

**AUDIT  
OF  
THE CANADIAN EMBASSY**

**C A R A C A S**

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## **EXECUTIVE SUMMARY**

An audit of the General Relations (GR), International Business Development (IBD), Consular and Administration Programs was conducted in Caracas during the period October 28 to November 1, 2002. The last audit of the Mission was conducted in March 1994. Its scope of audit was limited to a follow-up of the previous year's Administration audit and a full review of the Consular Program.

### **MANAGEMENT OF THE MISSION**

The arrival of the new Head of Mission (HOM) and the Senior Trade Commissioner (STC) has brought a level of optimism to staff of the Mission that has not been seen in recent years. The HOM's arrival has introduced leadership to the organization, improved communication and provided a vision of where the Mission is headed.

The new HOM has, in his ten weeks at the Mission, been focussing on communications and improving team building and synergy. He has activated a number of committees which had been dormant and institutionalized weekly Committee on Mission Management (CMM) meetings whereby the minutes are circulated to all staff. A Wellness Committee has also been established, which includes both internal and external resources, with a mandate to improve the daily professional life at the Mission. In the short time since the HOM's arrival, there has been a noticeable improvement in staff morale.

### **GENERAL RELATIONS PROGRAM**

The General Relations (GR) Program is providing political reporting that is analytical and informative. The Program Manager has a sound knowledge of Venezuela and has established an excellent array of contacts. The Academic Relations and Public/Cultural Affairs Program is active. Canada's profile could be further raised through a re-focussing of the Canada Fund for Local Initiatives and the Post Initiative Fund. Communications within the Program itself could also improve.

### **INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM**

The IBD Program is under effective leadership with the new STC. The new STC is a strong proponent of the Trade Commissioner Service's New Approach and has already introduced a sound structure of management. Accountability Agreements have been established in consultation with all Officers to ensure commitment to the goals and objectives that have been defined for each of the key sectors.

## **CONSULAR PROGRAM**

The Consular Program, while staffed with knowledgeable and dedicated employees, lacks effective leadership. The Management and Consular Officer (MCO) is detached from the Program and has devolved its management to the Deputy MCO. Communications need to improve. Few meetings are held and there is no work plan for the Program. Emergency and Contingency Plans have not involved LES staff who believe these Plans, in light of the current political climate in the country, warrant review and rationalization. Many of the 21 wardens have not been contacted in several years.

## **ADMINISTRATION PROGRAM**

In the summer of 2001, a changeover of all four Canada-based staff in Administration took place. The new MCO was faced with a Mission that had a history of serious financial problems, a new Chancery to manage and a difficult environment in which to operate, particularly with Venezuela's current political instability. An experienced Officer would have found the situation to be a formidable challenge. Program management is very inexperienced as the MCO, an AS-03, is on his first posting as Program Manager and is filling an AS-06 position. The Program can be best characterized as being "over-administered and under-managed". Headquarters must assume some responsibility for the current situation.

The Program is in need of more structured management and improved communications. Program management believes its workload is excessive even though resources are in line with Missions of similar size. Procedures require streamlining and staff need to work smarter and more effectively. Certain staff are not being fully utilized. The Program is seen as impeding rather than supporting the delivery of services in other Program areas. Much of management's attention has focussed on accounting issues. It was believed at the time of the audit that the Senior Accountant needed additional training and closer supervision.

## **DISCOVERY OF FRAUD**

Subsequent to the audit, as part of Mission management's efforts to resolve longstanding bank reconciliation issues (See 5.4.3 to 5.4.13), a fraud was discovered which resulted in the Accountant being dismissed for cause. The overall scope of the fraud is in the \$1.9 to \$2.1 million range. The final figure is subject to verification once the investigation is completed. Remedial action is being pursued aggressively before the courts and the Mission has taken the necessary measures to prevent a recurrence of this problem.

## **RECOMMENDATION STATUS**

This report contains 50 recommendations, 49 of which are directed at the Mission to implement. Based on the responses received, the Mission has implemented 42 of the recommendations while the other seven are in various stages of being implemented. The recommendation directed at Headquarters for action is in the process of being implemented.

## MANAGEMENT OF THE MISSION

### 1.1 Overview

1.1.1 Against a backdrop of economic and political instability in the country, \*\*\* the new HOM has quickly exercised needed leadership. While at the Mission only 10 weeks, his focus has been on improving communications and creating an atmosphere that promotes team building and synergy. He has institutionalized weekly Committee on Mission Management (CMM) meetings, has invited all CBS to attend once a month and has circulated the minutes of these meetings to all staff. Several other committees that have been inactive in recent years have been re-established. Morale amongst both the CBS and the LES is noticeably on the rise.

1.1.2 An effective initiative designed to improve the quality of professional life at the Mission has been the introduction of the “Wellness” Committee. This is a short-term task force made up of CBS, LES, spouses and volunteers and is designed to rid the Mission of the many irritants that impact negatively on the daily well-being of staff.

1.1.3 There are serious problems in the Administration Program. The Program is headed by an AS-03, who, when posted to Caracas, was two levels below the substantive level of the position. It has recently been re-classified to AS-06 retroactive to September 2001. \*\*\*Administration needs to be more service oriented. Its current method of operating impedes delivery of service in all Programs and time is wasted in coping with minor administrative issues. A senior MCO would be challenged by this assignment; yet Headquarters, the Mission and the Geographic Branch agreed to the posting of an \*\*\* MCO—an unfair appointment. Predictably the lack of experience shows itself in a difficult environment. The HOM and Headquarters will need to pro-actively assist the MCO to help bridge the experience gap.

1.1.4 Accountability Agreements have been agreed upon between the new HOM and his Program Managers, except for the MCO. It is important that a covenant be established between the HOM and the MCO as soon as possible to convey to the MCO exactly the results expected of him and, in turn, the MCO's ongoing commitment to the process. The HOM and MCO need to work more closely and communications between these two individuals need to increase. A senior and experienced MCO will be going to Caracas on temporary duty to provide advice and assistance to the MCO.

1.1.5 Performance appraisals of LES staff have not been completed as required. In some cases, appraisals have been outstanding for a number of years. This applies to most Programs at the Mission. Staff indicated a need to have feedback on their performance and appraisals need to be completed regularly on an annual basis.

