



**OFFICE OF THE  
AUDITOR GENERAL**

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

**THE BAHAMAS PERMANENT MISSION, GENEVA**

**FOR THE PERIOD  
1ST OCTOBER, 2019 TO JUNE 30TH, 2022**

Reference No. **OAG/C.9/1/040**



OFFICE OF THE AUDITOR-GENERAL  
P. O. Box N-3027  
Nassau, The Bahamas

Permanent Secretary  
Ministry of Foreign Affairs  
Nassau, Bahamas

September 21st, 2022

**AUDIT EXAMINATION OF  
THE ACCOUNTS OF THE MINISTRY OF FOREIGN AFFAIRS  
THE BAHAMAS PERMANENT MISSION GENEVA  
FOR THE PERIOD 1ST OCTOBER, 2019 TO 30TH JUNE 2022**

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We have conducted an audit of the subject accounts for the period 1st October 2019 to 30th June 2022

The purpose of the audit was to determine whether the accounting functions were being performed in accordance with the Financial Administration and Audit Act 2010, Public Finance Management Act, 2021 and the Financial Regulations, 1975. Also to determine whether, accounting records are maintained in accordance with Generally Accepted Accounting Principles.

The findings arising from our audit and appropriate recommendations are set out in the attached report. These arose from our normal audit procedures, which are designed for the purpose of forming an opinion on Government accounts. 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, of all potential improvements.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Terrance Bastian', written over a horizontal line.

Terrance Bastian (Mr.)  
Auditor General

CEB/nt/

Attch.

cc. Financial Secretary, Ministry of Finance  
Accountant General, Public Treasury Department

## **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 Bahama's Permanent Mission in Geneva was established on 21st May 2013. The Mission is the first to open in the European continent and is headed by HE Patricia Hermanns Ambassador/Permanent Representative. The Mission is located 23 Avenue de France six (6<sup>th</sup> Floor), 1202 Geneva Switzerland.

The Mission serves concurrently as the Embassy of the Commonwealth of The Bahamas to Switzerland. At present, the Mission does not perform any consular functions apart from performing occasional interviews on behalf of the Department of Immigration for applicants for Permanent Residency or Citizenship.

The review on the accounts of the Permanent Mission of the Commonwealth of the Bahamas in the city of Geneva Switzerland was carried out for the period 1st October 2019 to June 30th, 2022. The staff complement was nine (9), consisting of four (4) Bahamians and five (5) locally employed persons. **(ANNEX I)**

The Permanent Mission at present has two (2) main accounts; the Current Account (Swiss Franc – CHF) is used to receive quarterly funds, reimbursements and direct debt transactions. The second account is the Operational Account; monthly expenditures are paid from this account.

Other bank accounts include a credit card account with a limit of CHF twenty thousand (20,000.00), two (2) bank guarantee accounts are used to secure rent for the Mission's office and diplomatic staff are attached to the operational account.

**AUDIT EXAMINATION OF THE ACCOUNTS OF  
THE MINISTRY OF FOREIGN AFFAIRS  
PERMANENT MISSION OF THE COMMONWEALTH OF THE BAHAMAS  
GENEVA, SWITZERLAND  
1ST OCTOBER 2019 TO 30TH JUNE 2022**

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We have conducted an audit of the subject accounts for the period 1st October, 2019 to 30th June, 2022.

**OBJECTIVES**

Our primary objectives were to determine whether:

- a) Expenditures were made in accordance with the Financial Administration and Audit Act 2010, Public Finance Management Act, 2021 and the Financial Regulations 1975 and in accordance with best accounting practices and standards;
- a) Expenditures were accurately recorded in the underlying records and that such records were properly maintained.
- b) Expenditures were made in accordance with proper financial authority.

We have set out the main points arising from our audit. These points arose from our normal procedures, designed for the purpose of forming an opinion on the Government accounts. Consequently, our work did not involve a detailed review of all system aspects and cannot be regarded as a comprehensive statement of all existing weaknesses, or all potential improvements that might be made.

**SCOPE**

Our audit included a general review of accounting procedures and tests of accounting records and other supporting evidence as we deemed necessary.

**METHODOLOGY**

The audit was conducted by interviews, observations and examination of documents.

## **FINDINGS AND RECOMMENDATIONS**

### **1.0 PETTY CASH**

The petty cash was counted on July 13th, 2022 and was found to be properly maintained.

1.1 We were informed that the Petty cash amount of 300.00 CHF is insufficient to cover expenditures of various small items.

**1.2 It is recommended that a review be performed on the petty cash account to ensure that the amount is sufficient to cover the high cost of living.**

1.3 We noted that the letter from the Public Treasury to establish the Imprest account was not presented for audit review. As a result we could not verify the start date or authorized amount of the Imprest account.

