

PRELIMINARY FINANCIAL MANAGEMENT REPORT
TOGO ANIMAL TRACTION DEVELOPMENT
PROJET NO 693-0218

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

Dear Sir,

PRELIMINARY FINANCIAL MANAGEMENT REPORT
TOGO ANIMAL TRACTION DEVELOPMENT - PROJET NO 693-0218

We have recently completed our review and evaluation of the above project's financial management system at regional and national levels in accordance with the terms of reference under IQC NO 681-0000-C-00 3154-00 work order n° 3.

2. The object of this review is to make recommendations to improve the project management's ability to respond to the administrative requirements at national as well as regional levels. This review will also result in recommendations to improve the information flow and reporting requirements between projet staff, USAID and the government of Togo with a view to improving the overall project financial management.
3. Our approach to the work was by discussions and enquiries with project field staff and management at national and regional levels as well as carrying out a detailed review and evaluation of the internal controls and accounting systems at several project locations. The locations visited were Lome, Atakpame, Sokode, Kara, Agbassa and Dapaong.
4. Following our review we have made recommendations to improve the accounting controls and where necessary we have designed new systems. In order to facilitate the implementation of these systems we have prepared a draft operations manual and a staff training programme. These are dealt with in more detail in Appendices I to XIII.

5. In the following paragraphs we give details of the people with whom we discussed the project's financial systems, including staff of USAID, employees of the government of Togo, project management and field staff. Our initial contact was with Mr. S. Bliss the USAID project officer who supplied us with the basic background information, as well as a list of key personnel involved with the project.

6. We discussed the USAID reporting requirements and needs of USAID management with Komi Agbo the financial analyst at the USAID office in Lomé. Unfortunately the technical assistance team had not yet arrived at the time of our management review and therefore we were unable to obtain any input from them with regards to their reporting needs and information requirements.

7. Our first contact with the Government of Togo (GOT) was with Mr. Edorh, the Directeur du Financement et du Contrôle de l'Exécution du Plan (SFCEP) with the Ministère du Plan in Lomé with whom we discussed and reviewed the GOT authorisation and budgetary approval procedures.

8. Our next visit was in Atakpame, the head quarters of PROPTA. Here we met with Dr. K. Apetofia the director of PROPTA and his assistants Mlle B. Diogo, the manageress and her counter part Mr. G. Spiegelberg, a German volunteer. Here we discussed and reviewed the adequacy of the present accounting system. We identified a number of problems at this location such as insufficient trained accounting staff to cope with the work load together with an uncontrolled, cumbersome accounting system. This is dealt with in more detail in appendix II of our report.

9. During our visit to the PROPTA training and buying centre at Sokode we met with Dr. Domingo the "Chef regional du PROPTA chargé d'approvisionnement en animal" and we reviewed the present accounting records. We identified several areas which require improvements to the accounting controls and records maintained, in particular, the recording and control of veterinary supplies and medicines, petty cash expenditure and controls over cash sales.

10. During our visit to Atakpame we had several discussions with the peace corp volunteer (PCV) Dr. Mary Blankevort who is the veterinary surgeon working with the services veterinaire de la Santé Animale. We discussed the problems of control and distribution of veterinary equipment to the "Sante Animale" in the other regions. We also identified the problem of distribution and control of medicines and supplementary food to the buying centres for use and treatment of animals whilst in quarantine. These supplies are to be financed out of the revolving fund which will be reimbursed from a portion of the funds received when an animal is sold to a project.

11. When we visited Kara we met with Mr. Likezime the director of Projet Culture Attelee (PCA) and the interim project co-ordinator, Bruce Winner. We reviewed the adequacy of the present accounting system and the need to install additional controls and systems to account for the USAID funds and GOT revolving fund for the financing of animals and equipment. We recognised the need to train the accountant in double entry book keeping and also the possibility of employing and training an additional accountant to control the farmers' loans and advances.
12. During our stay in Kara we met a number of the project field staff who are peace corps volunteers attached to the centres d'appui technique, (CATS) in the Kara and Savannes regions. We were able to identify the information needs and accountancy system required for each of the CATS. In particular we discussed and reviewed a purchasing, distribution and stock control system for the CATS designed by PCV John McCann stationed at the CAT at Timbou.
13. During our visit to the Agbassa training centre we met the Chef du Centre Mr. Gnassin, Mr. Borze the chef de formation and PCV Mike McCarthy the technical advisor at the centre. During our review and discussions with the staff we noted that the accounting records and documentation maintained were inadequate to control the operations of the centre. In particular the controls over the reception and distribution of cattle and equipment were weak. If our recommendations for the centre are to be implemented it will be necessary to employ and train a secretary/bookkeeper to maintain these records.
14. We held several meetings with the PCV veterinary surgeons attached to the Santé Animale for the Savannes and Kara regions, they were Dr. James Lewis in the Kara region and Dr. Linda Kasseharm in the savannes region. Amongst the things we reviewed and discussed were the costing, control and distribution of animal health cards to the project farmers. This is a card which will pay for preventive medicine and health care treatment for one year for a fixed fee per animal. We also discussed the need to control the ordering and distribution of veterinary equipment to be used by Santé Animale.
15. During our visit to Dapoang we meet with Mr. B. Lentz a PCV who acts as cattle buyer co-ordinator for collecting farmers' cash advances and receipts from the PCVs attached to the CATS in the savannes. We discussed the information needs of the PCVs at the CATS and the DRDR agents working in the savannes region as well as the projects needs from the DRDR. We identified that the system for collecting advances from farmers was complex and uncontrolled. In our recommendations we include details of how this system should be controlled and simplified.

16. While in Dapaong we met with Mr. Kambia the regional director of the DRDR. We discussed the DRDR's information requirements from the project and also the projects information needs from the DRDR. We discussed the use of the revolving funds supplied by the GOT and FED to finance the purchase of cattle and equipment. Normally on other projects financed by the FED the revolving funds are deposited with the Caisse Nationale de Crédit Agricole, (CNCA). This permits the CNCA to charge a lower interest rate on loans to farmers. The CNCA is responsible for approving the loans and collecting the repayment instalments in conjunction with the DRDR agents. Under the present system it is not possible to deposit the GOT revolving funds allocated to PCA with the CNCA as a lump sum for financing the farmers' loans.

17. While in the savannes region we took the opportunity to visit a CAT in Buombuaka. The PCV attached to the CAT was Mr. C. Cramés. We reviewed the present activities of the CAT and discussed the accounting requirements in order to control stocks, handling cash receipts from sale of equipment spares, control of sundry expenses and the preparation of monthly reports for reporting to PCA office in Kara. We noted that at present there is no standard accounting reporting system in use at the CATs for the Kara PCA office. In our recommendations and also in the operations manual we include detailed procedures for the maintenance of accounting records and standardised systems for monthly reporting at all CATs in the Savannes and Kara regions.

18. We detail below a summary of our findings and the problems encountered during our initial evaluation and systems review. Where possible we made recommendations to overcome these problems or made suggestions as to alternative approaches to adopt. However in some areas, where there is non-compliance with the project paper, we have stated the facts as presented to us. These problem areas can only be resolved by joint policy decisions of the GOT and USAID in conjunction with the project directors and the technical assistant team.

BUDGET APPROVAL BY GOT

19. The project has been in operation for ten months, almost one third of the project life, and we noted that no USAID or GOT funds had been released to the project. We were informed that USAID cannot release the funds until the GOT approves the budgets for 1984. Budgets must be approved by two government Ministries, -the Ministère du Plan and the Ministère du Développement Rural. If delays are to be avoided in obtaining budget approval in future we recommend that the project directors prepare future years budgets well in advance. For example the 1985 budget should be submitted in October of 1984. This will require greater advanced planning by both project directors and technical assistants.

GOT AUTHORISATION PROCEDURES

20. Our review of the GOT authorisation procedures revealed that all budget line items which exceed 10 million FCFA from any one supplier must be submitted for approval to the President de la Commission Consultative des Marchés. This must be approved in writing by the commission and submitted to the President of Togo for his approval. Once approved the request for these items must go out to tender. This procedure is being rigidly followed by the Ministère du Plan and the Ministère du Développement Rural, and takes an extremely long time to pass through the appropriate government channels and has a direct effect on the timing and planning of any project expenditure. We suggest that USAID together with the project management should consult with GOT officials in order to either obtain some form of exemption from this procedure or speed up the authorisation process.

ACCOUNTING RECORDS - USAID LOME

21. No project accounting records are maintained at the USAID office Lome. All records including original project vouchers are sent to REDSO Abidjan for approval and processing. This makes budgetary and financial control of project funds extremely difficult for the financial analyst in Lome. A quarterly computer print out of the project expenditure by budget line item is sent to Lome from REDSO Abidjan. However this statement does not distinguish between local cost and foreign cost expenditure. We suggest that if possible the REDSO print out format be changed to distinguish between local cost and foreign cost expenditures, to enable the project officer and the financial analyst in Lome to compare local cost expenditure with local cost budgets.

CREDIT FUND WITH CNCA FOR ANIMAL AND EQUIPMENT PURCHASE

22. The original project paper provided for a GOT credit fund to be deposited in two branches of the Caisse Nationale de Crédit Agricole in the Kara and Savannes regions. This fund was intended to enable a low interest rate of 8% to be charged instead of 11%, on farmers' loans repayable over five years. The CNCA would then be responsible for maintaining the accounting records and receiving the repayments direct from the farmers. The DRDR agents would be responsible for the follow up on repayments with help from AID and PCVs.

23. This procedure is not being followed at present. Farmers purchases on credit are not being arranged through CNCA. All loans to farmers are being controlled and administered by PCA. The reason for this is that GOT are unable to finance the credit fund as a lump sum to the CNCA. No credit funds have been advanced to the project so far by the GOT. All the accounting records for advances are being maintained at the project office and at Kara. The peace corps volunteers are responsible for collecting the advances and the repayments. By

the end of the project life we estimate there could be in excess of 500 personal loan accounts with farmers totalling over 66 million FCFA. In order to control this we have recommended the implementation of a separate fund accounting system to be maintained in the Kara office. This would have to be closely monitored and may require the employment of additional personnel to carry out this function.