## **Recommendations for the Mission**

- 1.1.6 An Accountability Agreement should be established between the HOM and the MCO, setting out the goals and objectives expected for the Administration Program. The HOM should work closely with the MCO to assist with the day-to-day management of the Program.**
- 1.1.7 Performance appraisals should be completed for all staff and, thereafter, on an annual basis.**

## **Mission Responses**

- 1.1.6 The Accountability Agreement between the HOM and the MCO was set on September 19, 2002. Since the beginning of November 2002, weekly meetings have been initiated between the HOM and the MCO and Deputy MCO. These meetings have been used to review progress and set priorities. The agenda for these meetings always includes a review of two “templates” prepared by the Administration Section on work priorities and schedules.**
- 1.1.7 Agreed. The subject of appraisals has been raised at the weekly CMM and currently all appraisals are up-to-date.**

## **Mission Comment**

**The Mission has invited a professional facilitator, identified by CFSI, to lead a series of team-building workshops in November 2003. These workshops will assist in skill development for time management, priority setting, and work organization. A new MCO arrived at the Mission on October 12, 2003.**

## **GENERAL RELATIONS PROGRAM**

### **2.1 Overview**

2.1.1 The General Relations (GR) Program is headed by an experienced Program Manager, an FS-02 who has a strong knowledge of Venezuela, its culture and political environment, an environment where both opposition and supporters of the government protest in a climate of confrontation. The Program Manager has cultivated a wide range of contacts in government, civil society and the private sector. He is supported by an FSDP (in an FS-02 position) and three highly qualified LES.

2.1.2 The GR Program encompasses political and economic analysis and reporting, cultural and public affairs, academic relations and administering the Canada Fund for Local Initiatives (CFLI). It is responsible for managing the CFLI fund of \$250,000 and the Post Initiative Fund (PIF) of \$22,000.

2.1.3 Political and economic analysis and reporting is shared among the HOM, the Program Manager and the FSDP. Little macro-economic reporting has been done by either the GR or IBD Program. The HOM indicated that more emphasis will be placed on macro-economic analysis and reporting in the future. HQ finds the political reporting to be analytical and informative.

### **2.2 Management of the Program**

2.2.1 The GR Program is effectively managed. Staff find the Program Manager to be a calming influence during this particular period of turmoil in Venezuelan politics. Staff interact regularly with each other and there is an appreciation of Program priorities. Staff meetings have been infrequent with long gaps in between. LES work well together \*\*\*. Although the Program Manager is aware of these interpersonal problems, action is needed to redress this situation. Both CBS and LES believe that regular meetings would improve communications and provide a basis for improving harmonization within the Program. \*\*\*

2.2.2 Both the Program Manager and the FSDP stated that there was very little in the form of handover notes and corporate memory in the area of political and economic information when they arrived. There has been an improvement of information management with the maintenance of Outlook Public Folders primarily as a database for sharing contacts and mail. Also, there is an "I" Drive available to the Mission that provides relevant Program information in a "read only" fashion. Notwithstanding the above improvements, the Program lacks a systematic approach to tracking client relationships and should be evaluating tools to achieve a reliable tracking system. This can be done in conjunction with the IBD Program who will be addressing this issue as well. With the turnover this summer of both Canada-Based Officers, there should be sufficient handover information available so that this situation is not allowed



to recur and that the learning curve of new officers is reduced. In future, postings of these key positions should also be staggered.

2.2.3 The new HOM and the Program Manager have recently agreed on a set of specific objectives for the Program which are both realistic and measurable. As a consequence, a detailed work plan for the Political and Economic Program and the Public Affairs and Educational Programs has been prepared for 2002-2003. The work plan had yet to be discussed with the GR staff which is essential to ensuring ownership and commitment by all staff. Individual goals and objectives have not been established for all LES and performance appraisals have not been completed on an annual basis. One employee recently received an appraisal for the first time in her five years at the Mission. All staff should be appraised annually. The issue of appraisals is endemic to all Programs at the Mission and is addressed in the Administration section of this report.

2.2.4 The GR Program meets many of the objectives of the CFLI and the PIF. There is, however, very little focus on raising Canada's profile within any of the initiatives and activities planned by the GR Program. More planning should focus on combining CFLI and PIF objectives with raising Canada's overall profile in Venezuela.

2.2.5 The Program Manager indicated that planning from the Geographic Bureau (LSR) is done without sufficient input from the Mission. Given the knowledge base in the field, program plans would be more realistic and results focussed if the Mission was consulted for its input.

2.2.6 The hours of work for both the Program Manager and the FSDP are significant with each incurring approximately 10 to 15 hours of overtime each week, including representational duties. The FSDP currently sits on seven committees of which she is the chairperson for three and which consumes approximately four hours a week in committee work. The Mission needs to consider ways of optimizing resources to reduce the extra work related to these committees. An option might be to engage more actively the involvement of LES both as members and chairpersons of the numerous committees within the Mission.

## **Recommendations for the Mission**

**2.2.7 The Manager of the General Relations Program should hold regular bi-weekly meetings to improve communications.**

**2.2.8 Supervisory training should be included as part of the FSDP's professional development.**

- 2.2.9** With the turnover this summer of both Canada-Based Officers, there should be sufficient handover information available for the incoming Officers to the GR Program.
- 2.2.10** Develop an inclusive work plan that defines the GR Program's goals and objectives and sets out priorities which are agreed to by the Program Manager, FSDP and three LES.
- 2.2.11** GR Program should find ways of increasing Canada's overall profile in its work planning and activities.

#### **Mission Responses**

- 2.2.7** Regular meetings with the staff of the Program have been established with an agenda distributed and minutes taken. The evacuation of non-essential personnel during the period December 2002 - February 2003 interrupted these meetings. They have now resumed on a regular basis. To improve communications and build up synergy between staff, a retreat of the Section was held on March 21, 2003.
- 2.2.8** The Program Manager has circulated and discussed with staff the documentation relating to the guidelines for conduct at work in order to diminish interpersonal friction in the Section. The Program Manager is providing, on an ongoing basis, counselling and direction to the FSDP to improve her supervisory skills. Supervisory training will be given high priority as part of the professional development of the FSDP and highlighted as part of the appraisal process.
- 2.2.9** Filing and information storage has been given priority in the work of the Section. Tools to ensure that records of activities are kept and easily accessible have become part of normal work procedures of the Section. This includes commonly shared tools such as the I: drive where folders are kept up to date, commonly shared contacts data bases and calendars of events. Canada-Based Officers will prepare handover notes to successors prior to departure to ensure the availability of information.
- 2.2.10** A work plan for the GR program was developed and approved in November 2002, following consultation with all staff in the Section. The work plan is reviewed periodically and updated to reflect changes in priorities and the evolution of the context in Venezuela.

