

TOGO ANIMAL TRACTION DEVELOPMENT

FINAL FINANCIAL MANAGEMENT REPORT

PROJECT N° 693-0218

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25th January 1985
Our ref. 774/MN/cl

Mr. M. Golden
Director
USAID
Lomé
Togo

Dear Sir,

**FINAL FINANCIAL MANAGEMENT REPORT
TOGO ANIMAL TRACTION DEVELOPMENT PROJECT NUMBER 693-0218**

We have recently completed the training and implementation phase of the above project's financial management system at regional and national centres in accordance with the terms of reference under IQC number 681-0000-C-00-3154-00, work order number 3.

2. The object of this phase is to implement and train project management and new project personnel in the new accounting systems and procedures. These procedures are described in the accounting manual which was developed as a result of our preliminary review and evaluation of the project's financial management system during our visit in May and June 1984.

TRAINING PROGRAMME

3. Our training programme was carried out at several project locations throughout Togo. The detail of this itinerary can be found in Appendix III. Our approach was to work from the various sections of the manual relative to each centre. Prepared work examples were distributed at each session to demonstrate how each subject in the manual should be treated. These worked examples showed how each form and register should be completed at the various cost centres.

TRAINING SESSION AT ATAKPAME

4. The first training session at the PROPTA offices in Atakpame was held on Thursday 20th and Friday 21st September 1984. The names of project personnel who attended this session have been included in Appendix II. This training session covered sections 7 and 8 in the accounting manual, namely, the new systems to be implemented by PROPTA at Atakpame and Sokode to account for USAID funds.

5. As a result of this training and implementation session, two points arose which may result in the modification to the following two chapters of the manual:

- i) revolving fund for veterinary products section 7, chapter 2;
- ii) cash vouchers section 7, chapter 7.

Revolving fund for veterinary products

6. Our original recommendation, as set out in Section 2, chapter 7 was that since PROPTA already have supplies of local and European veterinary products in stock, supplies of any such products required by the revolving fund could be supplied from the PROPTA stocks. This would eliminate the need to set up a separate stock control or purchasing and ordering system to control the use and distribution of United States supplied products in the revolving fund. However, Mr. Bliss informed us that the revolving funds would initially be set up using veterinary products supplied direct from the United States and not by granting of cash advances for local purchases.

7. Following the training session on this topic, Mr. S. Bliss the Project Officer, suggested that alternative methods of financing the revolving fund should be explored. One possibility would be through the European Development Fund (EDF). If it is decided that the revolving fund for veterinary product is to be financed through the EDF then the system as described in section 7 chapter 2 can still be applied.

Cash vouchers "bon de caisse"

8. This document caused a certain amount of discussion amongst the accounting and management staff at PROPTA owing to the nature of the document and its purpose. It was originally designed for authorising the drawing of cash funds, justification of the expense and subsequently acting as a prime document for recording the details in the cash book. This meant that the exact amount of the funds required for the expense was drawn and recorded on the "bon de caisse". The "bon de caisse" also carried the authorisation signatures as well as the details of the expenditure and the attached vouchers. Since the name "bon de caisse" seemed to indicate that the document was only for authorising the drawing of cash advances we recommend the document should now be replaced by a "pièce de caisse - dépense". Its purpose is as follows:

- i) To act as a prime document for recording entries in the petty cash book;
- ii) to give evidence as to the authorisation of the actual expense incurred;
- iii) to act as a voucher to record the actual expense incurred and a numbered reference for filing the supporting expense vouchers.

TRAINING SESSION AT SOKODE

9. The second training session was held on Monday morning 24th September 1984 at the PROPTA Centre in Sokode with Dr. Domingo. The names of the project personnel who attended this session are included in Appendix II. This was a relatively short course and covered Section 8 in the manual which included the control of cash receipts, cash expenses cash sales and stock. No queries or problems arose as a result of this session.

TRAINING SESSION AT KARA

10. Our third training session was a two day course held on Tuesday 25th and Wednesday 26th September 1984 in the Kara office of the Culture Attelee Project. A list of all project personnel who attended this session is included in Appendix II. This training session covered sections 5 and 6 of the accounts manual which dealt with the new systems to be implemented in the Kara office and at the training centre of Agbassa.

