



AUDIT OF THE CANADIAN EMBASSY

LIMA (including LA PAZ)

November 2005

**Foreign Affairs Canada and International Trade Canada
Office of the Inspector General
Audit Division (ZIV)**

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EXECUTIVE SUMMARY

An audit of the General Relations (GR), International Business Development (IBD), Consular and Administration Programs was conducted in Lima, December 2 to 9, 2004. The spoke mission of La Paz was visited concurrently and comments on this mission are included in this report. An audit of the Administration and the Consular Programs was last conducted in Lima in March 1994.

The Mission is operating effectively with good communications between management and staff. The Audit Team found high morale among staff. There is a sound committee structure in place, appraisals are up to date and a training plan for the Mission is underway. Program objectives are being re-defined for inclusion in an overall Mission plan. There is, however, a need for a more formal structure to enhance monitoring and assessment of program performance and output.

The GR Program is performing effectively but would be enhanced through focussed strategic planning and more rigorous setting of priorities. A mechanism to ensure regular input and feedback by the Head of Mission (HOM) should be put in place.

The IBD Program is well managed evidenced by a sound planning process and an appropriate balance of direction and control exercised by the Program Manager. Focus is placed on pro-active initiatives, assessing results and maintaining a positive team atmosphere. An InfoCentre is in place that provides excellent support to the Program. Notwithstanding its performance, the Program's resource level is high in relation to the size of the market and the business environment, and needs to be reassessed by ITCan. One-third of a position is devoted to trade in La Paz. More benefit would be derived by establishing an Honorary Consul in Santa Cruz, the commercial centre of Bolivia.

The Consular Program is managed effectively with good controls in place and properly defined roles and responsibilities. Consular revenues and assets are properly secured and accounted for. Passport applications are reviewed by the Deputy Management/Consular Officer (DMCO); however, to enhance this control, the final review should be conducted once the passport is completed.

The Administration Program is led by an experienced Management/Consular Officer (MCO). The Program is highly rated for its client service. Communications within the Program are effective with both the MCO and DMCO accessible to staff. Plans are in place. Each Administration function has back-up provisions arranged, there is an excellent welcome package for new staff and a Memorandum of Understanding (MOU) has been developed for services provided to La Paz.

The Mission in La Paz is managed by the Canadian International Development Agency (CIDA) Program Manager. While there is good support provided

by Lima, there is a desire for clearer definition of, and training regarding, representational responsibilities. A Hub and Spoke Agreement is in place.

A total of 29 audit recommendations are raised in the report; 27 are addressed to the Mission and two are addressed to Headquarters (HQ). Management has responded to each recommendation indicating action already taken or decisions made, as well as future action. Of the 29 recommendations, management has stated that 25 recommendations have been implemented. For each of the remaining four recommendations, management has indicated the initiatives in progress or the intended future action.

SCOPE, OBJECTIVES AND MISSION RESOURCES

Audit Scope and Objectives

The scope of the audit included a review of Mission Management and the General Relations (GR), International Business Development (IBD), Consular and Administration Programs. The spoke mission of La Paz was visited to review FAC and ITCan Programs requirements. An Appendix to this report lists, by Program, the specific areas that were examined during the audit.

The audit objectives were to:

- assess management controls and systems, procedures and activities that make up the program;
- 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 Departments are receiving value-for-money; and,
- make recommendations, where warranted, to improve the economy, efficiency and effectiveness of programs.

Physical Resources - LIMA

Assets	Crown Leased	Crown Owned
Chancery	0	1
Official Residence	0	1
Staff Quarters	7	5
Vehicles	0	8

Financial Information 2004/05 - LIMA

Operating budget (N001)	\$1,418,000
Capital Budget (N005)	156,550
CBS Overtime Budget (N011)	23,500
LES Salaries Budget (N012)	1,514,000
Total	\$3,112,050