**The scheduled retreat of the Section provided an additional opportunity to fine tune the work plan.**

- 2.2.11 Greater effort is being put into raising the profile of activities undertaken by the GR Section. These include raising the visibility of the Canada Fund for Local Initiatives by attending inauguration of projects and informing local media of the Fund's activities. The GR Section is also upgrading its capacity in making better use of the Mission's web site and IT to reach out. Other initiatives include strengthening contacts with the press to reflect Public Affairs initiatives. Activities carried out by the GR Section have received wider press coverage. Planning will include targeting higher visibility events such as the performance of Canadian artists in Venezuela and an active outreach program.**

#### **Recommendation for LSR**

- 2.2.12 Geographic plans for General Relations should be more inclusive and input and commitment from missions should be sought.**

#### **LSR Response**

- 2.2.12 LSR has begun the process of creating regional or country action plans for its entire territory. Until now, only the priority country Brazil had been the subject of a country action plan. LSR's priority will be to ensure the country action plan is congruent with both DFAIT and Branch Business Plans, as well as with the various HOM PMAs. LSR hopes to have the action plans completed by late Summer 2003.**

## **INTERNATIONAL BUSINESS DEVELOPMENT (IBD) PROGRAM**

### **3.1 Overview**

3.1.1 The IBD Program is responsible for the promotion of trade and investment in Venezuela. The Program is headed by a Commercial Counsellor (EX-01), the Senior Trade Commissioner (STC), who is supported by: a First Secretary (FS-02); four Business Development Officers (BDOs) and three Business Development Assistants (BDAs). Despite the current political turmoil (and resulting economic downturn), the IBD Program remains busy. A recent visit by the Export Development Corporation (EDC) confirmed that EDC activity is at its highest level. The recent arrival into the Program of the new STC has been well received by a professional, experienced and dedicated local staff.

### **3.2 Management of the Program**

3.2.1 Prior to the STC's arrival, the IBD Program lacked planning and direction. There was no annual business plan; budgets were not transparent; sectional meetings were irregular and infrequent; and the application of the New Approach was inconsistent. The new HOM and STC have already agreed on a set of specific goals and objectives for the Program. A number of new management practices have been introduced by the STC in the two months since his arrival: weekly meetings; Accountability Agreements (AAs) for Officers; and, together with the FS-02, an InfoCentre implementation plan. Teamwork has been enhanced by encouraging discussion of issues and soliciting suggestions and ideas from staff. Staff appreciate the direction being taken and the engagement of the STC.

3.2.2 While Officers have individual work plans for each sector, there is still no overall business plan for the IBD Program. The absence of this plan makes it difficult to evaluate the appropriateness of the Division's \$40,000 Client Service Fund (CSF) allocation.

3.2.3 One of the BDOs with previous accounting experience is currently interpreting and preparing informed budget breakdowns for the IBD Section. This same Officer is often responsible for preparing PowerPoint presentations and graphs for economic reporting. This is taking away from his primary BDO responsibilities. Clear accounting statements need to be given to support the STC but this should be a responsibility of the Mission's Accounting Section. BDAs could be trained in the appropriate software to allow for the preparation of individual presentations under the auspices of the planned InfoCentre.

## **Recommendations for the Mission**

**3.2.4 An annual IBD business plan should be developed for the Program.**

**3.2.5 BDO's responsibilities should be re-focussed on IBD activities.**

## **Mission Responses**

**3.2.4 The IBD Section developed an annual business plan in conjunction with the Client Service Fund plan for the Fiscal Year 2003-2004.**

**3.2.5 The Mission Accounting Section has agreed to assume responsibility for preparing detailed budget breakdowns for the IBD Section. The BDAs are receiving presentations training in conjunction with InfoCentre implementation.**

## **Use of Hospitality**

3.2.6 In the past, hospitality funds were distributed at the discretion of the STC. This created uncertainty among BDOs, resulting in them being temporarily out of pocket for work-related hospitality and discouraged the appropriate utilization of the budget. Officers need to be given their own allocation and encouraged to use these funds to cultivate contacts and build up market intelligence.

## **Recommendation for the Mission**

**3.2.7 Hospitality budgets should be made transparent with Officers receiving allocations and being accountable at quarterly reviews.**

## **Mission Response**

**3.2.7 The recommendation was implemented in November 2002.**

## **Performance Appraisals**

3.2.8 Last year was the first time in four years that IBD staff have received performance appraisals. The new STC has introduced Accountability Agreements with all Officers. Appraisals, which are an issue that crosses the whole Mission and are commented on further in 5.2.3 of this report, need to be done on an annual basis. With the pending implementation of an InfoCentre, BDAs have been promised, but not yet provided with, similar Accountability Agreements. The STC is currently examining a variety of different models for this InfoCentre.

## **Recommendation for the Mission**

- 3.2.9 Accountability Agreements should be developed in the near term for BDAs following the decision on how to configure the planned InfoCentre.**

## **Mission Response**

- 3.2.9 Each BDA has signed an Accountability Agreement for calendar year 2003.**

## **3.3 New Approach**

3.3.1 The IBD Program received positive results from the Trade Commissioner Service (TCS) 2002 Client Survey as evidence of the quality of service it provides. In the October 2001 TCS assessment of the Program's adherence to the New Approach, Caracas was seen as having room for improvement. IBD staff are aware of the New Approach and are using some of its principles. Overall, however, its application is inconsistent. The new STC is promoting awareness of the New Approach and IBD staff are positive about what these changes will bring to their jobs.

3.3.2 Client relationship tracking is not being done appropriately. WIN Online utilization is very low and local tracking is done through Microsoft Outlook. This provides only contact details but no client relationship management. The STC has discussed this issue with TCE and has received a commitment for the provision of WIN Online training.

## **Recommendation for the Mission**

- 3.3.3 Tracking of contacts with Canadian clients should be done more systematically using WIN Online to undertake this exercise. A local client management tool should be integrated into the IBD work plan.**

## **Mission Response**

- 3.3.3 Systematic WIN Online tracking has been implemented by the new IBD Section InfoCentre and training received from TCE. The Regional Systems Manager has assisted InfoCentre to re-establish Mission WIN as the local client relationship management database and to convert Outlook data into Mission WIN format.**

3.3.4 The tools of the New Approach, e.g., the Business Mission Agreement, the Post Support Unit and the Horizons website, are not used to the appropriate degree. The STC has called for the development of an InfoCentre and is examining a

number of models to determine the most appropriate configuration (see Training). The First Secretary (FS-02) is leading this initiative and will oversee the application of tasks among the three BDAs. The development of the InfoCentre is expected to lead to improved adherence to the New Approach and result in a shifting in workload towards higher value activities for BDOs.

### **Recommendation for the Mission**

**3.3.5 The InfoCentre should take responsibility for such elements as: monitoring of service standards; preparing for out-calls; tracking; managing the TD box; liaising with TCS; developing standard replies; and preparing presentations.**

### **Mission Response**

**3.3.5 The InfoCentre has been established and is implementing these and other New Approach elements.**

### **3.4 Out-Calls**

3.4.1 Out-calls are a key component of the New Approach as they increase market intelligence, lead development and network building. The number of out-calls undertaken by IBD staff over the last two years has been insufficient. This has been recognized by the new STC and he has included a requirement for 15 new out-calls by each officer in their Accountability Agreements. The development of the InfoCentre should incorporate the expectation of tasks which will be required to support the new focus on out-calls, i.e. contact profiles and development of materials to support the call. Calls need to be planned, supported and tracked.

