



**AUDIT
OF
THE CANADIAN CONSULATE GENERAL
DETROIT
MAY 2004**

**Department of Foreign Affairs and International Trade
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EXECUTIVE SUMMARY

An Audit of the Political and Economic Reporting and Public Affairs (PERPA), International Business Development (IBD), Consular and Administration Programs was conducted in Detroit during the period December 8 to 11, 2003. The Mission's Administration and Consular Programs were last audited in October 1995. The PERPA and IBD Programs were not audited at that time.

The Mission has a solid management team, good communications, and an active committee structure. Good IBD planning takes place, and the accountability framework is well established and used by all concerned. Administration is providing good support to all programs, and basic systems and procedures are in place and working well.

The HOM is well respected by staff. He has a wealth of experience, a good network of established contacts, and brings an extensive knowledge of issues and operations to the Mission. His frequent travel and other absences from the Mission have unfortunately limited his involvement in day-to-day operations. The Mission has therefore missed opportunities to leverage program initiatives and events, and an undue reliance has been placed on the Senior Trade Commissioner (STC) to act in place of the HOM.

The other challenges impacting on the Mission during the last year and a half include the reorganization of IBD workload following the loss of three LES positions as a result of the Enhanced Representation Initiative program and the stalled then cancelled Immigration competition. All of these challenges resulted in loss of staff morale with the attendant loss of momentum and initiative.

Assisted by renewed managerial vigour and business process improvement, the Mission is emerging from this difficult period with a strengthened sense of purpose and commitment that will enable it to meet objectives readily and to master future challenges. Before the foregoing can take place in its entirety, the Mission must undertake a thorough review of its funding levels to determine if they are in tune with its programming. As an important Great Lakes border mission and a first-rate professional organization, its staff should not be hampered by lack or inadequacy of basic operational and support tools and the related operational support budgets.

Headquarters participation and support will be necessary in such a review, and it will inevitably result in pressure, supported by solid business cases, for funding augmentation. In this respect, recommendations in this report will lead to funding requests, i.e. an Immigration reception and multi-purpose facility on the Chancery tower's ground floor; an incremental full-time Receptionist and Switchboard Operator position; and, a Consular Program interview booth on the Chancery floor.

A general recommendation is raised to Headquarters (SRD) to examine the use of two property management systems for staff quarters (private leased vs. Crown leased/owned) with a view to reducing or eliminating the equity disparities where both systems are used at a single mission.

Of the 25 recommendations in this report, 11 have been completed and 14 remain in progress.