11. During the training session a number of points were raised which indicated that there are likely to be some changes to the accounting system. These changes result from suggestions and proposals made by the Santé Animale DRDR and the CNCA subsequent to our initial review and evaluation work carried out in May and June of this year. It is possible that the following sections of the manual may have to be amended or omitted.

- i) Section 5.4 revolving fund GOT, "frais de transport";
- ii) Section 5.5 credit control system for farmers;
- iii) Section 5.9 register to control issue of animal health cards.

12. The reasons for these changes and amendments are as follows:

Revolving fund GOT - frais de transport

13. The revolving fund financed by the government of Togo (GOT) for the purchase of animals and equipment will contain an element of reimbursable costs relating to the transport to deliver the cattle and equipment to the farmer. Owing to the existence of various price structures for sale of equipment to farmers, the DRDR proposed that the cost of supplying transport should be incorporated into the sale price of the equipment and cattle to the farmer. At the time of our training and implementation visit, no rules or guidelines had yet been set up by the DRDR as to how the costs were to be charged and recovered from the farmer.

14. The problem we foresee with this procedure is that the actual project transport running costs are being financed out of the USAID funds and the recovery of these costs from farmers will be paid into the GOT revolving fund.

15. A possible solution to this would be to set up a separate account in the GOT revolving funds books to account for the recovery of the transport costs when repaid by the farmer with his annual loan repayments. The accumulating credit on this account can then be utilised at the end of each year to refinance the transport costs incurred out of USAID budget. We recommend that the situation be re-examined as part of our post implementation review.

Credit control system for farmers

16. In our preliminary report we recommended and designed a system to be implemented in the Kara office to control loans made to farmers. During our training session at Kara we were informed that a credit control system may not be necessary since it has been proposed that the CNCA take over the responsibility of approving farmers' loans and collecting the annual repayments and interest. The CNCA will in turn reimburse the project revolving funds.

17. However, at the time of completion of our training session in Kara, no definite decision or details were available as to how the credit system with the CNCA would operate. We recommend that project management establish, as soon as possible, the extent to which CNCA will become involved with the credit financing to project farmers and the procedures that will be adopted.

Register to control issue of animal health cards

18. We were informed during our visit to Kara that the system for the issue of animal health cards was to be taken over by the Santé Animale. This means that Santé Animale will be responsible for collecting the proceeds from the sale of the animal health cards as well as for the supply and issue of medicines for treatment of project animals. Therefore, there will be no need to implement the system to control the issue of animal health cards described in Section 5.9 of the accounting manual.

19. However, we recommend that until the animal health card system has been fully taken up by the Santé Animale the project should proceed to set up the procedures as described in Section 5.9 of the manual.

TRAINING SESSION AGBASSA

20. The fourth training session was held at the training centre in Agbassa on Thursday 27th September. The names of all project personnel at the centre who attended the training session are listed in Appendix II. This training session covered Section 6 of the accounts manual, which included controls to be implemented for cash expenses, training costs, purchases and inventory control and monthly reporting procedures. No practical problems regarding the implementation of the procedures were encountered.

However, it was noted that on all deliveries of animals from PROPTA, insufficient details are given on the "bon de livraison" from PROPTA to the Agbassa centre. For example, PROPTA does not include the weight and price per animal on the "bon de livraison". To enable the centre at Agbassa to control the weight and price of animals delivered by PROPTA, we recommend that PROPTA include these details on their "bon de livraison". We informed the manageress at PROPTA of this procedure on our return visit to Atakpame.

TRAINING SESSION AT THE DRDR OFFICES KARA

21. The fifth training session was held in the conference room of the DRDR offices in Kara. This was attended by the Peace Corps volunteers and their Togolose counterparts, the "Chef de Secteur". A complete list of those who attended this session has been included in Appendix II. This session covered Section 4 of the accounts manual which describes the general accounting systems to be maintained at each "Centre d'Appui Technique" in the Kara region. No practical problems regarding the implementation of this system arose and no major points concerning the understanding of how the systems operated were raised by the DRDR agents or by the Peace Corps volunteers.

