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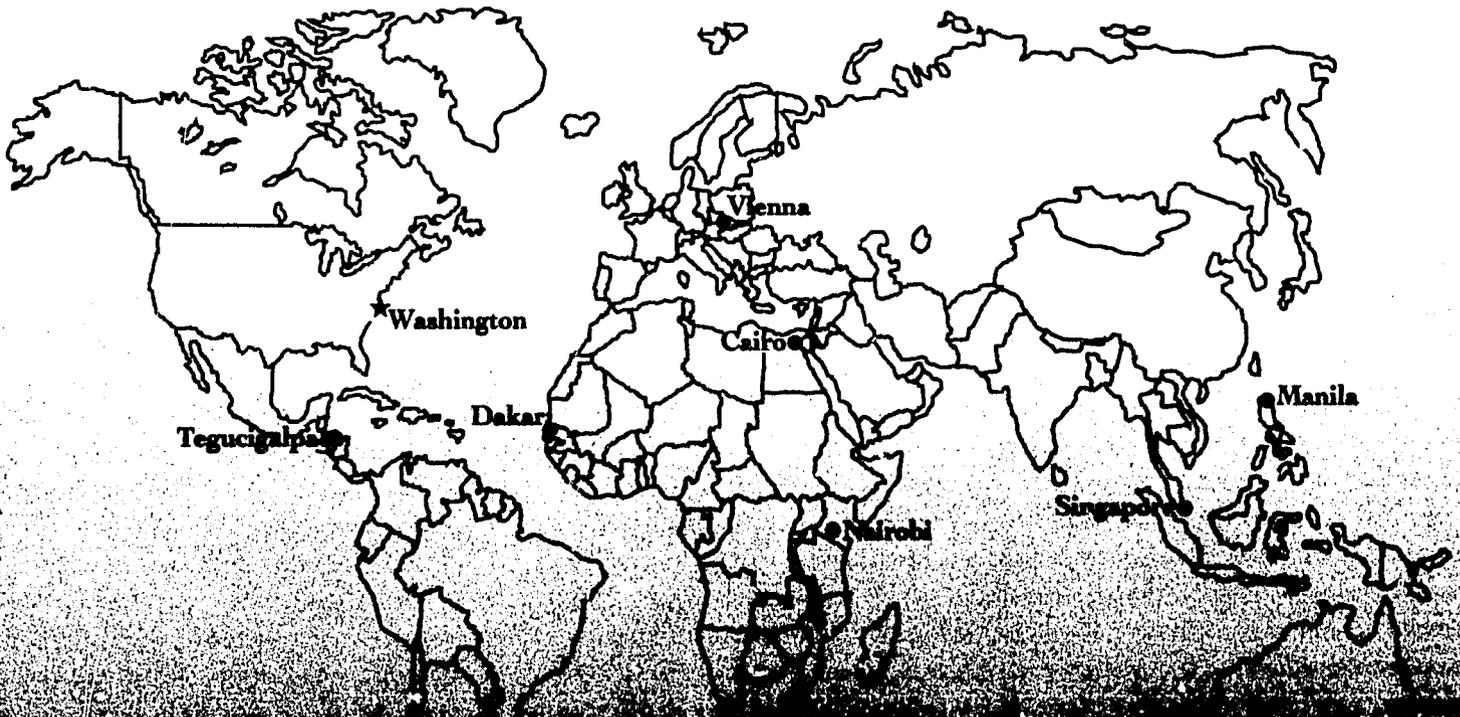
Regional Inspector General for Audit  
Nairobi, Kenya

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**Audit of  
Agricultural Surveys and  
Policy Analysis  
Project No. 696-0126**

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Report No. 3-696-92-08-N  
March 25, 1992



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
REGIONAL INSPECTOR GENERAL/AUDIT

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March 25, 1992

memorandum

TO: Gary L. Nelson, Director, USAID/Rwanda  
FROM: Toby L. Jarman, RIG/A/Nairobi   
SUBJECT: Audit of the Agricultural Surveys and Policy Analysis  
Project No. 696-0126

Attached are five copies of a mission-contracted financial audit report of the Agricultural Surveys and Policy Analysis Project (ASPAP) No. 696-0126 in Rwanda. The accounting firm of Kemp Chatteris Deloitte & Touche of Mauritius performed the audit.

ASPAP was established to improve policy formulation for the rural economy. There are currently two Rwandan ministries involved in ASPAP: the Ministry of Agriculture and the Ministry of Plan. Specifically the project assists the Government of Rwanda in the collection, assembly and analysis of a variety of data (economic, social, and agronomic) on the rural economy to improve the information base from which policy is formulated for the rural sector. Through various research, training and information dissemination activities, the project assists in strengthening the statistical survey units of various Rwandan ministries.

The audit objectives were to:

- express an opinion on the ASPAP Fund Accountability Statement for the period August 30, 1986 to March 31, 1991;

- examine and report on ASPAP's internal control structure; and
- examine and report on ASPAP's compliance with grant provisions and applicable U.S. laws and regulations.

The audited Fund Accountability Statement covered the period August 30, 1986 through March 31, 1991 during which time ASPAP received 67,402,229 Rwandan Francs (\$819,255) from USAID. The auditors disclaimed an opinion on the Fund Accountability Statement because of significant amounts of unsupported expenditures. The auditors accepted 12,350,488 Rwandan Francs (\$140,568) of expenditures, questioned 5,104,590 Rwandan Francs (\$51,831) and found 49,947,151 Rwandan Francs (\$626,856) to be unsupported. The Fund Accountability Statement opinion in the draft report contained a paragraph that the audit was made in accordance with generally accepted auditing standards and Government Auditing Standards; however this paragraph was inadvertently omitted from the final audit report. The auditors did not comply with the continuing education and training requirements as contained in Section 3.6 of Government Auditing Standards.

In its report on internal controls, the auditors concluded that the system of internal accounting controls was inadequate. Several significant weaknesses were identified including no segregation of duties, inadequate purchase procedures, and poor management of fixed assets.

The auditors also reported that ASPAP had material instances of non-compliance with laws, regulations, and the Grant. ASPAP commingled donor funds, made personal loans to employees, and incurred costs in excess of the 1988 budget.

The audit also reviewed the ASPAP 1988 budget overrun, 1989 financing of related activities, and fraud allegations. The fraud allegations involved questionable payments for petrol, stationery, auto repairs and loans to employees. RIG/I/Nairobi has completed an investigation of the fraud allegations; as a result the ASPAP accountant has been criminally charged and the Mission has agreed to recover all misappropriated funds from the Government of Rwanda. This investigation should result in a recovery of approximately 1,504,500 Rwandan Francs (\$12,545).

The draft report was submitted to ASPAP in January, 1992. Since formal comments had not been received by March 1992, the final report was issued without comments.

We are including the following recommendations in the Office of the Inspector General audit recommendation follow-up system:

Recommendation No. 1: We recommend that the Director, USAID/Rwanda:

- 1.1 determine the allowability and recover, as appropriate, 5,104,590 Rwandan Francs (\$51,831) of questioned costs from the Agricultural Surveys and Policy Analysis Project; and
- 1.2 determine the allowability and recover, as appropriate, 49,947,151 Rwandan Francs (\$626,856) of unsupported costs from the Agricultural Surveys and Policy Analysis Project.

