foundation for starting this process. The Audit Team believes that in the very near future incremental resources for the unit will be required, beyond the initial part time staff that will comprise the section.

### **Recommendations for the Mission**

**5.1.11 Establish a priority framework to govern the standards and levels of service to be provided for the various types and priorities of visits.**

**5.1.12 Establish a dedicated, specialized unit to consolidate and standardize the administration, logistics, protocol and other common aspects of visits.**

### **Mission Actions and Time Frames**

**5.1.11 The Mission has standardized current practice, and a levels of service framework is in place. This will be reviewed annually or as operational or visit-specific requirements dictate.**

**5.1.12 The Mission will create a modified Visits Unit in August 2003, headed by a new CBS Finance and Logistics Officer, seconded by the LES-7 Logistics Officer. A request for the creation of a new LES Visits Assistant position for the Summer of 2004 has been forwarded to North America Bureau (NAD) for approval and funding.**

### **5.2 Human Resources**

5.2.1 The Human Resources function is managed day-to-day by an AS 04 DMCO \*\*\*. Much hard work has been done to reorganize the personnel records to ensure files contain up-to-date job descriptions, appraisal reports and leave and attendance records and the progress to date should be commended. Further steps are recommended in paragraph 5.2.19.

### **Morale and Staff Relations**

5.2.2 Morale in the Mission is low. This is partially due to stress and the burn-out staff are feeling from their heavy workloads but it is also a result of the lack of

communication, transparency and a sense of inclusiveness from senior management. Based on interviews with staff at all levels, there appears to be a wide gulf between the CBS and the LES, and a strong reluctance on the part of the LES to raise issues of concern with senior management. Apprehension and fear of reprisals were a common theme expressed during the many one-on-one interviews the staff requested with the Audit Team. Such interviews were being requested before the Audit Team arrived at the Mission. During the audit, staff did not want to be interviewed in their own offices, owing to the thinness of the walls between offices.

5.2.3 In order to begin the process of rebuilding morale and teamwork in the Mission, the first step would be to improve the LES' understanding of the benefits package and the human resource policy and procedures that govern their employment. These topics were raised in many of the interviews. The Audit Team recommended that the Locally-Engaged Staff Division (HRL) visit the Mission in June 2003 to lead information sessions for the staff. This should include sessions with management on employer/employee situations established by means of personal service contracts, and due process for involuntary staff termination. The HRL Team is lead by the Director of HRL, and includes the HRL Deputy Director, Pensions and Insurance. Monterrey and Guadalajara will also be visited.

5.2.4 A second step would be for the Mission to consult with the Employee Assistance Program (HPDA), and the Centre of Learning for International Affairs and Management (CFSD), to begin a process of team building and employee empowerment that could be implemented when the Summer posting season of 2003 has been completed. The focus would be on bridging gaps between the CBS and the LES, between upper management and the rest of the Mission, and between and within the various programs.

5.2.5 As mentioned in paragraph 1.2.7, communications with the LES need to be greatly improved throughout the Mission. The LES are a key component in the information flow in the Mission, both vertically and horizontally. The LES Committee met on a monthly basis with the MCO, but the HOM should also meet regularly with the Committee, as well as periodically with all LES staff. These meetings could take different forums: question and answer sessions with regard to procedures, presentations on the various departmental HR and other policies, and updates on upcoming visits, projects and events that will affect the Mission.

## **Recommendations for the Mission**

**5.2.6 Consult with HPDA and CFSD with a view to improving morale and communications by establishing team building and employee empowerment programs in the Mission.**



**5.2.7 The HOM should meet regularly with the LES Committee and periodically with all LES.**

#### **Mission Actions and Time Frames**

**5.2.6 Mission consulted with HPDA and CFSD who advised that no such program available for missions abroad. Mission personnel staff now consulting locally and will report on findings for further discussion at CMM. Sessions will be planned during next fiscal year.**

**5.2.7 Done. Several town hall meetings have been held since March 2003, as well as further HOM meetings with the LES Committee and other sectional staff.**

#### **A Respectful Workplace**

5.2.8 Mission management at all levels needs to demonstrate visible commitment to establishing and maintaining a respectful workplace for all staff, including respect for individuals and for their contribution to the Mission's objectives. A key element of this commitment will be establishing a zero-tolerance policy on unprofessional behaviour, including abuse of authority. There is staff perception that such behaviour exists to varying degrees in various locations. Valid or not, it is the belief, the perception, that should be addressed. Consistent adherence to such a policy by attitude and action would go a long way towards clarifying staff perceptions and establishing confidence and trust, thereby opening the door to meaningful discussion.

#### **Recommendation for Mission**

**5.2.9 Mission management should establish the confidence and trust of all staff by maintaining a respectful workplace within the Embassy and Consulates, and adopting a zero-tolerance policy on unprofessional behaviour.**

#### **Mission Action and Time Frame**

**5.2.9 Mission management will continue to ensure that high standards of values, ethics and professional behaviour are practised.**

#### **Competitions**

5.2.10 There are perceptions and possible misconceptions that candidates for position competitions are pre-selected by management, and that potential candidates for some open positions are warned not to compete. Valid or not, management should address these perceptions. One way to improve the transparency of the competition

process would be to invite various LES to sit as observers during competitions, particularly in competitions for LES supervisors, or where there may be any sensitivity. This would be in addition to the members of the actual competition board, which includes an LES.

