



Final Version

July 26, 2011

INSPECTION OF THE CANADIAN EMBASSY CARACAS

January 31 - February 4, 2011

Foreign Affairs and International Trade Canada (DFAIT)
Office of the Inspector General
Inspection Division

Inspection Scope and Objectives

The scope of the Inspection included a review of Mission Management and the Political Economic Reporting and Public Affairs, Commercial Economic, Consular and Common Services programs. The inspection objectives were to:

- ❑ Assess the effectiveness of the leadership and management practices of the Head of Mission (HOM) and the Mission Management team;
- ❑ Review the alignment of plans and activities, and program integration to Government of Canada and departmental objectives and priorities;
- ❑ Assess the adequacy of management controls and systems, procedures and the reliability of information for decision making and accountability purposes;
- ❑ Determine the extent of compliance with legislation, regulations and operating policies;
- ❑ Evaluate the use of resources to determine that they are judiciously used and if value-for-money is received; and,
- ❑ Make recommendations, where warranted, to improve the efficiency and effectiveness of the Mission and its programs.

The focus and extent of on-site work was based on an assessment of materiality and related risk. This was done through communication with Headquarters (HQ) bureaux, including briefings by line management and the functional bureaux, review of relevant HQ and Mission documentation, past audit findings, and an analysis of recurring trends and systemic issues.

During the Inspection, inspection issues and lines of enquiry were further refined from information gathered through interviews with the HOM and program managers, a meeting with Locally-engaged Staff (LES) representatives of the LES Management Consultation Board, individual interviews with staff, and results of other documentation reviewed. The level of inspection work was therefore based on issues and information identified and gathered at all levels: HQ, Mission management and Mission operations.

EXECUTIVE SUMMARY

An Inspection of Mission Management, the Political Economic Reporting and Public Affairs, Commercial Economic, Consular and Common Services programs was conducted in Caracas from January 31 to February 4, 2011. A previous audit of these programs took place in 2002. The Embassy is a medium sized mission with 12 Canada-based Staff (CBS) and 39 Locally-engaged Staff (LES). In addition to DFAIT programs, the Mission also provides a platform for partners from Citizenship and Immigration Canada (CIC) and the Royal Canadian Mounted Police (RCMP).

The Mission is operating in a challenging environment given the ^{***}, high inflation, unstable market place, increasing security concerns and staff turnover. The Head of Mission (HOM) and management team support a whole of government approach. The Mission has an appropriate committee structure and good communication practices. A new strategic approach has been developed which will help to guide the Mission's engagement with Venezuelan society and stakeholders.

The Political Economic Reporting and Public Affairs (PERPA) Program focuses primarily on supporting Prosperity, Democratic Governance and Security, all of which align with the Americas Strategy. The development of operational plans will enable the Program to better manage resources and priorities. ^{***}.

The Commercial Economic Program is active in its priority sectors but, given the business environment, it plays a stronger role than many missions in facilitating market access. ^{***}. The Senior Trade Commissioner has established a ^{***} planning process and operations ^{***}.

With the recent dissolution of the Netherlands Antilles, Headquarters needs to determine if the Consular Program, and the Mission, will become responsible for the islands of Sint Eustatius, Saba and Sint Maarten. If so, budget implications will need to be considered. As well as providing Consular assistance to Australians, the Mission also houses an LES who is dedicated to providing services to Israeli citizens.

The Common Services Program is working to improve client service and strengthen internal processes. This has been aided by weekly bi-lateral meetings with the HOM. To sustain this effort the Program needs to formalize its planning and clarify roles and responsibilities so progress can be monitored. As a key internal control, the backlog in completing bank reconciliations must be cleared and remain up-to-date. ^{***}.

A total of 55 inspection recommendations are raised in the report; 54 are addressed to the Mission and one is addressed to Headquarters. Management has responded to each recommendation indicating action already taken or decisions made, as well as future action. Of the 55 recommendations, management has stated that 25 have been implemented. For each of the remaining 30 recommendations, management has indicated the initiatives in progress or the intended future action.

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MISSION MANAGEMENT

1.1 Overview

1.1.1 The Embassy in Caracas is a medium sized mission with 12 Canada-based Staff (CBS) and 39 Locally-engaged Staff (LES). It is responsible for departmental program delivery in Venezuela, Aruba, Bonaire and Curaçao. The Mission supports DFAIT programs and partner departments including Citizenship and Immigration Canada (CIC) and the Royal Canadian Mounted Police (RCMP).

1.1.2 The Mission also houses an LES who is dedicated to providing services to Israeli citizens. Mission involvement is governed by the *Memorandum of Understanding (MOU) between the Government of Canada and the Government of Israel regarding the Protection of Israeli Interests in Venezuela by Canada*. This document should be reviewed in order to spell out in more detail processes such as the frequency of funds transfers.

1.1.3 Venezuela is a challenging country for the Embassy and like-minded missions to operate in given:

- ***
- ***
- one of the highest inflation rates in the world;
- local currency devaluations; and
- escalating security concerns.

1.1.4 With the recent dissolution of the Netherlands Antilles in October 2010, Headquarters needs to determine if this Mission will become responsible for the islands of Sint Eustatius, Saba and Sint Maarten. If so budget implications will need to be considered.

1.2 Mission Management

Key Mission Management Criteria	Meets	Needs Improvement	Does Not Meet
The Mission's strategic objectives are consistent with Government and DFAIT priorities and guide staff performance measurement objectives.	x		
DFAIT programs have developed operational plans based on strategic objectives and advice/guidance from HQ.		x	
The Committee on Mission Management (CMM) is an effective forum to review and make decisions on Mission policies and management issues.	x		
The Locally-engaged staff Management Consultation Board (LESMCB) is an effective forum for dialogue between Mission Management and LES.	x		

Key Mission Management Criteria	Meets	Needs Improvement	Does Not Meet
Mission Management ensures that employees remain informed of key priorities and common services policy decisions.	x		
Minutes of committee meetings, particularly CMM, are made available to all staff, as appropriate.	x		
The <i>Official Languages Act</i> is respected and promoted by Mission Management.		x	
Canadian public service values and ethics are promoted and reinforced, and employees are aware of available support resources (values and ethics, staff relations, etc.).	x		

1.2.1 The management team is headed by an EX-01 Head of Mission (HOM) in an EX-02 position. He is *** engaged in program activities and fosters a whole of government approach to the management of the Mission. Staff highlighted the HOM's communication efforts such as meeting all staff individually on arrival, monthly all-staff gatherings and walk-arounds. The HOM has developed a strong network of contacts.

1.2.2 The HOM and management team have been working to improve morale in the Mission. For CBS, increasing rates of inflation, crime, traffic congestion and incessant red tape can make day-to-day living frustrating. For LES, vocal complaints regarding the local conditions have resulted in a perceived lack of cultural sensitivity on the part of the CBS.

1.2.3 The Mission Planning Report (MPR) outlines the Mission's strategic objectives. The Americas Strategy (Prosperity, Democratic Governance and Security) is used as the basis for the Mission's planning and priority setting. However the *** impacts on what can be achieved and how to accomplish it. All programs are consulted during the planning exercise so that it supports a whole of government approach. As will be noted further in this report, certain programs need to develop operational plans that detail how they will achieve their strategic objectives.

1.2.4 The Committee on Mission Management (CMM) is used as a forum to review program and administrative matters and make decisions regarding policies and operations. It meets monthly and is composed of the HOM and all program managers. Minutes and decisions are communicated to all staff. The same team meets bi-weekly in the Operations Committee to discuss current and future events, operations and issues.

1.2.5 The Locally-engaged Staff Management Consultation Board (LESMCB) has been established and meets quarterly. The HOM, Management Consular Officer (MCO) and CIC Program Manager (PM) are part of this Board. There is also an LES Committee that meets as needed to raise issues for discussion by the Board or to

disseminate information to the LES community. Details of the Inspection Team's meeting with the LES representatives can be found in section 5.2 of this Report.

1.2.6 At the time of the Inspection visit *** leave at the same time. To address this issue, the former Deputy MCO's posting was extended so that he could act in the MCO position and temporary duty assistance was funded for half of the ***. Due to the central roles these types of positions play, extended leave has a significant impact on mission operations.

Official Languages

1.2.7 The Mission has appointed an Official Languages Co-ordinator. At the time of the Inspection, there was sufficient capacity to communicate with and provide services to the public, both orally and in writing, in both official languages. While most signage throughout the Mission and in the public areas is in both languages, there were a few instances where notices were in English only.

1.2.8 In this environment, there is a need for CBS to have a high level fluency in Spanish to operate effectively both professionally and in their personal lives.

1.3 Management Controls

Key Management Control Criteria	Meets	Needs Improvement	Does Not Meet
The Mission's committee structure meets minimum requirements based on size (Health and Safety, Security, Contract Review, etc.).	X		
Mission committees are meeting regularly and effectively discharging their governance responsibilities.	X		
Program managers are provided regular financial/budget updates to facilitate effective management and decision making.	X		
Security policies and regulations are respected and promoted.	X		
The quarterly reconciliation of passport inventory is properly completed and certified.		X	
The mission's bank reconciliations are properly reviewed and signed-off on a monthly basis.		X	
The Mission has a plan to ensure the continuity of operations in the event of a major disruption or catastrophic event (i.e. business continuity plan).		X	
Mission hospitality guidelines are appropriate and reviewed annually by CMM.	X		

Key Management Control Criteria	Meets	Needs Improvement	Does Not Meet
Hospitality activities are properly documented, demonstrate value-for-money and align with mission objectives.	X		
All employees have performance objectives set and annual reviews occur.		X	

1.3.1 While overall management controls and procedures are in place, there are some improvements needed in the areas highlighted below.

