

R E P O R T

by

Arthur Milot

March 19, 1982

SUBJECT:

The Financial Framework of U.S. Assistance to the Republic of Mali
under Livestock Project 688-12-130-201

I. SUMMARY

My partner, Walter Furst, and I were sent on a three-week assignment to Bamako, Mali, mainly to find an answer to the disturbing question: "What happened to the money?" After three audits and other studies, AID seemed unable to say how some \$ 2,018,722 * in equivalent Mali Francs had been used by the host country. As a result of this uncertainty, funding is stopped pending a satisfactory answer.

* Parallel study by Walter Furst.

- 2 -

At the Bamako USAID Mission, my partner and I found ECIBEV trial balances pertaining to the project in question, year by year from the beginning of operations in 1976 through September 30, 1980. They had been prepared by Deloitte, Haskins & Sells for the period of 1976 through part of 1979, and by competent expatriate public accountants for 1979 and 1980. As ECIBEV had not yet prepared its 1981 trial balance in final form, I did it myself directly from the ECIBEV General Ledger year-end closing figures.

These trial balances say where the money went.

The accounts titled in French, in the order of the official and mandatory French chart of accounts, show line item by line item the movement of funds and their source. They show where the money went, but they do not say why it went there, nor what good it did when it got there. These are for Project Management to evaluate.

While accounting records are definite they can never be guaranteed error-free and fraud-proof, here or anywhere else. Nor do the trial balances say more than what has been recorded in the accounting journals and ledgers. Yet we can at least say that they present a plausible financial picture, trustworthy until and to the extent they are proved otherwise.

../..

-- 3 --

I concentrated my attention on the ECIBEV accounting practices and primary reports, spending many hours at ECIBEV, an autonomous agency which the Malian Government created for the purposes of the Project Agreement known as Livestock I.

This Project and its local currency bookkeeping have been the target of much criticism.

Much corrective action must have taken place because the accounting system I saw in operation and the audit trail I tested met professional standards.

There is still room for improvement. Reports are not currently in the pipeline. The Financial manager who had to be away for three months expects to get caught up by March 31, and to be ready to prepare an interim trial balance as of that date for the benefit of ECIBEV and USAID.

I assume that some of the misunderstandings stem from USAID personnel limited language proficiency and unfamiliarity with French accounting practices. It surely would have helped if the Mission had had a good glossary of French equivalencies and a comparative introduction to French accounting. Needless to say, fluency in French should be required at a level consistent with duties to be performed in collaboration with host country representatives.

- 4 -

I am attaching the entire set of ECIBEV trial balances from 1976 through 1981. The figures are there for the benefit of anybody who wants to know "what happened to the money".

BACKGROUND

During the three weeks I spent in Bamako, Mali from March 1 to March 22, 1982, I concentrated my efforts mainly on a review of procedures followed by the Government of Mali in receiving and disbursing local currency under Livestock Project 688-12-1301-201, familiarly referred to as Livestock I.

AID's concern stemmed from numerous findings of deficiencies by US auditors and by public accountants under contracts AID-financed.

The Government of Mali implements the Livestock I Project through a wholly-owned GRM entity known as ECIBEV. This acronym stands for Etablissement de Crédit d'Investissement pour le Bétail et la Viande. It is staffed with Fonction Publique (civil service) personnel paid by ECIBEV with funds supplied by the GRM.

The accounting section occupies one 4-desk room, with some storage cabinets for the office records. The staff comprises four persons including the chief accountant.

THE RECORDS OF ECIBEV

When I arrived, the Mission did not have any up-to-date financial report from ECIBEV. The most recent was a Trial Balance, Balance Sheet and Profit and Loss Statement as of September 30, 1980 which had been prepared by a Canadian employee of Chemonix under an AID-financed contract. This third-country national, or expatriate as currently referred to, was replaced by another accountant of the same nationality who only worked at ECIBEV from April 1981 to July 6 of that same year. The trial balance the latter says he produced in draft showed the General Ledger Account Balances as of March 31, 1981. I was unable to find copy of this document anywhere. Nor does it matter now.

The Chief Accountant, Ousmane N'Diaye, was not available to us until he successfully terminated an intensive English language course March 12, 1982. In the meantime, I was given access to the ECIBEV books^{by} its Director General, Dr. Ousmane Guindo and his Deputy Mr. Nouhoum Sangaré.

Here is what I found:

5

1. A complete set of accounting books in which entries were being made in accordance with standard French bookkeeping practice. The chart of accounts followed the basic classification of the Chart of Accounts, mandatory in Mali but with a modified subdivisional numbering scheme. The French "Plan Comptable 1957" follow a Dewey-type system of numbering. It is currently being installed in Mali in replacement of the three double digit scheme installed in 1979 by Deloitte, Haskins & Sells as part of their audit and reconstruction of ECIBEV records.

The French system comprises six journals, the footings of which are redistributed to appropriate accounts on a document called a "Centralisateur".

At USAID's direction, ECIBEV changed its two standard bank Deposits & Bank Withdrawals Journals in favor of three new Bank Journals, one for each bank account in which USAID-advanced local currency funds are kept segregated. This provides separate ready narrative of the movement of each fund. Either way, the bank journals are reconciled with monthly bank statements; I examined one of these reconciliations. It was up to date (February) showing a cash balance in the Credit fund of 4,428,275. The new USAID-required Bank journals record deposits and withdrawals, one for the Credit Fund Account, one for the Construction Fund, now out of service, and one for the Operating Fund. The latter is supplied mainly with deposits of transportation charges paid to ECIBEV by cattle owners. In practice the Credit Fund is currently the only really active Bank Journal.

There is a Purchases-on-Credit Journal in which invoices are recorded, and immediately posted to subsidiary Accounts Payable by supplier name. The monthly sum of journal entries is posted through the Centralisateur to appropriate General Ledger accounts and proved by adding machine tape of the subsidiary accounts payable ledger.

Likewise for charged sales, the ECIBEV invoice is posted to the Sales Journal and immediately to the Accounts Receivable (Clients) subsidiary ledger. The monthly journal ^{totals} are summarized in the Centralisateur and posted to the General Ledger, and proved with an adding machine tape of the related subsidiary ledger.

6

This flow of accounting records automatically accrues expenses and income, well ahead one of the recommendations contained in AID's recent Users' Manual for Basic Accounting System.

I found it easy to retrace the audit trail from sample General Ledger entries through the Centralisateur to the applicable Journal entry to the cross-referenced supporting document, readily available in permanent files. With this French accounting system in full operation ECIBEV has, I believe, disposed of one of the deficiencies mentioned in past audit reports.

It is interesting to note in passing that all the books I saw were nearly kept, ruled and footed.

The Ledgers use special French loose^{leaf} forms, with a top border in various identification colors, brown for Balance Sheet Accounts, Green for P&L Accounts, Red for Accounts Payable, Blue for Accounts Receivable, with separators for each of the subsidiary account groups. The General Ledger pages are kept under lock and key in a special safety box, while the subsidiary ledgers are assembled in post binders

FINANCIAL REPORTS

The Mission has in its possession Trial Balances, Balance Sheets and P&L Statements as of Sept. 30, 1979, and Sept. 30, 1980, photocopied from typewritten originals. The Mission also has Trial Balances for 1976, 1977, & 1978, as well as 8 months of 1979, as schedules attached to the Deloitte, Haskell & Sells audit report of 1979. As there was no Trial Balance available as of Sept. 30, 1981, I undertook to prepare one directly from ECIBEV's General Ledger, using a photocopy of the 1979 and 1980 Trial Balances as a worksheet.

I found each General Ledger account neatly totalled, ruled off and closed or brought forward as appropriate. I had no trouble putting down the figures against their respective account numbers on my worksheet.

Eventually, when Mr. N'Diaye resumed full-time work at his office, I matched my trial balance with his draft, already several weeks waiting to be finalized and typed.

He still had to develop his Cost of Sales amount, from ending inventory values not available as of my last visit to his office. This would not change the Trial Balance net loss, but would make it possible to arrive at a proper P&L Statement. This, Mr. N'Diaye said he will be producing in the next few days.

Briefly, I would consider ECIBEV's books trustworthy; likewise any financial statements currently produced by ECIBEV from its General Ledger.

I mentioned to Mr. N'Diaye and Deputy Director Sangaré Implementation Letter No. 9 dated March 4, 1976.

In the body of this letter, one paragraph lists the reports which USAID required of ECIBEV.

USAID did not have any available record of receiving any such abundance of financial reports, nor did the ECIBEV officials currently in office know anything at all about them. As the Project Officer happened to visit ECIBEV while we were discussing this point, we all agreed that it would be useful for ECIBEV if USAID would update its requirements by a Letter of Implementation.

Mr. N'Diaye expects to get caught up in General Postings rather quickly now that he devotes full time to ECIBEV business, and he hopes to develop a Trial Balance as of the end of March 1982 soon thereafter. A copy of this would prove to USAID and everybody else interested, the ECIBEV's books are indeed up to date as I frankly expect they will be.

