
**AUDIT
OF
THE CANADIAN CONSULATE GENERAL**

LOS ANGELES

OCTOBER 2003

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EXECUTIVE SUMMARY

An audit of the Political, Economic Reporting and Public Affairs (PERPA), the International Business Development (IBD), the Consular and the Administration Programs was conducted in Los Angeles during the period November 25 to December 6, 2002. The Mission is based in Los Angeles, California and is responsible for the states of California, Nevada, Arizona, Utah, Hawaii and the Territory of Guam. There are two satellite offices, San Francisco and San Jose, which were audited concurrently and are the subject of a separate report. The previous audit of the Mission was conducted in June 1998.

MANAGEMENT OF THE MISSION

The Mission has very active programs with heavy workloads and a large territory to cover. Improvements are required to the structure and operation of the management framework to ensure congruence between management, program and operational objectives, and associated workloads. Morale is low and teamwork needs to be strengthened through better communications and initiatives to foster confidence and trust. Staff relations issues continue to plague the Mission; however, recent efforts to address these issues have been effective and need to be continued.

POLITICAL, ECONOMIC REPORTING AND PUBLIC AFFAIRS (PERPA) PROGRAM

The PERPA Program is well managed by an *** Officer with dedicated and capable staff. The program has comprehensive plans in place, itemizing an impressive workload, and produces a significant number of reports on its activities. Concerns are raised about the ability of the program to cope with the current level of work given the constant ad hoc demands placed on it. Assignment of PERPA planning and budgetary responsibilities to San Francisco is recommended and efficiencies can be realized through integrating the program's financial tracking and reporting efforts with the Department's IMS.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

The IBD Program has experienced considerable changeover in CBS staff in the recent past. As well, supervision and coordination of the IBD operations in San Francisco and San Jose continue to be challenging. Recommendations are being made to ensure that comprehensive program plans are developed, including an integrated corporate liaison plan. Management attention is required to strengthen application of the New Approach, including the planned implementation of an InfoCentre, formal New Approach training for staff, strict adherence to WIN tracking and the use of HORIZONS tools and best practices. It is also suggested that TCS visit the Mission to assist with and reinforce the implementation of the New Approach.

CONSULAR PROGRAM

The Consular Program is well managed by an *** Management Consular Officer (MCO). This is a large program serving five states and one territory. Service is being provided within established standards and assets are controlled and accounted for. Minor recommendations are raised to improve efficiency and effectiveness.

ADMINISTRATION PROGRAM

The Administration Program has improved considerably since the last audit. The program is managed by the MCO ***. There is a requirement to establish a formal Accountability Agreement for the MCO and to ensure that the MCO is sufficiently engaged in financial operations. More focus is needed to improve the program's interaction with clients. Also required are improved communications with the satellite offices, a review of the Hub and Spoke Agreement and provision of more systems support to these offices.

RECOMMENDATION STATUS

A total of 44 audit recommendations are raised in the report; 41 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 44 recommendations, management has stated that 35 recommendations have been implemented. For each of the remaining 9 recommendations, management has indicated the initiatives in progress or the intended future action.

MANAGEMENT OF THE MISSION

1.1 Overview

1.1.1 The Mission is headed by a Consul General ***. The Mission is based in Los Angeles, California and is responsible for the states of California, Nevada, Arizona, Utah, Hawaii and the Territory of Guam. There are two satellite offices. San Jose reports to the Trade Commissioner in the San Francisco office, who in turn reports to the Senior Trade Commissioner in Los Angeles. These satellite offices were visited during the audit and are the subject of a separate report.

1.1.2 The Mission is faced with several management challenges including overall direction and leadership, communications and human resource issues. With some exceptions, the Mission has excellent staff members who are professional, talented and dedicated. However, even though workloads are heavy, productivity is not optimized due to lack of management cohesion, poor morale and the need for improved teamwork.

1.2 Direction

1.2.1 Direction is provided on the basis of HQ priorities reflected in the geographic's business plan, the HOM's Performance Agreement and established program work plans. As well, there are weekly Committee on Mission Management (CMM) meetings.

1.2.2 The CMM is used primarily to share information with a focus on current and upcoming agendas and is open to all staff, including San Francisco and San Jose via conference call. There is, however, no forum in which management, as a team, can raise and discuss issues, jointly deal with problems and make decisions.

1.2.3 This framework does not provide sufficient management intervention and involvement. Documented and agreed to program objectives and activities are not always taken into account *** when additional and often conflicting demands arise. These demands are added to program workloads with minimal consultation and without compensating resources or reduced expectations. This *** has put undue pressure on program staff. In these instances, staff members are not always convinced that the related incremental workload provides value added to their programs. Another issue impacting on operations is the delegation of hospitality and travel budgets. These are held at the Mission level with only notional amounts allocated to the PERPA, IBD and Consular and Administration Programs.

1.2.4 The Mission needs to establish a forum where decisions that affect program delivery can be discussed on the premise that the impact of these decisions is

negotiated and reflected in program work plans. Monitoring of progress and review of outputs and results of program plans would also be included.

Recommendations for the Mission

1.2.5 Establish regular management meetings with the HOM and program managers.

1.2.6 Allocate hospitality and travel budgets to the programs.

Mission Responses

1.2.5 Implemented. This is now done at least once every two weeks.

1.2.6 It has always been allocated for each program but we are now reviewing it quarterly with a view to re-allocating where necessary.

1.3 Communications

1.3.1 Communications are good in terms of dissemination of information such as Mission vision, priorities, and sharing of CMM minutes. There is a need, however, to strengthen communications upwards. Staff members are reluctant to engage management in honest dialogue since their efforts in this area have not been productive and, at times, have resulted in negative interaction. This situation has demotivated staff reducing their commitment and, therefore, productivity. There is a need to build trust and a sense of teamwork at the management level and between management and staff.

Recommendation for the Mission

1.3.2 Develop a strategy to improve teamwork, trust and communications.

Mission Response

1.3.2 Mission management has taken the following steps as part of an ongoing strategy for teamwork, trust and communications:

- **We have committed to create a healthier workplace. The Mission is piloting E3 involving regular sessions of staff and support from Ottawa. We are also exploring how we can better reward excellence through existing government recognition schemes. Continuing emphasis has been placed on sustaining a respectful workplace and on ensuring all employees are provided with the tools (e.g. Blackberries) and**

training (Powerpoint, IMS, New Approach, etc.) to allow each member of the team to achieve their potential.