1.3.2 The Mission has an appropriate committee structure in place including Security, Classification, Housing, Information Management and Canada Social Night committees, as well as those noted elsewhere in this Report. A Transformation Champion and a Public Relations Spokesperson have been appointed.

1.3.3 While the HOM participates in the quarterly count of the passport inventory, the Mission had been experiencing delays in conducting this and the monthly count, and submitting the passport reports to Headquarters (HQ). At the time of the Inspection visit, the Mission was only a month behind and planned to be up-to-date by March 2011.

1.3.4 The Mission is also working to clear a backlog of bank reconciliations. As the review of the bank reconciliation by the MCO and HOM is a key internal control, in the future, the Mission should ensure that they are completed, examined and signed in a timely manner.

1.3.5 The Mission has established a Crisis Response Committee that is responsible for reviewing emergency procedures. An Alternate Command Post (ACP) was identified and is in the process of being updated. A Business Continuity Plan was updated in August 2009, but has not yet been tested.

1.3.6 While most of the staff's Performance Management Programs (PMP) have been completed, there are some that still need to be developed and finalized. Staff highlight training needs in their PMP, but this information has not been aggregated as a Mission-wide training plan. Once this plan is developed, the CMM should allocate a training budget to facilitate its implementation. The Mission has identified a Training Coordinator (the LE-07 Personnel Officer), however, given her growing workload, the Mission should consider transferring this responsibility to another individual.

1.4 Recommendations

Recommendations to the Mission

- 1.4.1** The Mission, in conjunction with the Client Relations Division (AFR), should review the MOU with Israel in order to clarify processes.
- 1.4.2** The Mission should ensure that all signage is posted in both official languages.
- 1.4.3** The Mission should ensure that passport inventories are counted, reviewed and signed-off on a timely basis.
- 1.4.4** The Mission should ensure that bank reconciliations are reviewed and signed-off on a timely basis.
- 1.4.5** In order to assure business continuity in the event of an emergency, the Mission should ensure that:
 - A)** the BCP is regularly updated and tested annually; and
 - B)** the ACP is established which includes the necessary Information Management-Information Technology (IM-IT) requirements.
- 1.4.6** The Mission should ensure that PMPs are completed on a timely basis.
- 1.4.7** The Mission should develop a Mission-wide training plan and establish a training budget.
- 1.4.8** The Mission should consider transferring the role of Training Coordinator to another individual given the Personnel Officer's workload. This individual does not necessarily need to come from the Common Services Program.

Mission Actions and Timeframes

- 1.4.1** In progress for January 2012. The MCO has identified the review of the existing MOU as an objective in the PMP process for this fiscal year. Specifically, the Mission intends to clarify the process for the transfer of funds and the provision of Consular services to Israeli citizens.
- 1.4.2** In progress for September 2011. The Official Languages Coordinator will review all signage to ensure compliance with the Official Languages policy.
- 1.4.3** Implemented July 2011. The Mission to ensure that the completion of passport inventories is in compliance with Passport Canada directives.

- 1.4.4 In Progress for August 2011. The Mission will ensure the timely completion of monthly bank reconciliations.
- 1.4.5 In progress for December 2011.
- (A) The Mission understands that the recently released Mission Emergency Plan (MEP) will incorporate the BCP and other emergency preparedness tools. The Mission will update its plan using this new format. The Mission has an active Emergency Response Team (ERT) that meets on a monthly basis. The ERT plans to run exercises in the fall of 2011 that will test the Mission's emergency preparedness.
- (B) The Mission has identified *** as its Alternate Command Post and will make necessary preparations to ensure its readiness for an emergency situation. This includes addressing the IM-IT requirements.
- 1.4.6 In progress for March 2012. The Mission will ensure that PMPs are completed for all employees following this fiscal year's PMP cycle.
- 1.4.7 In progress for July 2011. The Mission is in the process of developing a Mission-wide training plan. This plan will address the needs of employees, as identified in their 2011-2012 PMPs. A Mission training budget has been established for this fiscal year.
- 1.4.8 Implemented June 2011. The role of Training Coordinator has been transferred to the HOM Assistant.

Recommendation to the Latin America and Caribbean Bureau (GCD)

- 1.4.9 GCD, in conjunction with the Mission and Consular Operations Bureau (CND), should determine which mission is responsible for Sint Eustatius, Saba and Sint Maarten.

GCD Action and Timeframe

- 1.4.9 Implemented. After consultation with our missions in Caracas, Bridgetown, and The Hague, as well as with the Consular Operations Bureau, it has been determined that Caracas will not be responsible for the islands of Sint Eustatius, Saba and Sint Maarten.

The Netherlands Antilles, which was dissolved on October 10, 2010, was an autonomous region of the Kingdom of the Netherlands, consisting of two groups of islands in the Caribbean: those located in the Lesser Antilles, off the coast of Venezuela (Aruba, Bonaire and Curaçao); and those located in the Leeward Islands (Sint Eustatius,

Saba and Sint Maarten), southeast of the Virgin Islands. In 1986 Aruba separated from the Netherlands Antilles and obtained independent country status within the Kingdom of the Netherlands. In October 2010, Curaçao and Sint Maarten obtained the same status as Aruba, leaving the remaining islands of Bonaire, Sint Eustatius and Saba to become special municipalities. Regardless of the labels, all of these islands remain part of the Kingdom of the Netherlands.

With respect to Canadian Consular concerns on these islands, this issue was resolved in May 2011. After much consultation, it was decided that Caracas would continue to be accredited to Aruba, Bonaire and Curaçao, and that Bridgetown would be accredited to Saba, Sint Eustatius and Sint Maarten. Canada maintains honorary consuls in Curaçao and Sint Maarten, which report to Caracas and Bridgetown respectively, so the above decision seems to be consistent with the current reporting structure.

POLITICAL ECONOMIC REPORTING AND PUBLIC AFFAIRS (PERPA)

2.1 Overview

2.1.1 The PERPA Program is managed by an FS-03 Program Manager (PM) who is on her second posting as a PM. She is supported by an FS-02 Officer in an FS-01 position, two LE-08 Public Affairs and Academic Relations Officers and a part-time LE-05 General Relations Assistant. The Program also includes an FS-03 Global Security Reporting Program (GSRP) Officer and an LE-08 Andean Unit for Democratic Governance (AUDG) Political Analyst, reporting to the head of the AUDG in Lima. For fiscal year (FY) 2010-2011, the Program's operational funding is as follows:

Budget	2010-2011
Travel	\$8,027
Hospitality	3,805
Post Initiative Fund	12,000
Canada Fund for Local Initiatives	200,000
EduCanada	5,000
Total	\$ 228,832

2.1.2 As noted in the Mission Management section, Venezuela is a challenging country in which to operate given the ***. The Program focuses primarily on supporting Prosperity, Democratic Governance and Security, all of which align with the Americas Strategy. The Mission uses the Canada Fund for Local Initiatives (CFLI) to further the human rights, governance and security agenda, and have developed a reputation in Caracas as being the leader in promoting human rights and supporting civil society.

2.2 Planning and Program Management

Key PERPA Program Management Criteria	Meets	Needs Improvement	Does Not Meet
PERPA plans are aligned with the priorities and objectives outlined in the mission plan and informed by departmental and geographic bureau guidance and objectives.	X		
PERPA plans outline intended outcomes and results are measurable.		X	
Roles and responsibilities are clearly defined and have been communicated to all staff.	X		
Internal communications within the program effectively support program delivery.	X		

2.2.1 The Program is *** managed, providing *** support to the HOM and effectively addressing Mission and program objectives. Activities are aligned with Mission and HQ priorities. The PM and staff *** organize themselves based on priorities and Mission objectives and ensure continuing communication within the team, and with the HOM and other programs. There is good cooperation with the Commercial Economic (CE) Program on day-to-day issues and long-term planning, which includes a strategy for engagement with Venezuela.

2.2.2 The PERPA PM, along with all other DFAIT program managers are working together to create a formal, Mission-wide operational work plan and budget. The PM is also working on individual work plans for each officer. Annual plans are developed for the Public Affairs and Academic Relations Officers for activities using Post Initiative Fund (PIF), EduCanada and Understanding Canada funds. The Program was able to access funding for Understand Canada in the amount of \$50,000 for fiscal year 2010-2011. More effort is required in planning and documenting day-to-day activities related to public diplomacy, bilateral activities, visits and other on-going initiatives, as is required by the New Way Forward (NWF) initiative. A formal work plan will be an important tool as, in the future, the Program may have fewer resources and will need to redistribute the workload.

2.2.3 The PERPA team has formal weekly meetings where the PM shares relevant information stemming from CMM and other management meetings. These meetings are also used to review plans, discuss operational issues and share information to ensure the whole Section is informed and benefiting from each other. Retreats are held semi-annually to review and set priorities, allocate annual budgets and develop section work plans. As well as with the CE Program, there is good communication with other programs in the Mission as well as the AUDG hub in LIMA.