FINANCIAL DATA

From the Trial Balance the reader can extract basic information not only on the amount of profit or loss since the beginning of the fiscal year (October 1) but also the current status of assets, liabilities and financing source accounts. It should be easy for ECIBEV also to produce supporting schedules of accounts receivable, and thus answer one of the most critical of USAID management's concerns.

While the books now look good, they are not perfect, as some improvements could be brought in the area of inventory controls, of property and cattle stocks. This has been discussed and recognized by ECIBEV.

ENCUMBRANCE ACCOUNTING

The Deputy Director has charge of Encumbrance Accounting, as transactions normally originate from his office. It is he who must be guided by budgetary credits. Mr. Sangaré expressed his desire ^{to comply} with USAID's request and he wishes to set up an Encumbrance Journal (Journal de Prévisions Budgetaires). However, in order to do so, he needs definite project budget ceilings from USAID. He and the USAID Project Officer are aware of this, and I would expect action to follow in due course.

CASH FLOW

While we are assured that when a Mission certifies a voucher for payment the US Treasury will find the necessary cash, it is not so in countries such as Mali where cash flow is a perennial bottleneck.

The ECIBEV operations officer may well guide himself on budget ceilings consistent with Pro-Ag and USAID Advance terms, and the Encumbrance Journal would help him here. However, he needs more than this. He needs to schedule procurement, no matter how far below the budget ceilings he may happen to be, with some idea of when cash will become available to pay the resulting bill. Cash Flow projections are essential to the operations officer, at ECIBEV and possibly at many other comparable offices in developing countries.

Cash Flow should interest the Mission too. Whenever financing is interrupted, it behooves Project officers to attend to the cause of the stoppage.

KEY PERSONNEL AT ECIBEV ACCOUNTING

Mr. Ousmane N'Diaye, a competent, dedicated young Malian, is presently expected to enter a U.S. accounting school under PIO/P 688-074. When he leaves, a Ministry of Finance auditor named Sambou Coulibaly will take over; he has been so appointed by Ministerial Arreté.

As the ECIBEV books are kept on the French system familiar to all Malian accountants, Mr. Coulibaly should pick right up where Mr. N'Diaye leaves off. Reports to USAID should proceed without trouble.

DIFFERENCES BETWEEN ECIBEV, GRM AND USAID ACCOUNTING PRACTICES

ECIBEV follows French private enterprise accounting procedures. These are currently being taught in Bamako schools such as the Ecole Nationale d'Ingénieurs where Mr. N'Diaye acquired his good training. I examined the text books he used there. The French system of double-entry bookkeeping should be easy for US-trained accountants to understand, once they become familiar with the quite different lay-out of the official Chart of Accounts. The same debit and credit movements occur both in the French and the American systems. The journals look different but the General Ledger and the Subsidiary Ledgers are largely similar.

French or American private enterprise accounting differs from French and American Government accounting. In Government accounting, business is authorized by appropriations. Any expenditure in excess of the authorized amounts triggers sanctions under such as the Anti-deficiency Act. Consequently, administrators of public funds have to be very much on the alert and obligations conscious. That is why in the USC practice, amounts are obligated strictly within allotted ceilings for specific purposes and Controller books are designed for this. When the transactions are consummated, payment is validated and certified by an official certifying officer who thereby accepts responsibility for the correctness of the expenditure. He signs a voucher so certifying which goes to the U.S. Disbursing Officer who pays without question out of surely available Treasury funds.

In French Government accounting, obligations are subject to pre-audit by an office called Contrôle des Dépenses Engagées. After delivery of goods and services, the bills are assembled at a "Liquidation" level then a voucher (Ordonnancement) is signed by an authorized "ordonnateur". It then on behalf of the operating Ministry goes to the Treasury for payment. As the Treasury is held by law responsible for the correctness of the disbursement, it may reject the voucher if it finds fault

with it.

Also in the French system, there is a procedure for field payments in cash. This called a Régie. It is created by "Arrêté Ministériel". Its Cashier is known as a "Régisseur Comptable", this nomination also appears in the Arrete. We now have a case of this cash procedure at ECIBEV. When the bank account for Operations ran dry, the GRM created a Regie, and appointed a Treasury employee, named Djénéba Coulibaly as Regisseur Comptable. He pays Operations bills for ECIBEV and turns these in to the Treasury with the balance of cash initially advanced to him.

ECIBEV LOAN TO SMALL CATTLEMEN

Field payments in the case of ECIBEV loans to EMBOUCHE PAYSANNE borrowers follow a special procedure which it may be useful to describe:

The ECIBEV agent who formerly handled the loan money no longer does this. He only serves as witness and counselor to the transactions from beginning to end. It is the peasants' chosen representative ("mandataire") who since October 1979 comes to ECIBEV to report that the peasants' wish to participate in the Embouche program. The ECIBEV field agent accompanies the peasants' representative (mandataire). After discussion of the request for purchasing loans, ECIBEV enters into a contract with the "mandataire", authorizing him to buy a certain number of cattle at 80,000 MF per head, and gives to the "mandataire" a check for a first installment of the authorized contract amount. The "mandataire" undertakes to bring the stipulated number of cattle to the Embouche regional center. The mandataire buys cattle and offers his animals to the peasants at the center. The peasants look the animals over and chose the ones they want to buy on ECIBEV loans. The sale is made when the peasant signs a Loan Contract. If part of the herd bought by the mandataire is refused by the peasants, the mandataire sells the animals and keeps the profit if there is any, or sustains the loss.

At the end of the feeding period, the peasant expects to sell his animals at a profit, because Embouche feeding made it possible for him to wait for a more favorable market. With his sales proceeds, the peasant buys back his note from the

The mandataire returns to ECIBEV with ECIBEV's Agent, and turns in his advance thereby discharging his obligation under his ECIBEV contract.

ECIBEV reports a 95% recovery rate on Embouche Paysanne loans.

DEFAULTED LOANS

Many Cattle buyers who were, until February 1981, given cash advances by ECIBEV to go out and buy cattle for its account, failed to pay back the cash advances, and are now being sued through a Ministry of Justice Operation referred to as Contentieux. At September 30, 1981, the "Chevillards" owed 55,478,763 Mali francs.

Also in the hands of official collectors are the accounts of 14 borrowers owing an aggregate of 32,621,360 francs including accrued interest, of which 25,668,400 goes back to 1976. In connection with these outstanding loans, ECIBEV owes the Banque du Développement du Mali 26,523,932.

USAID should press for periodic listings of all outstanding loans, and encourage ECIBEV to take vigorous collecting measures.

PROJECT MANAGER REVIEW

The attached Trial Balances are destined primarily for the information of the Project Managers, US and Malian, that they may interpret the meaning of the figures; discuss them and take such action as they may deem necessary.

MISAPPLIED FUNDS

The Trial Balance as of Sept. 30, 1981, shows an amount of 23,377,251 francs credited to Account 76-01-01, a P&L account entitled Subvention AID. All other similar AID contributions to Project financing are properly carried in group 14 of Class I, Balance Sheet items, the status of which appears at all times. Items in P&L accounts are closed out into P&L at year-end, and never appear again in financial reports. No matter if this entry was made at the behest of a third-country national accounting expert, I still believe the subsidy should be carried

permanently in an appropriate Balance Sheet account. Hence the pertinent recommendation at the end of his report.

TEXTILE MILL LOAN

An amount of 7,000,000 francs shows on the debit side of account 52 01 50 entitled Embouche Paysanne Compagnie Malienne du Textile. This a loan to an unexpected borrower. I inquired about it, and learned that this is indeed a legitimate Embouche Paysanne cattle buying operation and not a diversion of Credit Funds.

RECOMMENDATIONS

1. that ECIBEV and USAID representatives agree on an up-dated list of financial reports to be scheduled by ECIBEV;
2. that ECIBEV and USAID representatives agree on budget ceilings for the LIVESTOCK I Encumbrance Journal;
3. that ECIBEV prepare quarterly schedules of Accounts Receivable showing the class, account number, the names of the borrowers, the amount owed, and the age of the loan.
4. that ECIBEV transfer 23.337.251 francs from Account 76-01-01 to a new Account 14-03-00, in order that this USAID grant be permanently carried on the Balance Sheet.

