



AUDIT OF THE CANADIAN HIGH COMMISSION

WELLINGTON

Including the Canadian Trade Office Auckland

October 2006

**Foreign Affairs 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 Wellington and Auckland from March 14 -17, 2005. The Consular and Administration Programs were last audited in June 1994.

Wellington is well-managed. Although it is a small mission operating in a benign, first world environment, it is facing a number of challenges over the summer months of 2005:

- the landlord-forced Chancery move,
- changes to the Canada Fund that will affect Pacific Island operations,
- Head of Mission (HOM) changeover - especially if the successor is non-Foreign Affairs Canada (FAC),
- Oversight of Auckland if the new HOM has no Trade background, and,
- Proposed change of the Official Residence.

All of the above will require input and support in varying degrees from Headquarters to enable the Mission to maintain normal operations.

Given its three-Canada Based Staff (CBS) compliment and extensive multilateral tasking by Headquarters, Wellington operates largely in a reactive mode. To improve this situation a combination of co-ordination of tasking by Headquarters and pro-active planning by the Mission should be implemented.

FAC's management of the Canada Fund as inherited from CIDA could benefit from a review of Wellington's model of Canada Fund management for the Pacific Islands. This is a well-managed process that the Mission fears could be adversely affected by the Canada Fund changeover. One aspect of this changeover that will have to be addressed is***.

IBD operations in Auckland require more managerial oversight, provided by either the HOM in Wellington or possibly a Trade Program Manager in Australia. A sharper focus on trade priorities is needed, and preoccupation with Consular and Administrative matters should be avoided. While clients ***, the approach tends to be reactive, and focussed on the mature market priority sector of forestry and building products. Opportunities to shift resources to other sectors for greater return should be explored. Auckland's priorities for outcalls should be reinforced, and established outcall targets should be accomplished in order to improve effectiveness.

The trade program debate involving the Australian missions and Headquarters should be enlarged to include Auckland. The principle of a single market in Australia and New Zealand (NZ) for specific sectors has already been established with the Tasman Connection involving Auckland, Canberra and Sydney (see the audit reports for the

latter two missions). Auckland is already part of the Australia/NZ trade picture, as the Tasman Connection model continues to be developed and implemented. As indicated above, if the new HOM in Wellington does not have a trade background, then trade oversight will have to be provided from an Australian mission.

The trade office for New Zealand is well-situated in Auckland, the commercial centre of the country. It should remain so as long as trade development remains the priority activity. Trade access issues are best pursued in Wellington.

The Consular and Administration Programs are well managed by the Mission Administration Officer (MAO). Recommendations of a fine-tuning nature are raised having mostly to do with enhancing controls and updating plans.

In terms of the Mission challenges listed above, the Administration Program will bear the brunt of the Chancery move and the HOM changeover (ongoing over the summer of 2005), and the proposal for changing the Official Residence (OR). Headquarters help will be required during this summer period, and certainly the Chancery move and changing the OR could not take place at the same time.

A total of 36 audit recommendations are raised in the report; 31 are addressed to the Mission and five to HQ. Management and HQ have responded to each recommendation indicating action. Of the 31 recommendations addressed to the Mission, management has stated that 22 have been implemented. Of the five recommendations addressed to HQ, management has stated that one has been implemented. For each of the remaining nine recommendations addressed to the Mission and the four recommendations addressed to HQ, 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, International Business Development, Consular and Administration Programs. An Appendix to the 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 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 Departments are receiving value-for-money; and,
- make recommendations, where warranted, to improve the economy, efficiency and effectiveness of programs.