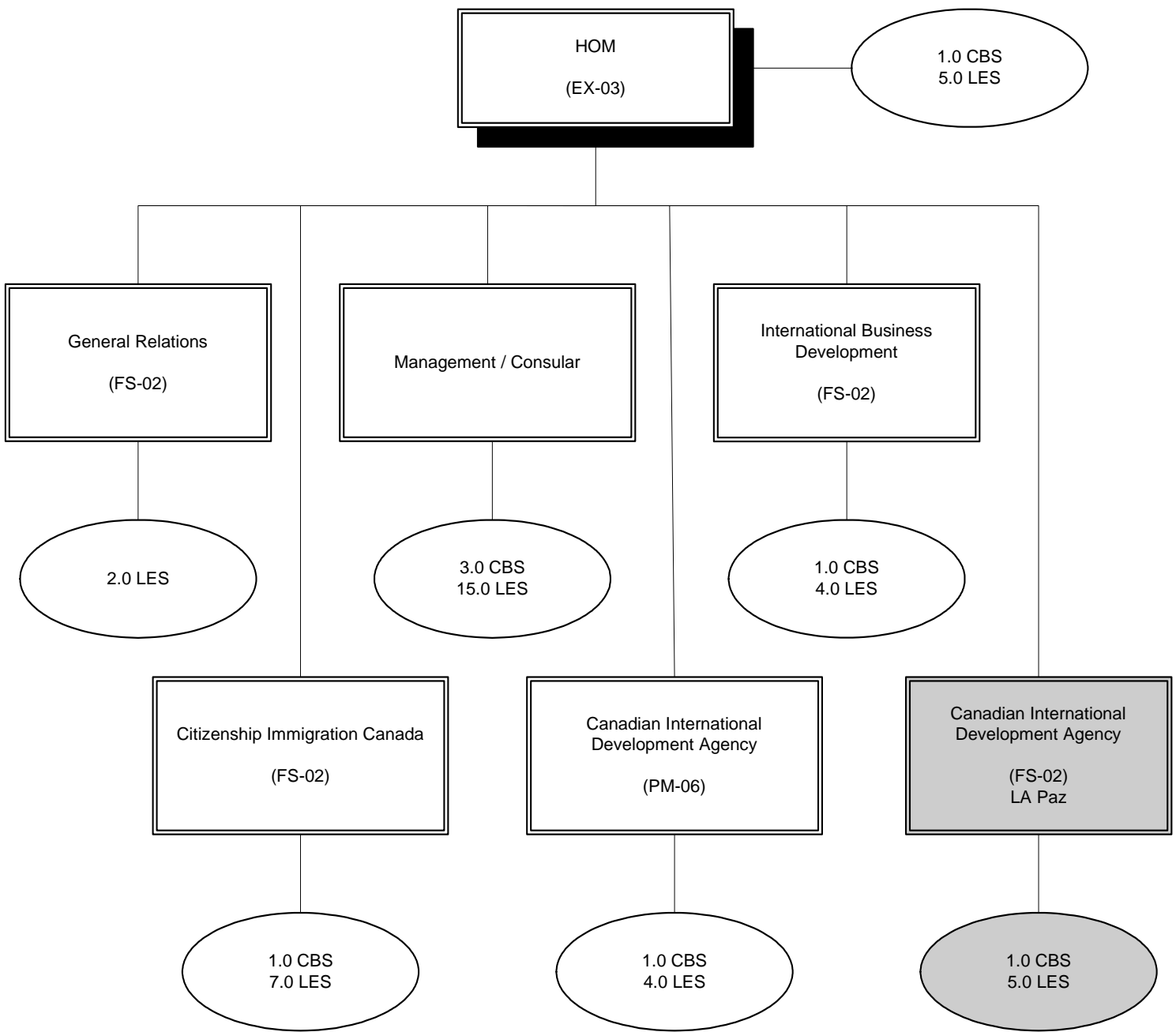
Physical Resources - LA PAZ

Assets	Crown Leased	Crown Owned
Chancery	1	0
Official Residence	0	0
Staff Quarters	2	0
Vehicles	0	1

Financial Information 2004/05 - LA PAZ

Operating budget (N001)	\$193,000
Capital Budget (N005)	12,600
CBS Overtime Budget (N011)	0
LES Salaries Budget (N012)	134,000
Total	\$339,600

Organization Chart



MISSION MANAGEMENT

1.1 Overview

1.1.1 This is a well managed Mission with a competent management team. The Mission has 13 Canada-Based Staff (CBS) and 37 Locally-Engaged Staff (LES). Communications are good between management and staff and between Programs. Morale is high and is reflected in effective program operations and the support and cooperation being provided.