- To improve teamwork, trust and communications amongst programs, a Business Planning Session was held between PERPA and IBD, with participation from HQ, and our Immigration and Admin/Consular Heads. A main focus of our discussion was balancing work objectives with a healthy lifestyle.
- To improve teamwork, trust and communications amongst the senior management team, in December we commenced a twice-monthly HOM/Program Managers meeting. This complements our weekly CMM teleconference of all CBS and appropriate locally engaged. Issues of staffing, morale, classification, best practises, are discussed in greater depth. Ad hoc sessions amongst relevant program managers, involving HOM when appropriate, continue.
- To improve teamwork, trust and communications amongst our LES, the LES Committee has been reconstituted with a new executive and meets regularly. The executive meets quarterly, or as appropriate, with the HOM and the Head of Administration. The HOM continues to meet as appropriate with all staff and continues a daily walk-about to listen to staff concerns.

1.3.3 The LES Committee has not been active for over a year. It is a good management practice to have regular LES meetings and to have the results of these meetings communicated to management. This is an effective way for the Mission to address concerns of staff particularly in the areas of staff relations and employment benefits and for staff to raise issues that concern them.

Recommendation for the Mission

1.3.4 **Establish regular LES Committee meetings.**

Mission Response

1.3.4 **Implemented. The LES have regular meetings amongst themselves and also management meets with the board members afterwards.**

1.4 Staff Relations

1.4.1 The Mission has been plagued for some time with serious staff relations issues. *** This has caused disruption and affected morale in the Mission. These issues relate not only to performance but to inter-personal behaviour with superiors and colleagues. Recently management has taken a firm approach to these situations, seeking HQ guidance and support. Efforts *** have had a significant impact in resolving the issues. *** This conduct by a certain few has had a debilitating effect on staff morale. *** Continued efforts are required to ensure that these situations are properly managed and resolved.

1.4.2 This fiscal year has seen a number of visitors to the Mission *** to help address the problem. There was a workshop *** on a “Respectful Workplace” given by a contractor, *** and the Director of Management Resources, ***, visited the Mission. These problems consumed a significant amount of the *** Program Manager’s time. With results now becoming evident, Mission staff is beginning to get the message that management is serious and will not tolerate this continued behaviour. Management *** is carefully documenting and monitoring this situation.

Recommendation for the Mission

1.4.3 In consultation with the HQ Geographic and HRL, develop appropriate disciplinary, training and counselling strategies for the staff relations cases.

Mission Response

1.4.3 Management continues to work on these problem areas with the help of HRL. We * will continue to address these situations head-on. ***, however, and the atmosphere has improved greatly.**

1.5 Hub and Spoke Agreement

1.5.1 A Hub and Spoke Agreement between the Mission and its two satellite offices in San Francisco and San Jose has been drafted but never formalized. The Agreement deals with relationships of specific programs and overall administrative responsibilities. While the Agreement in many ways clarifies the role of the Hub and the Spoke, it is confusing in that it uses the terms MCO and MAO interchangeably and makes no mention of the San Jose Office. It is also not specific as to the responsibility (i.e. functional or line direction) of the MCO vis-a-vis these satellite missions.

1.5.2 The satellite offices are pleased with the financial services offered by the Hub. Turnaround time for paying invoices is quick and there are no complaints from suppliers. They would welcome more visits from the MCO, who is planning to visit

shortly, and increased support from the Hub System Administrator (SA) because of several technical difficulties encountered. The Agreement calls for the SA to visit bi-monthly but visits have been less frequent. The satellites are also concerned in that they were not consulted when the new LES Handbook was drafted nor when the HUB developed its INTRANET site which contains policies and procedures that impinge on these satellites.

Recommendation for the Mission

1.5.3 There is a need to improve communications with the satellite offices and to review, clarify and formalize the Hub and Spoke Agreement.

Mission Response

1.5.3 We have instituted measures whereby officers visit the Spoke missions on a more regular basis. The Hub and Spoke Agreement has now been finalized.

POLITICAL ECONOMIC REPORTING AND PUBLIC AFFAIRS (PERPA) PROGRAM

2.1 Overview

2.1.1 The PERPA Program in Los Angeles is headed by an *** Program Manager who is supported by three LES Officers and one LES Assistant. Another PERPA Officer is located in San Francisco, reporting directly to the Head of Office there, with functional reporting to the PERPA Manager in Los Angeles.

2.1.2 The program is well managed and performing as a cohesive unit with good communications. Staff is experienced, capable and dedicated. The Program Manager has instilled a sense of teamwork in the program and is highly respected by his staff for his support and direction.

2.2 Planning and Direction

2.2.1 The program has developed comprehensive plans with input from all staff that include a detailed breakdown of priorities, objectives, activities and related costs (person-days and dollars), expected outcomes and results. This is further supported by a budget breakdown by business line and activity and special projects. Separate budget tracking is also maintained for cultural and NEBs funding and travel and hospitality expenses. The program has weekly meetings of all staff, including the Officer in San Francisco via conference call. There is a significant amount of reporting performed by the program with 323 reports logged through November 2002.

2.3 Resources

2.3.1 An issue raised by the Program Manager and confirmed by all staff is the large amount of work. The workplan, as developed, does not account for all the events and projects that arise during the year. These are often added with no adjustment or prioritizing of known activities. This is becoming an unsustainable situation ***. Program staff is increasingly impacted by *** the ever increasing workloads.

2.3.2 In examining the program's workplan, it was noted that the program devotes resources to NEBs projects and trade policy activities. The Mission needs to consider the extent to which this workload could be handled by the IBD Program which traditionally is responsible for these areas. In addition, the program needs to cost all additional activities being carried out or planned for, including overtime being expended, and make a business case for review by both the HOM and the Geographic Branch.

Recommendations for the Mission

- 2.3.3 Review PERPA Program activities with the view of assigning NEBs and trade policy files to the IBD Program.**
- 2.3.4 Prepare a business case highlighting priorities and resource requirements for all planned program activities. Some may need to be deferred or dropped altogether.**

Mission Responses

- 2.3.3 Some NEBS activities (which are led by Trade/IBD) are implemented by PERPA in support of cultural promotion program as supported by NUB. Trade policy files managed by PERPA are film, softwood lumber, agriculture and energy. Film policy is a long-standing commitment with excellent outputs. The three latter files are in support of the Trade Policy Advocacy Program which is an NUR/PERPA initiative throughout the U.S.**
- 2.3.4 PERPA and Trade/IBD have prepared a joint PERPA/Trade Business Plan for FY 03/04. PERPA has scaled back its planned program by 30 person days per staff member in an effort to bring our grasp within our reach. In addition, we have begun to use the prism of E3, for which the PERPA manager is post champion, to develop practical solutions to our workload problems.**
- 2.3.5 With the recent decision to have the PERPA Officer in San Francisco report to the Head of Office, related planning and budgetary responsibilities have, until now, remained with the PERPA Program. To better align accountabilities, these should be transferred to the Head of Office in San Francisco. Awareness and coordination of the PERPA activities of both offices will need to be maintained through consultation of all parties concerned.

