



AUDIT OF THE

CANADIAN CONSULATE GENERAL

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EXECUTIVE SUMMARY

An audit of the Boston Mission was conducted during the period March 25 to 31, 2004. The scope of the audit included a review of Mission Management and the Political and Economic Reporting and Public Affairs, International Business Development (IBD), Consular and Administration Programs. A previous audit of the IBD, Consular and Administration Programs was conducted in December 1996.

Boston is a very active Mission based on its proximity to eastern and central Canada and the strong historical links between these regions and the New England States. Staff recognize and have responded constructively to the challenges facing the Mission, particularly the numerous visits and associated workload.

The Mission would benefit by improving management and operational cohesion. This can be accomplished by having all Program Managers report directly to the HOM instead of the DHOM; by establishing clear strategic direction with input from all Programs; by holding a team-building retreat for all staff; and through more regular communications by restructuring the Committee on Mission Management (CMM) to meet on a regular basis with minutes distributed to staff; holding staff meetings; and by establishing an LES (Locally-Engaged Staff) Committee and a Housing Committee.

The PERPA Program is comprehensive with many advocacy and cultural initiatives and to a lesser extent academic and media interests. However, a lack of consultation and communication between the HOM and the Program Manager has strained relations and affected morale in the Program. Regular section meetings would help this situation as would permanent staffing of the PERPA Officer position, now held by a contractor, and a review of resourcing options to address support requirements.

The IBD Program has an impressive team led by an experienced Senior Trade Commissioner (STC) with highly capable Canada-Based Staff (CBS) and LES officers and assistants. The Program has a strong planning component focussed on consultation with client partners and results-based management. Staff are aware of and committed to the concepts of the New Approach. An investment strategy is in place which is integrated into the workplans of all officers. The Market InfoCentre supports the Program and is recognized as a best practice, emulated by other missions. More formal communications through regular meetings would enhance coordination and teamwork. Investment specific training would leverage efforts of the Business Development Officers (BDOs) and mechanisms for obtaining client feedback should be included as part of the InfoCentre.

The Consular Program is functioning well with two experienced LES under the supervision of the PERPA Program Manager. The creation of a second position in 2002 has allowed the Program more time for external activities such as prison visits, liaising with officials and contingency planning. The HOM should certify and sign the

document inventory reconciliation every three months. A proper interview room is needed and should be provided for in the upcoming reorganization of Consulate space.

The Administration Program has been managed by a long serving LES Officer. This position will be converted to a CBS MCO this summer upon retirement of the MAO. Challenges facing the MCO will be to reposition the housing profile to provide more flexibility in accommodating assigned staff and to provide more empowerment to Administration staff within their areas of responsibility. An appraisal monitoring system and a Mission training plan also need to be introduced.

A total of 31 audit recommendations are raised in the report, all addressed to the Mission. Management has responded to each recommendation indicating action already taken or decisions made, as well as future action. Of the 31 recommendations, management has stated that 21 have been implemented. For each of the remaining 10 recommendations, management has indicated the initiatives in progress or the intended future action.

SCOPE, OBJECTIVES, MISSION RESOURCES

Audit scope and objectives

The scope of the audit included a review of Mission Management and the Political and Economic Reporting and Public Affairs, International Business Development (IBD), Consular and Administration Programs. An Appendix to this report lists by program the specific areas that were examined during the audit.

The audit objectives were to:

- assess management controls and systems, procedures and activities that make up the programs;
- determine the extent of compliance with legislation, regulations and operating policies;
- assess the level of management integration and coordination between FAC/ITC Programs and other government departments (OGDs);
- assess the reliability and adequacy of information available for decision-making and accountability purposes;
- ensure resources are judiciously used and that the Department is receiving value-for-money; and,
- make recommendations, where warranted, to improve the economy, efficiency and effectiveness of programs.