Physical Resources - Wellington/Auckland

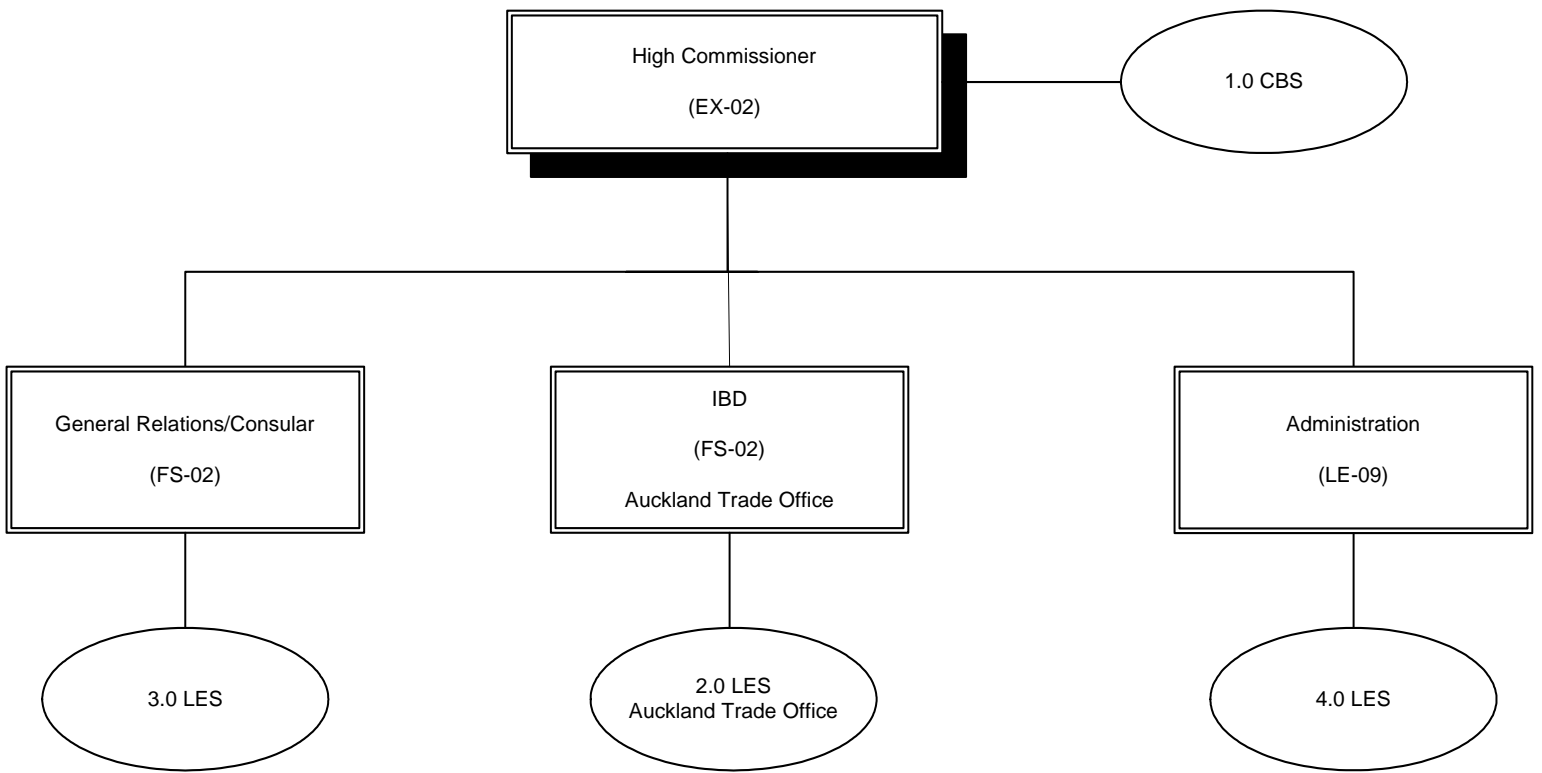
ASSETS	OWNED	LEASED
Chancery (Wellington & Auckland)	0	2
OR	1	0
SQs	0	4*
Vehicles	2	0

*Includes one Staff Quarter (SQ) for Other Government Department (OGD) secondees to NZ government

Financial Information 2004/2005

Operating Budget (N001)	\$703,561
LES Salaries Budget (N012)	434,200
CBS Overtime Budget (N011)	2,000
Capital Budget (N001)	20,000
Total	\$1,159,761

Organization Chart - Wellington/Auckland



MISSION MANAGEMENT

1.1 Overview

1.1.1 Wellington is a small mission in a benign, first-world environment, and operates within a traditional, 'old Commonwealth' context. For New Zealand operations, Wellington handles multilateral affairs, bilateral relations and trade policy (market access) issues, while trade development activities are carried out by the Trade Office in Auckland, the commercial centre of the country.

1.1.2 There is also a significant third-world, Pacific island dimension to Wellington's responsibilities. The Mission is responsible for five United Nations (UN) and Commonwealth member countries (Fiji, Kiribati, Samoa, Tonga and Tuvalu), and two protectorates administered by New Zealand (Niue and Cook Islands). Pacific island operations including overall management of the Canada Fund occupy approximately 25% of the General Relations Counsellor's time. The Canada Fund has three full time contractors and a budget of \$1.3 million. There is an Honorary Consul in Fiji.

1.1.3 Trade program delivery takes place in connection with a special arrangement with Canberra and Sydney, where for specific sectors the two countries are treated as a single market. Labelled the "Tasman Connection", each office has identified a priority sector, and assumed responsibility for it in both countries. Auckland is responsible for forestry/building products in Australia and New Zealand. The Tasman Connection is also covered in both the Canberra and Sydney audit reports.

1.2 Management Framework

1.2.1 Plans and activities are governed by the HOM's Performance Management Agreement (PMA) and the Mission Plan. Communications and morale in Wellington and Auckland are very good. The Committee on Mission Management (CMM) consisting of all staff meets every four to six weeks, with Auckland participating by speaker phone. An agenda is prepared in advance, and minutes are distributed to all staff in both locations, and various addressees in Ottawa. These meetings could be held more frequently, including special purpose meetings, e.g. on Locally-engaged Staff (LES) affairs. The other committees (Contract, Housing, Classification) meet on an ad hoc, as needed basis, given the size of the Mission.

1.2.2 The Mission is extensively tasked by Headquarters, mostly of a multilateral nature, and otherwise acts largely in a responsive mode. A concern is raised regarding the extent of proactive work a small mission without resource benchmark strength is able to perform. In such missions there is a high degree of multi-tasking, and little back-up capacity. In Wellington, planning for the small amount of Mission-driven activity that takes place is done informally and on a consultative basis between the HOM and the two program managers (GR/Consular and Administration).

1.2.3 Managerial oversight of the Auckland Trade Office is a concern, given the travelling times involved between the two cities - one hour by air and eight hours by road. Although the Senior Trade Commissioner in Auckland reports directly to the HOM in Wellington, the HOM nevertheless has to ensure that Auckland remains focussed on its trade priorities, and avoids preoccupation with other programs, i.e. Consular and Administration.

