



AUDIT OF THE CANADIAN EMBASSY

SAN JOSÉ (including Managua)

November 2005

**Foreign Affairs Canada and International Trade Canada
Office of the Inspector General
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EXECUTIVE SUMMARY

An audit of the General Relations (GR), the International Business Development (IBD), the Consular and the Administration Programs was conducted in San José from November 24 to 29, 2004. The spoke mission of Tegucigalpa was visited in September 2004 and is reported on separately. Managua, also a spoke mission, was visited during the audit of San José and is included in this report. The IBD, Consular and Administration Programs were last audited in February 1997. Two staff members from the Information and Technical Security Division (IST) joined the Audit team specifically to cover the security and information management functions within the Administration Program.

Overall, the Mission is well managed and operating effectively with an appropriate management control framework in place. Management is faced with reacting to present and potential future realignments of responsibilities in the region. The possibility of a regional reallocation is a serious issue for the Mission. While much of the regional review is CIDA driven, there is a risk that the region will end up with several small embassies/offices, none of which will have much critical mass. The Departments need to develop a broader strategy for Central America encompassing all business line programming before reallocation decisions are made. With new management in place, efforts are being directed towards developing new and more dynamic programming strategies as well as better priority setting to match existing resource levels. Goals and objectives for the Head of Mission (HOM) and Program Managers are being re-defined. Changes in reporting relationships with spoke missions will also need to be updated and agreed to. Internally, more emphasis is required on improving overall communications and team-building.

The GR Program is a two-Officer operation (one Canada Based Staff (CBS) and one Locally Engaged Staff (LES)). With a new Program Manager in place, timing is right to realign activities in support of renewed Mission objectives and priorities, including developing an integrated public relations plan that supports all Mission Programs.

The IBD Program requires an assessment of present resource levels in relation to wider regional ITCan objectives. The Program also requires more focussed management direction and oversight, including more thorough planning and establishing performance criteria and related monitoring mechanisms. Implementing an InfoCentre would help streamline processes and free up time for more proactive work.

The Consular Program is well managed and serves a large Canadian tourist constituency. Passport processing and documents are well controlled. The Registration of Canadians Abroad (ROCA) system is being updated and a Warden conference is being organized.

The Administration Program is well managed by the Management Consular Officer (MCO), who is supported by a Deputy MCO. Service provided by Administration is highly rated by Program Managers and staff. Support provided to the spoke missions is appreciated; however, more visits are requested. Social security issues for local staff need to be resolved and the LES Handbook updated. A separate report covering the security and informatics functions was issued by IST.

A total of 39 audit recommendations are raised in the report; 37 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 39 recommendations, management has stated that 21 recommendations have been implemented. For each of the remaining 18 recommendations, management has indicated the initiatives in progress or the intended future action.

SCOPE, OBJECTIVES, MISSION RESOURCES

Audit Scope and Objectives

The scope of the audit included a review of Mission Management and the General Relations, International Business Development, Consular and Administration Programs relating to San José and Managua. 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 - San José

Assets	Crown Leased	Crown Owned
Chancery	0	1
Official Residence	0	1
Staff Quarters	6	0
Vehicles	0	6

Financial Information 2004/05 - San José

Operating budget (N001)	\$784,000
Capital Budget (N005)	96,500
CBS Overtime Budget (N011)	8,100
LES Salaries Budget (N012)	484,000
Total	\$1,372,600

