

**OFFICE OF THE AUDITOR GENERAL  
Commonwealth of The Bahamas**



**AUDIT EXAMINATION ON THE ACCOUNTS**

**OF THE  
MINISTRY OF FOREIGN AFFAIRS  
EMBASSY OF THE BAHAMAS  
PORT-AU-PRINCE, HAITI**

**FOR THE PERIOD**

**1<sup>ST</sup> JANUARY, 2014 TO 30<sup>TH</sup> MAY, 2016**



DAG/C.9.1/161

Permanent Secretary  
Ministry of Foreign Affairs  
Nassau, Bahamas

10th August, 2017


**AUDIT EXAMINATION OF  
THE ACCOUNTS OF THE MINISTRY OF FOREIGN AFFAIRS  
EMBASSY OF THE COMMONWEALTH OF THE BAHAMAS  
PORT-AU- PRINCE, HAITI  
FOR THE PERIOD 1ST JANUARY, 2014 TO 31ST MAY, 2016**

We have conducted an audit of the subject accounts for the period 1st January, 2014 to 31st, May, 2016.

The purpose of the examination was to determine whether the accounting functions were being performed in accordance with the Financial Administration and Audit Act 2010 and the Financial Regulations, 1975. Also to determine whether, the accounting records are being maintained in accordance with Generally Accepted Accounting Principles.

Our audit examination was carried out on a sample basis. The findings arising from our examination along with the recommendations are set out in the attached report. These arose from our normal audit procedures, which are designed primarily for the purpose of forming an opinion on the accounts of the government. Consequently, our work did not involve a detailed review of all of the aspects of the system and cannot be regarded as a comprehensive statement of all weaknesses that exist or all improvements that might be made.

We would be grateful for an early response to this letter by **2nd October, 2017**, setting out the action/s taken or proposed by the Ministry on each of our recommendations.

  
Terrance Bastian (Mr.)  
Auditor General

CEB/lc/Rm  
Attch.

cc. Financial Secretary, Ministry of Finance  
Treasurer, Public Treasury Department  
Speaker, House of Assembly

**AUDIT EXAMINATION OF  
THE ACCOUNTS OF THE MINISTRY OF FOREIGN AFFAIRS  
EMBASSY OF THE COMMONWEALTH OF THE BAHAMAS  
PORT-AU- PRINCE, HAITI  
FOR THE PERIOD 1ST JANUARY, 2014 TO 31ST MAY, 2016**

We have conducted an audit of the subject accounts for the period 1st January, 2014 to 31st May, 2016.

**OBJECTIVES**

Our primary objectives were to determine whether:

- (a) Revenues were being assessed in accordance with the Ministry of Foreign Affairs (MFA) Consular Fee Amendment Rules, 1989;
- (b) Revenues and official receipts are being remitted to the Ministry of Foreign Affairs on a timely basis;
- (c) Revenues collected were being accurately recorded in the Ministry of Foreign Affairs records and that they were being deposited to the Consolidated Fund Account in a timely manner;
- (d) Expenditures were being made in accordance with the Financial Administration and Audit Act, 2012 and the Financial Regulations, 1975;
- (e) Expenditures were accurately recorded in the underlying records and that such records were being properly maintained;
- (f) Expenditures were made in accordance with proper financial authority.

## **EXECUTIVE SUMMARY**

The Ministry of Foreign Affairs (MFA) facilitates the Bahamas Foreign Service which is an instrument of the Government of the Commonwealth of the Bahamas for the conduct of Foreign Affairs. It also protects the interest of the Commonwealth of the Bahamas in the political, economic, cultural and security fields; as well as its nationals abroad.

The Bahamian Embassy is the only Bahamian Diplomatic Mission in Haiti, and at the time of our review the serving Ambassador was His Excellency Captain Godfrey Rolle. The address of the Embassy is 12 Rue Goulard Place Boyer Petion-Ville, Haiti.

The review on the accounts of the Embassy of the Commonwealth of the Bahamas in Port-au-Prince, Haiti was conducted during the week commencing June 20<sup>th</sup> 2016.

The office maintains three (3) bank accounts; namely two operational accounts; one in United States Dollar (US\$) and the other in HTG (Haitian Gourde); and a Revenue Account. The balance as at June 2016 was \$24,591.95, \$271,035.33 and \$29,527.44 respectively. Two authorized signatories are necessary for the processing of cheques.