ACKNOWLEDGEMENT:

I gratefully acknowledge the many courtesies, the assistance and support accorded to me during my stay in Bamako. I am particularly indebted to the following persons:

Mr. Walter Furst, my ever-pleasant and helpful partner
Dr. Ousmane Guindo , General Manager of ECIBEV
Mr. Nouhoum Sangaré, Assistant Manager of ECIBEV
Mr. Ousmane N'Diaye, Chief Accountant at ECIBEV
Mr. Richard Pronovost, Financial Advisor OMBEVI
Mr. Paul Carbonneau, formerly Financial Advisor ECIBEV
Mr. Joseph K. Feffer, Chemonics Inc. Team Leader
Mr. Tony Teele, President, Chemonics Inc.
Mr. George Jenkins, Acting Controller
Mr. Robert Jacobs, Financial Analyst/Accountant
Mrs. Sitan Guindo, Secretary
Mrs. Kadidia Touré, Secretary
Mrs. Diaka Sissoko, Secretary
Mr. Stanley Wills, Project Officer
Mr. & Mrs. Robert Shoemaker

BIBLIOGRAPHY

- COMPTABILITE, R.Barre-R.Lory-M.Richez-R.Vergnaud. Librairie Istra, Paris
- DELOITTE,HASKINS & SELLS, audit report 1979
- REVISION DU SYSTEME FINANCIER, COMPTABLE ET DE GESTION PREVISIONNELLE, Richard Pronovost, Bamako, 1980
- AUDIT REPORT 81/35 by AID Auditor General 1/29/81 titled "Problems in Host Country Accounting for Utilization of A.I.D. Funds in the Sahel"
- USDA" Introduction to the Financial Improvement Effort in the Sahel", Jan. 1982.
- FINAL REPORT - MALI LIVESTOCK PROJECT I, by Experience, Incorporated for period May 15, 1977 through June 30, 1979
- USDA USER'S MANUAL FOR BASIC ACCOUNTING SYSTEM - January 1982 edition
- SYSTEME COMPTABLE DE BASE (USDA) Revised Version Jan. 13, 1982
- COURS DE COMPTABILITE - A.Rapin - DUNOD, Paris
- MALI I Project PAPER
- AG Audit Report 80-67 "Problems in Implementing AID's Livestock Sector Project's Activities in Mali"
- MEMORANDUM: IG Herbert L. Beckington to AA/FR Francis S. Ruddy 2/17/82
- Initiation aux Mécanismes Comptables et à la Gestion Financière - J.G. D'Aboville Paris - 1980.
- Comptabilité Régionale Prévisionnelle à Moyen Terme. J. Milhau en préface - Rapport présenté à l'International Association for Research and Wealth en réunion à Tel-Aviv - 1969.

15

XD-ABA-113 A
63875

RECONCILIATION AND UTILIZATION

OF

U.S. OWNED MALI FRANCS

Granted to the

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT

BETAIL VIANDE

(E C I B E V)

R e p o r t

by

Walter C. Furst

March 1982

TABLE OF CONTENTS

	<u>Page</u>
I. Summary and Recommendations	1
II. Background	10
III. Relevant Project History	13
IV. What happened to the U.S. owned Mali Francs	16
V. Other Considerations	23

Annex: List of Persons Interviewed

D R A F T R E P O R T

by

Walter C. Furst

March 17, 1982

SUBJECT:

Reconciliation of U.S. Owned Local Currency Funds

Granted to ECIBEV

I. SUMMARY AND RECOMMENDATIONS

My task is to determine whether certain Mali Franc funds (the equivalent of \$1.6 million) granted by the U.S. Government (USAID) to the Government of Mali (ECIBEV - Etablissement de Crédit et d'Investissement Bétail Viande), under the project known as Mali Livestock I, had been used for project purposes. Representatives of the Auditor General (AG) and others had found certain weaknesses in the project accounting practices, and had concluded from this observation, that funds might have been diverted from their intended purposes.

I have carefully reviewed available USAID financial and project

./..

18

records, and have interviewed the relevant USAID personnel. I have also reviewed relevant ECIBEV records, including the report by Deloitte, Haskins and Sells (DHS) on the financial condition of ECIBEV, as of May 1979, and financial reports covering the ECIBEV financial years ending in September 1979 and 1980, as prepared with the help of Chemonics staff. I have consulted with concerned Mali and other personnel, including Chemonics staff who have extensive and detailed familiarity with the project and its accounting records.

I have also inspected the Tienfala Feedlot and other project sites to observe and confirm the utilization of project funds.

Finally, I have worked closely with my colleague on this task, Arthur Milot, who is writing a separate report and who has helped in ways which are too numerous to mention but especially by providing the operating results of ECIBEV for the financial year ending in September 1981. Every person with whom I have come in contact has been most courteous and helpful, and I want to express my appreciation for all the kindness and assistance that have extended during my three week stay in Bamako.

My purpose in all this was to reconcile USAID files and records with ECIBEV files and records to ascertain whether U.S. provided local currency funds had been devoted to project purposes. In the process I relied on the available accounting and other records, on information supplied by reliable and long term observers and on visual inspection. The objective was to establish the reasonableness and the internal consistency of the available record. While I spot checked some individual

transactions, this was not an audit to determine the accuracy of each transaction as recorded.

In order to complete our task we also had to take into account certain funds obligated under Mali Livestock II which were granted in Mali Francs to ECIBEV and which form an integral part of the ECIBEV operation. Thus, based on USAID records, the funds coming within our purview were as follows:

Project 201	\$1,656,000
Project 203	<u>362,722</u>
Total ECIBEV	\$2,018,722

I assume that the Mission will report on the balance of Mali Franc funds granted under project 203 (to ONBEVI) when it reports on the utilization of funds under Mali Livestock II.

The funds transferred to ECIBEV were distributed as follows:

	<u>U.S. Dollars</u>	<u>Mali Francs</u>
Credit Fund	800,000	351,860,000
Construction & Equipment	1,210,787	412,915,295
Operating Fund		133,469,212
Studies	<u>7,935</u>	<u> </u>
Total	2,018,722	898,244,507

There are two AG audit reports which deal with these funds. Both these reports are based, as I understand it, on the same visit to the field, in the fall of 1979. The first report (AG report No.80-67

20

dated June 6, 1980) states on page 25, that "it is unlikely that a full and detailed accounting for the receipt and utilization of all project funds will ever be rendered." The second report (AG Report No.81-35 dated January 29, 1981) states on page 3 that "it remains unknown whether the funds were used for the purpose intended."

It is generally acknowledged that the accounting records of ECIBEV were in poor condition prior to the arrival of the team from the accounting firm of Deloitte, Haskins & Sells (DHS), i.e. prior to the arrival of the audit team in the fall of 1979. During its stay in Bamako, in the summer of 1979, the DHS team reconciled prior years' financial and accounting records of ECIBEV and established a new accounting system which is still serving well at this time.

Thus, the gaps in information noted by the auditors, and on which they based their unfavorable conclusions, have been closed by the DHS efforts.

The present status of the ECIBEV accounting system, its adequacy, its management, its consistency with the requirements of the USAID grant agreements and implementation letters, are all discussed in detail in the report by Arthur Milot which should be read in conjunction with this report. My understanding is that the system is serving well and is capable of providing all the needed information.

Apparently there has been some misunderstanding about the caveats expressed by DHS about their findings in their November 1979 report. I am not an accountant but in reading financial reports, I have usually observed that accountants include explanatory notes

or reservations in the light of which the accounting records prepared by them have to be interpreted. It may be possible that the AG auditors fell victim to a poor translation from the French. The auditors quote the DHS report as stating that DHS "was unable to render an opinion because of the lack of accounting records, procedures and internal controls, and the absence of supporting documentation relating to the receipt and expenditure of funds." The sentences in question in the DHS report translate as follows: "We have not carried out an audit of the financial statements and, for that reason, we are not in a position to provide a certification as to its genuineness. We want to point out that, because internal controls and accounting procedures were inadequate during the period of our mission, we are unable to certify that all amounts due to ECIBEV were included in the financial accounts."

The key here is that the reservation expressed by DHS applies -- as is also clear from the context of the over 120 pages of closely reasoned text and supporting schedules and financial statements -- only to payments to ECIBEV from certain transactions from non-AID sources. The AID provided funds are fully accounted for both as to their receipt and their expenditure, and none of the reservations expressed by DHS about the validity of the ECIBEV accounts are applicable to them.

The Chemonics accountant financed by USAID has reported that the ECIBEV books as of the time of his departure, in July 1981, fully reflect the condition of ECIBEV, with the reservations noted in his

report. None of his reservations relate to U.S. funds. He is satisfied that U.S. provided Mali Francs are accounted for and were used for project purposes. Arthur Milot will comment separately on the state of affairs since July 1981.

On page 5 of AG Audit Report 81-35 it is stated that under Livestock Mali I project "the AID Mission provided periodic advances to the government entity amounting to the equivalent of \$1.6 million in local currencies. Though four years have elapsed since the first advance was made, the government entity has yet to submit an adequate report accounting for the expenditure of funds." This sentence must be based on a misunderstanding. Beginning in FY 1978 USAID has been approving recovery vouchers based on expenditure reports submitted by ECIBEV. The total amount of ECIBEV expenditures approved or in process by USAID, according to Controller records, comes to the equivalent of \$1,210,027. Thus all but about \$8,000.- advanced to ECIBEV for construction, operating expenses, and studies have been accounted for according to USAID's own records. These expenditures are also reflected in the accounts of ECIBEV and I have been told by ECIBEV and by Chemonics personnel that the underlying documents are readily available. The balance of roughly \$8,000.- has been or is being used by ECIBEV for construction and for operating expenses and will be reviewed by USAID when ECIBEV statements are submitted.

All reimbursement vouchers have been reviewed and approved by the Controller and the Project Manager who disallowed those items for reimbursement requested by ECIBEV that they deemed to be inappropriate.

The vouchers have attached to them detailed budgets and itemized reimbursement requests submitted by ECIBEV which tie in with the ECIBEV account books and its underlying documentation.