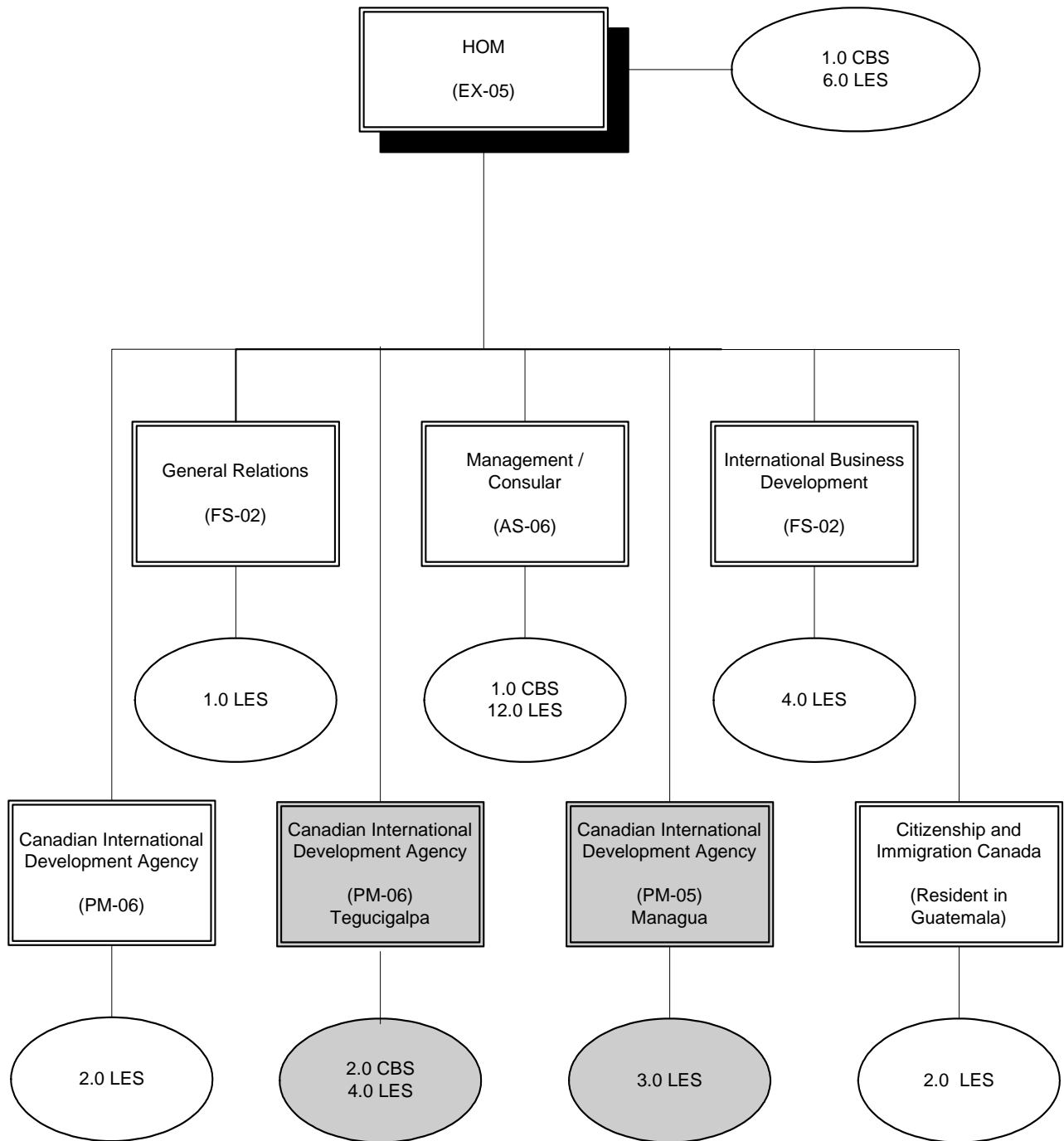
Physical Resources - Managua

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

Financial Information 2004/05 - Managua

Operating budget (N001)	\$140,000
Capital Budget (N005)	10,000
CBS Overtime Budget (N011)	0
LES Salaries Budget (N012)	47,000
Total	\$197,000

Organization Chart



MISSION MANAGEMENT

1.1 Overview

1.1.1 The Mission has been operating effectively with adequate management and control structures in place. Resource levels are sufficient across programs and administrative support is solid. The recently arrived HOM and GR Program Manager recognize the challenges the Mission faces regarding re-balancing its diplomatic representation and resources in the region, as well as the need to review the Mission's programming strategies and priorities.

1.1.2 The Mission's management structure includes weekly meetings of the Committee on Mission Management (CMM) where the HOM and Program Managers, including the spoke offices via conference call, share information, discuss issues and make decisions. Minutes are not taken. As a best practice, it is suggested that minutes or records of decisions be kept and distributed to all staff. This will serve as a record that can be referred to and will provide staff with a sense of inclusion, while keeping them informed of the latest developments and decisions. Other committees in place include the Housing Committee, Locally Engaged Staff Committee, Personnel Review Board, Contract Review Board, Occupational Health and Safety Committee and Web Committee. An Official Languages Representative and a Training Coordinator also exist.

1.1.3 The HOM is in the process of setting objectives and priorities (and will need input and direction from HQ) through development of a Performance Measurement Agreement (PMA). A formal objectives setting process is underway with Program Managers, including the spoke missions. The extent of documented planning varies between Programs and is commented on in the relevant sections of the report. Draft Memorandums of Understanding (MOUs) exist for Tegucigalpa, Honduras and Managua, Nicaragua but have not been approved by the Canadian International Development Agency (CIDA). An MOU is in place with Panama regarding IMS services. Support provided to the spoke missions is often seen as reactive. There is a need to thoroughly assess program and administrative support needs by all concerned.

