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AUDIT
OF
THE CANADIAN CONSULATE

SEATTLE

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Audit Division (SIV)

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EXECUTIVE SUMMARY

An audit of the PERPA, IBD, Consular and Administration Programs was conducted in Seattle during the period August 14 to 18, 2000. The previous audit of the Seattle Mission took place in August, 1993 and included the Consular Program and a follow-up audit of the Administration Program.

MISSION MANAGEMENT

The Mission Programs are well managed. Morale in the Mission is good, reflected by effective communications, dedicated and professional staff and a team approach to management.

The HOM is involved in all of the Mission Programs and, therefore, has an active agenda with frequent travel and outside meetings. This agenda has stretched resources allocated to the HOM's office and those of the PERPA Section. There is a need for a formal accountability agreement between the HOM and URD to clarify the level of Mission activities and associated resources. As well, since the HOM is frequently absent, it is important that he establish with all his Program Managers clear objectives and workplans which can be reviewed on a regular basis to assess progress and performance and to allow intervention as required.

POLITICAL, ECONOMIC REPORTING AND PUBLIC AFFAIRS (PERPA) PROGRAM

The PERPA Program is well managed by an experienced and knowledgeable officer who has assembled a qualified and professional team. A workplan is in place for the Section. On-going operations are managed in a collegial atmosphere based on a matrix approach. The Program has a heavy workload which, in part, is a reflection of the HOM's activist agenda and management style. This has created a projected shortfall in the Section's travel budget. Travel will need to be greatly curtailed once the budget is expended sometime in the third quarter. The Audit Team is recommending that the Mission review its overall budget to identify surplus funds that could possibly supplement PERPA's travel and only then apply to URD for possible short term funding.

INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM

The Trade Program is running well and morale is good. Weekly staff meetings keep management and staff informed and ensure that required activities are actioned. A new investment position will be added to the Section in the fall. The Trade Commissioner Service's New Approach has been accepted and is being properly implemented. The Audit Team is recommending that consideration be given to instituting an Info Center to help alleviate enquiry workload.

CONSULAR PROGRAM

The Mission provides timely and effective Consular Services. The Consular Officer is very experienced and held in high regard by Mission management. The workload for the current year has grown significantly mainly due to an increase in the arrests of Canadian citizens. The Audit Team has asked JPD to provide an analysis of workload to resources and to recommend resource support as required.

ADMINISTRATION PROGRAM

Clients have expressed a high level of satisfaction with the services provided by the Administration Program. There has been substantial turnover in the Section over the past 18 months; however, a very capable team is now in place. The MAO is very experienced and competent. The MAO takes a keen interest in property matters which is reflected in an excellent portfolio. She allows her staff to work independently while keeping abreast of and control over all areas.

Several issues are being raised. To ensure more efficient Administrative services, objectives, workplans and service standards need to be developed for all sections. To save resources and improve the configuration of the Chancery, SRS should review space requirements. A register of all 'Cash Register-Summary of Cost Recoveries' (1203A) needs to be maintained to ensure proper transfer of Immigration revenues for deposit.

The use of Travel Authorities are required to ensure proper approval of all travel by Mission employees. The Receptionist position needs to be staffed on a permanent basis.

MISSION MANAGEMENT

Overview

1.1 There is a positive and enthusiastic atmosphere throughout the Mission which reflects effective communication and a team approach. In the past 18 months, the Mission has been able to resolve personnel issues adversely affecting program performance.

1.2 The HOM has constructively built on existing and instituted new mechanisms to effectively manage the Mission. The CMM is structured to share information, coordinate upcoming activities and events and to make Mission-wide decisions. The Committee includes all Program Heads, Canada-based employees and the Officer performing Consular duties. The HOM has instituted staff meetings centered around a lunch time forum with an agenda set by staff. He also regularly invites small groups of staff from different sections for an informal coffee in his office. In May, a Mission retreat was held to identify barriers, their causes and potential solutions. It is intended to build on the success of the retreat through similar activities in the future.

Workplans

1.3 There is no formal accountability agreement between the HOM and URD. As a result, there is no overall Mission workplan covering all program areas. Workplans do exist for the PERPA and IBD Programs. These were developed by the Program Managers and submitted directly to URR and URT. No formal workplans are in place for the Consular and Administrative Programs.