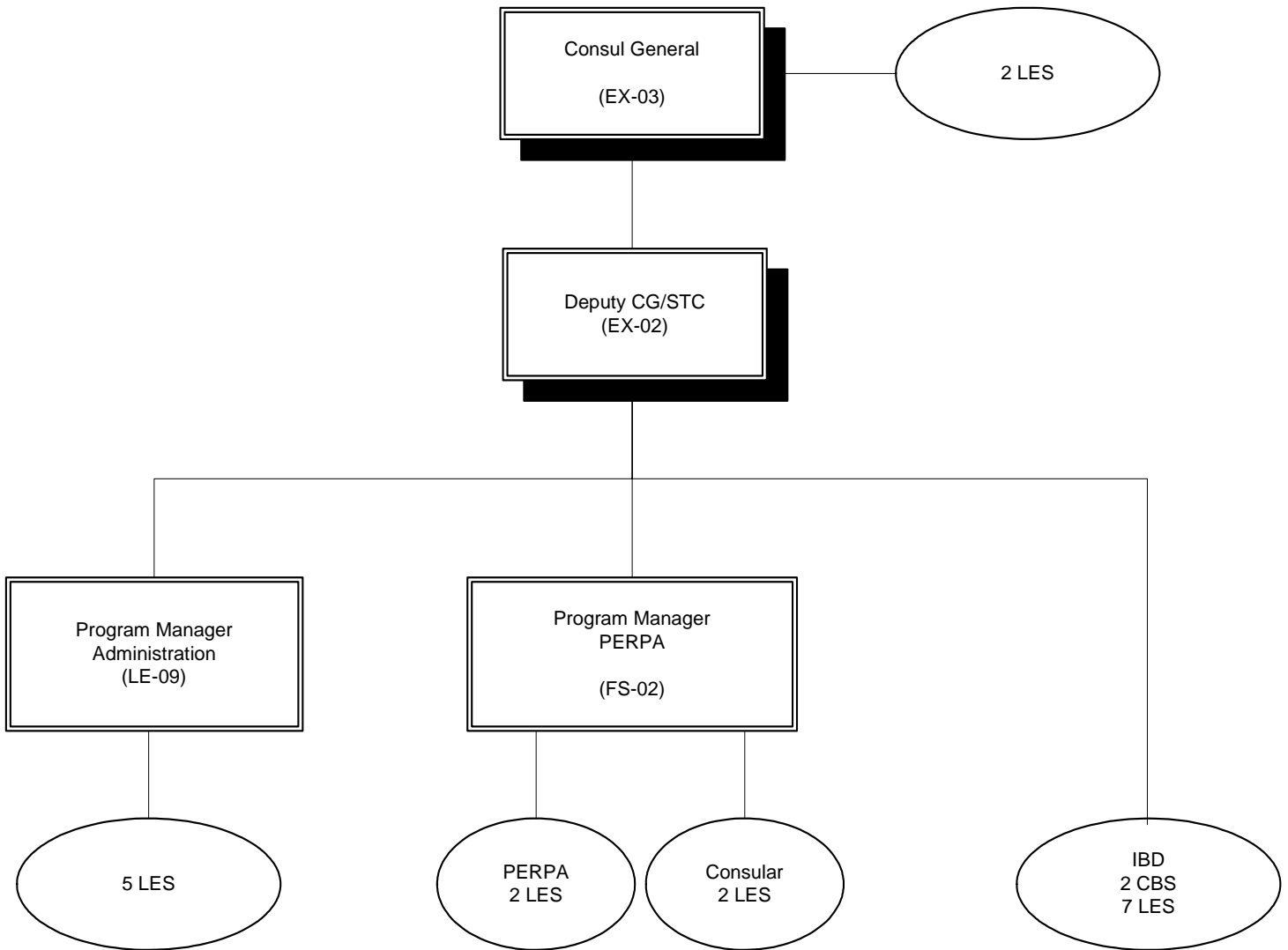
Physical Resources

Assets	Crown Owned	Crown Lease	Private Lease
Chancery		1	
Official Residence (OR)	1		
Staff Quarters (SQ)	4		1
Vehicles	2		
Parking		5	

Financial Information (2003-2004)

Operating Budget (N001)	\$1,476,000
Capital Budget (N005)	30,500
CBS Overtime Budget (N011)	1,000
CBS Salaries Budget (N011)	395,200
LES Salaries Budget (N012)	1,766,000
Total	\$3,668,700

Organization Chart



MANAGEMENT OF THE MISSION

1.1 The Boston Mission covers the New England States and is actively engaged in advocacy, trade development, investment and consular services. The Mission has a heavy agenda with frequent visits from both federal and provincial governments and business interests. Border issues and historical links between the northeast United States, the Maritime provinces and Quebec are integral to the relationship of the Mission and its territory.

1.2 The Mission is faced with several management challenges including overall direction and leadership, communications and human resource issues. The Mission has qualified staff who are professional and dedicated. Workloads are heavy; however, productivity could be improved through better management cohesion, more communication and enhanced teamwork.

1.3 The Mission has historically had a political appointee as HOM, as is now the case. For this reason, a Deputy Head of Mission has the PERPA, the Consular and the Administration Programs reporting to him and is also directly responsible for the Trade Program. This arrangement is not optimal as the HOM is directly involved in PERPA activities and, to a lesser extent, administration, while these programs report to the DHOM. *** This has impacted program performance, the morale of staff and teamwork between programs. With the anticipated turnover of management positions this summer, consideration should be given to instituting a traditional reporting structure with all program managers directly responsible to the HOM. In conjunction with new reporting relationships, the Mission should give consideration to holding a retreat for all staff to establish the way ahead and instill team-building principles. The Mission should look for ways to improve team building between the PERPA and IBD sections. Group meetings to brainstorm ways to meet common objectives, periodic retreats, joint training opportunities may be avenues to consider.

1.4 More structured communications are required to facilitate decision making, enhance coordination between programs and keep employees informed and up-to-date on departmental and mission developments. Committee of Mission Management (CMM) meetings need to be resurrected, meeting on a regular basis with minutes kept to record items discussed and decisions taken. Minutes should be circulated to staff. Periodic all staff meetings would assist in informing the Mission of upcoming events, latest developments and updates regarding operating and administrative matters. It would also provide a forum for staff to ask questions and discuss issues of common concern. The need for more regular program meetings was identified, to more formally review progress, monitor results, adjust plans and share information.

1.5 The Mission does not have an LES Committee. The Department strongly supports this practice as a means for LES to discuss common concerns and communicate these to management. A Housing Committee should also be formed as

required by departmental policy whenever housing provided to staff is managed by the Mission.

