



# **AUDIT OF THE CANADIAN EMBASSY**

## **KINSHASA**

**December 2004**

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

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## **EXECUTIVE SUMMARY**

An audit of the General Relations (GR), International Business Development (IBD), Consular Services and Administrative Services programs was conducted from October 13 to 17, 2003 in Kinshasa. A computer security audit was conducted by the Corporate Security Division at the same time. The Mission was last audited in February 1993.

The Mission in Kinshasa was officially reopened in 1997 after being closed in May 1993. The Mission is currently run by a chargé d'affaires, assisted by a cooperation counsellor, a political counsellor, an administrator, a security attaché and 11 LES, of which two positions must be staffed. This Mission, which relies on a competent and motivated staff, is effectively managed. Morale is very good throughout the Mission.

The General Relations Program is vital for our understanding of the situation in the Congo, and it is important to conduct our own analysis if we want to be in a position to make enlightened decisions on possible contributions to the peace process.

The International Business Development Program is limited to 0.2 FTE from various Mission resources. Once the situation in the Congo stabilizes and the country's peace and domestic security allow for operation in a more favourable environment, the Mission should be able to open new avenues and provide support services to Canadian companies. In the meantime, the Embassy has helped implement a Canada-Congo Chamber of Commerce that helps companies wishing to set up business partnerships.

The Consular Section provides good service to the Canadian community. It is also responsible for receiving visa applications, which are sent to Abidjan for processing. Congolese applicants have filed several complaints about the slowness of the system and the process. It would be a good idea to examine the possibility of transferring responsibility for processing visa applications to another centre in order to improve service efficiency and speed.

The Administration Program is under the direction of a new management consular officer (MCO) on his first assignment as MCO. Kinshasa is a difficult and challenging environment but the MCO has proven himself very capable in the face of these challenges. A number of human resources issues need to be addressed, especially in staffing vacant positions and dealing with long-term staff on contract. We found the Mission's financial practices to be sound and in compliance with policies and procedures. A number of recommendations have been made, however, to promote a higher level of efficiency and to strengthen internal controls.

## **STATUS OF RECOMMENDATIONS**

A total of 32 audit recommendations are raised in the report; 29 are addressed to the Mission and three are addressed to Headquarters (HQ). Management

has responded to each recommendation indicating action already taken or decisions made, as well as future action. Of the 32 recommendations, management has stated that 20 have been implemented. For the remaining 12 recommendations, management has indicated the initiatives in progress or the intended future action.

## SCOPE, OBJECTIVES, MISSION RESOURCES

### Audit scope and objectives

The scope of the audit included a review of Mission management and the Political, Economic and Administration programs.

The audit objectives were to:

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

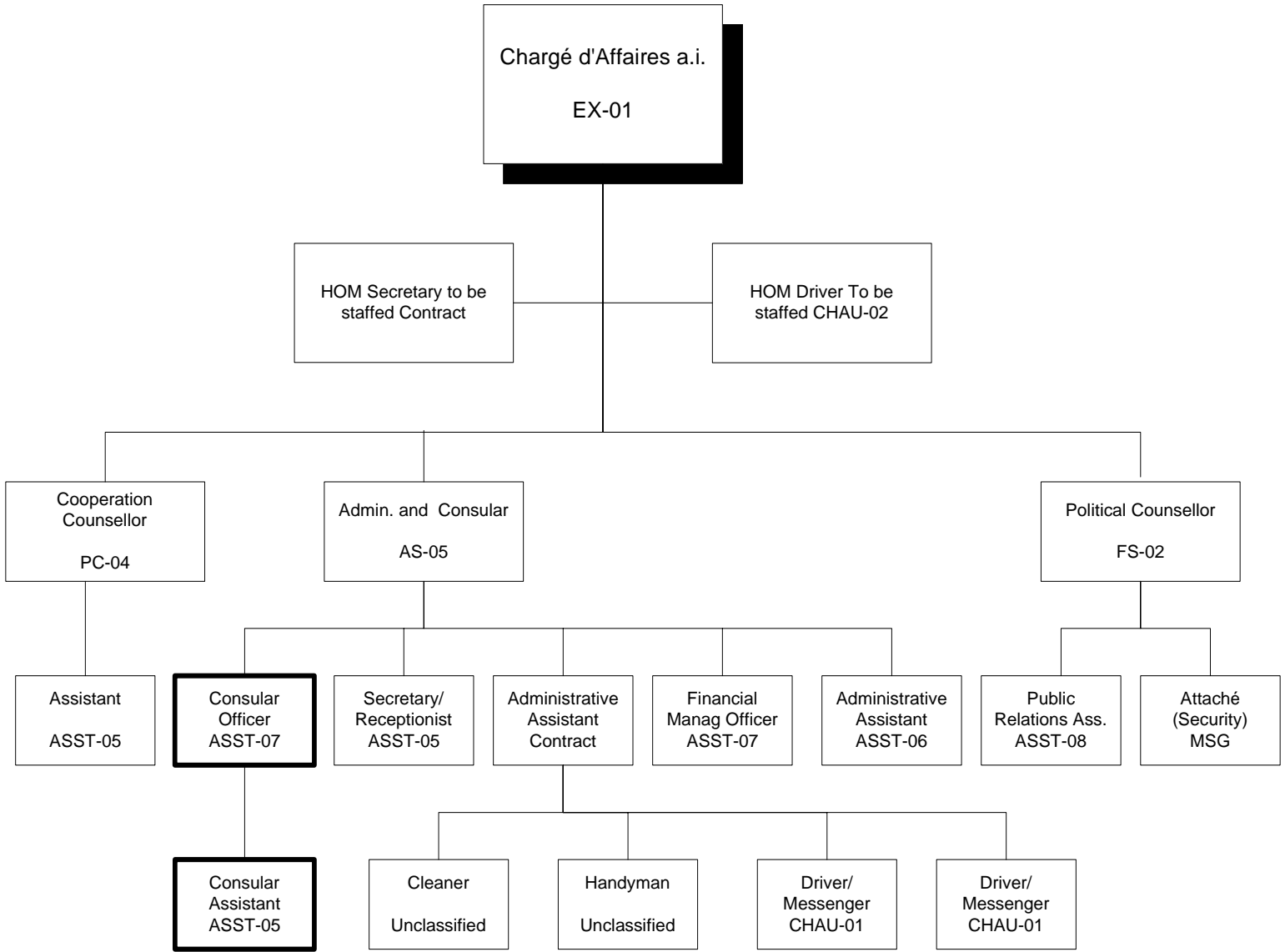
### Physical resources

Assets	Crown Owned	Crown Lease
Chancery	1	
Compound and Annex	1	
Official Residence (OR)		1
Staff Quarters (SQ)	1	3
Vehicles	5	

### Financial information (2003-2004)

Operating budget (N001)	\$1,388,200
Capital budget (N005)	\$105,500
CBS salaries budget (N011)	\$620,179
LES salaries budget (N012)	\$215,800
<b>Total</b>	<b>\$2,329,679</b>

# Organizational chart



## MISSION MANAGEMENT

1.1 Management of the Embassy falls to the new chargé d'affaires, an experienced diplomat who is providing the Mission with the benefit of his management experience and his comprehensive knowledge of the Democratic Republic of the Congo (DRC). Morale within the Mission is excellent and staff look to the future with optimism.

1.2 The Mission has a completely new management team on site that is already working and operating in a spirit of collegiality. Members of the management team have a manifest sense of responsibility and, because of a staff shortage, often make themselves available to take on other duties that need to be carried out. The local employees, with one exception, are highly competent and generally satisfied with their condition of employment.

1.3 The Committee on Mission Management (CMM) meets regularly to discuss urgent issues and routine matters such as housing, contracts, security, health and protection. To better integrate locally engaged staff (LES) into Mission activities, management would be well advised to keep LES informed of management committee decisions and organize meetings with them once or twice per month. In that way, management could promote greater team spirit between CBS and LES and improve relations (which are already excellent) with most employees.

### Recommendation for the Mission

**1.4 Management should try to improve communications with LES by increasing the number of meetings with them and by disseminating the minutes of the CMM to all Mission employees.**

### Mission Action Plan and Time Frame

**1.4 Since the audit, the CMM has been meeting on a weekly basis and its minutes are disseminated to all employees. LES are also invited to participate in the CMM when an agenda item deals with their area of expertise. Finally, the HOM is holding a monthly meeting with the entire staff to talk about various topics of interest (department's directions, Embassy management, Canadian current events) in an informal manner. The opinions of the LES Committee are automatically sought on issues affecting the entire staff.**

## **GENERAL RELATIONS**

2.1 The new counsellor responsible for political, economic, public affairs and security issues has a good understanding of the nature of his responsibilities and has already inspired HQ's desire to see him travel the country to take the pulse of the situation in the field. In order to understand the situation in the Congo, it is essential that we conduct our own analysis if we want to be in a position to make enlightened decisions on possible contributions to the peace process. Along those lines, the counsellor must be actively involved in a group of political counsellors from friendly countries to round out his own assessments.