### **Recommendation for Mission**

- 5.2.11 To dispel misconceptions concerning the Mission's competition process, include selected LES as observers in competitions where deemed appropriate, and especially for senior position competitions, or where there may be some sensitivity relating to a competition.**

### **Mission Action and Time Frame**

- 5.2.11 A selected LES sits as a voting member on all Embassy competition boards.**

### **LES Handbook**

5.2.12 The Mission should redraft its LES Handbook to comply with the standardized two-part format to be used by all missions. The Mission and HRL should then review the adjustments proposed by the Mission to HRL's previously approved Handbook, Part II, Local Conditions, in order to finalize the Handbook. This will allow all parties, the Mission, Headquarters and the LES, to access the same information and to eliminate confusion and misunderstanding. This will also eliminate the perception that the rules change with each change of management. This should be accomplished during the HRL visit to the Mission in June 2003.

### **Recommendation for Mission**

- 5.2.13 Redraft the LES Handbook in conjunction with HRL, and issue the Handbook in approved format and content to all staff.**

### **Mission Action and Time Frame**

- 5.2.13 Agreed. HRL will issue the updated Handbook in January or February 2004.**

### **Training**

5.2.14 The DMCO - Personnel Officer is the training coordinator for the Mission. Mission programs make extensive use of training opportunities that are made available locally and through HQ, but there is no formal, overall Mission training plan linked to Mission objectives. A Mission-wide annual training plan that prioritizes the Mission's training requirements and co-ordinates training efforts would be a good example of

working smarter. In developing such a plan (which would in effect formalize current activity), management could use this as an opportunity to invite LES participation as it affects their well-being and career strategies. For example, the LES Committee could be used to assist in surveying staff to identify further training that is required.

### **Recommendation for the Mission**

**5.2.15          Develop a formal Mission-wide annual training plan.**

### **Mission Action and Time Frame**

**5.2.15          A formal training plan is created at the beginning of each fiscal year. Program Managers and staff were consulted in early April and the training plan for this year was put into place in May 2003. A final report is sent to Program Managers at the end of the fiscal year.**

### **Probation Procedures**

5.2.16          In order to assist Program Managers during the probation period for new employees, the Personnel Section should extend the annual appraisal due-date reminder system to include reminders to complete a mid-term appraisal at the six-month point of the probation period.

### **Recommendation for the Mission**

**5.2.17          Supervisors should complete mid-term performance appraisals for probationary staff.**

### **Mission Action and Time Frame**

**5.2.17          Implemented.**

### **Occupational Health and Safety Committee**

5.2.18          The Mission has an extremely active Occupational Health and Safety (OSH) Committee. The Committee has been involved in a number of projects including a review of the Chancery work spaces and an air quality survey, in response to employee concerns. There is a mini-clinic at the Mission conducted by a local contract doctor, two hours per day, five days per week.

### **Personnel Records**

5.2.19          Although the Mission has made a concerted effort to improve the documentation contained in staff personnel records, a review of files indicated there are

a number of areas, particularly related to documenting staff performance, where improvement is still required. It is important that the following documentation be present in an employee's file, when applicable or appropriate:

- justifications for starting new employees above Step 1 of the salary scale;
- counseling given to an employee to improve performance, before any termination action is taken; and,
- HRL-approved dismissal letters, complete with all required clauses, e.g., dismissal on probation vs. dismissal for cause, right to grieve, etc.

### **Recommendation for the Mission**

**5.2.20 Ensure that all required documentation is properly completed and included in employees' files in a timely manner.**

### **Mission Action and Time Frame**

**5.2.20 Implemented.**

## **5.3 Physical Resources**

### **Overview**

5.3.1 The Physical Resources Section is managed by an AS-05 DMCO who was also responsible for visits logistics. \*\*\* The addition, in the Summer of 2003, of a third AS-05 DMCO to manage Finance/Contracting/Logistics will allow the new DMCO - Property incumbent to focus exclusively on the demands of the program.

5.3.2 Activity in the section is dominated by two factors: the maintenance needs of an ageing Chancery, and severe office overcrowding. The building was designed for an occupancy of 76 and now houses 94 plus contractors. Equipment and facilities are in constant need of repair or replacement, and offices are being reduced in size or altered to make room for increasing staff. Major upgrades of building systems will be required in the future, especially electrical power supply and wiring. The Mission is currently reviewing the needs for additional office space vs. the desirability of keeping non-Mission co-locators within the Chancery. These are elements in the debate on whether or not to rent additional office space in the form of an annex elsewhere in the neighbourhood.

5.3.3 Property files are well maintained and the Mission recently completed a clean-up of its storage area and disposed of surplus and unusable materials.

5.3.4 With staff located on different floors and the special co-ordination needs required in property management, the section should hold additional regular meetings, and take steps to overcome this impediment to communication.

### **Chancery Maintenance**

5.3.5 The Crown-Owned Chancery is now over 20 years old and while it shows well, there are a number of maintenance concerns that need to be addressed which were highlighted in the Property Maintenance and Operations Section's (SRSF) inspection conducted in December 2002. As these projects, along with the work required at the OR, will be time-consuming to supervise and will require technical expertise, SRSF suggested that an appropriately qualified local contractor be engaged to assist with these large projects, and to help develop a maintenance program. The Audit Team agrees, and believes it would also be beneficial if the contractor has Spanish language skills. The contractor should be hired so that work on upcoming maintenance projects could commence in the Summer of 2003.

