
**AUDIT
OF
THE CANADIAN EMBASSY**

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Audit Division (SIV)

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EXECUTIVE SUMMARY

An audit of the International Business Development (IBD), Political Economic Relations and Public Affairs (PERPA), Consular and Administration Programs was conducted in Buenos Aires from February 28 to March 7, 2000. The previous audit of the Administration and Consular Programs was conducted in March 1994.

MISSION MANAGEMENT

The Mission is well led by a very experienced Head of Mission (HOM) who is an expert on South American issues. His role is made more complex with his responsibility extending beyond Argentina to Paraguay for the overall conduct, coordination and supervision of all activities of the Canadian government. While morale is quite good in the Mission, there is a need to improve communications, particularly from the top down. This can be achieved through more frequent Committee on Mission Management (CMM) meetings and staff meetings. Expanding discussions of the CMM beyond administrative issues would also generate more transparency between programs. To further improve accountability, the Accountability Agreement between the HOM and LGD should be extended downward to the Program Managers.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

The Program is enthusiastically managed by the Counsellor (Commercial) despite the problems he inherited upon his arrival last summer. The Program is beset with personnel issues ***. The Counsellor (Commercial) is effectively taking charge in addressing this issue. The professional relationship between the Counsellor (Commercial) and the Canada-based NRCan representative who is responsible for the geomatics sector both for Argentina and the South America region also needs to be improved to ensure consistency in the delivery of services. The Program will also need to justify the incremental Canada-based position to be added in the summer of 2000 at a time when ***.

POLITICAL/ECONOMIC RELATIONS AND PUBLIC AFFAIRS (PERPA) PROGRAM

The Program is effectively directed by a senior level Program Manager, who is supported by a staff of dedicated and hard working people fully committed to meeting Program objectives. The audit found there is a need for detailed costed work plans with deliverable projects that would facilitate better control of activities, particularly in the Public Affairs Section. In this way, the financial and staffing impact of unscheduled work can be assessed and offset against conscious reductions in previously planned activities. Promotional activities, while dynamic and demonstrative of excellent initiative, would benefit from prior approval at the senior management level

of both substance and costs. Techniques for implementation of effective project management were explored with a view to improving the effectiveness of the linkage of Public Affairs activities to the HOM Accountability Agreement as well as to ensure proper accounting for associated revenues and expenses.

CONSULAR PROGRAM

The Program is effectively managed by two Locally-engaged staff (LES) with little involvement of Canada-based staff (CBS). The staff provides Consular advice to the Honorary Consul in Uruguay and also provides passport services for Uruguay and Paraguay. There is an increasing number of Canadians visiting the three countries but there are seldom serious problem cases.

ADMINISTRATION PROGRAM

With experienced and service oriented staff, the Administrative services provided to programs and employees of the Mission are of high quality. The MCO's management style is to allow subordinates a degree of autonomy to manage their responsibilities and to provide them with guidance and advice when they need it. Services are also provided to the Embassy in Montevideo, Uruguay. The Memorandum of Understanding setting out the responsibilities between the Mission and Montevideo needs to be updated as the situation has changed since the original agreement of September 1996. There is a need for the Management Consular Officer (MCO) to establish a number of management practices. These include the setting of objectives for the Administrative sections, holding staff meetings to foster teamwork, and establishing service standards for a number of administrative processes.

The Crown-owned Chancery is very well maintained and offers a pleasant work environment. There are plans to refurbish the representational area of the Crown-owned Official residence in 2003-04 but this project should be brought forward as the areas are showing signs of wear. There is a need for a Mission training plan to be developed and to respond to the outstanding question regarding the Locally-engaged staff (LES) benefit survey. HRL should then address the issues and approve a new benefit package. Issues which affect not just this Mission but other missions as well include the need to study the most effective way to manage Electronic Technicians overtime, and for HQ to issue policies with respect to the provision and payment of cable television services and the management and filing of electronic records. The performance of the Receptionist should continue to be closely monitored and the practice of paying a number of LES in cash, for their salary, should cease.

MISSION MANAGEMENT

1.1 This Mission is headed by a very experienced Head of Mission (HOM). He is considered an expert on South American issues and is widely respected by the Canadian business and diplomatic community. He is very much aware of the issues at the Mission and participates actively in its management. While there are a number of committees at the Mission, overall communications from the top down is in need of improvement. There are not enough meetings of program staff to discuss Mission goals and objectives. Regular meetings are required to improve communications between all programs which would contribute to improving the synergy and team building amongst staff. There is effective dialogue between the IBD and PERPA Programs. The CMM has met only seven times in the past eleven months and discussions have centred primarily on administrative matters. Sub-committees of the CMM include Classification, Contract Review, Website Development, and Occupational Health and Safety.

1.2 There is an Accountability Agreement signed between the HOM and LGD which sets out the strategic, operational and management priorities of the Mission. To improve accountability, this Agreement could be further extended to a covenant between the HOM and the Program Managers spelling out in qualitative and quantitative terms his expectations for each program during the year.

Recommendations for Mission

- 1.3 **Mission communications should be improved through more regular program meetings. A retreat held with key Mission staff away from the working environment would go a long way to stimulating synergy amongst staff and contribute to effective team building.**
- 1.4 **Develop an accountability document between the HOM and the Program Managers which identifies in qualitative and quantitative terms the expectations of each Program.**

Mission Responses

- 1.3 **Implemented. There are now two meetings of the Mission Management Committee per month: one, attended by all CBS Program Managers, devoted to general administrative matters; and another, attended by all CBS employees, dealing with program implementation and Mission goals and objectives. The latter is also opened to all LES senior Program Officers once every four months. An initial mission wide (all CBS and LES) retreat is scheduled for next September, i.e. after the end of the current holiday and posting**

season. CBS Heads of Programs are of course maintaining their regular on-going general program coordination meetings within their respective Sections.

- 1.4 To be done before the end of September next, now that the 2000-2001 HOM Accountability Agreement and Performance Measure Agreements are in place. Those documents are to reflect and supplement the above Agreements, and to support their implementation.**

Hub and Spoke Arrangements

1.5 The Mission has a Hub and Spoke Memorandum of Understanding (MOU) with the Mission in Montevideo, Uruguay. The MOU is dated September 1996 and since that time an MCO position has been established in Uruguay which alters the responsibilities of both Montevideo and Buenos Aires under the MOU. The MOU needs to be reviewed to ensure that responsibilities as they currently exist are clear and properly defined, particularly in the areas of Administrative support activities and Consular Program delivery. A new MOU will have to be agreed upon by both parties and signed. (SMP issued an updated Guide for MOUs for Hub and Spoke Missions in September 1999 which should be referred to when finalizing the document.)

Recommendation for Mission

- 1.6 The MOU for the Hub and Spoke arrangement with the Mission in Montevideo should be updated to reflect the change in responsibilities.**

Mission Response

- 1.6 Now that a new MCO has just arrived in MVDEO, contact will be made with that Mission to review the current MOU, with a view to have a new one in place in September next.**

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

2.1 Program Overview

2.1.1 The IBD Program in Buenos Aires is responsible for trade promotion activities in Argentina and Paraguay. The Program is headed by a Counsellor (Commercial) who arrived at the Mission in August 1999. The IBD Program is large with three CBS (a fourth to be added this summer), four COs, and four and one-half support staff. One of the current CBS positions is fully funded by NRCan as is a half time support position. The NRCan position is limited to covering the geomatic sector but on a regional basis for all of Latin America. In September 2000, NRCan is to review the need to maintain this position beyond its current expiry date of 2001. *** The other CO, hired on a temporary basis, is in his third year with an option for a fourth extending to the summer of 2002. He is responsible for the hi-tech sector and is paid at the Assistant 07 level.

2.1.2 The IBD Program is active and benefits from a variety of sources for funding including the Program for International Business Development (PIBD) and the Special Trade Promotional Funding (STPF) as well as NRCan funds. In addition, the Program encourages and supports events fully funded by OGDs, Provinces and associations. The Program is being effectively delivered; however, there is potential through effective management to overcome the shortcomings of a few of the staff members.

2.1.3 In the previous three years, this Program faced inordinately strong pressure from numerous demands from both the Canadian private and public sector (including a large Team Canada Mission involving several hundred people). Recently, ***

2.1.4 The Counsellor (Commercial) has a good relationship with the other sections of the Mission, in particular the Political Program as it relates to developing the Mission's provincial strategy (Argentine Provinces) and with the two Canadian Forces Attaches when dealing with the trade promotion of defence related products. In addition, good cooperation exists with the Public Affairs Section when dealing with the media to promote Trade related events. The Program has good working relationships with the Team Canada Partners, particularly Industry Canada, Agriculture and Agri-Food Canada (AAFC), and the Canadian International Development Agency (CIDA). Eight of 10 Canadian Provinces are active in Argentina with Quebec having its own Office in Buenos Aires.