2.3 Implementation

Key PERPA Implementation Criteria	Meets	Needs Improvement	Does Not Meet
Strategic objectives and plans have been translated into individual or team work plans.		X	
Activities and initiatives are aligned with the Mission's key priorities and with the principles of the New Way Forward PERPA Renewal initiative.	X		
Program reporting is in-line with Mission and government objectives, timely and relevant.	X		
The program develops and maintains a contact base that meets programs needs and objectives.		X	
Relations with other mission programs facilitate program delivery (i.e. public affairs).	X		

Key PERPA Implementation Criteria	Meets	Needs Improvement	Does Not Meet
The program facilitates a mission-wide coordinated approach to advocacy and common messaging.	X		

2.3.1 While the Program is implementing its strategic plan, it would benefit from improvements in operational planning and the maintenance of contacts. As mentioned previously, the PERPA Section has not created a formal work plan. The MPR system is used as the primary tool in the planning process. This is however, a strategic plan and does not provide the necessary details to give operational guidance to meet the objectives or to evaluate the Program's performance.

2.3.2 The Program is using Outlook Public Folders as the key tool to maintain a list of contacts. Staff make additions to the list without deleting contacts that are no longer pertinent, making it difficult to determine current contacts. A general clean up of the system and multiple folders are required.

2.4 Performance Measurement

Key PERPA Performance Measurement Criteria	Meets	Needs Improvement	Does Not Meet
The program has an established performance measurement system in place to monitor activities towards the achievement of objectives.	X		
The program assesses performance against their strategy / objectives and plans, and provides a high-level assessment of performance through the MPR system at the end of the fiscal year.		X	
Hospitality diaries demonstrate value-for-money and alignment with priorities.	X		

2.4.1 The Program has an evaluation process in place using PMPs. This process will be even more effective once the Section's operational work plan and staff's individual work plans are created. Regular meetings to review the plans and evaluate results against the original MPR could be used to measure the Program's performance.

2.5 Recommendations to the Mission

2.5.1 **The Program should develop a formal operational work plan and individual work plans for all officers, which will help to guide staff and assess performance.**

2.5.2 **The Program should evaluate alternate ways of managing contacts.**

Mission Actions and Timeframes

2.5.1 In progress for August 2011. As of April 1, 2011 the Program has developed a formal operational work plan to set-out and track activities and related budget expenditures across the Section (bilateral/political relations, public affairs, academic relations, CFLI) over the entire fiscal year. ***, workloads are being shifted and job descriptions for the LES officers have been re-designed. These will be submitted to the Mission Classification Committee by end of July 2011. Individual workplans for all officers, including the PM, are underway and stem from these two exercises.

2.5.2 In progress for September 2011. The Section is limited to the tool available and used by DFAIT, Microsoft Outlook Contacts. However, with a new Administration Assistant starting by the end of July 2011, a review, purge and amalgamation of the Section's contact lists will be undertaken.

COMMERCIAL ECONOMIC (CE)

3.1 Overview

3.1.1 The Commercial Economic Program is managed by an *** FS-04 STC in an EX-01 position. He is supported by four LE-09 Commercial Officers and three LE-05 Commercial Assistants, one of which is currently vacant. Given changes to the Program over the past few years, HQ is considering reviewing ***

3.1.2 The Program's financial resources are as follows:

Budget	2010-2011
Operations	\$ 3,397
Travel	13,400
Hospitality	5,000
Client Service Fund (CSF)	11,800
Total	\$ 33,597

3.1.3 The market conditions in Venezuela make doing business ***. As a result, the Program focuses on facilitating market access and liaison ***. For FY 2010-2011, the Program has selected the following three priority sectors: Agrifood, Oil & Gas and Electricity.

3.2 Planning and Program Management

Key CE Program Management Criteria	Meets	Needs Improvement	Does Not Meet
Program objectives reflect departmental plans and priorities, including partner departments where applicable.	X		
Performance targets are defined, clear and measurable.	X		
Roles and responsibilities are clearly defined and have been communicated to all staff.	X		
Internal program communication effectively supports program delivery.	X		

3.2.1 Since his arrival in early fall 2009, the STC has *** of his staff through his leadership, support and *** communications. He has provided *** direction to his staff, implementing a management structure that fosters the exchange of ideas, trust and accountability. The STC *** involves staff in the planning process and decision making. Staff have responded *** and are in turn *** working as a team.

3.2.2 Annual business plans are developed through a one day planning retreat with the involvement and input of all staff. Plans reflect the priorities and objectives set out in the MPR system and those of the Trade Branch. Clear performance targets are set for each staff member and a monthly prioritized activity list, aligned with the agreed strategy, is produced. This activity list includes estimated costs, identifies measurable results and allocates resources.

3.2.3 The Program has a strong, open and collaborative team spirit, and meets regularly to discuss operational issues. There are formal monthly team meetings where progress on plans and activities is discussed, information is shared and coming events are highlighted. Retreats are held on an ad hoc basis to discuss Government priorities, team principles and corporate developments in more depth.

3.2.3 The Program has good communication with other programs in the Mission and collaborates with other missions in the planning process. The Program is part of the Andino virtual team, composed of trade commissioners from Colombia, Ecuador, Peru and Venezuela and a desk officer at HQ. The team has annual meetings to discuss Canadian opportunities and capabilities across the Andino region and develop regional business plans.

3.3 Implementation

Key CE Implementation Criteria	Meets	Needs Improvement	Does Not Meet
Business plan objectives and those outlined in management's PMAs (Performance Management Agreement) /PMPs (Performance Management Program) appropriately cascade down into staff PMPs.	X		
Activities and initiatives are aligned with the mission's key priorities.	X		
The program utilizes TRIO to facilitate client relationship management.	X		
TRIO use is monitored to ensure activities are reported appropriately and accurately reflect the work undertaken.	X		
The InfoCentre function has defined objectives and responsibilities.	X		

3.3.1 The Program has strong operational systems and controls in place. An InfoCentre has been established and is managed by the two Commercial Assistants who undertake research and respond to enquiries using Horizon templates. Specific requests needing more research are routed to responsible officers. Global enquiries are referred to the Program Support Unit (PSU). One of the Commercial Assistants is designated as the TRIO Champion and manages the database of key local contacts. The Program also utilizes InfoBank for file management.

3.3.2 The Mission in Caracas was the pilot post for TRIO deployment and has fully implemented its use. Information is entered promptly by all staff and the collected data is used by the TRIO Champion to create a quarterly activity report which analyses trends, the Section’s effort level and consistency of the business plan.

3.4 Performance Measurement

Key CE Performance Measurement Criteria	Meets	Needs Improvement	Does Not Meet
Tools and mechanisms are in place to measure and monitor performance of the program.	X		
Program employees are involved in the performance measurement process.	X		
Hospitality diaries are maintained in a fashion that demonstrates value-for-money and alignment with priorities.	X		

3.4.1 In addition to the use of TRIO, the Program monitors the expenditure of resources in real, or near real, time. The activity plan for the Program tracks actual expenditures, committed expenditures that have not yet been paid and, as appropriate, resources that will not be expended due to cancellation of activities or reorientation of the plans. All members of the Program have access to this information, and thus are better able to manage their activities

3.4.2 Staff have PMPs in place based on the STC’s Performance Management Agreement (PMA) and their specific objectives per the CE Business Plan. The PMPs also identify training and development opportunities.

CONSULAR

4.1 Overview

4.1.1 The Consular Program is over-seen by the AS-06 MCO with day-to-day management by the AS-04 Deputy MCO (DMCO). The Consular team also includes an LE-08 Consular Officer with delegated signing authority and an LE-06 Consular Assistant. Staff also provide general Consular services to Australian citizens, and the Mission houses an LES who is dedicated to providing services to Israeli citizens.

4.1.2 The Program's area of accreditation includes Venezuela, Aruba, Bonaire and Curaçao. There are Honorary Consuls (HonCons) in Portlamar and Curaçao. As noted earlier in the Report, clarification is needed on which mission is responsible for providing Consular services to Canadians on the islands of Sint Eustatius, Saba and Sint Maarten.

4.1.3 Annually, the Consular Program processes 440 passport applications, handles 50 citizenship requests and provides 1,000 notarial services. In the area of accreditation, there are 437 registered Canadians out of an estimated 900 residents, though during the tourist period this number is higher.

4.2 Program Management

Key Consular Program Management Criteria	Meets	Needs Improvement	Does Not Meet
Consular work is planned and prioritized.		X	
The Consular Contingency Plan is up to date.		X	
The Duty Officer Manual is up to date.	X		
The Mission has ongoing dialogue with key local authorities to facilitate program delivery.	X		
Regular staff meetings are held to review priorities, communicate policy and procedural changes, and keep staff apprised of case management issues.	X		

4.2.1 Overall, the Program is running *** and benefits from a *** team. In November 2010, monthly Program meetings were reinstated and minutes are kept. Given the reactive nature of Consular activities, developing a more formal operational work plan would be useful to ensure that regular tasks (for example submitting monthly passport reports) and cyclical requirements (such as updating Contingency Plans) are addressed on a timely basis.