1.3 Current Challenges

1.3.1 The Mission is faced with the following challenges over the summer of 2005, all of which require input and support from Headquarters to enable the Mission to maintain normal operations:

- The Mission must complete a landlord-forced Chancery move before November 1, 2005, at which time the present Chancery premises must be vacated. New premises have been leased, and there is a Physical Resources Bureau (SRD) project in place to design the new office layout, fit-up the space, and manage the transition. Temporary duty assistance will be required to help manage the fit-up and move project;
- The transfer of the management of the CF from CIDA to FAC at half its current budget value is a concern for the Mission. It is unclear how this will affect Wellington's \$1.3 million CF budget, including funding for the three contractors. The question of greatest concern is the effect that a likely reduction would have on the Mission's ability to cover the Pacific Islands. ***;
- The HOM will be leaving the Mission at the end of his posting during the summer months. There is concern over having to incorporate a new HOM during the Chancery move, especially one who may be unfamiliar with FAC policies and operations;
- Also in connection with the HOM changeover, if the new HOM does not have a trade background, then oversight of Auckland will be doubly problematic. One possible solution would be to have the Senior Trade Commissioner (STC) in Sydney provide the necessary trade oversight and mentoring; and
- The question of changing the Official Residence has been raised in Headquarters. The utility of the present OR as an official hospitality site has been challenged, given its location at a considerable distance from the Chancery, and limited access routes to the Chancery (one road, or the ferry). The timing of such a project is an issue. In the short term, it would be extremely difficult for the Mission to change the OR during the Chancery move, while at the same time welcoming the new HOM. No concrete decisions have been taken with respect to the OR.

- The foregoing conditions illustrate the fact that the Mission will be fully occupied over the coming months dealing with externally generated challenges. Therefore, opportunities for undertaking creative initiatives and responding to other HQ tasking will be at a minimum.

1.4 Pacific Islands

1.4.1 As there is no resident CIDA program in Wellington, the management of the Canada Fund for the Pacific Islands falls directly on the HOM, with day-to-day supervision provided by the GR Program Manager. This is a rare situation where a GR Program has significant Official Development Assistance (ODA) funding tools (\$1.3 million) the deployment of which raise Canadian profile and advance foreign policy objectives. It also has two program and one support contractors to do most of the project field work, gather information and build contacts. By contrast, the Mission has a Post Initiative Fund (PIF) of only \$6,000 for New Zealand.

1.4.2 The Canada Fund operations are well managed. The two CF co-ordinators are experienced in islands affairs and regularly visit the islands. They provide very useful information and identification of contacts for the Mission during the course of their development project work. The projects are leveraged effectively, and otherwise constitute the main means by which the Mission covers the islands. In Wellington, a Consultative Committee is chaired by the HOM, and meets on a quarterly basis with the GR Program Manager and three external advisors acting as members. Project proposals are considered for approval, and minutes are kept that contain tasking and records of decision. The co-ordinators prepare detailed activity and trip reports.

1.4.3 Wellington's Canada Fund framework follows the CIDA model where ongoing operations are carried out by contractors funded from within the overall CF budget. The Department may nevertheless wish to use Wellington's framework, either directly or adapted, as a best practice for CF delivery under FAC management. Certainly there will be changes from the way CIDA delivered the program. Overall funding will be less, and it is uncertain whether contractors or LES will be used to deliver the program. In Wellington's case, ***.

Recommendation for RAD

1.4.4 Review Wellington's Canada Fund framework with a view to adopting applicable aspects as best practices for CF delivery under FAC management.

RAD Action and Time Frame

- 1.4.4** RAD is pleased to read that the Mission's Canada Fund for Local Initiatives' (CFLI) framework is exemplary and could serve as a model for others . As the Regional Strategy Division (RSS) is responsible for overseeing the transfer of responsibility of the CFLI from CIDA to DFAIT, as well as for developing an overall framework for the new management of the Fund, RAD has conveyed ZIV's observations to RSS regarding the Mission's model, and has recommended that it serve as guidance for the development of future best practices.

GENERAL RELATIONS

2.1 Overview

2.1.1 The General Relations Program is well-managed by an *** FS-02 Program Manager in an FS-02 position. She is also the Mission Security Officer (MSO), the Consular Program Manager, and acts for the HOM in his absence. General Relations duties are carried out in close conjunction with the HOM, and security duties with the HOM's Executive Assistant. The Mission recently hired a Political/Economic program assistant (LE-06) to work on a wide variety of Public Affairs, Academic Relations and reporting files.

2.1.2 The GR Program Manager's time is divided approximately 40% to a combination of Canada Fund (10-15%), Consular (5-10%), and Security/Public Affairs/Diplomacy (10-15%) duties, and 60% to political work, a large proportion of which is multilateral-World Trade Organization (WTO) in orientation. The bilateral part of the political work is a combination of New Zealand and Pacific islands files, many of which involve shared initiatives and exchange of information with the host government. New Zealand officials are a valuable source of information on the Pacific islands.

2.1.3 Canada, being a member of CANZ (Canada, Australia, New Zealand - a relationship that involves joint initiatives and sharing of coverage on security and other sensitive files), gives rise to Wellington's role as the communication point with the NZ Government on a wide variety of issues. Accordingly, priority communications traffic is approximately 95% incoming, 5% outgoing. As part of the "Old Commonwealth" relationship, the HOM and GR Program Manager, along with their British and Australian colleagues, enjoy a privileged relationship that involves ease of access and communications with the NZ Ministry of Foreign Affairs and Trade.

2.2 Planning

2.2.1 The GR work is largely reactive, and for the most part consists of multilateral tasking from numerous branches in HQ, and managing high level visits, two of which recently were cancelled after all the preparatory work had been completed. This pattern of activity leaves very little time or opportunity for Wellington as a small mission to plan and carry out pro-active work of its own design. There are no formal plans or performance measures in place, and planning is carried out on an ongoing, informal basis between the HOM, the Program Manager (PM) and the GR program assistant. To the extent possible the Mission needs to moderate the dominance of externally imposed agendas. A certain degree of Mission-driven pro-activity should be attainable once the current challenges have been addressed, and it should be set up on a formally planned basis in consultation with Headquarters. It should be emphasized that time and opportunity are required to implement a pro-active plan, and that some coordination of Mission tasking on the part of Headquarters would be in order. The Mission may also wish to consider judiciously pushing back on certain requests, citing

the presence of a firm set of priorities in Wellington, and only three CBS to carry them out. Similarly, the introduction of higher priority tasking should result in the bumping of lower priority tasking.