SCOPE, OBJECTIVES, MISSION RESOURCES

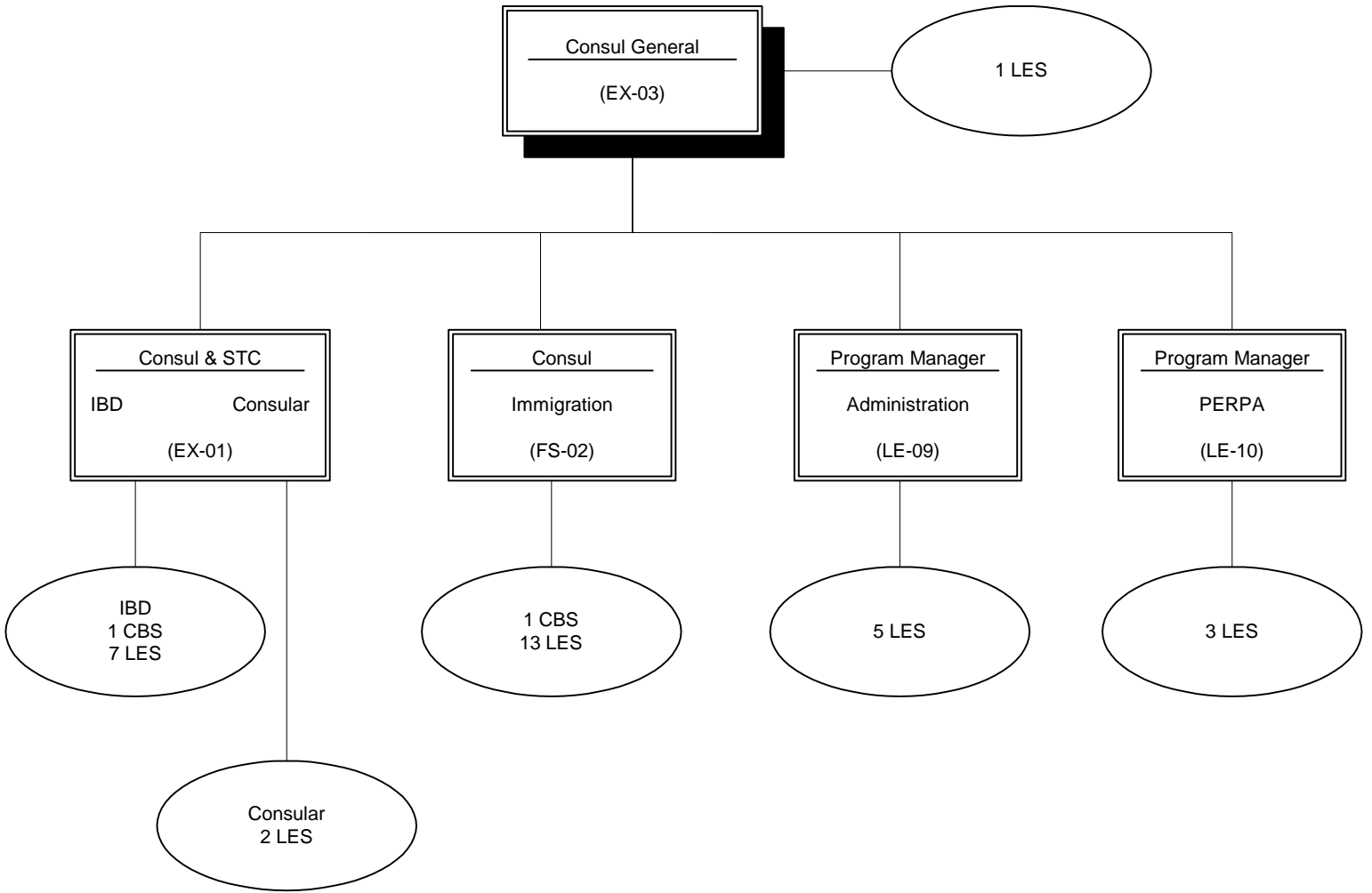
Audit Scope and Objectives

The scope of the audit included a review of Mission Management of DFAIT and other Government Departments and the Political and Economic Reporting and Public Affairs (PERPA), International Business Development (IBD), Consular and Administration Programs relating to the Consulate General in Detroit. An Appendix to this report lists by program the specific areas and elements that were examined during the audit.

The audit objectives were to:

- assess management controls and systems, procedures and activities that make up the programs;
- determine the extent of compliance with legislation, regulations and operating policies;
- assess the reliability and adequacy of information available for decision-making and accountability purposes;
- ensure resources are judiciously used and that the Department is receiving value-for-money; and,
- make recommendations, where warranted, to improve the economy, efficiency and effectiveness of programs.

Organization Chart



Physical Resources

Assets	Crown Owned	Crown Lease	Private Lease
Chancery		1	
Official Residence (OR)	1		
Staff Quarters (SQ)	2		2
Vehicles	3		
Parking		1	

Financial Information (2003-2004)

Operating Budget (N001)	\$1,287,000
Capital Budget (N005)	27,500
CBS Overtime Budget (N011)	1,600
CBS Salaries Budget (N011)	273,100
LES Salaries Budget (N012)	3,125,000
Total	\$4,714,200

MISSION MANAGEMENT

1.1 Overview

1.1.1 Detroit is a mission whose operations are dominated by the Windsor/Detroit border crossings, especially since 9/11. Almost any circle drawn with the Chancery at its centre would include part of Windsor, Ontario. Nevertheless, Detroit is a Canadian mission in the USA, although there is a tendency sometimes to consider it as a part of Canada. This misperception is understandable given that most of the LES (87%) are Canadian citizens resident in Canada, and that most of the Mission's issues and trade sectors are completely integrated across the border. Similar to other US border missions, the major programs are trade and immigration. Detroit is one of the four most important trade missions in the USA, and is responsible for the four-state territory of Michigan, Ohio, Indiana and Kentucky.

1.1.2 The Mission has a good committee structure (although the CMM could meet more often), and intra- and inter-program communications are good. Performance Management Agreements and Accountability Accords are in place and used, good trade planning is practised, and the Mission is in the process of developing a handbook that will include best practices for their principle lines of business, starting with investment. The handbook will serve as an aid in their performance management approach to improving business processes. The intent is to adopt a strategic focus, as opposed to the previous focus on activities. A visioning retreat was used by the HOM and program managers to establish priorities and realign workload.

1.1.3 The HOM is well respected by staff. He brings a wealth of experience and a good network of established contacts with HQ and OGDs, is very knowledgeable on issues and operations and has fostered good relations with his staff. His frequent travel and other absences from the Mission have unfortunately limited his involvement in day-to-day operations. The Mission has therefore missed opportunities to leverage program initiatives and events, and an undue reliance has been placed on the STC to act in place of the HOM. This has kept the STC closer to the office than he should be, has cut into the time he should be devoting to supervision of the consular program, and has detracted from his focus on the duties of the Trade Commissioner.

1.1.4 The other challenges impacting on the Mission during the last year and a half include:

- the reorganization of IBD workload following the loss of three LES positions due to downsizing as a result of the ERI program;
- the Immigration competition that was stalled for months then cancelled as a result of procedural problems; and,

- the resulting staff morale problems, with the attendant loss of momentum and initiative.

1.1.5 There is every indication that the Mission will emerge stronger and more capable of dealing with future challenges, given the HOM's and his management team's continued commitment to the Mission's improvement process, and support from Headquarters.