1.1.4 Communications and morale are areas that management can address to enhance team spirit and improve operational integration and coordination between programs. All-staff meetings are rare. Regular monthly meetings would allow for information sharing and provide a venue for staff to ask questions and make suggestions. More participation by the MCO and HOM in the LES Committee is also recommended (see 5.2.2). The Mission should also consider various team-building initiatives to enhance morale and teamwork.

Recommendations for the Mission

- 1.1.5 The Mission should review and update its programming strategies and priorities.**
- 1.1.6 Minutes should be kept for committee meetings with CMM minutes distributed to all staff.**
- 1.1.7 The draft MOUs between the Mission and its spokes should be updated and approval sought by CIDA.**
- 1.1.8 The Mission should hold regular all-staff meetings.**
- 1.1.9 The Mission should identify appropriate team-building functions.**

Mission Actions and Time Frames

- 1.1.5 Implemented. The Mission reviewed and updated its programming strategies and priorities as part of the 2005-2006 Business Plan exercise which was submitted to HQ on February 25.**
- 1.1.6 Decisions approved at the CMM are followed up in writing by the means of e-mails or other documents and distributed as required. Such decisions are now posted electronically and are thus available to all staff.**
- 1.1.7 The Mission sent an e-mail to SMFF on November 1, 2004 regarding this question. The main obstacle to the MOU is that FAC and CIDA do not agree on the procedures regarding Canada Fund payments. The Mission has been discussing this issue at the corporate level with Common Services Abroad Planning and Coordination (SMC).**
- 1.1.8 The Mission has implemented quarterly all-staff meetings where each section describes briefly their main current activities. It is also the occasion for the LES to express concerns.**
- 1.1.9 The Mission will be consulting all staff shortly in order to identify team-building functions. Some ideas that were discussed are the following:
- annual gathering at the Official Residence;
- monthly Pub Nights for staff only.**

1.2 Managua

1.2.1 The Mission is comprised of one CBS, the CIDA Program Manager, and three Locally-engaged Staff LES, an Office Manager (LE-08), a Receptionist (LE-04) and a Driver. The Program Manager was away from the Mission during the Audit visit.

1.2.2 Until last year, the CIDA Post Support Unit (PSU) was co-located in the Chancery. The growth of the PSU and the costs associated with re-configuring the Chancery resulted in a move to another location. The Mission, with the assistance of San José, will be evaluating the viability of the Chancery remaining in its current location.

1.2.3 The Mission does not have a Consular booth and needs to construct one in the main reception. This will provide more privacy to clients and eliminate the need to bring clients into the operational zone.

1.2.4 The Mission currently does not provide back-up for long absences such as vacations for either the Office Manager or the Receptionist. The Mission should source a back-up to replace the Receptionist when absent or when the Receptionist fills in for the Office Manager.

1.2.5 With the departure of the PSU, the Receptionist now has time to take on other responsibilities. The Mission should examine the duties of both the Office Manager and the Receptionist to see which tasks can be re-assigned; for example, Registration of Canadians Abroad (ROCA) entry. This may allow the Office Manager to reduce overtime and devote more time to other functions such as political reporting. Following this examination, new job descriptions will need to be developed and submitted to the Classification Committee in San José for review.

1.2.6 The Program Manager participates by teleconference in the weekly CMM meeting with San José. Staff indicated that it would be useful to have a monthly meeting with the Program Manager to discuss the issues raised at the CMMs as well as other items.

1.2.7 Staff in Managua indicated that while staff in San José (the Hub) are accessible and supportive, they would welcome more visits to and from the Hub to improve communications and to receive training. As will be highlighted in paragraph 5.2.12, it is recommended that San José develop a Mission-wide training plan. This plan should incorporate the training needs of the Spoke missions to take advantage of visits, where feasible.

1.2.8 There has been a recurring problem with one of the MITNET lines becoming blocked as if in constant use. The problem was resolved temporarily but has returned. The Mission needs to inform HQ so that a remedy ticket can be opened and the problem addressed during the next visit of the FSITP (Foreign Service Information

Technology Professional). The Mission is scheduled to have its bandwidth increased from 64 to 128 Kbps in January 2005, which should improve access to SIGNET and reduce the frustration experienced by both staff and visitors.