### **Recommendation for Mission**

**5.3.6 Contract a qualified technical resource person, in consultation with SRSF, as a project manager to oversee property maintenance projects and the development of a property maintenance program.**

### **Mission Action and Time Frame**

**5.3.6 A local Project Manager, funded by Physical Resources Bureau (SRD), will be hired on June 1, 2003. This manager is an architect and has the requisite experience and knowledge to supervise all Chancery and Official Residence projects in the year to come.**

### **Office Accommodation Requirements**

5.3.7 The Mission is developing plans with the Physical Resources Bureau (SRD) to reconfigure certain areas in the Chancery, including a portion of the Mission Library, in order to accommodate immediate space requirements. This will alleviate imminent pressures but in essence there is limited space in the Chancery for predicted future growth. The Mission, with the assistance of SRD and involved HQ divisions, is in the process of rationalizing the space used by the current occupants. In this regard, it has been agreed that the Canada Education Centre will vacate the space it occupies on the ground floor when its MOU with the Department expires in March 2005. In the meantime, the Mission expects to deal with their space problems through internal reallocation and renovation. The Mission could also continue to review available commercial space to lease for a potential office annex, again in conjunction with

involved HQ divisions, notably Security. Should an annex be deemed feasible, then it should be located as close as possible to the Chancery.

### **Official Residence (OR)**

5.3.8 The Crown-Owned OR is an attractive four-story house with beautiful grounds. With the departure of the HOM the timing is right to refit the electrical and plumbing systems, followed by a refurbishment of the representational areas. This will co-ordinate well with the engagement of a project manager (see paragraph 5.3.5) to oversee this large project as well.

### **Staff Quarters (SQs)**

5.3.9 The housing inventory is currently made up of one Crown-Owned SQ and 24 Crown-Leased SQs. This number will change with the number of CBS, and the number of employee couples. There is a mix of apartments and townhouses. As the leases for SQs located further away from the Chancery expire, the Mission is locating suitable and cost effective SQs closer to the Chancery in order to reduce commuting times. In terms of pollution levels, there is no longer an advantage to living in the suburbs. While the process of relocating SQs closer to the Chancery continues, consideration of striking a balance between owned and leased SQs has not been entertained. Audit team members visited six SQs and they were found to be of good quality and well furnished.

5.3.10 After reviewing the Building Condition Report and market evaluation for the Crown-Owned SQ, the Mission and Headquarters will be evaluating the question of refitting or disposing of this SQ.

## **5.4 Finance**

5.4.1 The Financial Section is well managed, and the staff are competent and dedicated. The accounting activities are carried out by a Head Accountant (LE-08) and two Assistants (LE-06 and LE-05). Also involved in the financial process are an IVA (value added tax) Assistant (LE-06) and a Regional Client Support Services Officer (LE-08). Both of these positions report directly to the MCO. Staff have a good grasp of financial practices and IMS. Accounting personnel expressed interest in having more training on Foreign Service Directives (FSDs), Travel and Hospitality Directives and Payroll/Salary procedures.

### **Recommendation for the Mission**

**5.4.2 Arrange with the Canadian Foreign Service Institute (CFSI) to provide needed financial training.**

## Mission Action and Time Frame

**5.4.2 CFSI advise that outside the normal training offered to accountants, no other formal course exists for FSDs, etc. On-the-job-training will continue to be provided to all accountants as requested or required and staff have been redirected to the self-directed online CFSI course PE-0107 Foreign Service Directives.**

## Contracting

5.4.3 The Mission makes frequent use of contracting as a means of compensating for resource shortages. It re-established the Contract Review Board (CRB) in 2001 and has been refining its contracting process over the past two years. The Mission has taken a conservative approach to contracting which has put a heavy administrative burden on numerous sections. The Mission is considering streamlining the process further, based on lessons learned. A sampling of contracts indicated that the following should be included in the contracting process to ensure completeness:

- include the contract total amount, in addition to the daily/hourly rates;
- specify that income tax requirements are the responsibility of the contractor;
- include the standard paragraph stating that intellectual property belongs to the Crown;
- specify the contract start and end dates; and,
- link progress payments to the contract deliverables.

5.4.4 The Mission's Contract Review Board established new procedures improving the governance of the contracting process. For example, the threshold for full CRB approval was increased from \$5,000 to \$20,000 and all contracts, notwithstanding their value, are sent to the CRB Secretary for format review and registration. While the Mission has made considerable progress in improving its contracting procedures, there is a lack of rigour in enforcing the 20 week rule for contracting with an individual. The Mission on a number of occasions has extended contracts for longer than 20 weeks or has re-contracted the same person without the required three month interval between contracts. In order to avoid creating an employer-employee relationship the Mission should adhere to the DFAIT contracting policy. In special and one-time circumstances if a contract with an individual needs to be extended beyond 20 weeks, the Mission should seek prior approval from the ADM of Human Resources via the Staffing and Classification Division (HRS).