2.2 Resourcing

2.2.1 The IBD Program is beset with significant internal personnel problems. *** Under the circumstances, the Counsellor (Commercial) who arrived only this past summer is coping as best as possible. He is taking the right approach in trying to address the difficult situation he has inherited. *** His style is having a positive effect in efforts to turn things around. This, coupled with a corresponding reduction in activities, has helped improve morale in the Program.

2.2.2 It is not clear if the Program can justify the need for all four of the CBS Officers and four COs. A new incremental CBS position transferred from Santiago is planned to be added this summer (2000) to enable the Mission to provide amongst other things economic reporting. (The incumbent is already in Buenos Aires.) The Mission has faced criticism in the past from DFAIT because of its limited reporting. The addition of this new position, in the opinion of the Audit Team, requires careful re-evaluation particularly at a time when the Argentine economy is experiencing a slow recovery from the recession. In January 2000, the Latin America and Caribbean Bureau (LGD) approved an extension of the term CO position to 2002 ***. Approval was conditional on early concrete action being taken by Mission management to address the unsatisfactory performance. The Counsellor (Commercial) is to establish quarterly objectives and measure performance against these objectives. *** Previous Mission management's efforts to address this less than fully productive, and therefore unsatisfactory performance, were not successful. Appraisal reports on these employees documenting their failure to meet management expectations have not been kept current.

2.2.3 The heavy activity which faced the previous Program Manager led her to implement dramatic changes to the Program. This allowed staff to focus on essential services only and to operate more efficiently. Many of the initiatives introduced then are now considered "best practices" and are being promoted world-wide as part of the TCS's "New Approach" to deal with clients. At the same time, implementation of these initiatives made it extremely difficult for the longstanding employees to adjust. Employees felt under pressure and found it a particularly stressful period. Notwithstanding the fact that these changes were aimed at helping staff meet increased demands, the COs today continue to have difficulty in fully adapting to the New Approach. ***

2.2.4 The professional relationship between the NRCan representative and the Counsellor (Commercial) has been less than ideal. There is only limited communication between the two and the Counsellor (Commercial) is not fully apprised of her program itinerary. Communications is almost non-existent between the NRCan representative and the other trade staff even if, in many cases, the same local contacts are shared. The Counsellor (Commercial) is expected to contribute to the incumbent's appraisal but the current circumstances make it difficult to do so. The regional responsibility of the NRCan representative, which sees her on travel status 50 percent of her time, only

exacerbates this situation. The co-location of this position has put some strain on post resources (administrative support, loss of physical space) with little demonstrated benefit to the Mission. There is anecdotal evidence, however, suggesting that clients are very satisfied with the support offered by the incumbent and her support staff. It is difficult to evaluate if the services provided to geomatic clients are consistent with the principles promoted by the TCS New Approach. This is critical in terms of consistency in service standards within the same IBD Program.

2.2.5 The second CBS has been performing very well in managing a number of issues - IFI Strategy, Provincial Strategy, supervising the Information Centre and conducting quality control of the Trade Website on InfoExport. She is also handling relations with Paraguay and is responsible for the health, education and professional services sectors.

2.2.6 The IBD Program is facing a number of personnel decisions in 2001 with the retirement of the CO, the extending of the term CO position for a fourth year and the scheduled expiry of the two NRCan positions. This will present a good opportunity to carefully re-evaluate the overall staffing requirements of this Program.

Recommendations for Mission

2.2.7 **The Counsellor (Commercial) should establish specific goals and objectives quarterly for the Commercial Officers and review their performance against these criteria. *** the Counsellor (Commercial) will need to take appropriate corrective action.**

2.2.8 **The Mission should endeavour to offer these employees the necessary training and coaching required to assist these employees in satisfying these established goals and objectives.**

2.2.9 **The addition of an additional Canada-based Officer position planned for the summer of 2000 should be carefully re-evaluated in light of decreased trade activity with Argentina.**

Mission Responses

2.2.7 **The Commercial Counsellor has already started to tackle the HR problems: *** Management replied to his written note by indicating that his decision was considered irrevocable.**

Quarterly objectives have already been discussed and established for two other commercial officers. These objectives focus on out-call program and market intelligence dissemination (IFI projects for one officer, natural resources sector investment for the other one).

First quarterly review of performance is to take place in July. In addition to this, ***.

- 2.2.8 The officers that have been identified as having problems coping with the new work environment have been offered (and have accepted) computer training. On-line training services have also been promoted and one support staff has enrolled as well.

Regular one-on-one meetings will take place between the formal quarterly review. Group meetings with visitors have also been organized on an ad-hoc basis (CIDA INC, WIN Fast Forward consultation, IFI training).

Management will maintain its “open door” policy.

- 2.2.9 Following the early review of this audit report, HQ management has decided that no additional IBD resources would be transferred to Buenos Aires. However, in the context of the Program Integrity exercise, Buenos Aires was identified as a priority in term of trade policy/market access by the Trade Policy Bureau (MJF). This branch has decided to fund a position that will be devoted to these issues, as well as economic reporting. The creation of this position, initially conditional to USS approval of the E-Bureau proposal, is now being implemented, and a candidate to fill it has been identified and accepted by the Mission.

To echo recommendation 2.2.10 for LGD (full scale review of HR requirement for the Trade Program), we believe careful attention should also be paid to the renewal of the DFAIT-NRCAN MOU (geomatic position) that is due to expire in 2001: the Mission will recommend to LGD not to renew this position in BAIRS, at least not in its present configuration and under its present parameters. As outlined in this MOU, discussion on the renewal of this agreement should take place in September 2000, by which time BAIRS will have submitted a short position paper.

As a post-scriptum, we believe that it should be mentioned that although Argentina is slowly coming out of recession, the Canadian private sector interest for this market remains high. This country ranks 10th in term of priority market for our Department IBD program (see Department of Foreign Affairs and International Trade, February 2000: Priority Markets for International Business Development) and that 7 out of 12 TTCS have identified Argentina as a priority market.

It is in this context that we look forward to working with the L-Bureau to establish a longer term HR plan that will ensure optimal use of our resources.

Recommendation for LGD

2.2.10 A full-scale review of the human resource requirements of the Trade Program in Buenos Aires should be carried out in year 2001 to ensure an optimal use of resources.

LGD Response

2.2.10 We agree on the need for a full-scale review in year 2001, and we will liaise with the Mission, T and H Bureaux as regards implementation.

2.3 New Approach

2.3.1 As part of the procedures introduced by the previous Program Manager to bring more efficiency into its operations, an Information Centre was created that was designed to deflect work of a routine nature away from officers to enable them to devote more time to outcalls and business development. While the Information Centre is indeed handling a very large number of enquiries previously handled by officers, this has not necessarily been translated into increased market development and market intelligence. Many officers felt that with the New Approach, it has diluted the support to clients and, in turn, offered a less personalized service. This indicates that these officers have not yet “bought” into the New Approach. With one exception (the term CO), local officers need to demonstrate more aggressiveness by getting out of the office to better utilize the dynamics of the marketplace, establish new key contacts and identify a greater number of qualified trade leads. Little of their time is currently spent outside the office. A good example of possible loss of opportunities is the lack of follow up with Executive Agencies identified as key contacts in the Mission’s IFI Strategy. In this case, officers need to pursue opportunities which might exist within each of their own sectors. Most officers confirmed that they provide very few trade leads. Most of these comments likely apply to other missions as well as missions are still adjusting their work patterns to benefit from the additional time created as a result of implementing the New Approach.

2.3.2 Another failure of the LES indeterminate officers is their little use of the Internet as a support tool to help them do their job - although their support staff seem more attuned and able in this regard. The COs continue to maintain their own individual hard copy files instead of using new technology such as WINExport for this purpose. This poses pressure on the “corporate memory” of the Program which is critical given the possible extensive changes in personnel over the next few years.

While it is true that the Program has suffered from difficulties with WINExport, our research, albeit limited, has indicated that the staff are not using the technology to its fullest. For example, there is little evidence of entries of company profiles on local contacts nor of "Mission Notes" which can constitute the early version of an electronic filing system and which can greatly facilitate the learning curve of any new staff including a new Program Manager.