PROPTA - PURCHASE OF ANIMALS, EQUIPMENT, VETERINARY PRODUCTS AND MEDICINES

24. In the Kara and Savannes regions the PCA project has been buying animals locally direct from the suppliers and not through PROPTA. We were informed that this was because of the lower price per kilo paid to the local supplier than charged by PROPTA. For example, the cost by direct purchase from a local supplier is 240 FCFA/kg, whereas the purchase from PROPTA would cost 325 FCFA/kg, a difference of 35%. We were informed by the PROPTA director that this mark up is to cover overheads such as transport and holding costs. We noted that similarly 20% - 25% is being added to the cost price of veterinary products and medicines sold to the animal traction projects. A similar situation exists with the purchase of equipment from UPROMA. PROPTA enters into a contract with UPROMA to purchase a fixed quantity of equipment for the animal requirements of the animal traction projects. The equipment is sold to the projects at cost price per the contract with UPROMA. However, when supplies are invoiced to UPROMA, PROPTA receives between 2% and 4% discount on each invoice. This saving is not passed on to the projects.

25. PROPTA is also engaged in the purchase of breeding animals for projects. We were informed that at certain PROPTA centres in the Plateau region animals are held for breeding purposes. We recommend that USAID enquire into the functions and nature of PROPTA since funds designated for the animal traction operation of PROPTA may be utilised in a breeding programme. It would be difficult to control the use of medicines, veterinary products and supplementary feed at a centre with both cattle purchased for breeding and for animal traction.

AGBASSA TRAINING CENTRE - REVOLVING FUND FOR THE PURCHASE OF MEDICINE AND SUPPLEMENTARY FEED

26. During our discussions with B. Winner, the interim project co-ordinator at Kara, we noted that it had been decided by the project management when preparing their budgets not to include provisions for a revolving fund. They finally decided to treat these budget line items as operating expense items to be charged each year in the project. This change in the method of funding of medicines and supplementary feed does not comply with the terms of the project agreement. This report does not incorporate an accounting system for a revolving fund at the Kara office as was initially intended in the project agreement.

PCA PER DIEM RATES

27. During our discussions with the project management of PCA in the Kara region we noted that project government employees are required to travel monthly to the Savannes region either for buying cattle or to attend management meetings with the PCVs or the DRDR.

28. We understand that they are often reluctant to do this since the GOT per diem is very low and does not reflect the true cost of an overnight visit. We observed from the project agreement that the per diem rates paid to project employees must be in accordance with GOT rate. Due to the organisational structure of this project we consider it essential that there is a regular flow of information between the PCA office in Kara, the outlying CATs, the DRDR agents and the Santé Animale. We recommend that USAID look into alternative methods of reimbursing project personnel for out of pocket expenses incurred while travelling on project activities.

CONTROL AND DISTRIBUTION OF VETERINARY EQUIPMENT

29. We were informed that an initial delivery of veterinary equipment destined for Santé Animale in the regions did not pass through PROPTA for distribution to the Santé Animale centres, but instead went direct to the veterinary peace corps volunteers and was being held by them for their own use in the field.

30. We recommend that future deliveries of veterinary equipment destined for the Santé Animale should be controlled and recorded by PROPTA, both for its receipt and subsequent distribution to the Santé Animale. We have included in appendix III a detailed stock control system for this equipment at the PROPTA offices.

31. We summarise below the main system changes and controls we recommend be developed and implemented at national and regional levels as a result of our systems review and evaluation.

To be developed at national level via PROPTA

- a) A monthly reporting package with budgetary control, to USAID Lome.
- b) A quarterly cash flow statement to USAID Lome.
- c) A separate accounting system to account for the revolving fund for veterinary supplies at the PROPTA buying centres.
- d) A stock control system for the distribution of veterinary equipment.
- e) A separate accounting system for USAID funds.

- f) Quarterly veterinary reports on numbers and conditions of animals at national buying centres.
- g) Equipment register to record receipt and location of assets purchased with USAID funds.
- h) Purchase invoice register to record all incoming invoices.
- i) Stock control system at Sokode

To be developed at regional level via PCA

- a) A monthly reporting package with budgetary control to USAID Lome
- b) A quarterly cash flow statement to USAID Lome.
- c) A separate accounting system for the GOT revolving fund for financing the purchase of animals and equipment for farmers.
- d) A separate accounting system for USAID funds.
- e) A credit control system to account for loans to farmers.
- f) A monthly reporting package from each CAT to PCA office in Kara to account for monthly transactions and activities at the CAT.
- g) Establishing operational accounts for each CAT at Kara PCA office to control expenditure at CATS.
- h) Establishing a petty cash system and stock control system for each CAT.

32. The above systems changes are fully documented in our draft operational manual. This manual will only contain the procedures to be adopted as a result of the changes we recommend to the system and intend to implement. It is not designed to be a comprehensive manual of all accounting systems and controls now in operation at regional and national levels.

33. We consolidate our findings evaluations and recommendations in the following appendices:-

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34. This preliminary report would normally have been discussed and agreed with the project officer and other interested parties but this was not possible prior to our departure due to logistical problems and timing considerations. We look forward to discussing the report with you and to consider any comments you may have for possible inclusion in our final report in September.

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

Yours truly,

Delate *Arthurins* * *Lee*

APPENDIX IREVIEW AND EVALUATION OF SYSTEMS AT USAID LOME

No project accounting is maintained by the USAID office in Lome to control project expenditure. All accounting information, vouchers and documents are held by REDSO Abidjan. Lome receive a monthly printout of expenditure by budget line item from REDSO. In our opinion this document gives insufficient information to control the weekly or monthly expenditure both for local costs and foreign costs of the project.

2. We recommend that more detailed accounting information be maintained at the USAID office in Lomé in order to facilitate the review and control of project expenditure both by the resident financial analyst and the project officer.

3. USAID Lome should retain a copy of the monthly reports submitted by PCA Kara and PROPTA Atakpame offices prior to sending these off to REDSO for authorisation. These reports give the current position of cumulative expenditure to date by budget line item as well as a comparison with budget. REDSO should ensure the monthly printout gives details of all expenditure incurred by budget line item analysed between local costs and foreign costs.

4. In order that project officers and project directors are aware of foreign costs being incurred on the project, REDSO Abidjan should send copies of the foreign cost invoices by budget line item and purchase order forms to USAID Lome. These in return can be copied to the project directors on a monthly basis so that they are aware of the total costs incurred to date and be in a position to control total expenditure incurred both local and foreign cost elements by budget line item.

APPENDIX IIREVIEW AND EVALUATION OF SYSTEMS AT PROPTA

Our review of the accounting systems maintained by PROPTA covered the following areas:-

- a) General ledger accounting system
- b) Accounting for funds supplied by GOT and FED
- c) Voucher payments and controls
- d) Payroll system
- e) Reporting and control system
- f) Budgeting and budgetary control
- g) Purchasing and inventory control.

General ledger accounting system

2. The following accounting records are maintained by the accountant Mme Kpade

- i) general ledger cards-one for each account listed in the plan comptable,
- ii) an analysed day book,
- iii) a sales invoice register.

3. Our review revealed that no control is maintained over the arithmetical accuracy of the accounting entries being made. A full system of double entry bookkeeping is maintained but the ledger cards have not been balanced since January 1984 and no trial balance had been draw up since 30th September 1983. There have been no bank reconciliations prepared for any of the bank accounts maintained. A large number of clients' and

suppliers' accounts are maintained within the general ledger without the use of separate client and supplier control accounts. We noted that the number of entries per month seldom exceeded 180, however because of the poorly designed system, the accountant must write out each entry at least three times, to complete the double entry transaction,

- i) the journal is completed for all transactions,
- ii) the general ledger, bank account card or supplier card is completed,
- iii) the final entry is made on the expense card.

4. Due to this duplication of effort the accountant is unable to find time at the end of the month to balance the general ledger and prepare the trial balance. Without the preparation of a monthly trial balance the project is not in a position to control costs or guarantee the accuracy of the figures in the general ledger.

5. We set out below our recommendations to improve the control over the accuracy of accounting records.

General ledger

6. In our opinion the general ledger system in operation is open to posting errors and is very time consuming. We recommend the use of a one-write system such as "Kalamazoo", which would reduce the amount of clerical work by 66% and eliminate the possibility of posting errors. However it may not be possible to install this system at PROPTA for the following reasons:-

- a) the set up costs are relatively high - between 300.000 and 400.000 FCFA,
- b) the unavailability of one write stationery in the region - although stocks could easily be obtained in Lome,
- c) the project has recently incurred expenditure in printing stocks of the ledger cards and day books for the present system.

7. Therefore if the present system is to be maintained we advise that the following controls be established :

- a) the cards are totalled and balanced once a month,
- b) a trial balance is extracted and balanced every month. (For an example of the trial balance see section 7.8 of the manual).

Journal

8. All transactions are entered in this day book, which includes petty cash expenditure, receipts and payments from all banks, invoices from suppliers and invoices to customers. The journal is analysed under the following headings

- date
- voucher n°
- descriptions
- amount
- cash
- banks
- clients
- suppliers
- animals

- agricultural equipment
- sundry accounts
- account code
- remarks.

9. At present the journal is not being used to agree and control the various sections of the general ledger such as bank, cash, suppliers and clients. The column "bank" is being used to record all the bank transactions without distinguishing between the different bank accounts.

10. We recommend that the following procedures be adopted:-

- i) A different journal page be used for recording each bank account, petty cash, sales invoices, purchase invoices and sundry transactions.
- ii) Each journal page can then be totalled and the totals of each analysis column on the page posted to the general ledger. This would reduce the number of items being posted each month and at the same time reduce the risk of transposition error.

Bank reconciliations

11. There are five separate bank accounts maintained by PROPTA and it is important that for all bank accounts the statement balance should be reconciled with the general ledger card balance each month. These should be prepared and maintained in a format similar to that shown in section 5.8 of the manual. The bank reconciliations should be presented to the project director at the end of each month for him to review and approve.

Accounting for funds supplied by GOT and FED

12. PROPTA receives funds from AID, GOT and the FED. For the year to 31st December 1984 GOT has allocated 20.000.000 FCFA under the budget d'investissement et d'équipement. This has been deposited in a separate bank account with the Agence Special Atakpame for the direct payment of personnel salaries. A separate ledger card is maintained in the general ledger to record total funds advanced to the project from GOT under the budget d'investissement. Any withdrawals of funds from this account can only be for payment of salaries. The controls and authorisation procedures for this are dealt with in a later section.

