

AUDIT
OF
THE CANADIAN CONSULATE GENERAL
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Audit Division (SIV)

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EXECUTIVE SUMMARY

An audit of the Political and Economic Relations and Public Affairs (PERPA), International Business Development (IBD), Consular and Administration Programs was conducted in Chicago during the period June 23 to 26, 2003. A previous audit of the Mission, which included a similar scope, was undertaken in October 1997. The Mission's area of responsibility includes Illinois, Wisconsin, Missouri and five northern counties of Indiana, the Quad cities region of Iowa, and Kansas City (Kansas).

The Head of Mission has been at the Mission for less than a year and in this short period has demonstrated effective leadership and garnered the respect of employees. She is supported with capable staff and has guided the Mission through a series of events and visits that are raising Canada's profile in this region. There is a recognition that the Mission needs more cohesiveness owing to longstanding personality issues that cross various programs and that are impacting on morale of staff. The Committee on Mission Management also needs to meet more regularly, with the minutes of these meetings distributed to all employees. A team-building exercise with the help of outside facilitators was recently held at the Mission.

The IBD Program has an experienced program manager and locally-engaged business and investment development staff. Program management needs, however, to take a more active role in developing a sense of enhanced value and teamwork amongst employees. An improved commitment to client service and more effective use of the Info Centre initiative can be important underpinnings in raising client service standards.

PERPA is an active program focussing largely on the priorities established at Headquarters. The Program has a well-developed results-based plan and works collaboratively with the IBD Program on numerous issues. There is a recognition that greater emphasis is required on both the academic and media relation fronts. The recent hiring of a new Media Officer should assist in strengthening and improving media relations.

The Consular Program is effectively delivered by an experienced program officer. Workload pressures, however, signal the need for an incremental resource to be added to the Program. The position can be found within the Mission's current establishment with additional funding requirements being met with the assistance of JPD. The need for tighter controls over consular revenue and inventory of passports was also noted.

The Administration Program, while effective in many aspects, needs to improve its overall delivery of services. Program management needs to work harder at bringing the administration's group of highly qualified employees to work better together as a team. The introduction of staff meetings will assist in improving communications

and sharing of information. Service standards are needed to let clients know the quality and the time in which services can be expected to be delivered.

RECOMMENDATION STATUS

This report raised 29 audit recommendations, 28 of which are directed at the Mission to implement and one recommendation for Headquarters to action. Management has responded to each recommendation indicating action already taken or decisions made, including steps to be undertaken in the future. Of the 28 Mission recommendations, 11 have been actioned and 17 are currently in the process of being implemented. Headquarters has indicated that it is in the process of implementing its recommendation.

MANAGEMENT OF THE MISSION

1.1 Overview

1.1.1 The Head of Mission (HOM) is an experienced HOM having served at several missions including another Consulate General in the U.S. She is supported by a strong cadre of Canada-Based Officers and a highly capable group of Locally-Engaged Staff (LES). The HOM in her short period of less than a year at the Mission has garnered the respect of these employees. She is actively interested in all programs ***. She maintains an open door policy and is regularly seen walking around the office communicating with staff. She is genuinely interested in their well-being but can, when necessary, be decisive when tackling issues, some of which are highly sensitive and personal. She has been fair and pragmatic in all her dealings with staff.

1.1.2 The HOM places heavy emphasis in ensuring programs are successfully integrated and coordinated. The excellent cooperation between IBD and PERPA has assisted in helping organize several events to raise Canada's profile in the region - a priority of the Mission. Notwithstanding, there is a divisiveness between administration and the rest of the Mission and there are some personality issues that undermine the overall morale of mission staff. Some of these problems have been with the Mission for several years. The HOM is cognizant of this and held a retreat this autumn with the assistance of the Employee Assistance Program (HPDA). Facilitators were used to ensure that the retreat was a constructive and productive team-building exercise.

1.1.3 There is a good committee structure at the Mission. The Committee on Mission Management (CMM), however, meets infrequently on a "as required basis". Minutes of these meetings are not distributed to staff. Regular CMM meetings, which need not be long, would be beneficial in bringing the team together and ensuring all management share in the decision-making process and activities that impact the Mission. Distributing the minutes or a record of decision would ensure all staff are kept abreast of these management decisions and planned activities.

1.1.4 The HOM has met collectively with staff on a number of issues. She has, however, yet to meet with the LES Committee which had been recently re-constituted. She is planning to meet with them shortly. The Committee did meet with the Audit Team and raised a number of issues, the results of which can be found in the Human Resources (HR) Section of the report.

1.1.5 Accountability Agreements need to be developed between the HOM and the program managers for PERPA/Consular and Administration. The Senior Trade Commissioner, an EX, currently has a Performance Management Agreement. The Accountability Agreements will provide a baseline for these managers to develop performance agreements with staff outlining the expectations and priorities of their Programs.

Recommendations for the Mission

- 1.1.6** The CMM should meet on a regularly scheduled basis and the minutes or records of decision should be distributed to all mission staff.
- 1.1.7** Accountability Agreements between the HOM and the program managers for PERPA/Consular and Administration, which clearly delineate expectations of the programs in measurable qualitative and quantitative terms, should be completed.