2.3.3 The sample of substantive responses seen by the Audit Team would also indicate a need in some cases to better address client's needs. By way of example, Mission files contain responses which include a long list of contacts without any indication of these contacts being "qualified" as key for the client. These lists, if not qualified, could conceivably be obtained publicly thereby providing little value-added from the Mission.

2.3.4 Although morale has improved, there is still some difficult relationships between some people within the IBD Program. Some have difficulty with their classifications and feel strongly that not everyone is pulling his own weight. There is little sense of any team "esprit de corps" being present. The Counsellor (Commercial) is attempting to improve this situation by having regular Program meetings as well as taking the opportunity to have the group meet informally outside the office. The Audit Team believes it would be in the interest of the Program to have all staff participate in a "retreat" as part of an effort to motivate staff and to promote team building.

Recommendation for Mission

2.3.5 The Counsellor (Commercial) should hold a retreat to communicate his vision of the Program and establish specific deliverable goals and objectives for both the short and long term.

Mission Response

2.3.5 The Counsellor fully concurs with this recommendation and will endeavour to have bi-annual retreats to complement the regular section meetings. Giving CBS movement this summer, our first retreat will be organized in September with new team, with follow up in March, following the Southern hemisphere Summer holiday.

It should also be noted that the Mission has decided to organize embassy wide officer-level meetings on a quarterly basis to stimulate cross-fertilization between the different embassy programs. (See Mission response to Recommendation 1.4, above.)

2.3.6 The results of the 1998 TCS Client Survey for Buenos Aires indicated a need to address serious issues in terms of service to clients. The Counsellor

(Commercial) has held a number of meetings with his staff both as a group and on an individual basis to discuss these results and identify actions aimed at improving the delivery of services. Continued follow-up on the action plan is necessary to ensure that services improve. Following the next survey, with results expected in early summer of 2000, the Counsellor (Commercial) will have more data available to assess overall performance.

2.3.7 The IBD portion of the Mission travel budget is mostly consumed by the use of taxis to go to meetings (60 to 70%). Some outreach has been done in the regions but mostly associated with HOM travels. The Trade and Political sections have contributed to a Provincial Strategy which looks at the history of the relationship and identifies possible new activities. The usefulness of outreach activities is limited to some sectors such as agriculture and, more recently, mining where important Canadian investment is being contemplated.

2.3.8 The Mission has elaborated an informal framework with the Canadian Education Centre which outlines who does what depending on the client and the particular request. Everyone involved is happy with this division of labour and there have been no complaints from clients.

2.4 Planning

2.4.1 The Counsellor (Commercial) has encouraged his staff to communicate more regularly with the Trade Team Canada Sector (TTCS) groups particularly during the planning stages regarding the choice of priority sectors. The 1999-2000 business plans were, in general, poorly written and focussed essentially on funding requirements and the typical event-driven approach. The Program's 2000-2001 business plans are a much improved model with more detailed information on priority sectors being provided. The Audit Team encourages the Counsellor (Commercial) to continue to focus his discussions with staff on these business plans. These plans can assist in identifying priorities and establishing personal objectives.

2.5 Official Hospitality

2.5.1 The official hospitality activity of the Counsellor (Commercial) was targeted to priority sectors of the IBD program, both extending hospitality and accepting invitations from target clients. Costs were maintained within the Mission guidelines. Approximately one third of the activity, in terms of cost, was conducted from the Chancery reception facility, involving 150 guests over the past year. The hospitality claims of other IBD staff were modest and targeted to projects sponsored by the section. Some confusion was experienced in sharing the cost of events between officers of various sections, making reconciliation difficult to achieve, particularly when currencies other than that of the advance were involved. Claims for some staff were included within the claims of supervising officers, adding to a certain lack of clarity in the presentation of the claims. The Mission may wish to explore the adjustment of

budgetary allocations between officers to facilitate the accounting process for larger multi program events. In addition, the cost of professional services needed in the delivery of programs, such as interpreters, might be more appropriately coded elsewhere than to hospitality. All officers should be encouraged to make profitable use of this tool for advancing their personal job objectives.

2.6 Best Practice

2.6.1 The Program would benefit by using a “best practice” entitled “Snapshot of the Trade Program” which can be found on Horizons. Although, all elements of Program information are available at the Mission, to integrate the main points on one simple document would enable the Counsellor (Commercial) to demonstrate quickly where his resources are presently being utilized. This would also be of use in keeping the HOM and HQ informed of the major activities, the visits, summary of each of the priority sectors, success stories, and trade statistics.

Recommendation for Mission

2.6.2 The Program should introduce a report providing a “snapshot” of the on-going key activities that have resource implications as a basis for keeping the Head of Mission and HQ informed.

Mission Response

2.6.2 The section will implement this “best practice”. We will prepare a living document based on the model presented by the audit team (BNGKK).

2.7 Funding Controls - Money Management

2.7.1 The Mission uses a well structured model for identifying potential projects for funding from both PIBD and STPF sources. These are classified by priority sector and the projects implemented have been concentrated in those sectors identified in the Mission’s business plan. Both of these funds were reviewed for the current fiscal year and indicated approximately 80 percent of the PIBD budget of \$53,000 and 95 percent of the \$12,000 STPF budget having been consumed by the end of February. Project files were sampled and found to follow patterns unique to each program officer. This made analysis of results and associated costs somewhat difficult. Nevertheless, the narrative reports supporting previous year’s completed projects did contain adequate descriptive commentary of the results achieved. The use of consistent administrative methodology such as that available on the “Horizons” Website would serve to simplify tracking of funding and the project monitoring process. It would also facilitate the generation of meaningful management reports consistent with the use of the IMS software currently being introduced for the management of all departmental programs.

POLITICAL/ECONOMIC RELATIONS AND PUBLIC AFFAIRS (PERPA) PROGRAM

3.1 Management of the Program

3.1.1 The PERPA Program is managed by an experienced FS2, supported by one Canada based FS, two LES program officers and two support staff. The work of the Program encompasses support for Academic Relations, the Canadian Education Centre Network office in Buenos Aires, the Canadian Tourism Commission, the Development Assistance programs of CIDA in Argentina and Paraguay, and the Cultural and Public Affairs Programs of DFAIT. Over and above this support to specific programs, this Section of the Mission oversees the monitoring and support of the bilateral relations activities between Canada and the governments of Argentina and Paraguay. It also maintains a watching brief of these countries involvement in the OAS and its various agencies and programs in which Canada participates.

3.1.2 At the senior levels, the Mission has well enunciated statements of objectives and responsibilities for both the Head of Mission and the PERPA Program Manager. These documents, however, have not been transposed into sets of quantified deliverables which can be delegated to subordinate staff for execution. One consequence of this is that the team of conscientious and dedicated staff in the Section attempts to deliver on all the substantive opportunities presented by each part of the total Program. This makes it difficult to change emphasis and to rank, by priority, initiatives the Mission is obliged to address. The Section's records of volume and diversity of subject matter are impressive but leave, for example, limited scope for significant focussed networking to develop an understanding of the underlying factors driving the Argentine economy which goes beyond that available in the media.

3.1.3 The PERPA Section manages specific Canada Fund Local Initiatives Project funding for the Development Assistance Program of CIDA in both Argentina and Paraguay with the assistance of a contracted Canada fund project coordinator for each country. These projects are managed according to parameters established by CIDA with the associated funding flowing through the Mission accounts. At the time of the audit, the contracts and grant agreements for the conduct of individual projects were not yet being reviewed by the Mission Contract Review Board; however, project proposals generated by the Mission and the Canada Fund Coordinators were systematically being reviewed before approval by the Program Manager and the HOM before implementation.

Recommendation for Mission

3.1.4 A formal challenge process should be established at the Mission for analysing all contracts and contribution proposals involving all monies from all Canadian Government departments flowing through

the Mission accounts. Agreements above a predefined threshold should be formally reviewed by the Mission Contract Review Board for reasons of both technical compliance with the contract regulations as well as for the development assistance objectives to be addressed.

Mission Response

3.1.4 Re contracts, see the Mission response to recommendation 5.4.21, below. Re contributions, the Mission was advised by SMFG last May that “the CRB is meant to review contracts, not grants and contributions”. But the Mission certainly fully acknowledges the need for prior challenge and review of such contributions, which can be a useful--and therefore tempting--vehicle for management and realization of some events in this day and age of sparse human resources especially if used in lieu of standard contract agreements. We will therefore explore for the best sensible solution to effectively meet that need.