4.2.2 Venezuela's Consular Contingency Plan was due December 2010 and the Program expected it to be finalized in February 2011. The Plans for Bonaire and Curaçao are not due until April 2011. The Program identified the need to recruit more

wardens given recent departures ***. Staff are examining where districts could be redistributed so proper recruitment can be conducted.

4.2.3 The MCOs are members of the like-minded Consular group which meets every few months and staff have developed a useful network of local contacts. The Program would like to recommence hosting an annual lunch where LES consular officers from like-minded missions share experiences.

4.3 Client Service

Key Consular Client Service Criteria	Meets	Needs Improvement	Does Not Meet
Service standards, a fee schedule and a copy of the official receipt are posted in public areas in both official languages.		X	
The program monitors adherence to service standards and makes adjustments where necessary.	X		
The program has the capacity to provide services to Canadians in the official language of their choice.	X		
The Mission promotes client feedback mechanisms and takes corrective action, when warranted.	X		
The Mission has provided the Honorary Consul (HonCon) with a mandate letter which establishes their role, responsibilities and accountabilities and performance is reviewed annually.		X	
There is adequate liaison/support from the Mission for the HonCon.	X		

4.3.1 Service standards are respected and are appropriately displayed. Clients have access to feedback forms but there is currently no box in which to deposit them. Due to security concerns at some prisons, staff must use work around solutions to meet detained Canadians, as it has become unsafe to meet inside. The Mission and other like-minded embassies are raising this concern with local authorities.

4.3.2 While the Mission and HonCons keep in close contact, HonCons have not been provided with an annual tasking letter or performance assessment. As a best practise, a memorandum of understanding (MOU) between both sides should be developed which outlines responsibilities and eligible expenses.

4.4 Internal Controls

Key Consular Internal Control Criteria	Meets	Needs Improvement	Does Not Meet
A certified CBS signs-off on all passports, except in extenuating circumstances with the approval of Passport Canada.	X		
Client documents and personal information are properly stored and secured.	X		
Completed passport application forms and related documentation are securely destroyed 60 business days following the end of the month that they were submitted.	X		
There are adequate segregation of duties for staff handling revenues.	X		
Official receipts are issued to Consular clients and revenue is recorded on a record of fees received form.		X	
Revenues are transferred to the finance section once \$500 is reached (once a week if less than \$500).		X	
Upon receipt of new passport stock, two CBS verify the receipt of all assets, sign and return the transmittal note.		X	
The primary inventory of passport blanks (temporary and emergency), identification labels, observation labels, stamps, and seals are securely stored according to official policy.	X		
Removal of passport stock from secure storage is recorded on an inventory log and initialled by the CBS custodian and the employee receiving the asset.	X		
LES are allocated an appropriate working inventory that is controlled by a daily log (passports issued, spoiled, returned to safe storage) and unused inventory is stored securely at the end of each day.	X		
Inventory is physically counted, reconciled and signed-off at the end of each month by two staff, one of whom must be a CBS.		X	
The quarterly reconciliation of passport inventory is properly completed and certified.	X		
Official seals and stamps are properly inventoried, secured and access provided to designated staff only.			X

4.4.1 As noted in paragraph 1.3.3, the Program has been working to eliminate the backlog in submitting passport reports. In order to improve internal controls over the inventory of passports:

- two staff (one a CBS) should conduct the monthly count; and
- two CBS should verify the receipt of stock.

4.4.2 The HonCon in Curaçao has been provided with emergency travel documents (ETDs) as well as other assets. While a passport report is submitted monthly, an inventory verification is not conducted when Mission staff visit the Consulate. Given the challenges of travelling from Margarita Island to Caracas, the Program should consider providing the HonCon in Porlamar with ETDs.

4.4.3 As the Program provides services to Australian citizens, the Consular Officer maintains day-to-day contact with the responsible embassy. In order to remain up-to-date and properly monitor workload, the MCO/DMCO should be designated as the main point of contact for policy and procedural changes. There should also be regular validation of *** assets held by the Mission.

4.4.4 To improve revenue processing, the Program should ensure that:

- A) a copy of an Official Receipt and a note informing clients that they should receive a receipt for any payment are displayed in the Consular booth and at the Consular windows;
- B) revenues are transferred to the Finance Section once *** is reached ***
- C) for notarial services, a copy of the receipt is included with the documents that are to be signed;
- D) HonCons provide a receipt to all clients, even if payment is by certified cheque;
- E) the Program's standing advance be recorded in IMS (the Integrated Management System) at the current exchange rate; and
- F) consideration is given to using a log at the Consular window to improve the recording of consular revenues.

4.4.5 The Mission does not have an inventory for ***. This inventory would show to whom the seals were issued and record the individual's acceptance of responsibility. The inventory should be reconciled at least annually.

4.5 Recommendations to the Mission

4.5.1 The Program should formalize its plans in an operational work plan.

4.5.2 The Mission should ensure the ConPlans are updated on a timely basis.

4.5.3 The Mission should conduct a warden recruitment exercise and, once completed, hold a conference.

4.5.4 The Program should install a locked box (accessible by the MCO/DMCO) where client feedback forms can be deposited.

4.5.5 For each HonCon, the Mission should:

- A) develop an annual tasking letter;
- B) prepare an annual written record of performance; and
- C) establish an MOU outlining approved expenditures for reimbursement.

- 4.5.6 The Program should consider providing the HonCon in Porlamar with an appropriate number of ETDs.
- 4.5.7 The MCO/DMCO should ensure that they are the main point of contact for policy and procedural changes with their Australian counterparts.
- 4.5.8 The Program should strengthen inventory controls to ensure that:
- A) two staff (at least one a CBS) participate in the month-end inventory reconciliation;
 - B) two CBS verify the receipt of passport stock;
 - C) assets held by the HonCons are reconciled by Mission staff during visits;
 - D) a regular validation ***assets is completed; and
 - E) inventories *** are created and regularly verified.
- 4.5.9 The Program should ensure that improvements to revenue processing, as noted in paragraph 4.4.4, are implemented.

Mission Actions and Timeframes

- 4.5.1 Implemented April 2011. A work plan has been formalized for the current fiscal year.
- 4.5.2 In progress for November 2011. The Mission is in the process of updating Consular contingency information for Venezuela, Aruba, Bonaire and Curaçao. This information will form the Consular contingency portion of the upcoming Mission Emergency Plan.
- 4.5.3 In progress for October 2011. Due to the low number of registrants in many districts, the Mission will redistribute the warden districts of responsibility in 2011. Following this exercise, the Mission will determine whether or not the recruitment of additional wardens is required. A Warden Conference is planned for October 2011.
- 4.5.4 Implemented June 2011. The Mission has installed a locked box for client feedback forms in the Consular booth. The key is held by the DMCO.
- 4.5.5 In progress.

- (A) Annual tasking letters have been prepared and sent to both Honorary Consuls. Implemented July 2011.
- (B) The Mission will prepare a written record of performance for both Honorary Consuls. In progress for August 2011.
- (C) A reminder of the responsibilities and eligible expenses for the Honorary Consuls was included with the annual tasking letter this year. A more comprehensive document will be prepared and forwarded to Honorary Consuls. In progress for October 2011.

4.5.6 Implemented. The Mission has considered this recommendation and does not believe that the provision of Emergency Travel Documents (ETD) is required. ETDs can quickly and easily be facilitated from the Embassy in Caracas.

4.5.7 Implemented. The DMCO is copied on all correspondence concerning policy and procedural changes to the provision of Consular services to Australian citizens in Venezuela and is regularly informed of Australian Consular case work.

4.5.8 Implemented May to July 2011. The Mission has strengthened its inventory controls.

- (A) Two staff members participate in the month-end inventory reconciliation.
- (B) Two CBS verify the receipt of new passport inventory.
- (C) Mission staff will verify the assets of Honorary Consuls in upcoming consular visits.
- (D) The Mission reconciles ***inventory concurrently with the month end inventory of Canadian passport stock.
- (E) The Mission has created an inventory ***. This will be verified annually.

4.5.9 Implemented April to July 2011.

- (A) An enlarged copy version of an Official Receipt is posted in the Consular booth.
- (B) Consular revenues will continue to be transferred to the Finance Section ***.
- (C) A copy of the Official Receipt is attached to documents for notarial services.
- (D) Official Receipts will be provided to the Honorary Consul in Curaçao during the upcoming Consular visit.
- (E) The Program's standing advance is recorded in IMS at the current exchange rate.
- (F) A log is now used at the Consular window.

COMMON SERVICES

5.1 Overview

5.1.1 The Common Services Program is managed by the AS-06 MCO who is supported by a team of two CBS and 13 LES. The Program is responsible for providing common services to 51 employees in the four DFAIT and three partner programs.

5.1.2 At the time of the Inspection, the *** and had been replaced by the former DMCO. The new DMCO had recently arrived at the Mission and, given this situation the Program, was in the process of determining the roles and responsibilities of the positions.

