

TOGO ANIMAL TRACTION DEVELOPMENT

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REPORT ON THE POST IMPLEMENTATION REVIEW  
OF ACCOUNTING AND REPORTING SYSTEM  
PROJECT N° 693-0218

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**1st July 1985**  
**1510/46N/MN/sb**

Mr. M. Golden,  
Director,  
USAID,  
Lomé,  
Togo.

Dear Sir,

**POST IMPLEMENTATION REVIEW OF ACCOUNTING AND REPORTING SYSTEM  
TOGO ANIMAL TRACTION DEVELOPMENT - PROJECT NUMBER 693-0218**

We have recently completed the post implementation review of the above project's financial management and reporting system at the regional and national centres in accordance with the terms of reference under IQC number 681-0000-C-00-3154-00 work order number 7.

2. The review was carried out between 29th January 1985 and 8th February 1985 (see appendix VII for detailed itinerary).
3. The object of the review was to monitor the implementation of the financial management and reporting systems which have been recommended for the project, and to make recommendations for modifications to the system where necessary. We also reviewed the extent to which management are adequately supervising and monitoring the new system.
4. Our approach to the work was to carry out a review of the new forms, documents and registers already implemented at each location to ensure they complied with the original system design. We also held discussions with and questioned project staff using the documents to ascertain whether they had problems in how to use and implement the documentation. The locations visited were Dapaong, Kara, Agbassa, Sokode and Atakpame.

5. We summarize below our findings and recommendations; the details of which can be found in the appendices I to VII.

a) Centre Appui Technique (CAT)

Although all Centre Appui Technique (CATs) have received the necessary forms and documents, very few monthly reports have been submitted to the Project Culture Attellée (PCA) office in Kara. For the months of December and January 1985 only three reports have been submitted out of a possible total of twenty four. We were informed by project management that this was due to the fact that not all of the CATs were operational during the months of December and January. We have since been informed that the remaining reports were submitted in February 1985.

b) Printing of accounting documents

Accounting documents and cards have not been printed in accordance with our recommendations. For example, receipt books are not pre-numbered. (See Appendix I (a)). Unless the documents are printed in accordance with the instructions given the basic accounting controls will not have been implemented. The project management have now taken steps to rectify these printing errors, and have sent the relevant documents to the printers for correction.

c) PCA - Kara

At the time of our review most of our recommendations and accounting procedures had not been implemented at this office. Where there had been some implementation the instructions given in the manual were not being followed (see Appendix III). We were informed by project management that this was due to the fact that the accountant was extremely busy 'en tournée' during the months of December and January and he did not have the time to study the manual and implement the systems. We were also informed that funds had not been available at the implementation stage to finance the printing of a large number of documents.

d) Propta - Atakpame

Most of our recommendations had been implemented at this site. However, the cash and bank books had been modified to such an extent by the accounts department that they did not comply with the original instructions in the accounts manual. We instructed them on how it should be amended to comply with our recommendations.

## Conclusions

6. Our discussions with the project accounting personnel and management lead us to conclude that the non-implementation of the recommendations and the errors found arose for the following reasons:

- a) Due to a misunderstanding by the accountant in the PCA office in Kara and insufficient supervision by management at the planning stage, a number of errors arose in the printing of accounting documents and records.
- b) The accountant at PCA Kara is overworked and is unable to cope with present accounting workload. We have since been informed that an aide-comptable has been recruited as from 1st March 1985 to assist in the Kara office of PCA (see appendix I(12)).
- c) The accountant at PCA Kara is not sufficiently trained in basic accounting concepts to be able to implement the new accounting system.
- d) Some areas of the accounting system were not implemented due to the late arrival of accounting documents and records at the centres. We were informed by the project management that this was due to the fact that they had insufficient time to place the order with a printer who could carry out the work efficiently.
- e) Some CAT centres in Kara region are not operational and have not received a cash advance and therefore have no activities on which to report.
- f) At some CAT centres in the Savanes region there is a lack of communication between the PCVs and their counterparts, the chefs d'agence.
- g) The accounting procedures of PROPTA and PCA continue to duplicate accounting transactions in several different books and registers. This is inefficient and time consuming. Recommendations were made during the implementation course in September 1984 to reduce much of this unnecessary duplication of effort so that time could be more usefully employed on other accounting areas. These recommendations have not been followed.
- h) We noted that at several locations the instructions in the accounting manual are not being followed. Due to the types of error being found, it can be concluded that the manual was not being referred to for systems implementation.

## Recommendations

7. We recommend that the following action be taken immediately by the project management in order to correct the initial errors and implement the financial accounting and management controls as described in the financial and accounting manual.
- a) Recall all forms and accounting documents from the centres and return them to the printers for modification (e.g. pre-numbering) as explained in appendix I;
  - b) Set up the books and registers as described in the financial accounts manual. Where the word 'book' or 'register' is used these should be bound and not single sheets or cards;
  - c) Employ an additional accountant at the PCA office in Kara to carry out the implementation of the credit control system and general ledger. (See our recommendation Appendix XII - Preliminary financial management report July 1984);
  - d) In order that the CAT centre monthly reports are submitted on a regular and timely basis, project management should consider imposing sanctions for non compliance with management requests, for example the withholding of fuel coupons and allowances until the reports are submitted;
  - e) Project management should carry out closer supervision of the accounting activities. This should include a review of all accounting documents received and issued prior to entry in the accounting records. Management should also prepare a monthly work plan of the accounting tasks to facilitate the organising and scheduling of the accountants work;
  - f) In view of the problems encountered during the implementation of the accounting systems and since many of the procedures remain to be implemented it is possible that further problems may arise and modification may be required. Project management should therefore consider the need to have a further review by a firm of financial consultants to monitor the progress and the implementation once the project has been established and funds are being disbursed.