3.2 Public Affairs

Canadian Education Centre network

3.2.1 The Mission's involvement with the Canadian Education Centre Network is the outgrowth of the largely successful Canadian Studies programs which is active in seven Argentine post secondary institutions. The Mission's Public Affairs Section is the focus of all activities in the Education Sector, bringing together the work of the IBD program and the CECN, marketing Canadian Education sector products in the local market. Within the Mission, a well described matrix of the mutual responsibilities of each section and the CEC has been in operation for almost two years, notwithstanding the absence of a formal MOU with the CECN for the support of its office in Buenos Aires. A draft agreement was prepared in 1998 for the support of the Buenos Aires office of the CECN, on the basis of which the Mission confirmed the responsibility of the Canadian Government for reasonable rental costs of the CECN office until November 30,1999. The financial commitment of DFAIT operational funding was subsequently extended to 31 March 2000 at a value of \$35,246 for the 1999/2000 fiscal year. The Mission has reported regularly on the potential of the Education Services market in Argentina for Canadian institutions and the analysis of these reports will facilitate the decision-making process for the Mission's continued involvement in this sector.

Recommendation for Mission

3.2.2 Additional financial support for the rental of the CECN office in Buenos Aires should not be provided prior to the signature of an

agreement between the CECN and DFAIT which specifically includes this obligation.

Mission Response

3.2.2 The Mission fully agrees. The signature of such an agreement is quite obviously a matter within the purview of DFAIT headquarters, and not within the control of the embassy.

Public Affairs Initiatives Management

3.2.3 The Mission's Public Affairs Section has developed templates for press lines to be followed with the local media for incoming high level delegations. The first draft of this strategy document is prepared on the announcement of an incoming visit and it is systematically revised following each new development in either the composition or interests of the incoming team, or in response to changes in the local environment which need to be brought to the attention of the incoming visitors. The value of this planning tool and the dedication of the Mission's Public Affairs staff to excellence has been noted and recognized by departmental management.

3.2.4 The Public Affairs staff have demonstrated on a regular basis their in-depth knowledge of the Argentine media and cultural industries, generating a constant flow of potential projects aimed at furthering Canadian interests. While the level of initiative has been in the past and continues to be commended, the methodology used for project implementation creates unnecessarily high risk levels for both the employee concerned and for the Mission. As many projects are annual events, the project officer has developed the habit of facilitating implementation by personally contracting for goods and services, then paying personally before periodically soliciting reimbursement of project implementation costs from the Mission. During the current fiscal year, this employee solicited reimbursement of US\$21,391 for expenditures incurred in the execution of Mission Public Affairs projects, without always having secured prior approval from Mission management for some of the costs of a given initiative. Goods and services contracts were entered into, and paid on a personal basis by this employee rather than being signed by a Mission employee with delegated signing authority to sign on behalf of the Mission with the invoices being paid directly through the Mission accounts. There is no doubt that acceptable value for money has been received for most of the initiatives undertaken, but in the absence of advanced planning and approval of projects supported by the Section, significant extra time has been invested by both the LES and CBS staff of the Section. Both the LES Section head and the CBS program staff regularly work in excess of 45 hours per week. While this dedication is to be commended, the wisdom of investing time and money in the pursuit of projects which may run counter to the agenda of the Mission senior management should be reconsidered.

3.2.5 The additional efforts devoted to the elaboration of Public Affairs initiatives beyond the agreed resource base available to the Mission as a whole makes it difficult to publish and adhere to a set of service standards for all Mission programs such as those advocated for global application for the IBD Program. The Mission may find it opportune to incorporate the development and adherence to such service standards in the performance appraisals of staff in the Section. It was noted that regular appraisals of staff in this Section are more than six months late for three of the four LES.

Recommendations for Mission

3.2.6 All Public Affairs projects should be managed with a formalized project planning process, similar to that used for the management of the Post Initiatives Fund, with project and expenditure approvals being exercised only by those employees delegated with the responsibility to do so.

3.2.7 A verifiable system of performance appraisals of LES which includes specific tasking of project implementation staff be implemented, and that mention of the timely completion of performance appraisals of subordinate staff be included in the performance appraisals of program managers.

Mission Responses

3.2.6 Steps have been taken to strengthen the project planning process. The Mission will ensure that the commitment of funds is undertaken in accord with guidelines and regulations established by DFAIT.

3.2.7 Preparation of appraisals for the LES is currently in progress, and will have been completed by August 1st. This will include specific tasking for project implementation.

Official Hospitality

3.2.8 Official Hospitality activities of the Program Manager involve extending hospitality slightly less than twice per month with about one third of the functions using the Chancery entertaining facility with the balance in restaurants. Individuals entertained have been focussed to the Section's program objectives. Grouped orders for calendars to present to significant contacts were purchased by the Program Manager and then invoiced to other mission officers. As the purchase was initially made in a currency other than the advance held by the Program Manager and payment of internal invoices was made by other officers using varying exchange rates, the reconciliation of this one purchase became unnecessarily complicated. A similar complication was noted in the management of the costs for large multi-program

receptions held in the Chancery where the host solicited reimbursement for shared costs from a number of program officers. Since all costs were being funded from the Mission budget, one person could have been assigned the task of managing the logistics and all invoices could have been paid directly from the Mission bank account without the necessity of routing the costs through the hospitality advances issued to individual employees. Such a streamlining of financial arrangements for hospitality functions would facilitate the accounting for functions which are jointly funded from the Mission budget and various OGD or private sector participants.

CONSULAR PROGRAM

4.1 Management of the Program

4.1.1 The Program is effectively managed by the LES Senior Consular Officer and the Consular Assistant with appropriate supervision by the MCO and DMCO, and little perceived need for direct involvement on their part. The two LES are full time on Consular activities and work well as a team. Besides managing Consular activities in Argentina, they are responsible for providing advice to the Honorary Consul and his staff based in Asuncion, Paraguay, and, as requested, to the MCO in Montevideo, Uruguay. The MCO has not set objectives for the Program nor are regular staff meetings held to discuss current concerns and future plans. Both LES have received Consular training within the Americas. They suggested that, in future, such training be in Canada so that visits can be made to their contacts in the Consular Affairs Bureau and Passport Office. The LES should be encouraged to make more use of limited official hospitality funds so that they can liaise with their local contacts in an impersonal setting.

Recommendations for Mission

4.1.2 Goals and objectives should be set for the Consular Program, with results matched to the appraisal process for the two LES.

4.1.3 Regular meetings of Consular staff with the MCO and DMCO should be held to discuss plans and objectives and common concerns.

Mission Responses

4.1.2 Written goals and objectives will be set for the Consular Program. The MCO needs to complete the annual appraisals for the section in July and goals and objectives will be set for the next appraisal period (summer 2000 to summer 2001).

4.1.3 Formal regular meetings with the Consular staff have begun starting back in April. These will continue to be held on a monthly basis.

4.2 Service to Canadian Citizens

4.2.1 The two LES are very experienced and service oriented. The number of Canadians visiting the area is increasing although they are seldom problem cases. There are no Canadians in jail and there are no outstanding Consular cases. Both LES and the Receptionist are trilingual, including fluency in both official languages. The MCO is also fully bilingual. Contingency plans for Argentina, Paraguay and Uruguay

were recently updated for Y2K purposes. The ROCA is kept-up-to-date and there are 2600 Canadians registered in Argentina. After hours service is provided by the Watch Office in Ottawa.

4.3 Passport and Consular Services

4.3.1 Approximately 60 passports are issued each month. The Section processes passport applications for Argentina, Paraguay and Uruguay, except for emergency passports which can be issued in the latter two countries. Passport service standards are met with issuance usually on a Thursday and the passports are shipped to Asuncion and Montevideo on the Friday. The passport inventory was reconciled on March 1, 2000 and Consular revenues were reconciled on March 3, 2000. Asuncion collects fees in Canadian dollar drafts, Montevideo in US or Canadian dollar drafts and Buenos Aires in local currency. Consular revenues are reconciled weekly and transferred to the Accounting Section for bank deposit.

4.4 Honorary Consuls

4.4.1 There is an Honorary Consul in Asuncion, Paraguay who has a full-time Assistant to manage Consular activities. This employee's salary is paid by the Mission. In Paraguay for 1998/99 there were 8,177 Canadians registered and the passport and citizenship activity is high. The Senior Consular Assistant and the previous HOM visited Paraguay in May 1998 and met with the local Canadian community in parts of the country. An Annual Consular Report was completed by the Honorary Consul for 1998/99.