Recommendations for the Mission

- 1.2.9 Construct a Consular interview booth in the reception area.**
- 1.2.10 Arrange for a back-up Receptionist.**
- 1.2.11 Review the job descriptions for the Office Manager and Receptionist regarding tasks to be re-assigned.**
- 1.2.12 Create a remedy ticket to inform HQ regarding the recurring problem with the second MITNET line.**
- 1.2.13 Develop a Mission-wide training plan and forward it to the Hub for inclusion in its training plan.**
- 1.2.14 Hold monthly meetings with all staff to discuss CMM and other issues.**

Mission Actions and Time Frames

- 1.2.9 Photos will be provided to ISRA for their analysis and advice in collaboration with SRSF. A trip from ISRA was also discussed in order to see first hand the location and constraints the Mission is facing.**
- 1.2.10 Two candidates have been identified that can be called in case of a need for emergency employment and/or to replace the receptionist.**
- 1.2.11 Job descriptions will be reviewed as required.**
- 1.2.12 The SSA in Managua is now able to reset the line without having to consult with Mexico.**
- 1.2.13 Most urgent need in terms of training in Managua was for the receptionist to receive English classes. This has been addressed and the receptionist is studying English after working hours and will do for all 2005. More comments on the training/strategy is given in section 5.2.12.**
- 1.2.14 As the Head of Office is now participating in the weekly CMM (through a conference call), the important (and non confidential) information discussed at these meetings is communicated to the staff in the spoke mission.**

GENERAL RELATIONS PROGRAM

2.1 Overview

2.1.1 The General Relations Program is headed by an experienced Officer who is newly arrived at the Mission. The Program Manager is supported by an LE-08 Public Affairs Officer with some administrative support provided by the HOM's Assistant. With a new HOM and Program Manager, the immediate objectives of the Program are to become current with local conditions, establish needed contacts and develop longer term strategies.

2.1.2 Preliminary goals and objectives have been developed for the Program including an outline of proposed activities, public affairs initiatives and Post Initiative Fund (PIF) projects. A Mission retreat was held for Program Managers including the spokes to define responsibilities and establish priorities. This initiative will be continued in order to develop a strategic plan that will address the deteriorating political situation and to define and promote Canada's interests in Costa Rica, Honduras and Nicaragua. Plans will then need to be refined to identify specific activities, time frame and outputs, including scheduled visits to the Spokes.

2.1.3 The Public Affairs Officer has a challenging array of responsibilities that include political reporting, cultural events, media relations, academic relations, public enquiries, and educational marketing. A more focussed workplan to consolidate her efforts is required for this Officer, that ties in with the Mission strategies being developed. More Public Affairs support to other Programs and integration across the Mission and Spokes are required.

Recommendations for the Mission

2.1.4 Develop a GR plan that ties into Mission strategic direction and includes detailed activities, outputs and time frame.

2.1.5 Establish an integrated public relations plan that supports all Programs and both Spokes.

Mission Actions and Time Frames

2.1.4 The GR Section co-ordinated preparation of the 2005-06 Mission Business Plan (February 25, 2005). Based on this plan the Mission then prepared its contribution to development of a "Central American Strategy" being coordinated by Caribbean, Central America and Andean Region Division (RLC) on April 8, 2005. This involved preparing specific objectives and activities for each one of the three countries that are the responsibility of the Mission. On May 5, 2005 the Mission provided the

HQ with a 2005-06 Public Diplomacy Plan that General Relations. These three exercises were fully coordinated with other Mission programmes and the other two Spoke Missions. These three separate priority setting and activity defining exercises constitute, together the GR Program plan as our efforts managed to bring coherence and consistency to all three initiatives.

2.1.5 Integrated Public Affairs plan will be prepared in consultation with other programmes. Preparation of such plan is usually a (spring) regional exercise for Latin America and Caribbean that is coordinated by HQ division LIA. The Mission does not have personnel nor financial resources that would allow planning and delivery of consistent Public Affairs activities in spoke missions.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM

3.1 Overview

3.1.1 The IBD Program is managed by an experienced Senior Trade Commissioner (STC) who is supported by two LE-09 Commercial Officers (COs) and two LE-05 Commercial Assistants (CAs). The Program includes Honduras and Nicaragua as part of its portfolio. Challenges facing the Program include: the level of leadership and managerial oversight, the level of resources devoted to questionable markets and the application of the Trade Commissioner Service's New Approach.

3.1.2 The level of resources in the IBD Program needs to be assessed in light of the existing and future trade opportunities in the three markets. Costa Rica is 65th in terms of trade volume with Canada, while exports to Honduras and Nicaragua are negligible. The business environment in Costa Rica is not advancing as hoped and is negatively impacted by the deteriorating political situation. The current uncertainty clouding the political, social and business environment in Costa Rica is expected to pass in the next year or following the instauration of a new government. Despite its current woes, Costa Rica remains the driving force of the economic, commercial and social development in the Central American region, and will continue to play an influential leadership role in regional integration. Costa Rica is the leading destination for foreign investment, attracting US\$ 582 million in 2004, and is increasingly positioning itself as the preferred centre for business, manufacturing and outsourcing alliances in the Central American and Caribbean region in addition to serving as a distribution and service hub for foreign, Canadian as well as Costa Rican companies.