1.2 Budgeting

1.2.1 Numerous complaints were expressed by managers on the adequacy of Mission budgets. The size of the overtime, travel, hospitality, operations, and LES salary budgets were among those questioned. The general feeling was that the Mission continually seemed to be short of funds, and that as a professional organization, the basic tools of the job, mostly IT related, were either insufficient or outdated. The LES salary budget is funded by HQ at the mid-range of employee classification levels, whereas Detroit's LES are at the top of their levels. The Audit Team was told that the salary shortfall was partially covered by transfers from other Mission budget areas, and this was cited as part of the rationale for the stated shortage of funds. Headquarters (AAM) provided one-time funding to cover the balance of the shortfall.

1.2.2 The Mission obviously will not be able to accomplish its objectives if there is a disconnect between its programming and its funding. As an integral part of the management improvement process mentioned in Section 1.2.1, the Mission needs to extend its planning process to include an examination of all budget levels. There is also a possibility that the Mission's budgets were never properly set up in the first place. This examination is not one that can be left to the Administration Program alone, but should involve all Mission managers, especially the HOM. Where budgets are found to be inadequate, business cases to correct imbalances should be prepared and presented to HQ, with accompanying representations aimed at the appropriate management levels. In addition to the establishment of necessary levels of technological equipment and services, plans for its cyclical replacement should be included automatically. Similar treatment should be given to regular office equipment, vehicles, and any other item of common support expenditure that the Mission may have.

1.2.3 In addition to the foregoing budget review, there are recommendations in this report that will require the preparation of business cases aimed at generating the necessary funding, i.e. the immigration reception area, the Receptionist position, and the consular interview booth. Reclassifications recommended by the Classification Committee will have to be similarly justified and funded.

Recommendation for the Mission

- 1.2.4** As part of the management improvement process, conduct a review of all mission budget levels, and take the necessary steps to redress the imbalances found.

Management Action and Time Frame

- 1.2.4** The CMM will conduct a complete review of all Mission resources in relation to identified priorities for fiscal year 2005 by June 2004, taking into account HQ advice on revised reference levels.

1.3 Deputy Consul General Designation

- 1.3.1** Based on comparability with other IBD programs in the US (such as Atlanta, Boston, Los Angeles, Chicago) where the Senior Trade Commissioner position is at the EX-01 level, combined with the frequent need for the STC to fill in for the HOM, the Mission should consider designating Detroit's STC position as Deputy Consul General.

Recommendation for the Mission

- 1.3.2** In consultation with Headquarters arrange for the designation of the STC as Deputy Consul General.

Management Action and Time Frame

- 1.3.2** Preliminary discussions initiated with Headquarters. Target completion date - July 2004.

POLITICAL AND ECONOMIC REPORTING AND PUBLIC AFFAIRS

2.1 Overview

2.1.1 The PERPA Program has a team of long serving LES who are very capable and dedicated. There is good teamwork, mutual respect and a balanced workload. Cultural affairs and academic relations are assigned to one officer while political and economic reporting is handled by a second officer. The Program Manager takes the lead on emerging files and provides direction and support across the spectrum to the two officers. An assistant provides administrative and operational support to the three officers.

2.1.2 The program is responsive to tasking from HQ and provides regular reporting on high profile issues. It also serves the HOM's program by producing briefing notes, speeches and organizing events and functions. There is good integration and cooperation with other programs on such issues as trade advocacy, cultural affairs, and immigration and border initiatives.

2.2 Planning

2.2.1 The program would benefit from the introduction of more formal and rigorous planning efforts. Currently the PERPA plan identifies mostly projects and activities related to the Post Initiative Fund (PIF) and does not reflect the majority of staff effort. While some of the program's activities are reactive in nature, there remains many on-going objectives, events and initiatives that should be identified and tracked in annual program plans that indicate expected outputs, results to be achieved and resources assigned. This would allow priorities to be established and costs to be highlighted for all activities. Changes brought on by external tasking or unanticipated events could be factored in as they occur with plans being adjusted accordingly. This would provide a more meaningful management tool for the HOM and the PERPA Program Manager that could also be used to demonstrate total program results and resource requirements.

Recommendation for the Mission

2.2.2 Develop formal plans for all PERPA activities and related resources.

Management Action and Time Frame

2.2.2 Completed. PERPA staff have produced a formal plan outlining monthly activities in relation to mission priorities and related resources. PERPA Manager will ensure coordination/collaboration of monthly plans across all related Mission activities.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The IBD Program in Detroit has recently experienced an LES downsizing exercise as a result of the redistribution of resources associated with the Enhanced Representation Initiative in the USA. A term Business Development Officer was released and another officer and an assistant were laid off following the completion of a reverse order of merit process covering the entire program. Although morale was predictably affected, the exercise was viewed as generally fair and the STC's involvement provided credibility to a difficult process. Notwithstanding the downsizing, staff are motivated and interested in moving ahead. There is a high degree of respect and appreciation for the STC in terms of his leadership, participation in program operations and his accessibility.