1.1.2 The new HOM is currently discussing and establishing updated objectives with all Program Managers using the new PMP system. Annual planning is conducted by each Program submitting input to the HOM for review. This is then incorporated into a Mission plan which is circulated to Program Managers (PMs) for further review, finalized and sent to Headquarters (HQ).

1.1.3 The committee structure in place is sound. Committee on Mission Management meeting (CMM) are held bi-weekly to discuss issues, review past events and look ahead at future activities. The Head of Office in La Paz now participates via conference call. Minutes are kept and distributed to all staff. All CBS meetings are held monthly and minutes distributed to staff. The LES Committee meets with the HOM every three months or more frequently as required and all-staff meetings are held every two to three months. Other committees include Classification, Housing, Security, Occupational Health and Safety, Environment, Canada Fund, IT/Website, Emergency and a Contract Review Board. Appraisal completion including mid-term LES appraisals for new employees on probation, is monitored and tracked each quarter. A Mission-wide training plan is under development.

1.1.4 Direction is provided through the objective setting and planning processes. As well, there is regular communication between the HOM and PMs at the CMM and on an on-going basis. Plans are reviewed on an as needed basis and performance is formally assessed primarily through the appraisal process. Consideration should be given to a more structured approach for operational and performance review by establishing regular meetings between the HOM and PMs. These meetings would be scheduled to discuss plans and results achieved, for purposes of assessing performance and making required adjustments to strategies and plans.

Recommendation for the Mission

1.1.5 Regular meetings between the HOM and PMs should be established to review Program plans and performance.

Mission Action and Time Frame

1.1.5 Mission is currently implementing the new Performance Management Program (PMP) which will be used to establish objectives and measure performance for all staff. In conjunction with the use of the new PMP the HOM will meet regularly with Program Managers to review program plans and performance.

1.2 La Paz, Bolivia

1.2.1 The Mission in La Paz reports to Lima under an established Memorandum of Understanding (MOU). There are two CBS, a CIDA Program Manager and Officer. They are supported by five LES including an Administration Officer, a Consular Trade Officer, an Administrative Assistant, a Receptionist and a Driver. The CIDA Post Support Unit (PSU) is located on the same floor, however, in completely separate office facilities.

1.2.2 The Mission is well managed with capable and dedicated staff. There is good communication between staff and morale is excellent. Weekly meetings are held with staff, roles and responsibilities are well defined, back-ups for each position have been identified, appraisals are up-to-date and required training has been provided. The Mission is located in a modern high-rise office building. The office is spacious and well appointed and equipped. A secure air-lock is in place and building security has been upgraded recently.

1.2.3 The Hub and Spoke MOU between Lima and La Paz is well defined, clearly setting out the roles and responsibilities of each Mission regarding all aspects of management and operations. Approval of the MOU by CIDA is still outstanding.

1.2.4 While 90 percent of the Canada/Bolivia relationship is CIDA-based, representational work is required across all FAC and ITCan Programs. Both the Program Manager and the CIDA Officer cited the need for more training and exposure regarding these Programs, including management and administration requirements. Consideration also needs to be given to upgrading the diplomatic status of the CIDA Program Manager as Canada's representative in Bolivia.

1.2.5 Only two operational recommendations are raised. There is a need to improve the securing of petty cash funds and consular assets so that only the official custodian has access. This will not only protect the assets but more importantly protect staff. Original financial documents do not need to be sent to Lima for IMS input. Transmitting the monthly spreadsheet would be sufficient provided the MCO and DMCO check original documentation during visits to the spoke mission.