### **Recommendation for the Mission**

**3.4.2 Out-calls should be consistent with the IBD strategy and developed in consultation with the InfoCentre. Where appropriate, these calls should involve the STC and HOM.**

### **Mission Response**

**3.4.2 The number of out-calls has been increased consistent with IBD strategy and incorporates STC and/or HOM as appropriate.**

### **3.5 Training**

3.5.1 Under the New Approach, an emphasis has been placed on training. Within IBD staff, there exists an understanding of what the New Approach is about and

there is good receptivity to the principles. These principles, however, need to be refreshed and re-enforced. The introduction of new tools, new management and the InfoCentre will require a commitment to training both by Program staff and DFAIT. This has begun with the planned WIN Online training with TCE.

### **Recommendation for the Mission**

**3.5.2 The Program should work with TCS to ensure placement of staff in Ottawa-based New Approach training and look to ways of training BDAs as the InfoCentre is implemented.**

### **Mission Response**

**3.5.2 Training has been provided for WIN Online and the Virtual Trade Commissioner. The BDAs have received InfoCentre training from Sao Paulo and Buenos Aires InfoCentres in February 2003. A training plan has been developed for the Fiscal Year 2003-2004.**

### **3.6 Tools of the Trade**

3.6.1 IBD staff are not being provided with the proper tools to effectively discharge their job. The Program lacks cell phones, sectional credit cards, SIGNET remote access and appropriate transportation to meetings. Currently, there exists a difficult relationship with Mission Administration which is perceived as being too administrative and not support oriented. The Program is required to send requests for basic supplies such as paper and pens.

### **Recommendation for the Mission**

**3.6.2 The IBD Program staff should be provided by Mission Administration with the available tools to effectively support their Program.**

### **Mission Response**

**3.6.2 Mission Administration has now actioned or is in the process of actioning these requirements. Cell phones and palm pilots have been issued and new lap tops have been issued for SIGNET Remote Access. Credit cards will be provided in the new fiscal year.**

### **3.7 Regional Approach**

3.7.1 Regional planning and promotion and sharing of clients are a good way of leveraging resources within the TCS. In advance of their participation in the STC Colloquium in November 2002, IBD managers from the Andean region met to discuss



ways of working together. The STC will be encouraging a similar approach at the BDO level.

## CONSULAR PROGRAM

### 4.1 Management of the Program

4.1.1 The DMCO (AS-03) Vice-Consul manages the Consular Program while the day-to-day operations are conducted by a full-time Consular Officer (LE-08) and Passport/Citizenship Assistant (LE-06). The DMCO indicated that approximately 20% of her time is spent on Consular activities. The MCO, the Consul, does not participate in any of the Consular activities other than renewing the Honorary Consuls' contracts. There are two Honorary Consuls connected to the Mission, one is on the Mosquito Coast of Margarita Island and the second is in the Netherlands Antilles. The Consul and the Vice-Consul's offices are two floors away from the main Consular Affairs Office on the ground floor where the LE-08 and the LE-06 are situated. Both LES have had the ten-day training in Headquarters. The Vice-Consul received only the five-day training course in HQ.

4.1.2 One staff meeting was held in the past year. LES Consular staff feel that they are isolated from the rest of the Mission because of their location and lack of meetings. They expressed that there is no feedback system in place for them to learn and share knowledge.

4.1.3 Work plans for the Program are not prepared and Consular staff have not been appraised. There is a sense by LES that management does not recognize priorities with respect to the Consular Program. The Vice-Consul does not believe that work plans are necessary; however, the emergency plans and contingency plans are not clearly understood by Consular staff who felt it would be useful to rationalize such plans to ensure that they are realistic. If work plans were developed and staff clearly understood their own individual work objectives and the Program's priorities, this would complement the performance review process.

### Recommendations for the Mission

4.1.4 **The MCO should demonstrate more leadership in the Consular Program by communicating regularly with CBS and LES Consular staff and taking part in decisions regarding priority and/or potentially sensitive cases.**

4.1.5 **Regular meetings to learn, share knowledge and review priorities should be held within the Consular Program.**

4.1.6 **Develop an inclusive work plan that defines the Consular Program's goals and objectives and sets out priorities.**

## **Mission Responses**

- 4.1.4**        **Agreed. The MCO will take greater involvement in the Consular Program. Communication has been recognized as a major problem within the Administration and Consular Section in general. This issue has been discussed between the HOM and the MCO and has become a subject of regular discussion at their weekly meetings.**
- 4.1.5**        **Agreed. Weekly Consular staff meetings have taken place starting in April 2003.**
- 4.1.6**        **Agreed. This was implemented in April 2003 and the plan was submitted to the Consular Affairs Bureau (JPD). A Warden's Meeting was held in May 2003.**

## **4.2 Service to Canadians**

4.2.1        Consular staff are enthusiastic about their jobs and deal with Consular Affairs Case Management (JPO) on a daily basis. Although Consular recording and reporting was previously done by the former MCO, the LE-08 inputs all workload statistics into COSMOS now. Service standards are understood and adhered to. There are only four Canadian prisoners in jail, and prisoners are visited once every three months by the LE-08. The Vice-Consul often participates in these prison visits. The Consular Program maintains an emergency fund \*\*\*. Also, Consular revenues are collected in Canadian and US dollars as well as Bolivars \*\*\*. Cash on hand was reconciled with the Consular services recorded and provided during the week.

4.2.2        As Venezuela is undergoing economic and political instability, Canadians need to be kept abreast of situations regarding massive strikes and demonstrations. The Mission has been sending out Consular messages to those Canadian residents and visitors who are registered with the Mission to keep them posted on the levels of confrontation among all parties.

4.2.3        The Mission has a list of 21 wardens. The wardens have not been contacted in several years and the list needs to be updated. Given the tensions existing in the country at this time, it would be beneficial to hold a wardens' conference to determine hot spots and an appropriate means of communications.

## **Recommendations for the Mission**

- 4.2.4**        **The list of wardens should be updated.**

- 4.2.5 A wardens' meeting should be held soon to ensure that Canadians resident in Venezuela have a point of contact in the event of an emergency and to improve communications with the wardens.**

#### **Mission Responses**

- 4.2.4 The list of Wardens has been updated as of February 14, 2003. The Mission specifically hired an employee on a contract basis for three months to perform this work.**

- 4.2.5 Agreed. The Wardens' meeting was held in May, 2003 and JPE participated in this event.**

#### **4.3 Passport Services**

4.3.1 Passport and citizenship services are effectively and efficiently handled by the Consular Program. The Mission issues approximately 30 to 40 passports per month. Passports were reconciled to the latest inventory certified on September 30, 2002. The monthly Passport Returns of Consular services are now up-to-date; however, five months were lumped into one package for the period April to August 2002. The Manual for Consular Instructions (MCI) specifies that monthly reports should be sent to the Passport Office (JWD) within the first ten working days of the following month. The MCI provides detailed instructions on the contents of the report.

