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Trip Report

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Travelers: Mr. Ray Baker, INTRAH Associate
Director for Administration

Country Visited: SRI LANKA

Date of Trip: April 6 - 10, 1987

Purpose: To conduct a mid-project financial review of FPASL records pertaining to the INTRAH project.

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LIST OF ABBREVIATIONS

CB	Cash Book
DPO	District Project Officer
FPASL	Family Planning Association of Sri Lanka
GL	General Ledger
JV	Journal Voucher
PB	Peoples' Bank

EXECUTIVE SUMMARY

Mr. Raymond Baker, INTRAH Associate Director, for Administration, visited the Family Planning Association of Sri Lanka (FPASL) Colombo, Sri Lanka April 6 to 10, 1987. The purpose of the visit was to determine if the fiscal systems and records suitably document the use of INTRAH funds applied to the FPASL/INTRAH contract workplan. The systems review included the General Ledger and Cash Books. The document review included 168 of 616 journal vouchers, bank statements from January 1986 to January 1987, and statement reconciliations for those same months. From this review, it was concluded that the system and records in use conform to accepted accounting standards. The voucher particulars are well detailed, properly supported with receipts and cross referenced by folio number to the General Ledger and Cash Books. Full fiscal disclosure was available. The accounts are currently considered in condition for audit. If the present fiscal systems and records are continued, the audit can be scheduled at the close of the contract (January 31, 1989) and should present no problems.

A follow-on visit was made to the accounting firm of Ernst & Whinney for the purpose of planning the end-of-project audit.

SCHEDULE OF ACTIVITIES

Sunday
April 5 Mr. Baker arrived in Colombo from Bangkok at 12:25 p.m.

Monday
April 6 Briefed with Ms. Eilene Oldwine, Health and Population Officer, USAID/Colombo.

Met with the Director and the Finance Officer of the Family Planning Association of Sri Lanka (FPASL).

Tuesday
April 7 Began review of FPASL fiscal records.

Wednesday
April 8 Continued review of FPASL fiscal records.

Met with Mr. H. G. Fonseka, Partner, Ernst & Whinney Accounting Firm.

Thursday
April 9 Continued review of FPASL fiscal records.

Friday
April 10 Debriefed with Ms. Oldwine and Dr. Gnani Thenabadu, Program Assistant, USAID/Colombo.

Debriefed with Director and Finance Officer, FPASL.

Saturday
April 11 Mr. Baker departed Colombo on Saturday at 11:40 a.m. for the U.S.

I. **PURPOSES OF TRIP**

The purposes of the trip were to:

- Conduct a mid-project financial review of those FPASL fiscal records pertaining to the INTRAH project.
- Determine if the fiscal systems and records suitably document the use of INTAH funds for the INTRAH-sponsored family planning training program.
- Make suggestions for mid-course corrections so as to be best prepared for the end-of-project audit by a Colombo-based international auditing firm.
- Make a follow-on visit to the accounting firm of Ernst & Whinney to further plan for the end-of-project audit.

II. **ACCOMPLISHMENTS**

A. The following were reviewed:

1. Current policies for authorization and payment of per diem and transportation allowances at the central and district levels.
2. Procedures for authorizing and documenting other direct costs including lecture fees, supplies and refreshments, petrol, and (in the districts), temporary hires.
3. Procedures for the flow of cash from INTRAH to the Central Office and sub-advances to the Project Offices' bank accounts in the 23 districts. Also, the flow of documents back from the districts to reconcile cash advances.
4. Procedures to collect, segregate and record costs according to the INTRAH object class budget.
5. The General Ledgers for calendar year 1986 and for January and February 1987.
6. The Cash Books for 1986 and 1987.
7. Journal Vouchers from Voucher 1 through Voucher 616. Vouchers 1 through 186 were reviewed in detail; from 187 through 616 on a random sample basis only.

8. Bank statements from January 1986 through January 1987.
9. Bank statement reconciliations up through January 1987.

C. Arrangements were made for future reports (starting with #8) to include a third page which will list the activities accomplished during that reporting period, with the budgeted and actual costs.

III. BACKGROUND

The FPASL and UNC/CH are cooperating in accordance with a subcontract effective from December 1, 1985 to January 31, 1989. The total estimated in-country cost is \$311,387. At the time of this visit, 15 contract months had elapsed during which INTRAH had forwarded 8 cash transfers totaling \$147,527.55. This was a financial review of fiscal records in order to be best prepared for the end-of-project audit.

IV. DESCRIPTION OF ACTIVITIES

The activities included reviews of systems and records. The following observations result from this review.