13. As yet no funds have been released by FED for the revolving fund for the purchase of cattle. PROPTA have been financing the purchase of animals out of their own funds. It is envisaged that this fund when advanced to PROPTA will be held in a separate bank account. In prior years under PRODOBO, funds advanced by the FED were usually deposited with the compte du Tresorerie Publique. Any reimbursement to PROPTA which was usually via la caisse d'avance de fonctionnement usually required several signatures of government officials from the Ministère du Plan Rural in Lome before a cheque could be drawn on the compte du Tresorerie Publique in favour of PROPTA and deposited in their bank account in Atakpame. This system required several trips to Lome from Atakpame each time reimbursement was required.

Voucher payments and controls

14. Depending on the nature of the funds and the source of finance there are several methods by which invoices are paid, as follows:

- i) Direct reimbursement on submission of vouchers and aide memoire with supporting documents limited to 400.000 FCFA for caisse d'avance de fonctionnement coming from FED funds.
- ii) Direct payment to supplier by submission of voucher either to GOT or to FED.
- iii) Where funds are advanced direct to PROPTA and deposited in bank accounts.

15. All fund expenditure including petty cash expenditure must be approved by Mr. Apetofia the project director. He has sole signing authority on cheques for transactions up to 1 million FCFA per supplier. All amounts in excess of 1 million FCFA but less than 5 million FCFA must be approved by the Directeur du Financement et du Contrôle de l'Exécution du Plan. In our opinion there are adequate controls in operation over payment of vouchers out of government funds.

Petty cash expenditure

16. All petty cash expenditure must be authorised and approved by the project director. There are no standard procedures to be followed such as use of bons de caisse for authorising cash withdrawals. All personnel who request funds from the petty cash must first find out the price of the item to be purchased. This is then authorised by the director and the exact amount withdrawn from petty cash. When the project director is travelling or out of the office no petty cash funds can be withdrawn.

17. Although this imposes a strict control on the petty cash expenditure the system is not efficient in that project activities may be held up because the project director is not available to authorise a petty cash expense.

18. We therefore recommend that the project manageress or the counterpart be allowed to authorise petty cash expenditure up to an amount of say 5.000 FCFA. All amounts in excess of 5.000 FCFA must be authorised by the project director.

19. The system could be further improved by introducing a "bon de caisse" for authorising the withdrawal of petty cash funds. This "bon de caisse" must be signed by the director (or the manageress if under 5.000 FCFA) and presented to the accountant for cash withdrawal. The "bon de caisse" must then be justified by appropriate supporting documentation.

Payroll system

20. All project employees salaries are paid direct by the GOT out of the budget d'investissement. There are 42 employees on the payroll. The payroll is prepared by the accountant on standard GOT salary forms for each region-central and plateau. The forms are reviewed and signed by the project director, and are then presented to the prefecture for approval before being submitted to the Agence Centrale for withdrawal of cash. The Agence Central retains three copies at the time of presentation for payment. An additional copy is maintained by the project office recording all signatures of employees who have received payment. The Agence Centrale pays taxes and other deductions direct from the bank account.

21. The controls over payroll are unsatisfactory and require close management supervision, since the individual who prepares the payroll is also responsible for withdrawing the cash and paying out the salaries.

Reporting and control system

22. At present no funds have been advanced to PROPTA either from USAID or FED and there is no established reporting system to account for project funds. PROPTA under the old PRODEBO are required to prepare an annual report of all their activities for submission to the Ministère du Développement Rural. Reporting within PROPTA requires all training and buying centres to prepare monthly reports for submission to the PROPTA office in Atakpame. These reports contain the following information:-

- i) animal movements during the month,
- ii) stock levels of veterinary product and agricultural equipment,
- iii) principal activities for the month,
- iv) amounts of cash transferred to head office in Atakpame,
- v) veterinary product usage at centre,
- vi) veterinary product sales,
- vii) pre-order quantities of veterinary products.

Budgeting and budgetary control

23. An annual budget for the year to 31st December 1984 had been prepared by the project director with the assistance of his manageress and accountant. At the time of our review this budget had still not been approved by the GOT. Before funds can be released by USAID the budget must be approved at the following levels:-

- i) the project director,
- ii) the USAID director,

- iii) the Directeur Général du Développement Rural,
- iv) the Directeur du Financement et du Contrôle de l'Exécution du Plan,
- v) the Ministère du Développement Rural,
- vi) The Ministère du Plan.

24. The authorisation procedures take a long time to pass through government channels especially since the government Ministers are not always available for signing these documents. For this reason we recommend that annual budgets be prepared well in advance of the period to which they relate. The project should already consider preparing the 1985 budget for submission to the GOT by early October 1984. This will enable USAID to release the funds available for year two of the project at the start of the year, when the 1985 budget has been approved.

25. We noted that there were no formal procedures or system to maintain control over actual expenditure by comparison with budget. In order to maintain adequate budgetary control over project expenditures we recommend that a bank and cash journal analysed by budget line item be maintained. The procedure for maintaining this journal is fully explained in the operations manual.

26. From our detailed review of the budgets we make the following comments:-

- i) The budgets had been prepared showing per budget line item the total estimated expenditure including local and foreign cost expenditure. To facilitate control over local project expenditure the budgets should distinguish between local and foreign costs.

- ii) Included in the budgets is a line item for technical assistance, over which the project director has no control. This should be excluded from his budget. The technical assistance budget should be controlled at USAID level since all costs and supporting documentation on this budget line item will be channelled through REDSO Abidjan.
- iii) Included in the 1984 budget are construction line items for enlarging the PROPTA office and improving the facilities at the training centres at Kamina and Nâ. These budget line items were not included in the original project agreement budget. All budget line items created which were not included in the original project agreement should be approved in writing by USAID. Also all new budget line items created should be reflected in the accounts plan, the cash and bank day book analysis, and the monthly reporting package.

Purchasing and Inventory control

27. Purchasing of the following commodities is carried out by PROPTA for distribution to projects on a national as well as at a regional level:

- cattle,
- animal traction equipment,
- veterinary products,
- medicines,

Ordering procedures

28. All purchases with the exception of cattle and equipment are ordered using a standard pre-numbered three part bon de commande signed by the project director. Ordering of veterinary products from overseas is done on a pro-forma invoice signed by the project director.

29. Equipment is ordered annually under a fixed price contract with UPROMA. This bulk order is to supply all animal traction project requirements at a national level. Since this contract exceeds 1 million FCFA it must go through the normal GOT approval channels and be approved in writing by the Commission Consultative des Marchés and also by the President of Togo.

30. There are no standard ordering procedures for purchase of cattle, which are purchased for cash in the local markets in Savannes and Kara regions. Purchasing normally takes place between January and April each year.

31. The authorisation procedures for approving the purchasing and ordering of commodities are laid down by the GOT. The project director has the authority to approve purchase orders not exceeding 1 million FCFA from any one supplier. Purchase orders exceeding 1 million FCFA but not exceeding 5 million FCFA must be approved by Mr. Edorh, the "Directeur du Financement et du Contrôle de l'Execution du Plan". Purchase orders exceeding 5 million FCFA but not exceeding 10 million FCFA must be approved by the "Ministère du Développement Rural" and also by the "Commission Consultative des Marchés". Any purchase orders exceeding 10 million FCFA should follow the above procedures and in addition be approved by the President of Togo and go out for tender.

32. From our review of the above ordering and purchasing procedures (except in respect of cattle (para 30) but which would be difficult to change) we can conclude that there are adequate controls imposed at project as well as government level on all purchase orders of project materials.

Inventory Recording Procedures

33. With the exception of cattle and equipment all purchases are received at the PROPTA headquarters in Atakpame, including veterinary products and medicines and building material stocks.

34. Our review revealed that there was no system in the warehouses to record all goods received at the time of their receipt. An examination of the suppliers' "bon de livraison" and the PROPTA "bon de commande" revealed that there was no evidence to show that the goods received had been checked to the bon de livraison and the "bon de commande" for quantity and condition. We observed that a stock card is being maintained to record movements on each product in stock. The warehouseman informed us that there were no regular physical stock counts to check the quantities on the stock cards to the actual quantities held.

35. We recommend that a goods inwards book be maintained to record all goods received at the time of delivery. This can then be used together with the suppliers' "bon de livraison" to write up the stock cards.

36. All "bon de livraison" should be checked to "bon de commande" and goods received by the warehouseman and evidenced as having been checked.

37. Physical stock counts should be carried out quarterly and any discrepancies found between physical stock and stock card quantities should be reported to the project director.

Inventory Disbursement Procedures

38. All purchase orders from clients are received and reviewed by the project director. Our review revealed that there is no control over the completeness of orders received. At present orders are filed on two different files. If goods are in stock and the order is completed then a "bon de livraison" is prepared by the warehouseman and the completed order filed on a completed purchase order file. If goods are not in stock and the order is only partly or not completed this is filed on an outstanding purchase order file.

39. In our opinion all purchase orders received should be recorded on a pre-numbered purchase order received form as soon as received. All goods leaving the warehouse are accompanied by a "bon de livraison". No goods outwards book is maintained to record the goods at the time of leaving the warehouse. We recommend that a goods outwards book be maintained to record all "bon de livraison" at the time the goods leave the warehouse. This can then be used together with the warehouse copy of the "bon de livraison" to update the stock cards at the end of each day.

40. At present when goods leave the warehouse for dispatch to a customer, the book of "bon de livraison" goes with the goods for the customer's signature on all three copies. This system could give rise to the following problems:

- i) more than one delivery to different customers could occur in one day,
- ii) the book of "bon de livraison" could be lost or destroyed while travelling with the goods.

41. We suggest that the book of "bon de livraison" should not leave the warehouse, but only the top two copies be sent with the goods for signature by the customer.

Controls over issue of fuel

42. No stocks of fuel are maintained by PROPTA. Fuel is obtained by using pre-numbered "bons d'essence". These are usually purchased in quantities sufficient to meet the fuel requirements for periods of three months. The issue of these "bons" is strictly controlled by the German volunteer, all stocks are held by him. Issues are recorded on separate cards, one for each vehicle. No register is maintained to record the receipt and the numbering sequence of these "bons d'essence".

43. We recommend that a register be maintained to record the numbers of all books received and to record the issues to project personnel.

Control over issue of books of "bon de commande" and "bon de livraison".

44. We observed that there were several books of "bon de commande" and "bon de livraison" in use at the various locations. In order to control the issue and use of these books we recommend that a register be maintained to record the issue, location and the person responsible for the books.