Recommendation for the Mission

- 2.3.6 Transfer budgetary and planning responsibilities for the PERPA position to the San Francisco Mission.**

Mission Response

- 2.3.6 Implemented effective 1 April 2003.**
- 2.3.7 Financial support and reporting are carried out by the PERPA Assistant. An impressive system has been developed which allows easy tracking of expenditures

and reporting of costs by activities/projects and by category such as travel, hospitality, etc. This tracking and reporting system requires separate input of financial expenditures, and to ensure accuracy, is reconciled to the Department's IMS records. Up to 60% of the assistant's time is devoted to these activities. The IBD Program, under its HORIZONS Web site, provides guidance on how financial reporting for Client Services Funds (CSF) can be rendered through IMS. This model, or a variation of it, could work for the PERPA Program's budget and would save a considerable portion of the assistant's time currently devoted to this parallel or shadow tracking system. This issue has been observed and raised at other missions and brought to the attention of Headquarters. A recommendation is raised in the administration section (5.1.11) of this report.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The IBD Program is headed by a Senior Trade Commissioner (STC) who is supported by three CBS Officers, four LES Officers and two and one half LES Assistants in Los Angeles; two CBS Officers, one LES Officer and one LES Assistant in San Francisco; and, two LES Officers and one Assistant in San Jose. The San Jose office reports to the Trade Commissioner in San Francisco.

3.1.2 The IBD Program has experienced considerable turmoil in the recent past with several staff changes. The STC position was vacant from January 2002 until August and a CBS position in San Jose has been vacant since the summer 2002. Two of the three CBS Officers in Los Angeles are new to the section as is the STC. The program is in the process of consolidating its planning and adjusting its operations to provide better service to its clients. Supervision and coordination of the trade operations in the three locations have been difficult and remain a challenge for the Mission. Adherence to the New Approach and more consistent client service between offices and sectors are areas requiring improvement.

3.2 Planning

3.2.1 In the absence of an STC for eight months, program planning and coordination have not had the attention to ensure the development of an integrated and comprehensive approach that is inclusive of all three offices. Format and level of detail differ between offices and between officers (CBS and LES). Plans have been developed based on individual sectoral responsibilities, events and visits. Targeted results do not consistently reflect tangible short, medium or long term results as called for from IBD and Client Service Fund (CSF) operations and are too focussed on activities. Efforts are now underway to pull together existing inputs into a complete program plan that will provide a basis for future years' activities. Once this is in place, then periodic monitoring of outputs achieved compared to planned will allow on-going adjustment to program operations.

3.2.2 In developing its plan, the program needs to include synergy among all aspects of IBD, including investment, trade development and science and technology components. Developed plans will need to identify and include sources of funding such as Client Service Funds, outreach, travel, hospitality, and leveraged funds as well as required training. These budgetary items should be allocated to the officers responsible for the activities identified. At present, budget allocations are held at the Mission level with only notional allocations at the program level, based on previous years' expenses. This situation has hindered planning and budgeting efforts and reduced opportunities to empower staff.

Recommendations for the Mission

- 3.2.3** **Ensure that a comprehensive and integrated IBD plan is developed with client focussed results identified.**
- 3.2.4** **The IBD operating budgets should be further delegated within the Program to responsible officers.**

Mission Responses

- 3.2.3** **The IBD 2003-2004 plan (integrated with the PERPA plan) has been developed (with senior level representation at the business planning retreat) with client focused results identified and was finalized with input from Ottawa for April 30, 2003 submission.**
- 3.2.4** **IBD operating budgets have been further delegated to responsible officers within the program based on their previous years spending pattern.**

3.3 New Approach

3.3.1 The New Approach has not been fully implemented or consistently applied. This is reflected in the results obtained in the 2002 Client Survey and in the Trade Commissioner Service Branch's recent assessment as part of 'Advancing the New Approach' component of the New Approach @ Work.

Enquiries

3.3.2 There is a good understanding among staff of the six core services. However, there is no system in place to ensure that all enquiries are responded to within the five day standard or that there is consistency in identifying clients and non-clients and the resulting service provided. As well, WIN is not being used to the extent possible. The Mission is planning to implement an InfoCentre as promoted under the HORIZONS Web site as a best practice. A staffing process is underway and procedures are being developed for this function. Although the program has discussed the creation of an InfoCentre, it is not entirely clear to staff how this function is going to operate including its integration with all three offices, and how it will impact their work. It is important that the intended benefits in terms of efficiency, consistency and support to operations be identified and communicated to staff as well as the resulting procedural changes.

Recommendation for the Mission

- 3.3.3 An awareness and training initiative should be developed regarding the introduction of the IBD InfoCentre.**

Mission Response

- 3.3.3 The InfoCentre has been officially established as of March 2003. A new InfoCentre Coordinator has been hired and spent her first two weeks in Ottawa on LES and New Approach training. The other BDAs, who are very capable, are being integrated into the InfoCentre operations. Reporting by InfoCentre staff occurs at each weekly trade meeting to ensure a real understanding of the role of the InfoCentre (and all IBD staff) as it evolves. A full monthly report outlining IBOC and PSU usage, WIN entries, etc., is being provided and commenced on April 1, 2003. An additional awareness/training session will be developed after six months operation to inform all IBD staff of evolving issues and seek suggestions for improved service to clients and staff.**

HORIZONS and Other Tools

3.3.4 While the staff is generally aware of the specific elements of HORIZONS and the tools offered, there is very mixed evidence of their use on a regular basis. HORIZONS is very rarely visited. The Post Support Unit (PSU) has only been occasionally accessed, the Business Mission Agreement has had sporadic usage and, as mentioned, WIN tracking is inconsistent between offices showing a subsequent drop off after the client survey. Additional service providers are listed in Los Angeles but not in San Francisco or San Jose. The International Business Opportunities Centre (IBOC) is under used with only 20 enquiries from Los Angeles and none from San Francisco or San Jose.