**1.4 It is recommended that the letter authorizing the Imprest account be obtained and placed on file.**

### **2.0 WIRE TRANSFER**

2.1 Funds wired in the amount of 3,686,592.00 USD were verified to the bank statement and the Treasury General Ledger to facilitate the operation of the Mission in the underlying fiscal periods.

**Table 1**

<b>Description</b>	<b>July 2019 - June 2020</b>	<b>July 2020 - June 2021</b>	<b>July 2021 - June 2022</b>	<b>Total USD</b>
Treasury General Ledger	1,283,744.00	1,199,264.00	1,203,584.00	3,686,592.00
Bank statement	1,283,744.00	1,199,264.00	1,203,584.00	3,686,592.00
<b>Total USD</b>	<b>1,283,744.00</b>	<b>1,199,264.00</b>	<b>1,203,584.00</b>	<b>3,686,592.00</b>

### 3.0 **BANK ACCOUNTS**

3.1 The Mission operates two (2) bank accounts. Table 2 shows the ending balances as of July 12th, 2022.

**Table 2**

Bank	Bank Account	International Bank Account #	Balance as of 12/07/22
UBS Switzerland	Current Account	9279 1246 6301	CHF 1,579,262.56
UBS Switzerland	Operation Account	9279 1246 6302	CHF 27,432.48

3.2 At the time of our audit the accounts statements along with the debit advices had not been received from the bank for the month of June, 2022.

3.3 The Expenditure Summary Current/Operational (Bank Reconciliation Statement) was reconciled to the month of June 30th 2022.

### 4.0 **END OF THE YEAR BALANCES 2019/2020 & 2020/2021**

4.1 During our examination of the Current account and the Operational account for the bank calendar year ending December 2021; we observed the unexpended balances as indicated in Table 3.

**Table 3**

Bank	Bank Account	International Bank Account #	Dec,2019 CHF	Dec,2020 CHF	Dec,2021 CHF
UBS Switzerland	Current Account	9279 1246 6301	1,136,726.10	1,369,459.74	1,543,336.37
UBS Switzerland	Operation Account	9279 1246 6302	47,391.85	35,585.29	16,401.81

4.2 The unexpended balances remained on the bank accounts.

4.3 The Ministry of Foreign Affairs are presented with Interest calculation account statements and certifications from the bank at the end of each calendar year showing all unexpended balances.

## 5.0 TRAVEL AND SUBSISTENCE REPORTS

- 5.1 A number of officers are not in compliance with procedures regarding time forwarding of travel subsistence reports to the Accounts Officer.
- 5.2 The concern was brought to the attention of the Ambassador, who has indicated that the Accounts Officer should notify all relevant parties; after which all outstanding reports are to be given to the Ambassador for action.

**5.3 It is recommended that Section 10.5 of the Treasury Accounting Procedural Manual be adhered to, “A clearance report for funds advanced to public officers for travel must be submitted within twenty one (21) days after the officer’s return to office.”**

## 6.0 INDEPENDENCE CELEBRATIONS

- 6.1 A review of the financial records for the Independence Celebrations of the past three (3) years 2019, 2020 and 2021; revealed increases in spending of CHF 1,199.69 in 2019; however, due to the Covid-19 pandemic no funds were over spent in 2020 and in 2021 as indicated in Table 4.
- 6.2 The Mission received an amount of 2,500.00 USD to host the 48<sup>th</sup> Bahamas Independence celebrations; however, no celebrations were held. The funds remained on the account indicated in Table 4.

**Table 4**

<b>Fiscal Period</b>	<b>Amount Remitted</b>	<b>Actual Expenditure CHF</b>	<b>Over CHF</b>
2019	5,000.00 EUR	5,466.17	<b>1,199.69</b>
2020	0.00	0.00	<b>0.00</b>
2021	2,500.00 USD	0.00	<b>0.00</b>

As was noted in our last audit report (OAG/C.9/1/051) dated July 22, 2020 of the importance of the Independence Celebration; it is a representation of the Commonwealth of the Bahamas.

**6.3 We recommend that the Cabinet Office’s directive be adhered to, “A detailed report be provided upon completion of the Independence Celebrations and not to surpass the 50% allocation.” Adequate budgeted**



**amounts should be sent in a timely manner to the various Missions and Embassies. This budget should be agreed upon by Foreign Missions and Embassies, Foreign Affairs, Heads of Foreign Services and the Ministry of Finance.**

## **7.0 FINANCIAL REPORTS**

7.1 Financial Reports were sent to the Ministry of Foreign Affairs for the month of March 2022.

7.2 The accounts for April through May 2022 were completed and were awaiting delivery to the Ministry of Foreign Affairs. In addition, the accounts for June 2022 were examined and presently awaiting bank statements.