Recommendation No. 2: We recommend that the Director, USAID/Rwanda obtain a plan of action from the Agricultural Surveys and Policy Analysis Project to improve the internal control structure regarding procurement, fixed assets, stationery supplies, cash management, and motor vehicle usage.

Recommendation No. 3: We recommend that the Director, USAID/Rwanda obtain a plan of action from the Agricultural Surveys and Policy Project to control loans to employees.

We consider Recommendation Nos. 1, 2 and 3 unresolved pending receipt of a plan for corrective action. Please respond to this report within 30 days indicating actions planned or already taken to implement the recommendations.

Thank you for the cooperation and courtesy extended to the representatives of Kemp Chatteris Deloitte & Touche and the Regional Inspector General for Audit.

Attachments - a/s.

**AUDIT OF  
THE AGRICULTURAL SURVEYS AND POLICY ANALYSIS  
PROJECT NO. 696-0126**

**ATTACHMENTS**

*2*



**THE AGRICULTURAL SURVEYS AND POLICY ANALYSIS**  
**PROJECT NO. 696-0126**

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20 December 1991

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THE AGRICULTURAL SURVEYS AND POLICY ANALYSIS  
PROJECT NO. 696-0126

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MISSION CONTRACTED AUDIT OF THE AGRICULTURAL SURVEYS AND POLICY ANALYSIS  
PROJECT - ASPAP

**I. INTRODUCTION**

**I.1 BACKGROUND**

The Agricultural Surveys and Policy Analysis Project (ASPAP) was established by the U.S Government through USAID and the Government of Rwanda (GOR), "... to improve policy formulation for the rural economy by improving the quality and quantity of the information base from which policy is formulated and by strengthening the institutions responsible for such information".

A number of Ministries have been involved in the project, mainly those with existing research and survey capabilities. On signature of the Project Grant Agreement (PGA) on August 30, 1986, three Ministries were involved:

- The Ministry of Agriculture (MINAGRI) through its Agricultural Surveys and Statistics Service (SESA). Since then SESA has been upgraded to the Division of Agricultural Statistics (DSA);
- The Ministry of Plan (MINIPLAN) through the Statistical Surveys Unit of the "Direction Générale des Statistiques", which was then transformed into the "Direction Générale de la Conjoncture et Prevision Socio-Economique" (DGCPSE);
- The Ministry of Finance and Economy (MINIFINECO) through the "Direction Générale de la Politique Economique". In 1989 the Direction Générale de la Politique Economique, and its responsibilities relative to ASPAP, were transferred to the DGCPSE of the MINIPLAN.

There are currently only two ministries involved in ASPAP - MINIPLAN and MINAGRI.

Specifically, the project assists the GOR in the collection, assembly and analysis of a variety of data (economic, social, agronomic) on the rural economy to improve the information base from which policy is formulated for the rural sector. Through various research, training and information dissemination activities, the project assists in strengthening the statistical survey units of the various ministries named earlier.

Funding of the project was initially estimated at US\$ 10.1m, to be met by USAID for US\$ 7.0m and GOR for US\$ 3.1m.

Implementation of the project consists of USAID providing:-

- Long term technical advisors to the above referred bodies.
- Short term training and formation of masters degree holders.
- Construction of an extension to the DSA office building.
- Commodity procurement including passenger vehicles, 4-wheel drives, motorcycles, computer hardware and software, office equipment, survey equipment, local support costs to technical advisors including furniture and appliances.
- Local costs

and GOR providing:-

- Salaries of staff assigned to the project and office space.

It should be noted that ASPAP is the second phase of the agricultural statistics program started in 1981/82. ASPAP effectively started in October 1987 as evidenced by the books of account available at ASPAP's office and the project's first PIL.

**I.1 Background**

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The Project Activity Completion Date (PACD) for the project was initially established as 30 September 1991. However, on 19 March 1990, the Mission Director approved an extension of the PACD for the project to 30 September 1992 with an addition of US\$ 900,000 to the life of the Project.

**Areas of Mission Concern**

Areas of mission concern included the following:-

- (a) The project had never been audited since its inception.
- (b) Recent events involving the ex-accountant of the Project and a local vendor called into question the propriety of some transactions and the operability of the internal control system.
- (c) Several written allegations of improper use of USAID funds were levelled at ASPAP management and widely circulated.
- (d) The existence of a long outstanding dispute over project disbursements between two GOR agencies.
- (e) The Project's compliance with US laws and regulations was questioned.

## **I.2 AUDIT OBJECTIVES**

The objectives were to perform an audit of the ASPAP project in accordance with generally accepted auditing standards (GAAS) and the financial and compliance elements of the US Comptroller General's Government Auditing Standards (GAS - 1988 Revision), and to:

- (a) report, in accordance with SAS 62, on whether the Fund Accountability Statement (FAS) represents fairly, in all material respects, project revenues received and costs incurred for the period 30 August 1986 to 31 March 1991 and on the propriety and validity of expenditures;
- (b) report on the project's internal control structure with respect to program operations in accordance with SAS 63;
- (c) report on the project's compliance with grant provisions and applicable US laws and regulations in accordance with SAS 63.

### **I.3 AUDIT SCOPE**

The audit scope required a

- (a) review and report on the Fund Accountability Statement's fairness in accordance with SAS 62, and determine the propriety and validity of expenditures for the period 30 August 1986 to 31 March 1991. Expenditure were to be analyzed as acceptable, questionable and unsupported;
- (b) review, evaluation and report on the project's internal control structure with respect to the program operations in accordance with SAS 63 and the project's capability to properly identify and account for expenditures;
- (c) review, assessment and report on the project's compliance with grant provisions and applicable US laws and regulations in accordance with SAS 63.

In addition, the following areas of mission concern were included in the audit scope and it was required to:-

- (a) determine if costs claimed for vehicle operations are adequate or excessive;
- (b) review job descriptions and qualifications of financial management personnel and determine ability of concerned to perform required tasks;
- (c) review written allegations of illegal use of USAID funds and determine their veracity;

- (d) review the documentation available on the ASPAP/MINAGRI, ASPAP/MINIPLAN and PRIME conflict and obtain additional information as required and to make recommendations concerning the funds received by ASPAP from PRIME in respect of the damaged Pajero vehicle.
- (e) determine whether ASPAP owes any money to PRIME.
- (f) consider and comment on the ASPAP/EX-MINIFINECO budget overrun.

#### **I.4 RESTRICTIONS ON AUDIT SCOPE**

Our audit scope was restricted as follows:-

- We were not supplied with supporting documentary evidence in respect of expenditure made under PILs 4, 5, 7, 9, 11, 14 and 15 (See Appendix II). We were therefore unable to establish whether payments made under the PILs were allowable and reasonable.

Accordingly, such expenditure has been classified as unsupported.

- We noted the absence of a double entry system of bookkeeping resulting in the impossibility for ASPAP to provide the necessary information in support of the above PILs.
- Further, USAID funds have been aggregated with funds from other sources such as the GOR and the World Bank. As no accounting system was in place it has not been possible to determine whether expenditure items included in demands for reimbursements had not already been financed from other sources.
- ASPAP has been characterised by a number of changes in directorships. The current director had only recently assumed his responsibilities and was unable to offer representations on the Fund Accountability Statement. Furthermore, as ASPAP had not maintained sufficient accounting records, the Fund Accountability Statement had been prepared by the USAID office in Kigali based on disbursement records available there. Again auditee representations were not available.