Mission Action and Time Frame

- 1.1.6** Agreed. With staffing changeovers this summer, since August, CMM meetings have been either audit or budget related. For all future meetings, records of decision will be distributed. We have instituted monthly all team meetings which have been well received. And we are instituting CMM meetings on a bi-weekly basis and more frequently, if needed.
- 1.1.7** Agreed. Accountability agreements will be in place by December 31, 2003.

Mission Comments

Following the visit of the Audit Team, the Mission instituted a four-part programme for team building: stage one was the discussion of the findings of the visit with the Mission as a whole; stage two was a workshop in early September where each program outlined what it does and the future events and a unified post events calender was created which is now the subject of a monthly post wide meeting; the third stage was a team-building retreat with an outside consultant organized by CFSI. The fourth stage will be a visit in January 2004 of the Employee Assistance Counsellor to work individually and with the group as a whole on issues of anger management, stress management and harassment as well as for specific programmes interface problems.

POLITICAL AND ECONOMIC RELATIONS PROGRAM

2.1 Overview

2.1.1 The Political and Economic Relations and Public Affairs (PERPA) Program is headed by an FS-02 who is coming to the end of his four-year posting. This FS-02 also manages the Consular Program and is the Mission Security Officer (MSO). Seventy percent of his time is dedicated to the PERPA Program. PERPA is supported by an experienced LE-09 Cultural/Academic Officer, a LE-09 Political/Economic Media Officer who only recently joined the Mission, a LE-05 Senior Secretary and a LE-04 Assistant who spends 60 percent of her time on PERPA. The Program also uses one or two interns annually for research and preparing reports. The Program manages \$60,000 and \$20,000 of General Advocacy and Trade Advocacy Funding respectively. In addition, it leverages corporate sponsorship effectively by engaging companies and local partner organizations to assist with financing events.

2.2 Management of the Program

2.2.1 This is an active program that works collaboratively with the IBD Program on a number of issues (border security, softwood lumber, corporate liaison, electricity imports/deregulation, cultural events, SARS, BSE and taxation). Staff members are capable and highly motivated and enjoy what they do. Morale is generally high in the Section. The Program Manager is well respected by staff. The PERPA Plan is an effective results-based document that focusses on high-level visits, cultural events and active advocacy on environmental issues in consonance with the priorities established by the Geographic Bureau (NUR). Communication in the Section is good with monthly staff meetings and day-to-day contact between the Program Manager and staff. The Program Manager maintains an "open-door" policy.

2.2.2 The Program Manager does not have an accountability agreement with the Head of Mission (HOM). The Program Manager also does not have an accountability agreement with his officers which would link expectations to his own agreement. This is particularly important in the case of the new Political/Economic and Media Officer who is new to government and has only been told orally what is expected of her. More definitive goals and objectives expressed in measurable terms would better ensure that she knows the priorities of the program and the basis upon which her performance is to be evaluated.

2.2.3 The Political/Economic and Media Officer moved into her new position following the departure of her predecessor three months earlier. There were no handover notes available on her arrival. The Program Manager is working closely with this employee given the steep learning curve (learning files, cultivating a network of contacts and building credibility) associated with this important position. An effective handover process is designed to reduce this learning period and promote a more

effective integration of the employee. Tools for handovers have been developed by the Trade Commissioner Service and can be found on the HORIZONS web site. With the Program Manager departing this summer and the Cultural/Academic Officer departing this fall after five years in the position, it is critical that the program ensure an effective handover process is in place.

2.2.4 Also, to better assist employees, particularly those new to the program, client relationship tracking could be improved. Tracking is currently done through the use of Microsoft Outlook. Essentially this involves downloading details from business cards but there is little in the way of information respecting the individuals met and the potential the particular client(s) may offer. Tracking of Canadian and local clients needs to be done more systematically, similar to the manner in which WIN Online is used in the IBD Program. The Program Manager indicated that the current system is not conducive to meeting program needs and that the staff has little confidence in the system. The program is anxiously awaiting the full roll-out of the new Client Relationship Management tool (e-CRM) that the Export Development Division (TCE) is developing.

Recommendations for the Mission

2.2.5 Accountability Agreements between the Program Manager and the two PERPA Officers, clearly delineate the expectations of these individuals both in qualitative and quantifiable terms, should be completed.

2.2.6 The Program Manager should ensure that an effective handover process is in place when he and the Cultural/Academic Officer both depart the Mission this year.

Mission Action and Time Frame

2.2.5 Agreed. Our new PERPA Manager arrived at the end of the summer 2003, and the staffing action for the new PERPA Cultural/Academic Affairs Officer is almost completed pending security clearances expected shortly. If the staffing action is completed before the end of the year, the Accountability Agreements will be in place no later than Jan 31, 2004.

2.2.6 Effective handover notes were completed this summer by the previous PERPA Manager before his departure. The current Cultural Affairs Officer who will leave us next week is in the process of completing her handover notes.