## **Recommendations for the Mission**

- 5.4.5**        **Ensure that all necessary terms, conditions and specifications are included in contracts.**
- 5.4.6**        **Ensure that the DFAIT Contracting Policy is followed, especially with respect to the employer/employee restrictions.**

## **Mission Actions and Time Frames**

- 5.4.5**        **Done.**
- 5.4.6**        **Three contractors have been regularized, as noted elsewhere in this report. Treasury Board has amended contracting policy to do away with 20 week rule. Mission has suggested to CIDA that they regularize this position but this decision was not forthcoming. The Canada Fund Coordinator position was reviewed and Mission determined that the current status and location is the only viable option given CIDA's inability to regularize the position. The Mini-clinic Doctor's contract was reviewed and current location maintained as she must be on site to attend to staff and the Mission does not provide direction on how she treats patients.**

## **Bank Balances**

**5.4.7**        **The Mission has three bank accounts. The MXN BN account is dedicated to immigration revenues only. The other two, MXN2 and USD2, are for the Mission's operations, and both are the BC type. As required, the Mission keeps the balances in these two accounts at a minimum at the end of the month. In so doing, delays in the payment process are created. If the closing bank balances were maintained at higher levels, then payments near the month-end could be processed normally.**

## **Recommendation for the Mission**

- 5.4.8**        **Arrange with SMFF (Financial Management Services) for higher month-end closing bank balances.**

## **Mission Action and Time Frame**

- 5.4.8**        **Done. Sound cash management has ensured that bank balances are within acceptable norms and no payments are delayed.**



## **Maintenance of Petty Cash Accounts and Standing Advances**

5.4.9 During the audit, the Mission's four petty cash accounts were verified and balanced by the Audit Team. Based on expenditure patterns, the Consular Program Officer's and the Library Assistant's accounts need to be increased. The Drivers' and the Materiel Clerk's accounts can remain as is.

5.4.10 The two standing advances were also reviewed by the Team. One, with the Property Assistant, was verified and balanced and the other, with the Material and Audiovisual Clerk, was verified and balanced after replenishing a small shortfall. The Property Assistant's standing advance is replenished almost every week. This is due to the fact that he purchases a lot of material for SQ maintenance. Frequently, the Property Assistant also has to pay the electrical, gas or telephone bills for SQs. The reason is that the utility companies often wait to the last minute to send their bills, but demand immediate payment. If payment is not done right away, these companies cut the service. This forces the Property Assistant to visit these companies to pay them in cash, as it can take too long to raise a cheque to make the payment. Many attempts have been made to have the companies send the bills directly to the Embassy, but the companies insist on sending them to the SQ. An increase of the Property Assistant's standing advance would be beneficial to both property and financial operations.

5.4.11 Some cash holdings, i.e., petty cash, standing advance, or the removable cash drawer of the Consular cash register, are not properly secured when not in use. Immigration funds are kept in an approved cheque safe, the Consular program uses a standard security shell, and the Property Section has a small cash box. All cash should be kept in approved safes, separate from classified documents.

### **Recommendations for the Mission**

**5.4.12 Increase the Consular Program Officer's petty cash account.**

**5.4.13 Increase the Library Assistant's petty cash account.**

**5.4.14 Purchase the requisite number and type of TB approved containers, through the Regional Security Manager (ISRA), for use by the following holders of cash:**

- **Consular Clerk (wicket cash register)**
- **Library Assistant**
- **Customs Clerk and Head Driver (to be shared)**
- **Property Assistant**
- **Material and Audiovisual Clerk**
- **Consular Program Officer**

## **Mission Actions and Time Frames**

**5.4.12 Done.**

**5.4.13 Done.**

**5.4.14 Being ordered. The Mission consulted with ISR who advised they do not procure cash boxes. Mission is pursuing acquisition of secure units locally.**

## **Recommendation for SMFF**

**5.4.15 Review the amount of the Property Assistant's standing advance with a view to increasing it.**

## **SMFF Action and Time Frame**

**5.4.15 The Mission is responsible for establishing the amount of the standing advance. If the amount is deemed inadequate, it is within the Mission's authority to increase it.**

## **Revenue**

5.4.16 Consular and Immigration Program revenue processes were reviewed and found to be in good order and, based on limited testing, all revenues were accounted for. There are two processes that should be changed in the Consular Section. The first, which will improve the separation of financial functions, is to remove the ability to use the "VOID" function from the Consular Assistant serving the public, and assigning this function to another individual. For consistent tracking, the second process is to number sequentially the Consular form EXT119.

## **Recommendations for the Mission**

**5.4.17 Remove the ability to use the "VOID" function from the Consular Assistant serving the public, and assign this function to another individual.**

**5.4.18 Number the EXT119 form consecutively.**

## **Mission Actions and Time Frames**

**5.4.17 Done.**

**5.4.18 Done.**

## **Various Financial Procedures**

5.4.19 Travel, hospitality and IVA files and processes and payment procedures were reviewed and found to be in good order. A few minor adjustments were suggested to improve the transparency and to enhance the internal controls. The MCO agreed that the standing instructions regarding supporting documentation for travel and hospitality claims should be re-issued at the beginning of each fiscal year. In February 2003, the Honorary Consul Assistants received training in accounting practices. This has considerably improved their monthly reporting to Mexico.