#### **Recommendation for the Mission**

- 4.3.2 Mission should send to JWD, on a monthly basis, a register of passport services as specified in the MCI.**

#### **Mission Response**

- 4.3.2 Agreed. This was implemented in September 2003.**

## **ADMINISTRATION PROGRAM**

### **5.1 Management of the Program**

#### **Overview**

5.1.1 The Management Consular Officer (MCO), an AS-03 acting in an AS-06 position, arrived at the Mission in September 2001. This is his first posting as Head of a Program. The Deputy MCO (DMCO), an AS-02 acting in an AS-03 position, has just completed her first year of her initial posting. All four Canada-Based Staff (CBS) in Administration arrived at the Mission at the same time, with little corporate memory available to the new team. The DMCO is fluent in Spanish; the MCO has very limited Spanish speaking skills.

5.1.2 The MCO's arrival coincided with the move into the new Chancery. New procedures had to be established and there were many settling-in deficiencies to be resolved. The 1998 Chancery fire had resulted in the Mission having to work from two separate locations until the completion of the new Chancery. Files had been lost and owing to pressures from the moves and the construction, certain standard controls were not in place when the MCO arrived.

5.1.3 The MCO has a good understanding of the control framework required; however, Administration needs to become more service oriented and more efficient. Morale in the Section is low, though, as with the other sections, has improved somewhat with the arrival of the new Head of Mission (HOM).

5.1.4 The operational and capital budgets are sufficient to meet the needs of the Mission.

#### **Communications**

5.1.5 There is a lack of communication within the Section and between Administration and the rest of the Mission. Only two staff meetings were held in the Section over the past year leaving staff to feel they are not kept apprised of the Section's overall goals. There is a need for staff to meet weekly to share information, increase communication and set priorities.

5.1.6 \*\*\* On the Audit Team's suggestion, an experienced MCO will be sent to Caracas on a temporary basis to advise and assist current Program management.

## **Recommendations for the Mission**

- 5.1.7**        **Weekly staff meetings for the Administration Section should be instituted to keep staff current on activities, priorities and upcoming events.**
- 5.1.8**        **Program management needs to foster a better working relationship with both CBS and LES and to formalize and communicate plans to staff and to the Mission. Greater focus on team building should be encouraged.**

## **Mission Responses**

- 5.1.7**        **Agreed. Weekly Management/Consular staff meetings have been ongoing since November 2002. A new work plan template was also developed and implemented with the full participation of all staff. This template is discussed with the HOM each week and serves as an agenda item at each Sectional staff meeting.**
- 5.1.8**        **Agreed. As mentioned under Section 4.1.4, communication is identified as a general problem within the Section. This is an ongoing theme of the meetings between the HOM and the MCO. Weekly staff meetings have been initiated in an effort to foster greater dialogue and team building. Specifically regarding team building, the Mission is planning to hold a series of team building workshops in November 2003. (Please see the general comment under Section 1.1.7.)**

## **Planning**

**5.1.9**        This report is suggesting a need for the HOM to establish an Accountability Agreement with the MCO spelling out the goals and objectives for this individual. This will assist the MCO in establishing Program priorities especially as this is the MCO's first post as a Management and Consular Officer. There is also a need for the MCO to establish an Accountability Agreement for the Deputy Management and Consular Officer. Accountability Agreements with the other Officers in the Administration Section should also be developed: Personnel Officer (LE-07), Systems Administrator (LE-08) and Accountant (LE-07). Performance appraisals have not been prepared for several of the staff and the Accountability Agreement would serve as an excellent reference point to evaluate performance.

## **Recommendation for the Mission**

- 5.1.10      Accountability Agreements for the DMCO and other Officers within Administration should be prepared which delineate in measurable terms the goals and objectives for these individuals.**

### **Mission Response**

- 5.1.10      Agreed. This was implemented in April 2003, at the start of the new financial year.**

5.1.11      There is no overall work plan for the Administration Section. With the many tasks that are being addressed by the Section (creating security plans, organizing training for staff) and the many more that are needed, detailing the objectives for the year and communicating them to staff would provide a framework for prioritizing and allocating resources. It is also an effective means to review work accomplished and to hold individuals accountable for completions of tasks within a given time-frame. Administration should strive to be more proactive and less reactive, where possible. A good example is to use emergency employees during position vacancies or contractors in high volume periods to prevent backlogs.

## **Recommendation for the Mission**

- 5.1.12      Develop a work plan for the Administration Program, detailing objectives for the year and then communicate it to staff and to the CMM.**

### **Mission Response**

- 5.1.12      On-going. A draft Management/Consular Program work plan for 12 months (FY 2003/04) was presented at the CMM retreat held on March 12, 2003. The template was reviewed by each member of the Section and was finalized in April 2003.**

## **Organization of the Program**

5.1.13      To better utilize the current Administration resources, a review of the job packages needs to be undertaken to redistribute responsibilities in order that work load can be evened out and bottle necks avoided. Suggestions for consideration include:

- assigning Drivers the responsibility for customs clearing instead of the General Services/Administrative Assistant;

- allocating the management of office supplies to the MCO's Administrative Assistant to free up the time of the General Services/Administrative Assistant; and,
- utilizing the Assistant Accountant, once the bank reconciliation back log has been cleared, to assist the DMCO with property or other administration tasks such as contacting suppliers and updating distribution accounts.

5.1.14 The Registry/Communications Clerk (CR-04) is under-utilised. The need for this position is highly questionable. The duties of this position could be redistributed to other CBS staff and to the Administration Section, thus saving the cost of this position. While the incumbent is willing to assist with other Administration tasks such as inventories and supervising workers, her lack of Spanish language skills limits the type of assistance that can be provided. To alleviate the extra workload placed on the Administration Section with the deletion of this position, some of the attendant cost savings could be used to create an LES position should it be decided a position is justified. The Section will have a better understanding of the type of position needed following the redistribution of tasks.

### **Recommendations for the Mission**

- 5.1.15 **Undertake a review of the job packages in the Administration Section with a view to redistributing duties and optimizing resource utilization.**
- 5.1.16 **Hold discussions with AAM and HRD to eliminate the Registry/Communications Clerk (CR-04) position in the summer of 2003.**

### **Mission Responses**

- 5.1.15 **Agreed. This project was identified by the MCO early after his arrival in 2001 but unfortunately postponed due to Emergency Evacuations from Caracas between December 2002 and February 2003. This project was discussed with and approved by the HOM before the visit of the auditors. Given the amount of time required, this project will be undertaken once the temporary duty (TD) assistance from AAM has been provided. We hope to be able to review and implement new job descriptions and an organizational structure during the course of 2003-2004.**
- 5.1.16 **Following discussions between the HOM and HQ personnel, it was decided to cut the CR position in Caracas effective August 2003. The incumbent has since left the mission and re-deployed at HQ.**



**A new LE-05 position would need to be created to deal with all administrative issues currently being handled by the CBS position. With respect to the management of C-4 communication, public folders, management of diplomatic bags, organize and meet courier run (red bag) at the airport and perform all actual duties related to the secure area, these duties would need to be transferred to the HOM Assistant position.**

## **Service Standards**

5.1.17 Administration does not have service standards and there is a high level of dissatisfaction with the quality of administrative services. Service standards need to be introduced to make it clear to clients the role of each member of the Program, the service to be provided and the time-lines for service delivery. At the same time, the standards would spell out what is required of the client, e.g., forms that need to be properly completed. SMC, the Common Services Abroad Planning and Coordination Division, is currently in the process of developing Administration service standards for all missions. These are expected to be published in April 2004. In the interim, it is important that the Mission publish its own set of standards.