2.3 Program Focus

2.3.1 Program activities over the past year have focussed on enhancing the importance of the bilateral relationship and furthering Canada's position on a number of key issues. Several high-level contacts have been made by the HOM in her initial year in Chicago and there are plans to do more. There was wide-spread coverage of the tri-state territory with contacts developed at the federal, state and municipal levels, in the private sector and NGOs. The Mission also experienced a prime ministerial visit in February (2003). The Program Manager was actively engaged on a number of environmental issues (e.g. Great Lakes water issues, Garrison Diversion, air quality). He chairs a bi-weekly conference call with a coalition of partners, including provinces, states, Environment Canada, and our Washington Mission, relating to the protection of Canadian waters from inter-basin transfers of water from the U.S. Cultural promotion is a high priority of the program and the cultural officer is ***. She has done an effective job in organizing numerous high profile events to project Canadian culture. A quarterly arts calendar "Canada on Stage" is also distributed to some 500 presenters and influential members of the cultural, media and business community. This information can be found on the Mission website.

2.3.2 There is a recognized need for PERPA to place greater emphasis on academic relations and media relations. Australians, for example, have been very successful on the academic front. A Canadian studies program is not offered at any local university. PERPA did collaborate with a local cable station and the Association of Universities and Colleges of Canada to produce a show on College Close-Up which was successful in reaching 130,000 viewers on its initial showing. It is to be aired several more times this year. Information is also provided to school counsellors through systematic mail-outs. This year the program plans on holding a roundtable of Canadianists to develop linkages among academics interested in teaching and researching Canadian studies and working with local universities to develop a curriculum sharing agreement in support of a Canadian studies degree. In media relations, the new Political/Economic Media Officer with a strong media background should serve the Mission well in establishing and strengthening the required contacts and exerting the necessary influence.

Mission Comments

Management is very aware of the shortage of Canadian studies/academic programmes in our region given its plethora of academic institutions. A major priority for the new Cultural/Academic Affairs Officer will be to kick start Canadian courses at major educational institutions. Another priority is to attract students to Canadian post secondary institutions. We understand that the Australian programme has been focussed on recruitment for their universities and that their programme has been principally administered from their Embassy.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The Program Manager is the Deputy Consul General and Senior Trade Commissioner (STC) and is supported by one CBS officer, five LES officers and three assistants. The program is amongst the largest in the U.S.. The program is performing well, taking maximum advantage of Chicago as a major trade fair and exhibitions centre as a focal point for Canadian corporate activity in the tri-state region. It has also made effective integration of trade and investment activities a priority, with good results. The HOM has been well integrated into program priorities, in particular corporate liaison visits which are a particular strength of the program's strategy. Over 100 individual liaison visits were undertaken by CBS and LES last year.

3.1.2 There are particularly strong and creative synergies applied between the events executed by the mission programs. Coordinating trade events, investment seminars and cultural activities among programs brings a unique view and message in interaction with local participants.

3.2 Program Management

3.2.1 The STC has been at the Mission for three years. He is an experienced professional, well-versed in the New Approach and has a results-based mind-set in respect of interaction with business clients.

3.2.2 The Program Manager is respected by his staff for a strong entrepreneurial commitment to his program activities, ***. Greater face-to-face communication and less e-mail messaging from management is desired. There is a need for regular feedback, greater planning input, coaching, and professional development which can only come from more dialogue and engagement by program management with them. The establishment of accountability agreements between the Program Manager and all business development officers (BDOs) would be an excellent first step in such a process of "re-engagement".

Recommendation for the Mission

3.2.3 The Program Manager should establish accountability agreements between himself and the BDOs.

Mission Action and Time Frame

3.2.3 The ITC Programme Manager quickly recognized the professionalism and the high quality of his staff of self-starters and chose as his approach a light touch, general direction, support securing funds,

problem solving and advice, as required. Hands off does not mean disinterested nor disengaged. However, the audit brought to light the need expressed by his team for greater involvement.

The Program Manager will establish accountability agreements by the end of January 2004. It should be noted that all officers were given, at the time of the IBD Program Manager's arrival or at the time of their hiring, a set of objectives and responsibilities that clearly indicated specific, desired generic results and revealed the desired focus of the program. These will be revisited. We have a results-based program focussed on business clients and contacts.

3.3 Communications

3.3.1 There does not appear to be a spirit of teamwork across the program and personnel are reluctant to share ideas or get involved in activities assigned to colleagues. Although the Program Manager keeps up to date on program operations with bi-weekly staff meetings and interaction on a one-on-one basis with staff, there is generally poor horizontal communications within the program. Most personnel are unaware of best practices and initiatives pursued by other colleagues.

3.3.2 Staff believes the program's bi-weekly meetings could be improved by better linking sectorial activities to planned strategies and outcomes.

Recommendations for the Mission

3.3.3 **Team-building initiatives, such as team goals and objectives, are recommended to develop and enhance team spirit amongst IBD staff.**

3.3.4 **The Program Manager should structure staff meetings in a manner which is conducive to the exchange of information amongst staff of their sectorial activities, strategies and outcomes.**

Mission Action and Time Frame

3.3.3 **We will continue to participate in the team-building exercises as we have done with "The New Approach@Work", "Visions and Values of the TCS", the recent "Strength Deployment Initiative" and the post wide team-building exercises. At the time of the next CSF planning session, we will discuss again and agree on a joint approach to the exercise. Staff changes since the audit team's visit have also positively affected the team morale.**

3.3.4 The Program Manager has an open door policy for staff and communicates well with all staff at the Mission. Issues discussed at these meetings have included Budgets, ERI, Best Practices, Building Networks, Recruiting for Fairs and Missions, Results of STC meetings, and the November 2002 Colloquium, the Client Survey results, the CSF, InfoCentres. Officers are also invited to talk about what they are doing to share best practices.