A. Cash Process

The 1986-1987 execution of cash control is responsive to the requirements of INTRAH. Cash advance from INTRAH (eight telex transfers of \$147,527.55 as of April 10, 1987) are deposited into the master FPASL account #809 at the Bank of Ceylon and are transferred to an INTRAH-specific checking account #2264. Central operations and central evaluation are financed directly from #2264. Cash for field operations is transferred from #2264 to a FPASL account at the district branch of the Peoples Bank: this separately numbered account is under the control of the District Project Officer.

The FPASL main account #809 finances a petty cash from which all petty items are paid, with INTRAH items charged to #2264 and credited to #809.

B. Accounting Process

All transactions (cash out, receipted payments and cash refunds) are recorded by serially numbered vouchers. Cash advances, usually to a District Project Officer, are vouchered with the check number for reference. All receipts from a single training activity are collected (batched) on one voucher. The voucher is annotated to summarize costs by the applicable code:

<u>Code</u>	<u>Class</u>
1	Per Diem
2	Transport and vehicle running expenses
3	Lecture fees
32	Materials and refreshments
50	Participant incentives
40

All transactions are posted to the General Ledger and concurrently to the Cash Book, with cross-reference to Cash Book (CB), L(Ledger) or J(Journal Voucher) folio numbers. The system is manual and maintained in painstaking detail. There is no Check Register: check entries in the Cash Book and on the vouchers serve this purpose.

For internal record purposes, the FPASL has opted to establish a separate General Ledger account to collect costs attributable to the evaluation effort as distinct from the primary training effort. However, both accounts are directly charged to the INTRAH project.

See appendices B through H for samples of accounting documents.

C. General Ledger

The General Ledger is a basic appropriation type (no accruals) and includes the following uncoded accounts:

1. Grant account to record transfers from INTRAH
2. Per Diem
3. Transport and vehicle running costs
4. Lecturer fees
5. Supplies and refreshments
6. Evaluation - field operations
7. Evaluation - central support, including temporary hires for translation
8. Cash advances to record bank charges
9. Rent for training space in districts where free facilities cannot be arranged. (There are only 6 entries for \$28 U.S.D.)
10. Participant incentives to record costs of small prizes for outstanding quiz scores.

D. Current Per Diem and Travel Payment Practices

1. Per Diem in the district	<u>Ir. Rupees</u>
Breakfast	7
Lunch	15
Night Allowance	50/60

- 2. Per diem in Colombo**
Per participant day 200
(Participants are sometimes lodged at the FPASL training center at Nainamadama. The fee is charged to INTRAH and paid to the center).

Participant allowance per day for miscellaneous expenses:

Senior	100
Junior	50

3. Transportation in the districts

Payment is calculated on the distance traveled from home to the training venue. Allowance rates are small and are established by area. They range from 15 to 51 rupees (\$.53 cents to \$1.82 U.S.) Usually a FPASL vehicle transports the trainers to the district, with costs charged at actual petrol purchased plus 3 rupees (10.8 cents) per km for wear and tear. This vehicle is used to run errands during the course.

If no FPASL vehicle is sent and a need exists, and such services exist, a vehicle may be rented. This is a rare occurrence. Rental is by the short interval; by the day is considered too expensive.

4. Transportation to Colombo

When the venue is Colombo, participants are reimbursed the established rail or bus fare, which is well known to the finance management of FPASL. There is no internal air travel, except by charter.

V. FINDING AND CONCLUSION

The systems and records in use conform to accepted accounting standards. Full fiscal disclosure is available and the accounts are currently in condition for audit.

VI. No Recommendations

APPENDIX A

Persons Contacted/Met

USAID/Colombo

Ms. Eilene OLDWINE, Health/Population/Human Resource Officer
Dr. Gnani THENABADU, Program Assistant

FAMILY PLANNING ASSOCIATION OF SRI LANKA

Mr. Daya ABEYWICKRAME, Director
Mr. Ananda KUMARASWAMY, Finance Director
Mr. Anara DISSANAYAKE, Director of Operations
Mrs. Rohini FERNANDO, Accountant
Mrs. Shjanthi WIMANNE, Bookkeeper
Mrs. Rupika JAYAKAODY, Bookkeeper
Miss. Shiranthi FERDINANDO, Secretary
Miss. Indunil PERERA, Accountant Clerk
Mr. Tilak Dr. SILVA, Accountant Clerk
Mr. Siva KUMARAN, Cashier

ERNST & WHINNEY

Mr. H. G. FONSEKA, Partner

FAMILY PLANNING ASSOCIATION OF SRI LANKA VOUCHER

No.

PROJECT No.....

ITEM No.....

NAME OF PAYEE.....				
Date	PARTICULARS OF CLAIM	Rate	Rs.	Cts.
TOTAL				

(1) Certified correct in respect of service etc. performed and rate charged.