Reports have also been received from time to time on the status of the Credit Fund, usually, as I understand it, in response to requests. Moreover, loans are accounted for in account books of ECIBEV.

The DHS and Chemonics financial reports, through March 1981, indicate some weakness in some of the accounts receivable accounting. This is being pursued as evidenced by successive financial reports (which show collections on some items which were delinquent earlier) and by oral and written reports by the accountants concerned.

As I read the DHS report, all funds transferred to the Credit Fund as of the time of the DHS report are accounted for either by transfer to another account, by ECIBEV accounts receivable, by authorized operating expenditures, or by suspense items requiring further investigation as of the middle of 1979. As noted earlier most of the items open then have either been resolved, have been turned over to Justice for collection, or efforts are still under way to bring about a resolution.

While reporting by ECIBEV has thus been extensive and generally adequate to meet AID's minimal requirements, it should be noted that none of the reporting has been in the format or on the schedule required by the Implementation letters to the Grant Agreement. This is hardly surprising since I have been unable to find any one in USAID who had remembered the requirements of the Grant Agreement.

On the basis of the evidence summarized above, I am persuaded that adequate records and accounts exist at ECIBEV and at USAID to permit me to determine that the equivalent in Mali Francs of \$2,018,722 turned over to ECIBEV under Mali Livestock I have been used for project purposes (MF 898,244,507). This conclusion is confirmed by visual inspection of the project sites where construction has occurred and where purchased equipment can be seen in use. This is also confirmed by the recent report by Consultant Diamond who has related the continued operation of the Credit Fund and the high rate of loan repayment. This conclusion is separate from considerations about the economic and developmental effectiveness of the project, about the cost effectiveness of project management, and about social returns.

This conclusion recognizes that accounting records were in poor condition at the start of the project, but that considerable work has been done, with some success, to improve accounting operations. The progress made does not mean that ECIBEV needs no further help in the accounting area.

I recommend therefore:

1. That A.I.D. conclude that \$2,018,722 million equivalent in Mali Francs were spent for project purposes and notify the Congress accordingly.
2. That USAID Bamako require regular progress reporting by ECIBEV and the Mali government on the questions still open from reports submitted by accountants, auditors and consultants.

3. That the USAID enforce the reporting requirements in its Grant and other project agreements and develop suitable reporting formats which meet USAID review requirements and are compatible with Mali methods of record keeping.

II. Background

At the request of A.I.D. in Washington, Walter C. Furst, a retired A.I.D. Foreign Service Officer was asked to go to Bamako in Mali for three weeks in early March 1982 to determine whether certain U.S. owned Mali Francs had been used for the purpose of the project known as Livestock Mali I to which they had been allocated. The genesis of the exercise was in two audit reports issued by the AID Auditor General -- Audit Report No.80-67 dated June 6, 1980 and Audit Report No.81-35 dated 1.29.1981. These audit reports, particularly the latter one, led to expressions of Congressional concern about the use of U.S. funds in Mali. In December 1981 A.I.D. wrote to Congressman Gray to inform him, inter alia, that he would be kept apprised of the progress made in reconciling the local currency funds granted under Livestock Mali I. The dispatch of the team of Arthur Milot and Walter C. Furst is part of this effort promised to Congressman Gray.

The first of the audit report mentioned above dealt specifically with AID financed livestock activities in Mali, including those carried out under Livestock Mali I. There were a series of findings and recommendations about activities in the livestock sector most of which have been dealt with by A.I.D. since the issuance of the report. The audit findings included a broad criticism of record keeping and accounting practices of ECIBEV (Etablissement de Crédit

et d'Investissement Bétail Viande), a Mali agency charged with carrying out a major portion of Mali Livestock I activities.

The auditors expressed the view that the accounting by ECIBEV for U.S. owned Mali Francs was inadequate as of the time of their visit in the fall of 1979 and they also expressed the fear that these U.S. provided funds would never be fully accounted for.

The second report dealt more generally with host country accounting practices and with the utilization of funds in several Sahel countries. The references in this report to Mali Livestock I are based, as I understand it, on the observations made by the auditors in 1979; in any event no new field visit is mentioned in the report. This second report concluded that "it remains unknown whether the funds were used for the purposes intended." The funds referred to are the U.S. provided Mali Francs.

My task was to help A.I.D. deal with those portions of these two audit reports which suggested that it was not possible, because of poor Mali record keeping practices, to account for the Mali Francs devoted to this project and that it was unknown that the funds had been used for the purpose intended.

The briefing of in Washington resulted in outlining the task to be accomplished in general terms. The somewhat amorphous nature of the undertaking was conditioned partly by the lack of precise information in Washington about the nature of the financial records in Bamako.

My instructions were based largely on the elements contained

in the Washington cable 326175 to Bamako, dated December 9, 1981. Our instructions were to rely on the accounting and other official records to the extent possible, and to reconcile the utilization of the funds through historical and physical observations, if accounting records were inadequate. With only two days set aside for briefing in Washington there was insufficient time for meetings with Chemonics and other personnel who had worked with ECIBEV (and to some extent with its accounting records) in the field. However, we were subsequently able to meet with Chemonics personnel in Bamako, including a former chief of party who happened to be visiting.

We arrived in Bamako on March 1 and left on March 22. I want to express my appreciation to all the people in Bamako who have been courteous and helpful at all times. This task would have been impossible to complete without the unflagging cooperation of every one with whom we came into contact. I am attaching a list of all the people interviewed, but I want to thank particularly Pat Jacobs, who was our official host, George Jenkins, the Acting Controller, Stanley Wills, the Livestock Adviser who is a walking encyclopedia on the project, Osman Guindo, the head of ECIBEV, Osman Dial, the ECIBEV accountant, Paul Carbonneau, and last but not least, Richard Pronovost.

III. Relevant Project History

The Grant Agreement for the Mali Livestock and Marketing Project (Project 201), generally referred to as Mali Livestock I, was signed on August 30, 1975. The original grant was for \$3.4 million, subsequently increased to \$4.5 million, by Amendment No. 3, dated August 30, 1977. The Grant Agreement was signed by the Ministry of Production but responsibility was subsequently transferred to the Ministry of Livestock, Water and Forest. Executing responsibility was assigned primarily to ECIBEV (Etablissement de Crédit et d'Investissement Bétail Viande) and OMBEVI (Organisation Malienne du Bétail et de la Viande). The project was designed to finance equipment, materials, construction, livestock advice, project coordination, and administrative and research services, all with the objective of improving beef cattle production and marketing in Mali. The Mali Franc equivalent of \$800,000 was earmarked for a credit fund with reflows from loans extended to be devoted to the livestock sector.

This report is concerned only with the ECIBEV portion of the project, since the reconciliation of local currency funds allocated to the OMBEVI program will be reported separately by the Mission, per Bamako telegram No. 7589, dated December 15, 1981.

The project as finally carried out included three major components:

- Embouche paysanne (Small Farmer Feeding Program)
- Tienfala Feedlot
- Credit Fund

Project 201 was terminated on June 30, 1979 and the ECIBEV program with its three major component parts was incorporated into the then ongoing Project 203, generally referred to as Mali Livestock II. For purposes of this report, which is concerned only with U.S. provided local currencies, our chief contact with Mali Livestock II comes as a result of the allocation of additional local currencies from Project 203 funds to ECIBEV. For the sake of simplicity we will continue to refer to the activities covered by this report as the ECIBEV operation or as Livestock Mali I (Project 201), even though some U.S. purchased Mali Francs were granted to ECIBEV under Livestock Mali II (Project 203).

Livestock Mali II is scheduled to terminate on June 30, 1982 when contract technicians now on board will presumably leave, in the absence of alternate arrangements. Some aspects of Livestock Mali I and II may be taken over by the new Livestock project now being considered, but the start of this project is uncertain at best.

Altogether U.S. purchased Mali Francs were provided to ECIBEV from the following project sources, according to the records of the Controller at USAID Bamako:

Project 201	\$1,656,000
Project 203	<u>362,722</u>
Total ECIBEV	\$2,018,722

Mali Franc equivalent of this amount was granted to ECIBEV, beginning in 1976, in numerous instalments, in the form of advances, subject to periodic accounting. The Grant Agreement and Implementations Letters (IL) lay down standard A.I.D. reporting and accounting procedures, as also noted by the auditors, requiring the maintenance of accounts and financial records by ECIBEV in accordance with usual borrower practices, on the assumption that those conformed to generally accepted accounting practices.

More detailed accounting procedures were laid down in IL No. 2 which also required the establishment of three separate accounts for Mali Franc funds provided by the U.S. for credit, equipment and construction, and operations. IL No. 3 established a ceiling for the operations account, which was subsequently raised on several occasions. IL No. 9 established detailed regulations for the operation of the credit fund, including a definition of eligible borrowers and provisions for the disposition of loan and interest repayments. It also provided for monthly reports and prescribed a format for this report. IL No. 10 authorized the use of the credit fund for operating expenses under certain prescribed conditions. Specifically, ECIBEV was to submit periodic budgets which were to be approved by USAID. Finally IL No. 15 prescribed regulations for the accounting of the Equipment and Construction account.

