

OFFICE OF THE AUDITOR GENERAL
Commonwealth of The Bahamas



AUDIT EXAMINATION ON THE ACCOUNTS

OF THE
MINISTRY OF FOREIGN AFFAIRS
BAHAMAS CONSULATE GENERAL OFFICE
ATLANTA, GEORGIA

FOR THE PERIOD

1ST JULY, 2014 TO 20TH JULY, 2016

OAG/C.9/1/160

Permanent Secretary
Ministry of Foreign Affairs
Nassau, Bahamas

August 10th, 2017

**AUDIT EXAMINATION OF THE ACCOUNTS OF THE
MINISTRY OF FOREIGN AFFAIRS
THE BAHAMAS CONSULATE GENERAL OFFICE, ATLANTA GEORGIA
FOR THE PERIOD JULY 1ST, 2014 TO JULY 20TH, 2016**

We have conducted an audit of the subject accounts for the period July 1st, 2014 to July 20th, 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 access the internal control system and to determine whether the accounting records are being maintained according to good accounting practices.

Our audit examination was carried out on a sample basis. The findings arising from our audit along with the recommendations are set out in the attached report. These points arose from our normal audit procedures, which are designed primarily for the purpose of forming an opinion on the accounts of the Government/Corporation. Consequently, our work did not involve a detailed review of all 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 if you would kindly acknowledge receipt of this report in the first instance and let us have a response by **September 25, 2017** setting out the action/s taken or proposed on each of our recommendations.


Terrance Bastian
Auditor General

PEB/cb/rm/nt
Attch.

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

EXECUTIVE SUMMARY

The Ministry of Foreign Affairs (MFA) is the channel through which initial representation should be made to The Bahamas Government by other countries as well as regional and international organizations. 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. Additionally, the Ministry helps to protect the borders of The Bahamas through the issuance of visas to nationals of other countries and authenticates documents.

The Bahamas Consulate General Office (BCGO), Atlanta is located on 2970 Clairmont Road NE No. 290 Atlanta, GA 30058.

The audit on the accounts of the Consul General's Office was conducted in Atlanta during the week commencing July 2016. The accounts were last audited in August 2012.

Mr. Randy Rolle assumed the position as Consul General with effect from July 1st, 2013. The staff complement at the time of our review was ten (10) consisting of four (4) diplomatic staff, and six (6) locally employed staff. (ANNEX 1)

An Official Handing -Over Statement listing the several accounts and balances, along with an updated inventory listing was not executed when the Consul General assumed the position.

The Consul General's Office operates two (2) non-interest bearing bank accounts namely: (i) A Revenue Account and (ii) An Operational Account. Two authorized signatures are necessary for the processing of cheques.


The Consul General's Office is in possession of one credit card, which is assigned to a Senior Officer with a credit limit of \$30,000.00; and seven (7) cell phones which are assigned to Senior Officers. (ANNEX II)

The Consul General's Office is currently in possession of two vehicles. The maintenance of these vehicles is the responsibility of the office. (ANNEX III)

A Petty Cash in the amount of \$500.00 was established to facilitate the daily operation of the office.

Revenues are collected from three main sources: Visas, Passports and Authentication. Revenue collected and remitted during the fiscal years 2014/2015, 2015/2016 amounted to \$73,810.00 and \$91,600.47 respectively. These figures represent an increase of \$17,790.47 or approximately 24% for fiscal year 2015/2016. (ANNEX IV)

The Consul General's residence located on 1287 Greenridge Avenue, Lithonia, Georgia was sold for \$496,000.00 as per memo EMB/500/2/1 dated 14th September, 2015. The residence was purchased at a foreclosure price of \$511,878.00 in 2009. The sale of the residence was managed by the Embassy of the Commonwealth of The Bahamas, Washington, D.C.



The Consul General's Office received funding from the Bahamas National Festival Commission for the initial Junkanoo Carnival Launch in the amount of \$6,155.00 dated October 7th, 2014. It was noted that funding was not received for the second Annual Junkanoo Carnival.

**AUDIT EXAMINATION OF THE ACCOUNTS OF THE
MINISTRY OF FOREIGN AFFAIRS**

**THE BAHAMAS CONSULATE GENERAL OFFICE, ATLANTA
FOR THE PERIOD JULY 1ST, 2014 TO JULY 20TH, 2016**

An audit examination has been carried out on the Revenue and Expenditure Accounts of the Consul General Office, Atlanta for the period July 1st, 2014 to July 20th, 2016.

INTRODUCTION

The Bahamas Foreign Service is the arm of the government for the conduct of Foreign Affairs and the protection of the interest of the Commonwealth of The Bahamas and its nationals abroad.