Equipment purchase and distribution

45 No equipment for resale to project. is held by PROPTA, all equipment stocks are held by UPROMA. UPROMA notifies PROPTA when the equipment is ready for collection. PROPTA then notifies the customer concerned and it is the customer who is responsible for the collection of the equipment direct from the UPROMA factory.

APPENDIX IIIRECOMMENDATIONS AND IMPROVEMENTS TO EXISTING SYSTEMS AT PROPTA

We recommend that the following systems be developed in order to account for USAID project funds utilised by PROPTA.

Plan Comptable

2. A plan comptable must be developed in accordance with the budget line items used on the project agreement and subsequent budget line items included in the project implementation letters.

USAID Fund Account

3. A separate fund bank account should be opened to record the receipt of USAID funds together with a separate analysed cash and bank journal. The following general ledger accounts should be opened:

- USAID current bank account.
- USAID petty cash account.
- USAID Fund account.

Revolving veterinary supplies fund accounts

4. A revolving fund accounting system should be set up with a separate set of ledger cards to account for the purchase of veterinary supplies and medicines to be used at the buying centres. The following accounts will be maintained:

- i) A separate current bank account to record all revolving fund transactions,
- ii) A stock control account to record purchases and usage,

iii) A personal account with PROPTA,

iv) USAID Revolving Veterinary Fund account.

5. The following additional accounting documentation will be developed to help control the revolving fund accounting entries:

i) "Bon de Sortie" Veterinary supplies,

ii) "Bon de Sortie" Veterinary supplies summary,

iii) Cattle sales summary,

iv) Revolving Fund Monthly Statement.

Stock Control System for Veterinary Equipment

6. A separate stock control system will be developed to record the receipt and distribution of the veterinary equipment to Santé Animale, the Kara, Savannes and Plateau region. Stock cards will be maintained for each item of equipment received. Issues will be made direct to Santé Animale after receipt of an official "bon de commande" signed by the "Directeur de Services Veterinaires" of the region. Each regional "Directeur de Services Veterinaires" will be responsible for the recording and distribution of the equipment received for his region. Regular quarterly stock counts of the equipment will be carried out at Atakpamé.

Equipment Register

7. An equipment register will be established to control the receipt and location of all project equipment financed by USAID.

Invoice Register

8. An invoice register will be maintained by the accountant at Atakpamé to record and control the receipt of all suppliers' invoices.

Monthly Reporting Package

9. A monthly statement of expenses and costs incurred on the project will be prepared by project management every month for submission to USAID and the GOT. This statement will compare actual costs with budget and will be used as a basis for obtaining reimbursements when submitted with invoices and supporting expense vouchers.

Accounting Controls

10. The general ledger must be balanced monthly and a trial balance extracted and submitted to the project management for review.

11. All bank accounts must be reconciled and agreed to bank statements at the end of every month and submitted to the project director for review.

12. Control accounts should be established for customers and suppliers included in the general ledger. The personal accounts should be taken out of the general ledger and maintained in two separate subsidiary ledgers, one for customers and one for suppliers. The subsidiary ledger balances should be extracted every month and agreed to the control account balances maintained in the general ledger.

APPENDIX IVREVIEW AND EVALUATION OF ACCOUNTING SYSTEM MAINTAINED
AT PROJET CULTURE ATTELEE (PCA)

We carried out a detailed review and evaluation of the accounting systems maintained at the Kara office of "Projet Culture Atelée" (PCA) covering the following areas:

- general ledger accounting
- accounting for funds supplied by the GOT
- voucher payments and controls
- payroll system
- reporting and control system
- budgetting and budgetary control
- purchasing and inventory control
- sale and distribution of animal health cards
- control over advances received and loans made to farmers
- fuel and parts monthly allotments.

General ledger accounting

2. There is no general ledger and no double entry accounting system is maintained. Entries are either cash or cheques summarised in a journal and totalled at the end of the month. An accounts plan has been prepared according to the budget line items in the original USAID budget.

3. In order to control the arithmetical accuracy of the monthly expenditure we recommend that a system of double entry book keeping be maintained and a general ledger established. At the end of each month a trial balance should be extracted and agreed.

Bank accounts

4. Two current bank accounts are maintained with the CNCA in Kara. One for the GOT revolving funds and the other for advances received from USAID. No bank reconciliations are being prepared for these accounts.

5. In order to control the accuracy and the completeness of the accounting entries we recommend that all bank accounts should be reconciled at least once a month. This reconciliation should be presented to the project director for review and a copy kept on file.

Accounting for funds supplied by the GOT

6. As stated above no system of double entry accounting exists. However a summary card exists to record funds received and utilised out of the GOT "budget d'investissement". This records the cumulative amount to date of GOT funds disbursed which is mainly for payment of salaries. The budget allocation by the GOT for 1984 was originally 40 million FCFA. We were informed that this has now been cut back to 32 million FCFA which is allocated as follows:

- 20 million FCFA revolving fund for purchasing animals and equipment,
- 12 million FCFA for salaries.

As yet no funds have been advanced by GOT for the revolving fund and the project is utilizing the balance of 1983 GOT funds.

7. We recommend that a separate bank account be set up to record the advances received from the GOT in respect of the revolving fund, which should not be mixed with USAID funds received. A separate accounting system must be set up outside the normal day to day accounting to record the transactions and movements on the revolving fund including general ledger accounts.

Voucher payments and controls

8. All payments for purchases under 1 million FCFA are authorised either by Mr. B. Winner, the project coordinator, or Mr. Lekezime the project director. Otherwise all payments for purchases in excess of 1 million FCFA must go through the GOT authorisation procedures as described in paragraph 31 of Appendix II.

9. No funds have yet been advanced either by GOT or USAID and therefore no standard procedures have been established for submitting vouchers for reimbursement. The system so far has been to prepare monthly summary sheets by budget line item with supporting documents which are sent to USAID Lomé and then to the Ministère du Plan for approval.

10. These documents then have to be sent to REDSO Abidjan before reimbursement can be made. This procedure can give rise to a number of problems.

i) Documents and vouchers could be lost between the project office and USAID Lomé, the "Ministère du Plan" and REDSO Abidjan.

ii) There is no control at the project level as to how many documents have been sent and the amount of the reimbursement requested.

iii) If any query arises at the project office on a voucher or invoice the original document is not available.

11. We recommend that the following procedures be installed:-

i) A control register be maintained at Kara office to record the despatch of the documents.

ii) The documents be sent with a covering letter to USAID and GOT signed by the project director.

iii) The vouchers be submitted at the end of each month supporting the expenses by budget line shown in the monthly report to USAID.

- iv) The form 1034 be completed at the project office and included with the monthly report and supporting documents.

Petty cash expenditure and control

12. The majority of the expenditure incurred on the project is in cash. All petty cash expenditure is controlled through pre-numbered "bon de caisse" which must be authorised by the project director or co-ordinator. We noted that although the "bon de caisse" are pre-numbered, once they have been returned to the cashier they are not filed in numerical order. In order to control the completeness of these "bon de caisse" we recommend that they be filed in strict numerical order and reviewed at the end of each month by the accountant for completeness. In general we found that controls over petty cash disbursement were good.

Payroll system

13. All project employees with the exception of the project co-ordinator are paid by the GOT out of the "budget d'investissement". Standard monthly statements are prepared by the accountant and these are reviewed and signed by the project director and the prefecture before being presented in three copies to the "Agence Centrale" for payment. A copy of this statement is held by the project office showing signatures of employees who have received payment. The control over the payroll is totally dependent on close management supervision, since the individual responsible for preparing the payroll is also responsible for drawing cash and paying out the salaries.

Reporting and control system

14. No regular reporting system either to the GOT or USAID exists at present for accounting for project funds. An annual report of the project activities is prepared and submitted to the "Ministère du Développement Rural".

15. In our opinion in order to account for and control project funds a monthly reporting package should be submitted to USAID at the end of each month. This will give details of advances received and how these funds have been disbursed by budget line item. It should be reviewed and approved by the project director before submission to USAID.

Budgetting and budgetary control

16. Although an accounts plan has been established according to budget line item and an annual and quarterly budget prepared, there is no system in operation to compare actual costs with budget.

17. We have included in our proposed monthly report package a summary which will facilitate a comparison of actual costs with budget and highlight any differences. The annual budgetary approval process has already been reviewed and is detailed in paragraph 23 of appendix II.

Purchasing and inventory control

18. The purchase authorisation procedures for all project related materials are those laid down by the GOT which we have already reviewed at PROPTA. We therefore refer you to paragraphs 28 - 32 of appendix II.

19. The purchasing procedures adopted at Kara office fall into four types, as follows:-

- i) UPROMA equipment purchases
- ii) Cattle purchase
- iii) Daily cash purchases
- iv) All other purchases other than daily cash purchases, equipment and cattle.

20. UPRONA equipment purchases : all purchases of animal traction equipment are made through PROPTA. Standard "bons de commande" are used to order farmers equipment. The project is responsible for collecting this equipment from the factory. The equipment is checked to the UPRONA "bon de livraison" or receipt and then booked into stock at the Agbassa Centre. The "bon de livraison" is then sent to Kara office for checking to the "bon de commande" by the accountant. On receipt of the invoice from PROPTA the accountant checks "bon de livraison" to the invoice. The controls over the purchasing and subsequent recording of equipment in stock are adequate to ensure that all equipment purchased has been authorised and is accurately recorded.

Cattle purchase

21. Our review of purchasing procedures for cattle revealed that the present system was inadequate to control the cash disbursements for purchase and receipt of the cattle into stock. Unnumbered receipts and "carte d'achats" are issued to the farmers and duplicates retained to record the purchase of the cattle. There are no controls over the number of receipt books or "carte d'achats" issued. There is no detailed register maintained to record animals purchased and sold.

22. We recommend that the following procedures be adopted for all cattle purchases in the Savannes and Kara regions. Pre-numbered books of "carte d'achat" be used for all cattle purchases except those from PROPTA. Receipt books should not be used for disbursement of funds for purchase of cattle. A cattle register should be established to record the receipt and dispatch of cattle, which will enable the project to keep a permanent record of all cattle purchased and sold. We recommend that a document register be maintained to record the issue of the receipt books and the books of "carte d'achat".