The bi-weekly meetings are structured so that they are conducive to the exchange of information on sectoral activities, strategies and outcomes, as evidenced by the list of topics covered, although the exigencies of program demands this autumn have complicated scheduling in recent weeks. We will return to bi-weekly meetings recognizing the importance of these exchanges.

3.4 New Approach

3.4.1 The professional commitment of the LES IBD staff is second to none. This is a motivated group of self-starters, who know their markets and their clients and perform in a very effective fashion in support of Canadian private sector activities. Notwithstanding, there is a need for the program as a whole to re-visit its client service underpinnings, as the quality of Chicago's staff vis-a-vis the Mission's performance in the annual TCS client surveys gives rise to some concern that current rankings can and should be improved. Similarly, Chicago's selection as a pilot-mission for the roll-out of, inter alia, NA@W training, InfoBank, Client Service Fund and other departmental innovations would support the assertion that this IBD program should be amongst the top performers in the world. A renewed commitment to such goals by all Program staff, and more effective "out-in-front" leadership by management, would facilitate the achievement of this goal.

Recommendation for the Mission

3.4.2 Program Management should take a more active leadership role in order to improve the IBD's Program current ranking in its annual TCS client survey.

Mission Action and Time Frame

3.4.2 The IBD Program works well but can always improve. InfoBank was a pilot program brought to the Mission and, given its current structure, is perhaps of more value to HQ than to a mission where the Trade Program had an excellent document storage and retrieval system. IBD management has been as "out-in-front" as other core mission programs with respect to InfoBank implementation. IBD staff has been very cooperative in trying to make it work.

Mission management too is concerned about the result of the TCS client survey because it does not accurately reflect the IBD Program's performance. We are also concerned about the apparent decrease in client base and are seeking to clarify the situation. The apparent slip in relative program ranking may be a data entry problem on the part of the IBD team, an issue that has been raised repeatedly in team meetings. IBD management will review the next set of results very carefully and address the findings as an IBD team, and produce an action plan to remedy the problem areas. Given the quality of the staff, we consider the IBD Program in Chicago to be among the best in the U.S., a view, we believe, is shared by the Geographic Bureau.

3.5 Investment Development

3.5.1 The Investment Development component of the IBD Section has shown excellent results in corporate liaison; however, there is a need to re-examine information dissemination tools and strategies to provide local clients with timely information on Canada. Currently, this work is largely "shot-gun approach" based, seeking maximum reach through mass mailings and e-mail messaging. There is a need to revisit this approach, to more strategically target clients, both as new investment prospects and, perhaps more importantly, retention of existing investment by tri-state firms already present in Canada.

3.5.2 *** This lack of interactive dialogue amongst the Investment Program staff needs to be addressed as a priority by the Program Manager.

Recommendations for the Mission

3.5.3 **The Mission should re-examine its current "shot-gun approach" with the view of implementing a more strategic approach when targeting investment clients.**

3.5.4 **The Senior Trade Commissioner should address the lack of interactive dialogue amongst the Investment Program staff.**

Mission Action and Time Frame

3.5.3 **It should be noted that the referenced mailings which the Mission undertook were the KPMG Competitive Alternatives 2002 Study, copies of which were provided by Investment Partnerships Canada (IPC) with a request to disseminate to potential investment targets in Post territory. Some 2,000 were mailed out to local U.S. manufacturers. The Canadian Government contributed in excess of**

\$1 million to the KPMG Study, excluding printing costs. These mailings were undertaken at the request of Ottawa.

The Investment Development Program has achieved a number of excellent results: a strong Corporate Liaison Program; early and excellent launch of the Investment Newsletter with an up-to-date contact list of 3,000 business people in the tri-State territory; and a good working relationship with key Departments in Ottawa, with Provincial colleagues and municipal-level development teams. Mass mailings and e-mail messaging relate directly to the Investment Newsletter, (an IPC-recommended initiative, growing in the U.S. and Europe), and to the KPMG study, (a Govt of Canada priority). Corporate Liaison targets are developed in consultation with IPC and with local IBD staff. The Investment team is equally engaged in individual case management activities.

3.5.4 The Investment Development Assistant has resigned and recruitment for her successor is underway. The Program Manager is working closely with the Investment Development Officer on her job package and applauding her engagement on a number of important files, (diamond promo; nanotechnology; ICT tech cooperation and women's entrepreneurship;). When a new Assistant is hired, the Program Manager will work with the team, (collectively and individually), to establish a consensus on the Program's modus operandi and internal communication.

The need for improvement of communications has been recognized. The IBD Program Manager is working closely with the Investment Team to better integrate the operations both on a functional and programme basis.