## **Recommendation for the Mission**

**5.1.18 Establish service standards for Administration to identify the level of service that can be expected by the clients.**

## **Mission Response**

**5.1.18 Agreed. Mission is working on a new service standards proposal for Management/Consular. Two meetings have already been held within the Section on this subject. This will be one of the new MCO's priorities once he becomes firmly established in the position.**

## **5.2 Human Resources**

5.2.1 The Human Resources function is managed by the MCO with the assistance of an LE-07 Personnel Officer. Over the past year, the Personnel Officer has been assisting the Accountant. An Assistant Accountant has been recently hired and now has access to IMS, allowing the Personnel Officer to focus principally on personnel tasks. Efforts are being made to update the LES Employment and Pay Certificates (EXT208 forms) and to ensure performance appraisals are completed.

5.2.2 There is also a need for a clear overtime policy for LES for all sections of the Mission. The policy, taking into account local practices of marker organization, once established and approved by the CMM, needs to be communicated and applied.

## **Recommendations for the Mission**

**5.2.3 The LES Employment and Pay certificates (EXT208s) should be completed and brought up to date.**

**5.2.4 Establish an overtime policy for the Mission.**

## **Mission Responses**

**5.2.3 Agreed. This has been actioned.**

**5.2.4 Agreed. This will be undertaken shortly by the new MCO.**

## **Locally Engaged Staff Committee**

5.2.5 A LES Committee had been re-established with the regrouping together of the staff in the new Chancery. Representatives are elected from each section and the Personnel Officer acts as an advisor. Meetings are called three or four times a year and the Committee meets with management when issues arise. When required, all LES staff meet together. The LES Committee indicated that morale was improving with the arrival of the new HOM and the new Senior Trade Commissioner. The LES Committee raised the issue of having an advance of their next salary revision earlier in order to compensate for the high inflation in Venezuela. The HOM has gone back to the Locally-Engaged Staff Division (HRL) with this concern.

## **Community Coordinator**

5.2.6 The Mission currently has no Community Coordinator and is intending to search for a suitable candidate to fill this position. Having a Community Coordinator assists the Administration Section in organizing CBS arrivals and departures. As well, this position can update the Welcome Kit, assist new arrivals to better settle into the Mission, and organize social activities.

5.2.7 Due to the lack of reasonably priced recreational facilities in the city and surrounding areas, the Community Coordinator could also help the Mission identify hotel facilities or alternate commercial facilities which can be used by CBS and their families.

## **Recommendation for the Mission**

**5.2.8 Recruit a Community Coordinator as soon as possible.**

## **Mission Response**

**5.2.8           Agreed. The Mission was awaiting the arrival of all spouses which has just recently been completed in October 2003 before sending a request for proposal for this contract.**

### **5.3 Physical Resources**

5.3.1           The management of the Physical Resources function is carried out by the Deputy MCO, assisted by the LE-05 General Services/Administrative Assistant. The LE-05 is often required to be away from the Mission dealing with local contacts such as customs authorities and contractors. This LE-05, at the Mission for two and half years, received Property and Materiel training at Headquarters in May 2002.

5.3.2           Up to the end of October 2002, a Property Manager from Public Works was employed at the Mission assisting during the construction of the new Chancery. Now that the project has been handed to the Mission, the Property Maintenance and Operations Section (SRSF) is working with the Mission to address the remaining deficiencies such as water proofing, toilets and blind replacement.

5.3.3           The Mission has contracted the services of a local firm to do the facilities management for the Chancery. The cost of this contract annually is significant (\$207,000) and the Mission is working with SRSF to develop a job description to create a new position of Building Manager to fulfill this role. Significant savings will be realized.

5.3.4           Official vehicles are managed by the MCO's Administrative Assistant (LE-05). She receives requests for usage and schedules the Drivers. The Mission only recently re-instituted the use of vehicle logs, a system which had not been in place for a number of years.

5.3.5           The Program is seen to be over burdened and yet is not service oriented. The Mission Property Management Plan and PRIME are current; however, property files are not up to date. Occupancy agreements and distribution accounts need updating and there is a back-log of work orders. The Mission has begun using the Registry/Communications Clerk to update the distribution accounts.

5.3.6           The General Services/Administrative Assistant is working with the System Administrator to develop an electronic work order system to deal with property maintenance issues. The Mission is currently using email for their work orders. A daily meeting of the DMCO and the General Services/Administrative Assistant takes place to prioritize the requests received. A good practice to improve client satisfaction would be for the new work order form to include an area for client feedback or comments. An

electronic system could also improve tracking and allow for work order volumes to be kept and assist in evaluating contractors and properties.

5.3.7 The Administrative Section is not conducting annual maintenance inspections of each SQ to develop a detailed work plan. This may account for the large number of work orders received which are consuming inordinate amounts of the Property Section's time. The Section did visit 11 of the 12 SQs to identify furniture requirements.

5.3.8 The use of a credit card for local purchasing would help streamline this activity as currently staff must source a product, return to the Mission to obtain payment and then return again to the store to make payment and obtain the goods. This would also facilitate creating a stockpile of frequently needed small appliances, as the Mission would be able more easily to take advantage of stock availability which at times can be troublesome. Streamlining work processes will assist in reducing the substantial amount of overtime that is being incurred.

### **Recommendations for the Mission**

**5.3.9 Consider hiring temporary help to assist in completing some of the outstanding projects such as occupancy agreements, distribution accounts and attending to outstanding work orders.**

**5.3.10 Institute the electronic work order system, which will allow for improved tracking and record keeping.**

**5.3.11 Conduct an annual maintenance inspection of all SQs in order to develop plans and schedule routine maintenance.**

**5.3.12 Obtain a credit card and establish an in-house supply of frequently used items such as small appliances.**

### **Mission Responses**

**5.3.9 Agreed. The new MCO will evaluate this suggestion.**

**5.3.10 Agreed. The Mission is in the final stage of implementation. System became operational in September 2003.**

**5.3.11 Agreed. This was implemented in April 2003.**

**5.3.12 Agreed. The need for credit cards will be studied by the new MCO. A supply of small appliances is already on site as part of the**

**purchase process which took place from November 2002 to February 2003.**

## **Chancery**

5.3.13 The new Chancery is Crown-Owned with the Australian Embassy renting the first floor. There is a Canada Room on the fourth floor that can be used for receptions and large meetings. There are still some concerns to be addressed such as improved lighting in the Consular booth and awnings for clients.