OBJECTIVES

Our primary objectives of the audit were to determine whether:

- a) Revenues were being assessed in accordance with the Ministry of Foreign Affairs Consular Fee Amendment Rules, 1989;
- b) Revenues were being collected and deposited to the Consolidated Fund Account intact in a timely manner;
- c) Revenues and official receipts were being remitted to the Ministry of Foreign Affairs on a timely basis;
- d) Revenues collected were being accurately recorded in the underlying accounting records;
- e) Expenditures were being made in accordance with the Financial Administration and Audit Act 2010, and the Financial Regulations 1975;
- f) Expenditures were accurately recorded in the underlying records and that such records were being properly maintained;
- g) Expenditures were made in accordance with proper financial authority.

SCOPE

Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as considered necessary in the circumstances.

METHODOLOGY

The audit was conducted by interview, observation and examination of a sample of the accounting records.

FINDINGS AND RECOMMENDATIONS

1.0 IMPREST

- 1.1 We conducted a Petty Cash examination on July 18, 2016 which resulted in the following:

Petty Cash Amount		\$500.00
Total Cash on Hand	\$172.65	
Receipts	\$327.35	<u>\$500.00</u>

2.0 GENERAL RECEIPT

- 2.1 During our review of the General Receipt Book the following unused general receipt books were on hand at the Consulate Office to facilitate the collection of revenue. The books were verified as listed.

PASSPORT	VISAS
837526 – 837550	303601 - 303650
837551 – 837575	303651 - 303700
837576 – 837600	303701 - 303750
	303751 - 303800
	303801 - 303850
	304601 - 304650
	304651 - 304700
	304701 - 304750
	304751 - 304800
	304801 - 304850
	589701 - 589750
	589751 - 589800
	589801 - 589850
	589851 - 589900
	589901 - 589950
	589951 - 590000

2.2 During our review of the Visa Stickers the following Visa Stickers numbers A0062465 - A0063000 were on hand at the Consulate Office to facilitate the issuing of Bahamian visas.

3.0 REVENUE

Revenue Account

Bank Name: Bank of America

Bank Number: 0019 2487 2261

3.1 During our examination of the Revenue Account it was noted that the Bank Account balance at July 15, 2016 was \$12,608.92.

4.0 REMITTANCE OF REVENUE

4.1 The last remittance of revenue in the amount of \$12,645.00 was on June 28th, 2016 for the period May 2016 for:

DESCRIPTION	RECEIPT NUMBERS	AMOUNT \$
Passports	837604 – 837606, 837357 – 837375, 837401 – 837417	2,315.00
Visas	193764 – 193855	10,270.00
Authentications	364299	60.00
TOTAL		12,645.00

4.2 During our review we noted that the last deposit to the revenue account for Passport, Visa and Authentications Fees is stated in the table below.

TYPE	DATE DEPOSITED	PERIOD FEES COLLECTED	RECEIPT NUMBERS	AMOUNT \$
Visa	15/07/2016	13-14/07/2016	193943 - 193951	900.00
Passport	15/07/2016	14/07/2016	837479 - 837480, 837518 (EP)	285.00
Authentication	12/07/2016	08/07/2016	364300	60.00

4.3 At the time of our audit a deposit was made for Passport fees on July 18th, 2016 (Ref: Receipt numbers 193952 – 193954) in the amount of \$300.00 collected on July 15th, 2016.

4.4 According to the records provided by the Bahamas Consulate, Atlanta; revenue collected and remitted during the fiscal years 2014/2015, 2015/2016 amounted to \$73,810.00 and \$91,600.47 respectively. These figures represent an increase of \$17,790.47 or approximately 24% for fiscal year 2015/2016. (ANNEX IV) Total revenue collected (passport, visa and notary public) for the period July 1 – 15, 2016 amounted to \$5,575.00.

5.0 BANK ACCOUNT BALANCE

5.1 During our review of the Bank Statements the following balances at the end of each fiscal period 2014 to 2016 for the respective accounts are as follows:

ACCOUNT NAME	ACCOUNT NUMBER	2014	2015	2016
Operational Account	0019 2487 2229	83,434.08	176,917.35	186,477.05
Revenue Account	0019 2487 2261	11,555.00	10,031.26	20,993.13

6.0 BANK RECONCILIATION

6.1 During our review, we observed that bank reconciliation statements are being produced on a monthly basis.

7.0 BANK ACCOUNTS

7.1 Operational Account
Bank Name: Bank of America
Bank Number: 0019 2487 2229

7.2 During our examination of the Operational Account it was noted that the bank account balance at July 15th, 2016 was \$137,620.19.

8.0 EXPENDITURE

EXAMINATION OF PAYMENT VOUCHERS

8.1 During our review of the expenditure vouchers it was noted that voucher number 2721 dated September 2nd, 2015 in the amount of \$886.00 was in respect to monthly pool service at the official residence for the period May to August 2015. As a result of the late payment, the Consul General's Office incurred the following charges on overdue balance.

Late Fee (3 mths x \$25.00)	\$75.00
Financial Charges	<u>\$17.70</u>
Total Charges	<u>\$92.70</u>

We recommend that due care and attention be given to all invoices/receipts and to prompt payment of bills to ensure that the office does not incur any late fee.