We noted that when funds are sent to the Embassy in Haiti, it is sent directly to the Operational/US Checking Account. A fixed amount of HTG 5,000 is transferred to the Operational /HTG Checking Account as the need arises to facilitate the expenses of the office.

A cashbook was not maintained at the Consular Division. However, revenues collected were banked and remitted periodically to the Ministry of Foreign Affairs, duly referenced by general receipts issued showing the period covered.

Loans were granted without supporting documentation; such as request letters and loan payment schedules. In addition, a register was not maintained documenting the amount loaned and payments made along with the balance owing.

Legal fees paid to lawyers on behalf of Bahamian Nationals who are incarcerated were mostly paid in cash, except for those cases where the amount did not exceed HTG 1,000.00; the services of C.A.M. transfer company is used. It is strongly recommended that drafts be purchased to facilitate these payments in order to eliminate the high risk to officers at the Embassy who are required to travel to remote providences with cash. Additionally, documentation should be maintained in relation to these matters.

**THE ACCOUNTS OF THE MINISTRY OF FOREIGN AFFAIRS  
EMBASSY OF THE COMMONWEALTH OF THE BAHAMAS  
PORT-AU- PRINCE, HAITI  
FOR THE PERIOD 1ST JANUARY, 2014 TO 31ST MAY, 2016**

**FINDINGS AND RECOMMENDATIONS**

**1.0 PETTY CASH**

- 1.1** The Petty Cash Imprest in the amount of Haitian Gourdes (HTG) 12,000.00 was counted on 21st June, 2016 and was found to be over by .45 as summarized below:

Imprest Amount		HTG 12,000.00
Cash on Hand	1,505.00	
Outstanding Receipts	10,495.45	12,000.45
Surplus	.45	

- 1.2** It was noted that:

- The replenishment of petty cash request for the period 24<sup>th</sup> September through 17<sup>th</sup> October 2014; totalled HTG 7,595.65. However, the audited total was HTG 7,875.65. A difference of HTG 280.00. We noted that a slip dated 11<sup>th</sup> November 2014 in the amount of HTG 280.00 was recorded twice on the petty cash request replenishment.
- A petty cashbook was not implemented to record daily transaction and the balance of cash-on-hand.

- 1.3** It is recommended that:

- Due care and attention be exercised during the preparation of petty cash request for replenishment in an effort to avoid errors.
- A petty cashbook should be implemented and maintained on a consistent basis.

**2.0 BANK ACCOUNTS**

- 2.1** There are three bank accounts operated by the Embassy. The balances as at 20th June, 2016 are as shown:

BANK	ACCOUNT NAME	ACCOUNT NUMBER	BALANCE
SCOTIA BANK	Revenue/US Checking Account	509267	USD 29,527.44
SCOTIA BANK	Operational/HTG Checking Account	509255	HTG 24,591.95
SCOTIA BANK	Operational/US Checking Account	509256	HTG 271,035.33

### 3.0 WIRE TRANSFERS

3.1 A review of funds wired to facilitate the operation of the Embassy's Office were verified to the bank statement and the Treasury General Ledger. We noted that the General Ledger reflected an amount of \$1,563,400.55 for the period July 2013 through May 2016. However; we observed an amount of \$1,492,372.30 on the bank statement, resulting in a difference of \$71,028.25; bank charges for the above period totalled \$2,245.28. The amount of \$68,782.97 (\$71,028.25-\$2,245.28) was determined to be the unreconciled amount detailed in Annex 1.

3.2 It is recommended that the Treasury Department, Nassau reconcile the General Ledger against the Embassy Operational Account.

### 4.0 REVENUE

4.1 At the time of the review, cash on hand totalled \$3,040.00. The amounts and the related Documentation are detailed in Annex 2.

4.2 During our review, we noted that the Embassy did not have a general receipt book register in place to record the receiving and issuing of the general receipt books.

4.3 It is recommended that a receipt book register be implemented.

4.4 We were informed at the time of the interview that deposits were made two weeks after collection of revenue whenever the revenue to be deposited totals USD\$ 25,000.00. The reason for this is due to security concerns in Haiti.

