

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Expenditures payable to trainees or students from developing countries are governed by regulations prescribed by the Governor in Council. The agency has added payments of trainees' income tax without seeking the approval of this additional payment from the Governor in Council. (Para. 13.6, 1976 Annual Report)

The regulations and conditions prescribed by the Governor in Council and Treasury Board concerning the payment of grants by CIDA require that the Treasury Board approve the payment of grants to experts in excess of \$25,000 per annum. Extra benefits, not covered by the regulations, have been granted by CIDA, indirectly raising the total compensation beyond \$25,000 while keeping the recorded salary within the limit. One case involved a salary of \$25,000 with an additional amount of \$4,080 listed as room and board which was to be furnished by the developing country as per the agreement. A document found in the file explained that this separate additional amount kept the expert's salary within \$25,000 thus avoiding the necessity for a submission to Treasury Board. (Para. 13.6, 1976 Annual Report)

For one contract with a firm acting as general manager of a construction project in a developing country, advances were paid exceeding the amounts provided for in the contract and they earned interest of \$63,585. The firm reported the interest earned to the Agency. (Para. 13.7, 1976 Annual Report)