Recommendation for the Mission

2.2.2 Develop a results-based work plan that identifies objectives, activities, milestone dates and expected results.

Mission Action and Time Frame

2.2.2 The recently approved country strategy for 2006/07 is a results based work plan.

2.3 Public Affairs

2.3.1 The GR Section undertakes a wide variety of activities in the Cultural, Academic, Public Diplomacy and Media Relations areas, in coordination with PIF planning. Public Affairs planning takes place initially through the development of the annual proposal for the \$6,000 PIF funding, and the identification of upcoming events that can be used to enhance awareness of Canada and its values. The Mission leverages Canadian sporting, cultural and entertainment visits to generate profile, and has highlighted links between the aboriginal communities of both countries with three successful events.

2.3.2 The Mission produces a monthly political/economic report entitled “This Month in New Zealand”, which is primarily the responsibility of the GR Program Assistant. The report covers a range of files of interest to interlocutors in Ottawa, and benefits from the Program Assistant’s array of contacts in the NZ Parliament, and media.

INTERNATIONAL BUSINESS DEVELOPMENT

3.1 Overview

3.1.1 The Canadian Trade Office in Auckland is headed by a Senior Trade Commissioner (STC) who is supported by two locally engaged staff, a Trade Commissioner and a Trade Assistant. The Office is focussed on the IBD Program, especially trade development, as Auckland is the major business centre for New Zealand and site of almost all corporate head offices. The Office, once a full consulate, was closed and then reopened as a Trade Office.

3.1.2 A number of like-minded countries have recently been examining their trade presence in New Zealand. Some of the Nordic countries have left New Zealand and are covering the region based in Sydney. Others, primarily European, are focussed on market access issues and are therefore located in Wellington. Those countries that are focussed on trade development are all located in Auckland (US, UK, Japan, China).

3.2 Tasman Connection

3.2.1 The Canadian trade presence in New Zealand works under a unique model with our missions in Australia, called the Tasman Connection (named after the body of water separating the two countries - see the Canberra and Sydney audit reports). The “connection” is based on the premise that the two countries are treated as one market, and incorporates a prioritization of sectors together with an identification of the office that should handle that sector for both countries. Three sectors have been selected for trans-Tasman mandates: Auckland is responsible for forestry/building products; Sydney for Information Communication Technology (ICT); and Canberra for Biotech. This is an interesting model and experimentation with its possibilities should continue over a period of time under different managers. A results-based approach should be considered to see if the Tasman Connection is an effective and perhaps exportable model.

3.2.2 Headquarters and the Australia missions are currently debating reshaping the Trade program in Australia. One option being considered is that of Sydney becoming the Trade centre for the entire country, with Trade resources wherever posted all reporting to the STC in Sydney. This debate will need to be extended to include the role of Auckland within the Tasman Connection. In particular, if the next HOM in Wellington does not have Trade background, then mentoring and oversight should best be sourced from Sydney.

Recommendation for BOS

- 3.2.3** Review the Tasman Connection approach to the combined Australia/New Zealand market with a view to expanding its application, provided it continues to meet results based justification.

BOS Action and Time Frame

- 3.2.3** As highlighted in this report, the Tasman connection approach proves to be an effective way of insuring coverage of a market and developing communication between missions, increasing quality of services provided to clients and knowledge of Canadian interests and capabilities. Certain conditions must be met to ensure the success of such an approach. In collaboration with the World Markets Branch and other relevant DFAIT divisions, BOS will explore the possibility of developing best practices and generic models for the implementation of similar collaboration between missions, provided this model continues to meet results based justification, by the end of December 2006.

Mission Comments

- 3.2.3** The three HOMs (Wellington, Sydney, Canberra) and program managers met in October 2005 to discuss the Tasman Connection and agreed to expand the approach to include public diplomacy. This decision has already proven successful in the improved joint planning of senior level visits, and the public relations/promotions of the performing arts and academic relations. The three HOMs have also agreed to a meeting in the spring with trade commissioners to discuss individual IBD Plans, priorities, strategies and performance measures for the current and next fiscal year. These talks will focus on expanding the application of the Tasman Connection to other emerging sectors in the trade area such as energy.

Recommendation for WOA

- 3.2.4** Arrange for the provision of mentoring and functional guidance to the STC in Auckland by the Trade Program Manager in Sydney, in the event that the Wellington HOM does not have a Trade background.

WOA Action and Time Frame

- 3.2.4** The STC in Auckland and Trade Program Manager in Sydney communicate on a regular basis, ensuring close coordination of shared files and responsibilities. This close working relationship facilitates the exchange of ideas and guidance, and provides an experienced source of functional guidance to the Auckland STC. Regular meetings between the three Tasman HOMs, furthermore, contribute to close coordination on trade files among all Tasman missions, including Auckland. It is our view that the reporting relationship between the STC in Auckland the Wellington HOM should remain unchanged, given that market access concerns continue to be managed within New Zealand. Furthermore, the potential shift and re-shift of the reporting relationship - depending upon the trade background of the Wellington HOM - is not seen as advantageous for program continuity and coordination within New Zealand.