Program Management

Key Common Services Program Management Criteria	Meets	Needs Improvement	Does Not Meet
An operational plan has been developed and incorporates key Mission and international platform objectives, along with measurable expected results.			X
The program has documented and communicated administrative policies and procedures to guide management, staff and clients.			X
The Common Services program actively seeks to implement best practices, improve efficiencies and reduce operating costs.	X		
Regular meetings with staff in the Common Services program are held to review priorities and follow up on the implementation of plans.		X	

5.1.3 The Common Services Program faces many challenges operating in the current Venezuelan environment including high staff turnover and inflation. The Program would benefit from more formal planning and more clearly defined roles and responsibilities for staff (including the MCO and DMCO), as there is some confusion amongst staff regarding reporting relationships and authorities. The Program should develop a work plan which can be used as the basis for individual section work plans and provide guidance to staff regarding their roles and responsibilities.

5.1.4 Program procedures and policies are not well documented or communicated. As an example, there is some confusion regarding uniform entitlements for the non-office staff and, as there is no formal Mission policy regarding this issue, the MCO was not able to determine what has been provided historically. Clear policies and procedures will help the Mission avoid these circumstances in the future. This is also important in an environment where CBS are generally posted for two years.

5.1.5 Staff indicated that they would benefit from having more regular staff meetings where minutes and records of decision are kept. This would allow the Program to remain up-to-date on current issues and ensure changes to policies are communicated.

Client Service

Key Common Services Client Service Criteria	Meets	Needs Improvement	Does Not Meet
Service standards have been established and communicated to clients.		X	
Services provided reflect fair and equitable allocation and access to common services for all mission programs.	X		
A mechanism is in place to solicit and receive client feedback and corrective action is taken when warranted.		X	
Hub and spoke relationships are governed by an agreement outlining the roles and responsibilities of each mission.	N/A	N/A	N/A

5.1.6 The MCO/DMCO are working to improve client service and internal processes and this has been aided by weekly bi-lateral meetings with the HOM. Program service standards have recently been approved by the CMM. The next step is to ensure they are available to all Mission staff and that performance is measured and reported. As a first step, the Mission has recently ordered the departmentally approved work order system which will be used by the Physical Resources Section. The Section believes this will allow them to better monitor and report on their performance. The Program should also ensure that client feedback is solicited and corrective action is taken where necessary.

Recommendations to the Mission

- 5.1.7 **The Program should develop a work plan which outlines roles and responsibilities, including those of the MCO and DMCO.**
- 5.1.8 **The Program should document policies and procedures.**
- 5.1.9 **The Program should hold regular meetings where minutes are maintained. As much as possible, non-office staff who are part of the Program should be included in these meetings.**
- 5.1.10 **Service standards should be published and made available to all staff.**

- 5.1.11** The Program should develop a client service feedback mechanism through which they can monitor the level of service provided.
- 5.1.12** The MCO or DMCO should provide non-office staff with an opportunity to meet with them without their supervisor present, at least quarterly, so that issues can be discussed.

Mission Actions and Timeframes

- 5.1.7** In progress for September 2011. A work plan has been formalized for the Property Section and plans are in progress for Human Resources (HR), Finance and Information Management-Information Technology (IM-IT). Once complete, these will combine to be the Common Services Work Plan. Reporting relationships have been formalized in April 2011. Property and Consular Sections report directly to the DMCO. HR, Finance, IM-IT and Security report to the MCO. In June 2011 the Commons Services Section identified team objectives for the current fiscal year.
- 5.1.8** In progress for September 2011. The Mission will complete an update of the Transportation Policy and Administrative Services Guide, both last updated in 2010. The 2009 Policy on the Conversion of Personal Funds will also be reviewed and updated this year. A policy on uniforms for General Support Staff is also under development.
- 5.1.9** Implemented June 2011. Weekly Section meetings were reintroduced in April 2011. The Section began to keep minutes of these meetings in June 2011.
- 5.1.10** Implemented March 2011. Service standards have been updated and the document is available to all staff in InfoBank.
- 5.1.11** In progress for September 2011. The Mission has purchased *** and is working on its implementation. This will allow services to be monitored and provide a client feedback mechanism. *** will be used to request services from Property, Security, IM-IT and the Transportation Section. Requests for office supplies will also use the *** format.
- 5.1.12** Implemented May 2011. The MCO will meet with general support staff on a quarterly basis. The first meeting took place in May 2011.

5.2 Human Resources (HR)

5.2.1 The HR function at the Mission is the responsibility of the MCO who is supported by an LE-07 Personnel Officer.

5.2.2 The Mission has had a significant level of LES turnover (approximately 25% of the staff changed last year) due to migration from the country and departures to other local jobs with higher salaries and better benefits. The Mission's LES Handbook was last updated in 1995 and it is part of Phase II of the worldwide review.

5.2.3 Over the past year, the CIC Program had a constant rotation of emergency employees to address increasing demand. The HR team is finding it difficult to maintain a current inventory of emergency employees for the same reasons as noted above. As this workload is expected to continue, the team will likely need to undertake recruitment exercises more frequently.

5.2.4 The Mission highlighted the workload of the Personnel Officer as a concern as she is also responsible for relocation activities. Given the ***, there needs to be continual follow-up to clear shipments, obtain license plates (which have taken up to 18 months to receive), etc. Both the Program and clients believe an additional LES position is needed.

5.2.5 In order to relieve this burden in the immediate future, the Program should examine the tasking of staff (such as the LE-04 Receptionist and LE-05 Administration Assistant) to determine if some of the HR or relocation duties can be transferred. The Mission should consult with Mission Client Services (AFO) to review the Common Services Model and options on how to address this need.

Management

Key HR Management Criteria	Meets	Needs Improvement	Does Not Meet
Responsibilities for human resource (HR) activities have been clearly defined, delegated and communicated to all staff.	X		
LES have been provided with the most recent version of the LES terms and conditions of employment.	X		
The LESMCB is representative of mission programs and employee levels, and is utilized by both LES and mission management to facilitate communication.	X		
An HR plan has been developed and submitted to headquarters.	X		
A coordinated approach is taken with regards to training and a budget has been established.		X	

Key HR Management Criteria	Meets	Needs Improvement	Does Not Meet
Mechanisms are in place to monitor the completion of employee's performance evaluations.		X	
Employee and position files are complete and maintained separately.			X
Job descriptions are up to date and signed by the incumbent and the supervisor.		X	
The mission records LES accrued leave, deductions and current balances.	X		

5.2.6 The Inspection Team met with the LES members of the LESMCB and the following issues were discussed:

- concern that salaries and benefits are low in comparison to other employers which has resulted in staff departures and an increase in the number of requests for advances of severance pay;
- communications from the Locally-Engaged Staff and HQ Workforce Programs Bureau (ALD) regarding the total compensation review have been better than for past exercises;
- the effect on LES morale when CBS constantly raise the difficulties of living in Venezuela; and
- the desire for professional development (suggestions included temporary duty and regional networking).

5.2.7 The Personnel Officer, who has been in this position for two years, ***. A review of staffing files completed after the training showed that processes are being more consistently followed. However, the *** could not locate position files, nor the last classification actions. When time permits, she is attempting to recreate the missing files.

5.2.8 The Officer has also been reviewing employee files and adding items, such as oaths of allegiance, to ensure they are complete based on the checklists created by ALD. This review highlighted that the majority of job descriptions need to be reviewed and updated. The Mission has engaged a contractor to verify that the information for each employee in the local social security system is accurate and to determine if the Mission is able to update information in the system electronically.

5.2.9 The Section systematically records and monitors leave, however, balances are not regularly sent to staff or PMs. Observations on PMPs, training and Official Languages are noted in the Mission Management section of this Report.

Key Processes and Internal Controls

Key HR Processes and Internal Control Criteria	Meets	Needs Improvement	Does Not Meet
Staffing actions are conducted in-line with the Locally-Engaged Staff and HQ Workforce Programs Bureau (ALD) guidelines. Written records supporting the process are maintained and contain required documents and approvals.	X		
Classification actions are conducted in-line with ALD guidelines. Written records supporting the process are maintained and contain required documents and approvals.			X
Letters of Offer are signed by the appropriate authority.	X		
New LES and CBS employees are provided with an information package on the working conditions, benefits and regulations pertaining to employment at the Mission.	X		
Staff are aware of the Values and Ethics Code and have signed a document certifying that they have read and understood this code. Mission Management informs staff of the requirements of the Code on an annual basis.	X		
Mission signage is provided in both English and French and a bilingual Official Languages Co-ordinator has been appointed.		X	
The Mission has sufficient capacity to communicate with and provide services to the public, both orally and in writing, in both official languages.	X		

5.2.10 The Mission has an active Health and Safety & Environment Committee (OHS). While the Committee conducts an annual workplace inspection of the Chancery premises, it has not reviewed the Official Residence, which is also considered a work location.

5.2.11 In FY 2010-2011 the Mission did not have a Community Coordinator, as no spouses were interested in the contract. In the new FY, if again there is no spousal interest, the Program should consider others outside the Mission to fill this role.

5.2.12 The Mission Report on the Intranet site is dated 2009 and should be reviewed and updated so that CBS and spouses can have a more accurate picture of life in Caracas when considering postings

Recommendations to the Mission

5.2.13 The Mission should consult with AFO regarding the Common Services Model and the need for more resources for HR activities. The Program should also examine if some HR tasks can be redistributed.