1.4 Operations are managed through regular interaction between the HOM and his Program Managers and the weekly CMMs. However, formal workplans would assist the Mission by establishing clear objectives, setting long-term goals, determining priorities and anticipating results. Such plans can then be used to monitor and track progress, assess program results and provide a basis for individual performance review. A workplan developed at the Mission level would in turn be used to develop program workplans and ultimately transcend to individual employee goals, objectives, activities and results. Workplans are a powerful management tool that require input from all levels at the beginning, throughout and at the end of the workplan period. They provide a basis for formal management involvement in the program through regular meetings and follow-up.

1.5 Since the HOM is frequently absent from the Mission, it is even more important to establish with all his Program Managers clear objectives through workplans, which can be reviewed on a regular basis allowing interventions as required.

LES Appraisals

1.6 LES appraisals need to be completed, whether or not the individual is at the top of his/her salary scale. In some cases they have not been provided for several years. Sections which are in arrears are IBD, Immigration, Consular and the HOM's Office. The MAO has a procedure to advise Managers of the dates when appraisals are due but does not provide the HOM with a report on the late appraisals. The annual appraisal process is an excellent tool whereby program managers can discuss with the LES their achievements and planned activities for the coming year.

Training Plan

1.7 A training plan for all Mission staff is required to ensure that each employee's developmental and training needs have been assessed and that training funds available are effectively used to address these needs in conjunction with Mission priorities. Training needs are normally identified through the appraisal process and incorporated into workplans.

Resources

1.8 Resource issues have been identified regarding the PERPA and Consular Programs and are discussed in those sections of the report. Insufficient resources in the form of administrative support to the HOM and travel budget are acknowledged by the Audit Team. The activity level and management style of the HOM has pushed these resources to the limit. The one support position is not sufficient to provide the administrative, logistical and coordination activities generated by the HOM. As well, the HOM's travel budget for the year will be surpassed in the third quarter. Without increased resource levels the HOM activities will need to be curtailed. Assessment of the operational implications of these factors in relation to resourcing possibilities, needs to be considered by URD.

Recommendations for URD

1.9 An accountability agreement should be formalized for the HOM.

1.10 Consideration should be given to augmenting HOM travel and support.

URD Responses

1.9 A PMP Agreement between the HOM and URD has been completed.

- 1.10 The Mission travel budget was reviewed and increased in 1999-2000. Since that time a number of programme events and activities have received separate funding.**

Recommendations for Mission

- 1.11 A Mission workplan should be prepared based on the HOM's accountability agreement. Program workplans should be put in place for the Administration and Consular Programs.**
- 1.12 Annual performance appraisals should be completed for all LES, whether or not the individual has reached the maximum of his/her salary scale, and the MAO should advise the HOM of any appraisals which are late.**

Mission Responses

- 1.11 Administration workplan now in place and Consular workplan to be finalized by Nov. 30/00.**
- 1.12 All Administration and PERPA Section performance appraisals are done. HOM, Business Development and Immigration Sections to be completed by Dec. 31/00.**

POLITICAL, ECONOMIC REPORTING AND PUBLIC AFFAIRS PROGRAM (PERPA)

2.1 Overview

2.1.1 The PERPA Section in Seattle is headed by the PERPA Program Manager, who is supported by three officers, (an LE-9 and two LE-8s) and a research assistant LE-5. The PERPA Manager is also responsible for the Consular Program and has a Consular Officer LE-7 reporting to him. The budget allocated to the Section includes: HQ PIF \$50,000 Cdn; Travel \$15,000 Cdn; and Hospitality \$9,360 Cdn.

2.1.2 The Section's activities have three main objectives: a) to make Canada better known and understood; b) to advocate on behalf of Canadian interests; and c) to identify and interpret for clients in Canada significant issues and developments in the Pacific Northwest that affect Canadian interests. These objectives are pursued through active media relations, culture, and academic relations programs, through intense cultivation of federal, state, municipal officials and legislators and their staffs, through an involvement with regional organizations on both sides of the border, through sustained contact with provincial officials and legislators, and through ongoing relations with interested and influential players in the region.

2.1.3 Specific files for which the Section devotes its efforts include border issues, fisheries and natural resources, bilateral trade policy, polling, and general reporting on regional developments relevant to Canada.

2.1.4 The PERPA Program has a heavy workload which, in part, is a reflection of the HOM's activist agenda and management style. Emphasis has been placed on speaking engagements and other outreach activities which requires coordination and support from the Section. Results from these efforts have, in turn, increased interest in Consulate Programs, thereby, taxing existing resources to the limit.

2.2 Management

2.2.1 The Section is well managed and has experienced, dedicated and enthusiastic staff. On a yearly basis, a workplan is developed with involvement by all staff. It highlights and describes general objectives and itemizes specific priorities, activities and anticipated results by departmental business line.