TRAINING SESSION AT DAPAON

22. The sixth training session was held in Dapaon on Monday, 1st October 1984 at the DRDR headquarters. The meeting was attended by the DRDR personnel and Peace Corps volunteers as well as the project management. The names of those who attended are included in Appendix II. This session dealt with the teaching and implementation of the general accounting systems to be maintained at each "Centre d'Appui Technique" (CAT) in the Savannes region. This session covered Section 4 of the accounts manual. During this session a number of queries were raised as to how the petty cash fund of FCFA 20,000, held at each CAT, was to be used. A number of the DRDR personnel wanted to know if this could be used on fuel for transport. Since both DRDR and PCV's will already have a monthly fuel allowance, it seems unlikely that the petty cash fund should be used to finance fuel costs for transport except in exceptional circumstances.

23. We recommend that the PCA office in Kara should lay down a set of guidelines on how the FCFA 20,000 should be accounted for at the end of the month. It should be emphasised that the petty cash fund should only be used for incidental running expenses at the CAT and that these must be fully justified. During the session no other problems or queries were raised regarding the implementation of this system at the CATs.

TRAINING SESSION IN ATAKPAME

24. Our final training session was held in the PROPTA offices in Atakpame on Wednesday 3rd October. This session covered the general accounting systems of PROPTA described in Section 7 of the accounts manual. This training session was attended by the new assistant accountants employed by PROPTA to account for the EDF and USAID funds.

25. The only problem which was raised by the manageress, Mlle. Diogo, was that they had difficulty in obtaining analysed cash and bank books to record the USAID funds by budget line item. If these books cannot be obtained in Lomé then we suggest that the normal journal sheet at present being used for each bank account be used for the USAID bank account, with the analysis being posted and recorded on general ledger cards per budget line item, (i.e. one ledger card for each budget line item of cost).

PLANNING

26. At the training sessions held in the Kara and Atakpame offices, we included a training session on planning and scheduling of the monthly accounting work. We recommended that each individual responsible for controlling the monthly accounting work at these offices prepare a chart of the monthly work programme and allocate the various sections to the individuals responsible for carrying out this work.

IMPLEMENTATION

27. During the training sessions we have recommended that implementation be effective, where possible, as from 1st October 1984. This is a convenient date since it coincides with the start of the Togolese financial year. In order that this implementation date be adhered to as closely as possible, it is imperative that all the documents and registers be printed and distributed to the various centres without delay. In Appendix I, we have drawn up a list of all the documents and registers to be maintained. A copy of this list has been sent to the project technical adviser, Mr. Georges Brunet so that printing orders can be raised and sent out immediately.

28. The monthly reports and schedules should be prepared by the end of the first week of the following month and the deadlines set by the monthly planning chart should be respected.

29. Project management should also consider at this stage the preparation and planning of the project budget for the year 1985. As pointed out in our preliminary report, we noted that these budgets require the approval of two different ministries. Project management should be planning to submit these to Mr. Edoxh at the Ministere du Plan before the end of the year.

SUMMARY OF COMMENTS FROM COURSE PARTICIPANTS

30. At the end of each training session a simple questionnaire was distributed to each of the project personnel to evaluate the content, level and presentation of the course. We also welcomed any other comments or suggestions that the project personnel may have wished to include.

31. We summarise below the opinions given by the majority of course participants:

- The content of the course was considered relevant to their work. They found that it was pitched at the right level and was easy to understand.
- The project should consider holding similar courses more often, on a regular basis at least twice a year so that the new "Chef des Centres" are trained also.
- More time should be spent on the course to allow the project personnel to carry out their own worked examples on the forms and procedures.
- A follow up course should be held within three months of the implementation date so that any practical problems encountered can be discussed and any necessary alterations made to the system.

