

TOUCHE ROSS & PARTNERS OBSERVATIONSGENERALOperations

- The current system of monthly post financial returns and the forwarding of invoices to headquarters for audit involves considerable amounts of telexing and paper movement to and from Ottawa.
- The post-audit feedback on accounting errors that headquarters provides to posts is generally received several weeks after the fact, making timely correction of the incorrect practice difficult.
- Based on a limited review of bank statements and discussions with post management, the current cash management function is incurring significant opportunity costs, due to large reserve balances.

Service

- Program staff at the posts place high expectations on the financial administration services provided to them, yet there are no service standards to manage by. As a result, misperceptions arise between program and financial staff over issues such as what constitutes a reasonable turnaround time for paying an invoice.
- Program managers frequently do not demonstrate an ability to anticipate their financial requirements, which would permit normal processing of their requests. This lack of discipline puts undue pressure on the financial staff and on the system itself.
- Notwithstanding the above, posts have realistic requirements for a certain amount of ready cash to meet unforeseen circumstances.