2.2 On the economic front, although the situation in the country is still quite precarious and does not require instituting regular reports, it is important to occasionally report on progress in the areas of inflation, the national economy or specific topics of interest such as the reform process of the Central Bank and ten local banks.

2.3 In terms of public affairs, although the program itself is limited, he must work closely with the LES, who is, among other things, responsible for this field. The staff shortage at the Embassy often requires this LES to attend to a multitude of things. He must take care of the commercial segment, contribute to domestic policy analysis work and even carry out protocol-type duties for the HOM. Since the HOM does not have a local assistant, the LES must often divide his time between the needs of the HOM and those of the general relations counsellor.

### **Recommendation for the Mission**

**2.4 In terms of work planning, close coordination must be implemented between the head of the Political/Public Affairs Section and the LES working in that area.**

### **Mission Action Plan and Time Frame**

**2.4 The public affairs officer and the counsellor in charge of the PERPA Program have set up a program for 2004 that includes the Francophonie marathon, participation in a European film week in Kinshasa, two national day celebrations (in Kinshasa and Brazzaville), some events on the fight against anti-personnel mines and small arms, and a Canadian film festival in September. The addition of an assistant to the HOM and the Political Section in December 2003 has made the public affairs officer more available to his sector.**



## **INTERNATIONAL BUSINESS DEVELOPMENT**

3.1 Although we are aware of the business opportunities that the DRC offers (mining, energy, forests, oil, transportation) and the recent presence of Canadian companies, we are not in a position at this time to recommend the creation of a permanent commercial employee position within the Mission. However, we must continue providing support to Canadian companies to advise them, open new doors for them and occasionally get their projects back on track. For the time being, it is anticipated that 0.2 FTE from various Mission resources will be dedicated to doing this. The need for support services will grow as the political situation stabilizes and the country's peace and domestic security allow for operation in a more favourable environment.

3.2 In anticipation of this development, the Embassy has helped implement a Canada-Congo Chamber of Commerce following the merger of two former chambers. The Chamber is willing to help both Canadian and Congolese companies wishing to develop business partnerships. In order to continue the support lent by the Mission to date, consideration could be given, through already-existing DFAIT programs, to assigning a student intern in economics and commerce who would go to the Chamber as executive director for a set period of at least one year.

### **Recommendations for the Mission**

- 3.3 **Study the possibility, from among the various available programs connected with Canadian students working abroad, of assigning an economics and commerce student to be executive director of the new Canada-Congo Chamber of Commerce.**
- 3.4 **Ensure an equitable yet desirable division of the commercial work between the HOM, the officer responsible for political affairs and the public affairs LES.**

### **Mission Action Plans and Time Frames**

- 3.3 **The suggestion to assign an economics and commerce student as executive director was studied by the management committee of the new Canada-Congo Chamber of Commerce. The committee agrees to consider the idea as part of measures that may be taken to consolidate its resource base so as to be in a position to establish the resources that it will be able to devote to hiring a student intern. It would also like to study the possibility of making use of a candidate with good knowledge of both countries, such as a Congolese student who has studied in Canada.**

**3.4 The political affairs officer, who arrived at post in September 2003, has been gradually introduced to the commercial work. New files are largely confided to him and he is involved in dealing with the others so that he will be able to pass them on to the new HOM, who is expected in late summer 2004. He is also involved with the HOM in managing the CCCC, for which he must also ensure continuity. The public affairs LES is now better integrated into the commercial affairs work, taking charge of routine checks and requests, which he can handle in conjunction with the CCCC.**

## **CONSULAR SERVICES**

4.1 The Consular Services Program is responsible for providing service to Canadian citizens, including passport and citizenship services and receiving visa applications. The MCO is well respected by the consular officer and shows a lot of interest in program activities. He stays abreast of the sensitive and high-profile cases and is copied on all CAMANT messages. Service is provided in both official languages and in the local language, if necessary.

4.2 The Inspector General's various meetings with groups of Canadian nationals revealed that the Consular Section provides good service to the Canadian community. However, during the meeting with JPP and JPO, it came to light that a certain number of cases of financial assistance to Canadian nationals could be better documented and better justified. To improve the documentation of consular cases, the Mission and the Consular Affairs Division should explore the possibility of additional training for both the consular officer and the MCO.