Recommendations for the Mission

- 1.2.6 Approval of the Hub and Spoke MOU should be obtained from CIDA.**
- 1.2.7 Custodial responsibilities for petty cash and consular assets should be clarified.**
- 1.2.8 Send the monthly spreadsheets for IMS input to Lima rather than the original documentation and ensure the MCO and DMCO check the originals when visiting the spoke mission.**

Mission Actions and Time Frames

- 1.2.6 The Hub and Spoke MOU has been approved by CIDA.**
- 1.2.7 Responsibilities have been clarified, the Mission has ordered three new security containers (safes); one will be assigned to the Consular Officer, one to the Head of Aid and one to the Counsellor and Vice Consul. The current safe will be used exclusively by the Administrative Officer for the petty cash, blank cheques and official receipts.**
- 1.2.8 The Mission prefers to continue having the documentation sent to Lima from La Paz with the bank reconciliations as more often than not, they are required to reconcile the monthly accounts as well as to verify IMS entries in Lima.**

GENERAL RELATIONS PROGRAM

2.1 Overview

2.1.1 The GR Program is led by an FS-02 in the final year of her posting and is supported by a team of two LES staff. The Program is responsible for Political, Public and Cultural Affairs in both Peru and Bolivia.

2.1.2 The Program is well managed with competent and dedicated staff. The roles and responsibilities for staff are well defined. One LES has responsibility for Public and Cultural Affairs while the other LES focuses on political researching and reporting and also provides assistance with Public Affairs. The Program provides translation support to the Mission, as required. The PM travels to Bolivia and within Peru, and works closely with neighbouring posts in support of regional interests and initiatives. In keeping with principles of life/work balance, overtime is kept to a manageable level.

2.1.3 Communications are good and frequent but could be more structured. The work environment and morale is good. There are good teamwork within the Program and between other Mission programs.

2.1.4 The Program needs to focus more on strategic planning and develop priorities and activity areas for the future. An approach needs to be found to ensure HOM input, direction and feedback are incorporated into GR planning and operations. A retreat/team building exercise could be used to facilitate this process. Thorough Accountability Agreements (PMAs) should be developed for the PM and staff, in close consultation with the HOM.

Recommendations for the Mission

2.1.5 Establish Accountability Agreements for the PM and staff.

2.1.6 Strengthen strategic planning for the GR program.

2.1.7 Accelerate development of a concrete action plan for the Program together with the HOM (including a broad range of Public Affairs activities).

2.1.8 Establish more structured Program monthly meetings.

Mission Actions and Time Frames

2.1.5 The Accountability Agreements for GR will be completed by the end of November 2005.

- 2.1.6 Workplans were prepared for the PM and the PA Assistant. A workplan for PA Officer will be prepared after hiring of new incumbent (May 2005). Public Diplomacy Strategy and Programming for FY 2005/06 was finalized May 3, 2005.**
- 2.1.7 The new PM arrived September 2005 and will be finalizing the action plans by the end of November 2005.**
- 2.1.8 Formal meetings now take place once a month with minutes available electronically.**

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The IBD Program is managed by a Senior Trade Commissioner (STC) (FS-02) who is in his final year at the Mission. The Program Manager is supported by a CB Trade Commissioner (FS-02) who also will be departing the Mission this summer. There are two LE-09 Commercial Officers and two LE-05 Commercial Assistants. The Program covers both Peru and Bolivia.

3.1.2 The Program is efficiently and effectively managed under the leadership of a highly knowledgeable and competent Program Manager. A positive team atmosphere has been successfully fostered within the Program evidenced by good morale and communications. Staff are capable and motivated. Responsibilities are well defined and expectations well understood. Accountability Agreements need to be developed for the Program Manager and all staff in close consultations with the Head of Mission.

3.1.3 The Program has good relations with other Programs in the Mission as well as a close working relationship with neighbouring countries. A regional approach has been implemented and should be strengthened.

3.1.4 The Program is given high marks for planning, direction and control. An annual retreat is organized and planning takes place with staff identifying results and priorities. The New Approach@Work has been implemented. While market access/advocacy takes a lot of staff time, there is a real effort to be more pro-active and to assess results. Services standards are being respected. The Program has initiated a number of projects that can be cited as best practices.