3.3.5 There are several factors contributing to the inconsistent application of the New Approach. Program management has seen three STCs over the past 18 months with the Trade Commissioner in San Francisco also filling in on an acting basis. This has hindered planning and consistent adherence to program objectives. The HOM's Performance Management Agreement does not incorporate, as an objective, compliance to the New Approach as is required by the Deputy Minister. Finally, there has been very little New Approach training. Only CBS has received training. This situation is surprising when compared to other missions, where it is normal that all staff has been exposed to considerable New Approach training and where in-house training initiatives are used to improve client service and more fully implement New Approach principles.

Recommendations for the Mission

- 3.3.6 Provide New Approach training courses to all IBD staff.**
- 3.3.7 The IBD Program should incorporate continuous learning sessions that promote the understanding and use of New Approach tools and principles.**

Mission Responses

- 3.3.6 All CBS has received New Approach training. The new InfoCentre Coordinator was trained in New Approach in Ottawa her first two weeks in the position in February 2003. One other Los Angeles IBD employee is currently registered for the May LES/New Approach training in Ottawa.**
- 3.3.7 Sessions to improve knowledge of IBD program tools have already commenced. VTC training has been done on-line. A CSF on-line tool tutorial has been taught to San Francisco/San Jose staff and Los Angeles staff has been taught individually by the Trade Commissioner responsible. The “New Approach” objectives have been incorporated into the PMAs of both the HOM and STC and the Head of Program in Northern California. Training of New Approach tools including HORIZONS (which is currently being found to be very useful) will continue.**

Recommendation for TCS

- 3.3.8 TCS should visit the Mission on an “advise and assist” basis to ensure that the New Approach is understood and entrenched in its operations.**

TCS Response

- 3.3.8 The Chief Trade Commissioner and the Director of TCS Overseas Operations participated in a Los Angeles retreat following the audit, in order to assist the Mission in developing practices and processes in line with New Approach principles. TCS is also planning to conduct ongoing assessment of missions with regard to new Approach knowledge, in order to address gaps as they surface.**

3.4 Corporate Liaison and Investment

3.4.1 As part of the IBD planning process, more emphasis needs to be given to expanding the Mission's Corporate Liaison activity. A strategic approach is required to identify a schedule of calls based on calculated potential. As well, the involvement and role of all officers, including the STC and the HOM, should be clearly defined in an integrated approach with established targets and required strategic reporting.

3.4.2 Under the New Approach and TCS's concept paper on the 'Model Post Organization', investment development is best delivered by all officers as part of their sector responsibilities. The Investment Officer would take the lead on major files and domestic relations while providing training and support to others. This will increase officers' responsibilities and require different skills and more dynamic management.

Recommendations for the Mission

3.4.3 Develop an integrated corporate liaison plan with attainable targets.

3.4.4 Delegate investment promotion to IBD officers and ensure that investment and science and technology initiatives are reflected in each officer's work plan.

Mission Responses

3.4.3 A 2003-2004 integrated corporate liaison plan was developed by the Investment Officer with input and support of the IBD officers. This will be based on the Investment Plan currently in place and supported by Investment Partnerships Canada.

3.4.4 At present, most corporate liaison calls already include an IBD officer (of the responsible sector) and HOM or STC in addition to the Investment officer. IBD Officers will increase their investment promotion efforts in support of the lead Investment Officer. Additional effort will be focussed (and included in the business plans of each officer) on investment and science and technology initiatives recognizing that the sectors covered in California heavily represent the S&T initiatives and requirements of the Department and clients (biotechnology/life sciences, nanotechnology, digital technology, space technology, etc.).

CONSULAR PROGRAM

4.1 Management of the Program

4.1.1 The Mission is responsible for the provision of consular services in the states of California, Utah, Nevada, Arizona, Hawaii and the territory of Guam. The MCO spends approximately 50% of his time managing a staff of five employees engaged in the consular and passport activities and dealing directly with consular cases.

4.1.2 Within the Consular Program, very distinct and specific duties have been assigned to each of the employees. The LE-08 Consular Officer deals primarily with Canadians incarcerated within the state of California, while the LE-05 Consular Assistant deals with emergency cases and the LE-04 Consular Assistant (part-time) processes citizenship applications. Similarly, passport services are provided by two employees, one LES-05 Assistant and the LES-07 Supervisor, dedicated solely to processing passport applications. Operationally, this separation of duties has proven to be an effective approach for the Mission.

4.1.3 Recently, management considered a number of issues regarding reporting relationships. *** After a review of the organization, management decided that no changes to the reporting relationships would be made. It may be more efficient, however, if the LE-04 Consular Assistant reported to the Passport Supervisor as this employee is located in the same work area and there are linkages between the citizenship and passport processes, including the potential to consolidate cash floats.

4.1.4 Following the events of September 11, 2001, the Mission received an additional FTE from the Public Security/Anti-Terrorism fund (PSAT) for the Consular Program, effective July 2002. Half of this FTE is utilized for the part-time consular assistant and management plans on hiring a second part-time employee. It is important for management to ensure that the second part-time position is created and staffed without delay, as PSAT funding can be revoked if the resources are not fully utilized.

Recommendations for the Mission

4.1.5 Consider having the LE-04 Consular Assistant report to the Passport Supervisor.

4.1.6 A part-time consular position resourced from PSAT funding should be created and staffed as soon as possible.

Mission Responses

4.1.5 Implemented.

4.1.6 Implemented.

4.2 Revenues

4.2.1 Consular and passport revenues are collected and processed as three separate revenues - one for passport, one for citizenship and another for notary services. Considering that this is a very small working group, this practice was found to be inefficient as separate reconciliations and deposits must be prepared by each employee responsible for different sources of revenue. Control and security were found to be weak *** and dual control for reconciliation had not been implemented. Official receipts are issued for consular services; however, they are not issued for passports as per the current instruction in the Passport Manual. As a best practice, it is recommended that official receipts be issued for all revenues, including passports.

4.2.2 Efficiencies can be gained by amalgamating the collection of revenues under the responsibility of one employee with a designated back-up (preferably the Passport Supervisor). The cash handling procedures for citizenship and notary services would need to be revised accordingly; however, the responsibility for program specific duties could remain as is. As an added control, the MCO should reconcile the consular/passport revenues and deposits on an ad-hoc basis.

Recommendations for the Mission

4.2.3 The collection and control of the consular and passport revenues should be amalgamated.

4.2.4 The MCO should reconcile the consular and passport revenues on an ad-hoc basis.

Mission Responses

4.2.3 We have studied and discussed this recommendation and we believe that our current method is better than amalgamating all three. There are three different “sub-sections” here with three different sets of coding. Each of the different “sub-sections” will now secure their revenues better and still have their control over them. It makes accounting for the different funds easier.