4.3 The Mission issues an average of 40 passports each month. Cash receipts are appropriately monitored. The Mission issues an official receipt for consular service fees paid and an unofficial receipt for passport fees paid. An official receipt for the total amount paid should be issued to better monitor and reconcile cash receipts. Consular and immigration cash receipts are kept in a filing cabinet that does not meet departmental security standards. This filing cabinet should be immediately replaced by a safe recommended/approved by ISRA.

4.4 A small supply of blank passports and labels is kept by the consular assistant, while the rest of the passport supply is stored in a secure area of the Mission. A physical audit of the storage area was conducted and no discrepancy was noted in the number of passports.

4.5 In April 2002, the Embassy updated the consular contingency plan, which includes emergency coordinators representing the various regions in the country. The head of the Canadian military contingent of MONUC informed the team that he was depending on the Embassy to evacuate the contingent in case of emergency, which the Embassy was unaware of. Therefore, the Mission must take this information into consideration in developing its emergency evacuation plan.

### **Recommendations for the Mission**

**4.6 Provide an additional training course to the consular and administrative assistant.**

**4.7 Ensure that the Mission issues an official receipt for each passport issued.**

- 4.8**        **Revise the Mission's emergency evacuation plan to include the military contingent from MONUC.**
- 4.9**        **Take the necessary steps to obtain a safe approved by ISRA.**

#### **Mission Action Plans and Time Frames**

- 4.6**        **The Mission points out that the consular assistant participated in the consular specialist training provided in Ottawa in April 2002. However, the Mission has carefully noted the recommendation and with JPPT will envisage the possibility of having the employee participate in some training courses or activities. Follow-up in the form of coaching could also be done by the employee's supervisor, with support from the MCO. The new MCO, expected in late summer, has extensive experience with consular work.**
- 4.7**        **Recommendation applied as of the audit in October 2003. A notice asks clients to request an official receipt for any monies paid. A sample of the official receipt is displayed.**
- 4.8**        **The Mission has included Canadian military personnel in its list of people to evacuate in the event of an evacuation of Canadian citizens from the DRC. It strongly encourages them to register on the Register of Canadians Abroad each time it has the chance. The Mission is in contact with MONUC, which is revising its evacuation plan. It will consult with Canadian military personnel posted with MONUC during the next revision of the contingency plan, scheduled for September 2004, to more effectively coordinate the evacuation plan for Canadian military personnel with that of MONUC and that of the Embassy.**
- 4.9**        **A secure filing cabinet meeting departmental standards was ordered and installed following the audit.**

#### **Support service for the Immigration Program**

- 4.10**        **In addition to its consular responsibilities, the section receives visa applications, collects associated fees and ensures the applications are sent on to Abidjan, which authorizes or refuses the issuing of visas. Upon authorization, the section issues the visa. The main person in charge of this work was trained in Abidjan by the Immigration Service concerned. It is estimated that in 2002, our Mission devoted 81.89 days to this task, the equivalent of 1,430 cases.**
- 4.11**        **The Immigration Service in Abidjan has apparently asked that a sum of US\$10 be requested from all visa applicants to defray the costs associated with sending**

the various applications by DHL from Kinshasa to Abidjan. An unofficial receipt is issued when this sum is collected. This practice poses a problem, not only because of the handling of cash by our local employees, but also with regard to the legitimacy of such a process.

#### **Recommendation for the Mission**

- 4.12 The Mission should confirm with CIC the US\$10 fee for delivery that the authorities are requesting.**

#### **Mission Action Plan and Time Frame**

- 4.12 The CIC office in Abidjan states that this practice has been approved by their headquarters. However, the Mission continues to share the concerns of SIV and feels the question should be asked directly to CIC in Ottawa in order to clarify the situation.**

## **ADMINISTRATIVE SERVICES**

### **5.1 Management of the program**

5.1.1 The Administration and Consular Services Program is under the direction of a management consular officer on his first assignment as an MCO. He is supported by an accountant, an administrative assistant, a receptionist and two employees in the Consular Services Program. Program objectives are generally being met in an efficient manner, although opportunities for improvement were identified.

5.1.2 The recent changeover of the Mission management team has had a positive effect on the atmosphere at the Mission as well as employee morale. Employees speak favourably of the support received from management, especially from the MCO. The MCO is viewed as one who listens actively, considers the difficult environment ever present in the DRC and makes operational decisions in light of this.