3.1.5 An InfoCentre has been established and is being refined and strengthened. The Program has identified some weaknesses with their informatics system. Tracking is still difficult because of bandwidth issues. It also experienced difficulties with Signet 3. The Program has identified budget problems mainly due to insufficient travel funding.

3.1.6 Two staffing matters need to be resolved. The status of one of the LE-09 positions needs to be regularised by confirming HQ funding. ***

3.1.7 On the resourcing side, it is difficult to justify present staffing levels of four Officers (two CBS and two LES) and two support staff for a Trade Program ranked at number fifty world-wide in mission rankings. In consideration of the difficult business environment much of the Program's efforts are devoted to market access and trouble shooting activities. Trade development prospects need to be considered by ITCan in the broader context of opportunities in South America and elsewhere.

3.1.8 The Trade Program is provided one third of a LE-07 position in La Paz to cover trade in Bolivia in addition to support from Lima. The resource is, however, not

fully utilized due to conflicts with other duties and insufficient training. The Trade Program would be better served with the creation of a Honorary Consul (Trade), based in Santa Cruz.

Recommendations for the Mission

- 3.1.9 Accountability Agreements should be developed for all trade staff, including the PM.**
- 3.1.10 Consideration should be given to replacing the one-third of a trade position in La Paz by the creation of a Trade Honorary Consul in Santa Cruz.**
- 3.1.11 In consultation with HQ, the status of the LE-09 Commercial Officer position should be resolved.**
- 3.1.12 *****

Mission Actions and Time Frames

- 3.1.9 All accountability agreements have been prepared for all trade staff including the PM whose own PMA is linked to the HOM's PMA.**
- 3.1.10 After consultation and careful review of demands for Honourary Consul services (Trade and Consular) in Santa Cruz, we have determined that such an appointment is not warranted at this time. However, should the situation change and Santa Cruz obtain more autonomy as a result of a referendum later this year we will review the situation. We are confident that the officer in La Paz, having received the Global Learning Training and closer guidance and oversight by Lima Trade Team, will be able to more proactively pursue trade opportunities and that closer follow-up will be carried out on behalf of Canadian clients. With Bolivia becoming one of Canada's 25 priority countries for aid some trade spinoff benefits may be generated making it necessary to maintain trade responsibilities in the consulate in La Paz.**
- 3.1.11 The term position of the LE-09 Commercial Officer has been extended until March 2006 and the Mission has been told that the issue will be addressed by HQ/TBX during a global LES resources reallocation exercise which will take place during this fiscal year. A strong business case has already been forwarded to MKS.**
- 3.1.12 *****

Recommendation for MKS

- 3.1.13 ITCan needs to consider present staffing levels devoted to the Trade Program as part of a wider assessment of trade development in South America.**

MKS Action and Time Frame

- 3.1.13 The Trade Commissioner Service recently launched its 2006 redeployment exercise. This exercise includes a review of trade positions overseas for possible redeployment to reflect changing market conditions, client interest and associated workload demands, and the departmental priorities as per the International Trade Canada Business Planning Framework and the Commerce Strategy of the International Policy Statement. Posts have also been asked to consider regional marketing dimensions that could integrate more than one trade program abroad on a hub and spoke basis. The changes suggested in the audit report will be considered in the context of this wider redeployment exercise.**

CONSULAR PROGRAM

4.1 Overview

4.1.1 The Program is under the general direction of the Management/Consular Officer (MCO) with daily supervision provided by the Deputy Management/Consular Officer (DMCO). The DMCO also oversees the Drivers/General Services and the Receptionist. The DMCO was not available during the audit as he was elsewhere in the country managing a consular case.

4.1.2 The Section includes an LE-08 Consular Officer and an LE-06 Consular Assistant. Both are knowledgeable and service oriented. As well as being responsible for Peru, the Mission processes passport and citizenship applications for La Paz and provides advice and assistance on difficult consular cases.

4.1.3 The Mission processes on average of 770 passports services per year, 275 citizenship applications and 560 notarial services. The Registration of Canadians Abroad (ROCA) indicates there are 940 Canadians in Peru. The Mission held its first Wardens conference in November, which Management deemed a success.