1.6 The last annual appraisal on file for any LES at the Mission was for 2001. Annual appraisals should be completed for all staff and clearly tied to performance objectives. Training and career development needs can be developed from the appraisal process. The MAO acts as the point of contact for LES for Canadian Foreign Service Institute (CFSI) led training. Requests are initiated by the staff member and are approved on an ad-hoc basis if funds are available. The Mission has not appointed a training coordinator and has not developed a mission training plan. A tracking system for appraisal completion should be instituted and a training strategy and plan developed for each program.

Recommendations for the Mission

- 1.7 Consideration should be given to having all program managers reporting directly to the HOM.**
- 1.8 A Mission-wide team-building retreat should be held.**
- 1.9 Regular CMM meetings should be held and minutes distributed to all staff.**
- 1.10 Regular all staff meetings should be held.**
- 1.11 LES and Housing Committees should be organized.**
- 1.12 Appraisals should be completed and training plans developed for all staff.**

Mission Actions and Time Frames

- 1.7 The Mission acknowledges this recommendation and will review the matter after the arrival of the new DHOM and the new MCO.**
- 1.8 The Mission agrees with this recommendation and on May 1st 2004, a coordinating committee was struck in this regard.**
- 1.9 The Mission agrees and has established regular meetings of CMM. Minutes are taken but are not yet distributed to all staff.**
- 1.10 Regular staff meetings are now being held.**

- 1.11 An LES Committee was established in May 2004 and will meet with Mission Management quarterly. A Housing Committee has been constituted and held its first meeting July 16th 2004.**
- 1.12 Appraisals for LES have been completed for the IBD Program including training plans. Administration has completed appraisals and training plans will be completed shortly after arrival of the new MCO in September 2004. PERPA has completed two of three appraisals. The Mission has appointed the MCO as training coordinator.**

POLITICAL AND ECONOMIC REPORTING AND PUBLIC AFFAIRS PROGRAM

2.1 This is a generally well managed program operating in a busy and, at times, stressful environment with many high level visits and with important commercial, political, cultural and academic links to Canada. The Program Manager is an experienced and able officer who has a clear idea of the goals and objectives of the program. *** she has directed an innovative and comprehensive program which dovetails well with the objectives of the IBD Program. She has invigorated the cultural elements of the program through effective use of small amounts of money to support local initiatives to raise the profile of visiting artists and academics. Under her direction, the section has worked diligently on “Smart Border Advocacy” and general Canada/USA security issues. She has also provided enthusiastic support to the Canadian Studies Program and has recognized the potential for a dynamic and active education marketing program for the region.

2.2 The Program Manager is strongly supported by a very talented locally-engaged officer in whom she has confidence and by a second employee on contract pending a competition to fill a vacant position on a permanent basis. The program has no administrative assistant as the position was terminated as part of the Enhanced Representation Initiative (ERI). The Program Manager believes that the loss of this position has damaged substantially her ability to handle the increasing workload.

2.3 With close ties to the Atlantic provinces, Quebec and Ontario, the New England states are major economic and political partners with Canada. The consulate in Boston plays an important role in promoting Canadian interests in the region. Its important advocacy responsibilities with leading state and federal politicians, an influential media and the many prestigious academic institutions in the area cannot be underrated in effectively disseminating to and influencing American decision makers on Canada’s positions on a wide range of bilateral and international issues.

2.4 The Program Manager practices an open door policy with her staff and the local staff are sensitive of the need to keep her informed of their work objectives and plans. The Program Manager delegates work effectively and, given the talent of her staff, gives them wide latitude to manage and direct their own work. Despite the lack of more formal reporting and communicating structures, the system works reasonably well.

2.5 Nevertheless, communications at all levels could be improved. There are no regular meetings of the CMM and general communication with the HOM is very weak. The HOM often tasks the PERPA staff directly without discussion or consultation with the Program Manager. This has caused a large amount of tension and misunderstanding which has damaged working relationships and morale within the program. The LES are fully aware of these difficulties and troubled by them as they want to meet the expectations and objectives of both the HOM and the Program Manager.

2.6 With only one permanent staff member and one contractor, Program meetings have not been occurring. The program Manager sees her staff daily and exchanges of information are handled through the ongoing routine dialogue within the program. Regular section meetings might help to promote a better sense of teamwork and shared objectives.

2.7 Staff are working long hours but do not begrudge the effort. Given the work demands, compensatory time off has not proven feasible and budgets are inadequate to provide compensation. This could, over time, lead to burnout or frustration and should be addressed as a mission priority.

2.8 The Program Manager is also responsible for the Consular Program and mission security. With the appointment of a Canada-based MCO, responsibility for these functions will move to this position thus freeing more time for the Program Manager to concentrate on PERPA responsibilities.

Recommendations for the Mission

2.9 The vacant PERPA officer position, presently filled by a contractor, should be filled on a permanent basis as soon as possible.

2.10 Weekly PERPA section meetings should be reinstated to ensure all section staff are aware of mission work objectives and plans and to build a better sense of PERPA team effort.

2.11 A review of PERPA resourcing should be undertaken in coordination with Headquarters to determine the need for support staff.