5.3.14 No recreational facilities were constructed in the building. Caracas is not an easy city to live in; there are difficulties in going for walks or jogs, demonstrations make it difficult to leave the city and joining a local club is cost prohibitive for most CBS. The Mission does not have any other recreational facilities. The MCO has been examining various ways to use the Canada Room for recreational purposes and has used the Hardship Fund to purchase some items. Re-configuration of the fourth floor may be possible and should be investigated with the Physical Resources Bureau (SRD).

5.3.15 The Australian Embassy would like a formalised Memorandum of Understanding with the Mission that outlines the responsibilities on both sides for notifications and time frames with regard to repairs and maintenance.

## **Recommendation for the Mission**

**5.3.16 Develop a Memorandum of Understanding with the Australian Embassy regarding maintenance.**

## **Mission Response**

**5.3.16 The Australians departed the Mission in mid-October 2003.**

## **Official Residence**

5.3.17 The Official Residence (OR) is a large, functional property with reception and service areas of appropriate size. The OR is Crown-Owned and, while there has been some work done in the past, the interior presents a very “tired” impression. The Physical Resources Bureau has visited the Mission and is developing a plan to refurbish the OR.

## **Staff Quarters (SQs)**

5.3.18 The Mission’s housing inventory contains twelve Crown-Leased SQs and offers an appropriate mix in terms of size and style, given the local market conditions.

5.3.19 The Mission has a plan for the disposal of problematic SQs and is evaluating if Accommodation Deficiency Adjustments (ADAs) are required for two SQs that are slated for disposal. The Mission, in the past, has successfully renegotiated down rental rates.

5.3.20 During the past posting season, the Housing Committee saw an overly large number of potential SQs. This was time consuming for the Committee and its members complained about the heavy commitment of time serving on the Committee required. It is proposed that Administration do more of the required leg work and present only a short list of potential properties to view to the Housing Committee to avoid this issue.

### **Recommendation for the Mission**

**5.3.21 The Administration Section should do more pre-screening of potential SQs so that the Housing Committee has only a limited number to review.**

### **Mission Response**

**5.3.21 Agreed. In the future, the LES property manager will do a first pre-screening of the SQ and propose a reduced number to be visited by the D/MCO. The Deputy MCO will in turn propose a final reduced number of SQs to be visited by the Housing Committee members.**

### **5.4 Finance**

5.4.1 The MCO is the Mission Financial Officer. The Accounting Section is staffed with a LE-07 Accountant and a LE-05 Assistant Accountant who recently joined the Mission in September 2002. The LE-07 Personnel Officer is managing the payroll. The Mission maintains a US dollar bank account as well as a local currency (Bolivar) account. The US account serves as a conduit for transferring funds to the local account and for paying some rental and contract payments. The Bolivar account is used for most other operational expenses. Cheques processed from the Bolivar bank account are not returned to the Mission. Revenues for the initial six months of this fiscal year totalled \$575,000. The Mission is issuing about 110 cheques each month.

5.4.2 Prior to dealing with the current bank, the Mission held two accounts with \*\*\*. These accounts were closed December 30, 1999. The Mission has yet to obtain closing bank statements from \*\*\*, showing a zero balance, in spite of several attempts to do so. The last request was made in April 2002. Because of this, these accounts still appear in the IMS statements. The Mission decided to move banks because of the numerous errors being made and because of the difficulty in obtaining an explanation regarding financial discrepancies which showed up regularly on the bank statements.

## **Bank Reconciliations**

5.4.3 Bank reconciliations at this Mission have been problematic for both Headquarters and Mission management dating back to April 1998. The problem originated with a fire of the Chancery in February 1998 when many of the Mission's financial records were destroyed. SMFF visited the Mission in April 1999 and 2001 and has just returned from a recent trip. There are still 365 adjustments outstanding that need to be cleared with approximately 100 of these adjustments occurring since the current MCO arrived in September 2001.

5.4.4 The numerous adjustments are a function of both accounting and banking errors. When the Accountant joined the Mission in August 1999, he was faced with the reconciliation problem and, two months into the job, the financial system, FINEX, was replaced with IMS. He received IMS training through distance learning. The Assistant position remained vacant for a whole year until a new Assistant was hired in September (2002). The Accountant's focus has been primarily on processing revenues and paying the bills. He has not dealt with the reconciliation issue.

5.4.5 The new Assistant Accountant has already received training on IMS and is fitting in well. He is inputting data into IMS and printing cheques. This will allow the Accountant time to focus on dealing with these adjustments. This needs to be given priority attention. Once this task is completed, all financial operations need to be compartmentalized in the Accounts Section, including LES payroll. It is believed there should still be sufficient time for the Assistant Accountant to support the Property Section which needs assistance.

5.4.6 It is important that the Accountant receive LES accounting training from Headquarters at the earliest opportunity. Over the next six months, the MCO needs closely to monitor the performance of the Accountant.

5.4.7 Given also that the bank does not return cheques, it would be helpful if the Mission produced duplicate copies of cheques to provide for a more complete audit trail. SMFF will be providing a listing of adjustments to follow up and has instructed the Mission to secure the backup documentation from the banks. SMFF believes, however, that in the case of \*\*\*, this may not be possible. SMFF is prepared to assist the Mission in resolving its reconciliation problems.

5.4.8 Subsequent to the audit visit, it was discovered that there was a misappropriation of funds, resulting in the LES Accountant being dismissed for cause.

## **Recommendations for the Mission**

**5.4.9 The Mission should focus its attention on addressing the bank reconciliation problems by securing the necessary bank**

documentation and drawing on the assistance of SMFF, whenever necessary.

- 5.4.10 The Mission should place the Accountant on the next LES Accounting course offered at Headquarters.
- 5.4.11 The Accountant should be closely supervised and his performance monitored.
- 5.4.12 All financial operations should be redistributed to the Accounts Section following resolution of the bank reconciliation issues.
- 5.4.13 Duplicate cheques should be produced by the Mission to facilitate the bank reconciliation exercise and produce a more complete audit trail.

#### **Mission Responses**

- 5.4.9 Agreed and on-going since November 2002. Various communications took place between MCO and SMFF. A letter signed by the HOM was sent to the bank on March 13, 2003. The response from the bank indicated that serious financial irregularities exist within the Mission Accounts.

Bank reconciliations will be prepared and sent regularly to HQ.

- 5.4.10 The LES Accountant has now been dismissed for cause and an investigation by SIVP was initiated in April 2003. A new LES Accountant was hired. SMFF provided a financial resource for two months to assist the Mission.
- 5.4.11 The Accountant had always been closely supervised and required unacceptable amount of monitoring. Performance unsatisfactory as a Senior Accountant. See comment above.
- 5.4.12 Agreed. Date to be confirmed. See comment above.
- 5.4.13 Agreed. Mission is now in the process of ordering duplicate cheques. Meanwhile, copy of all cheques printed are being made and kept at the Mission.