2.2.2 The PERPA Section has adopted a collegial approach based on a matrix management model. Communication is effective, based on frequent meetings and open access to and regular direction from the Program Manager and the HOM. Work is assigned accordingly to staff availability and capability. Responsibility and authority is shared. This situation has fostered an environment of trust and professionalism which contributes greatly to Program effectiveness.

2.3 Resources

2.3.1 The Section's resources are adequate except in the area of travel. The increased activity by the HOM has increased demand in all areas of the Section's activities, resulting in higher travel requirements than was the case in the recent past. Once the travel budget is depleted sometime in the third quarter, travel related activities will be greatly curtailed. In anticipation of this shortfall, it is incumbent on the Mission to identify any budgetary surplus from other Programs and expenditure categories that could be applied to travel requirements.

2.3.2 Given the likelihood that surplus funds from other areas will not cover the anticipated shortfall, the Audit Team believes that, in the short term, non-reference level funding to the Program is required to maintain current activity levels and Program credibility. Such funding can be more thoroughly reassessed in the long term by relating program achievements to departmental objectives.

Recommendation for URD

2.3.3 Consideration should be given to funding on a temporary basis, the travel requirements of the PERPA Section.

URD Response

2.3.3 As noted under 1.10, the Mission budget was reviewed and increased in 1999-2001.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM (IBD)

3.1 Overview

3.1.1 The Trade Section in Seattle is dedicated to the development of commercial relations between Canada and the states of Washington, Oregon, Idaho and Alaska. The Section is headed by a Senior Trade Commissioner and supported by one Canada-based Trade Commissioner, four locally engaged Business Development Officers and two Commercial Assistants. Due to the increasing activity in investment prospecting, a Canada-based Investment Development Officer will be joining the team soon.

3.1.2 The work of the officers is divided by sector and, for now, the Senior Trade Commissioner is also responsible for investment prospecting with the support of the Head of Mission. The Trade Commissioner Service's New Approach is being implemented by the IBD Program. Officers track their activities in WIN, some more consistently than others. The Program has developed work plans for both Business Development and Investment and each officer has a series of activities to carry out during the year.

3.1.3 The Program is running well and morale is good amongst the officers, better than it has been in the past.

3.2 Work plans

3.2.1 The Program has developed a Business Development Work Plan which contains:

- A Sectoral Work Plan outlining activities each officer is to cover. This plan is requested by URT and is developed with the input of each officer;
- A New Exporter to Border States (NEBS) plan; and,
- An Investment strategy with a list of proposed Corporate Liaison calls.

3.2.2 The HOM was copied when these plans were sent out to Ottawa, but was not consulted for his input and his involvement in activities (if necessary) is not outlined.

3.2.3 No geographic strategy exists per se. Territory coverage is limited mainly to Seattle-Tacoma, Portland, Oregon and Anchorage, Alaska, according to the Travel Report by officer. The Program Manager is now developing, with his PERPA counterpart, an Alaska strategy.

3.2.4 There is no formal follow up on the overall plan, but weekly staff meetings provide an opportunity for all to report on 1) what they have done, and 2) what is upcoming.

3.2.5 The Senior Trade Commissioner does not have an agreement with the HOM outlining objectives for the year.

Recommendation for Mission

3.2.6 An accountability agreement should be developed between the HOM and the Senior Trade Commissioner and used as the basis for on-going input, follow-up and program review by the HOM.

Mission Response

3.2.6 To be completed by Dec. 11/00.

3.3 Resources

3.3.1 The IBD Program's budget is as follows:

PIBD (or activities by sector):	\$39,650
Investment (including Corporate liaison):	\$15,000
NEBS (new exporters to borders states visits):	\$28,000
PIPP (post initiated activities)	<u>\$35,000</u>
Total	\$117,650

3.3.2 There is an additional \$22,500 allocated for travel to the IBD Program. This budget supports the activities of six officers and two assistants. Resources are sufficient to adequately deliver the IBD Program. One issue of concern was how long it took URT/Ottawa to confirm the budget allocations. While the funds were partially confirmed in April, final confirmation for the rest of the activities came only on August 8. This situation creates uncertainties and makes it difficult for officers to plan adequately.

3.3.3 With the introduction of IMS, it has become more difficult to obtain spending reports in a format useful for management purposes. To alleviate this, the Commercial Assistant has developed a Quattro Pro spread sheet that draws information from IMS and puts the information in an appropriate format. While creating some duplication, this system is necessary to ensure proper follow up and spending of the IBD budget.