## **8.0 DEPOSIT CHARGE ON SWISS FRANC AND EURO ACCOUNT**

8.1 The Embassy is confronted with having to absorb interest charges due to banks in Geneva, Switzerland and not gaining fees on account balances in Swiss Francs and Euros.

8.2 Banks in Geneva began passing on the negative interest charges to the Embassy in April 28th, 2022. The Standard rates for Swiss Francs is 0.75% and Euros 0.65%, there was a decrease in the interest rate as of July 1st, 2022.

8.3 The Embassy is charged an amount whenever the account balances is below 250,000.00 CHF.

## **9.0 OVERTIME**

9.1 During our review of overtime records, we observed that the Embassy was in compliant with the policy for overtime of ensuring that no officer was allowed to work in excess of thirty five hours.

## **10.0 EXPENDITURE**

10.1 During our review of the expenditure reports, we noted payment voucher 013-2560(b) for early lease penalty in the amount of CHF 12,600.00 dated January 24th, 2020.



**10.2 It is recommended that the Ministry of Foreign Affairs review Policies pertaining to the recall of officers in Missions/Embassies in an efficient and economical fashion.**

**11.0 STORAGE/M DUCRET SA**

11.1 The Embassy continues to pay storage for furniture purchased during the rental of the previous two (2) residences. Due to the relocation of the Ambassador's residence various items were placed into storage.

11.2 The Embassy paid an amount of 21,393.10 CHF for storage during the period November 30th 2019 through May 25th 2022.

11.3 During the month of December, 2020, the Embassy paid 3,685.00 CHF for storage charges for the relocation and repackaging of the storage container. We observed a 600.00 CHF reduction to the monthly cost of 1,200.00 CHF during our audit period.

**11.4 It is recommended that management engage the Ministry of Foreign Affairs to have the stored furniture sold or disposed of, in an effort to avoid paying storage fees.**

**12.0 INVENTORY**

12.1 At the time of our audit, we were presented with an official inventory listing of the assets for the Bahamas Permanent Mission Geneva and the Official Residence.

12.2 The inventory listings are updated when merchandise are received and items are paid.

12.3 Items on both listings were not uniquely identified i.e. a serial or product identification digit.

12.4 A number of items listed on the inventory listing for the office are not being used and have been identified as obsolete. The Ministry of Foreign Affairs will be providing procedures for the disposal of assets.

**12.5 We recommend that the inventory listing include monetary value, and a unique identification index.**

### **13.0 CONCLUSION**

13.1 The findings of our audit were brought to the attention of management who advised us that corrective action would be taken on our recommendations.

13.2 We express our gratitude to the Ambassador's, Staff for the courtesies extended to the audit team and the co-operation received during the audit process.

## ANNEX I

## BAHAMAS EMBASSY - GENEVA

## DIPLOMATIC STAFF LISTING

	NAME	POSITION	DATE POSTED/TRANSFER	DATE RECALLED	LEASE AGREEMENT BEGINNING & ENDING DATE
1	HE Patricia Hermanns	Ambassador/Permanent Representative Head of Mission.	May 10th, 2022.		15 October 2020 – 31 October 2023
2	Mr. Frank William Davis	Minister Counsellor/Deputy Permanent Representative.	November 22nd, 2016.		15 December 2016
3	Ms. Sasha Destelle T. Dixon	Second Secretary.	November 2nd, 2015. <u>Date of Departure:</u> September 27th, 2017 (Study Leave) <u>Date of Resumption of Post:</u> July 19th, 2018.		15 September 2018
4	Ms. Kristie Russell	Third Secretary	March 4th, 2021.		15 April 2021

Name	Position	Date/Posted
<b><u>LOCAL EMPLOYED STAFF</u></b>		
Ms. Patricia Solomon	Administrative/Accounts Officer.	February 24th, 2014.
Mrs. Beatrice Kanor-Kudaya	Bilingual Secretary/Registry Clerk.	May 26th, 2015
Ms. Paula Attipoe	Administrative Assistant/Personal Assistant to the Ambassador.	June 4th, 2015.
Mr. Danilo de Guia.	Driver/Messenger.	July 11th, 2014.
Ms. Violy Samonte.	Housekeeper/Cleaner.	

**LIST OF PERSONS INTERVIEWED**

<b>Name</b>	<b>Position</b>
<b>HE Patricia Hermanns</b>	Ambassador/Permanent Representative Head of Mission
<b>Ms. Patricia Solomon</b>	Administrative/Accounts Officer.