4.5 It is recommended where plausible that revenue be deposited on a weekly basis and that security services (of the Security Attaché) be engaged.

## **5.0 REMITTANCE OF REVENUE**

**5.1** It was noted that revenue earmarked for the Consolidated Fund Account was remitted to MFA; referenced by the completed official general receipt books. The last remittance was in the amount of \$ 49,500.00 on the 1st June, 2016 which covered the period 9th March 2016 to 28th April, 2016. At the time of our review, we observed that the revenue report was prepared to have the amount of US\$34,680.00 remitted, covering the period of 21st April, 2016 to 30th May, 2016. However, the funds remained in the possession of the Embassy.

**5.2** It is recommended that revenue be remitted to the Ministry of Foreign Affairs for deposit to the Government Consolidated Fund during the month that the revenue was collected, and not be withheld for an inordinate period.

## **6.0 EXPENDITURE**

### **EXPENDITURE REPORTS**

**6.1** During our examination of the monthly expenditure reports, it was noted that:

- Insufficient information was documented in the detail column of the voucher to support payment.
- Supporting bills/invoices, and receipts were missing in many instances.
- Payment Vouchers made payable to cash; with insufficient information to justify the transaction.
- Payment vouchers to support the Expenditure Reports were not in order to facilitate the audit trail.

**6.2** It is recommended that:

- Due care should be exercised to include sufficient information to explain the reason for each transaction.
- All payment vouchers be supported with the relevant invoices/bills and receipts to justify payment.
- Cash payments be minimized
- All payment vouchers be properly prepared in order to facilitate the audit trail.



- 6.3** We noted that cheque numbers 721 and 722 dated 9th July, 2015 both in the amounts of \$560.00 was with respect to three (3) days per diem and two hotel nights. We observed that M.F.A. approval was not attached to the payment voucher. As a result, we could not ascertain whether or not authorization was obtained for the officers to take leave prior to the processing of payment.
- 6.4** **It is recommend that the authorization giving permission for the leave be presented for audit scrutiny**
- 6.5** We noted that cheque number 247 dated 25th February, 2015, in the amount of \$188.10 was with respect to wages, (less \$50.00) a loan to a staff at the Ambassador's residence. We further noted that a copy of the loan payment schedule was not attached to the payment document. Therefore, the loan starting date and completion date was unknown.
- 6.6** **It is recommended that supporting documentation be attached to all payment vouchers. In addition, a loan register should be implemented and maintained to record payments made.**
- 6.7** We noted that cheque number 679 dated 8th June, 2015, in the amount of \$145.00 was with respect to labour for maintenance of the generator at the Ambassador's residence. It was observed that an invoice was not attached to the payment voucher. We were informed that written approval to carry out maintenance was not done; and this was done verbally.
- 6.8** **It is recommended that all payments made be supported by an invoice especially for works that are small and that may occur on a need basis.**
- 6.9** We noted that cheque number 743 dated 27th August, 2015; in the amount of \$605.00 were with respect to courier services fees. We further noted that the expenditure was charged against Block 50 rather than Block 30.
- 7.0** **It is recommended that due care and attention be exercised to ensure that all expenditures are charged against the correct block.**
- 7.1** We noted that cheque number 797 dated 9th September, 2015 in the amount of \$518.00 was with respect to the purchase of a ticket for a Bahamian Citizen to travel to The Bahamas. We were unable to determine if the amount was reimbursed to the Operational Account. However, we were informed that the individual's passport was sent to the Ministry of Foreign Affairs, pending full payment.
- 7.2** **It is recommended that the amount of \$518.00 be reimbursed and be deposited to the Embassy's Operational Account.**

- 7.3 We noted that cheque number 862 dated 9th November 2015, in the amount of \$1,000.00 was made payable to the company, Securiplus Holding S.A. However, the invoice was in the name of Global Security S.A.

**EXPLANATION**

The Accounts Manager stated that she was informed by the company that payment should be made in the name of Securiplus Holding S.A. rather than Global Security S.A. The reason was that the insurance was in the name of Securiplus Holding S.A.

- 7.4 It is recommended that all payments be made against their invoice and in cases where they may differ then a note should be placed on the payment document.