3.4 New Approach

3.4.1 The New Approach, despite some resistance at the onset, is accepted in its broad principals by all the officers interviewed and is being implemented. Core services represent the majority of the tracking entries in WIN (272/392 or 70%).

3.4.2 The Mission has identified its Additional Service Providers and has posted the list on the InfoExport Web site. Seattle participated in the TCS Client Survey last year and received an encouraging post report. They have again participated this year and will be receiving a report in the Fall. The Trade and Investment Page on the Mission web site is consistent with the New Approach. However, there is no link to InfoExport, the TCS's official web site.

3.4.3 The Mission is clearly on the right track with regards to the New Approach. Officers know of the Business Mission Agreement (BMA), but closer attention could be paid to ensure that the BMA is used when warranted, for example when Partner-Clients such as the Provinces request post support to organize missions in the territory.

3.4.4 The Trade Commissioner Service has a commitment to send a reply to its clients within five working days. While all officers are aware and strive to respect this commitment, no system is in place that allows monitoring of this standard.

Recommendation for Mission

3.4.5 A system should be put in place to ensure that turnaround standards can be accurately monitored.

Mission Response

**3.4.5 System in place as follows:
Officers in the Business Development Section have been instructed to ensure that their client tracking entries in the WIN Exports CTS show both date of receipt and date of service provided, so that the five business day turnaround standard can be monitored. STC will undertake to review this on a random basis every quarter.**

Enquiries and Workload

3.4.6 As mentioned above, WIN is used to record service transactions. Usage, however, varies significantly between individuals. Some officers use WIN more extensively and record their transactions personally. Others pass their information to the commercial assistants for inputting into WIN and the information they provide can be minimal so that useful information about clients and transactions go unrecorded.

3.4.7 The time officers spend replying to enquiries also varies significantly from 30 percent to 60 percent. This is due mainly to the nature of sectors covered by the officers. For example, the Consumer product and the Agrifood sectors generate a greater number of enquiries from smaller firms as compared to the Aerospace sector, where firms are generally larger and fewer. This impacts, however, on the time officers can assign to pro-active market intelligence gathering activities.

3.4.8 The Senior Trade Commissioner is considering implementing an Info Centre. This could improve the flow of requests and relieve officers to allow them to be more proactive, which they want. The concept will have to be explained to all staff so that everyone fully understands the concept and is aware of the benefits. The Info Center concept is a recommended best practice by the Post Support Unit in HQ. Info Centers have been successfully implemented in Sao Paulo, Buenos Aires and Boston.

3.4.9 The ratio of officers per each support staff is 3, below average for US posts (2.64). With the coming of a new Investment Officer, this ratio will go up to 3.5, making it one of the highest. With the possible implementation of an Info Centre, the Senior Trade Commissioner will have to examine closely whether a new support position is needed and, if so, will have to build a business case for HQ's consideration.

Recommendation for Mission

3.4.10 Consideration should be given to implementing an Info Center to streamline workload regarding enquiries.

Mission Response

3.4.10 Implementation of an Info Centre has been raised in the Section's annual workplan for 2000/01 with URT Director. He has suggested taking a look at the Boston CCG model and has undertaken to provide a report written by the head of the Info Centre in Boston. This proposal is contingent on securing another support staff position.

3.5 Communications

3.5.1 Communications are adequate within the Section. Weekly staff meetings provide an opportunity to follow up on issues and to plan for and coordinate future activities. Some officers mentioned that, while useful, these meetings can sometimes run long and could be shortened. Staff mentioned that the Senior Trade Commissioner makes himself available to officers to discuss issues.

3.5.2 The two Canada-based officers attend the CMM meetings every week and report on the activities of the IBD Program. They also report back to officers information pertinent to their work.

3.5.3 Communications with other sections (mainly PERPA) have improved compared to past years. While some feel there is room for further improvement, officers feel that they have more freedom to discuss and work on issues with other officers.

3.5.4 Communications between the HOM and the Senior Trade Commissioner are cordial and most effective within the framework of the Corporate Liaison Program. But as mentioned, the Senior Trade Commissioner does not have clear objectives from the HOM. At the same time, the latter would like to get more involved in business development activities and would welcome suggestions for his participation.

3.6 Human Resources

3.6.1 Locally engaged officers and assistants do not receive appraisals from the Senior Trade Commissioner. Most officers acknowledge, however, that they receive frequent feedback on their work. Formal appraisal of all staff are required by the department. With work plans already in place, the Senior Trade Commissioner could lay out objectives for each staff member and this could serve as a basis for their appraisal. This issue and recommendation is raised in the section on Mission Management.