- 5.2.14** The Mission should continue its efforts to ensure HR files (employee, position and classification) are complete and up-to-date.
- 5.1.15** Job descriptions should be reviewed and up-dated.
- 5.2.16** The Section should establish a schedule for sending leave updates to staff and PMs.
- 5.2.17** The Official Residence should be inspected as part of the OHS annual workplace inspection.
- 5.2.18** To assist with relocation and other activities, the Mission should let a contract for a Community Coordinator.
- 5.2.19** The Mission should review and update the Mission Report.

Mission Actions and Timeframes

- 5.2.13** In progress for July 2011. The Mission will make a case for additional resources and has begun to redistribute HR activities within the Common Services Program. The Finance Section has assumed responsibility for the bi-monthly payroll, effective July 2011.
- 5.2.14** In progress for October 2011. This is an ongoing project and progress was made with the assistance of an MCO temporary duty trainee in June 2011.
- 5.2.15** In progress for December 2011. All job descriptions will be reviewed and updated.
- 5.2.16** In progress for July 2011. The Section will send quarterly reports on leave and attendance to PMs.
- 5.2.17** In progress for November 2011. The Occupational Health and Safety Committee has confirmed that it will perform a workplace inspection of the Official Residence in its next workplace inspection
- 5.2.18** In progress for July 2011. The Mission is in the process of hiring a Community Coordinator. In the absence of a CBS spouse or dependent to take on this contract, we have sought candidates from other embassies and international organizations.
- 5.2.19** In progress for September 2011. The Mission will review and update the Mission Report.

5.3 Physical Resources

5.3.1 The Physical Resources function at the Mission is the responsibility of the DMCO who is assisted by an LE-07 Property Manager, an LE-04 Property Materiel Assistant and a Handyman. The Section maintains a Crown-owned Chancery, a Crown-owned Official Residence (OR), 11 Crown-leased Staff Quarters (SQs) and *** official vehicles.

5.3.2 With the departure of the Australian Embassy there is an ***. A renovation project to modify the ground floor and relocate Consular staff (in order to provide a more functional work environment for CIC) is expected to start in the near future.

5.3.3 The OR representational area is well suited for events and the HOM is open to staff using it for official functions. The climate in Caracas is very humid, resulting in the need for constant monitoring to address issues such as humidity damage. The OR is scheduled to be refurbished in 2013.

Management

Key Physical Resources Program Management Criteria	Meets	Needs Improvement	Does Not Meet
The Mission Property Management Plan (MPMP) and the Mission Maintenance Work Plan (MMWP) are up to date and approved.	X		
Staff Quarters (SQs) are allocated based on the recommendations of the Housing Committee.	X		
The Chancery is well maintained and a maintenance schedule is in place.	X		
The Official Residence (OR) is well maintained and a maintenance schedule is in place.	X		
The mission has an efficient process in place for receiving, processing and monitoring work orders.		X	
Annual inspections are conducted to assess the state of SQs and input into maintenance and acquisition planning.	X		
The mission's multi-year Capital Acquisition Plan is approved by CMM annually.		X	
Local procurement guidelines have been established.	X		

5.3.4 Physical Resources planning is completed and documented annually through the Mission Property Management Plan (MPMP), the Mission Maintenance Work Plan (MMWP) and an annual materiel acquisition plan. The Section would benefit from creating a multi-year materiel acquisition plan. A large quantity of older furniture

and furnishings are stored throughout the Mission. Although some of this materiel may be used during the next posting cycle, much is outdated and ready for disposal. A plan would allow the Section to make their purchases when required and decrease the need to store surplus materiel.

5.3.5 The Section would benefit from more formal planning and discussion within the group, which has been recognized by the DMCO. Regular meetings have recently been implemented where day-to-day tasks are discussed. There is no clear delineation of responsibility within the Section, which leads to some confusion regarding roles and responsibilities between staff.

5.3.6 Although SQ inspections and other routine property tasks are carried out on a regular basis, there is no consistent process in place. The Section would be aided by developing work plans or checklists which detail monthly, annual and posting season requirements to ensure that the process remains consistent and to help define staff responsibilities.

5.3.7 The Mission has an active Housing Committee but no file exists. In order to be transparent, a file should be maintained to ensure records of decision and justification for those decisions are available.

5.3.8 The Mission is sensitive to the fact that the housing market in Caracas is unpredictable and that the Mission currently has ***. Current SQs are long-standing leases with *** landlords. For this reason, some staff are overhoused, but no justification is kept on file. The Mission should review its mix of SQ configurations to allow for more family friendly options. As Caracas has many security concerns, the Property Section should ensure the Military Police Security Specialist (MPSS) is consulted prior to leasing any SQ.

Client Service

5.3.9 In the past, there have been issues relating to the level and speed of service provided by the Section. In order to better track adherence to service standards and to allow the Section to better monitor their performance, the departmentally approved work order system has been ordered and will be installed as soon as possible. This initiative as it will allow the Section to better manage, prioritize and report on their activities.

Key Processes and Internal Controls

Key Physical Resources Internal Control Criteria	Meets	Needs Improvement	Does Not Meet
An inspection is conducted by new SQ occupants and a mission representative within 30 days of occupancy, after which occupancy agreements and distribution accounts are signed.		X	

Key Physical Resources Internal Control Criteria	Meets	Needs Improvement	Does Not Meet
A percentage of costs for personal use of OR supplies is determined and regular reimbursements are made to the Mission.		X	
Costs of damages to SQs or furnishings, beyond normal wear and tear, are recovered from the occupant.	X		
Records of assets located in the Chancery, OR and SQs, as well as those in storage, are maintained on an ongoing basis and verified annually. Assets are appropriately safeguarded and controlled.		X	
Disposals are appropriately authorized and follow departmental guidelines.		X	
Vehicles logs are appropriately completed, demonstrating that use was for official purposes.		X	
Vehicle logs and mileage are verified monthly by a CBS to reconcile usage to gas purchases as well as monitor vehicle performance.		X	

5.3.10 The Mission has created their own SQ inventory forms, which are signed by occupants. However, Occupancy Agreements and related inventories are not signed within 30 days of occupancy, and are not signed by the HOM. There are no records of Chancery or storage inventories. Given the large volume of stored materiel this is of particular concern ***.

5.3.11 One disposal file was made available to the Inspection Team. The file did not contain the departmental disposal form, nor was approval by either the HOM or HQ on file.

5.3.12 Keys for the Chancery and all SQs are held by the ***.

5.3.13 The Mission does not have vehicle logs or files to track fuel purchases, consumption and maintenance performed. Although fuel is inexpensive in Venezuela, the Mission should perform a monthly fuel reconciliation as it provides information on the vehicle’s performance, as well as acting as a control of a Crown asset.

Recommendations to the Mission

5.3.14 The Mission should create a multi-year, CMM approved materiel acquisition plan.

5.3.15 The Section should develop a detailed work plan, which flows from the Common Service work plan. Roles, responsibilities and time frames should be clearly defined.

- 5.3.16** The Section should develop checklists or work plans that detail monthly, annual and posting season requirements to ensure consistency.
- 5.3.17** A Housing Committee file should be created and maintained.
- 5.3.18** The Mission should ensure justification for over/under housing is on file.
- 5.3.19** The Mission should considering holding a different mix of SQ properties in order to ensure different family configurations can be accommodated.
- 5.3.20** The Section should consult the MPSS when new SQs are acquired to ensure security concerns are taken into consideration.
- 5.3.21** In order to improve inventory controls:
- A)** the Section should include the departmentally approved signature block on their inventory forms;
 - B)** Occupancy Agreements and SQ Distribution Accounts should be signed within 30 days of occupancy;
 - C)** the HOM should sign the Occupancy Agreement on behalf of the Mission;
 - D)** a Chancery inventory should be created for each office and open area and signed for by the occupant;
 - E)** when goods are moved from one room to another, a Materiel Transfer Voucher should be used; and
 - F)** a storage inventory should be created and stored goods secured.
- 5.3.22** The Mission should hold a disposal sale of all surplus materiel after the next posting season.
- 5.3.23** The Mission should ensure that all disposals are properly documented and the proper approvals are obtained.
- 5.3.24** In order to improve controls surrounding ***:
- A)** ***
 - B)** ***
 - C)** ***
 - D)** ***
- 5.3.25** In order to improve vehicle controls, the Mission should:

- A) create vehicle logs for all Mission vehicles, including the HOM's vehicle;
- B) indicate each trip taken in the log, including the destination, distance travelled and the passenger;
- C) have each passenger initial the log;
- D) create vehicle files in order to track maintenance and fuel consumption; and
- E) perform a monthly fuel reconciliation, which is approved by the MCO.

5.3.26 The Mission should develop a formula to determine the amount the HOM should reimburse for consumables used at the OR.

Mission Actions and Timeframes

5.3.14 In progress for January 2012. A multi-year, CMM-approved materiel acquisition plan will be created this fiscal year as part of the budget planning exercise for fiscal year 2012-2013.

5.3.15 Implemented April 2011. The Section has developed a detailed work plan for this fiscal year. Clear time frames are specified and roles and responsibilities are well understood.

5.3.16 In progress for September 2011. The Section is developing a detailed maintenance plan for all SQs, the OR and the Chancery.

5.3.17 Implemented April 2011. A Housing Committee file now exists on Infobank. Terms of Reference for the Committee as well as minutes of all meetings are filed there.