3.1.3 The anticipated successful conclusion of the free trade agreement between Canada and the Central America Four (CA4) and the entry into its fourth year of application of the Canada-Costa Rica Free Trade Agreement (CCRFTA) are expected to enhance the interest and activity of Canadian companies in the region and create additional demands on the Program. The establishment of a Foreign Investment Protection Agreement with Costa Rica, the signing of a Memorandum of Understanding on Trade and Investment with other countries of Central America, and the launch of negotiations towards an income tax treaty with Costa Rica further enhance the trading relationship with countries in the region under the responsibility of the Program.

3.1.4 ITCan needs to consider the value-added of resourcing five positions in Costa Rica in relation to opportunities in other markets in this context. Part of this assessment should include consideration of regional coverage of all of Central America with one Program serving multiple countries versus the present model of several programs serving one or more markets. The advantage of consolidating coverage is to establish a large team in one location that will possess sufficient expertise, knowledge, training and systems including back-up and continuity. Working with minimal local resources in each market, the centralized team will have the flexibility to focus resources according to changing priorities and client demand.

Recommendation for MKS

- 3.1.5 Different resource configurations and delivery models should be considered for the IBD Program in Central America.**

MKS Action and Time Frame

- 3.1.5 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.**

3.1.6 The Program has a need for more focussed management direction and oversight. The Program is highly reactive covering a large number of sectors without specific strategies and related workplans for trade development and investment objectives. While Client Service Fund (CSF) projects are well documented per the departmental template, there is no formal trade development or corporate liaison strategy documenting short, medium and long term goals, objectives and expected results. A PMA between the HOM and the STC would be useful in providing direction and is recommended by ITCan. Further to this, a documented strategy would provide a basis for formulating accountability accords and workplans for the COs that incorporate all of their activities for the year. These workplans should identify expected results for each activity and indicate mechanisms to measure effectiveness.

3.1.7 While communications within the Program are good, more effort is required to monitor performance. There is a need for regular Program meetings to share information, review recent events and co-ordinate upcoming events. As well as establishing workplans, formal periodic reviews with each staff member by the STC would ensure that activities and results achieved are in line with Program goals and objectives and, where required, allow for changes to existing plans and priorities. These reviews should incorporate quantifiable outputs such as enquiries processed, tracked and followed-up, and outcalls made. Training requirements also need to be identified and addressed through available courses, in-house sessions and periodic team-building exercises.

3.1.8 The job profiles of and training for the CAs need to be brought in line with the established competency profiles. This would include duties associated with an

InfoCentre where more efficient processing of enquiries will ensure adherence to standards and free up Officers' time, provide research support and concentrate information holdings. Existing duties are primarily low level operational support and administration rather than trade activities and back-up to the Officers. Establishing an InfoCentre would also assist in focussing the efforts of Officers on higher valued proactive initiatives and better integrate the work of the CAs.

Recommendations for the Mission

- 3.1.9 A PMA should be developed for the STC.**
- 3.1.10 A Program strategy and individual workplans should be developed and encompass all trade activities and related resources.**
- 3.1.11 Mechanisms should be put in place to monitor operational and individual performance.**
- 3.1.12 An InfoCentre should be established and CA job profiles/training adjusted accordingly.**

Mission Actions and Time Frames

- 3.1.9 A PMA for the STC will be developed in accordance with departmental requirements and guidelines as soon as the pilot PMP - online becomes available.**
- 3.1.10 A more structured program strategy will be developed for the next fiscal year setting more specific goals and objectives for each of the key sectors, and individual work plans for all trade resources will be prepared to reflect activities to be undertaken, time frames, resource commitments and anticipated results.**
- 3.1.11 Formal and more regular mechanisms are being established to monitor operations and performance. Despite frequent absences of participants due to travel and outcall requirements, weekly meetings of all five section staff have been scheduled, and notes of discussions and decisions are being taken.**

Individual work plans for all section staff as outlined above will be monitored on a monthly basis to assess progress and results achieved.

