



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

TANZANIA NAFKA

CONSULTANCY REPORT

June 11 -- 17, 2014

July 2 – 23, 2014

September 10 – 30, 2014

PREPARED BY: Osama Saafan

Senior Director of Finance and Administration

Prepared for:
ACDI/VOCA
50 F Street, NW, Suite 1000
Washington, DC 20001
Phone: 202/638-4661
Fax: 202/626-8726

(October 01, 2014)

TABLE OF CONTENTS

A List of Acronyms.....	3
B Background.....	4
C Essential Duties and Responsibilities.....	5
D Activities	7
E Recommendations.....	10

LIST OF ACRONYMS

AV- ACDI/VOCA

BOT- Bank of Tanzania

BPA- Blanket Purchase Agreement

COP- Chief of Party

DCOP- Deputy Chief of Party

GOT- Government of Tanzania

HQ- Head Quarter

MPESA- Mobile Money Transfer

NAFAKA- Name of USAID- Funded Staples Value Chain project

POA- Power of Attorney

PP- Power Point

QB- QuickBooks

RFQ- Request for Quotes

STTA- Short Term Technical Assignment

TRA- Tanzania Revenue Authority

USAID- United States Agency for International Development

VAT- Value Added Tax

BACKGROUND

The NAFAKA Staples Value Chain Activity is a \$30 million project funded by USAID under the Tanzania Feed the Future (FtF) Initiative. It integrates agricultural, gender, environment, and nutritional development efforts to improve smallholder farmer productivity and profitability within the maize and rice value chains in Morogoro (Kilombero and Mvomero Districts),

Dodoma (Kongwa district), and Manyara (Kiteto District). NAFAKA's goal is to sustainably reduce poverty and food insecurity by increasing incomes for smallholder farmers, including men, women, and youth.

The NAFAKA project is part of USAID's Feed the Future initiative in Tanzania. The project aligns with the Feed the Future (FtF) goal to harmonize regional hunger- and poverty-fighting efforts in countries with chronic food insecurity and insufficient production of staple crops.

The NAFAKA program works with rural communities and the Tanzanian Ministry of Agriculture to analyse the local maize and rice value chains and develop a strategy to strengthen them. Increases in food availability, access, and consumption are expected to ameliorate food insecurity and malnutrition in rural areas.

Overall, NAFAKA is:

- Improving the competitiveness and productivity of maize and rice value chains
- Facilitating improved domestic and regional trade
- Expanding the depth and breadth of benefits from the growth of the maize and rice subsectors, including increased benefits to women and youth
- Enhancing rural household nutrition by promoting women-focused value chain development and improved consumption of a quality diet

Association strengthening is at the core of NAFAKA's activities. Associations link individual farmers horizontally, allowing them to take advantage of economies of scale while providing a platform for engagement in commercial market activities. Additionally, on the project level, NAFAKA strengthens local partners to meet the demands of value chain actors. NAFAKA will provide these local entities with tailored trainings to strengthen the technical, administrative, and financial capacity of the local service providers.

ESSENCIAL DUTIES AND RESPONSIBILITIES

The Senior Director of Finance and Administration in Morogoro will be responsible for the key financial management and provision of financial and operational controls for the project. The Senior Director of Finance and Administration will be responsible for overall financial management and reporting across the entire NAFKA project, to include the main office in Morogoro and satellite offices. The Senior Director of Finance and Administration will establish accounting systems in line with ACDI/VOCA best practices, policies, and procedures; establish a financial management system in Morogoro, and mentor and train the Tanzanian Director of Finance and Administration. He will provide high-level guidance and ensure compliance with ACDI/VOCA processes and procedures, which is deemed necessary due to the scale and complexity of the project.

Under the supervision of the Deputy Chief of Party, Chief of Party, and the ACDI/VOCA Chief Financial Officer and senior management team, the Senior Director of Finance and Administration will be responsible for the following tasks:

Financial Management:

- Supervise project Director of Finance and Administration, accountants and financial management support staff.
 - Facilitate communications among the financial management team, and between this team and other NAFKA staff.
 - Implement work flows for travel advances, expense reports and financial planning for the new program bank account in Morogoro, and advise management on potential improvements to processes and procedures for these work flows if inefficiencies are identified
 - Train and mentor Tanzanian Director of Finance and Administration project accountants, the operations team and procurement team, and financial management support staff to ensure optimal performance.
 - Review all required monthly, quarterly, annual and any other required financial reports to HQ, ensuring that information is accurate, complete and in full compliance with USAID, HQ and Government of Tanzania (GOT) requirements. Advise on corrections and troubleshoot if problems or inconsistencies in reports are identified.
 - Ensure project expenditures are tracked and consistent with the approved budget; make budget projections and track project expenditures against projections.
 - Regularly advise of any discrepancies or inconsistencies between expenditures and project budget, and take corrective action as appropriate.
 - Perform budgetary analysis and modifications as requested by the DCOP, Chief of Party (COP), and ACDI/VOCA HQ.
 - Ensure cost and quality control of all tasks and assignments undertaken to achieve programmatic goals under the contract.
 - Oversee tracking of financial and administrative performance of local subcontractors and grantees and ensure that a clear documented audit trail is maintained.
-
- Work with HQ to implement an appropriate accounting software package in the Morogoro office.
 - Provide technical support in the area of financial management to other programmatic aspects of NAFKA.
 - Prepare and monitor cash flow and manage budget process and forecasts.