5.1.3 Operating in such an environment, especially as a first-time MCO, often presents a challenge to the MCO when certain situations arise, such as the need to deal with consistent poor performance and the undeniable impact of terminating a person's employment. It is worth noting, however, that despite these operational limitations, all program activities are executed and delivered in a satisfactory manner.

5.1.4 There are a number of staffing issues that need to be addressed to ensure the Embassy's administrative needs are met. Excellent oversight of financial activities with effective financial controls are in place. Similarly, the management of the Consular Services Program contributes positively to the efficient delivery of consular activities, including good client service.

### **5.2 Human resources**

5.2.1 Human resources are effectively managed by the MCO who, with the help of the accountant, ensures personnel services for the Mission. The Mission has a staff of five CBS and 11 LES, nine positions of which are currently filled. Furthermore, the Embassy employs seven contract employees carrying out the duties of gardener, domestic staff, cleaner and part-time administrative assistant.

5.2.2 Employee files are complete and kept up to date, and in-depth reliability checks were conducted for all staff. All appraisal reports are up to date except for the accountant's. The Mission's organizational chart is current and accurately reflects the staff that works at the Mission. Several position descriptions were recently revised, but it should be noted that the consular officer's description still does not accurately reflect the actual duties and should be revised again to include visa responsibilities.

## **LES Committee**

5.2.3 The LES Committee is a well-organized group whose members are elected for a five-year term. The Committee meets approximately every three months and meets with the HOM and the MCO when required. The Committee prepares minutes for each of its meetings and sends them to the Mission's LES. The local staff, through the LES Committee, said it was happy with the prevailing environment at the Mission, especially since the arrival of the new management team.

## **Salaries and benefits**

5.2.4 A certain number of questions were raised as part of the development of the LES Handbook, such as family and transportation allowances and the need to implement a pension plan. The LES Committee, which is well aware of the steps the Embassy is taking to implement a pension plan, could only encourage the Embassy to move ahead with resolving this matter. The HRL Division, which conducted a comprehensive review of employee benefits during the 2003-2004 fiscal year, is expected to conduct a serious study into the possibility of establishing a pension plan since the LES have no protection in this regard.

5.2.5 The Committee on Mission Management recently approved the publication of an updated handbook for LES. This update should receive HRL approval before being distributed to the LES. The 1991 Handbook remains in effect until a new handbook is approved by HRL.

5.2.6 To make granting bank loans to LES easier, the Mission had adopted the practice of issuing a letter to the BIAC, a letter that has every appearance of a "guarantee" that the salary of the employee concerned would be paid into the employee's account, without any reference to the length of employment at the Mission. The Mission also undertakes to ensure the employee honours the commitment, which it would not be able to do in the event employment is terminated. The Mission was strongly advised to eliminate all references to a guarantee or commitment on its part with regard to the repayment of the loan.

## **Staffing LES positions**

5.2.7 It will be necessary to move ahead with normalizing contract employees whose work conditions have all the features of an employer-employee relationship. First, the Embassy should proceed with normalizing positions that have already been approved or approved in principle by GAM, and then take steps to create the additional positions needed to eliminate personal service contracts, taking into account the goal of drawing more and more on specialized companies, for example in gardening. Intended staffing actions should then be reviewed by GAM to ensure that Mission and departmental interests are considered.

5.2.8 The incumbent of the office manager position, hired as such in 1997 but employed as an administrative assistant and systems administrator for more than a year now, officially resumed his original duties following the resignation of the contract employee who was holding the office manager position.

### **Recommendations for the Mission**

5.2.9 **Systematically identify staffing needs and developments therein in order to communicate them to GAM and incorporate hiring plans into the Mission's general planning framework. Normalize the status of the seven contract employees.**

5.2.10 **Submit the draft update of the LES Handbook to HRL for approval.**

### **Mission Action Plans and Time Frames**

5.2.9 **The normalization of two positions (handyman and cleaner) has already been approved and the Mission is working to finish the salary investigation to determine the wage schedule in consultation with HRL and determine what budget transfers will be needed to finalize the normalization of those two positions. The Mission would like to be able to finish this process before the end of the second quarter. The Mission is proposing to introduce files to normalize the other positions.**

5.2.10 **The draft update of the employee handbook was submitted to HRL after the draft report was received.**