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**MISSION CONTRACTED AUDIT OF THE AGRICULTURAL SURVEYS AND POLICY ANALYSIS  
PROJECT - ASPAP**

**II. INDEPENDENT AUDITOR'S REPORT ON THE FUND ACCOUNTABILITY STATEMENT**

We were engaged to audit the ASPAP fund accountability statement for the period 30 August 1986 through 31 March 1991, as set out on page 10 to this report, and as prepared by USAID/Rwanda.

As described in Part 1.4 and summarized in Appendix II to this report, supporting documentary evidence in respect of expenditure totalling RFR 42,113,793 was not available and the classification of such expenditure not therefore possible. Moreover, no records were available at the project to establish an audit trail between records maintained there and PILs.

Given the lack of documentary evidence and of audit trail and as we were not able to apply other auditing procedures to establish an audit trail, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the fund accountability statement.

Information contained in this report may be privileged. The restrictions of 18 USC 1905 should be considered before any information is released to the public. This report is intended solely for the use of the Government of Rwanda and USAID, and should not be used for any other purpose.

*Kemp Chatteris*

**CHARTERED ACCOUNTANTS**

Port Louis, Mauritius

Date: 20 DEC 1991



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II.1 ASPAP PROJECT FUND ACCOUNTABILITY STATEMENT DETAILED AS ACCEPTED, QUESTIONED AND UNSUPPORTED  
FOR THE PERIOD AUGUST 30, 1986 THROUGH MARCH 31, 1991  
SUMMARY BY EXPENDITURE CATEGORY

	<u>Total Amounts Reimbursed by USAID Appendix I</u>		<u>Costs Recommended for Acceptance</u>		<u>Costs Questioned</u>		<u>Costs Unsupported</u>	
	US\$	RWF	US\$	RWF	US\$	RWF	US\$	RWF
Logistics	129,693	10,790,276	30,351	2,637,463	-	-	99,342	8,152,813
Printing	12,553	996,343	979	77,589	-	-	11,574	918,754
Personnel	319,201	26,249,113	62,268	5,306,964	46,562	4,633,468	210,371	16,308,681
Supervision of Studies	78,504	6,689,939	23,493	2,189,610	-	-	55,011	4,500,329
Training	6,898	524,310	-	-	-	-	6,898	524,310
Equipment and Supplies	141,526	12,087,603	23,477	2,138,862	-	-	118,049	9,948,741
Construction	62,000	4,589,020	-	-	-	-	62,000	4,589,020
Other Costs - (a)	68,880	5,475,625	-	-	5,269	471,122	63,611	5,004,503
	<u>US\$ 819,255</u>	<u>RWF 67,402,229</u>	<u>US\$ 140,568</u>	<u>RWF 12,350,488</u>	<u>US\$ 51,831</u>	<u>RWF 5,104,590</u>	<u>US\$ 626,856</u>	<u>RWF 49,947,151</u>
	*****	*****	*****	*****	*****	*****	*****	*****

Note: • The above sums represent amounts claimed by ASPAP and reimbursed by USAID in respect of expenditure incurred on the project for the period August 30, 1986 to March 31, 1991. Expenditure has been accounted for on a cash basis.

• Reimbursements by USAID are made in Rwandan Francs and have been accounted in US Dollars using the rate of exchange ruling on the date of reimbursement.

(a) Questioned costs under the 'Other Costs' category totals US\$ 7,550 indicating an unsupported budget overrun of US\$ 7,550 - US\$ 5,269 = US\$ 2,281 - see page 28 and Appendix III.

**II.2.1 LOGISTICS**

This category includes fuel, repairs and maintenance, insurance and other incidental costs in respect of ASPAP'S vehicles. Total costs amount to US\$ 129,693 (RWF 10,790,276).

**AUDIT WORK**

- (a) Select payments allocated to this category and agree to supporting documentation to ensure that costs are:-
- allowable
  - allocable
  - reasonable
- (b) Determine that the total expenditures are within budget as set down in the relevant Project Implementation Letters (PILs) or subsequent amendment letters.

**RESULTS**

- (a) Costs of US\$ 99,342 (RWF 8,152,813) are unsupported for the following reasons:-

	US\$	RWF
<b><u>- Appendix II</u></b>		
No evidence was provided to support certain payments made under PILs 7, 9, 14 and 15 totalling	83,124	6,447,077
<b><u>- PIL 9 (Payment Voucher PV 90395)</u></b>		
Costs of power supply from PROJET AGRO SYLVO PASTORAL for calendar years 1985 and 1986. We were not provided with any written agreement nor did we see any authorisation for payments.	see below	see below
	_____	_____
Balance carried forward	83,124	6,447,077

## II.2.1 Logistics

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	US\$	RWF
Balance brought forward	83,124	6,447,077
Moreover, the expenditure has been wrongly classified under "logistics"	5,685	442,500
No purchase order in respect of car repairs	52	4,063
<u>- PIL 19 (PV 91393)</u>		
Registration of two motor vehicles and spare parts in respect of a motor vehicle:-	25	3,000
	5	553
Relevant invoices do not state the registration number of the vehicles. Hence, we were unable to confirm that expenditure actually related to ASPAP's vehicles		
<u>- PIL 19 (PV 91377) and PIL 20 (PV 91376)</u>		
Costs of fuel and oil paid to SOCIETE GENERALE DES PETROLES:- Lack of supporting documentation such as a listing of consumption vouchers and stock records to reconcile with the purchase orders and supplier's invoices	10,451	1,255,620
<b>Total Unsupported Costs</b>	<b>US\$ 99,342</b>	<b>RWF 8,152,813</b>
	*****	*****

(b) Total expenditures are within the parameters set down in the relevant PILs.

CONCLUSION

We consider that logistics costs of US\$ 30,351 (RWF 2,637,463) should be accepted while costs of US\$ 99,342 (RWF 8,152,813) are unsupported.

## II.2.2 PRINTING

This category relates to the publication costs of the project's reports. Total expenditures amount to US\$ 12,553 (RWF 996,343).

### AUDIT WORK

- (a) Select payments allocated to this category and agree to supporting documentation to ensure that costs are:-
- allowable
  - allocable
  - reasonable
- (b) Determine that the total expenditures are within budget as set down in the relevant PILs or subsequent amendment letters.

### RESULTS

- (a) Costs of US\$ 11,574 (RWF 918,754) are unsupported as follows:-

	US\$	RWF
<u>- PIL 7 (Appendix II)</u>		
No evidence was provided to support printing costs incurred under PIL 7 totalling	10,760	822,754
<u>- PIL 20 (PV 91376)</u>		
No evidence of delivery of two hundred books to confirm that goods have actually been received	814	96,000
	<hr/>	<hr/>
Total Unsupported Costs	US\$ 11,574 =====	RWF 918,754 =====

- (b) Total expenditures are within budget as set down in the relevant PILs.

**CONCLUSION**

We consider that costs of US\$ 979 (RWF 77,589) should be accepted while costs of US\$ 11,574 (RWF 918,754) are unsupported.