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 The MCO, an AS-5, is responsible for the management of the Administration Program. The MCO reports directly to the HOM ***. The DMCO, an AS-2, is on his first posting and is mainly responsible for property management and also serves as the back-up to the Systems Administrator. In general, there is a need for the implementation of some sound management practices which should increase the overall effectiveness of the Program. Recommendations follow in this regard.

Administrative Objectives and Work Plans

5.1.2 The HOM Accountability Agreement for 1999/2000 has a section on administrative priorities. While a number of the objectives of the Administration Program have been dealt with, those with respect to its management require more attention by the MCO. Objectives which need to be addressed are as follows:

- (a) Maintain and enhance teamwork among all sections of the Embassy. Administrative staff do not have staff meetings as the MCO prefers to discuss matters one on one. Staff expressed an interest in group meetings which would foster teamwork and keep all staff informed on issues and concerns.
- (b) Maintain a high quality standard of clearly defined service to clients of all of our programs. Service standards have not been established for administrative processes and requests; therefore, clients are not informed as to when to expect requests to be actioned.
- (c) ***
- (d) Ensure that all Mission staff have received all the computer training necessary to make better use of our informatics tools and to carry out their duties in an efficient manner. This objective is commented upon in the Communications section of this report and remains the shared responsibility of the employees themselves, including the LES, in terms of participation in what is being offered and of the use of all self-help material available.

5.1.3 While these broad objectives have been set by the HOM, the MCO has not established a work plan to meet the objectives nor set objectives for each section of Administration. A plan needs to be established after discussion with the Administrative staff, persons responsible for specific action should be identified and time lines established for the completion of the tasks. Such work plan setting and tasking should

be built into the appraisal process for the staff concerned. Such objectives would allow results to be better measured and work prioritized.

Recommendations for Mission

- 5.1.4 Objectives should be set for all sections of Administration and a work plan be developed to meet the objectives set out in the HOM Accountability Agreement.**
- 5.1.5 Regular meetings of Administrative staff should be held to discuss plans and resolve concerns.**
- 5.1.6 Service standards should be established for all administrative activities.**

Mission Responses

- 5.1.4 The MCO needs to complete appraisals in July and at this time written goals and objectives will be set for all sections of Administration and a work plan developed to meet objectives set out in the HOM Accountability Agreement. (See also Mission response to Recommendation 1.4, above.)**
- 5.1.5 Formal regular meetings with the Administrative staff have begun back in April. These will continue to be held on a monthly basis.**
- 5.1.6 Work has been done on service standards for all administrative activities. The target date for completion of this work is the end of July. As a general comment on service standards, HQ could greatly assist all Missions by preparing generic lists of services and standards as was done in the past for Consular matters, and as has been done in the Trade Sector. This would greatly facilitate/ encourage the preparation of service standards at all Missions and eliminate costly and time consuming duplication of work.**

Administrative Services

5.1.7 Staff in the Administration program are service oriented. LES are very experienced and take their role to heart. The MCO is cost conscious and maintains tight control on expenditures to ensure that the Mission budget is not overspent. The role of an MCO is both to service clients and control operations. This is a sometimes difficult balance to maintain and, in this case, perhaps a little more flexibility in decision making by the MCO would enhance the service aspects of his role. All Program Managers in Buenos Aires and the HOM in Montevideo were interviewed regarding the

quality of administrative services they and their programs receive. Comments were generally complimentary although there were comments regarding the reception and telephone system problems, the need for informatics training and the need for more flexibility on mission budget spending.

Mentoring for the DMCO

5.1.8 The DMCO arrived at the Mission in July 1998, the same time as the MCO. No plan was established for the on-site training of the DMCO who is on his first posting. Besides being responsible for physical resources activities, he has been given ad hoc requests for information from HQ to research and answer. It is still not too late to set up a plan for his future training. The DMCO should be introduced to other areas of administration and Consular to give him a broader perspective of a mission's operations.

Recommendation for Mission

5.1.9 The MCO should establish, in collaboration with the DMCO, a plan for the advancement of the DMCO's knowledge base for his final year at the Mission.

Mission Response

5.1.9 The DMCO will not be completing his final year at the Mission. He is being assigned as the principal and only MAO at another Mission starting in August, 2000. A formal plan, if required, will be established for his replacement on arrival in Buenos Aires. It would be appreciated if expectations of this nature were better coordinated and communicated to the Mission beforehand. The MCO has exposed the DMCO to the many areas of administration to varying degrees taking into consideration operational requirements and other limiting factors. The need for a more formal on-site training plan for the DMCO was never set as an objective for the MCO and/or communicated to the Mission by the concerned Human Resources sections at HQ. A summary report on the DMCO's training to date from the training section at HQ should be sent to the Mission before the DMCO's arrival at the Mission.

5.2 Human Resources

Management of the Function

5.2.1 The responsibility for the management of this function rests with the MCO who is assisted by the DMCO. The Audit Team met with both CBS and LES staff

concerning the overall management of the function and reviewed a number of related files. The Team found the function to be well managed overall. Appraisal reports are up-to-date for the majority of Mission LES staff with only few exceptions mainly in the *PERPA and IBD Programs*. Staff in administration are generally experienced and professional although one employee's work performance is being closely monitored by both his immediate supervisor, the DMCO, and the MCO.

Training

5.2.2 Although training has been provided to staff over the past few years, there is no formal training plan that can assess what has been provided and where additional training might be required. It was suggested that Program Managers form a training committee and meet with their respective staff to prepare an overall Mission training plan. The list should outline the training deemed advisable by the supervisor and should correspond to training requirements identified in appraisal reports. Employees could also provide input as to what training they would like that is related to the performance of their duties. Once completed and reviewed by CFSI, an overall action plan can be put in place.

Recommendation for Mission

5.2.3 A formal training committee should be formed and a formal Mission training plan should be prepared.

Mission Response

5.2.3 This recommendation coincides and echoes the most recent CFSI worldwide LES training initiative communicated to all Missions at the beginning of May. A training committee formed by the managers of the main Embassy Programs has recently been established, the MCO has been named as training coordinator and LES staff have been informed of the existence of the training committee and the training coordinator function. The next step towards completing a formal Mission training plan will be undertaken starting in June and target completion date of this project is for the beginning of August.

Meeting with LES Committee

5.2.4 Two team members met with representatives of the LES Committee. The Committee indicated that it was satisfied with the way in which management was handling its concerns. The members raised a few points for the Team's information and consideration. The points included classification of positions in particular the recent reclassification of the Administrative Assistant's position from Asst-05 to Asst-04. The members indicated they were still awaiting the results from last year's benefits survey.

Other topics discussed briefly were training, career development, recruitment, medical advances and pension schemes. The Audit Team briefed the MCO on the discussions held during this meeting for follow-up purposes.

5.2.5 The Audit Team also met with the four drivers who raised their concerns regarding the provision of accident insurance during and after working hours. The results of this meeting were also shared with the MCO.

EL Overtime

5.2.6 There is a resident CBS EL responsible for covering the work in seven different missions in the region (Sao Paulo is considered two missions because it is located in separate buildings). Concern was raised by the Mission about the amount of overtime being claimed, that surplus costs were being charged against Buenos Aires' budget for work at other missions and that the charge for overtime takes place long after the work has been done making it difficult to control reference levels. This is a recurring problem at many missions which is aggravated by additional missions opening and cuts in the total number of EL positions abroad. It is suggested that consideration be given to the overtime budget being controlled at HQ by the same division responsible for the assignment of work for the ELs abroad.

Recommendations for SXD

5.2.7 **An additional EL position should be re-evaluated for the region.**

5.2.8 **The tasking of EL assignments and tracking of overtime requirements resulting from these regional visits should be centralized in HQ and the budget for overtime should also be centrally located.**

SXD Responses

5.2.7 **SXD is presently undertaking a review of the workload and developing related workload metrics associated with our EL Regional Support Positions Abroad. From that we intend to determine where EL should be located and how workload should be distributed so as to optimize the support we provide to missions abroad. We anticipate having this review completed and recommendations finalized so as to allow us to implement them commencing with the normal 2001 posting season.**

5.2.8 **SXD has reviewed the administrative arrangements related to overtime (OT) requirements for the regional EL on at least two occasions recently and concluded that OT should be**

monitored/verified/approved by the host mission. Host missions are administratively responsible for the EL at the mission, and in the best position to determine whether or not OT is necessary and effectively carried out. Area missions are aware that OT must be approved by the MCO and that in some cases, the host mission may charge back the OT worked by the EL at an area mission. Mission OT allocations are made at HQ by the AMA. The EL is a regional resource and provides IMT support mainly to missions in the same geographic region and OT funding is transferred to the AMA at the time of the creation of the position, based on the workload anticipated and historical precedent. If the workload has increased, as it has in the case of most areas, mainly because there are additional services provided or additional missions opening (as noted in the 5.2.6 of the report) within the regional EL responsibilities. The AMA should supplement the OT budget since there is additional OT required in support of missions in his (AMA's) region. Every mission added, every service deployed, represents a potential impact on the regional EL's OT. There have been no cuts in the number of SXD EL abroad since the Executive Committee agreed to transfer those FTEs to SXD. In fact, the number has increased and has surpassed the level prior to the recent series of program review cuts. It may be feasible to have regional EL OT centralized in HQ at the geographic branch (AMA) level, where it precisely resides in effect. In our view, this is a matter to be resolved between the mission and the AMA and does not directly involve SXD.