5.3.18 Implemented June 2011. The Mission will ensure to document all future justifications for over/underhousing CBS. These considerations were taken into account by the Committee in this year's decision-making process.

5.3.19 Implemented June 2011. The Housing Committee is mindful of the needs of families in its decisions to lease new SQ properties. Although no new families are scheduled for relocation to Caracas this year, the needs of families were considered when discussing new SQ options.

5.3.20 Implemented June 2011. As in the past, the MPSS serves as an advisor to the Housing Committee and evaluates security aspects of all SQs before they are leased.

- 5.3.21** In progress.
- A)** The Mission inventory forms now include the departmentally approved signature block. Implemented March 2011.
 - B)** The Mission will ensure that all Occupancy Agreements and Distribution Accounts are signed within 30 days of occupancy for all incoming CBS. In progress for July 2011.
 - C)** The HOM now signs all mission Occupancy Agreements. Implemented May 2011.
 - D)** The Mission will undertake an inventory of all Chancery materiel this fiscal year. This is included in the Section's work plan. In progress for February 2012.
 - E)** Once the Chancery inventory is complete, the Materiel Transfer Voucher will be used to record the movement of materiel. In progress for February 2012.
 - (F)** A record of all items held in storage will be included in the Chancery inventory. In progress for February 2012.
- 5.3.22** Implemented June 2011. The Mission recently held a disposal sale to dispose of surplus items.
- 5.3.23** Implemented June 2011. A disposal file was created and approved by the HOM following the disposal sale. The Mission will continue to properly document all disposals.
- 5.3.24** In progress.
- A)** ***. Implemented July 2011.
 - B)** ***. In progress for August 2011.
 - C)** ***. In progress for August 2011.
 - D)** ***. In progress for August 2011.
- 5.3.25** In progress.
- A)** Vehicle logs have been created for all mission vehicles and their use has been implemented. Vehicle logs will be monitored by the MCO on a monthly basis. Implemented July 2011.
 - B)** These details are included in the newly created vehicle logs. Implemented July 2011.
 - C)** This practice has been implemented. Implemented July 2011.
 - D)** Vehicle files will be used to track maintenance and fuel consumption. In progress for September 2011.
 - E)** Monthly fuel reconciliation will be implemented and approved by the MCO. In progress for September 2011.
- 5.3.26** In progress for September 2011. The Mission will determine the percentage of OR consumables that should be reimbursed.

5.4 Finance

5.4.1 The MCO is responsible for the Mission's financial operations. The current acting MCO has a background in Finance *** with the Information Management System (IMS) and actively reviews reports, budget allocation and executes payment runs. He is supported by an *** team comprised of an LE-07 Finance Officer and an LE-05 Assistant Accountant.

5.4.2 With the upcoming departures *** in the Finance function in order to ensure key controls are in place. For example, the MCO should be the one to review key reports, such as those for assets and liabilities and accountable advances. Holding regular Section meetings will assist in monitoring workload (as noted in paragraph 1.3.4 bank reconciliations are not up-to-date), highlighting training needs and addressing client service concerns.

5.4.3 Budgets are reviewed by the CMM at the beginning of the FY and on an as required basis. PMs are provided with regular updates on their specific allocations. Budget management is challenging with Venezuela having one of the highest rates of inflation in the world and a number of devaluations of the currency (which is restricted) over the past few years. Staff also noted that reduced travel and operational funds have constrained coverage of the Mission's area of accreditation.

Management

Key Finance Management Criteria	Meets	Needs Improvement	Does Not Meet
Financial procedures have been established to guide clients and finance staff.		X	
The section employs methods to minimize disruption (eg. setting of "quiet hours" and controlling access to the finance section).	X		
The section has explored alternate methods to minimize transactions and reduce reliance on cash (i.e. acquisition cards, electronic fund transfers).	X		
Payment runs are kept to a minimum, but are sufficient to provide good client service.	X		
Roles and responsibilities ensure adequate segregation of duties.	X		

5.4.4 Revenue collection (Consular and Immigration) averages *** per year. The Section and the CIC Program are working with the Mission's bank to implement a direct deposit system at the bank for fee payments. As there have been several instances where a bank has not negotiated certified cheques, this would reduce the

number of instances where clients are required to resubmit their fees and decrease the workload for both sections.

5.4.5 The Section and the CIC Program also need to review the refund process as some clients are not collecting their refund cheques, which then become staledated. As there is now a new agreement between the two departments (Standard Financial Procedures for CIC Fee Collection at Missions), this review will be timely.

5.4.6 Another challenge for both the Section and the CIC Program is determining how CIC clients from the islands of Aruba, Bonaire and Curaçao would make their payments, as their banking systems may no longer issue certified cheques in Canadian dollars. The Mission is also working with HQ to determine the best way to issue refunds to these clients given it cannot issue cheques in a non-convertible currency or hold a US dollar bank account.

5.4.7 Quiet hours for the Section are in effect and it is open to clients for three hours each afternoon Monday to Thursday and for two hours on Friday morning. The Mission should consider reviewing this arrangement to ensure that clients' workflow is being accommodated (i.e. alternating mornings and afternoons).

5.4.8 The Section processes approximately 600 cheques and 60 electronic funds transfers (EFTs) annually. The Mission currently has two acquisition cards and is considering obtaining more. During periods when there are a number of official exchange rates, ***.

Key Processes and Internal Controls

Key Finance Internal Control Criteria	Meets	Mostly Meets	Does Not Meet
A Contract Review Board (CRB) is in place and operating effectively with terms of reference.	X		
Contracting procedures have been documented and communicated to all staff involved in the process.	X		
Contracting files demonstrate compliance with policies and procedures.		X	
The mission's bank reconciliations are reviewed and signed-off on a monthly basis.		X	
The asset and liability report is reviewed on a monthly basis.	X		
Section 34 is exercised by individuals who possess the appropriate delegation of authority.	X		
Section 33 is exercised by individuals who possess the appropriate delegation of authority.	X		

Key Finance Internal Control Criteria	Meets	Mostly Meets	Does Not Meet
A CBS receives the original monthly bank statement directly from the bank and reviews it prior to giving it to the accountant.	X		
Official receipts are provided to clients at the time of payment and to internal staff when funds are transferred (i.e. from Consular to Finance).		X	
Reconciliations of any funds transferred within the mission are conducted in the presence of two staff.		X	
Monthly reconciliations of immigration fees are completed and the EXT-1203 is signed by the appropriate authority.		X	
Travel and hospitality claim processes ensure that policies and guidelines are adhered to and that the accountant verifies the completeness and accuracy of the claim.	X		
A process is in place to ensure that, where applicable, CBS reimburse the mission for any services of a personal nature received at their staff quarters (eg. television, internet, telephone, etc.).	X		

5.4.9 The Mission has recently re-established a Contract Review Board (CRB). To date no contracts have yet been processed through it. The next step is to establish a threshold for the CRB to review and approve contracts. An examination of a sample of previous contract files showed there was room for improvement in ensuring that all the required documentation is kept on file.

5.4.10 The Mission is not entering service contracts into the IMS Materiel Management (MM) module. Items currently in the system are purchase orders that have been inputted by HQ. Staff have received the required training but its implementation has not been made a priority.

5.4.11 The bank’s system for processing EFT payments only requires one approver, usually done by the MCO. In order to satisfy payment requirements, two CBS should exercise the approval function. The Mission should explore if this functionality can be added to the system. Until then, a manual process should be established where a second CBS witnesses the approval and initials the hardcopy document.

5.4.12 Clients bring cash/cheques to the Finance Section, *** the Section issues an Official Receipt, but not necessarily in the name of the individual that transferred the funds. At the point in time when *** and an Official Receipt in the individual’s name issued.

5.1.13 The CIC Section has not signed monthly IMS/POS+ reconciliation for a number of months. This is required in order to verify the amounts owed by DFAIT to CIC are valid.

5.4.14 As a good practice, the Mission issues a Mission travel authorization number (TAN) for staff business travel to ensure controls are in place over ticket purchasing.

Recommendations to the Mission

5.4.15 The MCO should institute regular Section meetings where the Mission's financial position can be reviewed and Section issues addressed.

5.4.16 In conjunction with the CIC Program, the Section should review the refund process.

5.4.17 The Mission should consider reviewing the timing of the Finance Section's quiet hours.

5.4.18 To improve the contracting process, the Mission should:

- establish a threshold as part of the terms of reference for the CRB; and
- ensure that contract files contain all required documentation.

5.4.19 The Mission should enter all contracts in the MM module.

5.4.20 To improve the internal controls on EFT payments, the Program should:

- determine if it is possible to have two CBS approvers for on-line banking payments; and
- ensure that a second CBS witnesses the approval and initials the hardcopy document (until the new functionality can be implemented).

5.4.21 When funds are transferred within the Mission, at the point of transfer:

- the funds should be reconciled in the presence of two staff;
- an Official Receipt should be immediately provided; and
- the official receipt should be in the name of the person making the transfer.