CONSULAR PROGRAM

4.1 Management

4.1.1 The Mission generally provides timely and effective Consular Services given the present level of resources. The Consular Program is under the supervision of the PERPA Program Manager with daily operations the responsibility of a dedicated and competent LE Consular Officer. Objectives and workplans have not been formally established for the Consular Program that would provide the basis for planning, resource determination and performance measurement.

Recommendation for Mission

4.1.2 Objectives and work plans should be established for all aspects of the Consular Program.

Mission Response

4.1.2 To be completed by Nov. 30/00.

4.2 Service to Canadians

Consular Workload

4.2.1 The Consular Officer is responsible for the provision of services to Canadian Citizens as well as passport and citizenship services for Alaska, Idaho, Washington and Oregon. Twenty percent of phone calls to the Mission are Consular in nature. The Consular workload has increased dramatically over the last year, in large part, due to the number of Canadian prisoners in the Mission territory. Seattle has also become the Western transfer point for the Prison Transfer Program. This year to date (August) has seen an increase in arrests of 152 Canadian citizens compared to 137 for all of last year. At this rate, arrests will be double that of last year. There is every indication that the number of arrests will continue to grow. As a result, the level of service which has been customarily provided to Canadians has suffered.

Recommendation for Mission

4.2.2 Review the Consular workload and in consultation with UAM determine the need for additional resources to effectively deliver the Program.

Mission Response

4.2.2 The Mission is in the process of preparing a business case supporting the need for additional Consular resources.

4.3 Passport Services

4.3.1 Passport and citizenship services are effectively provided by the Consular Officer. The Consular Officer uses Official Receipts which are controlled by the Accountant. The transfer of funds to the Accountant is done approximately every six weeks because the amounts are small. Per the Financial Administration Act, under the Receipt and Deposit of Public Money Regulations, funds are required to be deposited at least weekly, regardless of the amount involved.

Recommendation for Mission

4.3.2 Deposit all Passport/Consular revenues with the Accountant at least weekly.

Mission Response

4.3.2 Implemented.

ADMINISTRATION PROGRAM

5.1 Management

5.1.1 The MAO, a Canadian LES, arrived at the Mission in 1980 and is responsible for the management of the Administration Program. She has been the MAO since the fall of 1987. She reports directly to the HOM and supervises a staff of five LES: the Accountant, the Administrative Assistant, the Driver/Messenger, the Systems Administrator and the Receptionist. There has been substantial turnover in the Administration Program over the last 18 months, however, all positions are now permanently staffed except the Receptionist who has been hired through a personnel agency.

5.1.2 The Program is well managed. The MAO is very experienced and competent. She has surrounded herself with a very able group of employees. She allows her staff to work independently while maintaining control over and keeping abreast of all Sections of the Program.

Administrative Objectives

5.1.3 No accountability agreement exists between the MAO and the HOM. There has been no formalized setting of priorities, goals or objectives for the MAO. In turn, the MAO has not established related goals, objectives, service standards and workplans for the staff in the Administration Program. The performance of the Program staff should be monitored in relation to these objectives and should be tied into the annual appraisal process.

Recommendation for Mission

5.1.4 An accountability agreement should be formalized between the HOM and the MAO and used as the basis for developing workplans for the Program and for staff.

Mission Response

5.1.4 Done.

Service to Programs

5.1.5 Clients have expressed a high level of satisfaction with the services provided by the Program. Program Managers were surveyed regarding their views of the service being provided. Input was also sought during interviews with staff. It is

evident that a positive relationship exists between the Program and its clients and that services received are appreciated.

Occupational Health and Safety (OSH) Committee

5.1.6 The Mission has a newly constituted OSH Committee. The Committee recently had its inaugural meeting at which no issues were identified.

LES Committee

5.1.7 The Mission does not have an LES Committee per se but rather a less formal coordinating committee of LES who deal with LES issues if and when they arise. The Audit Team met with a representative group of LES who expressed satisfaction with the coordinating committee. Issues which arose concerned the interpretation of Hay data in salary determination, the timing of salary increases as well as possible subsidized parking. The Team responded to the salary related issues and referred the LES to the recent benefits survey which is being completed by the MAO on the matter of subsidized parking.

5.2 Human Resources

5.2.1 Human Resources at the Mission is well managed. A number of long standing issues have been successfully resolved. In the past 18 months, there has been a 25 percent staff turn-over at the Mission. In the Administration Program, the MAO recently staffed, on a permanent basis, the Accountant and the Administrative Assistant positions. Consequently, the Administration Program is now moving into a position of increased stability.