3.1.2 Program planning is thorough and transcends to individual work plans. Officers understand objectives and the need to link activities to results in order to demonstrate success. While not systematic, events and activities are evaluated and plans are adjusted to reflect what is most likely to add value.

3.2 New Approach

3.2.1 While the New Approach principles are well understood and being applied, two important aspects that would enhance efficiency and effectiveness have not been willingly embraced. WIN tracking is minimal with system difficulties commonly cited as the major obstacle. Instead, contacts are being maintained on a database often along with company details and contact history. A valuable tool is being neglected which reflects poorly on the program since TCS uses WIN data to evaluate activity and as the basis for client surveys. As well, the benefit of availability of WIN data to all missions is reduced. The Program Manager has been encouraging WIN tracking with little success. To ensure compliance, usage needs to be regularly monitored and tied to performance ratings.

3.2.2 Under the New Approach, InfoCentres have been identified as a best practice. An InfoCentre would provide efficiencies by centralizing the receipt, recording, control and distribution of enquiries, and the maintenance of files, reports and other information for all officers. It would also facilitate the follow-up on WIN tracking. Officers action all of their own enquiries which takes up from 25% to 60% of their time. Routine enquiries and many of the low level responses required of other enquiries could be handled by the CAs. This would free up officers' time to be used in higher value-added activities. InfoCentre responsibilities could be assigned to the CAs under the supervision of the Trade Commissioner or one of the BDOs. Models exist of successful InfoCentre applications and guidance can be sought from TCS.

3.2.3 To reinforce awareness of HORIZON tools and best practices, periodic sessions could be held with all program staff to discuss specific topics, share experiences and decide on common approaches. In addition to increasing awareness, such activities promote buy-in and foster team building.

Recommendations for the Mission

3.2.4 Establish desired practices and management expectations for WIN tracking, and monitor staff compliance.

3.2.5 Establish an InfoCentre to centralize receipt and processing of enquiries and to coordinate other support services.

Management Actions and Time Frames

3.2.4 Officers and their corresponding BDAs will work closely to ensure WIN data entry is increased with respect to at least the Canadian client records by March 2005. STC will monitor implementation on a quarterly basis, with a view to providing a more accurate statistical record to Headquarters. All WIN data is scheduled for conversion to the new database program - referred to as eCRM - by Fall 2004.

3.2.5 With assistance of T-Branch in Headquarters, and from review of successful InfoCenters in other US missions, the implementation assessment phase is targeted for completion by June 2004, with full implementation by March 2005.

3.3 Trade Commissioner Job Package

3.3.1 Consideration needs to be given to broadening the job package of the FS-02 Trade Commissioner (TC). The STC's time is stretched in managing a staff of eight, managing the Consular Program and filling in for the HOM. The TC already has additional responsibility as the Mission Security Officer and has recently been tasked with investment duties. Other possible responsibilities that could be assigned are the InfoCentre as mentioned above and/or consular duties. While expansion of the job package would have to be balanced by reductions in trade activities, benefits derived would include enhanced development in management responsibilities and in areas other than trade.

Recommendation for the Mission

3.3.2 Develop an enhanced job package for the Trade Commissioner.

Management Action and Time Frame

3.3.2 Completed. The TC has received an enhanced work package as of December 2003.

3.4 Investment

3.4.1 An investment strategy and related plans are well developed with direction and input provided by the HOM and the STC. Primary responsibility for the investment file rests with the Investment Development Officer who handles the automotive file and the venture capital portfolio. The TC has recently been assigned investment responsibility for all areas outside of automotive. In addition each BDO is responsible for developing investment leads on a priority sector basis. Expectations as to the time and type of activity to be devoted to investment work on the part of BDOs need to be clarified. The comfort level of officers in understanding and engaging in investment work varies between officers. Formal investment training would be beneficial as would informal coaching and mentoring.

Recommendation for the Mission

3.4.2 Clarify and elaborate management expectations for investment activity, and provide investment training for all officers.

Management Action and Time Frame

3.4.2 In Progress. Investment development is being formalised into each officer's sectoral plans. STC will identify training modules for all officers, with a view to having the IBD team trained by end of the 2004/05 FY.

CONSULAR PROGRAM

4.1 Overview

4.1.1 The Consular Program in Detroit has two full-time LES officers reporting to the STC. Historically the program has not had focussed attention by management and until the recent addition of the second officer, the Senior Consular Officer has primarily been responsible for all operational aspects of the program. More involvement is required by the STC as program manager in the supervision of day-to-day activities and overall management of the program, despite his conflicting trade and mission-wide responsibilities.