8. We detail the results of our review, conclusions and recommendations in the following appendices:

	<u>Appendix</u>	<u>Page</u>
Review and assessment of the implementation of forms and procedures	I	6-23
(a) CAT centres in Kara and Savanes		
(b) PCA office Kara		
(c) Training centre Agbassa		
(d) PROPTA Atakpme		
(e) PROPTA Sokode		
Accounting areas which will require continued monitoring throughout the life of the project	II	24-25
Recommendations for modifications in the financial management system	III	26-39
(a) corrections to be made to accounting documents		
(b) modifications to manual		
Job description Accountant - Kara office	IV	40-41
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9. The findings of this preliminary report were discussed with the project management, the USAID project officer and yourself and where applicable their comments have been included in the appropriate appendices. We would like to take this opportunity to thank you and your staff and project personnel for their assistance and cooperation during our mission without which our work could not have been successfully concluded.

Yours truly,

*Delbert H. Harkin & Lee*

APPENDIX IREVIEW AND ASSESSMENT OF THE IMPLEMENTATION  
OF FORMS AND PROCEDURES

## A. CENTRE APPUI TECHNIQUE (CAT)

Accounting documents and records

1. A review of the accounting forms and documents distributed to the CATs revealed the following printing, format and distribution errors.

<u>Document/book</u>	<u>Nature of error</u>	<u>Corrective action</u>
Individual stock cards	Insufficient quantities sent to each centre	Send stocks of at least 100 cards to each centre
Receipt books	Individual receipt slips not pre-numbered in groups of three	Recall all books and send them back to the printers for pre-numbering
Analysed petty cash book	Individual sheets printed	Petty cash expenses should be recorded in a bound analysed petty cash book
Animal register	Individual cards printed	This register should be a bound book maintained at each CAT
Cash sales invoices	Printed all in one colour	These should be printed in three different colours.

APPENDIX I (cont.)Monthly reports

2. Although the CATs had received the necessary the accounting documents to implement the system, only two monthly reports out of a possible twelve were submitted for January 1985. A review of these reports revealed that in one case the upper limit for petty cash expenditure of FCFA 20.000 was being exceeded. This occurred at one CAT where the PCV had incurred expenditure in excess of FCFA 20.000 and financed the excess out of the farmers' advances and loan reimbursements received. This procedure must be discontinued. All monthly expenditure in excess of FCFA 20.000 should be authorised by project management and reimbursed directly out of PCA Kara petty cash and not from farmers' loan reimbursements. Farmers' advances and loan reimbursements should be banked intact into the Government of Togo revolving fund bank account in Kara.

Management attendance at monthly meetings

3. After having attended two of the project monthly meetings one in Dapaong and the other in Kara we reviewed the procedures and work that was carried out by the project accountant at these meetings. It became clear that one day in the Savanes region at Dapaong is insufficient for the accountant to deal with cash collection, reimbursement of expenses and reply to queries raised by the project personnel. We therefore recommend that the project management spend at least two days at the Dapaong monthly meeting. This would enable the accountant and project management to collect the monthly reports, review them and settle any queries prior to returning to Kara. This will facilitate the recording of information in the Kara accounting records and reduce the possibility of errors.

APPENDIX I (cont.)Stock identification

4. All stock held at the centres should be identified by an internal reference number to be included on each stock card. Project management should prepare a list of all items likely to be used and held in stock on the project and allocate an internal number for identification purposes. Lists of stock reference numbers should be distributed to all centres.

Implementation of monthly reporting system

- 5 We were informed by project management that all centres will implement the accounting and reporting procedures commencing in February 1985. It should be noted that even where there is no activity at a CAT centre during the month, the report should still be submitted, stating the fact, so that the project management are informed of the monthly activities at each centre

APPENDIX I (cont.)**B. ACCOUNTING AND REPORTING SYSTEM PCA OFFICE KARA**Accounting documents and records

1. A review of the accounting forms and documents in use at the PCA office revealed the following inadequacies and non-compliance with the laid down procedures as described in the accounting manual.

<u>Document/book</u>	<u>Nature of error</u>	<u>Corrective action</u>
Analysed bank book for USAID funds	Entries made on individual general ledger card	All entries to be made in the analysed cash book and posted in total at the end of the month to the ledger cards.
Analysed petty cash book	Entries made in a two column book	All entries to be made in an analysed petty cash book and posted in total at the end of the month to the ledger cards.
Analysed cash book for GDT revolving fund	Printed on individual cards	All entries to be made in an analysed cash book and posted in total at the end of the month to the ledger cards.

APPENDIX I (cont.)