Daily cash purchases

23. All purchases paid for in cash are strictly controlled by the project director and the project co-ordinator. We reviewed the purchasing and inventory control system prepared by John McCann a peace corps volunteer. We recommended that a few minor charges be made to clarify some areas. Since this control manual has recently been prepared and the procedures not yet fully implemented, we have decided to incorporate it in its entirety into our draft operations manual. We were satisfied that the inventory controls incorporated in the manual were adequate to meet the projects needs.

Purchases on credit other than equipment and cattle

24. There are no pre-numbered "bon de commande" used to order goods. Purchase orders are sometimes raised on unnumbered "bon de commande". When invoices are received at the PCA there is no register maintained to control the receipt and record the suppliers invoice at time of receipt. There are no standard authorisation procedures for checking the "bon de commande" and "bon de livraison" to the goods or to the invoice when received.

25. We make the following recommendations

- i) all purchase orders should be prepared on a 3 part prenumbered "bon de commande" which has been recorded in a document register;
- ii) an invoice register should be set up to record the receipt of all supplier invoices;
- iii) standard procedures as laid down in the operations manual should be followed for checking "bon de commande" and "bon de livraison" to goods received.

Sale and distribution of animal health cards

26. All farmers who have purchased animals are required to purchase an animal health card at 5.000 FCFA per animal, which covers the cost of preventive medicines for one year. Our review of the system of distribution of cards and collection of money revealed that there are no controls over the distribution of cards and recording of cash receipts. We recommend that the following system should be established:-

- i) all animal health cards are prenumbered,
- ii) an animal health card distribution register be maintained in Kara PCA office to control issue of cards,
- iii) all CATs account for health card sales at the end of each month by including cash receipts on the monthly report supported by a copy of the prenumbered receipt issued,
- iv) all CATs account for stocks of unissued health cards at end of the month.

Advances received and loans made to farmers - advances received for cattle and equipment

27. Our review of the system for recording the advances received from the farmers revealed the following weaknesses:

- i) receipts issued to farmers are not controlled by prenumbering,
- ii) receipt books issued to the PCVs at the CATs are not controlled by recording in a register,
- iii) when the receipt and cash are passed over to the PCV in Dapaong who collects the advances a cumbersome method of making out similar unnumbered receipts in exchange for cash collected and receipts issued takes place.

28. We recommend that the following controls be established in the Kara office:

- i) three part prenumbered receipt books be issued to CATs,
- ii) a register be maintained to control the issue of the receipt books,
- iii) a separate transaction sheet be designed to record the transfer and receipt of cash and receipts from PCVs at CATs.

Loans made to farmers

29. At present there is no system to record and control loans made to farmers out of the GOT revolving funds. Although loans have been made and advances received there are no formal loan contracts signed with the farmers. There are no personal accounts set up as part of the general accounting system to record and control loans made, interest charged, advances and repayments received.

30. We suggest that the following systems and procedures be installed as soon as possible:-

- i) contracts be prepared and signed for all new loans made and for existing loans made without contracts;
- ii) a sales day book be maintained to record all invoices for sales of cattle and equipment made to farmers;
- iii) a farmers account ledger be established to record all accounting transactions on loans to farmers;
- iv) a revolving fund bank account with a separate general ledger accounting system be set up to record GOT revolving fund advances for purchase of cattle and equipment;

- v) farmers account balances must be extracted every month and agreed to the control account in the general ledger of the revolving fund;

- vi) a loan file be maintained for each farmer.

Allotments of fuel and parts

31. Except for the DRDR personnel who receive a standard monthly allocation of fuel there is no fixed monthly allocation of fuel to project personnel. Fuel costs are reimbursed as and when required. Parts are located in the Kara and Agbassa warehouses and all movements are controlled on stock inventory sheets.

32. In order to control monthly petrol expenditure and facilitate the preparation of quarterly budgets and cash flow requirements we recommend that fuel bonds be purchased quarterly and monthly allocations be made to vehicles based on previous consumption levels and monthly expenditure. The receipt and issue of these books should be controlled by recording in a document register, as described in detail in section 5.3 of the operations manual.

APPENDIX VRECOMMENDATIONS AND IMPROVEMENTS TO EXISTING SYSTEMS
AT PCA KARA

Following our review and evaluation of the accounting records maintained at the Kara office we make the following recommendations to improve the existing system and procedures. We recommend that:-

- i) A full double entry accounting system be established to improve the reliability and accuracy of the accounts and facilitate the preparation of the monthly reports to USAID, quarterly budgets and cash flow statements.
- ii) A revolving fund bank account and separate books of account be maintained to control the loans and advances made to farmers out of GOT funds.
- iii) Standard purchase order procedures be developed.
- iv) A credit control system be established to control the advances made to farmers.
- v) Operational accounts be maintained and incorporated into the general ledger system to control monthly expenditure at CATs and the Agbassa training centre.
- vi) An invoice register should be established to control receipt of all supplier invoices.
- vii) A document control register be introduced to control the distribution and issue of books of prenumbered accounting documents to CATs and Agbassa training centre. This would include the issue of bon de commande, receipt books, bon de livraison and cash sales invoices.

viii) An equipment register should be maintained to record the receipt, location and condition of all major items of equipment purchased with project funds.

ix). Bank reconciliations should be prepared at the end of each month for all bank accounts maintained.

x) A separate bank account be opened to record all funds received from USAID, at the same time the following additional accounts be opened in the general ledger:

- USAID Bank account
- USAID petty cash control account
- USAID fund account.

xi) Use of cash transmission sheets to control the movement of advances received at CATs and handed over to other project personnel for delivery to Kara PCA office.

xii) A stock control register to control the issues and receipts from the sale of animal health cards.

xiii) The preparation of a monthly reporting package to GOT and USAID which will include the following information:-

- comparison of actual local costs to date with annual budget;
- local costs for the month;
- unutilised local budgeted costs to date;
- local costs to date \$;
- foreign costs to date \$;
- total costs to date \$
- USAID project budget \$
- unutilised funds in project budget \$
- reconciliation statement accounting for funds received and funds utilised.

APPENDIX VIREVIEW AND EVALUATION OF SYSTEMS AT CAT

As a result of discussions with project field staff, project management and a field visit to a CAT we noted that several types of accounting transaction take place at each CAT. These activities include amongst other things:

- a) receipt of cash advances from farmers,
- b) sales of animal health cards,
- c) sales of equipment spares,
- d) purchase of sundry items,
- e) delivery of equipment and cattle to farmers,
- f) maintaining stocks of veterinary supplies and supplementary feed stuffs and equipment spares,
- g) ordering of equipment and supplies from Agbassa and Kara warehouses.

2. Our review and evaluation of the CAT systems revealed that there were few accounting controls in operation to ensure the completeness of cash received from farmer advances, sales of spares and sales of animal health cards. There were no standard procedures for recording cash expenditures. In most cases unnumbered receipt books were being used to record different types of transactions, such as recording cash received as well as being used as vouchers for cash expenditure and delivery of equipment. We reviewed a recently prepared purchasing and inventory system to control stocks and stock movements between Kara, Agbassa and the other CATs. We were satisfied with the adequacy of most of the accounting controls included in the manual. Since the above manual had only just been completed at the time of our review of the system at Kara the new inventory control system had not yet been fully implemented at all CATs. We have therefore included the contents of this manual, after making minor alterations, into the draft operations manual submitted with this report.

APPENDIX VIIRECOMMENDATIONS AND IMPROVEMENTS TO SYSTEMS AT CAT

We consider that the following systems should be installed at each CAT to control cash receipts, cash expenditure, stock movements and equipment deliveries.

- i) A petty cash float of 20.000 FCFA should be maintained on the imprest system, to cover monthly running costs and to be justified at the end of each month when the monthly report to Kara is submitted.
- ii) An analysed petty cash book should be kept to record operating expenses.
- iii) A book of three part, prenumbered, cash sales invoices should be held at each CAT. This will be used to record all sales of equipment spares, animal health cards, sales of veterinary products and supplementary food stuffs.
- iv) A book of three part prenumbered bon de livraison should be used when equipment or cattle are delivered direct from the CAT to the farmers.
- v) A Cattle register should be maintained which will record all project animals. It will also record farmers being trained and supervised by the CAT. It will serve as a register to control the issue and payment of health cards to the farmers.
- vi) The purchasing and stock disbursement procedures as detailed in the operations manual should be fully implemented.

- vii) Receipt books should be prenumbered with receipts in triplicate. These will only be issued for the receipt of cash advances from farmers or as evidence of an expense incurred where no invoice or document has been issued by a supplier. They should not be used to record cash sales or for delivery of equipment where an invoice will be raised by PCA office Kara.

- viii) A monthly report should be prepared and sent to the PCA office in Kara. The monthly report should contain information such as activities for the month, stock report and inventory at and of the month, cash sales, petty cash expenditure with supporting documentation, and a monthly cash reconciliation statement.

APPENDIX VIIIREVIEW AND EVALUATION OF ACCOUNTING SYSTEMS
AT THE AGBASSA TRAINING CENTRE

Apart from records of stock movements no detailed accounting records are maintained at Agbassa, although the centre conducts various transactions including the delivery and holding of stocks of cattle, training equipment, medicines and veterinary products, and paying training expenses.

2. We recommend that the following systems be introduced and maintained at Agbassa.

- i) A petty cash float of 25.000 FCFA maintained on the imprest system to cover daily running expenses. This would have to be justified at the end of the month with submission of the monthly report to Kara.
- ii) An analysed petty cash book to record all expenditure made during the month. This should be balanced at the end of each month and agreed to the cash on hand.
- iii) A cattle register to record all cattle movements in and out of the centre. A prenumbered "bon d'entrée" and "bon de sortie" should be used to control the movements in and out.
- iv) In order to control the completeness of the "bon de livraison", these should be prenumbered. A system to control the receipt and disbursement of equipment to farmers should be established, to include the setting up of a goods inwards and outwards register and the preparation of prenumbered "bon de sortie" and "bon d'entrée" to control movements.