POST IMPLEMENTATION REVIEW

32. In order to assess the usefulness of this course and the project personnel's understanding of the new systems as described in our accounting manual, we recommend that a post implementation review of about one week be carried out approximately four months after the implementation date. We suggest that this review be carried out towards the end of January 1985. The purpose of this review would be:

- i) to assess the project personnel's understanding of the new system;
- ii). to identify any areas where the systems and procedures had not been implemented or where modifications have been made;
- iii) to identify at an early stage any practical problems where the system may require modifications.
- iv) to identify and make the necessary changes to the existing system and procedures where the project activities have changed since our preliminary review and evaluation.

33. We look forward to receiving any comments you may have either on this report or the preliminary report issued in July.

34. We would like to take this opportunity to thank you and your staff at the mission and project personnel for their assistance and cooperation during our visit, without which our work could not have been successfully concluded.

Yours truly,

A handwritten signature in cursive script, appearing to read "Deloitte Haskins & Sells".

Deloitte Haskins & Sells

APPENDIX I

DOCUMENTS AND REGISTERS TO BE PRINTED AND SET UP

The following list of documents, books and registers should be ordered and printed for each location and implemented as from 1st October 1984.

Location : ATAPKAME

DOCUMENTS

<u>Manual ref.</u>	<u>Description</u>	<u>N° of copies in set</u>	<u>Numbering sequence</u>
7.2.5.	Bon de sortie	Single sheet	Pre-numbered
7.2.6.	Bon de sortie Summary sheet	Single sheet	N/A
7.2.9.	Animal Sales Summary	Single sheet	N/A
7.2.11.	Monthly Reconciliation Sheet-Veterinary Products revolving funds	Single sheet	N/A
7.3.5.	Stock cards Veterinary Equipment	Single card	N/A
7.6.1.	Monthly Report Sheet R1	Single sheet	N/A
7.6.1.	Monthly Report Sheet R2	Single sheet	N/A
7.6.1.	Monthly Report Sheet R3	Single sheet	N/A
7.7.2.	Bon de Caisse	Single sheet	N/A *
7.8.1.	Balance Générale	Single sheet	N/A
7.8.2.	Journal Control Sheet	Single sheet	N/A

* NOTE : Bon de Caisse - now replaced by "Pièce de Caisse-Dépense"

BOOKS AND REGISTERS

7.1.1.	One analysed bank/cash book	USAID Funds - 30 columns
7.1.1.	One analysed petty cash book	USAID Funds - 30 columns
7.2.1.	One bank/cash book	USAID Veterinary Products revolving funds
7.3.3.	One Register of Veterinary Equipment Received	
7.3.7.	One Register of Veterinary Equipment Despatched	
7.4.1.	One Register of Project Equipment	
7.5.1.	One Register of Suppliers Invoices	
7.9.1.	One Document Transmission Register	

APPENDIX I

Location : SOKODE

DOCUMENTS

<u>Manual ref.</u>	<u>Description</u>	<u>N° of copies in set</u>	<u>Numbering sequence</u>
8.1.1.	Receipt	3 copies	Pre-numbered
8.2.1.	Cash Sales Invoices	3 copies	Pre-numbered
8.3.1.	Stock card	Single card	N/A
8.3.2.	Bon de sortie	2 copies	Pre-numbered

BOOKS AND REGISTERS

8.4.1. One analysed petty cash book

APPENDIX I

Location : CENTRE D'AGBASSA

DOCUMENTS

<u>Manual ref.</u>	<u>Description</u>	<u>N° of copies in set</u>	<u>Numbering sequence</u>
6.2.1.	Bon de livraison	4 (separate colours)	Pre-numbered
6.4.2.	Bon de sortie	Single sheet	Pre-numbered
4.4.3.	Bon d'entrée	Single sheet	Pre-numbered
4.5.1.	Fiche d'inventaire	Single sheet	N/A
4.5.5.	Demande d'approvisionnement	3 (white) (blue) (yellow)	N/A
4.5.13.	Différences d'inventaires	2 (two colours)	N/A
6.6.1.	Rapport mensuel a Kara		N/A
	Formulaire C1 : Etat de Rapprochement		
	Formulaire C2 : Sommaire des dépenses de caisse		
	Formulaire C3 : Sommaire des ventes au comptant		
	Formulaire C4 : Inventaire physique		
	Formulaire C5 : Demande d'approvisionnement		
	Formulaire C6 : Rapport d'activité		
	Formulaire C7 : Sommaire des livraisons aux clients		
	Formulaire C8 : Sommaire des livraisons reçues à Agbassa		