<u>Document/book</u>	<u>Nature of error</u>	<u>Corrective action</u>
Sales day book of animals and equipment		
Equipment register		These registers should be bound
Purchase invoice register		
Document transmission register	Printed on individual cards	books maintained in the Kara office
Petrol coupon register		
Document control register		

2. Our review revealed that the following accounting systems had not been implemented:

- i) general ledger cards for each account in the USAID accounts plan;
- ii) subsidiary ledger accounts to record and control loans to farmers;
- iii) although the following registers had been printed on cards, they were not being used
  - Equipment register
  - Document transmission register
  - Fuel coupon register
  - Document control register
  - Invoice register

APPENDIX I (cont.)

3. Following discussions with project management we were informed that the reason for the non-implementation of these sections of the accounting systems was because the project accountant had too many other administrative duties to perform and has not had sufficient time to fully implement the system. The errors in the printing and preparation of the accounting documents arose because the accountant had not consulted the project management prior to ordering the printing of the documents and management had not carried out sufficient supervision and control over the accountant's work.

Government of Togo revolving fund for animals and equipment

4. Although the general ledger cards for this fund had been set up, a number of errors and non compliance with laid down procedures were found. No trial balance had been extracted and agreed at the end of January 1985.

Under our instruction a trial balance was extracted, at the end of January 1985. This revealed a difference of approximately FCFA 125.000. On further investigation we noted that this difference could have arisen as a result of the following transactions being recorded in the revolving fund general ledger:-

- i) one sided accounting entries were being recorded without the corresponding debit or credit;
- ii) transfers were being made between the government of Togo funds and USAID funds by using one sided accounting entries.

APPENDIX I (cont.)

5. A review of the cash receipts revealed that the sundry receipts contained the proceeds from the sale of veterinary products. Since the original purchase of these products was financed from USAID funds, the proceeds from the sale should be paid into the USAID fund account and not the GOT revolving fund account.

Farmers' credit system

6. This is a fund financed by the GOT and administered by the project to purchase and supply animals and equipment to farmers on a loan repayment basis. As noted in paragraph 2(ii) of this appendix no individual ledger cards have been set up to record and control the loans to farmers.
7. Our review revealed a number of major shortcomings and inadequacies in the procedures at present being used. The procedures for a credit control system described in our financial accounting manual have not been followed or implemented. We noted that credit and interest repayments were being incorrectly calculated, because no clearly defined loan policy has been communicated in writing to all project personnel involved in giving credit to farmers.
8. Contracts for loans to farmers have not been issued and signed. At present a number of farmers have loans with the project for which no loan agreement has been completed.
9. A number of loans made to farmers under the initial pilot project financed by USAID still exist at 31st January 1985. The total amount outstanding is approximately 20 million FCFA and covers loans to 80 farmers. At the time of our review the project accountant was unable to supply details of the individual amounts outstanding and the amounts due for repayment. Management could improve the project cash flow by organising a loan recovery programme as soon as possible in order to recover the amounts due.

APPENDIX I (cont.)Sales of equipment to farmers

10. At present the sale of animal traction equipment to farmers is made at different prices for the same piece of equipment depending on which project is selling the equipment. For example the DRDR has a different price structure from that of Projet Culture Attelée although they both sell the same equipment to farmers in the same area. Project management should therefore consider entering into discussions with DRDR with a view to harmonising the price of equipment within a particular region.
11. We therefore recommend that the following action be taken immediately.
  - i) a suitably qualified accountant should be employed for the project office in Kara. His initial tasks should be to implement the credit control system as described in the accounting manual as well as implementing the general ledger system (see job description - Appendix V);
  - ii) management should ensure that all accounting documents requiring amendment should be recalled immediately and corrected to comply with the instructions in the manual;
  - iii) management should prepare a plan and a detailed schedule of the tasks to be carried out in the accounts department. This should be closely supervised and reviewed to ensure that the work is being completed in accordance with management instructions;
  - iv) once the credit control system has been established management should organise a programme to collect loan arrears in respect of the amounts outstanding from the initial pilot project;

APPENDIX I (cont.)

- v) management should ensure that a draft contract is prepared for all farmers about to receive equipment. This should accompany the equipment and be signed by the farmers at the time of receipt of equipment. Where farmers have already received equipment, contracts should be drawn up and circulated to all PCVs and DRDR agents for immediate signature by the farmers in their respective regions;
  - vi) project management must draw up a detailed loan policy for distribution to PCVs and DRDR agents and other project personnel dealing with credit so that there is no doubt as to what the credit periods and reimbursement condition are.
12. We have discussed the above shortcomings with the project management, in particular the need for an additional trained accountant in Kara. We were informed that one was being recruited and would be in place within a few weeks.

APPENDIX I (cont.)

## C. TRAINING CENTRE AGBASSA

Accounting documents and records

1. A review of the accounting documents and registers received by the centre from the Kara office revealed the following printing and design errors.

