

4.16 As mentioned earlier, it will be necessary to proceed cautiously in reducing the Headquarters Post audit capability; as a first step, while other measures are being taken to improve the quality of accounting at the Posts, it would be prudent to reduce only by half the frequency of routine full Post audits. This could be done on the basis of a systematic assessment of the quality of accounting at the Posts. For instance, not only 9 Posts would be audited every quarter, but so would the 40 Posts now audited every two months; the 63 Posts now audited every month could be audited at two month intervals. During the intervals, samples of certain Post transactions could be audited. This would reduce the number of full Post audits to be carried out each year from 1032 to 574 per year.

4.17 At the moment, the Post audit function is carried out by two audit units. The establishment of a materiality threshold for various kinds of transactions to be audited and a decrease in activities as suggested in the previous paragraph would allow one audit unit to carry out this function. Although no detailed task analyses are available, it can be estimated that half of the current workload consists of partial audits of Post accounts, i.e., those transactions which must be channeled through Headquarters. If the remaining workload is halved by reducing the frequency of the full audits and by establishing a materiality threshold, it is estimated that one quarter of the Post audit P-Ys would become available for re-allocation: 6 P-Ys.

Recommendations. The Task Force recommends that:

17. A materiality threshold (in terms of dollar amounts, types of transactions and other standard audit criteria) be established for Post accounts verifications, thus reducing the workload.
18. The number of full Post account audits carried out each year be reduced from the current 1032 to 600 or less.
19. An analysis of each Post be carried out with regard to the delegation of signing authority under section 26 so as to formally make the arrangements best suited to each Post.

RESOURCE PLANNING AND ANALYSIS DIVISION

General Responsibilities

4.18 As indicated in Annex A and detailed in Annex B, this Division prepares the departmental budget, develops financial systems requirements, and prepares the multi-year operational and budget plans. This Division is also responsible, at departmental level, for the