**II.2.3 PERSONNEL**

This category includes salaries of head office staff and site personnel such as investigators and helpers. Total expenditure amounts to US\$ 319,201 (RWF 26,249,113).

**AUDIT WORK**

- (a) Select a number of employees as per payroll records and check their salaries to contracts of employment.
- (b) Review salary costs by month to ensure that they appear reasonable. Enquire into any major movements.
- (c) Ensure total expenditures are within budget as set down in PILs or subsequent amendment letters.

**RESULTS**

- (a) Costs of US\$ 210,371 (RWF 16,308,681) are unsupported for the following reasons:-

	US\$	RWF
<b><u>- Appendix II</u></b>		
No evidence was provided to support certain payments made under PILs 7, 9, 14 and 15 and totalling	201,546	15,617,456
<b><u>- PIL 9 (PV 90395)</u></b>		
Salary adjustment in respect of KAYIGANWA. No supporting evidence except for a "sortie de caisse" voucher	65	5,080
<b><u>- PIL 14 (PV 90909)</u></b>		
No evidence that the bonus payment for May 1990 was authorized by the Project Director	1,559	118,000
Balance carried forward	203,170	15,740,536

	US\$	RWF
Balance brought forward	203,170	15,740,536
<u>- PIL 19 (PV 91377)</u>		
Salary paid in November 1990 to A. NIYOYITA (Ex-Accountant) for January 1990. However according to his contract of employment he only joined ASPAP on 5 February 1990. (It should be noted that January's salary was specifically provided for under PIL 21)	416	50,000
<u>- PIL 19 (PV 91393)</u>		
Salaries to site helpers were not acknowledged by the recipients	50	6,000
Payroll in respect of investigators was not approved by the Project Director as required by established control procedures	68	8,130
<u>- PIL 21 (PV 91056)</u>		
Salaries of accountants have been reimbursed twice by USAID in respect of the months of February, March, April, May and September 1990	6,667	504,015
	<hr/>	<hr/>
Total Unsupported Costs	US\$ 210,371	RWF 16,308,681
	=====	=====

- (b) Salary costs on a monthly basis appeared reasonable.
- (c) Personnel expenditures exceed the budget as set down in PILs 7 and 9. Costs of US\$ 46,562 (RWF 4,633,468) as a result of budget overruns are therefore questioned (see Appendix III).

We recommend that USAID issue an amendment letter should they be satisfied that the amount overspent is allowable.

CONCLUSION

We consider that personnel costs of US\$ 62,268 (RWF 5,306,964) should be accepted. Costs of US\$ 210,371 (RWF 16,308,681) are unsupported and costs of US\$ 46,562 (RWF 4,633,468) are questioned.

#### II.2.4 SUPERVISION OF STUDIES

This category relates to cost of missions and mileage allowances to investigators. Total expenditures amount to US\$ 78,504 (RWF 6,689,939).

##### AUDIT WORK

(a) Select payments allocated to this category and agree to supporting documentation to ensure that costs are:-

- allowable
- allocable
- reasonable

(b) Determine that the total expenditures are within budget as set down in the relevant PILs or subsequent amendment letters.

##### RESULTS

(a) Costs of US\$ 55,011 (RWF 4,500,329) are unsupported for the following reasons:-

	US\$	RWF
<u>- Appendix II</u>		
No evidence was provided to support payments made under PILs 9, 14 and 15 totalling.	32,934	2,610,777
- All costs of mileage allowance are unsupported due to lack of evidence to support the payments made. We were not provided with written evidence of actual mileage run by individual investigators. We were therefore unable to confirm the propriety and validity of travel costs	20,330	1,753,552
	<hr/>	<hr/>
Balance carried forward	53,264	4,364,329

	US\$	RWF
Balance brought forward	53,264	4,364,329
<b>- <u>PIL 9 (PV 90395)</u></b>		
Mission costs are unsupported as follows:		
(i) Project Director authorising his own expenses.		
(ii) No details of means of travel stated on "ordre de mission" vouchers.		
(iii) No reason stated for purpose of mission	1,747	136,000
	<hr/>	<hr/>
<b>Total Unsupported Costs</b>	<b>US\$ 55,011</b>	<b>RWF 4,500,329</b>
	=====	=====

(b) Total expenditures are within budget as set down in the relevant PILs.

#### CONCLUSION

We consider that supervision of studies costs of US\$ 23,493 (RWF 2,189,610) should be accepted while costs of US\$ 55,011 (RWF 4,500,329) are unsupported.

**II.2.5 TRAINING**

This category relates to expenditure incurred in training of investigators. Expenditure amounts to US\$ 6,898 (RWF 524,310).

**AUDIT WORK**

- (a) Select payments allocated to this category and agree to supporting documentation to ensure that costs are:-
- allowable
  - allocable
  - reasonable
- (b) Determine that the total expenditures are within budget as set down in the relevant PILs or subsequent amendment letters.

**RESULTS**

- (a) The entire costs of US\$ 6,898 (RWF 524,310) are unsupported for the following reasons:-

	US\$	RWF
- <u>PIL 7 (Appendix II)</u>		
No evidence was provided to support all payments made under PIL 7	4,967	379,800
- <u>PIL 14 (PV 90909)</u>		
We were not provided with any details of travel and per diem expenses allowable to the investigators nor were we provided with the nature of the training. Moreover, there was no indication to suggest that the training sessions did take place.	1,931	144,510
	-----	-----
<b>Total Unsupported Costs</b>	<b>US\$ 6,898</b>	<b>RWF 524,310</b>
	=====	=====

(b) The training costs are within the budget earmarked under the relevant PILs.

**CONCLUSION**

We consider that the entire training costs of US\$ 6,898 (RWF 524,310) are unsupported.

### II.2.6 EQUIPMENT AND SUPPLIES

This category includes printing and stationery expenses and equipment for use by the personnel working on the Project. Total expenditures amount to US\$ 141,526 (RWF 12,087,603).

#### AUDIT WORK

(a) Select payments allocated to this category and agree to supporting documentation to ensure that costs are:-

- allowable
- allocable
- reasonable

(b) Determine that the total expenditures are within budget as set down in the relevant PILs or subsequent amendment letters.

#### RESULTS

(a) Costs of US\$ 118,049 (RWF 9,948,741) are unsupported for the following reasons:-

	US\$	RWF
<u>- Appendix II</u>		
No evidence was provided to support payments made under PILs 7, 9, 11 and 14 and totalling	95,101	7,327,786
<u>- PIL 9 (PV 90594)</u>		
Cost of pails from FORGE TECHNIQUE DE GIRONDO are not adequately supported:-		
- No purchase order		
- No approval for payment on voucher	1,127	86,250
	96,228	7,414,036
Balance carried forward	96,228	7,414,036

△

 II.2.6 Equipment and Supplies

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	US\$	RWF
Balance brought forward	96,228	7,414,036
Printing documents have no relevant purchase order	264	20,180
<u>- PIL 14 (PV 90909)</u>		
Computer repairs by JOSEPH MUGABO:-		
(i) No purchase order		
(ii) Payment voucher not authorized by Project Director nor Accountant	396	30,000
Costs of pails from BIKEKA OMER are not adequately supported:-		
(i) No purchase order		
(ii) No delivery note		
(iii) No acknowledgement of payment from supplier	1,298	98,250
<u>- PIL 19 (PV 91377)</u>		
Printing and stationery costs from PAPERIE NOUVELLE were not accompanied by any delivery note and we were therefore unable to confirm that goods have actually been received by the Project	9,807	1,178,175
<u>- PIL 19 (PV 91393)</u>		
Cash payment for 110 Decametres not adequately supported:-		
- No purchase order nor delivery note	2,755	331,000
In respect of advances paid on pails no delivery order was seen to confirm subsequent delivery and receipt by the project	1,665	200,000
<u>- PIL 20 (PV 91376/91222)</u>		
Costs of stationery from PAPERIE NOUVELLE are unsupported as there was no delivery note to confirm that goods have actually been delivered	5,636	677,100
<b>Total Unsupported Costs</b>	<b>US\$ 118,049</b>	<b>RWF 9,948,741</b>

II.2.6 <sup>△</sup> Equipment and Supplies

(b) The total expenditures are within budget as set down in the relevant PILs and subsequent amendment letters.