IV. What happened to the U.S. owned Mali Francs

I pursued a number of approaches to determine whether the Mali Franc funds had been used for project purposes. In this effort I worked closely with my colleague on this job, Arthur Milot, and from time to time we worked on separate but complementary approaches.

In my research I relied heavily on financial data and supporting vouchers provided by the Office of the Controller. Stanley Wills, the Livestock Adviser, also provided me with a wealth of budget and expenditure data. I reviewed the financial reports received by him from ECIBEV, and the methodology he used to review these reports as a basis for his approval or disapproval. Mr. Wills also had much documentary and historical information about the transfers between the various Mali Franc accounts operated by ECIBEV. Most importantly, we were given a copy of the A.I.D. financed report prepared in November 1979 for ECIBEV by Deloitte, Haskins & Sells (DHS) on the financial condition of ECIBEV, as of May 1979. Finally we received balance sheet and detailed accounting information for the years ending September 1979 and 1980, together with supporting explanatory notes and explanatory tables, some of which was prepared for ECIBEV by Chemonics accounting personnel financed by AID.

The DHS report and the financial records for the fiscal years ending through September 1980 became my basic source documents. In a joint meeting with the Director of ECIBEV and the ECIBEV accountant we established that these documents fairly represented the financial

condition and history of ECIBEV. This was also confirmed by the Chemonics consultants and by Stanley Wills.

The DHS report is a professional job performed by a highly reputed firm of accountants who were hired by ECIBEV at a cost to A.I.D. of an estimated \$135,000. The accountants' task was to organize ECIBEV financial records and to establish an accounting system that would serve ECIBEV needs on a permanent basis. The DHS report consists of about 120 pages of closely reasoned text with supporting tables and annexes. The report is in French and the tables are based on the French accounting system. The tables present the financial results of ECIBEV from its inception, for each of the fiscal years ending on September 30, 1976 through 1978. Also included are the interim financial results from October 1978 through May 31, 1979. Originally it was contemplated that DHS would prepare a final report to include the financial results of the entire fiscal year ending in September 1979, but it was decided to entrust this task to the Chemonics accountant.

The DHS installed system contains over 200 individual accounts showing the details of ECIBEV operations. Some of these individual accounts show assets and liabilities, including loans outstanding made from the credit fund as well as other accounts receivable; other accounts show detailed record of receipts and expenditures. There are numerous annexes detailing the acquisition of property with U.S. (and limited other donor) funds provided. These annexes also show the grants received from USAID and elsewhere. Other annexes show in detail calculations made by DHS to reconstitute accounts where

documentary evidence was insufficient or fragmentary.

Finally the report and its annexes list and annotate the amounts about which DHS has remaining questions and which require further investigation.

The DHS report explains that ECIBEV accounting records were in poor condition when the accountants arrived. It is my understanding that ECIBEV relied chiefly on a Cash Journal and that supporting schedules and documentation was poorly organized and that some of it was missing.

DHS was able to organize the ECIBEV accounts retroactively to the inception of the organization. In the end DHS was unable to certify the financial statements because they were unable to assure that all the receipts from non-AID sources were properly accounted for. Some of these had to be estimated and the calculations on which the estimates are based are all available in the DHS report. All items of a possibly questionable nature are listed for future investigation. I have noted on the basis of my examination of the statements for subsequent fiscal years that many of the questions open in November 1979 have since been resolved. We understand from competent people that other questions have been remanded for collection and that the remaining ones are being pursued.

The DHS report makes clear what weight is to be given to the various items in the accounts, depending on the extent of the evidence available.

It is evident from the DHS report that the reservations of

the accountants, because of inadequate records, relate to reflows from loans and to other income of ECIBEV from non-AID sources. The AID provided funds are fully accounted for both as to their receipt and their expenditure, and none of the reservations of DHS are applicable to them.

There is ample supporting evidence that all the A.I.D. provided funds were used for project purposes. While the accounts of ECIBEV presented by DHS may not be certifiable in the traditional sense of the word, I must conclude that a reliable accounting firm would not have presented them if they did not have confidence in them, with the reservations noted.

As a first step in the reconciliation process, I was able to reconcile the amount of Mali Francs granted by USAID to ECIBEV with the amounts shown on the books of ECIBEV as having been received. According to the Grant Agreement, the Mali Franc funds were to be deposited into three different accounts: Credit, equipment and construction, and operations.

The USAID records show a small amount separately which was allocated for a study. This amount was folded into the operations account by ECIBEV. The breakdown of the amounts of Mali Francs transferred to ECIBEV is as follows:

	<u>U.S. Dollars</u>	<u>Mali Francs</u>
Credit Fund	800,000	351,860,000
Construction & Equipment)	1,210,787	412,915,295
Operating Fund)		
Studies	<u>7,935</u>	<u>133,469,212</u>
Total	2,018,722	898,244,507

There were frequent transfers among the three accounts by ECIBEV. Some of these transfers were clearly authorized by USAID. For others we are not sure whether they were authorized or whether the authorization had the proper form. There is no evidence that any of the transfers were not authorized. For the purposes of this exercise it does not really matter in which account the funds finally wound up as long as they can be accounted for as having been spent for authorized project purposes. The USAID has to take some of the responsibility for this confusion because they did not, except on an episodic basis, track the transfers, and we have not been able to locate a central record of the approvals given for the transfers.

I have verified from the accounts of ECIBEV that all these funds were spent for authorized purposes. Arthur Milot discusses this in considerable detail. From my own investigation I was able to determine that these Mali Franc funds were spent either for construction and equipment, for operating expenses, or are accounted for as part of the credit funds operation. All the expenditures for equipment and construction and for operations are listed in the proper ECIBEV accounts.

All equipment procured prior to May 1979 is also listed in Annexes to the DHS reports, and there are contracts on hand for all the construction undertaken. I have also visited the Feedlot at Tienfala; the construction paid for with U.S. owned Mali Francs is in place and is being used; the equipment listed in the Annexes is for the most part visible on the ground. I understand that an inventory is being prepared by ECIBEV to reconcile the existing park of equipment with the purchase records.

There are almost 100 different ECIBEV expense accounts listed in the DHS report and in succeeding financial statements showing disbursements for operation in considerable refinement. I understand that significant back-up detail is available in ECIBEV records to substantiate the various expenditure classification.

Moreover, expenditure reports were filed by ECIBEV with USAID as required by the Grant Agreement. These expenditure reports were reviewed by the Project Manager and by the Controller. After the disallowance of some of the reimbursements requested by ECIBEV, vouchers were issued to clear the cash advances made to ECIBEV, and the approved expenditure requests submitted by ECIBEV are part of the permanent record. Altogether, according to the records of USAID, all advances made to ECIBEV for equipment and construction, and for operating expenses have been cleared except for about \$8,000 for which reimbursement has not yet been requested by ECIBEV.

The operation of the credit fund and its accounting procedures have been improved significantly since the submission of the DHS Report

and the 1979 visit by the auditors. This is covered in detail by Arthur Milot and also by the recent report by Kenneth Shapiro. Suffice it say here, that all U.S. granted Mali Franc funds given to the credit fund are accounted for either by transfer to the equipment or the operations fund, or by accounts receivable supported by notes or other evidence, or by cash in the bank or in process, or by inclusion in one of the suspense items requiring further investigation. There is no question therefore, that, with the exception of some of the relatively small suspense items, all U.S. granted funds were used for project purposes.

V. Other Considerations

It is the opinion of this short term observer of the scene that there is continuing scope for improvement of management and accounting practices on the part of both the USAID and ECIBEV. It could be argued that this finding is outside the scope of our report but it becomes relevant when we consider how this kind of extraordinary reconciliation effort can be avoided in the future.

ECIBEV needs to persevere in what it is already doing. They need to keep the account books up to date; they need to refine the accounting for travel expenditures; and they need to work on inventory and similar controls. Perhaps they also need to establish improved standards for the usage of expensive equipment such as vehicles. Above all they need to improve their periodic reporting and they should bring it into line with the reporting requirements of the Grant Agreements, both as to timing and to format. USAID, for its part, needs to review the reporting requirements laid down in the Implementation Letters and elsewhere and make sure that these requirements meet current needs. The method used by USAID to amend the implementation letters makes it very difficult to ascertain which portions are still in effect and which have been superseded or cancelled.

In my opinion, USAID should endeavour to impose reporting requirements which are consistent with the management and accounting practices of the A.I.D. recipient. Incompatible requirements should be imposed only as a last resort, to meet immutable U.S. legal requirements.

11

This is especially true where we face language barriers and where host country management and accounting practices are different from ours. Given the difficulties encountered by host country entities in managing and accounting for funds effectively, we should avoid, unless absolutely essential, the imposition of conditions which are incompatible with the way A.I.D. recipients do business.

In my opinion USAID should also review its own management and accounting procedures to make sure that responsibility for various aspects of project supervision and management is pinpointed. USAID may also need more regular and periodic reporting of both substantive and financial progress. It is very difficult to track project progress if essential information is scattered and if financial information has to be retrieved from boxes where it is intermingled with information relating to many projects.