4.2.4 Implemented.

4.3 Services to Canadians

4.3.1 Quality and professional services are provided by all consular and passport staff. Service standards, in compliance with departmental guidelines, have been established and these are being consistently met or exceeded. Services are provided in both official languages.

4.3.2 There are up to 500 detainees in the area of responsibility. Many of these are complex cases due to the seriousness of the crimes and the nature of the sentence given (e.g. life, death) as well as the administration of the transfer of offenders treaties between Canada and the US. Together the MCO and Consular Program Officer try to visit or contact detainees at least once a year depending on the severity of the situation.

4.4 Passports

4.4.1 The Mission is authorized to issue passports on an emergency basis. Normally, North American passports are processed in Hull. Due to the large number of Canadians residing in and travelling through the area, the number of requests for such passports is high. The Mission issues approximately 100 passports a month. Overall, we found this to be a well managed activity and the quality of service is excellent.

4.4.2 Good internal control to ensure security of passports and other assets was observed. As new boxes of passports are received from HQ, these are verified to ensure the series received agrees with the shipping control log and the boxes with card inserts are opened for verification. Inventories are reconciled on a monthly basis.

4.4.3 Consular assets, as well as cash on hand, were reviewed and reconciled during the audit.

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 The Administration Program is led by an *** MCO who only arrived at the Mission at the end of September (2002). He is now settled into his new role as Head of the Program. *** The MCO's time is divided equally between administration and consular, as was his predecessor's, but plans are to focus more heavily on consular activities by devolving some administrative responsibilities to the Deputy MAO.

5.1.2 The addition in 1998 of a Canada-based MCO brought much needed structure and discipline to the Administration Program. It is important that this legacy continue. This should not be a heavy Mission to administer. There are few property activities to manage and the program is sufficiently resourced. It is important that the MCO, particularly in his role as Mission Financial Officer, remain actively engaged in the financial aspects of the program. This cannot be delegated to an LES subordinate. The MCO needs to be involved in reviewing mission accounts and accessing IMS but will require IMS training to do so.

5.1.3 The Deputy MAO, the former Manager of the Program, *** and his current level of LE-09 is difficult to justify now that an MCO is in place. The Deputy's responsibilities are concentrated on managing the OR and the Chancery, reviewing travel claims and signing financial documents. He also has the two accountants reporting to him. ***, the position description will have to be re-written and its classification level re-evaluated since the position is under-utilized and the MCO will need to retain stewardship over the Mission's financial operations. A cost/benefit study could be undertaken to assess whether the Administration/Consular Programs would benefit from this position being staffed with a CBS.

5.1.4 An Accountability Agreement for the MCO is needed to delineate clearly what this MCO is expected to deliver and, in turn, the MCO's ongoing commitment to the process. It is also proposed that the reporting relationships of the accounting staff be to the MCO and not to the Deputy MAO.

Recommendations for the Mission

5.1.5 Establish an Accountability Agreement between the HOM and the MCO setting out the goals and objectives expected of the Administration Program.

5.1.6 The MCO should be actively engaged in the Mission's financial operations by having the accountants report directly to the MCO rather than to the Deputy MAO.

5.1.7 The MCO should receive IMS training as soon as it is convenient for the Mission.

Mission Responses

5.1.5 Completed.

5.1.6 The MCO is actively involved in all aspects of the Mission's financial operations now but with the volume of consular work (which takes up closer to 70% of his time, not 50% as noted above) it is impossible to have a "hands on" approach for the usual day-to-day activities. We believe this everyday supervisory responsibility should continue to be with the Deputy MAO. (This past fiscal year closed very smoothly and the Mission had a nil variance. The MCO kept close tabs on the closure daily and the entire Mission was satisfied with the service received from all members of the Admin Team.) It was agreed with the Audit Team when they were here however that * the entire position description will be updated and re-evaluated.**

5.1.7 The MCO accesses IMS reports on a regular basis now.

Client Service

5.1.8 Although service standards are developed, a survey of clients receiving administrative services indicated a general displeasure in the manner in which services are delivered. LES employed in the program are highly skilled and capable; it is the manner, however, in which they deliver the service that comes into question. The MCO is aware of this fact and was planning to meet with them immediately following the audit visit.

Recommendation for the Mission

5.1.9 Take the steps necessary to ensure a high quality of service is delivered by the Administration Program.

Mission Response

5.1.9 The MCO met with each employee following the audit visit. It was explained that administration is a service agency and that we must provide just that - service. He has spoken to the individuals that are having problems delivering their service in a satisfactory manner and will continue to follow up. * As mentioned above in 5.1.6 all Programs were happy with the way the fiscal year ended.**

5.1.10 An issue regarding parallel accounting systems and reporting of financial information is raised in the PERPA section (2.3.7) of this report. Similar observations have been raised at other missions and brought to Headquarters' attention. An audit recommendation is presented in order to ensure that initiatives are underway to address this issue across the Department.

Recommendation for SMD

5.1.11 SMD should provide an update of action taken and progress made to enable missions to provide accurate and timely financial information to programs.

SMD Response

5.1.11 SMD has two initiatives underway to improve financial reporting. SMSF has been working with SMFF to develop some new IMS reports for Missions. These reports will be available in the fall of 2003. In addition to this, SMSS has an initiative underway to develop an Enhanced Financial Reporting application, including reporting capability to support budget, commitments, expenses and cash management functions using the Cognos Business Intelligence software. This application will be deployed to missions around the world and is being designed to provide relevant, user-friendly information for financial management to HOMs and MCOs.

5.2 Human Resources

5.2.1 The MCO is responsible for human resources which include the Mission and its two satellite offices. At the Mission there are 10 CBS and 40 LES; San Francisco has two CBS and three LES; and San Jose has a CBS position which is currently vacant and three LES. Human resources are a particular challenge in Los Angeles and have consumed a large amount of management's time. The administration side of human resources, except for payroll which is handled by the accountant, is the responsibility of the LE-05 Administrative Assistant.

5.2.2 There have been longstanding human resource issues at this Mission. Comments and a recommendation regarding this issue can be found in the Mission Management section of this report (1.4.3).

5.2.3 Administratively, human resources are in reasonable shape. Personnel files (except for staffing) are well organized, leave and attendance are well controlled, enhanced reliability checks (ERCs) are up to date and appraisals are generally current. A few appraisals that were due for Immigration staff had been completed but had yet to be signed by the employees. Appraisals are no longer inflated and reflect a more

objective assessment. Today there is much more accountability. San Francisco and San Jose each have an appraisal that is outstanding.