### **Recommendation for HRL**

5.2.11 **Clarify the pension plan situation for locally engaged staff.**

### **HRL Action Plan and Time Frame**

5.2.11 **As of April 1, 2004, HRL has authorized the reinstatement of pension protection retroactive to October 1, 1997, the date on which the Mission was reopened, under the Pension Scheme for Employees of the Government of Canada Locally Engaged Outside Canada, 1996, since it was recently ascertained that most employers there provide a pension plan for their employees. HRL has also provided the Mission with a document explaining the benefits payable under the pension plan so as to help the Mission provide explanations to employees.**



### 5.3 Physical resources

5.3.1 The Mission Property Management Plan for 2002-2003 is up to date. The rental market in Kinshasa is limited and expensive, with only one sector of the city offering a secure environment and adequate services such as hydro and water. We found the portfolio of SQs to be reasonable and in relatively good condition. The Support Unit is currently located in the Embassy Annex, but it should be noted that they do not pay any rent; if they did, it would enable the Mission to recoup that portion of maintenance and operating costs.

5.3.2 The administrative assistant and the MCO meet daily to review outstanding work orders, plan and prioritize tasks and identify resources needed. The MCO's support and direct involvement in Mission property management exceeds normal expectations given the administrative assistant's level. Efforts should be made to help the AAs become more self-sufficient, such as developing and implementing a formal system to receive, plan and track work orders and establishing clear expectations.

5.3.3 Since the reopening of the Chancery in 1998, the office has become very crowded. The departure of the South African Embassy provided an opportunity to expand the office space to the first floor. Extensive renovations of the first floor are now underway, which will eventually offer improved office space for all staff, especially the consular group. We found the new floor plans to be well thought out, giving careful consideration to all Mission activities. The renovation project includes repairs to the exterior walls of the building envelope. With approximately a year to project completion, the staff will have to endure mind-boggling construction noise. Management proposes to adopt a work-from-home policy whenever workload permits. The cost of retrofitting the Chancery and payment of all invoices are managed by SRD and, as such, expenditures were not included in this audit.

#### Recommendations for the Mission

**5.3.4 The Mission should take the necessary steps to introduce rental fees for the space currently occupied by the Support Unit.**

**5.3.5 Efforts should be made to help the AAs become more self-sufficient, such as developing and implementing a formal system to receive, plan and track work orders and establishing clear expectations.**

#### Mission Action Plans and Time Frames

**5.3.4 The Mission has determined the level of rent in consultation with SRSK and the PSU has retroactively paid the rent for the entire 2003-2004 fiscal year, and is currently paying for the 2004-2005 fiscal year.**

**5.3.5 The AA now receives service requests via e-mail, which helps the requester and the AA ensure follow-up. Ever since the recommendation was made during the audit, the AA has also been keeping a list of completed and pending requests.**

### **Vehicles**

5.3.6 The Mission has a fleet of vehicles suitable to the environment, except for the HOM's vehicle. The HOM's car, purchased in 2000, has a number of electronic components for which a knowledgeable mechanic cannot be found in the DRC and must now be replaced by a more standard vehicle. The MCO will have to find the means of disposing of this vehicle, probably by transporting and selling it in South Africa, and obtain the funds needed to replace the HOM's vehicle.

5.3.7 The Mission also needs to dispose of vehicles that are too old.

### **Recommendations for the Mission**

**5.3.8 Management should dispose of surplus vehicles as soon as possible.**

**5.3.9 Management should take the necessary steps to replace the HOM's vehicle.**

### **Mission Action Plans and Time Frames**

**5.3.8 Following the audit, the Mission liquidated both vehicles at auction during the 2003-2004 fiscal year.**

**5.3.9 The vehicle was purchased using the Mission's own funds after receiving approval from GAM in the fourth quarter of 2003-2004 to go ahead with the purchase of a replacement vehicle.**

### **5.4 Financial management**

5.4.1 The MCO is the financial officer responsible for the Mission's financial management. He is assisted in this capacity by the accountant, the only member of the accounting office. The accountant has held this position since May 2000 and has all the necessary experience and qualifications that enable him to complete the tasks related to his duties. Overall, financial management is good, but to achieve better, more sound financial management, the Mission should be sure to follow up on the points listed below.

## **Closure of bank accounts**

5.4.2 At the time of the audit, the Department's Integrated Management System (IMS) was showing that the Mission had four bank accounts: two American currency (US\$) accounts and two local currency (Congolese franc [CDF]) accounts. These accounts were held by two different banks: \*\*\*. The CDF account \*\*\* had, in fact, been closed on April 1, 2002. The Mission had already informed SMFF about this closure.