There are frequent references in correspondence relating to Mali Livestock I, including the AG Audit Reports referred to earlier, that the DHS report is an interim report, perhaps leading some readers to believe that the report is incomplete. The covering letter by DHS makes clear that the report is an interim report only in the sense that DHS expected to be asked to prepare another financial report for the months of June through September 1979, the balance of the fiscal year ending on September 30, 1979.

As it turned out, the report for the balance of that fiscal year was prepared by the Chemonics accountant with the help of the information left behind by DHS. Thus the so-called 'interim report'

is in fact complete for the period covered by it, from October 1, 1976 through May 31, 1979.

One final point, the Audit Report No. 81-35 quotes the DHS report as stating that "it was unable to render an opinion because of the lack of accounting records, procedures and internal controls, and the absence of supporting documentation relating to the receipt and expenditure of funds."

The auditors go on to say that, consequently, it remains unknown whether the funds were used for the purposes intended.

We have been unable to find the quoted sentence in the DHS report. The auditors may have been the victims of a poor translation. I have located the following sentences in the DHS report which sharply circumscribe the exceptions expressed by DHS. My own informal translation of the relevant passage is as follows: "We have not carried out an audit of the financial statements and, for that reason, we are not in a position to provide a certification as to its genuineness. We want to point out that, because internal controls and accounting procedures were inadequate during the period of our mission, we are unable to certify that all amounts due to ECIBEV were included in the financial accounting. Moreover, it would have been desirable, in our opinion, to have included in the financial statements for each fiscal year a reserve for bad debts. Nevertheless we have carried out the request of the ECIBEV leadership and no reserve has been established."

LIST OF PERSONS INTERVIEWED

In Washington

Fritz E. Gilbert
Director
Sahel Office

Gorden McArthur
Deputy Director
Sahel Office

John Bierke
Sahel Office

Louise Werlin
Mali Desk Officer

Roger Simmons
Project Officer

Myron Smith
Former Mali Livestock Adviser

Michael Dwyre
Program Officer
USAID

In Bamako

Osmane Guindo
Director ECIBEV

Nouhoum Sangaré
Assistant Manager
ECIBEV

Osmane N'Diaye
Accountant
ECIBEV

Robert P. Jacobs
USAID

Stanley Wills
Livestock Adviser
USAID

Richard G. Pronovost
Financial Director
Mali Livestock
Chemonics

Michael Furst
IBRD Resident Representative

Joe K. Feffer
Feedlot Manager
Chemonics

George Jenkins
Acting Controller
USAID

Robert Shoemaker
Design / Evaluation Officer
USAID

Paul Carbonneau
Chemonics

Adama Traore
USAID

Salif Camara
USAID

Randall Casey
Acting Program Officer
USAID

Dennis McCarthy
USAID

Salif Bah
Dispatcher
USAID

Tony Teele
Chemonics

Ibrahim Coulibali
Manager
Tienfala Feedlot

CP

Others Who Have Been Especially Helpful

Mme Sitan Guindo
USAID

Guisela Dorn
USAID

Mark E. Anderson
Acting Management Officer

Dr. John Aldis
Post Doctor

Marianne Traore
USAID

Colette Sangare
USAID

Diaka Sesoko
USAID

116

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT BETAÏL-VIANDE

BILANS AU 30 SEPTEMBRE 1979, 1980 ET 1981

B₁

DU MPTE	DESCRIPTION DU COMPTE	1979	1980	1981
		Dr. (Cr.)	Dr. (Cr.)	Dr. (Cr.)
00 00	Report à nouveau.....	617.771.057	791.980.326	990.276.329
01 00	Subvention USAID - Directe	(571.327.222)	(659.814.595)	(848.373.795)
01 01	Subvention USAID - Expérience INC.....	(1.089.833.556)	(1.089.833.556)	(1.089.833.556)
01 02	Financement CEAO.....	(244.000.000)	(244.000.000)	(244.000.000)
02 00	Subvention USAID - Véhicules	-	(12.570.000)	30.299.010
01 01	Feedlot Tienfala.....	564.713.264	564.713.264	566.167.264
01 02	Equipement et fourniture en cours.....	14.739.120	14.739.120	-
01 03	Feedlot Tienfala en cours	16.547.357	26.617.892	27.588.542
01 04	Construction Doukolomba....	24.083.512	24.083.512	35.994.412
01 05	Construction Sotuba.....	5.175.434	5.175.434	5.175.434
05 01	Véhicules.....	63.032.588	75.602.588	93.331.599
05 02	Véhicules Expérience INC,...	17.990.459	17.990.459	17.990.459
05 03	Matériel agricole.....	75.096.969	89.900.265	95.884.661
05 04	Véhicules à 2 roues.....	9.147.468	9.865.968	9.865.968
05 05	Véhicules ex CEAO.....	42.176.500	42.176.500	42.176.500
05 06	Animaux de trait.....	135.000	135.000	135.000
06 01	Mobilier et matériel de bureau	1.537.410	1.783.559	2.013.559
06 03	Agencement bureau Bamako....	376.650	376.650	376.650
10 04	Essauchage et débroussaill- ement des champs.....	13.302.700	25.413.974	60.979.142
5 07 01	Fonds de garantie des Chevillards.....	(1.150.000)	(1.150.000)	(1.150.000)
9 01 01	Amortissement Feedlot Tienfala.....	(58.525.994)	(86.761.657)	(115.070.020)
9 01 02	Amortissement Construction Doukolomba.....	(1.892.743)	(3.096.919)	(4.836.639)
9 01 03	Amortissement Construction Sotuba.....	(229.445)	(488.216)	(746.987)
	à reporter,...	(501.133.472)	(407.160.432)	

47

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT BETAÏL-VIANDE

BILANS AU 30 SEPTEMBRE 1979, 1980 ET 1981

B₂

No. DU COMPTE	DESCRIPTION DU COMPTE	1979	1980	1981
		Dr. (Cr.)	Dr. (Cr.)	Dr. (Cr.)
	Report....	(501.133.472)	(407.160.432)	
9 05 01	Amortissement Véhicules.....	(38.259.636)	(59.751.740)	(81.453.161)
9 05 02	Amortissement véhicules Expérience INC.....,.....	(17.990.459)	(17.990.459)	(17.990.459)
9 05 03	Amortissement matériel agricole	(27.698.767)	(53.240.963)	(77.529.677)
9 05 04	Amortissement véhicules à 2 roues.....,.....	(8.096.873)	(9.865.968)	(12.277.370)
9 05 05	Amortissement véhicules ex CEAO	(12.465.495)	(26.383.740)	(40.301.985)
9 05 06	Amortissement animaux de trait.	(39.900)	(84.450)	(129.000)
9 06 01	Amortissement mobilier et matériel de bureau.....	(432.814)	(596.896)	(798.215)
9 06 03	Amortissement/Agencement bureau Bamako.....,.....	(176.259)	(251.589)	(326.919)
9 00 00	Amortissement débroussaillage			(24.513.007)
0 01 00	Avances aux fournisseurs d'ani- maux - Nook Ag Attia.	16.250.000	7.220.000	
0 01 00	Fournisseurs Animaux-control			31.138.315
0 01 02	Avances aux fournisseurs d'ani- maux - Marouchel Ag Moussa....	3.250.000	3.250.000	
0 01 03	Avances aux fournisseurs d'animaux - Aliazid Ag Zoba	1.300.000	1.300.000	
0 01 04	Avances aux fournisseurs d'animaux - Bakary Diarra	66.450	66.450	
0 01 05	Avances aux fournisseurs d'animaux - Omayatta.....	2.540.000	260.000)	
0 01 06	Compte spécial avance pour achat de moutons.....,.....	28.750.000	-	
1 00 01	Stock d'animaux ECIBEV.....	6.175.000	14.490.000	(5.040.700)
1 00 04	Stock d'animaux ECIBEV compte d'attente.....,.....	8.125.000	8.125.000	4.680.000
1 00 00	Fournisseurs divers.....		(11.320.294)	(23.327.00)
1 06 01	Fournisseurs d'animaux ECIBEV	(5.997.537)	39.782.465	
	à reporter.....	(545.834.760)	(512.672.616)	