BOOKS AND REGISTERS

- 6.1.1. Petty cash book
- 6.3.1. Petty cash book "Frais de formation"
- 6.4.1. Registre de mouvements des animaux

APPENDIX I

Location : BUREAU KARA

DOCUMENTS

<u>Manual ref.</u>	<u>Description</u>	<u>N° of copies in set</u>	<u>Numbering sequence</u>
5.1.2.	Bon de commande	3 copies	Pre-numbered
5.3.4.	Fiche du grand livre	One	N/A
5.3.6.	Feuille de contrôle des transferts de stock	One	N/A
5.5.10.	Demande de paiement	3 copies	Pre-numbered
5.10.1.	Rapport mensuel formulaire R1	One	N/A
5.10.1.	Rapport mensuel formulaire R2	One	N/A
5.10.1.	Rapport mensuel formulaire R3	One	N/A
5.12.1.	Feuille de transferts des fonds	One	N/A
4.5.8.	Bon de contrôle d'achat	3 (white) (blue) (yellow)	N/A
4.5.10.	Transfert d'articles	3 (white) (blue) (yellow)	N/A
4.5.13.	Différences d'inventaires	2 copies	N/A

BOOKS AND REGISTERS

5.2.1.	Analysed bank book for USAID Funds	- 30 columns
5.4.8.	Analysed cash book for Fonds de Roulement GDT	
5.5.3.	Livre de vente d'animaux et d'équipements	
5.6.1.	Registre des équipements	
5.7.1.	Registre de transmission de documents	
5.9.1.	Registre des cartes de santé animale	
5.11.1.	Registre des bons d'essence	
5.13.1.	Registre de contrôle des documents	
5.14.1.	Registre des factures d'achat	

APPENDIX I

Location : CAT

DOCUMENTS

<u>Manual ref.</u>	<u>Description</u>	<u>N° of copies in set</u>	<u>Numbering sequence</u>
4.2.1.	Facture de ventes	3 (different colours)	Pre-numbered
4.3.1.	Reçus	3 copies	Pre-numbered
4.4.1.	Bon de livraison	3 (different colours)	Pre-numbered
4.5.1.	Fiche d'inventaire	Single card	N/A
4.5.3.	Fiche d'inventaire physique	Single card	N/A
4.5.5.	Demande d'approvisionnement	3 (white) (blue) (yellow)	N/A
5.8.1.	Rapport mensuel a Kara		N/A
	Formulaire C1 : Etat de Rapprochement		
	Formulaire C2 : Sommaire des dépenses de caisse		
	Formulaire C3 : Sommaire des ventes au comptant		
	Formulaire C4 : Rapprochement du stock des fiches de santé		
	Formulaire C5 : Inventaire physique		
	Formulaire C6 : Demande d'approvisionnement		
	Formulaire C7 et 8 : Rapport d'activité		

BOOKS AND REGISTERS

- 4.1.1. Un livre de caisse
- 4.7.1. Registre des animaux

APPENDIX II

TRAINING COURSES

The following project and D.R.D.R. personnel attended the accounting training courses held at the various project sites.

ATAPKAME : Thursday 20th September to Friday 21th September 1984.

Dr. Apetofia	Project Director	- PROPTA
Mlle Diogo	Gestionnaire	- PROPTA
M. Spiegelberg	German volunteer - Economist	- PROPTA
Mme Kpade	Aide comptable	- PROPTA
Arthur Westneat	Technical Assistant	- Agricultural Economist
Joseph Howell	Technical Assistant	- Livestock Specialist
Sidney Bliss	Project Officer	- USAID Lome
Dr. M. Blankevoort	V��t��rinaire	- PCV Sant�� Animale

SOKODE : Monday 24th September 1984.

Dr. Domingo	Chef d'approvisionnement	- PROPTA
G. Brunet	Technical Adviser	- PCA/PROPTA
J. Howell	Technical Assistant	- Livestock Specialist
A. Westneat	Technical Assistant	- Agricultural Economist

KARA : Tuesday 25th September to Wednesday 26th September 1984.