Mission Comments

- 3.2.4** Using the IBD Plan for Auckland, the HOM will work with the STC to set priorities and objectives for the team, and manage resources (both human and financial). As noted in the audit, the need to focus on emerging markets and the requirements to shift resources from forestry and building products to other sectors, and to establish targets for outcalls, are all activities that will be addressed in the IBD Plan and the strategy to accomplish these objectives.

3.3 Auckland Office

3.3.1 The Auckland office is focussing primarily on the Forestry and Building Technologies Products sectors and on the Cultural Industries sector. While Forestry is the key sector, it is also perceived to be a mature market, where key Canadian players are well established and need little assistance from the Office. There may be room to shift resources to other sectors for a greater return. The Office believes WIN statistics are low because there has been under-reporting due to the system being too slow. SIGNET 3 has improved speed and staff are using it more.

3.3.2 Although the staff are *** by the local business community, they have become somewhat office-bound. The STC is spending a fair bit of time administrating the office and the LES are primarily reactive, responding mostly to client communications. While *** is being provided to clients, if this office is to be truly

effective, it will need to refocus its priorities to ensure adequate provision is made for out-calls. The office has a target of two to four out-calls per week but staff are rarely making them. Auckland, as for most of our small offices, has a tendency to take on a broader range of work, especially in the Administration and Consular programs. Auckland should focus on its Trade work and leave the maximum amount of work from other programs with Wellington. The HOM will need to provide more hands-on attention and mentoring to Auckland to ensure that the Office remains focussed on where it can add highest value. The HOM should also ensure that Auckland's administrative workload is as light as possible.

3.3.4 CANZBA, the Canada - New Zealand Business Association, is a small group of about 50 members, with few Canadians but consisting mostly of local business people who do regular business in Canada. While there has been some collaboration with the Mission on events, CANZBA ***. The Mission should seek *** in promoting Canada/New Zealand trade activities.

3.3.5 The office space is well-designed, but situated in a building that is on the decline because its new owner is not maintaining it well. The building currently has four empty floors and the Mission may be paying "A" grade rent for a "C" grade building. One side of the neighbourhood is a bit tawdry but the neighbourhood is in transition - hopefully for the better. The lease expires in 2007, and this situation will need to be watched to see if better opportunities exist.

Recommendations for the Mission

- 3.3.6 Explore opportunities to maximize results by focussing on emerging market areas.**
- 3.3.7 Refocus outcall priorities, and adhere to established outcall targets.**
- 3.3.8 Ensure that Auckland's focus is concentrated on IBD priorities, and that Office attention devoted to Consular and Administration matters is minimized.**
- 3.3.9 Revitalize the Canada - New Zealand Business Association.**
- 3.3.10 With HQ, explore opportunities to improve Auckland's office accommodation.**

Mission Actions and Time Frames

- 3.3.6 In order to address earlier comments in the audit regarding the need to shift resources to emerging market areas, the HOM is working on a strategy to enhance relations between Canada and New Zealand in**

the areas of policy and trade. With regard to trade, we have worked with a consultant on a proposal to enhance two-way trade that is currently being reviewed by New Zealand Trade and Enterprise, MFAT, the New Zealand Trade Commissioner in Vancouver, and ITCanada. It has also been discussed with the Trade Program Manager in Sydney. The results of this study will identify emerging markets with the most appropriate industries/sectors to approach in an effort to boost bilateral trade.

- 3.3.7 A newly developed 'log' of planned and executed outcalls (similar to the format of Auckland's Client Service Log) will be used to monitor and manage this program of intelligence gathering. A weekly meeting between the Commercial Program Manager and Trade Commissioner will be implemented to ensure that the program remains on track.
- 3.3.8 Staff at the Auckland office have been advised to pass all immigration and consular queries to the correct office, immigration queries to Sydney and consular queries to Wellington. The number of visits per year by Wellington admin staff will be increased.
- 3.3.9 The Commercial Program Manager sits on the Executive Committee and regularly donates his personal time to the Association. CANZBA-sponsored events of any significance are almost always coordinated by the staff of the Auckland Trade Office. This consumes a great deal of time and, more often than not, hospitality and Client Service Fund (CSF) allocations.
- 3.3.10 The current lease expires in October 2007 and six months' notice is required by the landlord to *** (notice must be given by April 2007). The Mission's recommendation is for a move in 2007 to obtain a better quality space. A rent review in 2007 will undoubtedly see this landlord asking for A grade rent, for C grade office space.

The Mission's recommendation for a move was sent to SRD, on July 20th 2005. We believe we can find more appropriate accommodation in the Central Business District (CBD), for similar dollars.

Our current landlord is offering lease agreements for three years plus six monthly options to renew. A new major lessee, Flight Centre, will move out in 2008, leaving four floors empty. The concern to the Mission is over the quality of tenant the landlord will be able to attract. The building is not well maintained, is on the outer fringe of the CBD and the rent is extremely high for the quality of the building.

Short term leases in this area are often taken by language schools, not a prospect we would welcome as this often leads to groups of youngsters loitering near the entrance.

Many office spaces in the area have been converted to apartments and the expectation is that the landlord will convert the building to apartments when all of the agreements expire.

CONSULAR PROGRAM

4.1.1 The Consular Section consists of one CBS and two LES (one of which is a 0.5 Full Time Equivalent (FTE)). The Consular Program Manager (PM) is also the Head of the General Relations Section. She supervises both the Consular Officer and the Consular Assistant. The Assistant should report directly to the Consular Officer to allow for closer supervision and mentoring, and to reduce the span of control for the PM.