- 3.1.12 The establishment of an InfoCentre is a priority for the Section. Over the last few months, the Trade Program Manager has held several consultations with Headquarters (TCS), other missions (Santiago,**

Caracas) who have implemented hybrid versions of the various InfoCentre models proposed on the Horizons site, as well as with program staff in order to evaluate the options best suited to the section's needs and abilities. Suggestions, advice and tools provided by other missions have enabled the section to improve some of the work procedures and processes. The recent on-site visit to the work InfoCentre in Caracas and direct practical experience gained by the senior assistant who will ultimately be responsible for San José's InfoCentre should enable the section to implement and accelerate changes in order to streamline enquiries, manage logistics and better conform to New Approach principles. Job profiles for the CAs will be adjusted accordingly.

CONSULAR PROGRAM

4.1 Overview

4.1.1 The Program is well managed by the Management/Consular Officer (MCO) and Deputy Management/Consular Officer (DMCO), who are assisted by an LE-08 Consular Program Officer and an LE-06 Consular Assistant. The DMCO is responsible for passports, whereas case work is shared between the MCO and DMCO. The Program is very busy with an estimated 60,000 Canadians travelling to Costa Rica every year. The Program is also responsible for Nicaragua and Honduras.

4.1.2 The Consular Program is currently in a period of transition with the recent departure of the Consular Program Officer on extended leave as well as the addition of a Consular Assistant position in 2004. The vacant Consular Program Officer position has been filled by the Administrative Assistant who has Consular experience and has received Consular and passport training. The assignment of responsibilities has been clearly communicated and both incumbents have adapted well to their new functions. Being new to the Consular Section, the Consular Assistant would benefit from consular and passport training.

4.1.3 The Mission issues approximately 975 passports and processes 315 citizenship applications per year. The passport process is well controlled with the DMCO approving all passports and reviewing all original supporting documentation. The passport inventory is properly secured. A working supply is signed out and properly secured in the Section. All passport assets were verified and accounted for at the time of the audit. Monthly reconciliations are prepared by the DMCO and, on a quarterly basis, are approved by the HOM.

4.1.4 The busy tourist season in Costa Rica is between December and April, at which time the Mission sees a significant increase in Consular cases. The Mission is working on updating the ROCA system and intends to develop a communication plan to promote the registration of Canadians. The Program recently updated the Consular Contingency Plan.

4.1.5 There are 11 wardens in Costa Rica. The Mission is planning a warden conference in 2005 as there has not been one in recent years. This will be a good opportunity for wardens to meet with the new HOM and Consular staff and to discuss roles and responsibilities.

4.1.6 Consular revenues are not being deposited on a timely basis and should be deposited either when fees collected reach an equivalent sum of \$500 or at least weekly.

Recommendations for the Mission

- 4.1.7 The Consular Assistant should receive consular and passport training.**
- 4.1.8 Consular revenues should be deposited weekly or when they exceed \$500.**

Mission Actions and Time Frames

- 4.1.7 The Consular Assistant will attend the next available course in September of 2005.**
- 4.1.8 Implemented. Mission makes two bank runs per week only as part of streamlining of operations/resources. Consular revenues are now normally deposited twice weekly and at the very least weekly.**

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 An experienced AS-07 Management/Consular Officer (MCO) heads this well run Administration Program. The MCO directly oversees the Finance and Information Management Sections and is the Mission Security Officer (MSO). The Deputy Management/Consular Officer (DMCO) supervises Property, Human Resources, Reception and the Drivers. The MCO and DMCO work well together and the MCO has been mentoring the DMCO who is on his first posting. Managers and staff indicated that they are well served by the Administration Program. Both the MCO and DMCO will be departing the post in the summer of 2005 and the turnover will need to be managed appropriately.

5.1.2 As with the Consular Program, administrative support is provided to the missions in Managua and Tegucigalpa. Draft MOU have been developed but not yet approved by CIDA. The Mission indicated that the issue of how payments are to be made for the Canada Fund has not yet been resolved between the two departments.

5.2 Human Resources

5.2.1 The function is well managed by the DMCO, with general oversight by the MCO. Generally, personnel files were found to be complete. Job descriptions and appraisals are up-to-date with the exception of Official Residence (OR) staff appraisals. Classification and staffing files are well documented.

5.2.2 An LES Committee is in place and meets as required. The MCO has met with the Committee only once, whereas the HOM has not yet met with the Committee. LES expressed concern over management's lack of communication on the issue of social security.

5.2.3 Entry into the social security program remains the LES's main concern. The issue has been ongoing for the past few years and the LES are not kept informed on the matter, nor are they aware of the Locally-engaged Staff Services Bureau's (HLD) recommendation. In September 2004, following consultations with Justice Legal Services Division (JUS), HLD informed management at the Mission that effective in 2005, all LES will be registered to Costa Rica's social security in conformity with local laws.