Mission Actions and Time Frames

2.9 Staffing action for this position is complete.

2.10 Weekly PERPA meetings have been reinstated as of April 2004.

2.11 The Mission will initiate review of this matter with NUR in August 2004.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The Program is headed by an EX-02 Deputy Consul General and Senior Trade Commissioner (STC) who is in the final year of his assignment. He is supported by an FS-02 Trade Commissioner, an FS-01 Assistant Trade Commissioner, four Business Development Officers (BDOs) and three Business Development Assistants (BDAs). The employees are capable, enthusiastic and demonstrate strong performance both as individuals and in a team environment. They understand their roles and are, for the most part, satisfied with their respective job packages although there are concerns about increasing workload. The Trade Commissioner has responsibility for the Investment Program while the Assistant Trade Commissioner has responsibility for the Market InfoCentre and the Export USA Program. This structure is designed to give these officers specific management responsibilities at an early stage of their careers. The STC retains overall responsibility for all aspects of the IBD/Investment Programs. Under the ERI program, the Assistant Trade Commissioner position was slated to be eliminated. This has been deferred permitting time for adjustment of responsibilities. Two officers, an LES (Seafood) and a CBS (Science and Technology) will be added to the program.

3.2 Management of the Program

3.2.1 The program benefits from the extensive trade and management experience of the STC. He is respected by staff for his leadership role and active involvement in the program. CBS officers are very capable and committed. LES staff are, for the most part, experienced and contribute to professionalism and a sense of team. An on-going challenge facing the IBD Program is effective communications in an environment of frequent high level visits and trade development events which peak each March with the Boston Seafood Show. The communications challenge across programs is exacerbated by the infrequent meetings of the CMM. Sharing of knowledge among the trade staff is most often on an ad hoc informal basis supplemented by Trade Section meetings as required or as time permits. The Trade Section Officers meet as a group on average about every 5-6 weeks and the STC takes this opportunity to debrief on key meetings/events in which he has participated. Full trade staff meetings are even rarer. This is mitigated by an informal communications pattern, particularly the open door practice of the STC.

3.2.2 While the separate components of the Trade Section function well in their respective roles, the need for cohesive efforts necessitates constant attention to ensuring a team environment exists, that roles/responsibilities/activities of each group are understood and cooperation and collaboration between the different components of the Trade Section are encouraged. Regular meetings of trade officers and trade staff should be implemented to enhance internal communications. The opportunity for all

staff to discuss their activities, achievements, and challenges should be a regular feature of such events.

3.2.3 The demands of the very active Trade Program and the strong record of performance of the Trade Section offer the opportunity to provide positive feedback to employees, an opportunity not to be missed. While it is clear that individuals are proud of their performance and have been individually recognised, increased public recognition of achievements would have a positive impact in motivating individuals and would benefit team-building efforts. An awards program or some other form of public recognition should be implemented to reward employees for significant contributions to achieving specific goals or trade program objectives.

3.2.4 The Senior Trade Commissioner is very supportive of training which is undertaken throughout the year when opportunities present themselves or staff place a specific request. The commitment to training is clearly evident when one considers the permission granted to a relatively new staff member to participate in a training session in Ottawa while the Mission was heavily involved with the extreme demands of the Boston Seafood Show and the associated high level visits. There is a need, however, for a more systematic approach to training requirements. A specific training plan for each Trade Commissioner/BDO/BDA should be developed on an annual basis and take into account specific goals and the contribution that additional training will make to enhancing post performance. (See recommendation in the Mission Management section of this report.)

3.2.5 Attention should be paid to the formal appraisal mechanism to provide feedback to staff on a timely basis. In particular, LES staff could benefit from regular such reports. Diligence should be exercised in ensuring timely preparation of goals/objectives and written appraisals for all staff. The existing practice of verbal review of performance should be maintained on a quarterly/semi-annual basis as required. (See recommendation in the Mission Management section.)

Recommendation for the Mission

3.2.6 The Trade Program should hold more regular meetings for all staff to share information and provide a forum to identify and discuss issues.

Mission Action and Time Frame

3.2.6 The Trade Program now holds weekly staff meetings.

3.3 New Approach

3.3.1 The IBD staff are aware of and committed to the concepts of the New Approach as indicated in the strong planning and programming component of their work and in the results-based management of the program. In particular, their initiative in advance planning consultations with provinces/OGDs and other partners is an effective best practice. This is essential given the incessant demands for service. Despite this coordination, a considerable number of ad hoc demands, trade missions, ministerial visits, etc., occur throughout the year. Thus considerable overtime by CBS occurs to ensure that all demands for service are met. The Mission should vigorously enforce program priorities and ensure these are reflected in their response to un-programmed demands. Management should on a daily basis ensure they clearly prioritize activities and that they are seen by staff to be enforcing these priorities in their responses to non-programmed demands for service. Increased communication to ensure staff understand both the response and rationale for the decision is desirable. If necessary, support from HQ in saying “no” to unreasonable demands should be sought.

3.4 Investment

3.4.1 The Trade Commissioner has specific responsibility for the Investment Program and has developed an effective, results-based targeted program to achieve specific goals. There is every indication it is performing at an optimum level. Regular series of out calls to a selective number of prospective partners are carried out diligently. BDOs supplement the Trade Commissioner’s efforts with their own specific sectoral expertise and contacts. The Trade Commissioner works directly with Investment Partnerships Canada and has had investment specific training. The BDOs have not had the benefit of a specific training program. This should be scheduled to encourage an increased focus on investment in key sectors and maximize synergies with the Trade Commissioner responsible for investment. If a readily available program through IPC is not available, a personalized program should be arranged for officers in key sectors of investment activity/potential.