48

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT BETAÏL-VIANDE

BILANS AU 30 SEPTEMBRE 1979, 1980 ET 1981 ^{B₃}

NO DU COMPTE	DESCRIPTION DU COMPTE	1979	1980	1981
		Dr. (Cr.)	Dr. (Cr.)	Dr. (Cr.)
	Report.....	(545,834,760)	(512,672,616)	
40 08 00	Avances à Chemonics.....	21,770,550	637,950	3,694
40 09 01	Factures à établir.....	602,045	674,675	605,400
41 06 01	Clients (contrôle).....		20,831,957	21,953,715
41 06 02	Clients divers.....	(7,454,048)	(3,313,087)	(5,833,063)
42 01 00	Avance au personnel (contrôle)	2,269,644	2,573,109	1,482,690
42 05 01	Salaires et indemnités à payer	(2,841,569)	(3,627,357)	(1,914,564)
42 01 51	Avance à Personnel - Khalifa Koré			420 640
43 00 00	Etat (salaires)			(1,443,753)
43 05 01	Cotisation INPS à payer.....	(6,664,594)	(3,476,214)	(1,763,079)
43 06 02	Impôt général sur le revenu à payer.....	(588,095)	(774,075)	(9,981)
43 06 01	Embouche paysanne 1978-1979 à répartir.....	(6,142,150)	(6,142,150)	
49 05 01	Provision pertes animaux embouche paysanne.....	(1,510,500)		
49 05 02	Provision pertes animaux Tienfala.....	(1,399,239)	(1,695,629)	(944,313)
49 05 04	Provision pour fond de crédit intérêt.....		(2,030,577)	(2,030,577)
52 00 00	Prêt chevillards 1977-1978		(200,000)	(200,000)
52 01 01	Prêt embouche paysanne 1976-77	1,618,980	1,618,980	1,618,980
52 01 03	Prêt embouche paysanne 1977-78	4,301,187	4,151,187	3,926,742
52 01 04	Prêts embouche paysanne 1978-79	18,011,530	17,152,650	9,044,750
52 01 05	Prêt embouche paysanne 1979-80,		2,032,077	1,231,262
52 01 05	Ep Banamba.....			9,430,000
52 01 06	Ep Ségou			5,124,520
52 01 30	Prêt à l'Opération Haute Vallée		3,974,400	93,879
52 01 40	Prêt à l'Opération Riz Ségou		3,819,500	3,819,500
52 01 50	Ep Cie Malienne de Textiles			7,000,000
	à reporter.....	(500,029,264)	(457,974,340)	

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT BETAÏL-VIANDE

BILANS AU 30 SEPTEMBRE 1979, 1980 ET 1981^{B4}

NO DU COMPTÉ	DESCRIPTION DU COMPTÉ	1979	1980	1981
		Dr. (Cr.)	Dr. (Cr.)	Dr. (Cr.)
	Report.....	(500.029.264)	(457.974.340)	
52 02 24	Prêts aux chevillards Dr. Sylla	(1.300.000)	1.916.290	
52 03 03	Prêts accordés aux stagiaires MALI-SUD.....	(150.000)	(150.000)	(150.000)
52 03 04	Prêts accordés aux stagiaires Institut Polytechnique Rural	180.000	180.000	180.000
52 03 00	Contentieux 77.....		(300.000)	
52 04 01	Compte spécial 251-02 Gaoussou Sangaré	6.820.000	6.820.000	
52 04 03	Compte spécial 251-02 Fatoma Koné.....	2.552.667	2.552.667	2.552.667
52 04 04	Compte spécial 251-02 Karamoko Coulibaly.....	1.506.667	1.506.667	1.506.667
52 04 05	Compte spécial 251-02 Balla Keïta.....	1.692.000	1.692.000	1.692.000
52 04 06	Compte spécial 251-02 Dianguina Tangara.....	3.433.333	3.433.333	3.433.333
52 04 07	Compte spécial 251-02 M'Baye Tangara.....	519.360	519.360	519.360
52 04 08	Compte spécial 251-02 Bassy Baba Traoré.....	2.777.333	2.777.333	2.777.333
52 04 09	Compte spécial 251-02 Bakary Kansaye.....	2.873.333	2.873.333	2.873.333
52 04 11	Compte spécial 251-02 Antandou Diabiguilé.....	2.200.000	2.200.000	2.200.000
52 04 12	Compte Spécial 251-02 Belingué Mangara.....	2.993.333	2.993.333	2.993.333
52 04 13	Compte Spécial 251-02 Lassiné Keïta.....	2.260.000	2.260.000	2.260.000
52 04 14	Compte spécial 251-02 Doudou N'Diaye.....	1.466.667	1.466.667	1.466.667
52 04 15	Compte Spécial 251-02 Aliou Ouologueme.....	1.466.667	1.466.667	1.466.667
52 04 19	Compte Spécial 251-02 Koundia Tembely.....	80.000	80.000	80.000
52 05 02	Prêts chevillards 79-80,...	207.400	(417.920)	
	à reporter.....	(468.450.504)	(424.104.610)	

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT BETAÏL-VIANDE
BILANS AU 30 SEPTEMBRE 1979; 1980 ET 1981 B₅

<u>NO DU COMPTE</u>	<u>DESCRIPTION DU COMPTE</u>	<u>1979 Dr. (Cr.)</u>	<u>1980 Dr. (Cr.)</u>	<u>1981 Dr. (Cr.)</u>
	Report,.....	(468.450.504)	(424.104.610)	
56 01 01	BDM 201-14 Credit,.....	115.620.230	31.738.897	82.119.486
56 01 02	BDM 201-60 Fonctionnement,...	(61.452)	44.553.865	1.468.128)
56 01 03	BDM 267-78 Construction,.....	22.112	31.745	534.127
56 01 05	BDM 251-02 Spécial,.....	(22.793.085)	(26.523.932)	26.523.932)
56 01 06	BCM 310-710 Financement CEAO	201.570.030	201.570.030	201.570.030
57 01 01	Caisse Bamako,.....	23.925	36.520	15.210
57 01 02	Caisse Doukolomba,.....	309.475	309.475	450.050
57 01 04	Caisse Tienfala,.....	50.000	50.000	96.475)
58 00 00	Virement interne			423.730)
58 01 00	Virement fonds des comptes de banques aux caisses Siège		(186.035)	
58 01 03	Transport fond crédit-cons- truction,.....	(500.000)	375.600	
58 01 10	Virement fonds compte banque Caisse Tienfala,.....		78.945	
	Total des comptes du Bilan	(174.209.269)	(172.069.500)	260.761.59

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT
BALANCE GENERALE AU 30 SEPTEMBRE 1979, 1980 ET 1981

PP 1

<u>NO DU</u> <u>COMPTE</u>	<u>DESCRIPTION DU COMPTE</u>	<u>1979</u> <u>Dr. (Cr.)</u>	<u>1980</u> <u>Dr. (Cr.)</u>	<u>1981</u> <u>Dr. (Cr.)</u>
	Achat Animaux ECIBEV			36.164.800
00 02 01	Achat aliments.....	9.744.536	10.107.400	23.621.335
01 02 01	Commission/Achats animaux Ep.		13.000	
00 02 02	Achats produits vétérinaires	1.164.144	3.109.691	2.031.150
00 02 03	Achats produits pharmaceutiques		110.100	213.515
00 02 04	Achats matériels vétérinaires	131.390	1.564.500	.
00 02 05	Achats pneus.....	1.738.294	5.564.638	4.574.301
00 03 00	Pièces de rechanges véhicules	2.461.188	7.858.925	5.595.407
00 03 01	Pièces de rechanges Tienfala.,	349.000	2.176.700	358.640
00 04 01	Achats produits chimiques,....		1.723.035	15.955.660
00 04 02	Achats semences.....	81.250	1.130.978	
00 04 03	Achats pierres à lécher,.....	600.000	1.000.000	
00 08 01	Achats divers chimiques			4.315.916
01,01 04	Essence et Lubrifiants.....	16.711.875	26.028.245	43.360.410
01 01 20	Fournitures de bureau.....	4.501.647	985.930	1.633.430
01 01 29	Petits outillages Tienfala,....	89.180	2.850.762	155.830
01 01 30	Fournitures diverses.....	2.00	210.530	141.285
01 02 05	Fournitures de bureau.....		78.020	
02 01 01	Frais de transport du personnel	218.500	1.484.150	225.500
02 01 02	Frais de transport aliments,...	1.142.507	125.540	28.945
02 01 03	Frais de transport animaux	72.000	6.200	5.900
02 01 05	Frais de transport et transit matériel Tienfala,.....	1.131.366	5.494.476	185.000
02 06 01	Transports divers.....	945.226	1.772.567	1.854.817
02 10 01	Acheminement animaux/bergers	95.500	447.000	13.000
03 01 01	Loyer Banaba et Kéninkou	25.000	20.000	111.000
	" Ségou			50.000
01 02 01	Entretien et réparation véhicules	586.200	3.533.767	5.153.035
03 02 01	Entretien et réparation véhicules Tienfala.....	17.013.316	6.112.675	7.708.165
03 02 02	Entretien matériel de bureau	75.810	61.850	124.965
03 02 03	Aménagement bureaux			418.300
03 02 03	Entretien divers.....	43.450	23.860	
03 02 05	Entretien divers Tienfala		747.655	733.610
	à reporter.....	58.923.679	84.342.194	

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT
BALANCE GENERALE AU 30 SEPTEMBRE 1979, 1980 ET 1981