## Efficiencies

5.4.14 The efficiency within the Accounts Section could improve. To begin with, there are no set hours to serve clients and, as a result, the accounting staff are continuously being interrupted. By setting specific hours, say the initial three hours in the morning, the accounting staff would be able to better focus on inputting data into IMS and producing the cheque runs without interference. The interruptions currently distract staff and may be contributing to the high incidence of accounting errors being made.

5.4.15 Much time is wasted by the Accounts Section in chasing clients for information required to process a payment. Claims and invoices are often submitted for payment without the necessary backup documents. In consequence, the Accountant has to follow up the issue with the originator. Elsewhere in this report (see 5.1.18), the need for the Administration Program to have service standards is recognized. These standards also need to specify what is expected of clients before delivery of services can be effected in the manner and timeliness required.

5.4.16 The volume of cheques, which averages about 110 each month, could be further reduced through greater use of the petty cash and the introduction of credit cards (see 5.3.12). Currently, petty cash transactions are capped at \$50, whereas the rules allow for a ceiling of \$200 per transaction. By introducing credit cards and increasing the petty cash ceiling, the volume of cheques could be reduced, thereby decreasing not only the workload of the Accounts Section but also the requirement for obtaining numerous signatures.

## Recommendations for the Mission

**5.4.17 Set office hours should be established for the Accounts Section whereby the accounting staff have time each morning to focus only on their workload without having to service clients.**

**5.4.18 The use of petty cash should be encouraged to avoid having to write cheques for small payments under \$200.**

## Mission Responses

**5.4.17 Agreed. New office hours have been established.**

**5.4.18 Agreed. Effective April 1, 2003, the petty cash will be increased to \$2,000 with approved use up to \$200 per transaction.**

## **VAT Refunds**

5.4.19 Canada and Venezuela entered into an Agreement in December 2001 whereby Canada could be reimbursed the Value-Added Tax (VAT) of 15.50 percent the Mission paid retroactive to June 1999. The Mission hired two contractors to review its accounts to put together an application covering the period June 1999 to August 2001. On the 2436 invoices processed during this period, the Mission is expected to recover approximately 35 million Bolivars which at today's rate equates to over \$37,000. The Mission is currently capturing this information in GL 14022. No one individual is currently assigned responsibility to manage this account but this, in the Audit Team's opinion, should be assigned to the Assistant Accountant. It is important that the Mission make regular and frequent applications of the VAT refund, given the manner in which the local currency is quickly devaluating vis-a-vis the Canadian dollar. Currently, the government has set a minimum amount of 7,400,000 Bolivars before a VAT claim can be submitted.

## **Recommendations for the Mission**

- 5.4.20 Responsibility for collecting VAT refunds should be assigned to the Mission's Assistant Accountant.**
- 5.4.21 Regular and frequent applications for VAT refunds should be made to the Venezuelan government in light of the rapidity in which the local currency is devaluating.**

## **Mission Responses**

- 5.4.20 Agreed. The refund of our VAT has always been problematic. We submitted a request for a refund in the summer of 2002 without any response. We will of course keep trying but the response of the Venezuelan authorities to this issue is problematic.**
- 5.4.21 Agreed. Process was postponed due to local crisis. Re-initiated and a new claim from October 2002 to March 2003 was submitted in April 2003.**

## **Hospitality Claims**

5.4.22 Hospitality diaries were examined and found to be in generally good order. Hospitality is being used to meet program objectives. Most hospitality, except for the current HOM who uses the Official Residence extensively, is extended in restaurants. The objectives, benefits and evaluation sections of the hospitality forms are appropriately completed. The Mission has been accepting credit card evidence to support individual claims. The Mission has been advised that this is not sufficient

documentation and that claims should be supported with actual invoices (i.e. restaurant slips). The Mission is currently using hospitality guidelines established in fiscal year 2000-01. There is some indication that the per capita rates established at that time for the various forms of hospitality are no longer appropriate. The Mission has indicated that its per capita rates and hospitality guidelines will be examined.

### **Recommendation for the Mission**

**5.4.23 The Mission should review and amend its hospitality guidelines to ensure appropriate per capita costs have been established and to include instructions that all claimed hospitality is supported with adequate documentation.**

### **Mission Response**

**5.4.23 Agreed. This subject has been discussed at CMM meetings. The CBS will be reminded on a regular basis to ensure the proper accounting of their hospitality budgets. The rates for hospitality were reviewed in September 2003 resulting in no change.**

## **5.5 Information and Technology Management**

5.5.1 The MCO is responsible for the overall management of information and technology (IT). An LE-08 Systems Administrator (SA) effectively manages the day-to-day operations. The SA was trained in Canada in 1994 and 1999. The Mission staff are computer literate; however, there is no informatics training plan. CBS and LES have a high regard for the SA's abilities and expressed that service is good. The SA provides one-on-one coaching for mostly troubleshooting rather than classroom type training. The Personnel Officer, who has been trained by the SA, provides backup services whenever the SA is absent. The systems are running well; however, the SA said that an increase in band width would help to speed up online communications and internet/intranet connections.

5.5.2 All PCs were updated in 1999 with SIGNET 2000, with 41 PCs now connected to SIGNET. There are two standalone desktop computers and six notebooks. At the moment, there is no SIGNET remote access (although this is a point of contention with the IBD Program).

5.5.3 The Techserve listing is updated regularly. As a result of the fire at the old Chancery, the SA has decided to store backup data off-site. There is an IT Committee that met in November for the first time in a year. The IT Committee has a good cross representation of the Mission's staff and will examine all informatics issues, including hardware and software.

## **Recommendation for the Mission**

- 5.5.4            The Mission should develop an informatics training plan on an annual basis.**

## **Mission Response**

- 5.5.4            Agreed. In April 2003, Program Managers were requested to identify informatics training needs for their Section. A work plan will then be prepared by the LES personnel officer and approved by each Program Manager for implementation. A budget will also be committed accordingly.**

5.5.5            The Mission has a Technician (EL-5) who is also responsible for missions in Colombia, Jamaica and Cuba. The Technician ensures that telephone systems are working and that restrictions are in place, where required. The local telephone companies are not service oriented and are bureaucratic. MITNET works well.

5.5.6            The Technician provides support for C4, OCTEL and the secure fax. All related hardware and software are operational and used. The Technician provides some support to the RCMP representative as well.

## MISSION RESOURCES FACT SHEET

## Human Resources (FTEs)

PROGRAM	CBS	LES	TOTAL
HOM	2	6	8
General Relations	2	3	5
IBD	2	7	9
Immigration	1	3	4
Administration and Consular	4	13	17
RCMP	2	1	3
Total	13	33	46

There are Honorary Consuls in Margarita and Netherlands Antilles

## Physical Resources

ASSETS	OWNED	LEASED
Chancery	1	0
OR	1	0
SQs	0	12
Vehicles	6	0

## Financial Information (2002-2003)

Operating Budget	\$2,139,905
LES Salaries	1,730,047
CBS Salaries	1,174,351
Capital	186,300
Total	\$5,230,603