CONCLUSION

We consider that equipment and supplies costs of US\$ 23,477 (RWF 2,138,862) should be accepted while costs of US\$ 118,049 (RWF 9,948,741) are unsupported.

### II.2.7 CONSTRUCTION

This expenditure consists of the office buildings extension carried out in 1987 at Kacyiru, Kigali Prefecture. Total costs amount to US\$ 62,000 (RWF 4,589,020).

#### AUDIT WORK

- (a) Verify construction plans, specifications and bidding documents relating to the building extension.
- (b) Review contract for construction and supervision studies.
- (c) Vouch amounts reimbursed by USAID to contractor's invoices and progress certificates from the Project Engineer.
- (d) Ensure that total expenditures are within the parameters set down in the relevant project implementation letter, PIL 4.

#### RESULTS

- (a) No construction plan, specifications nor bidding documents relating to the building extension were available for verification.
- (b) We have not seen any contract for construction and supervision services. PIL 4 mentions inter alia that "... the requirement of AID review and approval of the contract for construction supervision is no longer applicable as construction will be supervised by a project-funded engineer working out of the USAID office in Kigali ...".

However, no engineer's certificate was available for audit.

(c) The total costs of the extension amounting to US\$ 62,000 (RWF 4,589,020) are unsupported due to the lack of evidence provided to support the payments. No evidence of progress of work from the project engineer nor the contractor's demands for payment were available.

(d) Total expenditures are within budget.

CONCLUSION

We consider that the entire expenditure on the building's extension amounting to US\$ 62,000 (RWF 4,589,020) is unsupported. It was however apparent from the little information available that a USAID funded engineer was indeed involved in the construction project. Documentation relating to his intervention and conclusions therefrom were however not available in Kigali.

**II.2.8 OTHER COSTS**

This category includes building repairs, seminar costs and sundry expenses. Total expenditures amount to US\$68,880 (RWF 5,475,625).

**AUDIT WORK**

(a) Select payments allocated to this category and agree to supporting documentation to ensure that costs are:-

- allowable
- allocable
- reasonable

(b) Determine that the total expenditures are within the parameters set down in the relevant PILs or subsequent amendment letters.

**RESULTS**

(a) Costs of US\$ 63,611 (RWF 5,004,503) are unsupported for the following reasons:-

	US\$	RWF
<b><u>- Appendix II</u></b>		
No evidence was provided to support payments made under PILs 5, 7, 9 and 14 totalling	56,883	4,319,123
<b><u>- PIL 9 (PV 90594) and PIL 19 (PV 91181)</u></b>		
Building repairs by Entreprise MUNYAMPAMA:		
No contract of work was seen. Furthermore, no evidence of approval of the payments was seen	5,157	500,000
	<hr/>	<hr/>
Balance carried forward	62,040	4,819,123

	US\$	RWF
Balance brought forward	62,040	4,819,123
<u>- PIL 19 (PV 91181)</u>		
Building repairs by ASSOUMEC:-		
No work contract and no payment by a payment voucher seen	1,571	185,380
	<hr/>	<hr/>
Total Unsupported Costs	US\$ 63,611 =====	RWF 5,004,503 =====

(b) The costs under this heading have exceeded budget as set down under the relevant PILs. Budget overruns are summarised in Appendix III.

Costs of US\$ 7,550 (RWF 625,699), as a result of budget overruns are also questioned.

#### CONCLUSION

We consider that under this category, costs of US\$ 63,611 (RWF 5,004,503) are unsupported and US\$ 7,550 (RWF 625,699) are questioned.



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**MISSION CONTRACTED AUDIT OF THE AGRICULTURAL SURVEYS AND POLICY ANALYSIS  
PROJECT - ASPAP**

**III. INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE**

We have audited the Fund Accountability Statement of the Agricultural Surveys and Policy Analysis Project (ASPAP) for the period 30 August 1986 to 31 March 1991 and have issued our report thereon dated 20 December 1991 .

We conducted our audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards (1988 Revision) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Fund Accountability Statement is free of material misstatement.

In planning and performing our audit of the Fund Accountability Statement for the period 30 August 1986 to 31 March 1991, we considered the Project's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Fund Accountability Statement and not to provide assurance on the internal control structure.

The Government of Rwanda and the management of ASPAP are responsible for establishing and maintaining an internal control structure for the ASPAP project.

In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal accounting controls in the following categories:-

1. Accounting Records
2. Procurement
3. Management of Fixed Assets
4. Management of Stationery Stock
5. Management of Publication Stock
6. Bank System
7. Cash System
8. Motor Vehicles

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.

Our study and evaluation disclosed the weaknesses noted in Sections III.1 to III.8 of this report. In view of the number and significance of weaknesses identified, we consider that the system of internal accounting control of ASPAP was inadequate for the purpose of properly identifying and accounting for expenditures to USAID.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relative low level the risk that errors or irregularities in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.



Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

Information contained in this report may be privileged. The restrictions of 18 USC 1905 should be considered before any information is released to the public. This report is intended solely for the use of the Government of Rwanda and USAID, and should not be used for any other purpose.

*Kemp Chatteris*

**CHARTERED ACCOUNTANTS**

**Port Louis, Mauritius**

**Date: 20 DEC 1991**

### III.1 ACCOUNTING RECORDS

#### OBSERVATIONS

- (i) With the exception of the period to December 1988, the project did not maintain a system of double entry bookkeeping.
- (ii) Funds from USAID and other sources (GOR, the World Bank) were aggregated making it impossible to match an expenditure to its source of funding.
- (iii) No periodic reporting of the project's financial position and/or of its operations against budget were produced.
- (iv) Demands for Reimbursement could not be substantiated by reference to the project's recorded expenditure.

#### RECOMMENDATIONS

- (i) We view as a priority the immediate set up of a double entry system of bookkeeping whereby transactions from the books of prime entry, such as bank and cash books, the purchase day book, salary records, stock records etc, would be recorded in a general ledger. It is apparent that a computerized general ledger was in operation until December 1988 and recommend that the procedures be revived. The general ledger should be maintained on a ministerial basis and include budgetary controls on an account basis.
- (ii) Accounts should be prepared on a regular basis, realistically every quarter but if possible monthly.

- (iii) Subsidiary records should be maintained to justify all demands for reimbursement made to USAID. Such demands should be clearly cross-referenced to the General Ledger to enable an audit trail to the supporting records.