Recommendation for the Mission

3.4.2 Investment specific training should be provided to BDOs responsible for sectors key to the Investment Program.

Mission Action and Time Frame

3.4.2 The Mission has initiated contact with IPB to set up investment training for all BDOs in current F/Y.

3.5 Resources and Support to the IBD Program

3.5.1 The most significant and impressive support mechanism to the IBD Program is the Market Information Centre, staffed by three BDAs, which responds to over 500 specific enquiries annually thus freeing the BDOs to focus their time/efforts on more strategic matters. This is a best practice operation and has been recognised as such by HQ and the other missions who have emulated their practices/procedures. A sophisticated tracking system is in place to provide management with the necessary information to ensure equitable workload and the attainment of service standards. At present, only the senior BDA is capable of producing these reports. The staff of the Market Information Centre also provide support for incoming visits, trade missions and other IBD related events. A relatively small portion of their time is spent providing administrative support to officers in the Trade Section. A mechanism to obtain client feedback as part of the program's effort to measure results should be defined and implemented on an in-house or contract basis.

Recommendations for the Mission

- 3.5.2 Additional staff should be trained to ensure a continuing capability to produce the management reports required to monitor the effectiveness of the Market Information Centre's work.**
- 3.5.3 As part of program results measurement, the Market Information Centre should include a mechanism for obtaining client feedback.**

Mission Actions and Time Frames

- 3.5.2 In addition to the Market Information Center Coordinator, both BDAs will receive training to produce management reports during the current F/Y. However, it will be a moot point after the introduction of e-CRM which the Mission is piloting for T-Branch.**
- 3.5.3 Mission will establish a client feedback measurement mechanism on a contract basis this F/Y depending on available financial resources.**

CONSULAR PROGRAM

4.1 The Consular Program, made up of two persons, is well managed and staffed with experienced and capable personnel. The second position was established in September 2002 as part of the general enhancement of consular capacity in the United States. The creation of the second position has provided flexibility within the program to allocate the work and has given the Senior Consular Officer more time for activities such as prison and prisoner liaison, relations with police and correctional authorities and consular emergency contingency planning. Consular service standards have been established and are being met. The Senior Consular Officer controls the work of the program under the supervision of the PERPA Manager.

4.2 The Mission Passport/Label Inventory was examined and was found to be in order with the exception of one missing ID label. An undated memo attached to the monthly inventory report was sent to Ottawa presumably in May 1999. There has been no response and no follow-up so the missing label is still part of the official inventory. Appropriate steps should be taken to regularize this anomaly. The HOM should be verifying the passport and label inventory when signing the quarterly return.

4.3 The consular emergency contingency plans for New Hampshire, Maine, Vermont and Massachusetts do not include aircraft crashes as an emergency response trigger. This appears to be an oversight and should be reviewed.

4.4 The Consular Program hours for the public are daily from 0845 to 1600. Appointments with clients who require special assistance with passport or citizenship applications are scheduled from 0900 to 1200 and 1400 to 1530. These hours appear to be appropriate.

4.5 The consular booth is open to the lobby area and business must be handled by talking through a bullet proof glass shield. The telephone system which might afford some privacy for sensitive conversations or for those who are hard of hearing does not work. It should be repaired. The general lack of privacy for the conduct of consular interviews is inappropriate and should be corrected in the planned renovation of the consulate.

Recommendations for the Mission

4.6 The label inventory should be regularized and the missing label removed from the Mission inventory.

4.7 The Head of Mission should be counting the passports and labels on a quarterly basis as part of the certification process.

- 4.8** The emergency response triggers with regard to aircraft crashes in the Consular Emergency Contingency Plans should be reviewed and updated.
- 4.9** The telephone in the consular booth should be repaired or replaced.
- 4.10** The reorganization of the consulate space should include a proper consular interview room.

Mission Actions and Time Frames

- 4.6** JPC has removed the missing label from the Mission's inventory.
- 4.7** The HOM will implement recommendation on a quarterly basis commencing with the 3rd quarter report.
- 4.8** The Consular Emergency Contingency Plans have been revised to include emergency response triggers to aircraft crashes.
- 4.9** The telephone in the consular booth will be repaired by August 31st, 2004.
- 4.10** The need for a proper consular interview room has been reflected in the new reconfiguration plans for the Consulate which is currently underway and slated for completion this F/Y.

ADMINISTRATION PROGRAM

5.1 Overview

5.1.1 The Administration Program provides good service and support to the Mission's programs. The program is currently managed by a locally engaged Mission Administration Officer (MAO) ***. The MAO position is being converted into a CBS rotational Management Consular Officer (MCO) position this summer. The MAO maintains good controls and takes a diligent approach to her work, personally dealing with the more complex matters. With the change to an MCO, there will be opportunities for staff to take on more responsibility.

5.1.2 A challenge for the new MCO will be adjusting the property profile to find the optimum balance in meeting program needs and offering flexibility in assigning staff quarters (SQs). Program objectives and expectations for the Administration Program have not been documented and need to be developed through an annual planning process and the establishment of clear performance agreements. Planning should be undertaken in conjunction with annual appraisals, training plans, and the setting of employee objectives. Also required are program service standards. These should be developed, documented and distributed to all staff.