5.4.3 The Mission has two US\$ bank accounts. In 2000, with HQ's approval, the Mission had opened a second US\$ account to facilitate the deposit of LES salaries. \*\*\*. Since the problem associated with those deposits no longer exists and it is possible for the Mission to operate with a single US\$ bank account, the Mission should consider closing one of the two accounts, \*\*\*.

## **Recommendations for the Mission and SMFF**

**5.4.4 In order to have the bank accounts being used at the Mission reflected in the IMS, the necessary steps should be taken by SMFF to deactivate in the IMS the CDF account \*\*\* (GL 10627), which has been closed since April 1, 2002.**

**5.4.5 The Mission should undertake a study to determine which of the two US\$ accounts should be closed. Care must be taken to inform SMFF before going ahead with the closure of one of the two accounts.**

## **Mission Action Plans and Time Frames**

**5.4.4 The CDF account \*\*\* (GL 10627) has been deactivated in the IMS.**

**5.4.5 The Mission is proposing to move forward with a comparative study of the services and benefits of both banks. The decision will be made in consultation with SMFF and should be completed during the third quarter of the 2004-2005 fiscal year.**

## **Opening of a cash account**

5.4.6 Most DRC residents do not have a personal bank account, so it is customary in this country for invoices to be paid in cash. Several suppliers used by the Mission are also paid in cash. A review of a four-month period showed that the average monthly cash payments totalled US\$45,500. More than US\$67,000 was paid out in a single period, and on one occasion a recipient received a cash payment of more than US\$21,000.

5.4.7 \*\*\* If the Mission had a cash account in US\$, the accountant would go to the bank less often and, moreover, all monies collected by the Mission in US\$ could be deposited in this cash account held by the accountant. \*\*\*

### **Recommendations for the Mission**

5.4.8 **To facilitate the accountant's task when the time comes to settle invoices in cash, the Mission should take the steps needed to open a cash account, in US\$, and contact SMFF to receive the necessary instructions on how to manage such an account and on the effective internal controls that go along with it.**

5.4.9 \*\*\*

### **Mission Action Plans and Time Frames**

5.4.8 **The Mission has already discussed this issue with SMFF and is proposing to implement the cash account in US\$ by the beginning of the second quarter of the fiscal year. The Mission will be in contact with SMFF to create the account in the IMS.**

5.4.9 \*\*\*

### **Bank reconciliations**

5.4.10 Various bank withdrawals not registered in the IMS during the 1999-2000 fiscal year have been causing considerable delay in preparing bank reconciliations linked to the \*\*\* US\$ account and submitting them to SMFF for more than three fiscal years. A joint effort between the Mission and SMFF helped reduce the number of outstanding reconciliations. At the time of the audit, only the 2000-2001 fiscal year had not yet been reconciled in full; however, the accountant was busy with the reconciliations for the period of July 2000 to March 2001 and was expecting to complete this difficult task before the recent arrival at the Mission of an SMFF team whose main duty is to ensure the financial statements are in order.

5.4.11 Bank reconciliations are continually submitted to HQ late. They should be sent to SMFF before the cut-off date set out in the Department's financial policy. Just before the arrival of the team of auditors in October 2003, the Mission had sent, all at once, the Mission accounts covering the period from May to September 2003. In the future, the MCO will have to be sure to quickly analyze the bank reconciliations submitted to him by the accounting office and submit them for the HOM's signature in order to be able to comply with the shipment cut-off date.

## **Recommendations for the Mission**

- 5.4.12 To provide for sound management of financial statements, the Mission should ensure that all outstanding bank reconciliations are completed as soon as possible.**
- 5.4.13 To meet the cut-off date for sending the bank reconciliations, the MCO should take the necessary steps so that the financial statements are signed and approved quickly after they have been prepared by the accounting office.**

## **Mission Action Plans and Time Frames**

- 5.4.12 Completed during the SMFF visit in November 2003.**
- 5.4.13 Correction made by the MCO following SIV's comments.**

## **“One-time vendor” master records**

5.4.14 In September 2003, SMFF informed all missions through a financial bulletin that “one-time vendor” types of vendor master records should be used only for reimbursing immigration fees up to \$2,500. At the time of the audit, the Mission had 16 “one-time vendor” master records still in use for recording in the IMS various payments other than those connected with immigration fees. Using this kind of record to record payments other than those indicated in the SMFF bulletin is not a good financial tool because the financial transaction is not posted to a record bearing the name of the recipient.