### III.2 PROCUREMENT

#### OBSERVATIONS

##### Segregation of Duties

There was no segregation of duties in respect of procurement procedures. The Accountant was responsible for the following tasks:-

- (i) Preparation of Purchase Orders for all departments within the project after obtaining written quotations, where applicable, from various suppliers.
- (ii) Submission of Purchase Orders to director for approval and signature and subsequent dispatch to suppliers.
- (iii) In some cases, taking delivery of goods pertaining to his department.
- (iv) Preparation of check and submission to director for approval and signature and dispatch to suppliers.

The absence of adequate division of duties and properly defined responsibilities increase the risk of abuse and fraud occurring and remaining undetected.

##### Purchase Records

No proper records of credit purchases were kept. We found that:

- (i) Apart from a file of unpaid invoices, no standard records were maintained to properly control purchases and creditors.
- (ii) In a number of cases, acknowledgement of goods was not evidenced by the receiver on the supplier's delivery note.

(iii) Requisitions for the ordering of goods were made on ordinary memos.

The above shortcomings indicate the project's inability to record and process creditors thereby resulting in the possibility of errors, and questioning the validity of certain transactions.

### RECOMMENDATIONS

(i) Purchase Requisition

All purchases should be evidenced by a purchase requisition duly authorized by a Head of Department. The purchase requisition should indicate the quantity and estimated prices of goods to be ordered and channelled to the Assistant Accountant who will be responsible to obtain written quotations from a number of suppliers.

(ii) Purchase Order

On receipt of quotations from suppliers, the Accountant shall be responsible to select the best bargain and preparation of the Purchase Order for approval and authorisation by the director and dispatch to the suppliers.

A copy of the Purchase Order should be sent to the Head of Department who initiated the Purchase Requisition.

(iii) Receipts of Goods

The Head of Department receiving the goods should ensure that goods delivered agree with the quantity ordered as per the Purchase Order and evidence it by signing on the supplier's delivery note.

Any discrepancies noted should be recorded on the suppliers' delivery note and on the copy Purchase Order received from the Accountant.

The signed Delivery Note should be returned to the Accountant.

(iv) Purchase Records

A Purchase Day Book should be kept and updated at the time an invoice is received from a supplier. It shall contain the following information:-

<u>Date</u>	<u>Ministry/ Unit</u>	<u>P.O No</u>	<u>Supplier</u>	<u>Brief Description of Items</u>	<u>General Ledger Account Code</u>	<u>Amount</u>	<u>Date Received</u>	<u>Remarks</u>
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The Creditors Ledger shall also be maintained and updated from the Purchase Day Book. Payment to creditors recorded in the bank and cash books shall also update the Creditors Ledger.

(v) Filing of Documents

Purchase Documents shall be filed in payment voucher order for Cash and Bank payments and include:-

- Purchase Requisition
- Purchase Order
- Supplier's Delivery Note
- Invoice
- Payment Voucher

### III.3 MANAGEMENT OF FIXED ASSETS

#### OBSERVATIONS

##### (i) Fixed Assets

Since 1988, additions, disposals and depreciation charges in respect of fixed assets have not been recorded in the Register maintained by the Accounts Department. We also noted that the location of assets was not indicated in the Register, hence resulting in inadequate control over assets.

##### (ii) Fire Security

No smoke detector or fire extinguishers were installed in the project's buildings thereby increasing the risk of damage in an event of fire.

##### (iii) Insurance

We noted that except for motor vehicles, all assets belonging to the project were not insured.

#### RECOMMENDATIONS

##### (i) Fixed Assets Register

In order to have an effective control over Fixed Assets of the project, it is imperative that the Fixed Assets Register be updated by recording all additions and disposals since 1988. It is also recommended that a full inventory of fixed assets be performed and agreed with the updated Register. Any discrepancies noted should be investigated and adjusted. Further, the location of all assets should be clearly indicated in the Register. To strengthen control over movement of fixed assets, a detailed list of fixed assets in each office should be affixed at the back of the appropriate office's door and any movement duly noted and approved.

(ii) Fire Security

As a preventive measure against the risk of fire, smoke detectors and fire extinguishers should be installed, particularly in the project's computer room.

(iii) Insurance Cover

We recommend that high value assets be adequately insured, unless it is the GOR's policy not to insure its fixed assets.

### III.4 MANAGEMENT OF STATIONERY STOCK

#### OBSERVATIONS

(i) Segregation of duties

The control of stationery stock is carried out by the cashier who is also responsible to effect cash purchases of stationery.

(ii) Stock Records

Since June 1990, purchases and issues of stationery had not been recorded in the stock records. This effectively eliminated any use of the stock records.

#### RECOMMENDATIONS

(i) Segregation of duties

We recommend that a person other than the cashier be responsible for the control of stationery stock. The officer responsible for stationery should not be involved in the purchase of stationery.

(ii) Stock Records

We recommend that a full inventory of stationery be carried out, the quantities of which will form the basis of the new stock records. Subsequent purchases and issues must be recorded in the stock records on a timely basis and independent physical counts carried out at regular intervals and reconciled with the stock records. Any discrepancies or shortages detected be investigated.

**III.5 STOCK OF PUBLICATIONS**

**OBSERVATION**

**Stock Control**

We noted that no stock records were kept for publications stored at the cashier's office. Thus receipts, sales and free distribution of publications were not recorded resulting in the absence of control on publications stock.

**RECOMMENDATION**

We recommend that stock records be kept for each publication. When complimentary copies are issued, these should be evidenced on a Stock Issues Form duly authorized by the director. Sales should also be recorded as issues and independent physical inventory should be carried on a regular basis and agreed with the stock records.

**III.6 BANK TRANSACTIONS****OBSERVATIONS**

- (i) Checks were not recorded sequentially in the Bank Book, but only when handed over to suppliers.
- (ii) It was also noted that no Bank Reconciliation was carried out by the Accountant.
- (iii) When a check payment is effected, the check number is not systematically noted on all the supporting vouchers relating to that payment.
- (iv) There is no segregation of duties in the check payment cycle.

The Accountant performed the following duties:-

1. Preparation of checks
2. Submission to the director for approval and signature.
3. Receipt of checks upon return, after signature of the Secretary General of MINAGRI.
4. Dispatch and, at times, delivery of checks to suppliers.

**RECOMMENDATIONS****(i) Bank Book**

To ensure the completeness of check payments and of bank transactions, checks, even when cancelled, should be recorded sequentially in the bank book.

(ii) Bank Reconciliation

Bank Reconciliations should be prepared on a monthly basis to ensure the completeness and accuracy of all bank transactions.

(iii) Check Payment Vouchers

To avoid the possibility of an invoice being settled more than once, all supporting documents relating to a payment by check should be systematically cancelled "PAID" and the check number noted on the invoices.

(iv) Segregation of duties

To minimize abuse and to reduce the risk of fraud, duties within the check payment cycle should be reorganized. In our view, the Accountant should only be responsible for preparation of the check and to have it approved and signed by the director. An officer other than the Accountant should be responsible for dispatch of the signed checks received from the Secretary General of MINAGRI. This could possibly be the Project Director's secretary.

### III.7 CASH TRANSACTIONS

#### OBSERVATIONS

(i) Monetary Limit

There was no monetary limit in respect of payments by cash. We noted some instances where cash payments of over RWF 300,000 were effected.