5.2.9 From the EL's perspective, the act of balancing a work schedule at so many missions involves a great deal of time being spent on the road and, in some cases, ***. They make a compelling argument that the less amount of weekends they need to spend away, the better. From the Mission budget perspective, extended weekly overtime hours results in higher overall costs and that extended hours could lead to burnout and loss of efficiency and effectiveness of the employee.

Recommendation for Mission

5.2.10 Calculations of costs of extended travel versus overtime should be conducted and weighted against personal factors of extended absences from families.

Mission Response

5.2.10 The Mission will continue to balance the 3 components of the audit team recommendation. Our first choice is naturally to avoid extended absences from families. But when we run out of overtime

funds, even before the middle of the fiscal year, then it is impossible for us to sign off on overtime claims and/or approve any overtime beforehand. This problem will not go away by itself. No solution has been found after 2 years of documenting and discussing this subject. The only real solution is to increase the Mission overtime budget or reduce the EL territory, unless this issue is satisfactorily solved as per Recommendation 5.2.8 to SXD, above.

Salary and Benefits

5.2.11 The Mission conducted a benefit survey in December, 1998 and a further study in December 1999 which made the same recommendations as in 1998. There has not yet been a response to the recommendations from HRL. In October of 1999, HRL sent an e-mail message asking for clarification on some of the benefits revolving around severance and separation gratuities. Discussions were held between the Mission and HRL, and the possibility of an officer from HRL visiting the Mission to carry out the project was also discussed. In the meantime, the MCO should investigate the issues and obtain as much information as possible on the subjects raised. In response to these questions, the Mission should provide the results of a review of markers which is currently underway on the question of severance. The last LES Handbook was updated in 1996.

Recommendation for HRL

5.2.12 A formal response to the benefits survey of December 1998 should be sent to the Mission.

HRL Response

5.2.12 Positions within HRL have now been classified and staffed which will in part be allocated to benefit survey reviews on a global basis. Training of the officers and review of the data will commence this fall with results being transmitted to the missions upon completion on a case by case basis.

Recommendations for Mission

5.2.13 Any major changes between last year's LES salary and benefits survey and current data should be reported to HRL.

5.2.14 A revised Handbook should be completed upon implementation of the latest salary and benefits survey.

Mission Responses

- 5.2.13** **The benefits survey was completed by the Mission in December 1999 and results communicated to HRL. No other data is required by HRL for them to complete the study and annual revision of LES benefits for our Mission. The Mission will deal with the separate issue of clarification on severance and separation gratuities as requested in the HRL e-mail of October, 1999. The results of a review of markers on the question of severance has already been sent to HRL. Other data will be provided sometime before December, 2000. Mission management attaches much importance to the resolution of those two separate—but related—issues, and would not want difficulties in solving one (severance and reparation gratuities) hamper or delay decisions in relation to the other. And for which the information has long been provided to HQ.**
- 5.2.14** **The latest Handbook was last reviewed/revised in 1997. Most of the pages are dated 1996 but some pages, those in need of revision after the 1997 salary and benefits survey, were revised and replaced in 1997. The Mission intends to revise the Handbook on receipt of the results as sought in recommendation 5.2.12. The Handbook is otherwise up-to-date.**

The Receptionist

- 5.2.15** **The current Receptionist was hired in April of 1997 ***. Upon review of the incumbent's personnel file, there were two minor incident reports. The incumbent indicated to the Audit Team that he knew when he joined that he was overqualified for the position of Receptionist but had been told by the Mission that there would eventually be other opportunities for advancement. *****
- 5.2.16** ***** There has been no appraisal reports for this employee from his immediate supervisors, the current and previous DMCOs, since his employment date.**

Recommendations for Mission

- 5.2.17** **The results of the meeting between the Receptionist and the MCO should be documented and signed by both parties.**
- 5.2.18** **An appraisal report should be completed for the Receptionist.**

Mission Responses

- 5.2.17** The MCO along with the DMCO have discussed this recommendation and find it difficult to accurately document a meeting which took place nearly 6 months ago. All performance issues have now been recorded in the recent completion of the employee's appraisal report.
- 5.2.18** This was done by the DMCO in June, 2000. The report covers the period Summer 1998 to Summer 2000.

Staffing Actions

5.2.19 There were four staffing actions during the past year and these were reviewed. Two of these files are complete and well documented. The other two are incomplete with little rationale on file and little supporting documentation showing how the final decision was reached.

Recommendation for Mission

- 5.2.20** Future staffing actions must document clearly the members of the committee, outline the process for rating the applicant showing all questions and testing documentation as well as all discussions held and decisions taken.

Mission Response

- 5.2.20** Future staffing action files will be complete. This requirement will be communicated to all program managers and those to be involved in future staffing actions.

Classification

5.2.21 A Classification Committee is in place and was originally comprised of three Program Managers, including the MCO and Program Managers from CIC and Trade. Decisions rendered by the Committee required consensus but there were some concerns that a Program Manager reviewing a position within his/her own area might not be impartial. The Committee structure was revisited and the Program Manager for the Political Program has been added. If the job concerns a position within the Program Manager's section, he/she waives the right to vote.

5.2.22 During the audit, concerns were raised over a recent classification decision to lower the Administrative Assistant's level from Asst-05 to Asst-04. This was brought to the attention of the Audit Team during discussions with the LES Committee and the current incumbent. Upon review of the file, it was determined that the classification took

place prior to the re-conversion of the Classification Committee and that the Program Manager responsible for managing this employee voted in this case. A quick review of the benchmarks and of the incumbent's responsibilities raised some concerns with the decision.

Recommendation for Mission

5.2.23 The new Classification Committee should re-evaluate the level of the Administrative Assistant's position.

Mission Response

5.2.23 A re-evaluation of the Administrative Assistant's job description will be carried out at the next Classification Committee meeting, scheduled for July, 2000.

Freight Forwarding

5.2.24 ***

Recommendation for SERV

5.2.25 ***

SERV Response

5.2.25 ***

Health and Safety Committee

5.2.26 A Health and Safety Committee has not been active since 1998 which is the date of the last Mission Committee report. The Health and Safety Committee is required by Labour Code to oversee occupational health and safety concerns and periodically consult with HRE.

Recommendation for Mission

5.2.27 A Health and Safety Committee should be re-instated, meetings should be held and concerns of staff should be addressed.

Mission Response

5.2.27 The Health and Safety Committee will be re-instated and meetings held in the near future. Target date August, 2000.

Cable Fees

5.2.28 The cable TV fees at the OR and six (6) SQs are currently being paid by CBS while the remaining seven CBS are receiving free cable services as part of an overall condo package which is paid out of the Mission's budget. This is a problem that has surfaced at other missions and breeds discontent amongst staff. FSD 25 outlines those charges which are to be covered by departmental funds and cable fees is one of the expenditures that is the responsibility of the tenant rather than the Crown.

Recommendation for HPM

5.2.29 The policy regarding the collection of cable fees should be reviewed and communicated to all missions.

HPM Response

5.2.29 Agreed. A committee involving HPM, SMS and SRM has been convened to develop and promulgate an appropriate policy.

5.3 Physical Resources

5.3.1 The MCO is responsible for this function but day-to-day management has been delegated to the DMCO. Assisting the DMCO are the following LES: a Materiel/Customs Clerk, a Property Management Assistant, a Helper and a Guard. The Drivers report to the LES Administrative Assistant and the Building Maintenance Supervisor reports directly to the MCO. These various reporting relationships were reviewed and no change is required. The LES in the Property Section are very experienced and service oriented. The Chancery and Official Residence are Crown-owned and the staff quarters Crown-leased. There is a Housing sub-committee of the CMM which recommends staff quarter allocations for the approval of the HOM.