9.0 INDEPENDENCE CELEBRATION

9.1 On an annual basis, funds are approved by the Cabinet Office to defray the cost of the Independence Celebration for each overseas office which is facilitated by the Treasury. The following table shows a breakdown of expenses for the fiscal years 2014 and 2015. It should be noted that the breakdown of expenses were not yet compiled for 2016 celebration.

DESCRIPTION	2014	2015
Amount Transferred	5,000.00	5,000.00
Donations	1,705.00	65.00
Total Received	6,705.00	5,065.00
Amount Expended	9,596.53	8,516.08
Amount Overspent	2,891.53	3,451.08

We recommend that the BCGO be guided by the budgeted amount as far as possible.

10.0 INVENTORY

10.1 During our review, we were provided with an inventory listing of the assets at the Consul General’s residence 1287 Greenridge Avenue dated September 30th, 2015 and an inventory listing for the current Consul General residence 4445 Danforth Road SW dated April 22nd, 2016. It should be noted that an inventory listing for the Consul General’s office was not presented for our review.

We recommend that the inventory listing for the Consul General’s office be forwarded for our review.

11.0 WIRE TRANSFERS

11.1 Funds wired to facilitate the operation of the Consul General’s Office were verified to the Operation’s Account and the Treasury’s General Ledger.

12.0 DAMAGE FURNITURE

12.1 During are audit we were shown a filing cabinet that was damage as well as disassembled partition pieces. We inspected the items and recommended that the Consul General write to Ministry of Foreign Affairs and the Ministry of Finance to have the items condemned and properly discarded. (ANNEX V)



13.0 CONCLUSION

- 13.1 The findings of our review were brought to the attention of management who advised us that corrective action would be taken on our recommendations.
- 13.2 We discussed the findings of our audit with management at the Consulate and the Permanent Secretary and there was an understanding that efforts would be made to address the observations made.
- 13.3 We express our gratitude to the Consul General and staff for the courtesies extended to the audit team and the co-operation received during the audit process.

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ANNEX III

YEAR	MAKE	MODEL	VEHICLE IDENTIFICATION NUMBER
2012	Lincoln	MKS	1LNHL9DR5CG803210
2012	Lincoln	MKX	2LMDJ6JK1CBL08573

ANNEX IV

REVENUE REPORT					
BAHAMAS CONSULATE GENERAL OFFICE – ATLANTA					
FOR THE PERIOD JULY 2014 TO JUNE 2015					
DATE	VISAS	NOTARY	PASSPORT FEES	MISCELLANEOUS	TOTAL
JULY 2014	4,510.00	0.00	830.00	0.00	5,340.00
AUGUST 2014	4,640.00	0.00	915.00	120.00	5,675.00
SEPTEMBER 2014	3,165.00	0.00	650.00	20.00	3,835.00
OCTOBER 2014	3,200.00	0.00	735.00	0.00	3,935.00
NOVEMBER 2014	3,420.00	0.00	1,020.00	0.00	4,440.00
DECEMBER 2014	5,145.00	0.00	870.00	50.00	6,065.00
JANUARY 2015	1,615.00	0.00	675.00	0.00	2,290.00
FEBRUARY 2015	4,620.00	80.00	725.00	0.00	5,425.00
MARCH 2015	6,680.00	100.00	1,635.00	0.00	8,415.00
APRIL 2015	7,770.00	60.00	935.00	0.00	8,765.00
MAY 2015	8,490.00	100.00	790.00	0.00	9,380.00
JUNE 2015	8,460.00	40.00	1,745.00	0.00	10,245.00
Grand Total	61,715.00	380.00	11,525.00	190.00	73,810.00

REVENUE REPORT					
BAHAMAS CONSULATE GENERAL OFFICE – ATLANTA					
ATLANTA					
FOR THE PERIOD JULY 2015 TO JUNE 2016					
DATE	VISAS	NOTARY	PASSPORT FEES	MISCELLANEOUS	TOTAL
JULY 2015	7,930.00	20.00	900.00	0.00	8,850.00
AUGUST 2015	5,290.00	60.00	1,370.00	0.00	6,720.00
SEPTEMBER 2015	4,440.00	20.00	2,635.00	0.00	7,095.00
OCTOBER 2015	5,270.00	200.00	2,710.00	0.00	8,180.00
NOVEMBER 2015	10,580.00	30.00	1,620.47	0.00	12,230.47
DECEMBER 2015	4,530.00	30.00	730.00	0.00	5,290.00
JANUARY 2016	2,060.00	60.00	1,380.00	0.00	3,500.00
FEBRUARY 2016	4,340.00	60.00	2,215.00	0.00	6,615.00
MARCH 2016	2,930.00	80.00	1,675.00	0.00	4,685.00
APRIL 2016	4,200.00	180.00	2,210.00	0.00	6,590.00
MAY 2016	10,270.00	60.00	2,315.00	0.00	12,645.00
JUNE 2016	5,760.00	0.00	3,440.00	0.00	9,200.00
Grand Total	67,600.00	800.00	23,200.47	0.00	91,600.47

DAMAGED FURNITURE



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