4.1.2 Roles and responsibilities related to prison visits, update of the contingency plan and passport inventory counts were not clear. A consular plan should be developed from which objectives can be set for the Consular Section, as well as roles and responsibilities identified for each employee in the Section. Prison visits in New Zealand should be conducted once every twelve months and an initial visit is required when a Canadian is first incarcerated. For any prisoner in the South Pacific Islands, for which Wellington is responsible, the standard is contact every three months.

4.1.3 The Consular Officer is *** and has received appropriate consular training. The Consular Assistant would benefit from additional training, and a plan to this effect should be developed.

4.1.4 The Registration of Canadians Abroad (ROCA) was last updated six months ago. The Mission indicated that while efforts are made to encourage Canadians to register when they visit the Mission, response rates are low. The Mission should explore options such as advertising in local newspapers to create awareness and encourage registration.

4.1.5 The Honorary Consul (HonCon) in Fiji is in regular contact with the Consular Officer. The HonCon is closely involved in Consular cases and ***. The Mission should update the Fiji Consular Contingency Plan, which was last updated in 2001.

Passports

4.1.6 Wellington processes all passport applications for New Zealand, and issues approximately 1,300 passports per year. There is good oversight of passport issuance by the PM. She reviews original documents and signs off on all passports issued. However, there is a *** with respect to passport blanks.

4.1.7 The Consular Officer is generally provided with a working stock of passports once per month. To ensure additional controls over passports, the PM should transfer a working stock to the Consular Officer twice per month as well as maintain a consecutive number log when providing the working stock, in order to match against passports issued.

4.1.8 At the time of the audit, it was unclear who was responsible for the monthly passport reconciliation. The monthly reconciliation should be conducted by the PM and the quarterly reconciliation should be conducted with and signed off by the HOM. Where possible, two employees should be present for passport counts.

4.1.9 While a monthly working stock of passports is assigned to the Consular Officer, the passports are shared between the Consular Officer and the Consular Assistant. There is no tracking done of passports assigned to the Assistant. When the Consular Officer is on leave, the Assistant has access to all of the Consular Officer's working stock. The Consular Officer should sign out a working stock to the Consular Assistant, as required. The Consular Assistant should be provided a safe to ensure adequate protection of assets.

Recommendations for the Mission

4.1.10 Assign the Consular Assistant's reporting relationship directly to the Consular Officer.

4.1.11 Develop a consular plan for the Section and identify roles and responsibilities for each employee.

4.1.12 Develop a training plan for the Consular Assistant.

4.1.13 Create awareness by and encourage registration of Canadians in New Zealand by such options as advertising in local newspapers.

4.1.14 Update the Fiji Consular Contingency Plan.

4.1.15 Transfer a working stock of passports to the Consular Officer twice per month, and maintain a consecutive number log to match against passports issued.

4.1.16 Reconcile passports monthly by the PM and quarterly with participation and sign-off by the HOM.

4.1.17 Issue a working stock of passports to the Consular Assistant, and provide a safe to the Consular Assistant to ensure adequate protection of assets.

Mission Actions and Time Frames

4.1.10 Implemented.

- 4.1.11** **Implemented. A schedule for prison visits during 2006/7 will be drawn up in early April. Except in special circumstances, mission personnel and financial resources will permit only one visit a year.**
- 4.1.12** **Implemented. In addition, all consular staff have received training in the operation of the new Mission Passport Print Solution (MPPS), Passport Management Program (PMP3) and Passport Office (PPTC) policy.**
- 4.1.13** **Advertisements in English and French encouraging registration of Canadians were placed in the main New Zealand newspapers.**
- 4.1.14** **Implemented in October 2005.**
- 4.1.15** **With all regular passports now printed in Ottawa, this recommendation is no longer applicable. Supplies of emergency and temporary passports are kept in the secure area and issued as required.**
- 4.1.16** **No longer applicable. Reconciliation of temporary and emergency passports are done on a monthly basis by the PM.**
- 4.1.17** **Issuance of a working stock of passports to the Consular Assistant and provision of a safe is no longer applicable since all regular passports are now printed in Ottawa.**

ADMINISTRATION PROGRAM

5.1 Management of the Program

5.1.1 The Administration Program, headed by an *** LE-09 Mission Administration Officer (MAO), is well managed and an effective operation. *** and there is a strong sense of team work. ***. The Section also supports the Auckland office, with quarterly visits by the MAO.

5.2 Human Resources (HR)

5.2.1 The HR function is well managed by the MAO. Personnel files were found to be well documented. These files contained both position and personnel information. Personnel files should be kept separate from position files. Personnel files included up-to-date appraisals, signed letters of offer, signed forms on Values and Ethics/Conflict of Interest, Enhanced Reliability Checks (ERC) as well as up-to-date EXT-208s. Proper procedures are followed to ensure ERCs are conducted before employees are taken on strength.

5.2.2 LES raised concerns regarding their position levels in comparison with those in our Mission in Canberra. They felt that Wellington's levels were lower than Canberra's, for comparable positions. The Mission should ensure that job descriptions are accurate, justify the position levels and are signed by incumbents and supervisors.

5.2.3 The LES Handbook was last updated in 1988. At the time of the audit, the MAO was updating a benefit survey that had been sent to Locally Engaged Staff Services Bureau (HLD) in July 2003 but never reviewed. The updated survey was to be sent to HLD by the spring of 2005. HLD should give priority to updating the LES Handbook for New Zealand.

5.2.4 There is no formal LES Committee in place although all employees are part of the CMM. The LES should meet as a committee to discuss HR and other issues. This could be done through CMM with a specified time allocation for LES issues. At the very least, discussions regarding LES issues should take place quarterly with the HOM.