4.1.4 Passport applications are reviewed by the DMCO, who ensures original documentation is valid. The DMCO makes a final review before the passport is created and laminated. This review of original documentation, however, should be done when the passport is complete to ensure accuracy and validity.

4.1.5 The Mission recently started to use a cash register to improve control over consular payments; however, the Mission is not depositing revenues on a timely basis. Consular revenues should be deposited immediately when fees collected reach an equivalent of \$500. If the sum does not reach \$500, then the amounts must be deposited at least once a week.

4.1.6 The Mission has been delivering passports and citizenship cards to clients without having the client sign upon receipt. The Mission needs to implement a procedure to ensure clients are signing as proof of delivery.

4.1.7 While controls within the Program are considered good, improvements can be made by implementing the following procedures:

Recommendations for the Mission

4.1.8 The DMCO should undertake the final inspection when the passport is complete rather than prior to the lamination stage.

4.1.9 Deposit revenues weekly or when they exceed \$500.

4.1.10 Ensure clients sign for passports and citizenship cards upon receipt.

Mission Actions and Time Frames

4.1.8 DMCO is now performing final inspection of all passports.

4.1.9 The Mission has established a weekly schedule of deposits for consular revenues.

4.1.10 Clients are now signing for receipt of passports and citizenship cards.

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 The Administration Program is well managed, headed by an experienced AS-07 MCO. The MCO, while managing both the Consular and the Administration Programs, directly oversees the Property, Finance and Information Management functions. Managers and staff across the Mission and at the Mission in La Paz, expressed satisfaction with the services provided by the Administration Section. Both MCOs will be leaving in the summer of 2005 and the Mission will need to develop an appropriate turnover schedule.

5.1.2 Staff cited effective communications in the Program and that there is access to both the MCO and DMCO. The Section is well resourced, both in terms of staffing and funding. There is a good committee structure in place at the Mission.

5.1.3 Performance objectives have been established for both the MCO and DMCO. Planning is evident from the establishment of back-up arrangements, the excellent welcome package for CBS staff and the MOU with the Mission in La Paz. The Mission's Service Standards are to be finalized by December 31, 2004.

5.2 Human Resources

5.2.1 Staff indicated that morale is high in the Mission. The HOM has already met once with the LES Committee and they have agreed to meet on a regular basis quarterly. The DMCO is the training co-ordinator and there is a training plan for staff.

5.2.2 The Mission completed a review of personnel files prior to the Audit to update job descriptions and ensure staff appraisals are complete. The Mission submitted an updated LES Handbook to Headquarters for review. La Paz's benefit survey is also with HQ for review.

5.2.3 The Mission has a long-term contractual arrangement with a gardener at the Official Residence (OR) which represents a potential employer-employee relationship. The Mission has indicated this contract will not be renewed beyond December 31, 2004.

5.2.4 *** As there are a number of positions due for review and given the interest expressed, the Mission needs to conduct a classification review of all positions to ensure transparency and comparability.

Recommendation for Mission

5.2.5 Conduct a classification review of all LES positions.

Mission Action and Time Frame

5.2.5 The Mission will continue the classification review exercise with a view to completing all positions by March 31, 2006. The Mission has completed a review of all LES positions in the Trade Section and all positions in La Paz.

5.3 Physical Resources

5.3.1 The Physical Resources Bureau (SRD) is finalizing the purchase of a property to build a new Chancery. The current Chancery was built in 1967 and met the standards for earthquake-resistant construction at that time. Both Canadian and Peruvian standards have been revised since and the new Chancery will be constructed to meet these new building codes. SRD and the Mission will review proposed projects for the current Chancery to determine what, if any, should be completed in the interim.

5.3.2 Staff are suitably housed in the Mission's current portfolio of seven Crown-leased Staff Quarters (SQs) and five Crown-owned SQs. The units are well maintained and staff highlighted that the Property Section provides a high level of service. The Mission used the services of a realtor to assess the rental value of its leased SQs which is then used during renegotiations. This resulted in savings of \$11,000 during the previous posting season.