Chancery

5.3.2 The Chancery was purchased in 1986 and occupied in 1991. It is a four storey building, is very well maintained and offers a pleasant work environment for the employees. The maintenance of the building and the various systems are the responsibility of the Building Maintenance Supervisor whose back up is the Property Management Assistant. As there are no other maintenance staff, a number of contracts have been let for systems maintenance, cleaning, etc. The process followed for the letting of these contracts was reviewed and procedures were found to be in order with bids solicited and proposals reviewed. The fourth floor is used for official hospitality functions and meetings and contains an industrial kitchen, dining and reception area. In 1999 there were 98 official functions held in the area. Office space in the Chancery is now tight with recent staff increases. A Space Allocation Committee was set up to

review options for the placing of the additional staff. The secure area has surplus space as it was built to COSICS specifications.

Official Residence

5.3.3 The Official Residence was purchased in 1982. An SRD officer visited the Mission in September 1999 and prepared a five year maintenance plan. A remodelled kitchen was completed in September 1999 and is functioning well. SRD plans to refurbish the reception areas in 2003/2004 but the drapes, carpets, sofas, etc., are showing signs of wear and this project by the Interior Design Section (SRPD) should be brought forward, if possible. Consideration should also be given to refinishing the flooring in the reception area rather than having wall to wall carpets which stain easily and require continuous cleaning.

Recommendation for SRD

5.3.4 The refurbishment of the Official Residence reception areas planned for 2003/2004 should be brought forward to an earlier date.

SRD Response

5.3.4 SRPD will be working with the Mission to develop an earlier refurbishment plan, focussing in on the most needed areas, with possible partial funding from SRPD's budget 2000/01.

Staff Quarters

5.3.5 There are four villas and nine apartments under Crown-lease. The leasing costs are high at US\$2,440 to \$4,500 per month. Over the past few years, the Mission has managed to reduce leasing costs and attempted to have condominium fees and taxes included in the lease figure, to protect against inflation. An evaluation of leasing costs is obtained from a third party to ensure it reflects actual market values. The Mission lawyer also reviews all leases before signature. *** and all have yards with a small pool. Apartments are in close proximity to the Chancery. Audit team members visited two villas and two apartments. Staff quarters are entirely suitable and well furnished. There had been considerable discussion at the Mission with SRD regarding who was responsible for providing a fence around a pool in the case of a young family with children. The fence of 15 feet restricting access to the pool was finally installed. SRD's policy in this area is unclear and should be readdressed. Initially SRD responded that there was no requirement for a fence and that the Mission should consider decommissioning the pool or alternatively have the occupant pay the cost for its installation and removal at the end of the posting.

Recommendation for SRD

- 5.3.6** The policy with respect to erecting fences around pools for the safety of children should be established and missions be informed of the new policy.

SRD Response

- 5.3.6** The policy with respect to responsibility for pools located at existing Staff Quarters is articulated in the draft Property Manual. In the case of Buenos Aires the Mission and the individual were advised by SRSF of options to deal with the situation in question. The individual was concerned that the existing pool was not specifically fenced in and that his young children could gain easy access to the pool.

It is not presently the Department's responsibility to install an inner fence around a pool – only to comply with normal regulations such as ensuring that adequate perimeter fencing is in place. See Section 21-8 draft Property Management Manual. As correctly noted by SIV above, the individual was advised that he could either cover the cost of installing a secondary pool fence himself or he could submit to having the pool filled in.

SRD agrees that the question of inner pool fencing is an area of policy that should be re-examined and will be doing so before the end of the calendar year 2000.

Mission Property Management Plan (MPMP)

- 5.3.7** The MPMP was updated by the DMCO in February 2000. In the past, there were inaccuracies with respect to the actual measurements of the space in a number of the villas as the third floor, which is called an attic, in reality, is used as a recreational or family room. This had been excluded from the total measurements for the purposes of the staff quarter space guidelines. This resulted in misinformation being provided to the Housing Committee when making staff quarter allocation decisions. Villas were re-measured to reflect the actual space and the current MPMP reflects these adjustments. Currently three SQs meet space guidelines, seven are within HOM approval and three are marginally over the HOM's approval limits.

Official Vehicles

- 5.3.8** There are five official vehicles at the Mission including dedicated vehicles for the HOM and DND staff. Both the HOM and DND vehicles are made available for general use when not required by the dedicated users. Logs and monthly reports are

maintained to control vehicle operations. CBS awaiting the arrival of their personal vehicles can rent an official vehicle, if available. CBS have been maintaining their own records of usage and when the total rental cost exceeds the amounts claimable under FSD 15, they reimburse that amount to the Accounting Section. For more effective control, the Administrative Assistant, who supervises the drivers and controls the vehicles, should maintain these records and prepare billings for any amounts owing.

Recommendation for Mission

5.3.9 The use of official vehicles by CBS should be controlled by the Administrative Assistant.

Mission Response

5.3.9 The control of official vehicles used by CBS has been assigned to the Administrative Assistant. For the record the files on the use of the vehicles by the CBS during the past 2 years under FSD 15 have been reconstructed by the Administrative Assistant and all of these files confirm that none of the CBS utilized the vehicles in excess of the amounts allowable under FSD 15.

Mission Assets

5.3.10 Distribution accounts are maintained for all assets at the Chancery, Official Residence and staff quarters. The Chancery distribution account has not been formally signed off by the individual managers or the DMCO for administrative assets. There are effective controls in place for those assets held in storage. Occupancy Agreements have been completed by all CBS. The DMCO is to introduce a Materiel Transfer Voucher system to more closely control the movement of assets to and from storage and between properties. Disposals of assets are well documented with sealed bids being requested and a minimum selling price being placed on attractive items. A number of CBS had requested the provision of food processors for their staff quarter but, at present, such items are not allowable under the MAT authorizations. Policy on this subject was given to the Mission by SRD.

Recommendation for Mission

5.3.11 The Chancery Distribution Accounts should be signed off by the responsible persons.

Mission Response

5.3.11 The Chancery Distribution Accounts have all been signed off. Completed in April, 2000.

Property Maintenance

5.3.12 Property maintenance requests are managed by the Property Management Assistant. The requests are received orally or by e-mail. Work is prioritized and contractors are contacted to carry out the repair. There is no maintenance staff on the Mission's establishment. The DMCO is to introduce a form so that the property occupant can provide feedback regarding the timeliness and quality of the services provided by the contractor. Savings have been effected by hiring labour and supplying the paint for property repainting rather than hiring a painting contractor.

Provision of Bottled Water

5.3.13 Bottled water is supplied for the Chancery, Official Residence and staff quarters. In 1998, an extensive study was conducted to determine if the \$36,000 being charged annually was reasonable. An area which the DMCO is to review is the possibility of using larger, permanent containers at the Chancery, as a cost saving. Tests are also being conducted of the water quality at the properties to determine if the supply of bottled water there is still necessary.

5.4 Finance

Management of the Function

5.4.1 The Finance Section is managed by the MCO with the assistance of an experienced Accountant. The function is being well delivered overall despite numerous changes over the past year, including the introduction of IMS and the arrival of a new Assistant Accountant who has made an easy transition into his new responsibility. The accounting registry is well organized allowing information to be accessed from the files.

Hospitality

5.4.2 Hospitality diaries for the HOM and DFAIT Program Managers were reviewed and were found to be thorough and activities well documented. The HOM uses the Official Residence to entertain but also makes good use of the 4th floor in the Chancery, particularly for afternoon receptions or lunches. The Program Managers do the bulk of their entertaining in restaurants or occasionally use the 4th floor facility. Given the statistical information collected, representational housing is not deemed a requirement at this Mission. There is opportunity for increased usage of hospitality by other CBS officers and LES who report to MCO and Trade Program Managers.

IMS Training

5.4.3 The MCO has had recent IMS training for a period of three months but was not provided any guidance in using the system for creating reports. Additional training for the MCO would be beneficial to access the information required to oversee

the program. The DMCO did not receive any IMS training prior to his arrival two years ago. He has since received some distance training which has helped him with the management of the property activities.

5.4.4 There is a LES IMS course scheduled for May, 2000 and the MCO has proposed to HQ that both LES Accountants attend this course. It was raised by both the Accountant and the Assistant Accountant that, given the level of increased responsibility over the years and the increased complexities of their work, their respective classifications of Asst-07 and Asst-04 should be revisited.