Recommendation for the Mission

4.1.2 **The STC should devote more attention to the supervision of the Consular Program.**

Management Action and Time Frame

4.1.2 **Implemented. Formal meetings with consular staff are scheduled at mid-month and month-end. Daily discussions take place on consular files, workload, and issues.**

4.2 Work Plans and Activity Reporting

4.2.1 As with all programs, a formal work plan should be developed that describes objectives for the year, the initiatives and strategies to be undertaken and related costs in time and dollars. This would include items such as Contingency Plans which are currently being developed, a schedule of prison visits, liaison strategy, etc. This plan can then be used during regular meetings as a tool for managing the program and for the PM to stay involved by reviewing on-going casework and identified projects. Activity reporting by the Consular Officers has shown inflated values particularly in the areas of citizenship and arrests. This is due in part to the system allocating set standards for each case recorded. This will be rectified in 2004 when actuals only are used. The PM should nevertheless monitor the accuracy of time being reported.

Recommendation for the Mission

4.2.2 **Develop a work plan for the Consular Program.**

Management Action and Time Frame

4.2.2 **Consular work plan will be initiated as of May 28, 2004.**

4.3 Passport Processing, Asset Custodianship and Reconciliations

4.3.1 Control over passport assets needs to be improved. Both officers have access to passports and other assets ***. For accountability purposes there should be only one person officially assigned custodian responsibilities. Review and sign-off on passports is currently done by each officer on each other's work. This function is a supervisory control that is usually exercised by the PM. Reconciliations of passport assets are required to be performed monthly by the PM and quarterly by the HOM. At the time of the audit, reconciliation of passport assets to inventory records revealed discrepancies due to processing errors. Had regular reconciliations been conducted these errors would have been detected.

Recommendations for the Mission

4.3.2 Assign custodianship for passport assets to one officer.

4.3.3 Ensure that all passports are reviewed and signed off by the Program Manager.

4.3.4 Ensure that inventories are reconciled monthly by the Program Manager and quarterly by the HOM.

Management Actions and Time Frames

4.3.2 Completed.

4.3.3 Completed.

4.3.4 Completed.

4.4 Revenues

4.4.1 Consular revenues are collected by both officers, properly evidenced by issuance of official receipts and separately safeguarded in two cash boxes. Revenues are transferred once per month to Administration for bank deposit. Requirements under the Financial Administration Act require revenue deposit weekly ***.

Recommendation for the Mission

4.4.2 Remit Consular revenues for deposit weekly or more frequently *.**

Management Action and Time Frame

4.4.2 Implemented.

4.5 Reception - Interview Booth

4.5.1 There is no separate window in the reception area for consular staff to interface with clients. Staff either meet with clients in the reception area or try to communicate with them through the receptionist's cubicle. This situation exposes staff to undue risk when they meet clients in the reception area, and does not provide adequate privacy to clients.

Recommendation for the Mission

4.5.2 **Install a separate Interview Booth and access area for consular clients.**

Management Action and Time Frame

4.5.2 **In progress. Target completion date - Spring 2005.**

4.6 Training

4.6.1 The new Consular Officer has not received training and the senior officer having never had original training regarding passport issuance would also benefit from formal training.

Recommendation for the Mission

4.6.2 **Ensure that appropriate training is provided to both Consular Officers.**

Management Action and Time Frame

4.6.2 **In progress. The newly hired Consular Officer received the full two-week training session in Ottawa, mid-February 2004. The Senior Consular Officer and STC will identify training needs by June 30, 2004, and will implement during FY 2004/05. The STC, if deemed to remain the Consular Program Manager as well as assuming the responsibilities of a Deputy Consul General, should obtain some form of consular training in the upcoming FY.**

ADMINISTRATION PROGRAM

5.1 Overview

5.1.1 The Administration Program provides good services and support to the Mission's programs. The services include human resources, finance, property, and information technology. The Program is well managed and is led by an experienced and capable locally engaged Mission Administration Officer (MAO). Required systems and procedures are in place and roles and responsibilities are well defined.

5.1.2 The MAO has a major role to play in the mission-wide budget review recommended in Section 1.2.4. During this review where all Mission funding is to be scrutinized on a top-down basis, it is important that the MAO support Mission management in ensuring that balance is achieved between the Mission's plans and the common support reference level budgets set out in Appendix A. Where balance is not found to exist, the MAO's role will be instrumental in helping prepare the Mission's business cases aimed at redressing the imbalances. In this respect the MAO should devote particular attention to those items of common service support mentioned in Section 1.2.2, namely the budgeting for cyclical replacement and upgrading of information technology equipment, as well as of regular office equipment, vehicles, and any other item of common support expenditure that the Mission may have.

5.2 Immigration Program Competition

5.2.1 A competition in the Immigration Program to fill a LE-07 Non-Immigrant Officer (NIO) position was launched in the Spring of 2003, but was suspended and ultimately cancelled for procedural reasons. At the time of the audit the position had remained vacant for more than six months. There has been considerable dialogue between CIC HQ, DFAIT/HRL and the Mission regarding re-starting the competition. The Immigration Program manager stated that the services associated with the position are required, but CIC HQ have indicated that if the position remains unfilled, the position may be re-allocated elsewhere. According to CIC HQ, the rationale for such a reallocation would involve the fact that Detroit had passed the recent summer peak season without the services of the position, their statistics being down from past years, and therefore an unfilled position could be deemed an un-needed position.