PP₂

NO DU COMPTÉ	DESCRIPTION DU COMPTE	1979	1980	1981
		Dr. (Cr.)	Dr. (Cr.)	Dr. (Cr.)
	Report.....	58,923,679	84.342,194	
3 03 00	Assistance Tech. Exp. INC.....	21.589,029		
3 03 01	Assist. Compt. Deloitte Hashin	32.144,800		
3 03 02	Honoraires Expérience INC	1.795,326		
3 03 08	Honoraires BERE.....	400 000		
3 05 01	Frais soudure.....			1.088,968
3 03 10	Honoraires Etudes.....			6.500,000
3 08 01	Frais ensillage Tienfala.....	25,500	1.311,000	1.251,500
3 08 02	Ensillage embouche paysanne...		172.040	
3 08 05	Téléphone et telex.....	355,560	427,440	456,910
3 08 06	Abonnement.....			37,000
3 08 09	Frais de voyage embouche paysanne.....	118.635	480,400	388,338
3 08 10	Frais d'émission à Radio Mali		3.000	430,000
3 08 11	Frais d'inauguration Tienfala	117,995		
3 08 12	Timbres fiscaux.....	13,100		
3 08 13	Timbres et frais de poste....	9,890	9,120	
3 08 20	Frais médicaux	36,065		
3 10 01	Frais divers Tienfala	(24.700)	3.891,986	878,600
4 01 04	Assurances véhicules.....	409,715	418,640	810,760
4 05 03	Frais de saisis chevillards	113,950		
4 09 01	Frais divers de gestion.....	1.083,445	421,080	1,668,460
4 09 02	Pertes d'animaux Feedlot.....			
4 09 02	Construction Tienfala		2.036,740	211,300
4 09 03	Participation réparation OMBEVI	571,000		
4 09 04	Parti. amé. route Faladié Ségou	4,533,800		
4 10 10	Bénéfices payés aux chevillards	373,031		
4 09 06	Pertes d'animaux embouche paysanne		672,812	
4 10 15	Pertes ventes d'animaux		871,750	
5 00 01	Salaire de base			18.010,240
5 00 02	Indemnités de responsabilité	747,000	845,000	965,000
5 00 03	Indemnités de résidence.....	562,000	48,000	36,000
5 00 04	Heures supplémentaires.....	204,777	252,767	1,802,661
5 00 05	Indemnités forfaitaires.....	1,438,500	1,339,000	1,415,500
5 00 06	Indemnités chertés de vie.....	463,500	465,000	463,500
5 00 07	Indemnités technicités.....	1,190,000	1,025,000	1,015,000
5 00 08	Indemnités eau et électricités..	360,000	390,000	255,000
5 00 09	Majorations.....			2,183,098
5 00 10	Indemnités de logement.....	272,729	830,000	510,000
5 00 11	Indemnités de licenciement.....			261,878
5 00 12	Indemnités de congés payés.....	163,591	185,407	60,000
5 00 13	Indemnités de préavis.....			55,290
	à reporter.....	127,991,917	100,438,376	

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT
BALANCE GENERALE AU 30 SEPTEMBRE 1979, 1980 ET 1981

PP₃

<u>NO DU COMPTE</u>	<u>DESCRIPTION DU COMPTE</u>	<u>1979 Dr. (Cr.)</u>	<u>1980 Dr. (Cr.)</u>	<u>1981 Dr. (Cr.)</u>
	Report.....	127.991,917	100.438.376	
65 00 13	Indemnités de rendement,....	43.310	204.000	133.898
14	Eloignement.....			345.000
65 00 15	Sur salaires.....	371,500	636,898	380,223
65 00 18	Prime Chef d'Equipe.....		31,500	
65 01 20	Salaires payes par l'Etat	17,368,391	19.350.000	19.986,856
65 04 01	Frais de mission Siège.....	3.280,114	3.090,452	2.289,560
65 05 01	Frais de formation linguistiques et professionnel.....		1.696,500	
65 06 01	Cotisation INPS employeur	4,131,957	3,968,739	
65 09 01	Salaire et indemnités Siège		4.533,587	
65 09 02 ^m	Salaires bergers et staffs Tienfala.....	14,548,945	11,225,407	4.873,515
65 09 04	Salaire manoeuvre des champs Tienfala.....	2,230,192	4,944,971	4.862,830
65 09 06	Salaire bergers Sotuba,....	176,410	389,162	
65 09 07	Salaire manoeuvres Do			6,395,000
65 09 09	Equipement Construction			259,000
66 09 02	Licence Import et Export...	515,120	245,290	
66 09 04	Taxes sauvages.....	26,500	23,000	
66 09 05	Taxes abattage.....	1,574,435	136,935	64,500
66 09 06	Taxes Office des Transports	25,645	67,742	26,880
66 10 00	Taxes divers Import et Export		(418,380)	
66 06 01	INPS			4,238,349
67 01 01	Taxes de tenue compte bancaire	85,931	32,160	137,492
67 01 02	Taxes de banque.....	55,163	39,470	
67 02 01	Intérêts débiteurs.....	892,061	(8,454)	
	Dotation Amortissement			107,842,590
68 01 01	Amortissement Feedlot Tienfala	25,032,037	28,235,663	
68 01 02	Amortissement construction Doukolomba.....	1,043,618	1,204,176	
68 01 03	Amortissement construction Sotuba	229,445	258,771	
68 05 01	Amortissement véhicules.....	12,257,673	21,492,104	
	à reporter.....	211,880,364	201,818,069	
	Ecart de salaire			1,926

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT
BALANCE GENERALE AU 30 SEPTEMBRE 1979, 1980 ET 1981

PP₄

NO DU COMPTE	DESCRIPTION DU COMPTE	1979 Dr. (Cr.)	1980 Dr. (Cr.)	1981 Dr. (Cr.)
	Report.....	211.880,364	201.818,069	
68 05 02	Amortissement véhicules ex Expérience INC.....		Ø	
68 05 03	Amortissement matériel Agricole	12,887,591	25.542.196	
68 05 04	Amortissement véhicules à deux roues.....	2,821,112	1.769.095	
68 05 05	Amortissement véhicules ex CEAO	12.465,495	13,918,245	
68 05 06	Amortissement animaux de trait	39,900		
68 06 01	Amortissement mobilier et matériel de bureau.....	118,426	164.082	
68 06 03	Amortissement Agencement bureau Bamako.....	66,789	75.330	
70 00 01	Ventes animaux Tienfala.....	(55,372,411)	(34.593,405)	(23.913,850)
70 00 03	Ventes animaux chevillards....	(10,945,252)	(536.400)	
70 00 04	Ventes carcasses Tienfala	(1,610,610)	(5,563,170)	(3,822,120)
70 00 05	Ventes carcasses embouche paysanne.....		(7.006,900)	
70 02 01	Ventes de moutons.....		(3.556,650)	
70 01 01	Opération exportation.....	(3,015,126)		
71 01 01	Ventes aliments.....	(12,959,297)	(9,963,610)	
03	Produits accessoires			(92,915)
71 02 01	Ventes produits vétérinaires.	(2,275,612)	(1,215,684)	
	Frais entretien animaux recupérés			(38.748,066)
73 00 03	Ventes animaux chevillards			(768,700)
'4 01 01	Recouvrement frais fonction- nement Tienfala et Ep,	(2,759,030)	(2,768,790)	
'4 01 02	Recouvrement frais fonction- nement chevillards.....	(2,581,832)	(1,836,390)	(8,746,781)
'4 01 03	Recouvrement salaires	(256,603)	(183,635)	
4 01 04	Recouvrements Amortissement Tienfala.....	(5,302,206)	(7,712,820)	
4 02 01	Transport animaux.....		(3,935,410)	(544,700)
6 02 01	Salaires payés par l'Etat	(14,196,890)	(19,350,000)	(19,986,856)
6 04 01	Participation ICV au Feedlot		2,100,500	
6 01 01	Subvention USAID			(23.377,251)
		129,004,608	142,986,203	

55

ETABLISSEMENT DE CREDIT ET D'INVESTISSEMENT
BALANCE GENERALE AU 30 SEPTEMBRE 1979, 1980 ET 1981

<u>NO. DU COMPTE</u>	<u>DESCRIPTION DU COMPTE</u>	<u>1979 Dr. (Cr.)</u>	<u>1980 Dr. (Cr.)</u>	<u>1981 Dr. (Cr.)</u>
	Report.....	129,004,608	142,986,203	
77 03 01	Intérêts moratoire sur prêts Spécial 251-02.....	(2.297.600)		(1.230.898)
77 03 02	Intérêts sur prêts aux chevillards.....	(1.053.654)		
77 05 01	Intérêts créditeurs.....	(141.532)	1.899,424	(5.119.471)
77 05 02	Revenus divers.....		(481,895)	
77 06 01	Intérêts sur prêts à embouche paysanne.....	(648.610)		
77 06 05	Transport pour tiers.....	(6,242,240)	(5,992,754)	(2.390,422)
77 07 01	Profits et/ou pertes sur exercices antérieurs.....		(3,206,428)	
87 01 01	Perte animaux Tienfala			5.530.000
87 01 02	Perte animaux Ep.....			5.333.850
87 01 03	Perte animaux transfert			1.988.479
87 01 04	Perte animaux chevillards.....			1.189.800
87 02 01	Bénéfices Paysans.....			774.200
	Opérations années antérieures.			20.326.695
93 00 01	Prix de revient bétail ECIBEV	<u>55.588,297</u>	<u>36.864,950</u>	
	TOTAL DES COMPTES DE GESTION	174.209,269	172.069,500	260.761,592