5.3.3 With the arrival of the current HOM this past summer, upgrades were made to the OR to improve its functionality and living space. The HOM is making good use of the facilities hosting breakfasts, dinners and receptions.

5.3.4 The Mission needs to consult with SRD regarding the following issues which are contrary to Departmental policy:

- The HOM has verified the Fine arts inventory but has removed the paintings from the OR walls.
- The HOM has exchanged a representational chesterfield set for one designated for an SQ.
- Internet services at the OR are provided by the Mission.

5.3.5 The Section generally maintains good files and records, though vehicle logs are not being completed for each official vehicle.

5.3.6 Work order requests are made to the Property Section by e-mail. For the occasional request made by phone or in person, the Property Manager notes them for action. The Mission needs to examine having pre-printed work order forms created to improve tracking and ensure the work is signed off by the client when completed.

5.3.7 The Messenger needs to be supplied with a locked box in which to safeguard cheques and other items.

Recommendations for the Mission

5.3.8 The Mission should discuss with SRD the appropriate course of action for the items highlighted in paragraph 5.3.4.

5.3.9 Complete vehicle logs for each official vehicle.

5.3.10 Develop a work order system to track and monitor all requests.

5.3.11 Provide a locked box to the Messenger to store cheques and other items prior to delivery.

Mission Actions and Time Frames

5.3.8 The Mission has discussed furnishings with SRPD advising that the current configuration is temporary.

New fine arts inventory has been prepared. All but two pieces have been hung at the Official Residence. The pieces that are currently not being displayed are in need of repair as the frames have been damaged by termites. Mission is in contact with SRMZ regarding repairs to this artwork.

Regarding internet services at the OR, the Mission has been in contact with SRMW and advised that a new revised policy is forthcoming.

5.3.9 Vehicle logs, are now placed in each official vehicle.

5.3.10 A work order system was in place which allowed for tracking of outstanding requirements. The Mission has implemented the use of a form which is completed by the Property officer for requests that are received orally by telephone or in person which ensures follow-up action can be taken on all outstanding requests.

5.3.11 The locked box has been provided to messenger position.

5.4 Finance

5.4.1 The Finance function is managed by the MCO. The MCO takes his responsibilities seriously and is actively engaged in controlling financial operations and monitoring the function appropriately. Day-to-day responsibilities are handled by an LE-

07 Accountant with the support of an LE-05 Assistant. The Mission has employed a part-time Assistant on a temporary basis to assist with filing and other administrative duties. Mission accounts are well organized and appropriate processes and controls are in place, including proper segregation of duties.

5.4.2 The Mission maintains three bank accounts: a US dollar account which serves as the main account, a Peruvian Soles checking account and a savings account used for immigration revenues. The Mission issues around 200 cheques per month and processes a few manual bank transfers per month. The Mission is in the process of closing the savings account since immigration revenues are no longer received through direct deposit. As of April 2002, clients no longer pay by direct deposit but rather through certified cheques to reduce the number of adjustments resulting from clients not requesting services after payment.

5.4.3 On a monthly basis, Finance produces a report from IMS listing immigration revenues for that month. The MCO and the Immigration Program Manager then conduct a reconciliation between IMS and POS+.

5.4.4 Bank reconciliations are appropriately reviewed and signed by the MCO and the HOM. The Mission has had difficulties submitting bank reconciliations on time, due in part to delays in receiving bank statements. The bank had been contacted to arrange faster delivery of these statements. The Mission needs on-line banking to view the bank account status and start its reconciliations sooner. Original bank statements must support bank reconciliations; however, online access would accelerate the process.

5.4.5 The bank is not consistently returning cancelled cheques, although the bank agreement stipulates cheques will be returned. The Mission is working with the bank to resolve the situation. In the interim, the Mission should ensure that photocopies are made of all issued cheques.

5.4.6 Travel and hospitality claims are generally well documented, though improvements such as providing more detail in evaluating events and providing a guest list are required. The HOM and the MCO have memberships with sporting clubs. The Mission needs to re-evaluate the benefit of these memberships to ensure value for money in achieving program objectives.