5.2.2 A new competition process should be launched as soon as possible, delimiting the area of competition in compliance with the Locally Engaged Staff Employment Regulations. The MAO should consult with HRL regarding the exact wording to be used in the notice of competition.

5.2.3 The Mission believes that the classification of the position should be changed from NIO (LE-07) to Designated Immigration Officer (DIO), LE-09. The Mission's Classification Committee should review the proposed reclassification and

make the appropriate recommendation to the HOM. CIC HQ are not receptive to such a proposal, as they would have to fund the salary increase.

Recommendation for the Mission

5.2.4 Re-start the Immigration competition process, delimiting the area of competition in compliance with the Locally Engaged Staff Employment Regulations.

Management Action and Time Frame

5.2.4 In progress. Consultations are taking place between the Immigration Program Manager and CIC Headquarters concerning appropriate staffing action in light of projected caseload volumes. Any open competition will be restricted to persons legally residing in the United States. Target Completion Date - May 2004.

5.3 Classification Committee

5.3.1 Classification procedures in the past have been awkward owing to the small number of CBS at the Mission, and the fact that, in keeping with the Guidelines for the Application and Administration of the Locally Engaged Staffs' Terms and Conditions Regulations, "...at missions where there is no CBS Administration Officer, another CBS officer shall be appointed committee chairperson and member.", rather than the MAO, who is an LES. It has been agreed between the Mission and HRL that the MAO will consult with HRL to establish enabling provisions on an incumbent-only basis, so that in the interest of efficiency, he can chair the Committee.

5.3.2 The Mission should establish a formal, standing Classification Committee, whose duties would include:

- reviewing and updating all job descriptions and their classifications from the point of view of internal relativity;
- ensuring that all future classification actions are fully documented in the Mission's position classification filing system; and,
- as a one-time task, classify the unfilled Immigration NIO position (see Section 5.2.3), once Mission Management has decided on the level of responsibilities to be assigned to that position.

Recommendation for the Mission

- 5.3.3 Establish a formal, standing Classification Committee chaired by the MAO.**

Management Action and Time Frame

- 5.3.3 Completed - February 2004. HRL has provided authority for the incumbent MAO to chair the Committee.**

5.4 Receptionist Position

5.4.1 The Mission's previous receptionist and switchboard operator position was cut on March 31, 1996 during the downsizing period of the mid 1990's. Present reception and switchboard duties are shared on a part-time basis between the Driver/Clerk/Messenger, the Property Assistant, and the Administration Assistant. Only one of these individuals can provide bilingual services. When any one of these individuals is unavailable, the other two must do extra duty. All three individuals have other regular duties which require their attention elsewhere. Only administration staff share reception duties, except during administration all-staff meetings, when other programs' staff are tasked by special arrangement.

5.4.2 Notwithstanding the best efforts of the individuals concerned, the Mission is not well served by the present arrangement. Given Detroit's size and importance, a full time, bilingual receptionist/switchboard operator is required. In such a case, the Property and Administration Assistants could devote more time to their duties, as well as assisting the Accountant by processing additional financial transactions.

Recommendation for the Mission

- 5.4.3 Prepare a business case for the establishment of a full time bilingual receptionist/switchboard operator position, within the context of the Mission's budget review process.**

Management Action and Time Frame

- 5.4.3 In progress. MAO is preparing a job description for a bilingual information clerk to perform receptionist/switchboard duties as well as update and maintain messages on the Mission's self-serve telephone information system and the Mission website. Target Completion date - June 2004.**

5.5 Personnel Files Review

5.5.1 Although current file work is well done and the Administration Program has a good set of reference material and HR tools, a review of a sample of files indicated a need to verify certain HR transactions that took place during the period 1992 to 1996. All LES personnel files should be scheduled for review, with focus on the following:

- ensure that salary increments are granted in conformity with the Locally Engaged Staff's Terms and Conditions Regulations;
- ensure that layoff notice periods are properly set and files documented;
- consult with HRL to ensure that files are properly documented, and for advice and assistance in any case of over or under payment; and,
- ensure that any disciplinary action documentation is removed from the file after two years, if no further incidents have taken place.

5.5.2 HRL should be consulted throughout this process for advice and assistance, especially in any uncovered case of over or under payment.

Recommendation for the Mission

5.5.3 Conduct a scheduled review of all LES personnel files to determine if applicable regulations and HR procedures have been correctly applied, paying special attention to determination of increment dates and layoff notice periods.

Management Action and Time Frame

5.5.3 In progress. The Administrative Assistant is conducting a page by page review of each file to ensure proper application of the LES Regulations with respect to pay and increments. Action will be taken, in consultation with HRL, to correct documents and, if applicable, initiate a pay adjustment where errors are revealed. Target Completion Date - September 17, 2004.

5.6 Various HR Issues

5.6.1 **Overtime Rationalization.** For missions in the USA federal laws will generally apply; however, for certain employment conditions there may be superseding state-specific legislation or practice which must be researched before developing an equitable and consistent application of overtime policy. HRL is working on the issue

and Detroit and missions from other states will definitely be involved before a decision is made on the final outcome.