**8.0 INDEPENDENCE CELEBRATION 2013-2015**

- 8.1 While scrutinizing expenditures relating to the Independence Celebrations for the period July 2013- 2015, we noted over expenditures occurring in each of the periods as shown:

PERIOD	AMOUNT RECEIVED \$	ACTUAL EXPENDITURE \$	OVER/UNDER EXPENDITURE \$
July,2013	3,000.00	3,610.00	610.00
July,2014	3,000.00	4,559.17	1,559.17
July,2015	3,000.00	8,438.00	5,438.00

Further, it would appear that the \$3,000.00 is insufficient to host the Independence Celebration, hence the cost overrun.

- 8.2 It is recommended that Ministry of Foreign Affairs seek to have the amount increased to facilitate the hosting of this important event.

**9.0 RECEIVABLES**

- 9.1 We noted that an amount of \$1,000.00 was paid from the Embassy's U.S. Current Account (Operational) on 28th August, 2015 with respect to Mortuary Services for a deceased Bahamian National in Port-de-Paix.

## **EXPLANATION**

The Accounts Manager stated that the amount was not reimbursed to the account and there was no documentation to show that the amount was paid directly to the Ministry of Foreign Affairs in New Providence.

- 9.2 It is recommended that an explanation be provided for the outstanding receivable amount of \$1,000.00.**

## **10.00 FUNDS WITH RESPECT TO BAHAMIAN INCARCERATIONS**

- 10.01** During our review we noted that funds were received by the Ministry of Foreign Affairs (MFA) for two Bahamians detained in Haiti. These funds were earmarked for legal fees. However, MFA and the Embassy could not show documented proof of receipt of legal fees. We further noted that these fees were paid in cash by the Embassy.

## **EXPLANATION**

The Account Manager explained that The Ministry of Foreign Affairs would send a letter to the Embassy with the receipt number attached as evidence that funds were received. In addition, the Ambassador would give the authorization to have the cheque made payable to cash and presented to the bank by the driver. The cash is then taken by Embassy officers who would pass the cash on to the lawyer. It should be further noted that the services of C.A.M Money Transfer is used in cases when the amount exceeds \$1,000.00.

- 10.02** We strongly recommend that a draft be purchased to facilitate the legal fees for incarcerated Bahamians. This will strengthen security measures as officers have to travel for long hours to remote provinces.

## **11.0 VISAS**

- 11.1** A review of visas issued by the Embassy for period January 2014 to May 2016 by the Consular Division in Nassau, revealed that approximately Three Hundred and Forty Six Thousand, Eight Hundred and Ninety Five Dollars (\$346,895.00) was collected .This represented Four Thousand, One Hundred and Thirteen (4,113) applicants that were processed which are detailed in **Annex 3**.

## **12.0 VISA APPLICATIONS**

- 12.1** A request was made to the Ministry of Foreign Affairs on May 31st, 2016 and December 6th, 2016 to provide information on visa applications from the Embassy in Haiti, Consular Division for the period under review on the following:

- Listing of denials of visa in the system.
- Listing of incomplete visas.
- Profiles in the Consular Division and MFA involved with visa enrollments/processing for Haiti.

It should be noted that at the conclusion of our audit the documents requested were not received by the Office of the Auditor General. As a result, we could not test the internal controls surrounding the Ministry of Foreign Affairs E-Visa System and MOFACONSULAR E-MAIL.

We were informed by staff from the Ministry of Foreign Affairs E-Visa Section (Nassau), that the computer system may have been compromised. The police was called in to investigate. At the time of our review a police report had not been submitted.

- 12.2 It is recommended that the requested information be forwarded to the Office of the Auditor General forthwith, so that the necessary audit procedures can be performed to test the internal controls surrounding the E-Visa System and the MOFACONSULAR E-MAIL.**

**13.0 LOAN FILES EMPLOYEES**

A review of the loan files revealed that a request was made for a loan without the Ambassador's approval. We further noted that loans were granted without letters of request and/or approval.