Recommendation for SMD/SMS

5.4.5 **As part of their overall review of the level of Accounting positions abroad, both the accounting positions should be reviewed for classification.**

SMD/SMS Response

5.4.5 **We agree that all accounting positions abroad should be reviewed. With the repatriation of the RFO positions (except Washington), and the establishment of the regional support organization in SMF, this will be one of the activities they will undertake. However, due to the workload required to set up a new organization, the impact of FIS, we do not expect this review to take place until the next fiscal year.**

Payment of LES salaries

5.4.6 *** Direct deposits were instituted at the Mission and each employee was offered the opportunity to open a bank account, free of charge. Given the additional time, energy and expense required ***, there is no justification for continuing this practice.

Recommendation for Mission

5.4.7 ***

Mission Response

5.4.7 ***

5.4.8 ***

Recommendation for Mission

5.4.9 *******

Mission Response

5.4.9 *******

Banking Services

5.4.10 The cheques currently being provided by the bank to the Mission are not able to be used as interface with the IMS system and, therefore, manual cheques must be used . Discussions directly with members of the bank have taken place in the past without any impact. Although there may some resistance, the Mission is encouraged to continue making every effort to providing cheques that can be used with the system. Representations by the HOM directly to senior management at the bank may prove more influential.

5.4.11 The Mission should also approach the bank regarding their current practice of lumping cheque deposits on the bank statements. It makes reconciliation of the accounts very difficult with the amounts not matching each separate cheque deposited. The Mission has approached the bank but again, without success. The Mission is currently charged a fee for each entry on the statement and it is to save funds that this practice is undertaken. Representations by the HOM may provide for a review of these fees.

Recommendation for the Mission

5.4.12 **Representations to the bank on the cheques provided and the fees being charged for services should be made.**

Mission Response

5.4.12 **Further representations will be made to the bank to resolve the items raised in recommendation 5.4.12. This will be done in August, 2000.**

Personal Banking Services

5.4.13 The Mission continues to provide some personal banking services to the CBS, including converting of US or Canadian dollar cheques into US dollar currency. This creates an additional administrative and cost burden for the Mission. All staff can open a charge free bank account and can access any of the many automatic tellers available in the City.

Recommendation for Mission

5.4.14 Personal banking services for CBS should be discontinued.

Mission Response

5.4.14 Personal banking services for CBS has for the most part been discontinued since December, 1999. Whatever other services which are still being provided will be discontinued. Target date July, 2000.

5.4.15 There are regular interruptions within the Accounting Section because the Section has no set hours for dealing with its clients. This leads to a break in concentration and increases the risk of error. The practice of paying staff every two weeks also adds to the workload in the Accounting Section. This should be revisited to reflect what markers are doing.

Recommendation for Mission

5.4.16 Hours of operation should be considered for the Accounting Section to improve the overall effectiveness and efficiency of operations and reduce the possibility of error.

Mission Response

5.4.16 The establishment of hours of operation for the accounting section has been discussed at a recent CPM and is proceeding on a trial basis. As a matter of fact hours of operation will be established for all sections of the Administration. This will be done in conjunction with the completion of recommendation 5.1.6 on service standards.

Receipt of Immigration Revenues

5.4.17 The current process in place for handling Immigration revenues appears more cumbersome than need be. Once funds are received by the Immigration Cashier, they are counted and reconciled. *** Although more frequent collections would be advisable, given the high cost of collection fees, the Mission's approach is reasonable. The involvement of Accounts appears however unnecessary and only adds to their workload. To reduce the amount of cash being deposited overall, CIC is exploring with Administration the possibility of having Immigration clients deposit their payments directly to the bank or possibly using credit cards for payment of fees. This would not only reduce the amount of cash coming into the Mission but also the risk of loss of funds.

Recommendation for Mission

5.4.18 ***

Mission Response

5.4.18 We fully agree with this recommendation. The system will be established to have funds (cash) deposited directly and the accounts section to reconcile the various documents received from the Immigration section and the bank. Target completion date of end July, 2000.

Contracting

5.4.19 A sample of contracts was reviewed and some were found to have been signed after work had already commenced. There is currently a Contract Review Board (CRB) at the Mission but there has been no process established for reviewing the contracts and meetings are infrequent and no minimum financial limits have been set at which contracts must be reviewed.

Recommendations for Mission

5.4.20 Work should not be commenced until a contract is approved and signed by the appropriate authority.

5.4.21 All contracts of \$5,000 or greater in value should be approved by the CRB and a formal mechanism of approval set up.

Mission Responses

5.4.20 This recommendation has already been communicated to all those with contracting/signing authority and Administration will ensure compliance with this recommendation. Completion date August, 2000.

5.4.21 The contract review board has recently been re-established, a new limit of \$ 10,000 has been approved by the CMM and work is under way to set up the formal mechanism of approval. Completion date August, 2000.

OGD Reference Levels

5.4.22 Concern was expressed that the current practices established for paying on behalf of various OGD's were not consistent with each other and there was also

concern that DFAIT was not being fully compensated for services being provided. This should be reviewed by the Mission in conjunction with SMPS.

5.5 Informatics

5.5.1 Informatics is managed by the MCO with the assistance of an LES Systems Administrator (SA). The DMCO currently serves as the back-up for the SA but the LES Administrative Assistant is being trained to take over this responsibility.

5.5.2 There are currently no daily logs kept but the SA agrees that this would be a helpful practice to better track user problems and system concerns.

Recommendation for Mission

5.5.3 Daily logs of work activity should be kept by SA and be periodically reviewed/discussed with MCO.

Mission Response

5.5.3 Daily logs will be kept by the SA and reviewed by the MCO. Target completion date of July, 2000.

Records Management

5.5.4 Records management is a big challenge for many Missions abroad. Guidance has been provided by SXD on a suggested method of setting up public folders on the SIGNET system. The Mission has created the folders but they are not being used actively by all staff. Further guidance is needed for records management both with hard copy filing and automated systems.

Recommendation for SXD

5.5.5 Records management guidance is required on how and who should manage records electronically at missions.

SXD Response

5.5.5 SXIS is often called on to guide missions in disposal, retention and organization of information in paper form. It tries to answer every call as quickly as possible. In response to the growing awareness of the importance of effective records and document management SXIS is in the process of reviewing existing manuals and procedures with the goal of making them more easily located and to make them more "user friendly". In addition, a broader review of training and "rules

and procedures" is planned for this fall. This will include finding the ways and means of better serving the missions and the SA and Post Information Manager by putting them in a better position to advise on use of drives, Public Folders. We will be working with CFSI to improve the use of Public Folders as a record keeping facility, training could be offered once policies and procedures have been created and approved. The additional training may involve resource issues.

Classified Bags

5.5.6 There is a classified diplomatic bag run twice a month and the responsibility for this is currently being shared between the DMCO and CBS SCY. *** They are also accompanied by a Mission driver. Although the DMCO had no concerns about doing this run, in concurrence with departmental security policy, this responsibility should be shared by more CBS.

Recommendation for Mission

5.5.7 **The responsibility for collection/delivery of the classified diplomatic bag should be shared more equitably between other CBS.**

Mission Response

5.5.7 **Because of local limits on the number of tarmac badges and since it is nearly impossible to get a temporary badge in the early hours of the morning, CPM has agreed that the early morning courier run will be shared by the MCO and DMCO only. The CBS SCY will carry out all courier runs during regular working hours. Junior officers and the EL will be enlisted to assist with this duty when the MCO or DMCO or CBS SCY are on leave. New system started June, 2000.**

Training Room Facility

5.5.8 The Mission houses a training room facility which is equipped with computers. The SA has not done a great deal of training but there is a need for additional informatics training particularly given the wide differential of abilities within the Mission. Some refresher courses would not only be helpful and boost morale but would also save the SA's time in the long run.

Recommendation for Mission

5.5.9 **Additional informatics training should be provided as part of an overall mission training plan.**

Mission Response

5.5.9 Agreed. See reply to recommendation 5.2.3.

APPENDIX A

MISSION RESOURCES FACT SHEET

Personnel (FTEs)

PROGRAM	CBS	LES	Total
HOM Office (including domestic staff)	2	6	8
Political/Economic	2	1	3
Public Affairs	0	3	3
Commercial	3	8.5	11.5
Consular	0	2	2
Administration	3	12	15
Immigration	2	8	10
SolGen	1	0.5	1.5
DND	2	2	4
Total	15	43	58
Honorary Consul	In Asuncion		

Physical Resources

ASSETS	CROWN-OWNED	CROWN-LEASED
Chancery	1	
OR	1	
SQs		13
Vehicles	5 (1 for Montevideo)	

Financial Information 1999/2000

LES Salaries	\$2,363,900
Operational	2021400
CB Overtime	14300
Capital	166300
Total	\$4,565,900