5.1.3 The HOM driver has limited contact with the administration section and is not responsible for any specific administrative tasks. After receiving his daily schedule from the HOM assistant, he should report to Mission Administration for additional taskings. With the changeover in management, it is recommended that the HOM driver report to the Property Assistant for this purpose.

Recommendation for the Mission

5.1.4 The HOM driver should be given administrative responsibilities and report to the Property Assistant when not driving the HOM.

Mission Action and Time Frame

5.1.4 The HOM driver has been given administrative responsibilities, including substituting on the switchboard. He will report to the MCO for tasking when not driving the HOM.

5.1.5 With the recent implementation of OCTEL at the Mission, the receptionist has time to handle additional duties. The PERPA section, in particular, may benefit from assistance from this position.

5.1.6 The three commercial assistants and the administrative assistant replace the receptionist when on leave or during breaks. The Mission needs to explore hiring a temporary replacement during extended absences of the receptionist.

Recommendation for the Mission

5.1.7 **Management should explore what additional duties could be undertaken by the receptionist and update her job description accordingly.**

Mission Action and Time Frame

5.1.7 **Management is currently reviewing how best to implement this recommendation. A new workplan for the receptionist will be developed by the new MCO for action in September 2004.**

5.2 Human Resources

Locally Engaged Staff (LES) Committee.

5.2.1 An LES Committee has not been formed at the Mission. Given that a number of benefits related issues were raised with the audit team by LES, it is clear that an LES Committee needs to be established. Management needs to schedule quarterly meetings with the LES Committee to maintain and enhance communication with staff. The LES Committee needs to, in turn, to be encouraged to produce minutes and circulate them to all staff members.

Recommendation for the Mission

5.2.2 **Encourage LES to form an LES Committee, and schedule quarterly meetings between management and the Committee.**

Management Action and Time Frame

5.2.2 **Action on this recommendation is complete. See 1.11.**

Overtime and Other Benefits

5.2.3 LES indicated concerns regarding overtime approval and payment and would like to have this benefit reviewed. Program level LES are not paid for overtime according to the employee handbook, even though their CBS supervisor may be paid overtime at the same functions. Other issues staff would like reviewed include commuting assistance and maternity/paternity leave provisions. The next

comprehensive benefits review by the Locally Engaged Staff Division (HRL) is not scheduled until 2005.

Recommendation for the Mission

5.2.4 Management should contact HRL to explore the possibility of doing a comprehensive benefits review prior to 2005.

Mission Action and Time Frame

5.2.4 Management will consult with HRL in September 2004. The Mission is currently updating the employee handbook. Management will review these issues with the LES Committee in September 2004.

Staffing Competitions

5.2.5 A number of competitions were reviewed and found to have proper documentation on file with the rankings of the selection board clearly documented and the top ranked candidate being offered the position. However, the most recent competition for the Seafood Officer position requires further documented substantiation from management regarding the final selection process.

Recommendation for the Mission

5.2.6 Ensure sufficient documented substantiation remains on file for all future staffing competitions. Add proper documentation to substantiate final selection for the Seafood Officer competition.

Mission Action and Time Frame

5.2.6 Documentation to substantiate final selection for the Seafood Officer Competition existed at the time of the audit. However, it consisted of electronic messages which by error were not filed with the material submitted to the audit team. These messages which clearly substantiate the final selection process and decision are now on file.

5.3 Physical Resources

Chancery Lease Renegotiation and Refurbishment

5.3.1 The Chancery lease was renegotiated this year on very favourable terms, resulting in a 17% rent reduction as well as a tenant improvement allowance worth an additional US\$ \$704,000. The Mission and the Physical Resources Bureau (SRD) are

planning Chancery renovations which would maximize the office space, offer better functionality for hosting events, and provide additional security features.

Property Portfolio

5.3.2 The current property portfolio provides the Mission little flexibility in offering suitable housing to single officers. All staff quarters (SQs) are Crown-owned and all, but one, are houses located in Wellesley, a quiet Boston suburb near good schools and well located for families. This housing portfolio does not fit the current Mission profile as there are currently no families with accompanying children posted to the Mission. The current location of SQs also limits entertaining at home as the long commute is inconvenient for guests. The Mission needs to continue to explore the possibility of purchasing smaller housing downtown. The option of going to private lease needs also to be considered.

5.3.3 A Housing Committee should be appointed and convene not only when making housing allocations but also to consider the current housing portfolio. The Physical Resources Bureau (SRD) should be kept abreast of all discussions. Committee recommendations to the HOM should be documented and kept on file.

5.3.4 The Official Residence (OR) is a large house located in Weston, another quiet Boston suburb. A Crown-owned property, it is rarely used to host official functions given the distance from Boston and the absence of domestic staff, which reduces the cost effectiveness of using the OR as a venue.

Recommendations for the Mission

5.3.5 Examine the current property portfolio, in collaboration with SRD, considering both private lease options and purchases of smaller downtown properties.

5.3.6 Appoint a Housing Committee and document all Committee recommendations to the HOM.

Mission Actions and Time Frames

5.3.5 The Housing Committee will undertake a review of this issue with SRD during the F/Y. The next two CBOs assigned to Boston this F/Y will occupy privately leased accommodation.

5.3.6 A Housing Committee has been established. It first met on July 16, 2004. Minutes will be taken and recommendations submitted to HOM for approval.