(ii) Cash Payment Vouchers

Cash Payments were effected by the cashier on the basis of cash vouchers prepared by himself and at time of payment not approved by the Accountant and Director. It appears that such authority was obtained later.

(iii) Cash from Other Sources

The project receives funds from a number of sources, the GOR, the World Bank, invoicing of services to other ministries etc. Monies from these sources and USAID are supposed to be kept separately. We however noted that cash balances funded by USAID and by other agencies were kept as one fund by the cashier.

(iv) Security

We observed that large sums of money were handled by the cashier and kept in the cashier's drawers under lock. This, in our view, do not provide adequate security for the project's funds.

**RECOMMENDATIONS**

(i) **Monetary Limit**

To minimize the risk of fraud through handling of cash, we recommend that payments by cash should be restricted to say RWF 10,000 per payment. Payments exceeding this sum should be effected by check. This should also result in smaller amounts being kept on hand thereby improving the security problem.

(ii) **Cash Payment Vouchers**

It is strongly recommended that on no account should the cashier prepare cash vouchers for payments. Cash Payment Vouchers should be prepared by the Accountant and approved by the director before payments are effected by the cashier.

(iii) **Cash from Other Sources**

Cash pertaining to each source must be kept separately and regular counts be carried out by an independent person, possibly the Accountant, and agreed with the relevant Cash Book.

All counts should be properly documented and signed by all parties concerned.

(iv) **Security**

It is recommended that a safe be purchased for the purpose of safeguarding cash and other important documents.

### III.8 MOTOR VEHICLES

#### OBSERVATION

No records are kept to enable analysis of maintenance cost, fuel and oil expenses on a vehicle basis. Management is therefore not in a position to exercise effective control, possibly resulting in excessive motor vehicle expenses. Furthermore, in certain vehicles the meters were not operating, thereby rendering the upkeep of a vehicle log book impossible.

#### RECOMMENDATION

To monitor Motor Vehicles Running Expenses and to enhance the accountability of personnel, it is recommended that the following records be maintained for each vehicle of the project:

- (i) Repairs and maintenance records
- (ii) Fuel and oil consumption records

Specimen records are set out in Appendices IV and V.

It is imperative that all defective meters be repaired as soon as possible in order to avoid excessive and unauthorized use of the project's vehicles. This will also assist management in monitoring fuel consumption of each vehicle since log books could then be properly maintained.



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**MISSION CONTRACTED AUDIT OF THE AGRICULTURAL SURVEYS AND POLICY ANALYSIS  
PROJECT - ASPAP**

**IV. INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS, REGULATIONS AND  
GRAND AGREEMENTS**

We have audited the Fund Accountability Statement of the Agricultural Surveys and Policy Analysis Project (ASPAP) for the period from 30 August 1986 to 31 March 1991 and have issued our report thereon dated 20 December 1991.

We conducted our audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards (1988 Revision) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the expenditure statement is free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to ASPAP is the responsibility of the Government of Rwanda and the management of ASPAP. As part of obtaining reasonable assurance about whether the financial statement is free of material misstatement, we performed tests of ASPAP's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of our tests of compliance disclosed the material instances of noncompliance as follows:

**IV. Independent Auditor's Report on compliance with Laws,  
Regulations and Grant Agreements**

- The project failed to maintain sufficient accounting records to be able to justify the utilization of USAID funds;
- USAID funds have been aggregated with other sources of funding making it impossible to identify the financing of a particular item of expenditure and thus whether it was claimable from USAID or not;
- Personal loans were made to employees out of USAID funds, see Section V.4;
- A number of transactions have been entered into by ASPAP management which indicate the possibility of fraud, see Section V.4.

We considered these material instances of noncompliance in forming our opinion on whether ASPAP's Fund Accountability Statement is presented fairly, in all material respects, and this report does not affect our report dated \_\_\_\_\_ on this financial statement.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, ASPAP complied, in all material respects, with the provisions referred to in the third paragraph of this report, and with respect to items not tested, nothing came to our attention that caused us to believe that ASPAP had not complied, in all material respects, with those provisions.

Information contained in this report may be privileged. The restrictions of 18 USC 1905 should be considered before any information is released to the public. This report is intended solely for the use of the Government of Rwanda and USAID, and should not be used for any other purpose.

*Kemp Chatteris.*

**CHARTERED ACCOUNTANTS**

Port Louis, Mauritius

Date: 20 DEC 1991

## V.1 REVIEW OF THE ASPAP/ex-MINIFINECO 1988 BUDGET OVERRUN

Background

On submission of the demand for repayment of expenditure incurred during the last quarter of 1988 under PIL 7, ASPAP showed the following result and the indicated budget overruns:-

	<u>Budget</u> RWF	<u>Actual</u> RWF	<u>Overrun</u> RWF
Logistics	4,659,680	3,536,393	-
Equipment	4,900,000	6,260,550	1,360,550
Printing	2,900,000	307,788	-
Personnel	7,372,500	11,133,390	3,760,890
Training	2,000,000	379,800	-
Other Costs	1,210,000	1,261,006	51,006
	<hr/>	<hr/>	=====
	RWF 23,042,180	22,878,927	
	=====	=====	

Given the budget overruns, the demand for repayment was questioned by USAID and payment withheld until adequate explanations were obtained. ASPAP proceeded with an analysis of the expenditure for the year on a ministerial or unit basis. This analysis showed the following result for 1988 for the ASPAP/ex-MINIFINECO unit funded by the GOR:

	<u>Budget</u> RWF	<u>Actual</u> RWF	<u>Overrun</u> RWF
Logistics	841,200	737,558	-
Equipment	680,700	4,729,753	4,049,053
Printing	686,390	-	-
Personnel	5,342,000	4,185,045	-
Training	1,000,000	-	-
Other Costs	-	1,063,386	1,063,386
	<hr/>	<hr/>	<hr/>
	RWF 8,550,290	10,715,742	5,112,439
	=====	=====	=====

The above expenditure of RWF 10,715,742 was shown as having been partly financed by a contribution from PRIME of RWF 6,863,900, received on 27 April 1988, and a payment of RWF 1,750,000, received on 19 August 1988 from MINIFINECO, thus showing a net cash outflow of RWF 10,715,742 - RWF (6,863,900 + 1,750,000) = RWF 2,101,842, which was claimed for reimbursement from USAID. This amount was disallowed by USAID on the grounds that these sums should have been provided by the GOR and not by USAID.

This budget overrun was subsequently investigated as part of a broader 'audit' of ASPAP commissioned by USAID. Mr. Anastase NIYOYITA, a local accountant was retained for the assignment. Two reports were issued by Mr. Niyoyita but were not, we understand, accepted by USAID. The validity of USAID's decision concerning the amounts disallowed is therefore still an issue.