- 13.1 It is recommended that the loan files be updated with request letters and approvals from the Ambassador. We further recommend that the file be maintained showing payment of loans.**

**14.0 VENDOR FILES**

- 14.1 We noted that vendor files are not maintained for companies that provide goods/services on a regular basis to the Embassy.**

- 14.2 It is recommended that files are opened for all vendors and should be maintained on a regular basis.**

**15.0 TELEPHONE LOG**

- 15.1 We noted that a telephone log was not being maintained at the Embassy. As a result, we were unable to confirm whether all calls were official. In addition, the telephone accounts were not reconciled.**

**15.2 We recommend that the Embassy implement a telephone log. We further recommend that the telephone accounts be reconciled; in an effort to avoid duplication of payments and charges not associated to the Embassy.**

**16.0 INVENTORY**

**16.1 At the time of our audit, we were provided with an inventory listing which was not current.**

**16.2 It is recommended that a current inventory listing for the Embassy and the Residence be forwarded to the Office of the Auditor General for review.**

**CONCLUSION**

**17.0 We discussed the findings of our audit with management at the Embassy and the Permanent Secretary. There was an understanding that efforts would be made to address the observations made.**

**17.1 Mention was also made of urgent matters to be addressed as follows:**

- The continuance of the maintenance and upgrading of the Embassy.
- The strengthening of security measures for handling cash to remote provinces on behalf of detainees.
- The need to minimize cash payments to various companies.
- The need for more collaboration between the Consular Division in Nassau and Haiti, relating to the MFA, E-Visa System. Additionally, the processing polices regarding denials of visa and the documentation of details pertaining to sponsors and applicants.
- The need to hire more staff to carry out the demanding functions of the Embassy.

**17.2 The Ministry of Foreign Affairs; in addition to reviewing the expenditure records submitted by the Embassy monthly, should ensure that personnel are in place to carry out the functions of the Embassy of the Commonwealth of the Bahamas in Port-au-Prince. We observed that the Consular Section is understaffed and is in urgent need of additional personnel on a full time basis.**

**17.3 We wish to register our appreciation to the Ambassador and staff for the courtesies extended to the audit team and the co-operation received during the audit process.**

**ANNEX 1**

**WIRE TRANSFERS/TREASURY GENERAL LEDGER**

MONTH/YEAR	AMOUNT PER HAITI	AMOUNT PER TREASURY	BANK FEES	BANK STATEMENT BALANCE
JULY 2013	188,251.07	188,276.07	114.50	191,252.01
OCTOBER 2013	98,975.00	99,000.00	68.00	195,923.52
JANUARY 2014	925.00 93,057.00 93,982.00	925.00 93,082.00 94,007.00	111.50	150,368.54
APRIL 2014	100,443.98 600.00 101,043.98	100,468.98 600.00 101,689.98	105.75	127,057.12
JUNE 2014	2,550.00 300.00 2,850.00	2,550.00 300.00 2,850.00	93.25	62,579.91
JULY 2014	3,000.00 2,600.00 163,678.00	3,000.00 2,600.00 163,703.00	307.00	140,301.63
OCTOBER 2014	118,993.00	119,018.00	70.25	158,292.91
NOVEMBER 2014	1,700.00	1,700.00	61.50	102,877.70
JANUARY 2015	141,029.00 150.00 141,246.75	141,054.00 150.00 141,204.00	97.00	193,901.26
APRIL 2015	99,826.00 19,975.00 119,801.00	99,851.00 20,000.00 119,851.00	186.72	110,620.13
MAY 2015	1,860.00	1,860.00	61.50	68,125.28
JULY 2015	112,861.00 3,000.00 10,932.00 126,793.00	112,886.00 3,000.00 12,057.00 127,943.00	182.00	105,683.95
AUGUST 2015	1,550.50	1,550.00	74.00	48,219.36
SEPTEMBER 2015	1,148.00	1,148.00	67.00	24,029.86

**WIRE TRANSFERS/TREASURY GENERAL LEDGER (CONTINUED)**

<b>MONTH/YEAR</b>	<b>AMOUNT PER HAITI</b>	<b>AMOUNT PER TREASURY</b>	<b>BANK FEES</b>	<b>BANK STATEMENT BALANCE</b>
	111,875.00 5,400.00 117,275.00	111,900.00 5,400.00 117,300.00	116.25	66,447.33
<b>JANUARY 2016</b>	<b>113,900.00</b>	<b>113,900.00</b>	<b>164.16</b>	<b>43,492.09</b>
<b>MARCH 2016</b>	<b>20,975.00</b>	<b>21,000.00</b>	<b>81.25</b>	<b>8,365.66</b>
<b>APRIL 2016</b>	132,875.00 12,975.00 145,850.00	145,900.00	110.20	90,648.27
<b>MAY 2016</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>67.75</b>	<b>47,076.45</b>
<b>TOTAL</b>	<b>1,492,372.30</b>	<b>1,563,400.55</b>	<b>2,245.28</b>	