5.6.2 With respect to Detroit, the Mission has a small overtime budget, and there have been staff concerns expressed regarding its equitable distribution, and how and when overtime is allocated. The central issue is whether or not Detroit has appropriate budgets for LES and CBS overtime (see Recommendation 1.2.4).

5.6.3 **LES Committee.** The LES annually elect an individual to act as the LES Representative. That individual sits on the monthly CMM in this capacity. In the Audit Team's experience this practice is unique, and the Mission is to be commended. The Senior Systems Administrator is another LES who regularly attends CMM meetings, but only for that part of the meeting that is involved with IT matters. In addition to the foregoing, the Mission should encourage the LES to establish an LES committee, with representation from all programs.

Recommendation for the Mission

5.6.4 **Encourage the LES to establish an LES Committee, with representation from all Programs.**

Management Action and Time Frame

5.6.4 **Completed. HOM has discussed with the LES Representative, and the issue was raised at an LES meeting but deferred for further consideration. Mission LES devised the existing form of representation and Mission management is prepared to accept their decision regarding whether or not to adopt the committee structure.**

5.6.5 **Driver/Clerk/Messenger Position.** This job description should be reviewed with a view to its reclassification, given that the incumbent spends approximately 70% of his time in the office. The non-office salary scale based largely on a driver's duties should be retained in the event it should become necessary to retain the services of a driver, e.g. for a future HOM who may require a full-time driver. A new job description should be developed for the Driver/Clerk/Messenger based on his current array of largely office duties.

Recommendation for the Mission

5.6.6 **Develop a new job description for the Driver/Clerk/Messenger position.**

Management Action and Time Frame

5.6.6 **Deferred.** After consultation with Headquarters (HRL), Mission will not proceed with a new job description for the driver/clerk/messenger until the outcome of Recommendation 5.4.3, establishment of an information clerk position, is known.

5.6.7 **Training Plan.** The Mission is in the process of preparing a training plan, with inspiration drawn from its recent visioning retreat, and based on relevant provisions in the various Management Accords. The need for a specific, formal training plan has been indicated, and the Mission is encouraged to complete it as soon as possible.

5.7 Staff Quarters - Two Property Management Systems

5.7.1 The Mission has four SQs, two Crown-owned and two on private lease. The Crown-owned SQs are traditionally reserved for the Trade and Immigration Program Managers. The junior officers in each Program arrange private leases.

5.7.2 The salient issue emerging from maintaining two property systems is one of equity. For the CBS Program Managers the Mission looks after their SQs, while the junior officers have to deal with their private landlords. Two officers move into furnished SQs, another two have to seek out unfurnished private accommodation, then arrange to have their personal effects shipped to the Mission. In order to alleviate somewhat the disparity in service levels, the Mission from time to time provides some of the same routine administrative services to the private lease residences as it does to the Crown owned SQs, e.g. loan of lawn mowers.

5.7.3 Alternatives include moving to all private leases, or to all Crown-owned or leased accommodation. In both cases a property assistant would still be required for the Chancery and the OR. Having to look after an additional two SQs would not add greatly to these duties. Moving to all Crown managed SQs would involve either the capital costs or leasing costs of acquiring an additional two properties, while moving to an all-private lease arrangement would realize the sale revenues from the disposal of the two Crown-owned properties. The Mission is reluctant to dispose of the two SQs, as they are representational, and although very little representational activity takes place, ***.

5.7.4 Another alternative discussed with the mission is the private leasing of furnished corporate accommodation, mostly semi-detached or apartments. This would eliminate the house hunting trip and shipment of personal effects. These private leases are managed by firms specializing in providing furnished accommodation to private sector managers and executives on short term assignments in the area. Rent ceilings may have to be adjusted to accommodate this arrangement.

Recommendation for SRD

- 5.7.5 Examine the relative merits of maintaining two property management systems for SQs at US missions with a view to finding cost effective means to reduce or eliminate the equity disparities associated with maintaining the two systems at a single mission.**

Management Action and Time Frame

- 5.7.5 SRD plans to examine this issue in FY 2004/05 in close consultation with all stakeholders, including geographic bureaux and missions.**

5.8 Immigration Ground Floor Reception Area

5.8.1 During the peak summer visa period, immigration clientele and their accompanying friends and family members overflow the small 11th floor reception area, and jam the elevators and elevator lobbies. This raises safety and security concerns, and annoys other mission program visitors and other building tenants.

5.8.2 Following a review of alternatives with the immigration Program Manager, he came to the conclusion that a permanent reception and triage area was required on the ground floor. The proposal is to have permanently-established interview booths and an office on the ground floor, along with an appropriately sized seating area, which will also be set up as a multi-purpose area, to be used after hours and during the immigration off-season for activities such as seminars and displays. This space will be made available to other mission programs as required.