M. Lekezime	Project Coordinator	- PCA
M. G. Brunet	Technical Adviser	- PCA/PROPTA
M. Abalo	Accountant	- PCA
Mme Abid��	Cashier	- PCA

APPENDIX II

CENTRE DE FORMATION AGBASSA : Thursday 27th September 1984.

M. G. Gnassim	Directeur du centre	- PCA
M. Boroze	Chef de Formation	- PCA
Le Magasinier		- PCA
M. J. Howell	Technical Assistant-	Livestock Specialist

KARA : Friday 28th September 1984 (DRDR agents and PCV's).

M. P. Lekezime	Project Coordinator	- PCA
G. Brunet	Technical Adviser	- PCA/PROPTA
J. Howell	Technical Assistaht	- Livestock Specialist
M. P. Gngangou	Encadreur	- CAT Binah
M. A.P. Posia	Chef Secteur	- Kabou
M. Abalodo	Chef Secteur	- Binah
M. J. Coupe	Corps de la Paix	- Ajaite Keran
M. Baba Cika	Chef secteur	- Kozah
M. A.K. Abalo	Comptable	- PCA
M. K Djinadji	Chef Secteur	- Dankpen
M. K. Djeidoe	Chef Secteur	- Keran

APPENDIX II

DAPAONG : Monday 1st October 1984 (DRDR agents and PCV's).

M. E. Kambia	Directeur	- DRDR
M. Y.A. Butu	Directeur Adjoint	- DRDR
M. J. Howell	Assistance Technique	- Livestock Specialist
B.K. N'Tchiribou	Chef d'agence	- DRDR-Timbou
M. Akibode	Chef Secteur	- DRDR-Mango-Barkoissi
M. G. Hounake	Chef Secteur	- DRDR-Tone
M. K. Koffi	Chef Secteur	- DRDR-OTI
M. B. Djangbedja	Savannes	- DRDR
M. Ali Soga	Chef d'agence	- DRDR-Gando
M. J. McCann		- PCV Timbou
M. M. Johnson		- PCV Barkoissi
M. G. Brunet	Technical Adviser	- PCA
M. C. Cogan		- PCV Naki-Est
M. A. Ayikoue		- DRDR
M. M. Aste		- PCV Gando

ATAPKAME : Wednesday 3rd October 1984.

Mlle Diogo	Gestionnaire	- PROPTA
Mme Kpade	Aide Comptable	- PROPTA
M. K.T. Labitoko	Aide comptable	- PROPTA
M. Kao Wéwé	Aide comptable	- PROPTA
Le Magasinier		- PROPTA

APPENDIX iii

ITINERARY OF FINANCIAL SYSTEMS CONSULTANT M. NEAVE,
17TH SEPTEMBER - 6TH OCTOBER 1984

September 17th	19.30	Arrive Lomé, RK102
September 18th-19th		Meet with AID Project Officer. Meet with MP/DFCEP. Travel to Atakpame.
September 20th-21st		Course at Atakpame - PROPTA.
September 22nd		Travel to Sokode.
September 24th		Meet with DSVA/Centrale. Course at Sokode Centre. Travel to Kara.
September 25th-26th		Meet with Director DRDR Kara region. Introduction and training course to PCA office staff and project management.
September 27th		Travel to Agbassa Training course to personnel at Centre.
September 28th		Training course at DRDR offices in Kara. Meet with Chef Secteurs and PCV's working at CATS.
September 29th		Meeting with PCV's and PCA office staff who have any problems on the accounting systems.

September 30th		Travel to Dapaon.
October 1st		Meet with Director DRDR Savannes. Meet with PCV's and DRDR Chefs d'Agence. Training course at DRDR offices in Dapaon.
October 2nd		Travel to Atakpame.
October 3rd		Training course Atakpame for new assistant accountants including review of previous week's course. Travel to Lomé.
October 4th and 5th		Meeting with AID project officer and technical advisor.
October 6th	9.30	Flight to Abidjan, RK32.