**REVENUE/CASH ON HAND**

ISSUE DATE	GENERAL RECEIPTNUMBER	AMOUNT \$
JULY 21 <sup>st</sup> 2016	58801	100.00
JULY 21 <sup>st</sup> 2016	58802	100.00
JULY 21 <sup>st</sup> 2016	58803	100.00
JULY 21 <sup>st</sup> 2016	58804	100.00
JULY 21 <sup>st</sup> 2016	58805	100.00
JULY 21 <sup>st</sup> 2016	58806	100.00
JULY 21 <sup>st</sup> 2016	588776	100.00
JULY 21 <sup>st</sup> 2016	588777	100.00
JULY 21 <sup>st</sup> 2016	588778	110.00
JULY 21 <sup>st</sup> 2016	588779	100.00
JULY 21 <sup>st</sup> 2016	588780	100.00
JULY 21 <sup>st</sup> 2016	588781	100.00
JULY 21 <sup>st</sup> 2016	588782	100.00
JULY 21 <sup>st</sup> 2016	588783	100.00
JULY 21 <sup>st</sup> 2016	588784	100.00
JULY 21 <sup>st</sup> 2016	588785	100.00
JULY 21 <sup>st</sup> 2016	588786	100.00
JULY 21 <sup>st</sup> 2016	588787	100.00
JULY 21 <sup>st</sup> 2016	588788	100.00
JULY 21 <sup>st</sup> 2016	588789	100.00
JULY 21 <sup>st</sup> 2016	588790	100.00
JULY 21 <sup>st</sup> 2016	588791	100.00
JULY 21 <sup>st</sup> 2016	588792	100.00
JULY 21 <sup>st</sup> 2016	588793	100.00
JULY 21 <sup>st</sup> 2016	588794	100.00
JULY 21 <sup>st</sup> 2016	588795	100.00
JULY 21 <sup>st</sup> 2016	588796	100.00
JULY 21 <sup>st</sup> 2016	588797	100.00
JULY 21 <sup>st</sup> 2016	588798	100.00
JULY 21 <sup>st</sup> 2016	588800	100.00
<b>TOTAL</b>		<b>3,040.00</b>



## ANNEX 3

**VISAS ISSUED DURING JANUARY 1ST, 2014 – MAY 21ST 2016**

MONTH/YEAR 2016	APPLICATION COUNT	AMOUNT \$
<b>2014</b>	<b>1,358</b>	<b>76,075.00</b>
<b>2015</b>	<b>1,776</b>	<b>172,510.00</b>
<b>2015</b>	<b>979</b>	<b>98,310.00</b>
<b>TOTAL</b>	<b>4,113</b>	<b>346,895.00</b>

MONTH/YEAR 2014	APPLICATION COUNT	AMOUNT \$
March	12	720.00
April	133	7,495.00
May	125	7,010.00
June	125	7,025.00
July	175	9,835.00
August	192	10,580.00
September	204	11,585.00
October	187	10,400.00
November	115	6,415.00
Dec	90	5,010.00
<b>TOTAL</b>	<b>1,358</b>	<b>76,075.00</b>

**VISAS ISSUED DURING JANUARY 1ST, 2014 – MAY 21ST, 2016**

MONTH/YEAR 2015	APPLICATION COUNT	AMOUNT \$
January	121	6,860.00
February	116	11,685.00
March	180	18,045.00
April	177	17,430.00
May	130	13,180.00
June	155	15,690.00
July	215	21,410.00
August	150	15,140.00
September	164	16,510.00
October	97	9,710.00
November	102	9,990.00
Dec	169	16,860.00
<b>Total</b>	<b>1,776</b>	<b>172,510.00</b>

MONTH/YEAR 2016	APPLICATION COUNT	AMOUNT \$
January	122	12,130.00
February	169	17,000.00
March	233	23,530.00
April	331	33,210.00
May	124	12,440.00
<b>Total</b>	<b>979</b>	<b>98,310.00</b>

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