

**AUDIT
OF THE
CANADIAN CONSULATE

CHONGQING**

DECEMBER 2002

Audit Division (SIV)

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EXECUTIVE SUMMARY

The Administration and Consular Programs of the Canadian Consulate in Chongqing were audited February 5-6, 2002. This was the first audit of the Mission since it became a Consulate in 1998. This audit was conducted concurrently with an audit of the four other Missions in China.

The Mission operates in a very difficult environment, one which is isolated and much less modern, compared to other major cities in China. The Mission is primarily a trade operation, headed by one Consul (FS-02) and assisted by six Locally-Engaged Diplomatic Service Bureau (DSB) personnel. An additional Canada-Based position would be very beneficial to the delivery of all Programs.

A review of the Hub and Spoke Agreement between Beijing and the Mission is needed to ensure that Beijing is appropriately involved in providing direction and support when needed, and in monitoring developments. With more help from Beijing, the Consul could spend more time on the International Business Development (IBD) Program and less on Mission Administration. The Mission needs to develop a work plan that documents priorities, objectives, authorities and expected outputs. This will focus efforts and enhance Program delivery and teamwork.

Negotiations for a new DSB contract have been on-going for months, but have reached an impasse. This is creating uncertainty for the local staff and contributed to difficulties in filling a vacant Driver position.

This report contains twelve recommendations, all directed at the Mission. The Mission has indicated that eight recommendations have been implemented, with four in progress.

MANAGEMENT OF THE MISSION

1.1 Overview

1.1.1 The Consul at this micro-Mission was posted in the year 2000, and is doing a very commendable job managing all Programs. The Mission's primary *raison d'être* is trade development, but it also offers consular services, answers immigration inquiries, and does political reporting. In spite of limited resources, the difficulty in finding competent, trainable personnel, and the bureaucratic operating environment, the Mission is running well. The Locally-Engaged Staff (LES) positions include a Senior Commercial Officer, two Commercial Officers, a Commercial Assistant, a Consular Assistant/Receptionist, and a Driver. Two of the Commercial Officers were absent during the audit. The Driver position is currently vacant. The Senior Commercial Officer backs up the Consul when he is away.

1.2 Management

1.2.1 The Consul is implicated in all aspects of Mission operations, partly because the staff are younger and have less experience. Without the benefit of a Canada-Based Staff (CBS) back-up in the difficult operating and living environment in Chongqing, the Consul is stretched. The effectiveness of this one-CBS Mission is questionable, and the addition of a second CBS would allow balancing of the Mission's workload and reduce the large amount of overtime worked by the Consul.

1.2.2 The Hub and Spoke Agreement with Beijing has existed since 1998 and has not been reviewed and updated since that time. In order to better support the Mission and provide direction, the Agreement needs to better define the role each Mission plays. This would include more regular communications, with Beijing providing direction and advice, and the Mission reporting on Program achievements and operational requirements. With more involvement of the Beijing Hub, the Consul could reduce the amount of time spent on Administration (currently up to 50 percent).

Recommendation for the Mission

1.2.3 Prepare a business case that seeks to add a second Canada-Based Officer to the Mission.

Mission Response

1.2.3 Material on the business case for a second CBS in Chongqing has been forwarded for consideration by PND.

Recommendation for the Mission

- 1.2.4 In conjunction with Beijing, the Mission should review and update the Hub and Spoke Agreement to ensure appropriate support is provided.**

Mission Response

- 1.2.4 A new Hub and Spoke agreement has been completed.**

1.3 Planning

1.3.1 All staff cooperate as part of a team. Multi-tasking is the norm, and everyone assists in larger projects such as visits or trade shows. An excellent Administration and Consular “Deskbook of Procedures” has been created and is continually being updated. This provides employees the directions to follow for specific tasks which may not be within their normal line of duty. An Intern Program funded by HQ has been terminated, and the Mission will miss the additional work done by these students.

1.3.2 Staff meetings take place usually once per week, chaired by the Consul. In general, the Mission’s priorities are not clear. An objectives document exists, but is not detailed and is confusing to read. A more detailed Mission work plan, with time frames, would benefit all staff by ensuring they know Program priorities. Staff participation in the formulation of such a plan would create buy-in, and this could then flow into employee accountability agreements and appraisal objectives.

Recommendation for the Mission

- 1.3.3 Develop a Mission work plan with input from all staff to be used as part of individual staff accountability agreements and the LES appraisal process.**

Mission Response

- 1.3.3 A detailed Mission work plan, reflecting key priorities and incorporating specific staff measures has been completed.**

1.4 Organization

1.4.1 A review of the current Mission workload distribution was underway at the time of the audit, with the goal of ensuring the right person is doing the right job. Revised job descriptions were nearly complete and ready for submission to Beijing for classification review. When reviewing the organisation chart, the job titles reflect the

multi-tasking that is routinely done by all staff. All job descriptions allow for a certain amount of overlap and back-up, mainly for the Administration and Consular Programs. The organisation chart, which shows all staff reporting directly to the Consul, requires updating.