<u>Document/book</u>	<u>Nature of error</u>	<u>Corrective action</u>
Delivery note	Only 3 copies of each note printed instead of 4	Recall book and reprint with 4 copies all different colours
Bon de sortie	Printed on a single card not pre-numbered	To be printed in bound book and pre-numbered
Bon d'entrée	Printed on a single card not pre-numbered	To be printed in bound book and pre-numbered
Petty cash book		
Petty cash book "training costs"	Printed on individual sheets	These books and registers should be bound books
Register of animal movements		maintained at the centre

2. The following documents had not been received by the centre at the time of our review and therefore have not been implemented.

- Stock cards
- Inventory difference documents
- Form C5 of the monthly report

APPENDIX I (cont.)

3. The following books and registers have not been implemented

<u>Book/register</u>	<u>Reason</u>
Petty cash book	No advance received, therefore no expenditure
Petty cash book training expenses	No training carried out since the implementation of the system

Register of animal movements

4. During our review of this register we noted that a goods outward document (bon de sortie) had been recorded in the register but no initial opening stock details of the animals held at the centre was recorded.
5. This register needs to be set up to include all animals at present held in stock by the centre. All subsequent movements either in or out of the centre should be recorded from the good inwards document (bon d'entrée) or the goods out document (bon de sortie).
6. There is no weighing machine for the animals at the centre, the staff therefore are unable to register the weight of the animal on arrival or on departure. As animals are usually purchased and sold according to weight this is an important factor which requires controlling. It has been recommended that PROPTA should include on all delivery notes the price per kilo and the total weight per animal. The staff at the centre receiving the animals should estimate the weight on arrival. We were informed that this can be done without a machine in various ways, e.g. by measuring the girth of the animal.

APPENDIX I (cont.)Monthly report

7. At the time of our visit the monthly report for January 1985 had been completed at the centre but not yet submitted to the Kara office. We discussed the preparation of the report with the manager of the centre, who informed us that the only problem was that the preparation of the physical inventory was a lengthy process. In view of the large inventory of small stock items held at Agbassa we recommend that a full physical inventory be submitted only once per quarter. However all major items of stock such as equipment and veterinary products should continue to be inventoried and checked every month.

Physical inventory

8. Our review of the physical inventory cards revealed that the units column of each item had not been completed. This resulted from the warehouseman not fully understanding the term and what was required under this heading. We explained that these should represent the units by quantity or size under which the items are stored.

Transfers of stock

9. We noted that the centre had received a stock of forms entitled "transfert des articles". This book of forms should be held at the PCA office in Kara and not distributed to the centres. It should be noted that only two copies (white and blue) should be sent to the centre which supplies the goods. The third copy (green) should be retained in the Kara office (see section 4.5.11 of accounts manual). We informed project management of this departure from the procedures and the forms were returned to the Kara office.

APPENDIX I (cont.)

10. Other than the points stated above no other implementation problems were noted. The manager of the centre was satisfied with the areas already implemented and could foresee no problems in implementing the remainder of the system.

APPENDIX I (cont.)

## D. PROPTA - ATAKPAME

Accounting documents and records

1. Our review of the accounting documents and registers at the centre revealed, with the exception of the USAID bank and cash books, that they had been printed and set-up according to our instructions.
2. However the following documents and registers, although printed have not yet been implemented:
  - Project equipment register
  - Veterinary equipment despatched register
  - Document transmission register
  - Veterinary equipment stock cards
  - Bon de caisse
3. We recommend that the project management review and monitor the accounting procedures regularly to ensure that the above accounting records are introduced as soon as possible.

USAID analysed cash and bank books

4. We noted that the procedures used and the analysis columns set up in the cash and petty cash books were not in accordance with our original recommendations. Modifications have been made by the project accountants which did not facilitate the preparation of the monthly reports to USAID or posting to the general ledger. We recommend that the procedures as laid down in the financial accounts manual be adopted as soon as possible.

APPENDIX I (cont.)Revolving fund - veterinary products

5. We noted that the documents and books for this system had not yet been printed and set-up, because this section of the project is to be financed by the European Development Fund and as yet no funding agreement has been signed.

General ledger and journal

6. Our review of the general ledger and journal revealed a number of shortcomings in the system. A balanced trial balance had not been prepared since July 1983, although subsequent trial balances were extracted every quarter up until September 1984 they have never been totalled and agreed.
7. At our request the September 1984 trial balance was quickly prepared in draft by an aide comptable. A difference of approximately 100 million FCFA appeared. On further investigation it was found that a difference of 33 million FCFA on the debit and credit movements in the previous quarter existed.
8. The present general ledger and journal system is such that it does not facilitate the preparation of regular monthly balanced trial balances. If any error or difference arises it is extremely time consuming for the accounting personnel to locate and correct it.
9. These errors and differences could have arisen for the following reasons:
  - i) due to the large number of accounting entries posted to the general ledger cards from the journal the risk of a transposition error is high;

- ii) a large number of accounting entries on each card gives rise to errors of addition in arriving at a card balance;
  - iii) a large number of supplier and client accounts incorporated in the general ledger trial balance, therefore the risk of transposition and addition errors on the trial balance is high;
  - iv) lack of control accounts incorporated into the general ledger which would help isolate errors in a particular section of the general ledger.
8. In order to minimise the risk of error it is necessary to reduce the number of accounting entries in the general ledger and cut out the duplication of work. We therefore recommend that the following controls be implemented,
- i) control accounts be introduced for all cash and bank accounts;
  - ii) control accounts be introduced for suppliers and clients with the corresponding subsidiary ledgers;
  - iii) the preparation and balancing of monthly trial balances (see recommendations para 7 - preliminary financial management report July 1984);
  - iv) the use of separate monthly journal sheets for each petty cash, each bank account, sales and purchases. These journal sheets can then be totalled at the end of the month and the accounting entries posted in total to the general ledger (see recommendation paras 8 and 9 - preliminary financial management report July 1984).