5.4.7 The Mission enters all transactions in IMS for La Paz. Once payments have been entered in IMS, and Lima has conducted the payment run, La Paz issues manual cheques which are signed by two employees, including one CBS. La Paz issues 30 to 50 cheques per month. Salary payments for employees are made through manual bank transfers twice monthly.

Recommendations for the Mission

- 5.4.8 The Mission should ensure bank reconciliations are submitted on time.**
- 5.4.9 The Mission should photocopy all issued cheques.**
- 5.4.10 The Mission should review the benefit of club memberships for CBS staff.**

Mission Actions and Time Frames

- 5.4.8 The Mission will make every effort to meet the established deadlines.**
- 5.4.9 Photocopy of cheques was implemented in January 2005. The Mission stopped this practice in April as the bank has started to return cheques to the MCO on a regular basis.**
- 5.4.10 The Mission has reviewed this issue. Effective January 1, 2005 the 50 % charge to the club fees for the MCO has been stopped. It has been determined that the benefit of the HOM's membership delivers a value for money in achieving mission program objectives.**
- 5.4.11 Other measures to improve efficiency and to enhance controls are recommended below.**

Recommendations for the Mission

- 5.4.12 Bank statements should be received directly by the MCO or the DMCO from the bank before they are transferred to the Finance section.**
- 5.4.13 The MCO should undertake spot checks of SA adjustments, in addition to his monthly verifications.**
- 5.4.14 During absences of the MCO, the HOM should delegate Section 33 FAA to the DMCO.**

Mission Actions and Time Frames

- 5.4.12 The bank has been advised to have statements forwarded directly to the MCO position.**
- 5.4.13 The MCO and the DMCO have undertaken spot checks of SA adjustments.**

5.4.14 The DMCO is being delegated Section 33 signing authority during MCO absences.

5.5 Information Management

5.5.1 The Foreign Service Information Technology Professional (FSITP) is responsible for the overall management of information technology. The FSITP is in the first year of his first posting and is benefiting from the support of an experienced Locally Engaged Information Technology Professional (LEITP). The FSITP would also benefit from a formal work plan with the regional manager which would set out goals and objectives.

5.5.2 Systems within the Mission run well and staff indicate they receive good service from the section. Prior to this year, the section consisted of two CBS positions; one SA and one EL. These positions were replaced by an FSITP and LEITP in the fall of 2004. The Section also serves La Paz, Panama and Quito.

5.5.3 The Signet 3 upgrade took place in May 2004. The Mission experienced technical difficulties following the upgrade; however, the situation is now resolved. The Mission is looking at the possibility of upgrading the Octel telephone system to create direct lines within the Mission and to direct Citizenship and Immigration Canada (CIC) calls more efficiently given their high volume. All calls currently go through the receptionist. The Mission may benefit from a switchboard to direct CIC calls or provide information on an answering machine.

5.5.4 The IT training room is not being used for its intended purpose. In fact, there is no informatics training plan for the Mission. This plan should be developed and incorporated into the overall Mission training plan.

Recommendation for SXSZ

5.5.5 In conjunction with the FSITP, develop a work plan setting out goals and objectives for the year.

SXSZ Action and Time Frame

5.5.5 The regional Manager will clarify the mandate, goals and objectives for the FSITP during his next site visit (summer 2005).

Recommendation for the Mission

5.5.6 An informatics training plan should be developed and integrated into the Mission's overall training plan.

Mission Action Plan and Time Frame

- 5.5.6** The Mission will develop a mission wide informatics training plan to be incorporated into the annual Mission Plan which will be updated in the fall of 2006 following the summer's rotation of CBS.

APPENDIX

The following tables indicate the areas of each Program that were reviewed to determine compliance to policies and procedures and to assess efficiency and effectiveness. For each Program listed, reference can be made to the specific audit guides on the Office of the Inspector General (ZID) Intranet site containing the detailed audit criteria and audit procedures applied during the audit.

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

During the audit, audit issues and lines of enquiry are further refined from information gathered through interviews with the HOM and Program Managers, a meeting with the LES Committee, individual interviews with staff, and results of 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 receive 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 (Political/Public and Cultural)

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

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	Materiel 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