5.4.22 The IMS/POS+ reconciliation should be reviewed and signed each month.

Mission Actions and Timeframes

- 5.4.15** Implemented July 2011. Bi-weekly Finance Section meetings have recently been implemented.
- 5.4.16** Implemented July 2011. The refund process has been discussed with CIC in the context of new standard procedures for the collection of revenue. CIC will now ask clients to provide their banking information when a refund is to be issued. The Finance Section will still produce a refund cheque, but it will be deposited to the clients account as part of the Mission's regular payments. This will prevent many stale dated cheques.
- 5.4.17** Implemented in April 2011. The Mission has considered the timing of the Finance Section's quiet hours and does not see an operational need to change them at this time.
- 5.4.18** In progress.
- The Mission has established a 5000 CAD threshold for the Contract Review Board. Implemented July 2011.
 - The Mission will ensure that contract files contain all required documentation. In progress for September 2011.
- 5.4.19** In progress for September 2011. The Mission will begin using the MM module for contracts this fiscal year.
- 5.4.20** Implemented July 2011.
- It is not technically possible for two CBS to approve on-line banking payments.
 - A second CBS will act as a witness for the approval of EFT payments and initial the hard copy document.
- 5.4.21** Implemented July 2011.
- Funds transferred within the Mission are now reconciled in the presence of two staff.
 - Official Receipts are issued immediately.
 - Official Receipts are issued in the name of the person making the transfer.
- 5.4.22** Implemented July 2011. The IMS/POS+ reconciliation are now signed monthly by both the MCO and CIC PM.

5.5 Information Management - Information Technology (IM-IT)

5.5.1 The IM-IT Section is overseen by a LE-08 Locally Engaged Information Technology Professional (LEITP), under the overall management of the MCO. The

Section provides services to 51 employees in Caracas. The Mission receives support from a regional Foreign Service Information Technology Professional (FSITP) based in Bogota.

Management

Key IM-IT Management Criteria	Meets	Needs Improvement	Does Not Meet
An Information Management - Information Technology (IM-IT) work plan exists and includes regional activities.			X
The CMM or an IM-IT Committee provides direction and oversight for the IM-IT function.	X		
The liaison between the mission, HQ and regional manager is effective.	X		
IM-IT requirements in relation to business continuity planning (BCP) have been defined, implemented and tested.			X

5.5.2 The LEITP is *** and is seen to provide *** client service. The Section does not have a formal work plan as many of the tasks are routine. As part of the creation of an overall Common Services work plan, a formal work plan should also be developed for the IT Section to ensure non-routine tasks are captured.

5.5.3 As was noted in recommendation 1.4.5, there is some work to be done on the Mission's BCP processes. As BCP planning continues at the Mission, the IT Section should be involved in identifying, implementing and testing the necessary equipment identified.

Client Service

Key IM-IT Client Service Criteria	Meets	Needs Improvement	Does Not Meet
Problems experienced by the user are generally resolved within a reasonable time frame.	X		
The mission uses the required IM-IT service request system and maintains relevant data.	X		

5.5.4 The Section strives to provide clients with excellent service. The LEITP has developed in-house work order systems to track service requests for the IT and Physical Resources sections. The LEITP tracks and records his time according to departmental guidelines.

Key Processes and Internal Controls

Key IM-IT Internal Control Criteria	Meets	Needs Improvement	Does Not Meet
Back-ups are performed routinely and tapes are stored in a fireproof media safe in a secure location away from the primary use area.	X		
The Mission has appropriate secondary communications in place and those tools are tested regularly.		X	
Standardized practices and processes are in place to facilitate management and sharing of corporate information across programs (e.g. e-mail best practices, effective folder structures).	X		
Controls are in place to ensure the <i>Network Acceptable Use Policy</i> (NAUP) is respected (SIGNET and digital subscriber line (DSL) connections).	X		
Employees formally sign out IT assets (mobility tools) and are advised of their accountabilities.	X		
Surplus IT assets are disposed with the appropriate approvals per departmental policy.	X		

5.5.5 Overall, IM-IT processes and controls were effective. The Mission uses InfoBank and the LEITP provides coaching as necessary. All IT assets are formally signed out and tracked.

Recommendation to the Mission

5.5.6 In conjunction with the development of an overall Common Services work plan, the IT Section should develop a detailed work plan.

Mission Action and Timeframe

5.5.6 In progress for August 2011. An IT work plan is under development for the current fiscal year.

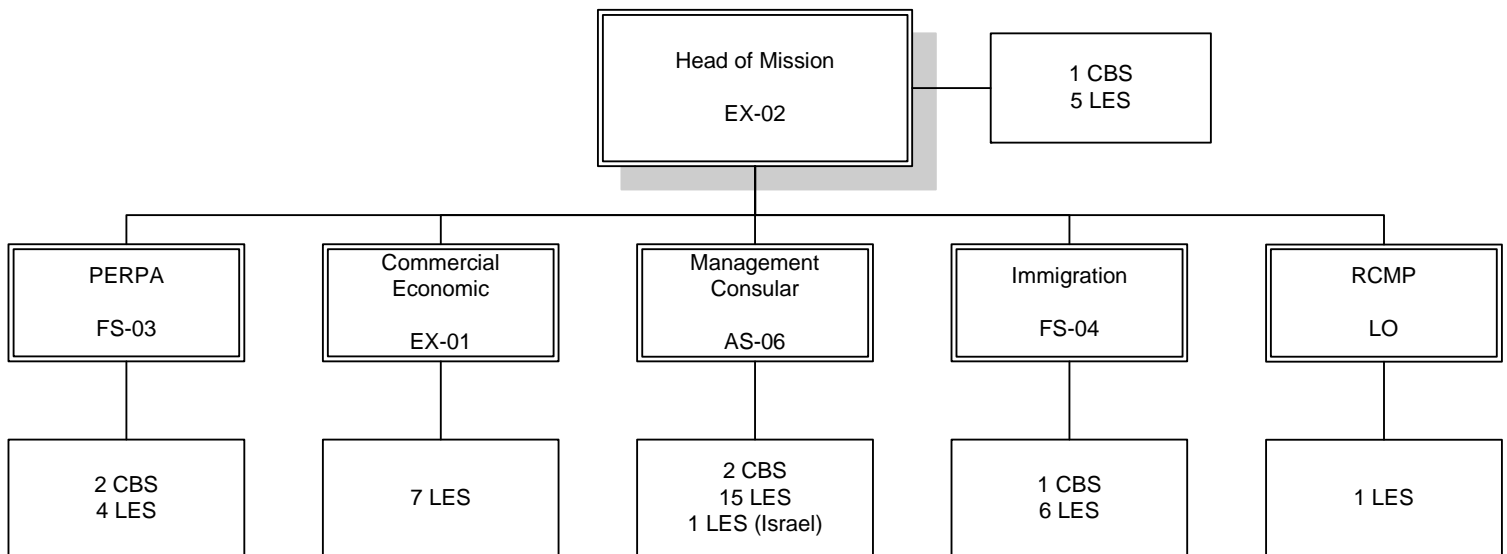
Appendix A: Mission Resources Fact Sheet

Physical Resources		
Assets	Crown Owned	Crown Leased
Chancery	1	-
Official Residence	1	-

Staff Quarters	-	11
Vehicles	X	-

2010-2011 Budgets	Program Budget	Common Services Budget
Operating (N001)	\$ 108,258	\$ 2,014,617
Capital (N005)	0	200,379
CBS Salaries (N011)	0	172,000
LES Salaries (N012)	958,792	856,057
Total	\$ 1,067,050	\$ 3,243,053

Appendix B: Organization Chart



Appendix C: Frequently Used Acronyms

BCP	Business Continuity Plan
CBS	Canada-based Staff
CMM	Committee on Mission Management
COMIP	Consular Management Information Program
CONPLAN	Contingency Plan
CRB	Contract Review Board
CSF	Client Service Fund
EFT	Electronic Funds Transfer
DMCO	Deputy Management Consular Officer
FSITP	Foreign Service Information Technology Professional
FTE	Full Time Equivalent
FY	Fiscal Year
GCS	Global Commerce Strategy
GVC	Global Value Chains
HOM	Head of Mission
HONCON	Honorary Consul
HQ	Headquarters
HR	Human Resources
HSZ	High Security Zone
IBD	International Business Development
ICT	Information Communication Technologies
IM-IT	Information Management - Information Technology
IMS	Integrated Management System
LEITP	Locally-engaged Information Technology Professional
LES	Locally-engaged Staff
LESMCB	LES Management Consultation Board
MCO	Management Consular Officer
MFO	Mission Financial Officer
MM Module	Materiel Management Module
MMWP	Mission Maintenance Work Plan

MOU	Memorandum of Understanding
MSO	Mission Security Officer
MPMP	Mission Property Management Plan
NAAP	North American Platform Program
OR	Official Residence
OZ	Operations Zone
PERPA	Political Economic Relations and Public Affairs
PIF	Post Initiative Fund
PM	Program Manager
PMA	Performance Management Agreement
PMP	Human Resources - Performance Management Program
PMP	Consular - Passport Management Program
PRIME	Physical Resources Information - Mission Environment
ROCA	Registration of Canadians Abroad
S&T	Science and Technology
STC	Senior Trade Commissioner
SQ	Staff Quarter
SZ	Security Zone
TC	Trade Commissioner
TCA	Trade Commissioner Assistant
TCS	Trade Commissioner Service
TRIO	The TCS' Client Relationship Management System
ZID	Office of the Inspector General
ZIV	Inspection Division