5.2.2 The Receptionist position has been filled with a number of temporary help agency employees since January 2000. As a result, a significant amount of effort has taken place concerning the staffing and training for this position.

5.2.3 The Receptionist position, in addition to regular receptionist duties, assists the MAO and the Consular Officer with clerical and secretarial duties. While the job description clearly reflects the nature of the duties to be performed for the MAO, it is not as clear with respect to the duties to be performed under the supervision of the Consular Officer. In the past, this has given rise to some confusion as to the nature of work to be performed by the Receptionist.

Recommendations for Mission

5.2.4 The MAO should staff the receptionist position on a permanent basis as soon as possible.

5.2.5 The MAO should review the Receptionist job description to ensure that it is specific with respect to the nature of the duties which need to be carried out.

Mission Responses

5.2.4 Done.

5.2.5 Done.

Annual Increments

5.2.6 A sample of 'LES Employment and Pay Certificates' (208s), were reviewed and it was determined that the Mission had, 15 years ago, on occasion, used double increments as a way to reward an employee's exceptional performance in a given year. The Mission does not have a policy on the use of double increments and never had one. The use of double increments is not permissible under the LES Terms and Conditions Regulations. It should be noted that the Mission has not used double increments for the last 15 years and has no intention of resurrecting the practice.

5.3 Physical Resources

5.3.1 The management of the function is effective. The MAO has taken a keen interest in all property matters. The physical resources at the Mission include a Crown leased Chancery, a Crown owned Official Residence (OR) and six Crown owned Staff Quarters (SQs). One of the SQs is currently for sale.

Chancery

5.3.2 The Chancery occupies the 4th and 5th Floor of an office located in downtown Seattle. The Chancery has been at this location since 1969. The current Chancery lease was entered into on April 1, 1995 for a 10 year term. The net rentable area was established at 19,098 square feet. The rent is set at \$18 per square foot for the current year, but will increase by \$1 a square foot per year until the end of the lease in 2005.

5.3.3 In 1998, the Canadian Tourism Commission moved out of the Chancery, freeing up 1,850 (9.7%) square feet. At that time, the Mission investigated the cost effectiveness of downsizing the Chancery space and came to the conclusion that it would not be cost effective.

5.3.4 During the audit, the Audit Team concluded that the configuration of the Chancery is awkward, and that the Chancery is very spacious. Each program has a boardroom/meeting room, a storage area and vacant offices. The Chancery also has

two very large kitchens, one on each floor. The auditors noted significant unused or “dead” space. As the refurbishing of the Chancery is scheduled for 2010 and the lease is up for renewal in 2005, the time may be appropriate to consider a redesign of the Chancery space. While recognizing that any modification of the configuration of the Chancery will cost, a number of options should be reviewed including the assumption of fit-up costs by the landlord in exchange for returning freed up space and the possible move of the Chancery to a newer more compact building.

Recommendation to SRS

5.3.5 SRS should proceed with a redesign of the Chancery and, based on that redesign, provide an opinion as to the cost effectiveness of reducing the current rental space and the viability of leasing another site.

SRS Response

5.3.5 SRSK will review and update the 1998 space study in light of the information provided in the audit. Should the revised space study indicate that there is an opportunity to recapture the “dead” space in a cost effective manner, SRS will determine whether a full feasibility report is warranted.

Staff Quarters

5.3.6 The Mission’s SQ portfolio is excellent and the properties are well managed and nicely furnished. Over the past three years the MAO, under the guidance of the Housing Committee, has systematically disposed of the larger SQs in favour of smaller and newer ones. Only one SQ remains in the suburbs; all the other SQs are now in Seattle proper. The Mission is currently in the process of disposing of one SQ which no longer fits the portfolio. The portfolio is now a homogeneous one with enough flexibility to accommodate different family configurations. The SQs, with the exception of the suburban one and the one currently for sale, are all new construction. Consequently, these properties will be relatively maintenance free for many years.

Storage

5.3.7 The Mission has two leased storage lockers in the Chancery building and additional storage space with an outside moving company. The storage in the Chancery building consists mostly of old files. The storage facility at the moving company contains old furniture. The MAO has a complete and current inventory of all items in all the storage facilities. Consideration needs to be given to disposal of the files and furniture in these storage areas.