5.2.4 Under this program, LES will need to contribute 9 percent of their salary per year for at least 20 years before they can become eligible to receive a pension. Given that several employees are within 20 years of retirement, LES are concerned with the type of benefits that will be available to them upon retirement. The Mission is committed to working with HLD to resolve this issue by early 2005.

5.2.5 The LES Handbook is dated 2000; however, parts of the Handbook have been updated. A benefits survey was completed and the Mission proposed a revised life insurance plan and dental plan which were approved by HLD. The Mission is awaiting HLD's review of the proposed dependant allowance and meal allowance for OR staff. Once the issue of social security is resolved, the Mission will finalize the LES Handbook to reflect any changes.

5.2.6 The DMCO is the training coordinator for the Mission. Mission programs make use of training opportunities found locally and through HQ, but there is no formal, Mission-wide, training plan linked to Mission objectives.

5.2.7 There has been no interest from CBS spouses to fill the vacant Community Coordinator position. This position was filled by a spouse in the past. Administration has, therefore, taken over responsibilities such as updating the Mission Report, preparing the welcome kit for new CBS, and organizing school visits.

Recommendations for the Mission

5.2.8 Ensure OR staff are part of the annual appraisal exercise.

5.2.9 The MCO should meet more frequently with the LES Committee and the HOM should meet quarterly with the Committee, to ensure that issues are communicated and addressed by management.

5.2.10 In consultation with HLD, the Mission should resolve the issue of pension benefits for LES and ensure proper communication with all staff.

5.2.11 Once the issue of pension benefits is resolved, the LES Handbook should be updated.

5.2.12 Develop a Mission-wide training plan that prioritizes the Mission's training requirements and co-ordinates training efforts.

Mission Actions and Time Frames

5.2.8 In July of 2005, an appraisal report will be done for each OR staff and annually thereafter.

5.2.9 The LES staff is re-assessing the need to have an LES Committee. The HOM, the MCO and DMCO met with all LES staff at the end of December and regular quarterly meetings are planned for the future.

- 5.2.10 The Mission is giving top priority to this very complex issue with consultation with HLD. When the Mission has more details and information on the results of registering the employees to the social security, this will be communicated to the staff and their concerns will be taken into consideration.**
- 5.2.11 The draft LES handbook is up to date. Once the pension benefits issue is resolved and other proposed benefits are approved (based on recommendations made after the last Benefits Survey), the Handbook will have to be updated to reflect these changes and will be submitted to HLD for approval.**
- 5.2.12 Early next fiscal year, each Program Manager (including the spoke missions) will be required to submit training requirements for their respective section (language and IT requirements mainly) to the Mission training coordinator who will establish an annual training plan with appropriate funding.**

5.3 Physical Resources

- 5.3.1 An LE-07 Property Officer and a Handyman staff the Property Section. Work orders are used but the Property staff feel that to improve communications and clarify client expectations, it would be useful if the work orders identified service standards for the various types of work requested.
- 5.3.2 In May 2004, with the hiring of two LES for Citizenship and Immigration Canada (CIC), the Mission created a temporary processing reception area in the Cafeteria to accommodate CIC clients. The Mission and HQ are currently developing plans to reconfigure space on the lower floor, which will improve client flow and address security needs.
- 5.3.3 The other major property projects the Mission and SRD will be addressing are the duct work for the Chancery's HVAC system, which is deteriorating, and replacement of the carpeting.
- 5.3.4 The OR was refurbished in 2001 and functions well with a garden suitable for entertaining. The HOM indicated that, due to the freeway nearby, it can be quite noisy. During the visit, the HOM was verifying the fine arts inventory.
- 5.3.5 The OR has had security features added to deter break-ins. The HOM has concerns regarding access to escape routes in the event of earthquakes or fires. The Mission will be evaluating the use of fire escape doors with push bars rather than grills with locks as possible alternatives to address this concern.

5.3.6 Staff are well-housed in gated communities. The staff quarters (SQs) are well maintained and staff indicated that the Property Section provides good service.

5.3.7 Generally, property files were found to be complete; however, some contracts are in Spanish only. Contracts, particularly important ones such as security, should be in at least one of the official languages.

5.3.8 The contractor staff who water plants in the Chancery are not always escorted in the operational zone when performing their duties. The Mission should ensure either that there is an escort at all times or that reliability checks are conducted on the staff.

Recommendations for the Mission

5.3.9 Ensure contracts are in at least one of the official languages.

5.3.10 Submit the completed fine arts inventory to SRD.

5.3.11 Include service standards for the various types of work requested on the Mission's work orders.

5.3.12 Arrange with the contractor to have the reliability checks conducted for employee(s) responsible for plant watering in the Chancery.