- v) The purchasing and stock disbursement procedures as detailed in the operations manual should be adopted and fully implemented.
- vi) Receipt books should be prenumbered, each receipt being in triplicate. These should only be issued when cash is received or to justify an expense incurred where no justification is issued by a supplier. They should not be used when purchasing cattle or for recording cash sales.
- vii) Purchasing of cattle direct from suppliers in the Savannes should be controlled by using prenumbered 5 part carte d'achat. These are not prenumbered and four of the five copies are being held at Agbassa. At least one of these copies should be sent to the office in Kara to support the purchase of the cattle.
- viii) Receipt of cattle. Our review of the system of recording the receipt of cattle purchased from PROPTA and elsewhere revealed that there was no system for checking the weights of cattle purchased to the "bon de livraison", since there is no weighing machine at Agbassa. We suggest that the centre purchase a weighing machine as soon as possible. Since the centre buys cattle by weight we recommend that a standard selling price per kilo be established for selling to farmers.
- ix) "Bon de livraison" received in Agbassa should be sent to Kara to control the quantities received with the supplier invoice received in Kara.
- x) All deliveries of cattle and equipment to farmers should be recorded on a "bon de sortie" and a prenumbered "bon de livraison".
- xi) An analysed cash book should be maintained by the "Chef de Formation" to record and account for all advances received and expenses incurred on training.

xii) Monthly reports should be prepared and sent to the Kara office at the end of each month. These reports should include a statement of the activities for the month, stock levels at the end of the month, petty cash expenditure with supporting documents, lists of cattle purchased with the supporting copies of the "carte d'achat", details of cash sales, list of "bon de livraison" in respect of equipment and cattle delivered in the month to be invoiced by Kara office and a statement of training expenses incurred during the month.

APPENDIX IXREVIEW AND EVALUATION OF ACCOUNTING SYSTEMS MAINTAINED
AT SOKODE A BUYING AND TRAINING CENTRE OF PROPTA

The centre is managed by Dr. Domingo who is responsible for purchasing all animals for PROPTA. At the time of our visit there were forty six animals in stock. The centre holds animals in quarantine after purchasing and then distributes them to the projects. They hold stocks of veterinary products and medicines as well as training equipment and spares.

2. The following books of account are maintained by Dr. Domingo.

- i) A petty cash book (not analysed). This book records the amount of cash received from Atakpame to purchase animals, amounts spent on purchasing animals and sundry operating expenses.
- ii) Animal purchase register.
- iii) Animal movements register to record the movement of animals dispatched to other centres and to projects.
- iv) Register of medicines used on animals at the centre and withdrawn from stock.
- v) Stock register for the sale of veterinary products.

3. Our review of the accounting records revealed that there were inadequate controls over sales of veterinary products to farmers and projects. No sales invoices or receipts are issued at the point of sale.

4. Stock movements of veterinary products in and out are not controlled to any extent in the stock register. For stock movements in there is no reference to the document (the bordereaux d'envoi) which is sent with the goods from the Atakpame warehouse. Since there is no "bon de sortie" or prenumbered sales invoice there is no reference in the stock register to a document supporting movements of goods out.

5. All stocks of veterinary products and medicines are recorded on the same page of the stock register which makes it difficult to trace specific items and record sufficient details of stock movements. This method also carries a high risk of error being introduced into the stock register.

6. There is no control over the number of receipts issued for cash received. The receipt book did not contain prenumbered receipts.

7. In order to improve the control over the accounting records we recommend that the following procedures be adopted.

- i) All sales of veterinary products should be supported by a pre-numbered cash sales invoice.
- ii) The stock register should be maintained in such a way that each product is recorded on a separate page. All movement of stock in and stock out should be clearly identified and referenced either to the "bordereaux d'envoi" received from Atakpame in the case of goods received or referenced to a cash sales invoice or "bon de sortie" in the case of goods out.
- iii) An analysed petty cash book should be used to record the receipt of cash from Atakpame and the expenses incurred analysed into columns. This would facilitate the summarising of costs at the end of each month for reporting to Atakpame.

- iv) The animal purchase-register and the register of movements should be incorporated into one book. This would act as a control over the number of animals being purchased at the centre as well as those being sold or transferred to other centres. The register should provide for the recording of the number of the "bon de livraison" for animals being sold or transferred.

APPENDIX XRECOMMENDATIONS TO IMPROVE THE SYSTEMS EFFICIENCY
AND RESPONSIVENESS TO THE NEEDS OF PROJECT STAFF

As a result of discussions with a number of the project field staff we noted that due to the remoteness of some of the CATs in the Savannes region there is a communication problem and a lack of information flowing from the office in Kara to meet the needs of the project field staff. We also noted that the flow of information from the CAT to the PCA office Kara was not sufficient or standardised to meet the accounting requirements of the project. We therefore recommend that the following procedures be adopted to improve the efficiency of the management of the project.

Information from Kara office to CATS

2. At the beginning of each training year, normally the end of September or the beginning of October a project planning schedule for the coming year should be prepared and distributed. This should inform the project field staff of the following:-

- i) The amount of finance available and the number of candidates to be selected in their region.
- ii) The dates on which the "encadreurs" should begin their survey for the selection of candidates eligible for animal and equipment loans.
- iii) A programme of tours to the potential candidates for screening by the PCV and "Chef d'Agence".
- iv) The planning and timing of the farmer training programme.

- v) The dates on which equipment will be available for distribution to the farmers.
 - vi) The dates and timing of vaccination campaigns. It should be noted that the above time table and years plan should be drawn up in conjunction with the regional director of the DRDR and the "Santé Animale".
3. The following information should be circulated by the project director or co-ordinator to all project field staff (PCV and "Chef d'Agence" of each CAT) at the regular monthly meetings.
- i) Statement of loans outstanding with each farmer in the region with details of due dates for repayments.
 - ii) Estimated equipment delivery dates.
 - iii) Equipment quantities on order.
 - iv) Dates of any vaccination campaign being carried out that month by the Santé Animale.
 - v) Date of the next monthly meeting.

4. On a quarterly basis the following information should be communicated to the project field staff.

- i) Current price lists of equipment, spare parts, veterinary products and medicines,
- ii) Project status reports.

Information flow from CATS to Kara office

5. At the end of each month the project field staff should submit a monthly report package to the Kara office. This report should contain the following information.

- i) Activities - n° of farmers visited
 - n° of health visits
 - n° of farmers trained at centre

- ii) Stock movements during month and physical quantities on hand at month end.
- iii) Estimated stock requirements projected over three months.
- iv) List of cash sales.
- v) Details of petty cash expenditure.
- vi) List of animals health card sales.
- vii) Monthly cash reconciliation statement.

Information flow from Kara office to regional directors of the DRDR

6. The project management should inform the regional directors of the funds available for lending to farmers for the purchase of equipment and animals by September each year. This will enable the DRDR to calculate how many farmers per region they can select for animal traction training. In turn the DRDR must inform project management by the end of November of the same year the number of farmers that have been chosen. It should be noted that all candidates selected must be approved by the DRDR. The project management should also inform the DRDR on a monthly basis the location and movements of the PCVs and their planned activities for the following month.

APPENDIX XIDESCRIPTION OF HOW TO DEVELOP CASH FLOW PROJECTIONS
FOR PROPOSED PROJECT ACTIVITIES PCA KARA

Cash flow projection is a vital component of planning and project management. Without a precise plan of when cash is required and its availability from project donors then the project's activities can be held up until finance is available.

2. Our review of the project's activities revealed that very little planning had been done in respect of proposed project activities. This is due to the non availability of funds in the past 10 months of the project and that project management were unwilling to plan future project activities because of this uncertainty.

3. The following procedures should be adopted when planning and preparing cash flow projections.

- i) A detailed review of the project annual budget should be carried out with a view to preparing a monthly schedule of when the activities should take place.
- ii) The cash flow for the majority of the project will be cash out flows. Therefore each budget line item should be examined separately and the month determined when that particular cash payment will occur. For example with a construction budget line item it will be necessary to obtain builder's estimates, contract prices and start dates and estimates of advances required to start the work.

- iii) Cash for training courses can be determined by discussing with the "Chef de Formation" when the courses are being held and when the money will be required. Funds required for purchasing of animals and equipment can be determined from the information sheets approved by the DRDR giving details of how many farmers will be trained and given equipment loans. These information sheets are summarised and sent to Kara giving details of equipment required in the coming year.

- iv) Operational costs can be calculated on a monthly basis from experience of monthly cash requirements in previous years. However if petrol costs are paid for with "bon d'essence", these are usually purchased in sufficient quantities to last for three months, a point to be considered when preparing cash flow statements.

- v) For other operational costs which cannot be determined accurately, such as vehicle repairs and spares, a monthly estimate based on knowledge of the vehicles should be incorporated in the cash flow projection.

4. Cash flow projections should be for three month periods to support requests for USAID fund advances. However it should be noted that advances once requested will take up to one month to be paid, from the request leaving Lome USAID mission. Therefore project managers should provide for an extra month when making their request for an advance. A cash flow projection covering the period January to March 1985 would require submission to USAID by the beginning of December 1984 so that funds may be released by the beginning of January 1985.

5. We observed that due to GOT authorisation procedures for procurement of project commodities in excess of 10 million FCFA it may be difficult in practice to prepare accurate cash flow projections for major project items.

APPENDIX XIIJOB DESCRIPTIONS AND RESPONSIBILITIES OF PROJECT
MANAGEMENT AND ASSESSMENT OF THEIR TRAINING NEEDS

The following job descriptions have been compiled as a result of discussions with project management, our own observations and our overall evaluation of the financial and management capabilities of the persons concerned as follows:

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Dr. K. Apetofia	PROPTA project Director	55
Mlle B. Diogo	PROPTA Gestionnaire	58
Mr. G. Spiegelberg	PROPTA German volunteer	60
Mme Kpade	PROPTA Accountant	62
(new position)	PROPTA aide comptable	64
Dr. Domingo	PROPTA chef régional	65
Mr. Lekezime	PCA project director	67
Mr. G. Gnassim	PCA chef du Centre d'Agbassa	69
Mr. Abalo	PCA comptable (Kara)	71
(new position)	PCA aide comptable (Kara)	73
Mr. Boroze	PCA chef du Centre de Formation (Agbassa)	75

JOB DESCRIPTION

PROJECT DIRECTOR - PROPTA

- NAME** Dr. K. Apetofia
- LOCATION** The project Director's office is located in the PROPTA headquarters in Atakpame. He makes periodic visits to the other animal traction project offices in the Kara and Savannes region.
- REPORTING** The project director reports to and is responsible to the "Directeur Général du Développement Rural". For all financing requirements and disbursements the project director must have the approval of the "Directeur des Finances et de Contrôle "
- RESPONSIBILITIES AND DUTIES** He is responsible for ensuring that:-
- PROPTA provides support services for all individual animal traction activities throughout Togo. Such services would include plans to implement a standard health card system in conjunction with the Sante Animale for all animal traction projects in Togo.
 - PROPTA has adequate staff and resources for the collection of information and statistics on animal traction technology, and be able to evaluate animal traction projects and activities.