3.6 Job Packages - Business Development Assistants

3.6.1 There is a particular need to address the job packages of the three Assistants in the IBD Program. It is suggested that an InfoCentre be established - at minimum on a trial basis - to assess its utility in improving responses to enquiries, client tracking and services provided, as well as job enrichment possibilities for the BDAs. Consideration should also be given to a possible re-allocation of lower priority sectors to the Assistants, as a further means of creating opportunities for enhanced value in their work. ***

Recommendation for the Mission

- 3.6.2 The Program Manager should review the BDA job packages to create opportunities for enhanced value in their work.**

Mission Action and Time Frame

- 3.6.2 In September 2003, the Program Manager met the IBD team in Boston to see the operation of the INFO centre and review the data the Centre generates. This material will form the basis for a team discussion and review. However, it is not clear that an InfoCentre, (or that particular type of InfoCentre), has stimulated the growth of the client base. There could also be a downside risk given that clients have direct written interface with an Assistant not an Officer. And our challenge among others is to increase our client base.**

The BDA job packages will be reviewed by March 31, 2004. Any move to an InfoCentre would have salary cost/budget implications, and given our recent experience with ERI, that is not always a simple matter. The BDAs in Chicago fulfill a critical role working in tandem with the BDOs and the Program Manager. BDAs have opportunities to compete for other positions within the program and within the Mission, (4 competitions, - jobs at higher level in the last 3 years and one more to come). The Program Manager is supportive of their requests for additional training and development. There are a lot of projects in the program.

CONSULAR PROGRAM

4.1 Overview

4.1.1 The Consular Program is managed on a day-to-day basis by an experienced *** LE-08 consular program officer who reports to the Program Manager of the PERPA/Consular Sections. The Program Manager spends approximately 10 percent of his time on consular issues. The LE-08 is backed up by the administrative assistant. Both the consular officer and his backup have been trained in Canada and both are trained on COSMOS. COMIP reporting was behind for several months but is now up to date.

4.1.2 The Program has been experiencing difficulties meeting consular service standards due to heavy workloads leading, at times, to a stressful environment. The consular officer frequently works longer hours to meet the demands of the job. In view of the number of work related issues raised in this audit, it would be advisable that management move forward with its recommendation and initiate the necessary action to staff a consular assistant position. The position can be found in the Mission's current establishment as one LE-04 position has remained vacant for three years.

4.1.3 A request to review the classification level of the LE-08 has been outstanding for a period of time. The consular officer feels that an LE-09 level would be more in line with other consular officers throughout the U.S.. As noted under the Human Resource Section of this report, all outstanding classification issues need to be resolved on a priority basis and, in the case of the consular officer, consideration should be given to the potential for supervisory duties.

Recommendation for the Mission

4.1.4 The Mission should seek to hire a consular assistant to ensure service standards are respected and to reduce the additional work stress placed on other employees engaged in the Program.

Mission Action and Time Frame

4.1.4 Agreed. Action is now urgent on this matter. Funding has been secured for this position and candidates are currently being interviewed. It is anticipated that the staffing process will be completed by the end of December 2003.

4.2 Service to Canadians

4.2.1 Like other Consulates in the U.S., the Mission's caseload has increased substantially since September 11, 2001. The number of Canadians in the region is

unknown; however, it is estimated there are upwards of forty thousand Canadians in the area of accreditation. At the time of the audit, the Mission had just received the template for the development of the Consular Contingency Plan. The consular officer confirmed that the contingency plan for the region would be developed in the near future.

4.2.2 There are 136 Canadian citizens incarcerated in the consular's area of responsibility. Although it is not possible to personally visit everyone because of time and budget constraints, contact with each prisoner is established either by letter or telephone. The consular officer networks very closely with community resources, including prison officials, which facilitates communications among all parties concerned and promotes timely consular notification of incarcerated Canadians.

4.3 Passport Services

4.3.1 Official receipts are issued to clients for both passport and consular service fees paid. However, the consular officer is not maintaining a register to record daily revenues and to reconcile funds transferred to the Accountant for deposit. As the cash register generates receipts in numerical sequence, the Mission should incorporate this feature in its system of internal controls to ascertain that all receipts are accounted for.

4.3.2 Passports are stored in a highly secure area with a minimum working supply assigned to the consular officer. Passport inventory counts are not conducted on a monthly basis as required and inventory reports are frequently submitted late to the Passport Office (JWS). The physical reconciliation conducted during the audit, identified an emergency passport still in inventory which had been issued in October 2002. Evidently, the Mission had not completed a physical count of the passports since that time. This is an area where the PERPA manager and the consular officer recognize that there is a need for renewed dedication and overall improvement.

4.3.3 In our discussion with JWS regarding the Chicago program, it was evident that communication between the two offices has been strained for some time now. As a direct result of the communication problems, a number of secondary issues have surfaced, such as delays in responding to HQ enquiries and resolving errors identified during JWS quality audits. It is of utmost importance that the Manager take an active role in ensuring any personality and/or operational problems between Passport Office and Consular be addressed and effective communication restored.

Recommendations for the Mission

4.3.4 A daily revenue log of Consular revenue should be maintained as well as a numerical record of receipts issued.

4.3.5 Mission management should ensure that a reconciliation of the passport inventory is conducted and the reports submitted to JWS as required.