5.8.3 Given the space study data provided by SRSK, it is now up to the mission to prepare a detailed and costed business case, in consultation with SRD and ISD. Indications are that the new building owners will be receptive to such a proposal based on their own security concerns, and may be prepared to offer attractive leasing arrangements, as they are renovating the ground floor concourse and are interested in attracting new tenants. As the proposed reception area is multi-purpose, DFAIT and CIC may be able to negotiate a cost-sharing arrangement, based on the Mission's approved-in-principle business case.

Recommendation for the Mission

- 5.8.4 Prepare a business case for the proposed ground floor Immigration reception and multi-purpose area, for approval and funding.**

Management Action and Time Frame

5.8.4 Completed. On February 2, 2004 a request was sent to Headquarters (SRSK) to lease 250 M² of lobby-level space for the relocation of the Chancery reception room, which will also serve as the immigration pre-screening area.

5.9 Financial Operations

5.9.1 The finance function is well managed by an experienced and knowledgeable Accountant. The incumbent has been in this position for over 10 years and the Mission benefits from the continuity and corporate knowledge she brings to the job. The Accountant is supported by the Material/Property Assistant and Administration Assistant who have been assisting her with document input since the summer. The MAO oversees the function by closely reviewing monthly financial reports, signing payment documents and examining accounts at month-end.

5.9.2 The Mission manages an operating budget of \$1,287,000, and a total budget of \$4,714,200. The Accountant provides Program Managers with a series of IMS reports on a monthly basis, which Managers find very useful.

5.9.3 The Mission issues, on average, 148 cheques per month. Cheques are signed by two employees. Approximately 20 transactions are processed through electronic payments every month. The Mission maintains one bank account (US\$). There are three small petty cash funds for minor expenditures. All Canadian dollar cheques are forwarded to Headquarters for deposit. Canadian cash is deposited at the bank. Bank reconciliations are done monthly by the Accountant and are reviewed and signed by the MAO and HOM. Bank reconciliations are all up to date.

5.9.4 The Accountant manages a heavy workload. While this has been reduced since the redistribution of some of the IMS inputting, more should be delegated to the Material/Property Assistant and Administration Assistant once they are relieved of their receptionist duties. This will enable the Accountant to focus on her other areas of responsibility which include, but are not limited to, reporting and budgeting, development and implementation of financial procedures, provision of financial advice to Mission Managers, and staff and IMS training for the Assistants (who are capable but relatively inexperienced in financial inputting). It will also ensure back-up support when the Accountant is away as there is currently only limited back-up available.

5.9.5 Given the Accountant's heavy workload, she was granted access by the Mission to Signet Remote Access, including IMS approximately one year ago. The Mission did not seek authorization from Headquarters and this is not a general practice of the Department. The Mission should inform SMS and request departmental authorization if the current practice is to continue.

Recommendation for Mission

5.9.6 Request approval from SMS for the Accountant's IMS remote access.

Management Action and Time Frame

5.9.6 Completed. A request for approval was sent to Headquarters (SMS) on February 20, 2004, for consideration at the next meeting of the Department's Malfeasance Committee.

5.9.7 The Official Hospitality and Travel. Expenditures claimed by the HOM and a number of officers were audited. The Mission has an established official hospitality policy. Overall, hospitality and travel claims are in accordance with departmental policies. Hospitality diaries are completed for each function, and quarterly Hospitality and Expense Reports are submitted. In a number of cases, it was noted that travel authorities were not completed. The Mission should ensure that all travellers complete a travel authority and have it approved prior to their travel. It should also ensure that Section 33 is signed prior to processing of payments.

Recommendation for Mission

5.9.8 The Mission should ensure that all travellers complete a travel authority and request approval prior to their travel. It should also ensure that Section 33 is signed prior to processing of payments.

Management Action and Time Frame

5.9.8 Completed. Travel Authorities are approved prior to travel. Section 33 is signed prior to processing of payments. The MAO monitors compliance.

5.9.9 Contracting. A sample of contract files was reviewed. The Mission has established contracting procedures and a Contract Review Board. Files contained a signed contract, documented rationale for awarding the contract and an amendment, where required. Contracts contained, at a minimum, full contract amount, start and termination dates, method and basis of payment, statement of work and a clause limiting the Department's liability. Documentation on file indicated that contracts over US\$5,000 had been reviewed by members of the CRB.

5.9.10 Immigration Revenues. Appropriate controls are in place for the collection of immigration revenues. Deposits are entered in IMS, and the MAO checks these entries against POS+ reports. The Mission explored the possibility of arranging direct deposit by applicants at the bank; however, this initiative has not proved feasible. It is our understanding that generally the banking system in the United States is not amenable to this type of service.

Appendix

The following tables indicate the areas and elements of each program that were reviewed to determine compliance to policies and procedures and to assess efficiency and effectiveness. For each section and item listed, reference can be made to the specific audit guides on the SIX Web site. These contain the detailed audit criteria and audit procedures applied during the audit.

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

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

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

Mission Management

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

General Relations Program

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

International Business Development Program

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

Consular Program

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

Administration Program

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

Human Resources

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

Physical Resources

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

Finance

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

Information Technology

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