

Auditors criticise Canadian mission

By HEDLEY THOMAS

AUDITORS have slammed the operation, expenditure and accountability of the largest foreign mission in Hong Kong, the Canadian Commission, which rewards its diplomats with perks denied to other foreign consular staff in the territory.

Senior staff were cited for not being sufficiently "hands on" in what was described by Canadian Government auditors as a poorly managed mission, despite its importance as a gateway for thousands of Hong Kong residents to Canada.

A lax approach by the commission to the accommodation of its diplomats in some of Hong Kong's finest real estate provided "enormous and tempting opportunities for kickbacks and misuse of government funds", auditors found.

The auditors also questioned the justification for perks, including a "hardship allowance", for Hong Kong-based Canadian diplomats, when "other Western missions do not consider it to be a hardship mission".

United States, Australian and South African diplomats contacted by the *South China Morning Post* yesterday said Hong Kong was one

of the world's most popular stations with few hardships, more than offset by the territory's dynamism.

"American diplomats are very happy to live in Hong Kong and do not consider it any hardship," said a US Consul spokesman.

Canadian Commission counsellor and political officer Gordon Houlden, who stopped short of describing the conditions as a hardship, said Hong Kong was a popular destination for Canadian diplomats.

However, on a Canadian Government "hardship scale" of one to five with one representing least hardship, Hong Kong is rated level two.

The release of the year-old audit report yesterday has caused a stir in Canada, where a modest economic recovery and unemployment hovering around 10 per cent have renewed pressure on the government to cut spending.

"The audit team has concerns that the mission may not be receiving full value for money and that all resources within the program are being judiciously employed," the report said.

With an annual budget of about \$40 million, the com-

mission employs about 50 Canadians at its Hong Kong headquarters.

Auditors, who found the commission's property management was susceptible to misuse of taxpayers' funds, said a Hong Kong resident employed to negotiate housing leases for staff was not properly directed.

While the Hong Kong property agent's integrity was not questioned, auditors were concerned that the commission had delegated unsupervised authority with "enormous and tempting opportunities for kickbacks and misuse of funds".

The auditors also cited what they described as a "creative point system" to calculate who qualified for accommodation deficiency allowances to "overcome the lack of acceptable recreational facilities".

This was despite the commission's own report elaborating at length on the variety of sports, outdoor life, cultural activities and places of interest to visit in Hong Kong.

One Canadian diplomat, who requested anonymity, defended the benefits as fair and proper and relative to what he and his colleagues would achieve in Canada.