4.3.6 The PERPA Manager should monitor the timeliness and effectiveness of communications between the consular officer and JWS ensuring that any issues between the two offices are resolved.

Mission Action and Time Frame

4.3.4 A daily revenue log will be maintained by the new consular assistant and supervised by the senior consular officer.

4.3.5 A reconciliation will be conducted in November and the reports submitted to JWS. Priority will be given to ensuring that regular reporting is instituted and maintained. And this priority will be integral to the job of the new consular assistant.

4.3.6 The PERPA Manager will work closely with the Consular Program to monitor the timeliness and effectiveness of communications.

ADMINISTRATION PROGRAM

5.1 Overview

5.1.1 The Administration Program is headed by an experienced LE-09 Mission Administration Officer (MAO). He served in other administrative capacities before becoming the MAO in 1997. The Administration Program is small and includes an Accountant (LE-06), a Systems Administrator (LE-08), a Receptionist (LE-04), and two Administrative Assistants (LE-05/04), one of whom spends 60 percent of her time in PERPA.

5.1.2 *** It is recognized that staff in the Administration Program is not easy to manage and that Mission staff is not easy to please. There are a number of strong personalities in this Mission. Notwithstanding, a change in the manner of communicating could certainly help this situation. In Administration, there are no staff meetings, instead management's preference is to meet with employees individually and give them only information which is deemed necessary. This does little to establish an "esprit de corps" amongst the group.

5.1.3 There is a divide between the Administration Program and the rest of the Mission. Mission staff has mixed opinions about the quality of administrative services. Concerns were heard that service is slow, examples of which include responding to HR issues, producing business cards and changing signs in the lobby of the Mission. The introduction of administration service standards would be helpful in letting clients know who, in the program, is responsible for a particular task, the quality of service that clients can expect and the time-line in which these services can be expected to be delivered.

Recommendations for the Mission

5.1.4 Program management needs to effect greater assertiveness and leadership to the program by improving communications with his staff in an effort to develop a more cohesive team.

5.1.5 Service standards should be developed for the Administration Program to identify with whom clients should deal, and to project the quality and the time-frame that clients can expect for these services.

Mission Action and Time Frame

5.1.4 There is a recognition of the need that the Program Manager must work on his communications skills both within the Program and the Mission. He has instituted monthly Administration team meetings which will contribute to the needed dimension of team spirit within

his own team. The monthly all Mission meetings will give his Program an opportunity to communicate better with the Mission as a whole. Circulation of CMM records of decisions will help improve communications of Administration related issues. The routine one-on-one planning meetings between the Program Manager and each member of Administration will provide a effective two-way communication on operational issues and will continue in tandem with the team meetings but are no substitute for the team meetings.

- 5.1.5 The first draft of the service standards for administration has been prepared and is being reviewed by the IBD Program Manager in light of the TCS standards and the needs of client users. It is our intention to circulate a draft and discuss with all programs at the Mission and have the final standards in place by the end of December 2003.

Mission Comment

The Administrative Assistant (LE #310063X) is also the consular backup and has been a key element in maintaining consular service levels, particularly so during the periods of absence by the Consular Officer, for the reasons noted in the Consular Section of the report. Providing this support, often times on a 100% FTE basis, has had a direct and significant impact on the service that administration has been able to provide to its clients.

5.2 Human Resources

Management of the Function

5.2.1 The Human Resources (HR) function is managed by the MAO and he is assisted by an Administrative Assistant who handles leave and attendance and the PERPA Assistant (40% Administration, 60% PERPA), whose time is used to maintain the EXT 208s, preparing the payroll and assisting the Accountant. There are currently 23 LES positions in the Mission including three IBD and one PERPA LEP who is on a specified term contract. One LES position has been vacant for three years and another, the Receptionist position, is in the process of being re-staffed due to the resignation of the Receptionist in May 2003. It is intended that the vacant position will to be used for hiring a new Consular Assistant. Staff has found the program slow to respond to requests and vague when responding.

5.2.2 There is a strong group of LES at the Mission. The LES Committee has recently been reconstituted, has met twice and is planning on meeting management shortly. This Committee did meet the Audit Team and the ADM HR and the Director General, Human Resources Policy and Operations Bureau (HRD) who were also

visiting the Mission. The Committee raised a number of issues, the more salient of which relate to the Department's U.S. registered pension plan which precludes LES from setting up and actively contributing to a private annuity plan (Sep IRA) for tax purposes; maternity benefits that do not match or come close to matching those of Canadian LES who contribute to Canada's Unemployment Insurance Fund; the social security reimbursement which is currently set at 92 percent and not the full 100 percent; and the notion of having a flexible work schedule. This latter request was turned down by previous management who believed that service standards would be compromised if implemented. Summer hours are in place which allow staff to depart at 15:00 hours on Fridays during the summer period. It was concluded that the Mission should be coordinating with our Washington Mission and the Locally-Engaged Staff Division (HRL) to provide assistance in explaining the rationale for the initial three issues presented by the Committee.