Mission Actions and Time Frames

5.3.9 The most important contracts will be translated in English.

5.3.10 Fine arts inventory was submitted to SRD.

5.3.11 Mission has separated work orders in two categories - one for urgent work and one for routine work. Service standards have been established for these two types of work orders and the work order form has been updated to reflect that change.

5.3.12 In the near future, MCO/DMCO will communicate with the manager of the plant watering company to determine three employees allowed to water the plants at the Embassy. When the three employees are established, an ERC will be performed on each of them to give them unsupervised access in the operational zone of the mission.

5.3.13 Prior to the audit, the Mission received a new vehicle from Canada for the HOM. The Mission is experiencing difficulties in getting service as there is no dealer for this type of vehicle in Costa Rica. Neither the Mission nor HQ were aware of this

situation. Headquarters in future should ask missions to confirm that there is appropriate support for North American vehicles prior to shipping these types of vehicles to missions.

5.4 Finance

5.4.1 Finance is effectively managed by the MCO who is the Mission Financial Officer (MFO). The MFO appropriately monitors the function and is effectively engaged in controlling financial operations. Accounts are well maintained and bank reconciliations up to date. The Mission has an LE-08 Accountant and an LE-06 Assistant Accountant who support Managua, Tegucigalpa and Panama City as well as San José. Files are well organized and both Accountants are knowledgeable and service oriented.

5.4.2 Prior to the audit, the Mission reviewed SIV's Audit Guides and had addressed a number of issues:

- Completing form EXT-53 so that the DMCO has Section 33 signing authority.
- Updating the form for bank account signing authorities.
- Issuing Official Receipts to Passport clients.

5.4.3 While systems and processes within the Section are considered good, the following procedures should be implemented. Less critical observations were discussed with the MCO and DMCO during the audit visit.

Recommendations for the Mission

5.4.4 The MCO and DMCO should ensure that spot checks are conducted on original documentation during visits to the Spoke missions, since the Mission currently receives photocopies for input.

5.4.5 Request the bank in San José to send the monthly bank statements directly to the MCO.

5.4.6 Ensure blank cheques are securely stored.

5.4.7 Provide monthly reports of hospitality and travel budgets and the Post Initiative and Client Service funds to Program Managers.

5.4.8 Ensure that hospitality files include the purpose and evaluation of the event.

Mission Actions and Time Frames

- 5.4.4** **Implemented. This has been entered as a permanent item on the generic trip agenda for Managua and Tegucigalpa. The Mission is therefore planning to conduct spot checks each time they visit the spoke missions.**
- 5.4.5** **Implemented. The MCO now receives the bank statements directly to his e-mail address and certifies them as originals.**
- 5.4.6** **Blank cheques are stored in the accounting office. The accountants have been reminded to lock the office whenever they are both absent.**
- 5.4.7** **Implemented.**
- 5.4.8** **An e-mail was sent to Program Managers to remind them of this requirement. The MCO will be verifying that this requirement is adhered to before approving payment.**

5.5 Information Management

5.5.1 Information management is the responsibility of the MCO who is supported by a very competent Locally Engaged Information Technology Professional (LEITP). The quality of service is rated highly by clients. The Mission maintains an inventory of all hardware and software used and follows the guidelines for the disposition of classified, protected and unclassified information. An informatics training plan has been developed for all staff. An ITP backup has been identified and trained.

5.5.2 The following are the major issues and recommendations raised by IST as a result of their participation on the audit. More detailed coverage is available in IST's report which was sent separately to the Mission.

Recommendations for the Mission

- 5.5.3** **A contingency plan for emergencies should be developed with input from the MSO and Regional Systems Manager.**
- 5.5.4** **Arrangements should be made to have the web cache engine installed by the Foreign Service Information Technology Professional (FSITP) from Mexico.**
- 5.5.5** **The Mission should ensure that the LEITP is supervised at all times while working on Signet equipment.**

5.5.6 The Mission should install a fireproof safe for back-up tape storage.

Mission Actions and Time Frames

5.5.3 MSO has requested input from the RSM.

5.5.4 Done during last visit.

5.5.5 The MSO sent an e-mail to all CBS to remind them of the importance of this. This requirement is also entrenched in the LSSO that was sent to all CBS last November.

5.5.6 The Mission is investigating with ISRA the best way to purchase such a fireproof safe and have it shipped here.

Recommendation for SXD

5.5.7 The Mission should be notified by HQ whenever ITPs log on to Mission servers.

SXD Action and Time Frame

5.5.7 No changes are made on the Mission servers without informing the Mission. We will ensure this message is communicated to all ITPs for awareness purposes.

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