5.4.20 Many vendors have two active vendor codes. The Mission should have one of these codes blocked. The payment process form was amended by adding the following line to it: PAYMENT DUE DATE. Procedural clarity can be improved by marking "PAID" on invoices, and "ORIGINAL SENT FOR IVA REFUND" on IVA copies, in order to indicate transaction status. Combined with the purchase of a pigeon hole sorter for the Finance Section, steps such as these will improve the payment and cheque issuance process.

5.4.21 The Mission processes some payments by means of electronic fund transfer (EFT). Daily reports are produced and reviewed by the MCO. The only problem with an otherwise sound process is that there is no verification of the input data before the payment is processed. There is a risk that payments could be sent to the wrong bank accounts. As an interim measure, a list of all vendors, showing their bank account number and method of EFT payment, should be given to the MCO for use in reviewing payments.

## **Recommendations for the Mission**

- 5.4.22 Ensure that documents indicate transaction status, such as Paid Original sent for IVA Refund.**
- 5.4.23 Ensure that vendors have only one active IMS code, and that the Head Accountant's IMS profile permits her to block vendor codes.**
- 5.4.24 Review the EFT internal control system used by the Financial Section in Paris to see which controls could be adapted for use in Mexico.**

## **Mission Actions and Time Frames**

- 5.4.22 Implemented for both ordinary payments and those invoices which are sent to Finance for IVA reimbursement.**

- 5.4.23** Done. Only the MCO or the CBS Finance Officer can enter, alter, or amend vendor codes, thus further enhancing financial controls.
- 5.4.24** The Mission is working with SMFF with respect to the implementation of a payment method which will further increase the security of the financial system.

### **Financial Resources**

5.4.25 The proposed increases of personnel in the both Mission and OGD Programs will result in an increase in the number of IVA claims and the number of OGD financial transactions to process. As the personnel engaged in supporting accounting services is already overloaded, service will deteriorate if no additional resources are added to the Section to meet the expected workload increase in payment and cheque issuing. The Audit Team supports the addition of an incremental Assistant Accountant position for the Section.

### **Recommendation for the Mission**

- 5.4.26** Create an Assistant Accountant position.

### **Mission Action and Time Frame**

- 5.4.26** The Assistant Accountant position will be created in July 2003 and staffed August 1, 2003.

### **Shadow Accounting Systems**

5.4.27 Shadow accounting systems can be found throughout the various programs of the Mission. These systems arrange transaction data manually on spreadsheets for ease and completeness of visibility by management. Although the same information is available in IMS, the level of effort required to access the information and to format it into reader-friendly reports is daunting. As this problem is endemic and resource-costly in many missions, Headquarters needs to develop a general solution for this problem.

5.4.28 The General Relations and IBD Programs have developed comprehensive plans with detailed breakdowns by activity and project related costs. Separate budget tracking is maintained by each program on these spreadsheets. The approximate value of these funds is \$2.7 million.

5.4.29 These funds are tracked in a shadow accounting system to facilitate management accounting (i.e. variance analysis, expenditure trends, movement of funds from one project to another, etc). The overwhelming concern conveyed to the Audit

Team is that IMS will not provide timely budget tracking reports in the format that the program managers require. Although the information is available in IMS, one needs to manually access six screens to obtain all the project information (i.e. consumption, vendor and line description). The amount of effort required to extract the data from IMS by busy accounting groups is greater than running a shadow accounting system.

### **Recommendation for SMD**

**5.4.30 SMD, with advice and assistance from missions, should develop an IMS financial report that will eliminate the need for Mission programs to maintain shadow accounting systems.**

### **SMD Action and Time Frame**

**5.4.30 There are currently a multitude of financial reports available within IMS. SMD is currently developing a Business Intelligence (BI) cube for missions, which is scheduled to be implemented in January 2004, that will provide amongst other things budget tracking reports. This cube has been developed in close consultation with missions and other stakeholders.**

## **5.5 Information and Technology Management**

5.5.1 The MCO is responsible for the overall management of information and technology (IT), with the assistance of an experienced informatics staff and telecommunications staff.

5.5.2 The CBS Informatics Manager (SA) effectively manages the day-to-day operations with the assistance of two capable LES SAs. This team is well respected by the CBS and LES within the Mission and the systems within the Mission run well.

5.5.3 Two CBS Telecommunications officers (ELs) maintain the MITNET system for the Mission and Guadalajara and Monterrey. Mexico is also the MITNET hub for eight small missions spread over Central and South America, and the Caribbean. The ELs are similarly well-respected, and telecommunications are running smoothly.

5.5.4 The ELs' responsibilities for missions outside Mexico generate a considerable demand for regional travel. Although the ELs spend approximately 30% of their time on regional travel, this only allows them to resolve immediate problems and is not sufficient for preventive maintenance. The Mission and Headquarters have been evaluating the requirement of a third EL at the Mission to permit at least one officer to be servicing the region at all times. This surfaces the longstanding problem of the

sufficiency of technological resources in the field, and how to balance the needs of the resident Mission, Headquarters, and the missions in their region.

5.5.5 The ELs should develop a yearly work plan to include their duties in Mexico, their regional responsibilities and event-related requests. There are times when the needs of the Mission and regional needs conflict. This work plan can then be reviewed regularly with the MCO and HOM and HQ to integrate unforeseen demands in order to ensure that all the Mexico hub's clients, regional and local, are being well served.