- Assist in the development of financial management systems, procedures, and internal controls. Monitor to ensure strict adherence to these, and advise management when adjustments to these are necessary.
- Plan and manage the continuous development of the project financial management system.
- Prepare for project audits and lead project team through audit processes, respond to and implement audit inquiries, findings, recommendations and observations.
- Ensure compliance with all Government of Tanzania taxation regulations and requirements, as well as other legal and statutory mandates.
- Ensure that payment vouchers and payments presented for review and approval by the DCOP/Operations and COP are reviewed to check that all essential supporting documentation is included.
- Ensure that close and ongoing communications with the project's banking institution are maintained to ensure accounts and transactions are regularly monitored and balances verified.
- Ensure per diem, travel advance and liquidation policies are strictly enforced.
- Provide financial management training, technical assistance, and support to grantees, subcontractors and partner organizations as required and necessary.
- Travel as necessary to representational and satellite offices to ensure proper communications and coordination of financial management practices across the project.
- Participate in training programs to ensure proper integration of project financial management practices with ACDIIVOCA organization-wide policies and procedures.
- Oversee and monitor monthly submissions of VAT return forms for VAT refunds

Grants and Subcontract Management:

- Oversee monitoring of performance of grant recipients and subcontractors and ensure compliance with ACDIIVOCA and donor requirements.
- Provide technical assistance and training in good financial management practices to grantees and subcontractors as necessary.

Procurement:

- Provide support on procurement processes and assure full compliance with USAID Regulations and ACDIIVOCA procurement policies and procedures.
- Provide training to all offices regarding proper procurement processes and procedures.
- Provide support on vendor selection and management ensuring appropriate competitive processes and procedures, including identification and analysis of project requirements, preparation of purchase orders, securing price comparisons, preparation of standard commercial bid forms and vendor agreements, and negotiation of favourable terms.

Perform any other relevant duties as assigned by the Director Chief of Party, COP and ACDIIVOCA HQ senior management team.

ACTIVITIES

Financial Management:

- On job training has been provided to Chief Accountant (Leticia Bakirane) and the new accountant (Silas Nyumba) on QuickBooks.
- Install the QuickBooks system on Dar es Salaam server and activate the multiple users mode option to be accessible by all finance team.
- Review staff business advances and work with the finance team to ensure the clearance of the advances on appropriate time and before receiving any further advance.
- Review the previous submitted OSCARs to determine any problems or errors.
- Correct staff accrued vacation leave balances in OSCAR sheet and reconcile it with HR Annual Leave Tracker.
- Provide on job training to Chief Accountant (Leticia Bakirane) and to HR Manager (Michael Killagane) on how to track correctly staff vacation leave and to coordinate with each other every month to reconcile the records.
- Advise COP on the big number of accrued vacation leave days for many of local staff and the urgency to establish an internal policy to obligate them using their accrued vacation leave days before the end of the fiscal year.
- Provide on job training to Chief Accountant on how to update the accruals sheet correctly on a monthly basis.
- After reviewing the local staff contracts and Tanzania labour law and get HQ approval, correct the error in calculating staff severance pay in the OSCAR which result in reducing the accrued severance pay at the end of June 2014 from around \$145K to \$28K.
- Provide assistance to COP and to DCOP in reviewing the OSCAR before signing the certificate.
- Review the proposed automated pre-numbered vouchers and request additional modifications before submit it to HQ for approval.
- Review the internal audit findings report and assist in preparing the management responses before send it to HQ.
- Provide training to finance team on the new pass-through line items and how to create and use them in QuickBooks system.
- Design new Training Application and Training Tracking Sheet templates to ensure sufficient data are available for each training and the appropriate staff have been approved the training.



Training
Application.doc



Training Tracking
Sheet.doc

- Design Interview Report to be used in HR department during hiring process.



Interview
Report.doc

- Design new Inventory Notice Sheet to ensure accurate tracking of all inventory items.



Inventory_Notice_F
orm.xls

- Review different types of payments and advise the finance team about the proper documentation for each type of payment.
- Design new Vehicle Daily Travel Log (DTR) includes all the necessary info for the best monitoring of vehicles movements.



Vehicle_DTR_
Log.xls

- In coordination with HQ IT department, setting up a process to scan the documents on a regular basis in SharePoint and organize them electronically so they are audit ready.