Recommendation for the Mission

5.2.3 The Mission should seek assistance from the Washington Mission in conjunction with HRL to explain issues relating to compensation and benefits that are not clearly understood by LES in Chicago.

Mission Action and Time Frame

5.2.3 The Mission has requested Washington to set up a conference call in early January with local staff to address their concerns about compensation and benefits. The Mission will continue to coordinate with Washington and HRL to ensure that HR issues are appropriately addressed with the LES. The addition of monthly all staff meetings will provide a venue for ensuring that these issues are addressed in a prompt manner. The HOM is meeting with the recently constituted LES Committee at their request shortly to discuss issues of concern.

5.2.4 Many aspects of the HR function are effectively managed. Appraisals are up to date, leave and attendance is adequately controlled and there is a well-thought out training plan. There is also an orientation program for new employees designed to give information about each section of the Mission and how efforts are coordinated between these sections. The Mission is anxiously awaiting the revised LES Handbook from HRL and is using a draft developed in 1994. A benefits survey was conducted and its results were submitted to HRL in September 2001. Action on this survey, however, has been superceded by the implementation of the 4-year cycle at the end of 2002.

5.2.5 HQ has recently indicated there is incomplete data on file relating to the LES Reliability Checks and a review is underway to address the missing information. Many of the employees are longstanding and at the top of their salary band. There have only been two staffing actions that have taken place in the past year. Competition files dating back two years were examined and were found to be well documented with

the exception that there is no overall summarization supporting the final decision taken. This summary should spell out the procedures that were followed in the selection process and the rationale for arriving at the final decision. This document needs to be signed by all board members and forwarded to the HOM for approval. Of the last ten staffing actions, all employees have been from outside the Mission although internal candidates are encouraged to apply. This is not seen as an issue at the Mission.

Recommendation for the Mission

5.2.6 Competition files should contain a write-up supporting the decision to select a particular candidate and indicating the steps followed in the process. All board members should sign the document and it should be forwarded to the HOM for final approval.

Mission Action and Time Frame

5.2.6 Agreed. All staffing actions will now contain the required documentation.

5.2.7 Authority to reclassify positions was devolved to the Mission in late 1999. The Classification Committee meets on an ad hoc basis and members are appointed by the HOM as required. There have been few reclassifications since 1998 when all LES position descriptions were rewritten at the time conversion to the 10 level worldwide standard took place.

5.2.8 Currently there are three LES who are awaiting decisions respecting the classification of their positions. ***

Recommendation for the Mission

5.2.9 Priority should be given to completing the reclassification process for the three LES positions.

Mission Action and Time Frame

5.2.9 Summer changeover and current staffing actions and numerous visitors have focussed us elsewhere. Once the current staffing processes are completed in-mid December, then we will make review of classifications our priority with a view to its completion by end of fiscal year. a) The SA new position description has been submitted to the HOM. b) Accountant position description is under revision and will be submitted to the HOM by end-November. c) the PERPA Manager has submitted classification materials for the Consular Officer. The new Consular Assistant position has been classified at an LE-05.

5.3 Physical Resources

5.3.1 Physical Resources are managed by the MAO, supported by the Administrative Assistant. The Chancery, a Crown-lease, is located in a modern building providing a very functional work environment. All staff quarters (SQs) are under private lease with the Official Residence (OR) being the Mission's only Crown-owned property. The MAO has updated and submitted to SRD a very detailed Mission Property Management Plan (MPMP). The level of detail, however, could be streamlined by eliminating some of the historical data, thereby leading the reader to focus on current issues and primary areas of concern.

5.3.2 The OR is scheduled for much needed refurbishment and maintenance. A maintenance inspection report by the Property Maintenance and Operations Section (SRSF) in September 2002 identified key deficiencies.

5.3.3 Replenishment of hospitality equipment and supplies at the OR needs to be better attended, in particular crystal and other high wear-and-tear items. Greater scrutiny and replacement actions need to be addressed by administration as a priority. A structured communication mechanism between administration and the OR staff would ensure the OR staff can effectively convey areas in need of attention.

5.3.4 There is an opportunity, given a very soft local real estate market, to negotiate an early Chancery lease renewal with the building owners, which should be pursued by SRD and the Mission.

Recommendations for the Mission

5.3.5 The level of detail provided in the MPMP should be limited to the current information to make it easier for the reader to focus and identify relevant issues.

5.3.6 A method of communicating OR requirements should be implemented between administration and the OR staff.

Mission Action and Time Frame

5.3.5 The Mission will include only current information in the 2004 MPMP.

5.3.6 The MAO will ensure that the annual maintenance and budget plans for the OR incorporate input of the OR staff. The MAO will put a communication mechanism in place to ensure that inventory and maintenance issues are communicated and actioned in an effective and timely manner. The MAO will implement a system for work orders and inventory replacements in consultation with the OR staff and the occupants of the OR.

Recommendation for SRD

5.3.7 Potential for early renewal of the Chancery lease should be pursued.

SRD Response and Time Frame

5.3.7 SRD agrees and we will be examining the potential for early renewal of the lease this fiscal year.

5.4 Finance

5.4.1 The accounting functions are administered by the accountant with active involvement by the MAO. Both have excellent knowledge of IMS and related financial policies and procedures. The MAO's hands on approach along with the HOM's dedicated engagement in financial matters provide thorough management oversight. The MAO prepares excellent financial reports for senior management including detailed analysis of the Mission's financial position.