Property Maintenance

5.3.7 Maintenance requests are handled by a Property Assistant who has been at the Mission for 13 years and reports to the MAO. Properties were found to be well maintained and occupants were generally satisfied with the condition of their SQs. There is an electronic work order form which allows for clients to give feedback as to their service satisfaction. The Property Assistant has had very limited involvement in matters such as the Chancery lease renewal and managing the property portfolio. It is suggested that he be more involved in such matters.

5.3.8 The Property Assistant maintains good records of maintenance, occupancy agreements, and distribution accounts. The file for the disposal of surplus assets was also well maintained. SQs are videotaped both prior to occupancy and following the departure of the tenant, a practice which has assisted the Mission to resolve past disputes. Maintenance is managed on a responsive basis as annual maintenance inspections are not undertaken.

5.3.9 The Property Assistant has not received training in Ottawa since 1994. With the arrival of an MCO, this employee will be expected to become more involved in managing the property portfolio, developing a maintenance plan, and the Chancery refurbishment. Further training would be helpful in preparing him to meet these new challenges.

Recommendations for the Mission

5.3.10 Institute annual SQ maintenance inspections for furniture requirements and preventive maintenance planning.

5.3.11 Provide additional property and materiel training for the Property Assistant.

Mission Actions and Time Frames

5.3.10 The Mission will develop an annual SQ maintenance inspection plan and will complete inspections by December 2004.

5.3.11 The Mission training Coordinator will ascertain date of next course offering for LES property and material management and will submit name of Property Assistant in September 2004.

Official Vehicles

5.3.12 The Mission has a HOM vehicle and a minivan. The HOM driver is responsible for maintaining both vehicles and keeping vehicle logs for the HOM vehicle

while the Property Assistant maintains vehicle logs for the minivan. Minivan logs are lacking substantiation for purpose of trips. HOM vehicle logs currently track total gas purchases but do not record purpose of trip, total kilometres driven, and maintenance logs. Complete vehicle logs for both official vehicles need to be submitted monthly to Mission administration detailing fuel purchases, kilometres driven, purpose of trip and vehicle maintenance as per Section 9.10 of the Materiel Management Manual.

Recommendation for the Mission

5.3.13 Ensure that proper vehicle logs are maintained and submitted to administration.

Mission Action and Time Frames

5.3.13 The MCO has taken action in July 2004 to ensure proper vehicle logs are maintained and submitted monthly to administration.

5.4 Financial Operations

5.4.1 The finance function is overseen by the Mission Financial Officer (MFO) who is the MAO. The accountant position has had several incumbents during the past few years with the present accountant having been with the Mission for approximately one year. Back-up to the accountant is offered by the administrative assistant, who has responsibility for inputting payroll.

5.4.2 The Mission manages an operating budget of \$1,476,000 and a total budget of \$3,668,700. There is one small petty cash in the Mission, which is not used often and reconciled at the time of audit.

5.4.3 The accountant is currently fully occupied with inputting financial transactions and has limited involvement in reporting and budgeting, forecasting, and the development and implementation of financial procedures, which are all handled by the MAO. Administration does provide budget reports to management on a monthly or as-needed basis. With the imminent departure of the MAO, the accountant needs to become more involved in planning and control functions.

5.4.4 There are presently a number of duplicate files being kept by accounts and the property section. The accountant photocopies payments and supporting documents maintaining a second set of files by vendor. The property assistant also keeps copies of payments pertaining to particular properties or vendors. Given the time involved in the above, and that IMS produces vendor reports, the Mission needs to evaluate the efficiency of the time invested in maintaining their current file structure.

5.4.5 The Mission issues approximately 80 cheques per month and an average of 40 payments processed through electronic payments (EFTs). The Mission bank account is used for payments by cheque, with the Mission maintaining a reasonable cash balance for its activities. EFTs are paid from the Washington bank account. A review of three months of accounts indicated that most payments to vendors are made by cheque. In general, only Mission employees are being reimbursed via EFTs. The Mission needs to make efforts to pay as many vendors as possible with EFTs to reduce the risk of handling cheques and cash. The Mission needs also to consolidate payments as often as possible by processing multiple payments for the same vendor in one document with different line items. To diminish the number of transactions, the Mission needs to try to consolidate vendors, ideally focussing on those who will offer monthly billing.

5.4.6 The current payment processing is five working days with requests audited and reviewed for payment by the accountant within two working days. These standards have been set by the MAO and accountant but have not been communicated to staff. No other service standards have been developed and the implementation of clearly defined service standards would help the accountant to manage clients' expectations. The February bank reconciliation had not yet been completed and forwarded to Ottawa as of March 31st, 2004. Bank reconciliations should be completed and forwarded to Ottawa prior to the 10th day of each month.

5.4.7 The accountant does not have a small safe in her office in which she could lock consular revenues or other cash pending processing or deposit to the bank. It is recommended that a safe be provided and placed in the accountant's office.

Recommendations for the Mission

5.4.8 The Mission should reduce its vendor list, consolidate purchasing and encourage suppliers to invoice monthly rather than for each individual transaction.

5.4.9 Procure a safe for the accountant's office.

Mission Actions and Time Frames

5.4.8 Action to implement this recommendation is now in progress and will be completed by September 2004.

5.4.9 Consular revenues are kept in a safe in the consular section. Cash is deposited either in a night deposit in the office building in which the Consulate is housed, or directly at the bank daily as required. Reconfiguration of the Consulate will include special secure doors for the accountant's office.