APPENDIX I (cont.)

9. The implementation of the above procedures was explained to the accounting staff during a brief training session at the time of the review.
  
10. In conclusion we wish to emphasise that it is the responsibility of project management to ensure that the above controls are implemented, which can only be achieved by continual supervision and monitoring.

APPENDIX I (cont.)

## E. PROPTA - SOKODE

Accounting documents and records

1. We were informed on our arrival that none of the new system recommendations had been implemented at this centre. We were informed by Dr. Domingo that this because he had not yet received the forms and documents from the printers. The manager of the centre could foresee no problems in implementing the systems and procedures as detailed in the financial accounts manual.
2. We therefore recommend that as soon as the system has been installed, a review be carried out by the management of PROPTA based in Atakpame to ensure that the system and accounting documents comply with the procedures laid down in the financial accounts manual.

APPENDIX IIACCOUNTING AREAS WHICH WILL REQUIRE CONTINUED  
MONITORING THROUGHOUT THE LIFE OF THE PROJECT

1. We detail below those areas of the financial management system which will require continued monitoring by project management throughout the life of the project. These are:

Monthly reports from the project centres  
Loan policy  
Credit control  
Project budget and monthly reports to USAID

MONTHLY REPORTS FROM THE PROJECT CENTRES

2. These reports especially from the CAT should be carefully reviewed by the project management in order to assess the level of activity at each centre and to ensure compliance with the project objectives. Where there are changes in the type of activities at any of the centres, project management will need to consider whether to amend the format of these reports or request the supply of additional information.

LOAN POLICY

3. Throughout the life of the project, management should closely monitor the loan policy in order to ensure it is being followed. Where this is not the case, it should be investigated with a view to ensuring that it meets the farmers needs and is not too onerous. For example during periods of poor crop harvest, either due to drought or disease, the project management may have to modify the loan reimbursement dates.

## APPENDIX II (cont.)

### CREDIT CONTROL

4. Since the PCA office in Kara is responsible for making loans to farmers they are also responsible for the collection and the reimbursement of the debt. It is necessary therefore to monitor the level of debt outstanding and the arrears. In order for the project to continue it is imperative that the capital of the revolving fund be maintained, which depends entirely on the success of the collection of the loan reimbursements by the project personnel. Project management should therefore monitor credit levels throughout the life of the project, by reviewing the list of individual loan balances analysed according to age, supplied by the project accountant quarterly.

### THE PROJECT BUDGETS AND MONTHLY REPORTS TO USAID

5. Project management should closely monitor the monthly reports having regard to both the annual budgets and total project budget so that any over expenditure in any particular category can be highlighted at an early stage and accounted for so that modifications if necessary can be made to other budget line items. Where quarterly budgets are prepared project management should ensure that the objectives for each quarter have been achieved and that the expenditure incurred is in accordance with the budgeted activity. Where this is not the case then a report should be submitted to USAID explaining the reasons for the variation.

APPENDIX IIIRECOMMENDATIONS FOR MODIFICATIONS IN THE MANAGEMENT SYSTEM**A. CORRECTIONS TO BE MADE TO THE ACCOUNTING DOCUMENTS AND PROCEDURES****1. PCA OFFICE KARA****i) Animal health cards**

The implementation of the animal health card register (manual section 5.9.1. and 5.9.2.) is no longer required since this activity is being taken over by the government department 'santé animale'. These sections can be deleted from the manual.

**ii) Purchase orders**

The present system contains only three copies of pre-numbered purchase orders in the purchase order book. Since two of these copies are sent to the supplier instead of one it will be necessary to make a photocopy of the third copy which is retained in the book. This photocopy will be filed on an outstanding orders file. When the goods are received and the order complete it will be transferred to a completed orders file (see manual section 5.1.1.)

**iii) Journal**

At present the journal is being used to record the petty cash and cheque expenditure. This procedure should cease and the journal be used as an analysed petty cash book as detailed in the manual section 5.2.1. A separate book should be set up to record the bank account transactions.

APPENDIX III (cont.)iv) Budgetary control

An amount of FCFA 11.779.646 was advanced to the project in December 1984 based on the last quarter's budget for 1984. This advance was made according to the budget line items submitted in the budget for the months of October, November and December 1984. Subsequently in January 1985 when the justification of these expenses was submitted to REDSO for approval and reimbursement, certain of the expenses had been included in budget line items other than those submitted in the quarterly budget. This raised queries and accounting problems in the finance department of REDSO Abidjan which could delay the authorisation and approval of further advances.