5.5.6 For planning purposes it would be useful to have the Mission and the Informatics and Telecommunications staff develop Accountability Agreements which set out expected goals and objectives in terms that are measurable and for which staff can be held accountable. As both ELs and SAs report to HQ as well as the Mission, HQ should be consulted in this process. This would also facilitate staff appraisals by setting out results to be achieved.

### **Recommendations for the Mission**

**5.5.7 Develop a yearly work plan to incorporate all elements of telecommunications support for Mexico and for all the dependent satellite missions, including regional travel requirements.**

**5.5.8 Establish Accountability Agreements between the Mission and the SAs and ELs, with input from HQ, that clearly set out priorities, objectives and expected results.**

### **Mission Actions and Time Frames**

**5.5.7 Done.**

**5.5.8 Accountability Agreements are set out in the Management and Consular Program Annual Plan, which is completed each September, with the input and agreement of all Section Heads.**

5.5.9 There is no formal informatics training plan within the Mission. The SAs do however provide ad hoc training such as the week-long session held in February 2003 that reviewed various software packages. This plan should be incorporated into the overall Mission training plan. There are no meetings of 'super-users', and the Mission does not have an IT Committee.

## **Recommendation for the Mission**

- 5.5.10        Develop an IT Committee made up of a cross-section of appropriate staff from the Mission's programs.**

## **Mission Action and Time Frame**

- 5.5.10        The Mission will review IT users' needs and the requirements of IT co-ordination, keeping in mind the number of committees already in existence.**

5.5.11        With the size of the Mission and the amount of staff movement, both the SAs and the ELs need to be kept informed, as early in the process as possible, of changes of personnel in order to ensure that installations and hookups are coordinated with the Property Section in a timely manner. This would be accomplished by incorporating their work requirements in the work order schedule for office setups and moves. Renovations such as painting should be completed after cabling and other technical requirements have been met.

## **Recommendation for Mission**

- 5.5.12        Adapt the work order system so that the informatics and telecommunications requirements are incorporated in the correct sequence.**

## **Mission Action and Time Frame**

- 5.5.12        Done.**

## **GUADALAJARA**

### **6.1 Overview**

6.1.1 The Canadian Consulate in Guadalajara is managed by a Consul/Trade Commissioner (FS-01) who is supported by two LES Commercial Officers (COs), one LES Consular/Administrative Officer and one Receptionist/Trade Assistant. The Consul/Trade Commissioner is a dedicated manager with a good understanding of operations, and who has been successful in building a coherent team approach. Planning processes have been strengthened during the last year, the IBD Program is increasingly focussed on the delivery of higher value-added services to clients.

6.1.2 Despite a demanding workload in the context of acute resource constraints, the Consulate has received positive feedback as part of the most recent TCS Client Survey. Both COs have been exceeding the newly established targets in terms of client outreach. There is good coordination with officers with similar sectoral responsibilities in Monterrey and the Embassy, as well as with NMX. The Consulate is well supported by the Embassy. According to IBD staff, existing travel and hospitality budgets are adequate.

6.1.3 There is a strong demand for consular services and a steady stream of consular revenues in the Consulate due to the relatively high number of Canadian residents in the region served by the Consulate. The Consular Officer is proficient in consular processes and systems and is in regular contact with the Consular Program Manager at the Embassy.

6.1.4 Although the Audit Team did not observe any acute strains in staff relations within the Consulate, locally-engaged personnel did express their concerns with respect to the lack of information on their terms and conditions of employment. Clarification is required on several issues such as compensation for overtime, pension and benefits, the classification of positions, etc. Such questions will be addressed during the HRL team visit to the Consulate in June 2003.

### **6.2 Office Space**

6.2.1 The office space leased in the Fiesta Americana Hotel is being used to its fullest capacity. There is a Canadian Education Centre node in Guadalajara operated by a local contractor in rented office space (off-site). There is no available space to accommodate additional personnel and the current configuration hinders functionality within the consular unit in particular (i.e., no private interview booth, difficult access to the safe, unconsolidated archives, etc.).



6.2.2 Additional space contiguous to the existing premises could be leased. A business case should be prepared for the acquisition of the required additional office space in order to meet operational requirements.

### **Recommendation for the Mission**

**6.2.3 Acquire the necessary additional office space for Guadalajara.**

### **Mission Action and Time Frame**

**6.2.3 Agree, but this is totally dependent of incremental funding from HQ. The Mission has made the business case on several occasions.**

### **6.3 Staffing**

6.3.1 Enquiries from the public related to tourism, immigration, culture and general relations are on the rise, as are enquiries addressed to the IBD Program. The Receptionist is currently overwhelmed with the high volume of telephone enquiries and consular visits. This hinders her ability to screen incoming calls which are referred directly to the Commercial Officers and limits her ability to provide administrative support to the IBD Program.

6.3.2 The two LES Commercial Officers are highly qualified, dedicated and well organized. The Officers are responsible for nine priority sectors as well as handling enquiries in secondary sectors. The COs currently spend a significant proportion of their time on low value-added but necessary administrative functions, and responding to enquiries which have not been adequately filtered. These factors ultimately hinder their ability to track service transactions and further engage in proactive IBD programming.

6.3.3 The resolution of bandwidth constraints and improved connectivity through the acquisition of cellular phones and palm pilots for the COs would likely have a positive effect on their productivity. Additional efficiencies could be gained in the administration of local contracts through the consolidation of micro-studies undertaken by the same service provider.