Consular Revenues

5.4.10 Consular revenues are deposited weekly on the same day as they are received by the Accountant, with the Accountant providing the Consular Officer with an official receipt. The Consular Section completes EXT-119 - Record of Fees Received - and issues official receipts for all services.

Contracting

5.4.11 A Contract Review Board (CRB) is in place but no minimum dollar threshold has been established as to which contracts need to be reviewed. Mission management should give consideration to setting a minimum amount under which contracts do not need to be reviewed by the CRB. The review of contracts by the CRB, including final approval, should be clearly documented on file. A register of all contracts is maintained by administration.

Official Hospitality

5.4.12 Hospitality diaries for the HOM and a number of officers were audited. The Mission has an official hospitality policy. A review of hospitality files for four officers revealed no major observations; however, more attention to details is needed such as offering more descriptive evaluation of events, and always providing original receipts.

Banking Agreement

5.4.13 The bank agreement is no longer on file. It is important to have a copy on file for the arrival of the new MCO. All Mission signing and banking authorities are up-to-date.

Recommendation for the Mission

5.4.14 A copy of the banking agreement should be requested from the bank and placed on file.

Mission Action and Time Frame

5.4.14 The Mission requested a copy of the banking agreement and it is currently on file at the Mission.

5.5 Information Management

SIGNET 3

5.5.1 This Mission was a pilot for the new SIGNET 3 platform. The SIGNET 3 implementation process was conducted with minimal impact on users, few problems and no loss of data. User feedback was positive with some comments that classroom training would have been helpful, although users picked up the new system quickly. SIGNET 3 training was primarily web-based, and most users declined to complete any training modules. Quick reference guides have proven to be more useful but are only being used by approximately five users.

5.5.2 Users commented that they feel overall performance has slowed for applications and internet on SIGNET 3. Only one application (LESPay) does not run on the SIGNET 3 platform, while all others appear to be functioning correctly. Noted system improvements included improved remote access ability, increased stability of platform, improved spam filter, the running of maintenance tools in the evening, and the use of Universal Serial Bus (USB) ports.

Informatics Training

5.5.3 The LES Foreign Service Information Technology Professional (FSITP) is a conscientious employee with a client service focus. He has been employed by the Mission for eight years and during this period has maintained a focus on providing necessary training. He typically offers three formal training courses annually although he expects these requirements to increase this year with the recent implementation of SIGNET 3. The FSITP has conducted email surveys to assess training needs of users, and designed courses to meet these needs. The training offered by this employee should be integrated into the Mission training plan.

Appendix

The following tables indicate the areas of each program that were reviewed to determine compliance to policies and procedures and to assess efficiency and effectiveness. For each program listed, reference can be made to the specific audit guides on the Office of the Inspector General (SIX) Web site containing the detailed audit criteria and audit procedures applied during the audit.

The focus and extent of on-site work is based on an assessment of materiality and related risk. This is done through communication with HQ bureaux, including briefings by line management and the functional bureaux responsible for each of the areas listed below, review of relevant HQ and mission documentation and past audit findings and an analysis of recurring trends and systemic issues.

During the audit, audit issues and lines of enquiry are further refined from information gathered through interviews with the HOM and Program Managers, a confidential survey questionnaire of all staff, a meeting with the LES Committee, individual interviews with staff, and results of other documentation reviewed.

The level of audit work for a given area is therefore based on issues and information identified and gathered at all levels, HQ, mission management, and mission operations. Accordingly, not all areas received equal attention. More work and time are devoted to material and high risk issues, particularly those of interest to management. Occasionally, due to time limitations or other factors, it is not possible to provide audit coverage for all areas. Areas not covered are noted in the Scope and Objectives Section of the report.

Mission Management

Accountability Agreements	Communications
Strategic and Operational Plans	Hub and Spoke Relations
Program Integration and Coordination	Other Government Departments
Committee Structure	Performance Measurement

Political and Economic Reporting and Public Affairs

Management of the Program	Media Relations
Program Planning	Cultural Affairs
Political Reporting	Performance Measurement
Economic Reporting	

International Business Development Program

Management of the Program	Investment
Program Planning	Science and Technology
New Approach Framework	Trade Policy and Market Access
Trade Development	Performance Measurement

Consular Program

Management of the Program	Citizenship Services
Service to Canadian Citizens	Honorary Consuls
Passport Processing	Admission to Canada

Administration Program

Management of the Program	Services Standards
Program Planning	Communications
Policies, Systems and Procedures	Performance Measurement

Human Resources

Management of the HR Function	Classification
Staffing	Pay and Benefits
Staff Relations	Training and Development
Official Languages	Health and Safety
Community Program Activities	Import of Goods

Physical Resources

Mission Property Management Plan	Official Vehicles
Chancery	Inventories
Official Residence	Material Management
Staff Quarters	Recreational Property
Maintenance	Disposals

Finance

Budget Process	Reconciliations
Control Framework	Banking
Expenditure Authority and Payment	Cash Accounts
Receipt and Deposit of Money	Advances
Transfers (COs, IOs and SOs)	Petty Cash
Cost Recovery	Currency Conversion
Contracting	Hospitality

Information Technology

Training	Capacity
Equipment Configuration	Contingency and Back-up
Systems	Web Sites
Service	PSAT