We therefore recommend that when an advance against a budget is made by REDSO a copy of the advance analysis by budget line item is submitted to USAID Lomé which can then be copied to the project management for their information. This will facilitate the control of the project expenses within each budget line item and avoid expenditure occurring outside these categories in that quarter. We also recommend that project management receive copies of the REDSO monthly "pipeline" financial reports. There are two such reports, B and C. Report B is analysed by fiscal year and gives details of the unearmarked project amounts in US dollars by budget line item. Report C gives details in US dollars by budget line item of project commitments. By providing the above information the project management will be able to exercise greater budgetary control over the project funds and at the same time be aware of the status of advances and reimbursements made to the project by USAID.

APPENDIX III (cont.)v) Purchase of commodities by direct payment to supplier from USAID

Where commodities have been purchased and payment has been made direct to the supplier from USAID, then a copy of the purchase order and supplier invoice should be sent to the project management. This invoice should be recorded in a separate register according to budget line item showing details of the goods supplied, the name of the supplier and the amount. At the end of each month the purchases during the month should be summarised and included in the monthly report on an additional form R2 entitled "Expenses direct payment".

vi) Monthly reporting of actual expenditure against budget

When the monthly reports are submitted justifying actual expenditure incurred from the advances received, it is important to note that these expenses should be set against the appropriate year's budget. For example all advances received by the project to date are in respect of the 1984 budget. Therefore when submitting form S2 the column "Budget annuel" should contain the 1984 budget figures when making the comparison with actual expenditure. At the time of our review no advances had been made to the project in respect of the 1985 budget since these budgets have not yet been approved.

APPENDIX III (cont.)

## 2. CENTRE APPUI TECHNIQUE (CAT)

i) Health card reconciliation

Since the government department of animal health has taken over the responsibility of dealing with the animal health cards, this reconciliation included in the monthly reporting package is no longer necessary. Therefore form C4 can be deleted from the CAT monthly reports (see manual section 4.8.5)

ii) Monthly reports

On form C1 include an additional line description under the receipts column "reimbursement" to account for the loan reimbursements from farmers.

## 3. PROPTA - ATAKPAME

i) Document transmission register

This register should be modified so that a separate page is used for each month to record the documents sent out in that month. The month should be clearly indicated at the top of each page (see manual section 7.9.1)

APPENDIX III (cont.)

ii) Budgetary control

see paragraph 1 (iv)

iii) Purchase of commodities by direct payment to  
supplier from USAID.

see paragraph 1 (v)

iv) Monthly reporting of actual expenditure against  
budget.

see paragraph 1 (vi)

APPENDIX III (cont.)**B. MODIFICATIONS TO MANUAL**

The following pages in the manual should be replaced by pages 31 - 38

<u>Pages ref</u>	<u>Modification date</u>
Page 1 of 1 3.3.1.	February 1985
Page 1 of 1 5.1.1.	February 1985
Page 1 of 1 5.5.4.	February 1985
Page 1 of 1 5.6.1.	February 1985
Page 1 of 1 7.4.1.	February 1985
Page 1 of 1 7.7.1.	February 1985
Page 1 of 1 7.7.2.	February 1985
Page 1 of 1 7.9.1.	February 1985

The following pages in the manual should be deleted as they are no longer applicable:-

<u>Page ref</u>	<u>Deletion date</u>
Page 1 of 1 5.9.1.	February 1985
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## MANUEL COMPTABLE ET FINANCIER

SECTION	Plan Comptable	N° 3	PAGE 1 de 1
CHAPITRE	PCA - KARA	N° 3	MODIFICATION 1 février 1985
SUJET	Codes des comptes du centre de frais	N° 1	PRISE D'EFFET 1 février 1985

CENTRE DE FRAIS

BUREAU DE KARA

CODE

K1

CAT DANS LA REGION DE KARA

<u>SECTEUR</u>	<u>CAT</u>	
ASSOLI	(SOUDOU)	K2
BINAH	(BINAH)	K3
KERAN	(ADJETE)	K4
KERAN	(NADOBA)	K5
KABOU	(KABOU)	K6
DANKPEN	(NAMPOACH)	K7
KOZAH	(SARAKAWA)	K8

CAT DANS LA REGION DE SAVANES

<u>SECTEUR</u>	<u>CAT</u>	
SUD OUEST	(BOUMBUAKA)	S1
CENTRE DE MANGO	(BAKOISSI)	S2
GANDO	(GANDO)	S3
EST	(NAKIEST/OGARO)	S4
NORD OUEST	(TIMBOU)	S5
TANTIEGOU CENTRE DE FORMATION	(TANTIEGOU)	S6
CENTRE DE FORMATION	(AGBASSA)	A1
TONE	(TOUAGA)	S7

## MANUEL COMPTABLE ET FINANCIER

SECTION	Comptabilité générale - PCA KARA	N° 5	PAGE 1 de 1
CHAPITRE	Achats à crédit	N° 1	MODIFICATION 1 février 1985
SUJET	Procédures de commande	N° 1	PRISE D'EFFET 1 février 1985

Les procédures suivantes doivent être adoptées en ce qui concerne les achats à crédit.