6.3.4 The classification of the Consul's position as FS 01 does not appear to correspond to the level of responsibility assigned to the incumbent officer (i.e., business planning, supervision and control of consular and trade operations, financial and human resource management, etc.). This position should be re-classified to FS 02 as soon as possible. The incumbent's substantive level can be reviewed at the appropriate time by the IBD Program Manager, as part of the appraisal process.

## **Recommendations for the Mission**

- 6.3.5**        **Establish an additional Commercial Assistant position as soon as possible, in order to meet current workload pressures.**
- 6.3.6**        **Establish a third Commercial Officer position as justified by expanding workload demands.**
- 6.3.7**        **Re-classify the Consul/Trade Commissioner's FS-01 position to FS-02 as soon as possible.**

## **Mission Actions and Time Frames**

- 6.3.5**        **An Administrative (Trade) Assistant will be hired in July 2003.**
- 6.3.6**        **Fully agree, and will implement once funding is available.**
- 6.3.7**        **Agree. In view of FS restructuring, the Mission is awaiting further instructions on new FS levels at the Mission pursuant to the four-tier FS restructuring.**

## MONTERREY

### 7.1 Overview

7.1.1 The Canadian Consulate in Monterrey is managed by a Consul/Trade Commissioner (FS-01 in a FS-02 Position) who is supported by two LES Commercial Officers; one LES Officer dedicated to EDC; one Commercial Assistant (2 year term position dedicated 50% to IBD and 50% to EDC); one Consular/ Administrative Assistant and one Receptionist.

7.1.2 On the whole, existing resources are stretched to the limit in order to meet current demands for services from clients and partners. The Mission nonetheless obtained favourable feedback as part of the TCS Client Survey, albeit somewhat lower than the level registered in 1999. Space limitations were identified during the Consul's initial diagnostic review of operational constraints, and corrective measures have been taken, notably the acquisition and ongoing fit-up of additional office space.

7.1.3 Since arriving at the Consulate during the fall of 2002, the Consul has made several improvements to planning and administrative processes within the IBD Program, beginning with the development of a strategic plan, the identification of priority sectors, the development of sector-specific business plans and action plans, as well as the development of various tools for the gathering and analysis of operational data. Administrative processes and systems have improved, including the introduction of bi-monthly staff meetings and internal time reporting.

7.1.4 There is a steady demand for Consular services. The Consular Officer is relatively new but is rapidly acquiring knowledge of consular processes and systems. She is supervised by the Consul and has benefited from the training and support provided by the CO who has assumed these responsibilities intermittently in the past. The Officer is in regular contact with the Consular Program Manager at the Embassy for complex consular cases. The Consulate was for a period of time behind in the reporting of Consular case data owing to staff turn-over.

7.1.5 Prior to the Consul's arrival, staff morale within the Consulate was low. Team building and internal communications within the Consulate have since improved significantly.

7.1.6 Constraints related to bandwidth are taxing valuable officer time as well as their ability to respond to client demands in a timely manner. These constraints should not be allowed to persist, and definitely not if the Consulate is to accede to Consulate General status.

## 7.2 Staffing

7.2.1 There has been an explosion of trade activity involving Canadian business operators and institutional partners in the North-East Region of Mexico, particularly during the last 12 months. In addition, the Mission has coordinated a growing number of important trade delegations and special events. There are an estimated 73 Canadian companies with current sales or established representation in the territory covered by the Consulate. On the whole, the Mission is experiencing increasing pressures to offer a greater range of programs and services in support of bilateral relations in Northeast Mexico for which it is not adequately resourced to handle. By way of comparison, the US Consulate General in Monterrey is resourced with 135 people, including 17 persons dedicated to IBD.

7.2.2 As is the case in Guadalajara, enquiries from the public related to immigration, available scholarships, tourism and general relations are on the rise. The Receptionist is hard pressed to respond to the high volume of telephone enquiries and consular visitors.

7.2.3 There is limited administrative support available within the IBD Program in the current configuration. The Commercial Assistant (CA) is currently being tasked by three Officers as well as by the Consul on occasion. It has become extremely difficult for this employee to respond to competing demands. This situation is exacerbated by the fact that a job description has not been provided to the CA with respect to the time to be dedicated to EDC. The Consul is aware of existing tensions and will also be taking steps to improve interpersonal relations between the EDC Officer and the CA in the near future.

7.2.4 The Commercial Officers, who are well-experienced and dedicated, estimate that they spend up to 40% of their time undertaking tasks that could be easily handled by a Commercial Assistant. Due to time constraints, neither CO has been able to undertake much proactive outreach or explore trade opportunities outside of the Nuevo Leon territory. The EDC Officer's activities are fully integrated with those pursued by Commercial Officers (eg., staff meetings, program of out calls to local business contacts, etc.).

7.2.5 Additional efficiencies can be gained by the consolidation of contracts for mini-studies under the CSF, the use of Business Mission Agreements and by limiting client services which go beyond the New Approach.