5.2.5 While the fate of the Canada Fund remains uncertain, the Mission should address ***. ***.

Recommendations for the Mission

- 5.2.6 Maintain separate files for personnel and position information.**
- 5.2.7 Ensure that job descriptions are accurate, justify the position levels and are signed by incumbents and supervisors.**
- 5.2.8 Discuss LES issues with the HOM at least quarterly, either through a formal LES Committee or during CMM.**
- 5.2.9 Address the employer/employee relationship that exists with the CIDA contractors.**

Mission Actions and Time Frames

- 5.2.6 Implemented. Position information has been removed from personnel files and position files have been created. These files are stored in the MAO's safe.**
- 5.2.7 Implemented. All job descriptions are signed by the incumbent and supervisor. Job descriptions are accurate and mission is confident that the levels are correct. Significant changes to the position, job title or level are forwarded to HLD with justification and benchmark examples for their approval.**
- 5.2.8 LES Committee implemented. The committee felt that quarterly meetings were not required. LES meetings are held on ad hoc basis when there are issues to be discussed.**
- 5.2.9 Wellington Canada Fund budget has been reduced by 65% over the last two financial years. Mission will hire contractors for short term projects over the next twelve months to close off projects in some of the countries. Annex A will be completed for personal services contracts and we will endeavour to ensure that there is not an employer/employee relationship. Mission currently has two Canada Fund contractors: one co-ordinator and one administrator, both with contracts expiring on 31 March 2006. Mission plans to retain the services of the Canada Fund administrator. Without this contractor, we will lose much of the corporate memory of the administration of the Canada Fund. The level of risk has been assessed and mission is sure that no financial burden will fall to the Government of Canada through issuing this contract for one more 12 month period.**

Recommendation for HLD

5.2.10 Update the LES Handbook for New Zealand.

HLD Action and Time Frame

5.2.10 The method of benefits review, implemented in 2003 with the launch of the four-year schedule of review, advocates the comprehensive approach to benefits review rather than the old piecemeal system which tended to unduly hike the cost of benefits and consequent acquired rights. While in itself the review of certain benefits packages may sound easy to understand and implement, it is our view that it cannot be undertaken in isolation, without a review of the entire benefit package to assess any possible implication on certain other component of the package. We can appreciate your eagerness to have the comprehensive review completed and have it available to LES, thus your frustration at the delay on our part. Over the coming weeks and months, HLD with the new Director General joining this summer, will be working on a strategy on how to expedite the review and update of the LES benefits to assist mission management in the HR management of LES. In this respect, we will be able to provide missions on the waiting list with a time frame as soon as possible.

5.3 Physical Resources

5.3.1 The Property Section is well managed by the MAO, assisted by the Accountant. The Mission's Property Management Plan (MPMP) was completed, however minor updates need to be made to incorporate the most recent rent and security deposit amounts. Property files were found to be complete and up-to-date.

5.3.2 The upcoming Chancery move is the greatest challenge faced by the Administration Section at this time. Major renovations to be undertaken by the landlord have forced all businesses to move out of the current building. The new Chancery location has been selected, in consultation with SRD, and a rental agreement has been signed. Representatives from Project Implementation Services (SRPA) have visited the Mission and are providing assistance with the set-up of the new Chancery. The move is planned for October 2005. Given the increase in workload during this period, it is expected that the Mission may require temporary help to assist with the move or other administrative duties. The Mission should ensure that staff are provided with updates on the progress of the new Chancery and issues related to the up-coming move.

5.3.3 The OR has been Crown-owned for 57 years. It is distant from the Chancery, located in Lowery Bay at some distance from the Mission, and therefore not well situated nor much used for official representation. A few times per year, the main

road leading to the OR is closed due to floods and therefore requires that the High Commissioner take a ferry to reach the Mission. The OR requires major mid-life retrofit work and upgrades, which have been put on hold until a decision is made regarding the sale of the OR. The OR has been under review for some time for possible disposal. The OR should be seriously considered for replacement by one more centrally located.

5.3.4 The Mission maintains three Crown-leased staff quarters (SQs) in Wellington, which were found to be of good quality, well located and well maintained. The Mission also maintains one SQ in Auckland which is well located, however provides limited space for official representation. The occupant is provided with a club membership for official hospitality. The Mission should explore options for housing once the current occupant departs.

5.3.5 The Auckland Chancery is located in a building which is not well situated and has been poorly maintained by the landlord. Despite this "C Grade" building, the Mission is paying an "A Grade" rent. The lease will be up for renewal in October 2007. The Mission should continue with plans to explore other Auckland Chancery options in 2007 by taking advantage of the supply of good office space projected to be available at that time.

Recommendations for the Mission

5.3.6 Ensure that staff are provided with updates on the progress of the new Chancery and issues related to the up-coming move.

5.3.7 Update the MPMP to incorporate the most recent rent and security deposit amounts.

5.3.8 Explore alternatives for housing the Trade Commissioner in Auckland once the current occupant departs.

Mission Actions and Time Frames

5.3.6 Staff were kept fully informed on the progress of the move and all related issues.

5.3.7 Implemented.

5.3.8 For action in April 2008.

Recommendation for SRD

5.3.9 Review the OR situation with a view to replacing it with one more centrally located.

SRD Action and Time Frame

5.3.9 It is on the work plan, timing to be determined.

5.4 Finance

5.4.1 The Finance function is well managed by the MAO, assisted by the Accountant. Mission accounts are well organized and appropriate processes and systems are in place. Since there is no back-up Accountant, the Mission should designate a person to undertake this responsibility and provide appropriate training to this individual.