1. Utiliser un bon de commande en trois exemplaires pré-numéroté.
2. Le bon de commande est rempli et signé par le directeur du projet.
3. Si la commande excède 1 million de FCFA pour un seul fournisseur, l'original du bon doit être envoyé au Ministère du Plan pour approbation.
4. L'original et le deuxième exemplaire sont envoyés directement au fournisseur si la commande est inférieure à 1 million FCFA.
5. Le troisième exemplaire est photocopié et classé dans un dossier "Commandes à recevoir".
6. Le troisième exemplaire est classé en ordre numérique des commandes.
7. Tous les carnets de bons de commandes doivent être enregistrés dans un registre des documents dès leur réception.
8. Tous les carnets de bons non utilisés doivent être conservés dans un endroit fermé à clé.
9. Le dossier "Commandes à recevoir" doit être révisé par le directeur du projet au moins une fois par mois.

## MANUEL COMPTABLE ET FINANCIER

<b>SECTION</b>	Comptabilité générale - PCA KARA	N° 5	PAGE 1 de 1
<b>CHAPITRE</b>	Systèmes de contrôle des crédits aux paysans	N° 5	MODIFICATION 1 février 1985
<b>SUJET</b>	Enregistrement dans le compte général de prêts à partir du livre de vente et du livre de banque	N° 4	PRISE D'EFFET 1 février 1985

ResponsableOpération

Le comptable  
(Poste à créer)  
ou le VCP

1. Inscrit chaque fin de mois, à partir du livre de banque, au débit du compte banque fonds de roulement et au crédit du compte général de prêts, le montant des acomptes et des remboursements de prêts perçus des paysans.
2. Inscrit chaque mois le total des ventes d'après le livre de ventes au débit du compte général de prêts et au crédit du compte contrôle de stocks d'animaux, le montant des ventes.
3. Dresse une liste des soldes de prêts à partir du grand-livre auxiliaire et le rapproche au solde du compte général de prêts au grand livre.

## MANUEL COMPTABLE ET FINANCIER

SECTION Comptabilité Générale PCA-KARA	N° 5	PAGE 1 de 1
CHAPITRE Registre des équipements	N° 6	MODIFICATION 1 février 1985
SUJET Procédures	N° 1	PRISE D'EFFET 1 février 1985

ResponsableOpération

- Le chef comptable.
1. Tient le registre par catégorie d'équipement. Les catégories sont les suivantes:
    - a. Equipement agricole
    - b. Véhicules
    - c. Equipement de formation
    - d. Equipement de suivi et d'évaluation
    - e. Equipement de bureau
    - f. Equipement d'ameublement de bureau
  2. N'enregistre que les biens d'une valeur supérieure à 50.000 FCFA.
  3. Remplit le registre à partir des bons de livraison et des factures fournisseurs.
  4. Utilise le registre comme moyen de contrôle lorsqu'il faut faire un inventaire des équipements.
- Le Conseiller  
du projet
5. Contrôle le registre une fois par trimestre.

## MANUEL COMPTABLE ET FINANCIER

SECTION	Comptabilité Générale PROPTA Atakpamé	N° 7	PAGE 1 de 1
CHAPITRE	Registre des équipements	N° 4	MODIFICATION 1 février 1985
SUJET	Procédures de contrôle	N° 1	PRISE D'EFFET 1 février 1985

responsableOpération

- Aide comptable**
1. Tient le registre par catégorie d'équipement.  
Les catégories sont les suivantes :
    - a) équipement agricole
    - b) véhicules
    - c) équipement de formation
    - d) équipement de suivi et d'évaluation
    - e) équipement de bureau
    - f) équipement d'ameublement de bureau.
  2. N'enregistre que les biens d'une valeur supérieure à 50.000 FCFA.
  3. Remplit le registre à partir des bons de livraison et de factures fournisseurs.
  4. Utilise le registre comme moyen de contrôle lorsqu'il faut faire un inventaire des équipements.
- La gestionnaire**
5. Contrôle le registre une fois par trimestre.

## MANUEL COMPTABLE ET FINANCIER

<b>SECTION</b> Comptabilité Générale PROPTA Atakpamé	N° 7	PAGE 1 de 1
<b>CHAPITRE</b> Caisse	N° 7	MODIFICATION 1 février 1985
<b>SWJET</b> Procédure d'établissement des bons de caisse	N° 1	PRISE D'EFFET 1 février 1985

ResponsableOpération

- |                                    |    |   |
|------------------------------------|----|---|
| Le comptable                       | 1. | Inscrit les détails sur le bon de caisse, le signe et lui attribue un numéro par exemple C.100.           |
| La personne qui a besoin des fonds | 2. | Présente le bon de caisse au directeur du projet pour autorisation.                                       |
| Le directeur du projet             | 3. | Signe le bon de caisse.   |
| Le comptable                       | 4. | Remet les fonds sur présentation du bon de caisse.  |
| La personne qui reçoit les fonds   | 5. | Signe le bon de caisse.   |
| Le comptable                       | 6. | Classe la première copie du bon de caisse par ordre chronologique en attendant les pièces justificatives. |
| Le comptable                       | 7. | Classe la deuxième copie par ordre numérique.   |

## MANUEL COMPTABLE ET FINANCIER

SECTION	Comptabilité Générale PROPTA Atakpamé	N° 7	PAGE 1 de 1
CHAPITRE	Caisse	N° 7	MODIFICATION 1 février 1985
SUJET	Bon de caisse	N° 2	PRISE D'EFFET 1 février 1985

Un carnet de bons de caisse doit être tenu par le comptable à Atakpamé.