## **Recommendation for the Mission**

- 5.4.15 The Mission should: a) review its procedure for using “one-time vendor” types of master records to ensure compliance with the department’s financial policy; and b) create vendor master records for each vendor to whom a payment must be made if the record does not exist.**

## **Mission Action Plan and Time Frame**

- 5.4.15 Situation corrected following the SIV visit in October 2003 and the SMFF visit in November 2003. The Mission would, however, like to emphasize that the previous practice was being done in all good faith based on written instructions received by the accountant during the IMS training provided by Ottawa.**

## **Various observations**

5.4.16 Observations other than those noted in the preceding paragraphs were raised and brought to the attention of the Mission during the audit. For the sake of conciseness in this report, these observations are presented below in the form of recommendations.

## **Recommendations for the Mission**

- 5.4.17 **Monthly financial report: The MCO should obtain from Mission managers monthly reports on the Mission's budget and other various operations, such as outstanding advances, collectibles, etc.**
- 5.4.18 **Return of cheques processed by the bank: The MCO should contact both banks the Mission does business with to see if cheques processed by both banks can be returned to the Mission. Currently, all cheques are issued manually. Returning the cheques to the Mission would enable the MCO to ensure that there have not been any anomalies with regard to cashing the cheques.**
- 5.4.19 **Sections 33 and 34 of the FAA: The MCO should ensure that payment recipients do not sign under sections 33 and 34 of the *Financial Administration Act*.**
- 5.4.20 **\*\*\* US\$ account (GL 10625) - \$69,353 adjustment: Since March 2000, a sum of \$69,353 has been listed as an adjustment on the bank reconciliation of the account mentioned. At the time of the disbursement, the CIDA funds were available, but the payment was not recorded in the IMS. The Mission should take the necessary steps to close this adjustment. The Mission, with support from GAM and SMFF, should examine the issue to find a speedy solution to this problem.**
- 5.4.21 **CFLI - Brazzaville bank account: In October 2002, to facilitate all disbursements made as part of the Canada Fund for Local Initiatives (CFLI) program in the Republic of the Congo, the HOM requested a bank account be opened in Brazzaville. At the time of the audit, the credit balance of the account was more than \$44,000. The MCO and the manager of the Development Program should consider the possibility of reducing the account balance to the minimum amount and transferring funds into it only when disbursements are required in Congo-Brazzaville.**
- 5.4.22 **Account receivable GL 14020 and personal withdrawal GL 24320: With the exception of GLs earmarked for accountable advances, the Mission was using GL 24320 (personal withdrawals) almost exclusively to record**

**any other monies to be recovered on behalf of a member of the Mission, even if it was not a personal withdrawal. The MCO should ensure that GL 14020 (account receivable) is used for this purpose.**

#### **Mission Action Plans and Time Frames**

- 5.4.17 The recommendation has been gradually implemented.**
- 5.4.18 The Mission agrees to make the request by the second quarter of FY 2004-2005.**
- 5.4.19 Recommendation followed by the Mission since the audit in October 2003.**
- 5.4.20 Situation corrected with the help of SMFF in November 2003.**
- 5.4.21 Recommendation followed by the Mission since October 2003.**
- 5.4.22 Recommendation followed by the Mission since October 2003.**

#### **5.5 Information and technology management**

**5.5.1 The administrative assistant acts as SSA with support from the SXD Regional Manager for Africa. He has received the necessary training.**

**5.5.2 An ISC representative accompanying the audit team verified the computer installations and configurations. Recommendations to ensure maximum system efficiency and security were made under separate cover. Of note is the need to ensure that all workstations are updated with the most recent anti-virus software and that all workstations are configured as per baseline specifications.**

**5.5.3 It was also noted that the backup tapes were stored in the server room. The Mission will need to find an alternate secure storage location for the tapes.**

#### **Recommendations for the Mission**

- 5.5.4 The MCO and SSA should work with the SXD Regional Manager for Africa to develop and implement a plan to correct each workstation's settings.**
- 5.5.5 An alternate secure location should be identified for the storage of the backup tapes.**

## **Mission Action Plans and Time Frames**

- 5.5.4 Request forwarded to the Regional Manager. The Mission agrees to follow up.**
- 5.5.5 The tapes have been stored in the vault following ISC's recommendation.**