.....
Executive Director

.....
Head of Division

.....
Hony. Treasurer

.....
Finance Manager

(2) Claim checked by.....

(3) Registered in Voucher Register by.....

(4) Noted in Advance Reg. / Loan Reg. / Misc. Reg. by.....

(5) Entered in Cash Book by.....

(6) Cheque No.....dated.....issued...

Date.....

Cash Book Clerk.....

RECEIVED from the Accountant, Family Planning Association of Sri Lanka, the sum of **RUPEES**.....

.....
Cents.....

Date.....

.....
Signature of Recipient

FAMILY PLANNING ASSOCIATION OF SRI LANKA

VOUCHER

2264 A/c

PROJECT No

ITEM No

No.

Peoples Bank Nuwara Eliya A/c No. 1653.

51-1 4665.00
2 1264.00
3 600.00
32. 569.90

88

7096.90

NAME OF PAYEE

S. J. Periris

DPS - NE Eliya

Date	PARTICULARS OF CLAIM	Rate	Rs.	Cts.
86/3/21	Being expenses for VTP held on 14 th , 15 th , 16 th March at Rahathungoda & Poramadulla Projects.		7096	90
PAID				
TOTAL			7096	90

(1) Certified correct in respect of service etc, performed and rate charged.

Checked
21

Executive Director

Head of Division

Hony. Treasurer

Finance Manager

(2) Claim checked by

(3) Registered in Voucher Register by

(4) Noted in Advance Reg./Loan Reg./Misc. Reg. by

(5) Entered in Cash Book by

(6) Cheque No 5/ 421551 dated 24.03.86 issued

Date

Cash Book Clerk

RECEIVED from the Accountant, Family Planning Association of Sri Lanka, the sum of
RUPEES

Cents

Date

Signature of Recipient

A

APPENDIX D

District :

Project :

Nature of Programme :

Date of Programme :

Total amount approved :

Expenses :

	Total Amount Approved	Expenses
1. Lecture Fees
2. Refreshments
i. Tea
ii. Lunch
3. Fuel Expenses
4. Travelling Expenses
5.
6.
7.
8.
9.
10.
TOTAL		

I hereby certify that the programme was conducted successfully, the incurred expenditure was utilised correctly and the relevant receipts are attached.

.....
Chairman/Sec/DAC/GRL.C

.....
DPO's Signature.

APPENDIX F

PETTY CASH EXPENSES - 1987.

District :

Month :

Expenditure.

- 1. Stationary
- 2. Fuel Expenses
- 3. Vehicle Maintenance Expenses
- 4. Clerical Assistant's Allowance
- 5. Rent
- 6. Stamp Expenses
- 7. Postal Expenses
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.

TOTAL

=====
=====

I certify that the above expenditure is correct.

.....

D A T E .

.....

DFO 'S S I G N A T U R E .

Statements of Accounts for the programme conducted without prior approval,
i.e. those costing less than Rs.200/= should also be attached to the
Settlement of Programme Accounts form.

APPENDIX H

ශ්‍රී ලංකා පවුල් සංවිධාන සංගමය

සේවාකාරී ලේඛන

ව්‍යවහාර: අලුත් අංක 776

අවසරය හා ව්‍යාපෘතිය: - ... අංක 26 ... අංක 27

දිනය: - 1986.03.22, 23, 24

හතරහස් හතර දහසකට

නම	ලිපිනය	මුදල	අයකරු
1. කොළඹ නගර සභාව		39.00	Kudde
2. කොළඹ නගර සභාව		39.00	Rudra
3. කොළඹ නගර සභාව		39.00	Rudra
4. කොළඹ නගර සභාව		39.00	Rudra
5. කොළඹ නගර සභාව		39.00	Rudra
6. කොළඹ නගර සභාව		39.00	Rudra
7. කොළඹ නගර සභාව		39.00	Rudra
8. කොළඹ නගර සභාව		39.00	Rudra
9. කොළඹ නගර සභාව		39.00	Rudra
10. කොළඹ නගර සභාව		39.00	Rudra
11. කොළඹ නගර සභාව		39.00	Rudra
12. කොළඹ නගර සභාව		39.00	Rudra
13. කොළඹ නගර සභාව		39.00	Rudra
14. කොළඹ නගර සභාව		39.00	Rudra
15. කොළඹ නගර සභාව		39.00	Rudra
16. කොළඹ නගර සභාව		39.00	Rudra
17. කොළඹ නගර සභාව		39.00	Rudra
18. කොළඹ නගර සභාව		39.00	Rudra
19. කොළඹ නගර සභාව		39.00	Rudra
21. <u>එ.ස.ව.</u>		<u>741.00</u>	