5.4.2 Finance makes effective use of electronic funds transfers (EFTs) with over 70% of the transactions processed in this manner. Although the accountant submits the List of Cleared Vendor Items with the bank reconciliation report, the Mission's ability to effectively monitor and track EFTs is somewhat limited due, in part, to the limited reports available on IMS. The IMS team at Headquarters has been working on the development of new reports to assist missions in ensuring that financial controls are strengthened. It is expected that these will be available in the near future. In the interim, effective segregation of duties can enhance the reconciliation process by ensuring that a person other than the accountant runs the List of Cleared Vendor Items report and verifies the list of transactions against the IMS documents for the same period.

5.4.3 There are thorough contracting procedures at the Mission, with a well-run Contract Review Board (CRB) in place. Although a rigorous contracting process has been implemented, some of the controls were found to be excessive and could be effectively relaxed. In-house policy requires that bids be solicited for all contracts over \$5,000. This requirement far exceeds the Treasury Board contracting requirements which stipulate that bids must be solicited for contracts over \$25,000. Such a low ceiling creates an unnecessary administrative burden to an already taxed program.

5.4.4 The Telephonic Funds Transfer Authority, which has been in place with the Mission's bank since 1996, was terminated during the audit based on our recommendation. There is also a need to tighten controls in respect of administration of official hospitality accounts for all officers. Original receipts need to be provided for all official hospitality expenditures, not just credit card vouchers, as per HQ guidelines.

Recommendations for the Mission

- 5.4.5 Segregation of duties should be applied by ensuring that a person other than the accountant runs the List of Cleared Vendor Items report and verifies the list of transactions against the IMS documents for the same period.**
- 5.4.6 In-house contracting practices should be amended to agree with Treasury Board guidelines.**
- 5.4.7 The MAO should update the Mission's official hospitality policy to clearly indicate that all expenses must be supported by original receipts. Future expense claims should be carefully audited to ensure compliance with these requirements.**

Mission Action and Time Frame

- 5.4.5 The Mission will ensure that a person other than the Accountant runs the List of Cleared Vendor Items report and verifies the list of transactions against the IMS documents for the same period.**
- 5.4.6 The Mission agrees with the auditor's recommendation to use Treasury Board limits and will amend its contracting thresholds appropriately but will continue to encourage Mission staff engaged in contracting to obtain competitive bids for contracts under the threshold, where feasible. The Mission will increase the threshold for contract review by the Mission CRB to \$5,000.00 U.S..**
- 5.4.7 Following the audit visit, the HOM distributed to all staff the departmental guidelines on acceptable receipt forms. She also made it very clear that only proper itemized receipts would be acceptable. Hospitality reports are returned or denied if they are not properly documented.**

5.5 Information Technology

- 5.5.1 Information technology is well managed by the Systems Administrator (SA). Generally, employees are satisfied with the level of service although the implementation of service standards would serve to establish clear expectations on both sides.**
- 5.5.2 The SA is satisfied with the level of support provided by HQ and also networks closely with other SAs in the U.S. She received extensive training when SIGNET was first implemented but all training since then has been long distance**

training. Like many others, she does not find the approach to be the best learning method and has experienced some difficulties maintaining her level of expertise. ***

5.5.3 A number of employees have been set up with remote access to the LAN. The SA has received numerous complaints on the general inefficiency and slowness of the remote access feature. As a result, several employees do not use this service and are now requesting Blackberries as an alternative to accessing their email account.

Recommendations for the Mission

5.5.4 **Mission management should assess whether Blackberries would be an effective alternative to remote access and whether the budget would allow for the purchase of a number of units.**

5.5.5 **In cooperation with the Mission Operations and Client Support Section (SXCH), the MAO should assess the SA's learning needs and develop a training plan to address these needs.**

Mission Action and Time Frame

5.5.4 **The SA has been advised that user complaints on SRA performance should now be routed directly to Headquarters. The Mission evaluated the purchase of Blackberries during the mid-year forecast discussions in October and deferred purchase due to unexpected funding pressures elsewhere. Mission Management will re-evaluate the purchase of Blackberries at the third quarter.**

5.5.5 **The MAO has already begun to work with the Systems Administrator to identify training needs and develop a training plan and will work closely with the Regional Systems Manager to ensure that appropriate training is carried out.**

MISSION RESOURCES FACT SHEET

Human Resources (FTEs)

PROGRAM	CBS	LES	TOTAL
HOM	1	3	4
PERPA	1	4	5
IBD	2	10	12
Administration and Consular	0	6	6
Total	4	23	27

Physical Resources

ASSETS	OWNED	LEASED
Chancery	0	1
OR	1	0
SQs (Private Leases)	0	3
Vehicles	2	0

Financial Information (2002/2003)

Operating Budget (N001)	\$2,020,896
LES Salaries (N012)	1892614
CBS Overtime (N011)	2500
Capital (N005)	20000
Total	\$3,992,510