

Lax spending disclosed; Review tabled in Parliament excludes concerns about ex-rights group chief

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Illustrations: Black & White Photo: Tyrel Featherstone, For The National Post Files / Jean-Louis Roy, president of the federally funded Rights and Democracy, left the organization in 2007 when his term was not renewed.

MONTREAL -A review of a federally funded human-rights organization tabled in Parliament last April omitted evidence of financial mismanagement uncovered by government inspectors, the National Post has learned.

The first phase of the review of Montreal-based Rights and Democracy, obtained under the Access to Information Act, details questionable spending and lax financial oversight during the five-year tenure of the organization's former president, Jean-Louis Roy, who left in 2007.

The report by the Department of Foreign Affairs' Office of the Inspector-General found Mr. Roy had failed to reimburse personal expenses incurred on his corporate credit card; that contrary to federal guidelines, he dined with employees at taxpayers' expense; and that during a three-year period, he claimed expenses for 46 nights in Paris, even though Rights and Democracy has no programs there.

But the version of the review tabled in Parliament is mostly positive and makes no mention of the questionable spending. The only reference to Mr. Roy concerns his success in securing increased funding for Rights and Democracy.

After the National Post reported in May 2007 on Mr. Roy's management style and former staff members raised concerns, then minister of foreign affairs, Peter MacKay, advanced by a year a regular five-year review of Rights and Democracy. He also expanded its scope to address specific allegations of mismanagement contained in a letter to the government's comptroller general. When Mr. Roy's term as president expired in August 2007, it was not renewed.

The report of the review's first phase, dated December 2007, paints an unflattering picture of Mr. Roy's time at the helm. Based on a study of internal documents and interviews with almost all 43 Rights and Democracy employees, it uncovered "some persistent management, organizational, planning, accountability and reporting problems" that had strained relations between management and staff. It recommended "strict internal financial controls" and closer oversight of expense claims.

It was the review team that discovered in August 2007 that Mr. Roy had failed to reimburse his employer for expenses charged to his corporate credit card during a personal trip to Paris three years earlier.

"Even though there had been a note on the invoice indicating a personal trip, expenses had not been reimbursed to the Centre at that time," the report says. The authors add Mr. Roy paid back the unspecified sum to Rights and Democracy in their presence.

Other abuses included "multiple meals" that Mr. Roy and senior management had with other employees and no outside participants. The total cost was relatively small, \$2,500, but the inspectors note that government hospitality policies do not permit expense claims for employee meals.

A trip to Cairo by three members of the organization's board of directors and two former Cabinet ministers included expenses for laundry, mini-bar and "food and alcohol at the pool," the review found. Treasury Board travel policies do not permit expense claims for mini-bar, laundry and alcohol expenses.

The review scrutinized Mr. Roy's travel, noting that just one-third of his destinations were countries in which Rights and Democracy had programs. Another third of his travel time was to Paris and other cities in Europe and the United States and the remainder was in Canada. Questioned about his frequent travel to Paris -- 46 nights over three years -- Mr. Roy told reviewers that he used the stopovers to maintain contact with people at the Francophonie, where he was secretary-general until 1998. He said this was at the request of parliamentarians and government officials, but the review team noted that Rights and Democracy's annual reports and Mr. Roy's reports to his board and staff "did not indicate any reference to la Francophonie or related activities."

The report said "not all responses on questionable spending [by Mr. Roy and other senior managers] were acceptable to the review team," but noted that the amounts of money involved "are not considerable."

Rights and Democracy works in 15 developing countries in Africa, Asia and the Americas. Created by Parliament in 1988, it receives almost all of its \$11-million annual budget from Ottawa.

Remy Beauregard, who began a five-year term as president of Rights and Democracy last July, said in an interview this week that all recommendations of the Phase One review

have been implemented. For example, Treasury Board policies governing travel expenses and ethics are followed wherever applicable.

Mr. Beaugard said he was not happy the Department of Foreign Affairs classified the Phase One findings confidential. Until they were released under the National Post's access-to-information request, he was not even able to show the report to his staff.

"I found that it was a report that did not identify anything scandalous but that nonetheless said there were a certain number of procedures that needed to be improved," he said. "I think it's important, for a public organization, that Canadian citizens have access to this information to know what is going on."

Alain Cacchione, a Foreign Affairs spokesman, had no explanation for why the version of the review tabled by Foreign Affairs Minister Lawrence Cannon made no reference to the findings related to Mr. Roy's spending and management practices.

"The review team did not find evidence indicating a violation of criminal and/or civil fraud-related statutes in connection with R&D's budget and financial management," he said in an emailed response to a reporter's question. "The review team identified weak internal controls and expenses that were not supported with the appropriate documentation, and also identified some workplace-related issues. These findings were shared with Rights and Democracy and management took immediate action to address the findings."

Last year, the Quebec government appointed Mr. Roy chairman of the board of the Centre de la francophonie des Ameriques, a new organization created to promote the francophone presence in North America and the Caribbean.