- There is adequate training of extension agents and the provision of training materials.
- PROPTA has and can produce adequate supplies of traction animals to meet animal traction project needs.
- There is a nationalization programme for credit arrangements for animals and equipment on all projects.
- There is an adequate supply of equipment from UPRONA to other projects with a view to stabilising prices and ensuring a regular supply of equipment for all animal traction projects.
- More effective and less expensive services are provided to animal traction projects.

HIS ADMINISTRATIVE

DUTIES include:-

- Authorisation and approval of all project expenditure.
- Preparation and approval of all project budgets.
- Approval of monthly reporting requirements to USAID and GOT.
- Approval of contracts and supervision of project related construction that will be contracted to Togolese based companies.

- Submission of an annual report of project activities to the "Direction Generale du Developpement Rural".
- The control and distribution of medical supplies and veterinary equipment to meet the project needs as and when required.
- Supervising and controlling the work of the five "chefs de division"
 - Division de la Gestion Financière et Comptable,
 - Division du Suivi Sanitaire,
 - Division Approvisionnement en Animaux de Traction,
 - Division Formation et Matériel Agricole,
 - Division Statistique, Programmation et Evaluation

TRAINING NEEDS

Instruction in the revised system to account for USAID funds as laid down in operations manual.

Budgetary control and cash flow projections.

JOB DESCRIPTIONPROJECT MANAGERESS - PROPTA

NAME Mlle Bridgitte Diogo

LOCATION Project manageress' principal work site will be in the PROPTA national headquarters office in Atakpame.

REPORTING The project manageress will advise and report to the project director. She has direct contact with the AID project officer in Lome and the Directeur du S.F.C.E.P. in the Ministère du Plan

RESPONSIBILITIES AND DUTIES The project manageress is responsible for:-

- The supervision and preparation of all financial reports, budgets and cash flows to USAID and GOT.
- In conjunction with the project director, the daily financial requirements and project needs.
- Supervising the daily work of the accountant and assistant accountant.
- Preparation and control of purchase orders for dispatch to suppliers.
- Credit control - controlling unpaid invoices and following up long outstanding invoices.

- Preparation of statements of account for FED expenses and their reimbursement.
- Supervision of the maintenance of the general ledger and journals.
- The preparation of the annual report of activities.
- The supervision of the preparation of monthly trial balances, bank reconciliations, the invoice register, equipment register and veterinary supplies statement.

TRAINING NEEDS

Instruction in the new system improvements, revolving fund accounting system for veterinary supplies, the monthly reporting system, budgetary control and preparation of cash flow projections.

JOB DESCRIPTIONPROJECT ECONOMIST/ACCOUNTANT - PROPTA

NAME Mr. Gunther Spiegelberg (German volunteer)

LOCATION The German volunteer is based in the PROPTA national headquarters office in Atakpame. From time to time he is required to make visits throughout the plateau region to assist in the purchase of animals and to discuss pricing.

REPORTING Reports directly to the project director on all financial and management matters concerning the project.

RESPONSIBILITIES AND DUTIES He is responsible for:-

- The purchasing of animals and price negotiation.
- Arranging and supervising the delivery of animals to the training centre at Kamina.
- Controlling the purchase of fuel, its consumption and use of project vehicles in conjunction with Mr. Gnibi of the rural works service (genie rural).
- Receiving and controlling monthly reports from the training and buying centres; collecting the information on levels of activity, stock etc..

- Compiling annual statistics for inclusion in the annual financial report.
- In cooperation with the manageress he assists in the preparation of all financial reports, to USAID and GOT, including budgets and cash flow statements.
- The daily financial requirements and project needs.
- Supervising and controlling the daily work of the accountant and assistant accountant.
- Credit control of clients - Preparation of monthly statements to control outstanding unpaid invoices.
- Supervision and maintenance of the general ledger and other books of account.
- The preparation of the annual report on activities.
- Supervision and control of the preparation of monthly trial balances, bank reconciliation, invoice register, equipment register and revolving fund accounting system.

TRAINING NEEDS

Instruction in the new system improvements, revolving fund accounting system for veterinary supplies, the monthly reporting system, budgetary control and preparation of cash flow projections.

JOB DESCRIPTIONACCOUNTANT PROPTA

NAME Mme Kpade

LOCATION The accountant is based in the PROPTA national headquarters office in Atakpamé.

REPORTING Reports to project manageress, and the German volunteer on all daily accounting matters. Also reports direct to project director in cases of cheque and cash disbursements.

RESPONSIBILITIES AND DUTIES The accountant at Atakpamé is responsible for:

- The daily maintenance of accounting records including the preparation of the daybook, coding and posting the vouchers;
- Writing up the general ledger card entries from the day book;
- Preparation and recording of cheques;
- Maintaining cash and cheque receipts and depositing in the bank;
- Monthly maintenance of accounting records, including
 - preparation and payment of monthly salaries,
 - preparation of bank reconciliations
 - preparation of monthly general ledger trial balance.

TRAINING NEEDS

The maintenance and use of control accounts within the general ledger. Preparation of bank reconciliations. Monthly balancing of general ledger and extraction of trial balances. Maintenance of an invoice register. Maintenance and use of an analysed cash book to account for USAID funds.

JOB DESCRIPTIONASSISTANT ACCOUNTANT PROPTA

NAME (position not filled)

LOCATION The assistant accountant will be based in the PROPTA national headquarters office in Atakpamé. Will also be required to assist from time to time with the accounting records maintained in Sokode.

REPORTING Will report direct to project manageress and the German volunteer on all project accounting matters.

RESPONSIBILITIES AND DUTIES He will be responsible for maintaining all new accounting systems introduced to account for USAID project funds.

This will include the maintenance of the revolving fund accounts for veterinary supplies, the stock control system for veterinary equipment, the project equipment register, the analysed cash and bank journals to record the disbursement of USAID funds by budget line item.

In addition he will be responsible for preparing a monthly stock control report of stocks maintained in the PROPTA warehouse in Atakpamé, the preparation of purchase orders for veterinary supplies and report to the German volunteer on credit control and recovery of old debts.

TRAINING NEEDS The individual recruited for this position will require instruction and training in all of the above procedures.

JOB DESCRIPTION

CHEF REGIONAL DU PROPTA CHARGE D'APPROVISIONNEMENT ANIMAL

NAME	Dr. Domingo
LOCATION	The chef regional is based in Sokode at the buying and and training centre of PROPTA in the central region. He is also required to travel to Savannes and Kara regions to organise the purchasing of cattle and distribution of cattle to the various PROPTA centres.
REPORTING	The chef regional will report on the condition and health of the project animals in his region to the project director in Atakpame. He is also required to prepare statements of account justifying the purchase of cattle, sales of stocks of veterinary products, and sundry overhead expenses.
RESPONSIBILITIES AND DUTIES	<p>He is responsible for controlling all personnel activities at the centre. This includes:-</p> <ul style="list-style-type: none"> - training of encadreurs, the health and up keep of cattle held at centre, maintenance and safe guarding of stocks of both equipment and veterinary products, - preparation of training reports for submission to project director. He is also responsible for the national purchasing of cattle for supply to all animal traction projects. This includes

raising of invoices for the supplier and accounting for funds disbursed on cattle purchase, preparing a monthly statement of how the funds have been utilised and reporting to Atakpamé office,

- controlling and accounting for stocks of medicines and veterinary products sold to farmers and projects,
- accounting for cash receipts from sales and the preparation of a statement for submission to Atakpame office,
- preparation of quarterly reports on the number of animals held at the centres, their age, sex, health condition, suitability for animal traction and how long they have been held in stock.

TRAINING

REQUIREMENTS

How to set up proper stock control records and account for receipt and disbursement of stocks,

How to prepare and raise cash sales invoices for all sales of veterinary products and medicines,

How to account for and control cash receipts resulting from sales and advances received from farmers.

JOB DESCRIPTIONPROJECT DIRECTOR

NAME Mr. P. Lekezime

LOCATION The project director resides in Kara. He makes regular monthly visits to the CAT centres in the northern region and occasional visits to PROPTA in Atakpame and USAID in Lome.

REPORTING The project director reports to the regional directors of the DRDR on current and future project activities. He liaises between the Ministère du Developpement Rural and the Ministère du Plan for approval of disbursements and the procurement of materials and equipment.

RESPONSIBILITIES AND DUTIES He is ultimately responsible for both the long term planning of the project and the day to day implementation of the project programme, in particular he will-

Liaise with the project coordinator who will advise on project implementation,

Liaise with the director of PROPTA to coordinate animal traction project activities within the national animal traction programme,

Liaise with the regional director of the DRDR in the Kara and Savannes regions to inform them of planned project activities and PCV's activities and movements at the CATs.

Liaise with the project coordinator, the USAID project officer, and the Ministry of Plan to advise them of the project situation.

Authorise purchases of commodities and equipment and submit for approval by the Ministry of Plan.

Sign and authorise local disbursement cheques.

Receive and approve cash flow statements for proposed project activities, ensuring that budgets are prepared for all project activities and submitted on time for approval by USAID and the GOT.

Ensure all CATs are making monthly reports of their activities.

Approve and authorise all monthly accounting reports submitted to GOT and USAID and ensure that all accounting controls are being adhered to. Supervise the preparation of the project annual report to the "Direction Générale du Développement Rural".

TRAINING NEEDS

Familiarisation with the project new accounting procedures and reporting requirements as detailed in the operations manual.

JOB DESCRIPTION

CHEF DU CENTRE AGBASSA

NAME Mr. G. Gnassim

LOCATION The chef du centre resides at the centre of Agbassa which is located approximately 65 km north west of Kara. The chef du centre travels extensively throughout the Kara and Savannes region attending cattle markets and purchasing cattle for the project farmers.

REPORTING The chef du centre reports to the project director in Kara on all the centre's activities.

RESPONSIBILITIES AND DUTIES Chef du centre is responsible for controlling all personnel activities at the centre. These activities include training of:

- Animals for traction
- Carpenters and blacksmiths
- Labourers
- Warehousemen
- Teaching personnel.