5.4.2 The Mission maintains good banking relations with Westpac Bank. The current branch, however, will be closing and the Mission will be changing branches while remaining with the same financial institution. The bank sends photocopies of all encashed cheques. Bank statements are handed daily to the Accountant, by the bank. It is recommended that the Accountant have read-only online banking capability and that monthly statements be sent directly to the MAO. Blank cheques are ordered by the Accountant and there is no log book to monitor cheque issuance. Blank cheques should be ordered by the MAO and a log book should be established and monitored by the MAO. Bank reconciliations are completed monthly and carefully reviewed by the MAO.

5.4.3 In this Mission, Section 33 signing authority has only been delegated to the HOM and the MAO as per FAC's new Financial Signing Authority Chart. Given the small number of CBS, this has presented a challenge for the Mission, in particular at times when the HOM is away. While the HOM may delegate Section 33 to the GR PM (CBS) during his absences, the Mission feels a case could be made to delegate this authority to the GR PM on a permanent basis. The Mission's current practice during HOM absences is to have the Head of the Auckland office approve all payments under Section 33 (documents are sent by fax). The Mission should consult with Foreign and International Banking (SMFF) and Corporate Policy Reporting and FIS Implementation (SMSP) to determine if a case could be made for a second CBS to have Section 33 signing authority in Wellington.

5.4.4 Assets *** are currently kept in a locked filing cabinet. While they are protected, a safe would provide a higher level of protection for assets such as ***. This will also address the current practice of transferring cash to the Consular Officer's safe when the Accountant has not been able to make a bank deposit that day. The

Accountant should ensure that once consular revenues are transferred to her, they are not transferred back to the Consular Officer.

5.4.5 Payments are mostly made by cheque. The Mission processes approximately 150 cheques per month. Salaries and rents are paid by electronic funds transfer (EFT). The Mission will look into increasing EFT payments, although the banking fee is the same for payments made by cheque or by EFT. The Mission recently discontinued making direct debit payments (automatic withdrawals) following correspondence received by SMFF. Rent deposits are currently being recorded as rent expenses. These should be recorded as security deposits to ensure appropriate tracking.

5.4.6 Most invoices for Auckland are sent directly to Wellington by suppliers. In a few cases, Auckland receives and sends them to Wellington. The Office in Auckland should have a stamp for Section 34 and sign under this Section prior to sending invoices to Wellington as opposed to having Wellington sign Section 34.

Recommendations for the Mission

5.4.7 Designate a back-up Accountant and provide appropriate training to this individual.

5.4.8 Provide read-only online banking capability for the Accountant, and have monthly statements sent directly to the MAO.

5.4.9 Arrange for the MAO to order blank cheques and to monitor cheque issuance.

5.4.10 Review Section 33 signing procedures in consultation with SMFF and SMSP with a view to delegating Section 33 authority to a second CBS in Wellington.

5.4.11 Provide a safe to the Accountant to protect financial and other assets.

5.4.12 Ensure that once consular revenues are transferred to the Accountant, they not be transferred back to the Consular Officer.

5.4.13 Record rent deposits as security deposits to ensure appropriate tracking.

5.4.14 Arrange for Auckland to sign Section 34 formally prior to sending invoices to Wellington.

Mission Actions and Time Frames

- 5.4.7 Back-up Accountant designated (LES Information Technology Professional (ITP)/Receptionist) and currently in Ottawa on training. Further on-going training will be given on return by Accountant.**
- 5.4.8 Mission is actioning this item with the bank. Read only access to the mission account has been provided.**
- 5.4.9 Future orders for cheques will be placed by the MAO. A log book will be raised and cheques will be signed out to the accountant.**
- 5.4.10 Counsellor now has Section 33 authority.**
- 5.4.11 Implemented.**
- 5.4.12 Implemented.**
- 5.4.13 Implemented.**
- 5.4.14 Implemented.**

5.5 Information Technology (IT)

5.5.1 The IT function is capably carried out by a *** Signet Support Administrator (SSA) (LE-05) who is also the Mission Receptionist. She is supported by the Foreign Service Information Technology Professional (LEITP) in Canberra, and the FSITP in Manila. The Regional Manager is in Singapore. The HOM Executive Assistant provides IT backup as she has had CS training. There is no regular back up for the reception duties, although the Consular Assistant fills in occasionally. Usually, whenever IT duties require the SSA to be away from the Reception desk, an ad hoc replacement is found.

5.5.2 Normally, a combination of IT and reception duties would be impossible owing to the continual interruption of the switchboard and the reception window. Fortunately in Wellington the reception duties are relatively undemanding generally, and some IT work is being done in the reception office. This work would be greatly facilitated if a cordless headset were provided to the SSA. Nevertheless, there are many occasions when IT work require the SSA to be away from the reception office, and each time a replacement on the reception desk must be found. It would be expedient if a regular schedule could be set up for this work, including quiet time for IT precision work requiring uninterrupted concentration.

5.5.3 The SSA ***. Always willing to help, sometimes she can be overburdened with requests. The Locally-engaged Information Technology Professional (LEITP) in Canberra has counselled her with respect to dealing with requests, emphasizing that her workload should be confined to SIGNET software and hardware. Such advice was echoed by the audit team.

Recommendations for the Mission

5.5.4 Provide a cordless headset for the SSA.

5.5.5 Establish a specific schedule for uninterrupted IT work.

Mission Actions and Time Frames

5.5.4 Implemented.

5.5.5 SSA has been advised to pass any requests for non-Signet related items to the MAO for approval. SSA prefers the current arrangement of back-up reception staffing for high IT workload periods. These periods do not fit a pre-determined schedule. The upgrade to Signet 3 has also helped to alleviate the problems previously incurred.

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