Il est utilisé pour enregistrer tous les décaissements en espèces.

Le bon de caisse doit être rempli (en 2 copies) comme suit :

1. Date de l'opération.
2. Description et raison des dépenses.
3. Numéro de compte (Plan Comptable USAID).
4. Montant de la dépense.
5. Signature de la personne qui établit le bon de caisse et la date de signature.
6. Numéro du bon de caisse.
7. Signature du directeur du projet pour autoriser la sortie de fonds.
8. Signature de la personne qui a reçu les fonds et date de la réception.
9. Montant des fonds perçus.

## MANUEL COMPTABLE ET FINANCIER

SECTION	Comptabilité Générale PROPTA Atakpamé	N° 7	PAGE 1 de 1
CHAPITRE	Registre de transmission des documents	N° 9	MODIFICATION 1 février 1985
SUJET	Procédures de contrôle	N° 1	PRISE D'EFFET 1 février 1985

ResponsableOperation

Aide comptable

1. Remplit le registre chaque fois que des documents sont envoyés à USAID ou au G D T que ce soit pour un paiement ou pour un remboursement.
2. Chaque mois commence avec une nouvelle page (une page par mois).

Le Directeur  
du projet

3. Vérifie le registre pour contrôler les remboursements non reçus.

Il suit immédiatement les remboursements datant de plus d'un mois soit avec M Edorh au Ministère du Plan soit avec l'officier du projet.

APPEINDIX IVJOB DESCRIPTIONPROJECT ACCOUNTANT KARA OFFICE

## Location

The project accountant will be based in the PCA offices Kara. He will be expected to make regular trips to the CATs in the Savanes and Kara regions to follow up on the loan reimbursement procedures.

## Reporting

The project accountant reports to the project co-ordinator and the technical adviser. He must also liaise with the DRDR agents and the PCVs stationed at the various CATs.

Responsibilities  
and duties

His prime task will be to ensure that a general ledger and farmer credit control system is implemented according to the procedures laid down in the accounting manual to account for USAID funds.

He should have a good understanding of double entry accounting techniques and the preparation of monthly trial balances.

He will be responsible for:

- Setting up and maintaining the farmers' subsidiary loan ledgers for loans made under the pilot project as well as carrying out monthly credit control of these balances and reporting to management;

APPENDIX III (cont.)

- Setting up and maintaining farmers' subsidiary loan ledgers for new advances made under the current project. Preparing quarterly reports on loan arrears for submission to project management;
- Preparing and controlling the animal "demande de paiement" for farmers loans and interest payments. Preparing lists of the amounts outstanding and amount due by each farmer by region and their submission to the PCV or chef secteur/chef d'agence prior to the debt collection period;
- Preparing loan contracts and ensuring that all farmers have a signed loan agreement;
- Maintenance of farmers' loan files;
- Preparing up to date equipment price lists and information for transmission of PCVs and DRDR agents;
- Maintenance of the revolving fund accounting system and general ledger accounting on a daily basis.

APPENDIX VTRAINING

The following re-training was carried out at the various locations as far as possible in the short time available, where it was considered necessary, or where the system had been incorrectly implemented.

## PCA OFFICE KARA

Explaining double entry accounting concepts for setting up a general ledger as well as farmers' subsidiary ledger, and maintenance of a separate general ledger for the Government of Togo revolving funds.

Explaining accounting entries to be made when calculating interest and capital repayments on loans.

Describing the procedures to be taken when extracting a monthly trial balance from the general ledger.

## PROPTA ATAKPAME

Training session on how to set up and maintain control accounts for banks, clients and suppliers within the general ledger. Also explaining how the number of monthly accounting entries can be reduced by reorganising the layout and presentation of the journal sheets.

Explanations on how to improve the controls over the preparation and extraction of the quarterly trial balance.

Describing in detail how to implement the system of "bons de caisse".

APPENDIX VIITINERARY OF VISIT TO TOGO 29TH JANUARY 1985  
TO 8TH FEBRUARY 1985

January 29th	Arrived Lome RK 104 at 17.30
January 30th	Travelled to Dapaon
January 31st	Attended Dapaon monthly meeting with project personnel and DRDR agents. Returned to Kara in afternoon.
February 1st	Attended Kara monthly meeting with project personnel and DRDR agents. Visit to CAT Binah Sud.
February 2nd	Review of accounting system PCA office Kara.
February 3rd	Sunday
February 4th	Visit to Agbassa training centre and review of accounting systems. Return to Kara for de briefing meeting with project management.
February 5th	Travelled to Atakpame with brief stop at Sokode to review accounting system. Atakpame - PROPTA review of accounting system.
February 6th	Atakpame - PROPTA Discussions with accounting staff and review of new systems implemented.

APPENDIX VI (cont.)

February 7th

De briefing meeting with project management and USAID representative. Returned to Lome.

Friday 8th

De briefing meeting and summary of findings with project director, technical advisor, USAID project officer and mission director.

Returned to Abidjan RK 107 at 13.30.