1.4.2 Presently, Administration responsibilities are divided between the Commercial Assistant and the Consular Assistant/Receptionist, with other staff assisting as required. The Mission had previously assigned the accounting duties to the Consular Assistant/Receptionist, but this proved ineffective in large part due to a lack of training. Having all the duties of Administration and Consular concentrated with one employee would be more efficient. It would also permit the Commercial Assistant to focus on Trade Program support.

Recommendations for the Mission

1.4.3 Clarify and update the organization chart.

1.4.4 Complete the job descriptions. Ideally, the Consular Assistant/Receptionist position should handle the Administration and Consular functions, and appropriate training should be offered.

Mission Responses

1.4.3 A revised organisation chart has been completed.

1.4.4 Revised job descriptions have been prepared, and have been sent to Beijing for review. Pending the posting of a new CBS to the Mission in 2003, the Mission LES will continue to share the responsibilities for Administration.

CONSULAR PROGRAM

2.1 Overview

2.1.1 The Consular Program is well managed, headed by the Consul and assisted primarily by the Consular Assistant/Receptionist. Demand for services is low. The Consular Assistant has not had extensive training, but has benefited from guidance from the Consul, the Senior Commercial Officer, and from the Deskbook of Procedures. A full Consular training course is necessary for the development of this employee.

2.1.2 The Consular territory is large, covering the municipality of Chongqing and Sichuan Province, plus the Provinces of Yunnan and Guizhou. There are no Honorary Consuls. The Mission does not issue visas or regular passports. It only has authority to issue emergency passports as required. The blanks are well secured.

2.1.3 Since the Fall of 2001, the Mission has had access to COSMOS. The total number of Canadians registered with the Mission is 70, and the ROCA system is updated on an ongoing basis. The Mission benefits from events such as Canada Day and Christmas gatherings to confirm the departure of Canadians from the region. The Mission maintains a listing of Canadian companies operating in Chongqing or nearby Chengdu. COMIP statistics are gathered and sent to Beijing for input.

Recommendation for the Mission

2.1.4 Register the Consular Assistant for full Consular training at the next opportunity.

Mission Response

2.1.4 The amount of Consular activity does not justify a full-time Consular training course. Instead, the Consular Assistant was sent to Beijing in December 2002 for a three day course with the Beijing Consular staff.

ADMINISTRATION PROGRAM

3.1 Management of the Program

3.1.1 Administration at the Mission is well managed despite a difficult operating environment. The local staff require guidance and mentoring, given their relative inexperience. Finding high-calibre local staff is difficult and, when qualified people who are bilingual can be found, they require a significant investment of time and energy to train and develop.

3.2 Human Resources

3.2.1 The primary focus of this function currently is negotiating a revised contract for “personnel services” with the Diplomatic Service Bureau (DSB). The DSB contract, in accordance with Chinese labour law, covers areas such as staff salary, State pension, insurance and health care. Essentially, the Mission pays the agreed to amounts to the State, and the State then pays the employees, retaining certain deductions. The Mission has set out its position in a document called “Canadian Consulate Operating Relationship”. In concert with the *** Consulates, it was hoped pressure could be put on the local Government to provide more transparency and flexibility regarding personnel management. The DSB cannot or will not provide a report showing individual accumulated employee pension and severance benefits. The *** Consulates decided, after some months, to sign new contracts. It is expected that the Chinese Government will discontinue providing personnel services within the year. The lead role regarding any departure from the current system should be left to the Mission in Beijing. In the interim, a new contract is needed. This would relieve stress on the local staff, improve operations and morale, and also would facilitate the hiring of a new Mission Driver.

3.2.2 The LES personnel files are in good order, with enhanced reliability checks having been completed. Leave is tracked on a spreadsheet, and leave plans are requested early in the fiscal year for planning purposes. The LES appraisals need updating. There are some on file from the previous Consul, but none have been done since she departed.

3.2.3 The former Mission Driver was dismissed in the Fall of 2001. Appropriate documentation is on file to support this decision; however, no notice was given to HRL, nor was HRL consulted prior to the dismissal.