Guide to
Uploading Documer

- Setting up a process for budget tracking and budget projections at the field office level for efficiently monitoring budget expenses and to provide accurate budget projection to HQ.
- Review budget tracker, update field cost projections with accurate estimates and share them with HQ and field management staff.

Procurement:

- Review different types of procurement documents to ensure compliance with USAID Regulations and ACDI/VOCA procurement policies and procedures.
- Review the finance payments related to the reviewed procurements documents.
- Introduce the new Field Office Procurement Manual to the Grant and Sub-contracts staff (Sabhahi Maitaryya, Mujungu Wajama and Pius Tizeba) and encourage them to immediately use the new procurement templates.

- Review the Equipment Inventory system and provide guidance to the Administration Assistant (Samson George) to efficiently monitor and register the program assets.
- Provide new Equipment Inventory Log to the Administration Assistant (Samson George) and explain to him how to use it for better monitor the program assets.



Equipment
Inventory Log.xls

- Follow up with the Administration Assistant in the completion of the inventory log and provide training to (Gloria Katabwa) the Administrative Officer on how to use and to complete the log properly.
- Conduct investigation concerning suspicious transactions related to RFQ number (NAFAKA-03-14).

RECOMMENDATIONS

- Internal policy must be established in coordination with HQ to drive local staff to use their Accrued Vacation leave days, at the end of June many of local staff had accrued balance of vacation leave days more than 30 days, in the past two months big improvement made in this area and only 6 local staff at the end of September still have accrued vacation leave days more than 20 days.
- Internal policy must be established in coordination with HQ to drive local staff to submit annual leave planner at the beginning of each year.
- Intensive training on the new field procurement manual should be provided to the Grants, Procurement, Finance and Project management staff, this could be an online training if will not be possible to provide regular training.
- Grants and Procurement staff must start to use the new field procurement templates available in the new field office procurement manual.
- Posting the documents in the QuickBooks system must be on a daily basis and to be reviewed also on a daily basis by the Chief Accountant.
- Internal policy should be established to drive program staff to submit their travel advance request prior to their travel date by 3 working days to enable the finance department to process the request and to ensure sufficient funds are available on the due date.
- Head of each department must submit cash flow to the finance department no later than the 20th of each month, the cash flow covers in details the department cash needs for the upcoming month.
- Chief Accountant must submit the P9 and P10 reports to TRA (Tanzania Revenue Authority) at the end of each Tanzanian fiscal year to avoid any penalties or any financial liabilities after the end of the project (P9 and P10 are reports concerning local staff income tax).
- Training department should assign a unique training code for each training activity, the code should include abbreviated letters for the type of the training, location of the training and date, finance team will posting the training expenses into the QuickBooks system based on the code of each training, this will allow the finance team to provide accurate analysis for training expenses which will be helpful for the future budgeting estimate and will also be helpful for reporting purposes.

- It is important to get an authorization from City Bank at HQ for the Chief Accountant (Leticia Bakirane) to enable her to upload the payroll excel sheet into the bank system instead of manually posting the payroll data for each employee one by one every month, this authorization will facilitate the process of the staff payroll, save much time and effort and reduce risk of error.
- Equipment Inventory log is very poor and incomplete, I have provided a new template and guidance to the Administration Assistant (Samson George) on how to complete the log in an effective manner in order to efficiently monitor the program assets, follow up from Program Management in the field and from HQ site will be helpful, the updated Equipment Inventory Log (fixed asset report) should be reviewed by the Regional Finance Manager on a monthly basis and to be sent to HQ on a monthly basis along with the monthly OSCAR.
- Although the Chief Accountant is doing all the work related to the monthly OSCAR but the reviewing and submitting the OSCAR to HQ must be the responsibility of the Director of Finance and Administration.
- Work communication between local staff need to be improved, it will be helpful to encourage local staff to use the e-mail tool service between each other in all work related issues
- Coordination between HR and Finance department should take place every month before submitting the OSCAR to HQ to ensure matching the records in both departments regarding staff vacation leave balances, I had to reconcile too much discrepancies between both records in order to show the correct balances in July OSCAR, the Regional Finance Manager should review this part of the OSCAR every month carefully before submitting the OSCAR to HQ.
- It will be helpful if the Regional Finance Manager review randomly and periodically the supporting documents (soft copies) of different types of payments on a monthly basis and provide feedback to the field staff on any observations she may find, this will provide an early warning of any possible weakness in the system especially that most of the problems I have seen in the field can be easily discovered through this review.
- Share the detailed JSR with the program management staff in the field on a monthly basis to enable them to efficiently tracking the budget and provide accurate budget projections to program staff at HQ as needed.
- Finance team should liaise with the Grants team to ensure procurement documentation submitted for approval and payment is complete.

- The performance of current finance and administration team is improving and HQ will recognize this improvement in the near future, the program is not in need of hiring Long term Senior Director of Finance and Administration position particularly in the presence of the Director of Finance and Administration and the Regional Finance Manager, instead HQ could provide short term technical assistance as needed.