### Recommendations for the Mission

**7.2.6 In conjunction with Headquarters consider upgrading Monterrey to full Consulate General status, given the importance of the Northeast**

**Region of Mexico to growing and increasingly diverse Canadian interests.**

- 7.2.7 Establish an additional Commercial Assistant position as soon as possible in order to meet current workload pressures.**
- 7.2.8 Establish a third Commercial Officer position as justified by expanding workload demands in the medium term.**
- 7.2.9 Create a job description for the Commercial Assistant.**

#### **Mission Actions and Time Frames**

- 7.2.6 A business case for the upgrade of the Consulate to full Consulate General status has been submitted to Headquarters for approval. This should be done by the end of the fiscal year 2003/2004.**
- 7.2.7 An Administrative (Trade) Assistant will be hired by July 1, 2003.**
- 7.2.8 Fully agree, and will implement once funding is available.**
- 7.2.9 Done.**

#### **7.3 Travel and Hospitality Budgets**

**7.3.1** Given the anticipated increase in outreach and MII activity during the next planning cycle (i.e., Mexico New Approach), the travel and hospitality budgets (\$4K and \$5K respectively) are not considered to be sufficient. The Audit Team agrees. The Program Manager should prepare a forecast of resource requirements for travel and hospitality during the upcoming fiscal year supported by the business cases and action plans developed within priority sectors. The funding requirements should be addressed to the IBD Program Manager at the Embassy at the earliest opportunity.

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

- 7.3.2 Arrange with the Embassy IBD Program Manager for increased travel and hospitality budgets, based on approved plans.**

#### **Mission Action and Time Frame**

- 7.3.2 Some incremental funding already provided within the limits set by the Mission budget. This situation will be reviewed at mid-year and third quarter, and necessary adjustments will be made, funds permitting.**

## SUMMARY OF RESOURCE INCREASES

Program		FY 2003-2004		Medium Term	Long Term
<b>Management</b>	<b>CBS</b>			1 Deputy HOM	
<b>General Relations</b>	<b>CBS</b>	1 Political Officer FS-01	Position created April 1, 2003	1 Economic Officer FS-01	
				1 Congressional Officer FS-02	
	<b>LES</b>	1 Congressional Officer	Convert from term position	1 General Relations Assistant	
		1 Congressional Assistant	Convert from term position	1 Cultural Assistant	
		1 Cultural Officer	Regularize contractor		
		1 Media Assistant			
<b>IBD</b>	<b>LES</b>	1 Agriculture Canada Assistant - Mexico		1 IBD Assistant - Mexico	
		1 IBD Assistant - Monterrey		1 IBD Officer - Monterrey	
		1 IBD Assistant - Guadalajara		1 IBD Officer - Guadalajara	
				1 IBD Officer - Mexico	
<b>Consular</b>	<b>LES</b>	1 Consular Assistant	Position created April 1, 2003		
<b>Administration</b>	<b>CBS</b>	1 DMCO AS-05	Position created April 1, 2003		1 Technician (EL)
	<b>LES</b>	1 Property Assistant	Regularize contractor	1 Personnel Officer	LES for OGD Program support as required
		1 Assistant Accountant		1 Visits Assistant	
		1 Administration Assistant		1 Translator (Regularize contractor)	
<b>OGDs</b>	<b>CBS</b>	1 Agriculture Food Specialist	Arriving Summer of 2003		New and/or increased presence

## MISSION RESOURCES FACT SHEET - MEXICO CITY

## Human Resources (FTEs)

PROGRAM	CBS	LES	TOTAL
HOM	2	8	10
General Relations	5	13	18
IBD - Mexico City	5	12	17
EDC - Mexico City	1	1.5	2.5
Immigration	2	9	11
Administration	7	23	30
Consular	1	6	7
- Honorary Consul Staff *	0	4	4
DND	2	0	2
RCMP/Liaison	2	2	4
Natural Resources	0	1.5	1.5
Province of Alberta	1	1	2
Total	28	81	109

\* Honorary Consuls are located in Acapulco, Cancun, Puerto Vallarta, Mazatlan, Tijuana, Oaxaca and San Jose del Cabo. LES are located one each in Acapulco and Cancun, and two in Puerto Vallarta.

## Physical Resources

ASSETS	OWNED	LEASED
Chancery - Mexico City	1	0
OR	1	0
SQs - Mexico City	1	24
Vehicles	10	0

There are currently two employee couples at the Mission.

## Financial Information (2002-2003) (Includes Monterrey and Guadalajara)

Operating Budget	\$4,159,909
LES Salaries	3933589
CBS Salaries	2879224
Capital	281100
Total	\$11,253,822

**MISSION RESOURCES FACT SHEET - MONTERREY**

**APPENDIX C**

**Human Resources (FTEs)**

<b>PROGRAM</b>	<b>CBS</b>	<b>LES</b>	<b>TOTAL</b>
IBD	1	3.5	4.5
EDC - Monterrey	0	1.5	1.5
Administration and Consular	0	1	1
Total	1	6	7

**Physical Resources**

<b>ASSETS</b>	<b>OWNED</b>	<b>LEASED</b>
Consulate	0	1
SQs	0	1

**MISSION RESOURCES FACT SHEET - GUADALAJARA**

**APPENDIX D**

**Human Resources (FTEs)**

<b>PROGRAM</b>	<b>CBS</b>	<b>LES</b>	<b>TOTAL</b>
IBD	1	3	4
Administration and Consular	0	1	1
Total	1	4	5

**Physical Resources**

<b>ASSETS</b>	<b>OWNED</b>	<b>LEASED</b>
Consulate	0	1
SQs	0	1