5.2.4 The Mission operates with an LES Handbook dated 1994. Revisions to Part II of the Handbook were submitted to HRL in September 2002 and the Mission is awaiting its approval. Overtime is an issue for which the Mission and HRL are at an impasse. Support staff receives overtime at the rate of time and one-half and can be compensated in cash or leave. Officers earn only compensatory leave time in lieu and at straight time based on local law and practice in California. HRL would like to see all staff compensated at the same rate.

5.2.5 The LES Committee, although encouraged by HOMs in the past, has not been active for several years. Morale amongst LES is low and a reconstituted committee would allow a forum for LES concerns to be aired with Mission management. LES did meet with the Inspector General and the Audit Team and seemed to buy into the benefits of having an active committee (see recommendation 1.3.4). At the meeting, LES raised issues that centred around classification and staffing. It seemed they do not have a clear understanding of how these processes work and the methodology in arriving at decisions. There is a Classification Committee that meets ad hoc but there is no set membership. Members vary depending on the availability of Canada-based Officers when meetings are called.

5.2.6 Position descriptions for most LES were re-written in September 2000 and reviewed by the Classification Committee. The MCO believes the classification levels of both LE-04 and LE-05 consular assistants as well as both accountants need to be re-evaluated. The administrative assistant also pointed out several duties that are not reflected in her position description.

5.2.7 There is a need to better document staffing files. Staffing is a particularly sensitive issue at this Mission. Recent competition files contain the questions and rating sheets but there is no summary of who was on the board and how conclusions are arrived. Files are poorly organized and not centralized with the administrative assistant but retained in the respective program which is filling the position. A competition will be held shortly to fill the Head of the InfoCentre position in the IBD Program. The Mission is also proposing that the part-time maid on contract at the OR be regularized to become a full time position. Given the need for transparency, it is important that the competition files be well documented to justify the final decisions that are taken.

Recommendations for the Mission

5.2.8 A Classification Committee should be established with clear terms of reference and a fixed membership.

5.2.9 Position descriptions should be completed for certain positions and subjected to the Classification Committee for re-evaluation.

5.2.10 Competition files should be well documented to justify any decision taken. These files should be centralized with the administrative assistant who is handling human resource matters.

Mission Responses

5.2.8 Implemented January 2003. All programs are represented in the committee.

5.2.9 Actioned and completed. The following positions have been reviewed by the committee, with the following recommendations approved by the HOM:

EXT 401834	Citizenship Clerk	Asst 4 to 5.
EXT 305450	Passport Clerk	Asst 5 to 6.
EXT 305454	Consular Clerk	Asst 5 to 6.
EXT 303310	Assistant Accountant	Asst 4 to 5.
EXT 301103	Senior Accountant	Asst 6 to 7.
EXT 311019	Informatics Officer	Asst 8 to 9.

5.2.10 Implemented.

5.3 Physical Resources

5.3.1 The management of physical resources is under the Deputy MAO who reports to the MCO. The Deputy deals primarily with the management of the Official Residence (OR), and has financial responsibilities such as reviewing and auditing travel and hospitality claims, and signing under FAA Section 34 for goods and services received. He also assists arriving CBS with the locating and securing of SQs (which are all private leases), including reviewing proposed leases.

5.3.2 Physical resources are generally well managed. There has been a marked improvement since the last audit with the institution of some rigour with increased planning and better records maintenance. With a long-term lease for the office (fifteen-year term with no rental increase), and private leases for all staff, the primary focus of property management is the OR. This house was built in 1928, and is a showcase property due to its style and location. It is in very good condition given its age, and the HOM utilizes this venue to host many events annually (over 70 in the past year).

5.3.3 The Mission Property Management Plan (MPMP) for 2002/03 is very complete, and includes an extensive extract from the OR Building Condition Report

(BCR). The engineering firm that completed this report concluded that good quality repairs had been made up to the present, and identified work needed over the coming years. Some immediate work was completed after the receipt of this report, with more scheduled by SRSF.

5.3.4 The Deputy MAO is not producing or receiving reports on what has been spent on the OR. This information would be useful for planning purposes, and for Mission management to see what portion of the Mission budget is being consumed by OR maintenance. These reports can be obtained from IMS. Most funding is obtained from HQ for the projects, but the Mission used some operating funds to complete more minor works that were necessary.

5.3.5 The inventory of assets in the Chancery has been completed, and the fine art inventory is up to date as well. The OR inventories have also been updated. Official assets such as china and flatware have been counted since the current Consul-General arrived, and the distribution account for the OR was completed and signed by the occupant.

5.3.6 Materiel management is generally well organized. The Driver/Messenger manages the ordering and storage of supplies. The Mission does place orders with SRM frequently, and more effort should be made to plan ahead and group requests into larger orders, as opposed to making smaller orders as needed. There are still many articles at both the Chancery storage room and in the basement of the OR. In general, these stored articles are well organized and the Mission has a listing of what is on hand. A disposal exercise is needed, as surplus assets in storage are deteriorating with time.

Recommendations for the Mission

5.3.7 Group orders made to HQ, and dispose of surplus assets to ensure the most return possible is obtained.

Mission Responses

5.3.7 The Mission will group orders in the future and will dispose of surplus assets by June 1, 2003.

5.4 Finance

5.4.1 The MCO is the Mission Financial Officer and the Accounts Section includes an LE-06 Accountant who is supported by an LE-04 Assistant. The Accounts Section currently reports to the Deputy MAO. Financial services extend to the satellite offices in San Francisco and San Jose on whose behalf there are between eight to ten payments weekly. Revenue in the initial seven months of this fiscal year is \$1.7 million comprised primarily of Immigration fees. The Section deals with over 400 transactions

monthly, including 150 payments made by our Washington Mission through the use of electronic fund transfers (EFTs). The workload is evenly balanced between both accountants. Control over revenues and payments is adequate. Bank reconciliations are up to date and forwarded to Headquarters within five working days of month-end. Advances are settled on time. A detailed review of three months of accounts will be undertaken by SIVP for which a separate report will be issued.

5.4.2 *** There are no quiet hours in which the Section is closed off to clients, a practice followed in many missions. Time needs to be set aside in the morning to process revenue, input data into IMS and carry out payment runs. A schedule limiting the afternoon as the period to serve clients needs to be established. The network printer for the Administration Program is also located in the accountants' office resulting in a steady stream of visitors to the office throughout the day. These conditions are both disruptive and distracting.