Recommendations for Mission

- 5.3.8 The MAO should contact SXIS in order to determine the appropriate timing and method for disposal of files.**
- 5.3.9 The MAO should conduct a sale of all surplus items in accordance with Chapter 7 of the Materiel Management Manual.**
- 5.3.10 The MAO should review the storage space needs of the Mission following the disposal of surplus items and files and reduce the complement accordingly.**

Mission Responses

- 5.3.8 Done.**
- 5.3.9 50% complete, to be finalized by Jan. 31, 2001.**
- 5.3.10 In process, to be completed by Feb. 28, 2001.**

Official Residence

- 5.3.11 The Official Residence (OR) and the grounds are generally well maintained. The Mission has one gardener at the OR who is on contract. The MAO visits the OR regularly to conduct preventive maintenance inspections. The OR is in an excellent location and is well suited for representational purposes.**
- 5.3.12 The OR was purchased in 1976 for \$325,000 USD. The current estimated tax value is \$4,000,000 USD. SRD and URR have agreed to conduct a study to determine the true market value of the OR and the OR replacement cost prior to a decision on the viability of disposing of the OR.**

Recommendation for SRD

- 5.3.13 SRD, in consultation with URD, should proceed with a study to determine various options regarding the future of the OR.**

SRD Response

- 5.3.13 SRS, fully supported by UAM/URD, has begun a review of the value of the existing OR with a view to developing options.**
- 5.3.14 In May of 1998, SRSF conducted a maintenance inspection of the OR . In its inspection report, SRSF was concerned about the possible presence of asbestos**

in the insulation of the heating pipes. Samples were taken to determine if the insulation contains asbestos. However, results of these tests were never received at the Mission. During the audit, the Audit Team visited the OR and the insulation on the pipes appeared to be intact.

Recommendations for Mission

- 5.3.15 The MAO should take a sample of the insulation and have tests conducted to determine the presence of asbestos.**
- 5.3.16 If the presence of asbestos is confirmed, a management plan will need to be developed to ensure the health and safety of the occupants.**

Mission Responses

- 5.3.15 SRSF recently advised that funding has been identified to replace the OR boiler, and has suggested that the testing and identification of possible asbestos insulation on the heating pipes be dealt with by the successful contractor as a part of the project.**
- 5.3.16 Dependant on the outcome of 5.3.15.**

Property Maintenance

5.3.17 The Audit Team could find no issue with the actual maintenance of the properties within the Mission portfolio. The current system for work orders and regular maintenance plans is an informal one. The Mission has not elaborated service standards with respect to SQ/OR maintenance requests. As a result, expectations vary as to the timeliness of services. In addition, the Mission's work order system does not have a follow-up system to ensure that all work has been completed satisfactorily, nor does it call for sign-offs by the occupant.

Recommendation for Mission

- 5.3.18 Develop service standards and procedures for the processing of SQ/OR maintenance requests.**

Mission Response

- 5.3.18 Done.**

Vehicle Management

5.3.19 Generally, the vehicles are managed effectively. The Mission has two vehicles, one of which is dedicated to the HOM. The Driver keeps complete maintenance records for each vehicle. While a vehicle log is maintained for one of the vehicles, there is no vehicle log for the HOM vehicle.

Recommendation for Mission

5.3.20 The Mission Driver should maintain a vehicle log for the HOM vehicle.

Mission Response

5.3.20 Done.

5.4 Finance

5.4.1 Financial operations are generally well managed and controlled. The Accountant reports to the MAO and is increasing her familiarity with IMS. She is scheduled for a trip to HQ in the Fall to improve her working knowledge of IMS.

Bank Reconciliations

5.4.2 The Accountant had been experiencing considerable problems in completing the bank reconciliations since December 1999. SMF visited the Mission to assist in the bank reconciliations from December 1999 to March 2000. However, since the visit SMF has not received the bank reconciliation packages. A number of issues conspired to create the situation including the training of the Accountant, training in IMS, and the IMS roll-over. During the audit, the Accountant did complete the reconciliations with IMS. The HOM and the MAO were reminded of the seriousness of not providing monthly reconciliation packages to SMF.

Recommendation for Mission

5.4.3 Ensure that bank reconciliations are completed monthly and forwarded on a timely basis to SMF.

Mission Response

5.4.3 Done.

Immigration Revenues

5.4.4 Immigration revenues are remitted to the Accountant on a daily basis. The Accountant provides an official receipt to the Cost Recovery Clerk for the amounts received. The Accountant proceeds with the normal verification process. However, she could not verify the sequence number of the remittances as she had not been made aware of the POS+ numbering system. In fact, during the course of the Audit, an EXT 1203A was found to be missing. All other aspects of the Immigration Revenues verification process were applied.

Recommendation for Mission

5.4.5 The Accountant should maintain a register of all 1203As received and ensure that the continuity of the numbering sequence is respected by following-up with Immigration on exceptions.