He is also responsible for:

- Purchase, delivery and general health care of all cattle at the centre,
- The distribution of cattle and equipment to the CATs and the farmers,
- Ordering and stocking of traction equipment,

Maintenance and upkeep of the centre facilities,

Maintenance of adequate accounting records and documents to account for the receipt and distribution of cattle, equipment and veterinary products

TRAINING
REQUIREMENTS

Familiarisation with the new purchasing and stock control procedures. Maintenance of petty cash records, cattle register to control cattle movements, completion of monthly report for submission to Kara.

JOB DESCRIPTIONPROJECT ACCOUNTANT KARA OFFICE

NAME Mr. Abalo

LOCATION The project accountant is located in the PCA offices in Kara. He is expected to travel to the Savannes regions occasionally for cattle purchasing trips.

REPORTING The project accountant reports to the project director and the project coordinator. He must also liaise with the PCVs stationed at the various CATs.

RESPONSIBILITIES AND DUTIES He is responsible for maintaining the day to day accounting records which, including:-

- supervising the cashiers and ensuring that there are adequate liquid funds to meet the daily/monthly cash requirements,
- preparation of purchase orders and the submission to project director for authorisation,
- maintenance of general ledger and CAT accounts, monthly controls and preparation of reports.
- preparation of monthly bank account reconciliations and submission to project director for approval,
- preparation of monthly reporting package for submission to GOT and USAID,

- preparation of monthly salary returns and records
- accounting for and recording cash receipts from sales at the CATs,
- drawing cash for cattle purchasing trips to the north,
- reimbursing fuel expenditure and sundry expenditure incurred by PCVs at CATs.

TRAINING

REQUIREMENTS

He needs training in the preparation of bank reconciliations, the monthly reporting package, double entry book keeping and maintaining general ledger and CAT operational accounts.

JOB DESCRIPTIONPROJECT ASSISTANT ACCOUNTANT KARA OFFICE

- NAME** (new position)
- LOCATION** The project assistant accountant will be based in the PCA offices in Kara. He will also be expected to make regular trips to the CATs in the Savannes and Kara regions to carry out stock inspections.
- REPORTING** The project assistant accountant will report to the project director and the project coordinator via the project accountant. He must liaise with the PCVs at the CATs.
- RESPONSIBILITIES AND DUTIES** He will be responsible for:
- maintaining the farmers' loan ledgers as well as the monthly credit control of these balances and report to management,
 - carrying out monthly bank reconciliations on all bank accounts,
 - preparing monthly reports to USAID and GOT for submission to accountant for checking and review,
 - controlling the receipt of monthly reports from CATs and ensuring they are complete,
 - maintenance of revolving fund accounting system and general ledger,

- preparation of monthly summary stock transfer sheets for each CAT,
- making regular visits to CATs and physical inventory checks at each centre,
- preparing annual "demande de paiement" for farmer loans and interest repayments

TRAINING NEEDS

He will need training in all these functions.

JOB DESCRIPTIONCHEF DE FORMATION (AGBASSA)

NAME Mr. Boroze

LOCATION The chef de formation is located in the offices of the training centre at Agbassa.

REPORTING Chef de formation reports to the chef du centre and to the project director on all training courses held at the centre.

RESPONSIBILITIES AND DUTIES He will be responsible for:

- the planning and preparation of the animal training requirements and activities at the centre,
- preparation of training courses together with the DRDR regional chef de formation,
- preparation of the training budget and submitting it to the project director for approval,
- purchasing the course requirements, collecting and accounting for cash advances from Kara for financing the course expenditures,
- preparing the annual report on training of the encadreurs and training activities for submission to the director of the DRDR.

TRAINING REQUIREMENTS The procedures for maintaining analysed petty cash book to control and account for training course expenditure and advances received from Kara.

APPENDIX XIIITRAINING PROGRAMME OBJECTIVES AND METHODOLOGY

INTRODUCTION

We have divided this appendix into three sections to detail the training needs as follows:

- PROPTA - accounting at Atakpamé and Sokode
- PCA - accounting at Kara and Agbassa
- CATS - accounting

Each area requires different accounting systems and there are different training needs. Our overall review and assessment of the present accounting skills, level of knowledge and understanding of accounting theory and systems of personnel in each accounting area revealed that basic accounting controls were non-existent and that systems had been poorly designed and were not being correctly followed.

2. Our programme will aim to train the present accounting personnel and the additional accounting personnel we have recommended be employed, to carry out the system as it has been improved. We will not be in a position to train accountants in basic accounting skills such as double entry book keeping since this would require a much longer intensive training course which is outside our scope of work.

PROPOSED TRAINING OBJECTIVES

PROPTA - ATAKPAME

3. To train management and accounting staff how to:
 - control the accounting entries in the general ledger on a monthly basis,
 - record and control project equipment,
 - account separately for USAID funds,
 - implement and maintain a separate accounting system to account for revolving funds,
 - implement and maintain a separate stock control system to account for the receipt and distribution of veterinary equipment,
 - control cash and bank balances monthly,
 - prepare cash flow projections for advances,
 - prepare monthly reporting packages to USAID and GOT and use budgetary control.

PROPTA - SOKODE

4. To train regional management how to:-
 - maintain stock records and control monthly stock levels,
 - maintain adequate petty cash records,
 - use and control of cash sales invoices,
 - prepare quarterly reports on cattle stocks.

PCA - KARA

5. To train management and the accounting staff how to:

- record and control project equipment,
- account separately for project funds,
- implement and maintain a separate accounting system for the GOT revolving funds for the purchase of cattle and equipment,
- set up and maintain a general ledger accounting system to incorporate operational accounts for the CAT,
- set up and maintain a credit control system to account for loans to farmers,
- control cash and bank balances monthly,
- control and review monthly reports received from the CAT,
- prepare cash flow projections for fund advances,
- operate a purchasing and inventory control system,
- prepare monthly reporting package to USAID and GOT and to use budgetary control.

PCA - AGBASSA

6. To train the centre's management how to:

- maintain and control a petty cash system,
- maintain a cattle register,
- control sales and distribution of cattle and equipment,
- prepare monthly reports to Kara.

CATS IN SAVANNES AND KARA REGIONS

7. To train the PCVs and their counterparts at each of the CATs how to account for all transactions originating at the centres. This will include:

- recording and controlling petty cash disbursements,
- recording and controlling cash sales,
- maintenance of cattle register,
- purchase and stock inventory system,
- recording and controlling the distribution of cattle and equipment,
- preparation of the monthly reports for the Kara office.

TRAINING METHODOLOGY

8. The training programme will be carried out in September 1984, and will consist of a series of lectures and instruction aimed at the accounting and management personnel attached to each of the following centres:-

		<u>Duration</u>
PROPTA	Atakpame	3 days
PROPTA	Sokode	1 day
PCA	Kara	2 days
PCA	Agbassa	1 day
CATs	(Kara region)	1 day
CATs	(Savannes region)	1 day

9. Our approach will be to work from the various sections of the manual relative to each centre. Examples will be given on how each subject in the manual should be treated. These will not be preprinted examples for distribution, but they will be worked through during the lecture using either a flip chart or blackboard. Ideally it would be preferable to present copies of worked examples and case studies at the time of the training course, however this would require about five man days preparatory work which has not been provided for in the original budget. The nine man days of training time will only allow for training sessions working together in small groups, it will not allow for personal attention or supervision where individuals have particular problems in understanding basic accounting theory.

SKILLS NEED ANALYSIS

10. We detail below our assessment of the needs and skills of accountants and management at the various project accounting centres.

PROPTA - ATAKPAME

Accountant

11. Requires training and instruction in order to be able to carry out the following daily and monthly tasks:

- Extraction of general ledger balances and preparation of monthly trial balance.
- Understanding of the use of total accounts for incorporation into the general ledger system to control suppliers, clients, banks and cash.
- Preparation of monthly bank reconciliations.

- Maintenance and monthly balancing of analysed cash and petty cash book.
- Maintenance of an invoice register to be able to control all incoming invoices.
- Preparation of separate journal sheets to control cash, bank, suppliers, clients and stock purchases.

Assistant accountant (new position)

12. The assistant accountant will be required to have a basic accounting knowledge, including a knowledge of double entry book keeping, be able to maintain basic books of account such as journals, cash books and the general ledger. The assistant accountant will need to be capable of performing the following tasks:

- Recording and controlling funds received for the veterinary supplies revolving fund.
- Operation of the stock control system including the recording of receipt and disbursement of stocks to centres.
- Maintain an analysed cash book to account for AID funds.
- Maintain an equipment register to record and control the location of all project equipment received.

PCA - KARA

Accountant

13. The accountant requires training and instruction in how to maintain a set of books and a general ledger system on the double entry system, which will cover:

- How to extract and to prepare a monthly trial balance to control the accounting entries in the general ledger.
- How to set up and maintain separate bank accounts to account for GOT and USAID funds.
- How to prepare monthly bank reconciliations for all bank accounts.

Assistant accountant (new position)

14. The assistant accountant will be required to have a basic accounting knowledge including an understanding of double entry book keeping as well as being able to maintain basic books of account such as journals cash book and general ledger. The assistant accountant will be required to have sufficient accounting knowledge to:

- Maintain a subsidiary ledger to control the receipt and disbursement of loans to farmers.
- Maintain a separate accounting system to account for and control the GOT revolving funds to purchase cattle and equipment.
- Maintain an invoice register to control all invoices received.
- Maintain an equipment register to account for and control all project equipment received.
- Maintain a document register to control the issue of all books of accounting documents sent to the CAT's. This will include recording the serial numbers of receipt books, sales invoices, and bon de livraison.

PCA - AGBASSAChef du centre

15. The chef du centre will only need a minimum of accounting knowledge, sufficient to be able to maintain the petty cash records and be able to complete the cattle register to control the cattle movements in and out of the centre. He will also need to have a working knowledge of the purchases and inventory control system. He will have to be instructed in how to prepare the monthly reports for submission to Kara.

PCA -CATSPeace corps volunteers and DRDR counterparts

16. All peace corps volunteers and their DRDR counterparts based at each of the CATs will require to be trained in the following accounting techniques and procedures:-

- The maintenance of a petty cash control system,
- The recording and control of cash sales invoices.
- The use of receipts books for moneys received in advance which do not relate to a cash sale.
- The use of bon de livraison for the delivery of cattle and equipment invoiced by Kara office.
- Purchases and stock control methods.
- The use and maintenance of a cattle register to record all farmers animals covered by the CAT.
- The preparation of the monthly reports to be sent to Kara.