5.4.3 There are efficiencies that can be introduced to offset the heavy workload. These include:

- Regularizing the processing of payments. Currently, invoices are paid as soon as received and documents are sent for signature two to three times a day. By limiting payments to twice a week, there would be less stress on accounting staff and payment standards would still be met.
- Reducing the number of cheques issued. In August 2002, 58 of the 153 cheques issued were under US\$200 and 34 were under US\$100. In October, 29 of the 116 cheques issued were under US\$200. Several cheques were issued to the same suppliers within days of each other. By consolidating payments, using acquisition cards, and making more effective use of petty cash, the volume of cheques could be reduced. Suppliers need to be encouraged to invoice monthly instead of for each transaction. The use of electronic fund transfers (EFTs), although increasing, also needs to be further promoted with suppliers. Acquisition cards need to be issued to Program Managers with clear guidelines respecting their use. Petty cash currently at US \$300 with a transaction cap of US \$50 can be increased. Rules permit funds up to \$2,000 (CDN) with a \$200 ceiling for each transaction.
- Setting a threshold for the recovery of expenditures. Personal long distance charges, for example, were being recovered from employees and official receipts were being issued for amounts as insignificant as 10 cents. During the course of the audit, a threshold for these recoveries, which is deemed to be reasonable, was established by the MCO.

Recommendations for the Mission

- 5.4.4** **Establish a schedule of service hours and standards for the accounts section. A printer to be used by administration should be acquired and positioned in a public area. The accounts office should become a restricted area.**

- 5.4.5** **Regularize the timing of payments to twice a week to reduce the flow of signing of documents and to bring more structure to the financial process.**

- 5.4.6** **A review should be undertaken to identify how best to reduce the number of cheques issued, many of which are for small amounts. Consideration should be given to combining supplier payments, where possible; increasing the use of the petty cash fund and raising the individual transaction cap; encouraging suppliers to accept EFTs as a method of payment; and using acquisition cards.**

Mission Responses

- 5.4.4** **The printer has been moved and the senior accountant has noticed a sharp reduction in traffic. We will continue to monitor the situation and restrict access further, if required.**

- 5.4.5** **We plan to reduce the payment runs to twice per week other than emergency cheques.**

- 5.4.6** **We plan to combine supplier payments and have already increased the petty cash to US\$1,000 with single payments up to US\$100. Staff has already been advised of the change and will submit bills once per week for reimbursement from the administration assistant. A credit card has been issued to the San Francisco office also.**

Banking

- 5.4.7** **The Mission is not happy with the services provided by its current bank. This bank makes many errors, most of which are picked up by the accountant through the use of an on-line connection. The bank is four blocks from the Chancery and because of this ***. This is costing the Mission US\$355 monthly in addition to other numerous costs the bank charges. Moreover, many employees, because of direct deposit, have accounts with this bank and complain this bank only has three branches and few ATM machines.**

5.4.8 The MCO is considering using a bank located in the same building as the Consulate. This location is important particularly if arrangements are made to have Immigration clients pay fees directly to the bank. The Immigration Program Manager has doubts that this system could work because of the high volume of applications and fees received through the mail. SMFF's preference would be to have applicants pay at the bank with the bank receipt taken to the Immigration Section as proof of payment.

5.4.9 The Mission is doing a reasonable job of cash managing and is generally operating in a negative book balance. There have been eight wire transfers of funds to the Mission in the initial seven months of the fiscal year. One reason for the few transfers is the use of EFTs which are paid from Washington's bank account. Notwithstanding, a review of the banking suggests that not all eight wire transfers may have been needed in light of the amount of cheques normally outstanding. Currently, the accountant decides if additional funds are required. Future requests need to be done in close consultation with the MCO.

Recommendations for the Mission

5.4.10 Investigate changing banks with a view to having errors and costs reduced, having a bank with several branches and ATM machines, and one that allows for Immigration fees to be directly deposited.

5.4.11 Requests for fund transfers from Headquarters should be done in close collaboration with the MCO and not solely by the accountant.

Mission Responses

5.4.10 Talks have begun with a bank located on the first floor of the Chancery. They are to get back to us with a list of fees.

5.4.11 Implemented, the MCO now approves.

Hospitality

5.4.12 Hospitality is a contentious item at this Mission as well as at the two satellites as budgets are held centrally in the Mission and only notionally allocated at the program level. Allocations are made on the basis of expenditure patterns incurred in the previous quarter. In consequence, those with representational responsibilities are reticent to incur expenditures for fear of overspending. Officers were quite vociferous in their complaints concerning the current method of managing these funds. The Management of the Mission section of this report deals with the need to delegate budgets to the program level.

5.4.13 With few exceptions, the hospitality diaries examined indicated compliance with the departmental hospitality policy and that representation is extended to achieve program objectives. Diaries specified the purpose of the event and showed how the particular function contributed to the objectives being sought. Except for representation extended at the Official Residence, most hospitality is carried out at restaurants. Costs incurred at restaurants are not always well documented. Proof of payment is often in the form of a credit card slip only and not the actual restaurant receipt. During the audit, the MCO issued a memo to Mission staff indicating the need for expenditures to be properly substantiated. This memo needs to be forwarded to the satellite offices in San Francisco and San Jose.

5.4.14 Mission hospitality guidelines were last reviewed in 2001 and set out the per capita costs for different types of events. These rates apply to the satellite offices as well and the review of diaries indicated compliance with these rates. In the case of the satellite offices, however, officers there complained that these rates were not reasonable as costs in San Francisco and San Jose are not the same as in Los Angeles. These rates need to be reviewed in light of the fact it is widely accepted that costs are higher in Northern California.

Recommendations for the Mission

5.4.15 Hospitality claims should be properly substantiated with receipts and proof of payment for all expenditures. The need for this documentation should be communicated to the San Francisco and San Jose Missions.

5.4.16 Hospitality guidelines for the Mission and its satellite offices should be reviewed to ensure the per capita rates for various types of functions are reasonable and justified.

Mission Responses

5.4.15 Implemented.

5.4.16 As we have done in the past, this will be reviewed annually. In the case of San Francisco and San Jose, we have increased their per capita rates to reflect the difference (1.07%) in post indexes as of March 2003.