Mission Response

5.4.5 Done.

Travel Authorities

5.4.6 The Mission does not use Travel Authority and Advance forms. Travel is approved orally by the Program Managers. TB policy clearly states that all travel shall be authorized in writing by a Travel Authority and Advance form. It is only under exceptional circumstances that travel can be undertaken without prior written authorization. In the case of the HOM, general practice in the Department is to have the MAO provide the authorization.

The intent behind the Travel Authority and Advance form is to ensure that the necessary funds are available for travel and that the travel undertaken by the employee is for the purpose of conducting Government business.

Recommendation for Mission

5.4.7 The HOM and all Program Managers must ensure that all travel on behalf of the Department is pre-authorized in writing in accordance with the TB Travel Directive.

Mission Response

5.4.7 In process, canvassing efficient options for implementation and liability implications with a view to implement by Dec. 31, 2000.

Accounting Processes

5.4.8 The Mission has reviewed its accounts payable process and has significantly reduced the payment workload. The LES payroll is on direct deposit through the Mission Bank. While payment to vendors is mostly made by cheque, the Mission has succeeded in establishing electronic funds transfers (EFT) with 12 of its major vendors. The Mission has also established an automatic withdrawal system with 7 vendors. While this is a good beginning, there is still room for improvement and the Mission should consider pursuing a more aggressive approach such as the one used in Washington to increase the number of EFTs.

Recommendation for Mission

5.4.9 Consult with the Washington Mission in an effort to review the approach used to increase the number of EFTs.

Mission Response

5.4.9 Done, all vendors who are willing to accept EFT's are doing so. Mission admin will recanvass again in Jan., 2001.

Acquisition Cards

5.4.10 A review of the Mission cheque registry since May 1999 revealed that 40 percent of all cheques issued by the Mission are for \$200 USD or less. The possibility of using Mission acquisition cards was raised in order to reduce the number of small cheques and decrease the workload. Washington has been using Mission Acquisition Cards for quite some time and, consequently, could advise the Mission on the appropriate procedures on the use of these cards for procurements.

Recommendation for Mission

5.4.11 In conjunction with advice and assistance from the RFO in Washington, consideration should be given to the use of Mission Acquisition Cards.

Mission Response

5.4.11 Will consult with a view to decide by Dec. 31, 2000.

Contracts

5.4.12 The Mission has a Contract Review Board (CRB) in place. All contracts are submitted to the CRB for consideration. The CRB consists of three members who review the terms and conditions and approve the contract. A review of the Mission property expenditures revealed that contrary to procurement procedures, no contract was found for the storage unit at an outside moving company for approximately \$150 USD a month.

Recommendation for Mission

5.4.13 Establish a contract for the services related to the outside storage space.

Mission Response

5.4.13 Done.

Receptionist Contract

5.4.14 The Mission Receptionist position has been filled for the last nine months by different temporary agency personnel. The MAO has been improperly raising 208s for this purpose instead of engaging in a personal services contract or a standing offer with the temporary agency. The funds used have been coming out of the Salary budget instead of the Operations budget. Different methods are available for staffing this position until such time as it can be permanently staffed. Among them is the use of an emergency employment contract, a personal services contract, a services contract with the temporary help agency or, if repeated use of agency personnel is anticipated, the use of a standing offer.

Recommendation for Mission

5.4.15 The MAO should review the present and future needs of the Mission with respect to the Receptionist position and prepare the appropriate contract.

Mission Response

5.4.15 Position filled with indeterminate locally engaged employee in October, 2000. No agency contract or standing offer is required at this time.

5.5 Information Management

5.5.1 The Locally Engaged System Administrator (SA) reports to the MAO. His level of understanding of IT related issues at the Mission is superior. He offers a wide range of support services to all Programs. A high level of satisfaction for the services he provides has been expressed by all. Excellent inventories of assets are maintained and the home loan program is well in hand. Training and coaching are provided, as required.

**MISSION RESOURCE FACT SHEET
SEATTLE**

Personnel (FTEs)

	CBS	LES	Total
HOM	1	1.3	3
International Business Development	2	6	8
PERPA	1	4	5
Consular		1	1
Common Services		6	6
Immigration	2	10	12
Total	6	29	35

Physical Resources

ASSETS	PRIVATE LEASE	CROWN LEASED	CROWN OWNED
Chancery		1	
OR			1
SQs			5
Vehicles		2	

Financial Information 1998/1999

LES Salaries (CV 017)	1,900,000
Operational (CV 014)	1,300,000
CB Overtime (CV 015)	6,000
Capital (CV 050)	22,000
Total	3,228,000