



ΕΛΕΓΚΤΙΚΗ
ΥΠΗΡΕΣΙΑ



ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ

AUDIT OF MINISTRY OF FOREIGN AFFAIRS



AUDIT OFFICE OF THE REPUBLIC SPECIAL REPORT no. ΥΠΕΞ/01/2021

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AUDIT OF MINISTRY OF FOREIGN AFFAIRS

AUDITED ENTITY

MINISTRY OF FOREIGN AFFAIRS

Executive Summary

Within the framework of the provisions of article 116 of the Constitution of the Republic of Cyprus, the Audit Office carried out a compliance audit for the year 2019.

The most significant findings of the audit are the following:

- ◆ Incomplete monitoring of the Diplomatic Missions abroad, contrary to the Financial and Accounting Instructions and Stores Regulations, such as:
 - Insufficient checks of visa revenues.
 - Non-translation of invoices.
 - Failure to return the completed duplicate receipt books to the Headquarters of the Ministry of Foreign Affairs for inspection.
 - Failure to sign a certificate of handling and taking over of the assets and cash or other books upon the change of Ambassador.

We asked the proper monitoring of revenues and compliance with the Stores Regulations and the Financial and Accounting Instructions.

- ◆ Frequent use of the driver/messenger in Beijing, beyond his working hours, with overtime payment and incorrect calculation of his overtime compensation on weekends.

We suggested that an effort is made to reduce the hours the driver works overtime or alternatively to consider the possibility of paying a flat-rate overtime allowance to the driver.

- ◆ Long and unjustified delay in the development of a plot of land in Canberra.

We suggested that it should be utilized.

- ◆ Award of contracts for the purchase of services without following the legal procedures of the public procurement legislation.

We have indicated that for the award of public contracts, the principles of transparency, equal treatment, non-discrimination of economic operators and the principle of protection of competition must be applied.

- ◆ Pending issues in the settlement of Advances and Deposits accounts for a long period-of time.

We suggested the settlement of the above accounts, in accordance with the Financial and Accounting Instructions.

- ◆ Under-staffing of the Internal Audit Unit of the Ministry of Foreign Affairs.

We suggested strengthening the Internal Audit Unit with staff, so that it can cope with its responsibilities.

- ◆ Insufficient use of the provisions of the Budget for enlightenment.

We have proposed a reassessment and modernization of the methods of promoting national positions and enlightenment on the Cyprus problem.

◆ Granting of Allowances.

As we have repeatedly pointed out, some allowances are not justified and we have recommended that they should be reduced and revised.

- ◆ Failure to monitor in a timely and systematic manner the arrears of revenues from the Honorary Consulates, resulting in a backlog of uncollected revenues of 15 years, with the visible risk of not being able to collect them.
- ◆ Non-compliance with the provisions of employee time attendance at the Ministry of Foreign Affairs.

We have indicated that the provisions governing the check of time attendance of Civil Service should be applied.

- ◆ In May of 2014 the technical team of the Ministry of Transport, Communications and Works, after field inspection of the building of the Permanent Representation of Cyprus in New York, made recommendations regarding the need to carry out maintenance/renovation works. Those recommendations were not followed.

We have noticed unacceptable delay in promoting the necessary maintenance/renovation works on the building.

In April 2018, after a fire in the building, the staff was relocated temporarily in a rented building until the restoration works finish. Since then, a substantial amount of money is spent for the accommodation of the staff in the rented building and the restoration works are still being carried out.

The total cost of rent is expected to exceed \$1,500,000, while an estimated cost of approximately \$4,000,000 has been budgeted for the purchase of consultancy services, as well as the carrying out of restoration works of the building.

We indicated the need to install appropriate monitoring mechanisms to timely address issues related to issues of Government owned buildings abroad, such as the carrying out of maintenance/renovation works. We also pointed out that an investigation should be carried out to determine the circumstances under which the fire occurred and to assign liability, if any, for the incident.

- ◆ Non utilization of the old building of the Embassy of Cyprus in Athens, which still remains unutilized/unexploited since December 2011.

We have indicated our long-standing position that ways should be found to use the building, which continues to remain unexploited for almost 10 years, in the most efficient, economical and effective way.