Financial Activity - Satellite Missions

5.4.17 The San Francisco and San Jose missions receive monthly financial reports of their hospitality, travel and Client Service Funds (CSF) expenditures. Operating costs are not detailed in any financial report resulting in the two missions not

knowing their full operating costs. These missions will continue to spend until such time as the Hub Mission advises otherwise. The Consul/Trade Commissioner in San Francisco indicated that she has never been consulted to discuss budgets. Giving an allocation to these satellites office is important to ensure they have some parameters on which to spend.

5.4.18 Both satellite missions are satisfied with the delivery of financial services by the Hub Mission. Turnaround time for paying invoices is quick and there are no complaints from suppliers. San Francisco couriers documentation, including San Jose's, weekly to the Mission for payment. Some invoices, including utilities, rents and some office supplies, are billed directly to the Mission. Occasionally, the accounts section will send the cheque to the satellite office for distribution rather than directly to the supplier. This occurs when there is a staff shortage in accounts or if the supplier fails to send a returning envelope with the invoice. There should be no reason not to send the cheque directly to the supplier.

Recommendations for the Mission

5.4.19 Both the San Francisco and San Jose Offices should be given allocations to allow them some parameters within which to spend. Monthly financial reports should be provided to both satellite offices to provide them with a record of their expenditures.

5.4.20 The Mission Accounts Section, when paying expenses on behalf of the San Francisco and San Jose missions, should issue payments directly to the supplier.

Mission Responses

5.4.19 Both San Francisco and San Jose are given travel and hospitality allocations. Full financial reports are sent to both missions each month.

5.4.20 Implemented.

5.4.21 During the last year, the Accounts Section processed a number of advances for medical expenses incurred by CBS. The requests for advances involved amounts ranging from \$5,000 to over \$20,000. FSD 42 clearly indicates that such advances will be authorized only when an employee submits an estimate of the medical costs of the advance requested and the amount exceeds \$500. Except for a few files, most requests were approved without any supporting documentation, that is, a medical estimate. Management needs to instil rigour into this process and ensure adequate controls are in place.

Recommendation for the Mission

- 5.4.22 Management should ensure that employees submit an estimate of expected medical costs before approving a request for a medical advance.**

Mission Response

- 5.4.22 Implemented.**

5.5 Information Management

5.5.1 The informatics function is generally well managed. The MCO oversees this area, with day-to-day operations carried out by a Senior Systems Administrator (LE-08). Recently, the Mission created and staffed a SA position (LE-07). The Mission staff has high expectations on the systems side, with many employees being power users. This leads to some frustration, as the SIGNET system cannot always meet these demands. A recently launched IntraNet, a result of much effort on the part of the Senior SA, was well received by all staff, and contains well organized and comprehensive information on a variety of topics.

5.5.2 The senior SA has a very comprehensive set of duties covering many areas that usually are not included in an SA job description. For example, the SA manages the accounts for long distance and cellular telephone companies, as well as the photocopier lease accounts. While these duties are usually under the property function, the SA has extensive technical knowledge and the inclination to be involved in these non-SA type duties. These duties are reflected in the job description.

5.5.3 Overall, client satisfaction is good or improving. The addition of the new junior SA position has allowed for a more balanced workload. For the satellite missions, there is funding from HQ for two visits a year to the satellites, and the Mission funds two additional trips. Given the demands from the satellites recently, with a series of new hard drives crashing and some system balancing that is needed, the Hub Mission should plan to increase visits from the current quarterly schedule for the short term. With the junior SA for back-up during the senior SA's travel, this should be workable if funding permits.

5.5.4 The new position should permit the Informatics function to be in a less reactive mode. An element of annual planning should be added that outlines major initiatives, projects, objectives, with costs and time lines. System changes, upgrades, and IT training, as well as scheduled support for San Francisco/San Jose, as reflected in the Hub and Spoke Agreement, should also be included.

5.5.5 Reported systems slowdowns relative to the amount of work done at the satellite offices raise the issue of possible insufficient bandwidth. This needs to be reviewed by HQ. These missions, particularly San Jose, need to be on par with the local environment. Given that the Silicon Valley is where much of the technology originates, there may be justification for the significant investment required to enable the satellites to operate at a level commensurate with program objectives.

5.5.6 The Mission has a solid system in place to track telephone costs, managed by the senior SA. Reports to management indicate what is spent, which locations are most frequently called and the duration of calls. There is also a call tracking system that allows for management to know incoming call volumes, and which programs or services are being sought.

5.5.7 The Mission IT Committee is active and IT training is offered as needed, but the Mission has also used the CFSS training Web site. The satellite telephone, last tested December 31, 1999, should be tested regularly, and a number of staff should be trained in its use in case of emergency.

Recommendations for the Mission

5.5.8 Consider more frequent systems support visits to the satellite missions in the near term, budget permitting.

5.5.9 Create an IT work plan.

5.5.10 Test the satellite telephone system, and ensure training is provided to key staff.

Mission Responses

5.5.8 We will endeavor to provide the northern missions with more frequent systems support visits if funding permits. A bandwidth upgrade has been completed for the San Francisco Office.

5.5.9 A work plan has been completed.

5.5.10 The satellite phone in Los Angeles will be tested by April 18 and the satellite phone in San Francisco will be tested on the next trip. The "Directive for the Operational Readiness of the Mission Emergency PSAT Unit" as well as the "Operational Procedures" have been circulated and posted on the Mission Intranet. Training to the Los Angeles designated staff will be completed by April 18 and training to the designated San Francisco staff will be done on the next trip.

Recommendation for SXSZ

- 5.5.11 SXSZ should ascertain if system slowdowns at the satellite missions can be resolved, and if due to insufficient bandwidth, should consider making the investment for more bandwidth.**

SXSZ Response

- 5.5.11 The system slowdowns in the satellite missions are caused by a combination of factors that include configuration and bandwidth. In July 2003, a T1 line was installed between San Francisco and Los Angeles. The SIGNET configuration was changed from Micro mission to Homing Mission. The changes were successful. We are considering the possibility of performing the same modifications in San Jose. The decision is still pending.**

MISSION RESOURCES FACT SHEET

Human Resources (FTEs)

PROGRAM	CBS	LES	TOTAL
HOM	1	3	4
PERPA	1	5	6
IBD	4	7	11
Immigration	3	12	15
Administration and Consular	1	13	14
Total	10	40	50

Physical Resources

ASSETS	OWNED	LEASED
Chancery	0	1
OR	1	0
SQs (Private Leases)	0	9
Vehicles	2	0

Financial Information (2002/2003)

Operating Budget (N001)	\$2,905,294
LES Salaries (N012)	3,960,638
CBS Overtime (N011)	30,000
Capital (N005)	26,000
Total	\$6,921,932