Recommendations for the Mission

3.2.4 Negotiate a new contract with the DSB as soon as possible.

- 3.2.5 Update the LES appraisals.**
- 3.2.6 Bring HRL up-to-date on the dismissal of the Driver.**

Mission Responses

- 3.2.4 The DSB prefers to continue with the temporary agreement (and the Chongqing rules), although the staff “deduction” portion has been reduced from 35 % to 20 %. A new agreement must be negotiated by the Beijing Embassy with the DSB on staff.**
- 3.2.5 The LES appraisals will be done according to the new format, at each staff’s anniversary date.**
- 3.2.6 A new Driver has been engaged, and all documentation on the previous Driver has been provided to HRL.**

3.3 Physical Resources

3.3.1 Physical Resources are managed by the Consul, assisted variously by the Senior Commercial Officer, the Commercial Assistant, and the Consular Assistant/ Receptionist. The Chancery occupies less than one quarter of a floor in a modern office building, and the Staff Quarter (SQ) is located a block away in a major hotel. There is one official vehicle. A small expansion project was recently completed that gives additional office space at the same rental cost. This expansion provides a boardroom, with the possibility of an extra office, plus some storage space. The fit-up was budgeted at \$24,000 and funded by SRD.

3.3.2 The SQ inventory has not been done. The assets are a mix of hotel and Crown-Owned furniture and fixtures. A complete inventory list needs to be prepared by one of the LES with the Consul.

3.3.3 The Mission needs to continue to explore the local real estate market to ensure this SQ is the most cost-effective option for housing. The suite-apartment style SQ is a moderately sized three bedroom, with a small kitchen. The current monthly rent is \$11,500, which is a reduction from the previous lease. According to the Mission, there are few acceptable alternatives.

3.3.4 There is a need to maintain an official vehicle log for the Mission vehicle. It is important to have complete information for each trip to track maintenance costs and to control gasoline usage.

Recommendations for the Mission

- 3.3.5 Complete a Staff Quarter inventory.**
- 3.3.6 Continue to survey the real estate market with a view to finding less expensive accommodation.**
- 3.3.7 Establish a vehicle trip log.**

Mission Responses

- 3.3.5 The SQ inventory has been completed and forwarded to Beijing. In June, there will be a visit of the Property Manager to assess where the Mission is deficient in MATS, etc.**
- 3.3.6 With the assistance of the Hub, a survey will be conducted to find less expensive accommodation.**
- 3.3.7 Vehicle maintenance and trip log has been set up with the hiring of the new Driver.**

3.4 Finance

3.4.1 The Consul manages the Finance function. He is assisted by the Commercial Assistant, who acts as the Mission Accountant and manages the budget using spreadsheets. This employee received a limited amount of training from the Beijing Financial Assistant during a visit in 2001. There is read-only IMS access, with the data input and bank reconciliations done by Beijing. The spreadsheets are complete, and reflect good tracking of expenditures by the Mission. Regular consultation with Beijing has assisted the Commercial Assistant with the management of the Mission accounts.

3.4.2 With just one CBS, the Mission generally signs documents under Section 34. The Section 33 certification is done in Beijing, which takes extra time. For urgent reasons, on occasion, the Consul has signed under both Sections 33 and 34 of the FAA. A separation of authorities is required and is especially important for employee payments, such as for travel and hospitality reimbursements.

3.4.3 The hospitality file is in good order, with supporting documentation and detailed evaluation of events included. There is a need for a new Mission cashbox because the present one is no longer secure, and the Mission had already begun to take action at the time of the audit

3.5 Information Management

3.5.1 Information systems are managed by the Consul with the assistance of a SIGNET Support Assistant (SSA) who is the Senior Commercial Officer. This combination of roles works well because the SSA is very computer literate. While there has been little training, he gets good support from Beijing. In November 2001, the SIGNET micro-Mission platform was upgraded to MM2000, greatly improving the Mission's access to and use of the Departmental systems.

3.5.2 The installation of MITNET has eliminated long distance charges between the Mission and the other Missions in China. The planned installation of an automatic telephone answering system will reduce many of the repetitive inquiries for information on immigration matters that take a lot of the Consular Assistant/Receptionist's time.

3.5.3 The Mission's shared drives are well organized, with a tree on file showing the various paths and section titles. This electronic filing system is used by staff, who find it easy to navigate. The Mission's website is hosted on the server in Beijing and is similar to the other China Missions.

MISSION RESOURCES FACT SHEET

Human Resources (FTEs)

| PROGRAM | CBS | LES | TOTAL |
|---------------------------|-----|-----|-------|
| HOM | 1 | 0 | 1 |
| IBD | 0 | 4 | 4 |
| Administration / Consular | 0 | 2 | 2 |
| Total | 1 | 6 | 7 |

Physical Resources

| ASSETS | OWNED | LEASED |
|-----------------|-------|--------|
| Chancery | 0 | 1 |
| SQ (Category 3) | 0 | 1 |
| Vehicles | 1 | 0 |

Financial Information (2001-2002)

| | |
|-------------------------|-----------|
| Operating Budget (N001) | \$391,400 |
| LES Salaries (N012) | 72,000 |
| CBS Overtime (N011) | 4,000 |
| Capital (N005) | 0 |
| Total | \$467,400 |