The 'audit' of ASPAP carried out by Mr. Niyoyita highlighted the following transactions for a number of reasons as summarized below:

<u>Reference</u>	<u>RWF</u>	<u>No evidence as to ordering authority</u>	<u>Purchase Order not signed</u>	<u>Receiving agent not identified</u>
50	810,613	X	X	
225	242,680	X	X	
284	9,500	This item was identified because the goods were ordered and received by the same person, the ASPAP/MINAGRI accountant.		
294	19,850	X		X
294	25,000	X		
408	1,385,650	There is no stated reason for the highlighting of this item except its apparent high amount.		
426	32,000			X
426	1,000			X
426	810,750	There is no stated reason for the highlighting of this item except its apparent high amount.		
427	8,500	X		
	<u>          </u>			
	RWF 3,345,543			
	=====			

The above amount of RWF 3,345,543 has since been termed 'the budget overrun' and referred to in the PIOT.

The transactions of 1988 are also of interest of USAID as the monies paid by PRIME, another USAID funded project, to ASPAP were subject to a disclaimer of opinion by KPMG Peat Marwick Mitchell in their report on PRIME'S financial statements (pages 26 and 27 of their report). We were therefore requested to review the validity of the application of these monies as part of our intervention in ASPAP.

Further, the refund of RWF 1,750,000 from MINIFINECO has also been the cause of discussions as these monies were destined to the purchase of a new Mitsubishi Pajero vehicle for ASPAP/MINIPLAN in replacement of the one damaged beyond repair by ASPAP/ex-MINIFINECO. The application of these monies is also discussed in this section and findings are summarized in Section V.2.

The issues here are as follows:-

1. Was there a budget overrun and if so, of how much and by which unit, and was USAID right to disallow the demand for reimbursement?
2. How were the funds from PRIME and MINIFINECO spent?
3. If a contribution was received from the GOR through PRIME was it fair to allocate the contribution entirely to the ASPAP/ex-MINIFINECO unit?

#### Work Done

- Extent of budget overrun of ASPAP/ex-MINIFINECO for 1988 verified;
- Amount of expenditure imputed to ASPAP/ex-MINIFINECO for 1988 verified;
- Application of monies received from PRIME and from MINIFINECO reviewed.

#### Sources of Information

- Financial report for the year 1988 submitted by ASPAP on 14 March 1989;
- 1988 General Ledger and Budget analysis.

#### Findings

The findings are analyzed from (i) the budget point of view and (ii) the application of funds from PRIME and MINIFINECO.

(i) Budget Overrun

In our opinion, the budget overrun, if any, of the ASPAP/ex-MINIFINECO unit should refer to the sum of RWF 5,112,439 and not RWF 3,345,543 identified during the 'audit'. The latter sum appears to be the total of a number of transactions which had been questioned by Mr. Niyoyita.

Further, the budget overrun of RWF 5,112,439 is questioned on the grounds that the stated total expenditure of RWF 10,715,742 by ASPAP/ex-MINIFINECO could not be substantiated. Thus, the general ledger and, as regrouped and analyzed in the Budget Analysis report, indicate the following expenditure for the ASPAP/ex-MINIFINECO unit for 1988:

## ASPAP/ex-MINIFINECO - USAID AND GOR

	<u>Budget</u> RWF	<u>Actual</u> RWF	<u>Overrun</u> RWF
Logistics	841,200	919,030	77,830
Equipment	9,343,483	7,536,870	-
Printing	-	-	-
Personnel	5,342,000	4,428,224 (a)	-
Training	1,000,000	-	-
Other Costs	-	-	-
	<hr/>	<hr/>	=====
	RWF 16,526,683	12,884,124	
	=====	=====	

(a) This is not a direct revenue to the project.

Note - The above budget lines do not take into consideration the 10% contingency allowed. Any overrun should effectively be reduced by 10% of the budget line.



As the project's accounting records on a combined basis do not indicate an overrun and no reconciliation was possible between the claim submitted by management and the general ledger we are unable to comment as to whether an overrun did indeed take place.

A further complication arises in that budgets are prepared on a ministerial basis and for each funding agency, USAID or GOR. Monitoring of budget overruns therefore assumes the matching of expenditure to its source of finance. This issue is further discussed below under our review of the 'Application of Funds from PRIME and MINIFINECO' and essentially we found it impossible to rely on expenditure classification 'USAID' or 'GOR' as being funded by these different sources. Accordingly, the above Budget Analysis report for the USAID and GOR budgets have necessarily been combined as all funds accruing to the project have been aggregated. It is not actually possible to match an expenditure item to a particular source of revenue.

We contend that as items of expenditure were paid for from both the project's USAID and the 'Revenue' bank accounts and cash books, (see below) an analysis of budgetary overruns can only be done on a consolidated basis. On the above basis, no overrun is identified and all expenditure is within budget. Items classified under the GOR budget could be claimed under the USAID budget if any budget lines were unutilized.

We have not reviewed the list of items highlighted in Mr. Niyoyita's report, as listed above, as of no apparent relevance to the budget overrun.

Reserve

In arriving at the above conclusion we have relied on the project's computerized accounting records, available until December 1988, for the classification and analysis of expenses. These have however not been audited by us as falling beyond the terms of our engagement.

(ii) Application of funds from PRIME and MINIFINECO

As stated, RWF 6,683,900 were received from PRIME AND RWF 1,750,000 from MINIFINECO and the application of these monies by ASPAP a matter of concern to USAID.

Work Done

- Payments by PRIME and MINIFINECO traced to ASPAP's records;
- Application of funds reviewed and assessed.

Note on ASPAP's Bank and Cash Procedures

ASPAP derives income from a number of sources. In 1988 the main cash inflows were as follows:

	RWF
USAID Grants	30,278,679
IBRD Grants	3,240,709
PRIME	6,863,900
MINIFINECO	1,750,000
Proceeds on Disposal of Fixed Assets	646,500
Proceeds from Sales of Publications	67,340
Sundry Receipts	45,599
	<hr/>
Total Cash Inflows	RWF 42,892,727
	=====

The above excludes repayments of advances and personal loans.

These monies were paid into a number of accounts held by the project:

- The USAID Bank Account
- The 'Revenue' Bank Account
- The Cash Book
- The 'Revenue' Cash Book

These separate records appear to indicate specific accounting of monies from different sources but in fact all funds were at some time or other aggregated making the matching of a given expense item to a source of revenue impossible.

### Findings

We highlight below a number of significant transfers to illustrate the management of the above accounts:

<u>Month</u>	<u>Description</u>	<u>'Revenue'</u> <u>Account</u> RWF	<u>USAID</u> <u>Account</u> RWF	<u>Cash</u> <u>Book</u> RWF
February	IBRD	2,398,041	-	-
	Transfers	(904,313)	-	904,313
March	Transfers	1,220,731	(1,220,731)	-
	Transfers	(195,000)	-	195,000
April	IBRD	230,352	-	-
	PRIME	6,863,900	-	-
May	Transfers	(129,230)	-	129,230
June	IBRD	612,316	-	-
July	Transfers	(4,000,000)	4,000,000	-
	Transfers	(710,362)	-	710,362
August	MINIFINECO	1,750,000	-	-
	Transfers	(129,230)	-	129,230
November	Transfers	(871,772)	-	871,772
December	Transfers	(1,472,691)	-	1,472,691
		=====		
<b>Net Funding</b>		<b>RWF</b>	<b>2,779,269</b>	<b>4,412,598</b>
			=====	=====

From the above it can be ascertained that cash inflows in the 'Revenue' account, from whatever the source, were transferred to both the project's USAID bank account and to the project's cash book. Funds available from these accounts were in turn applied to the project's then three units. Once funds have been aggregated it is not possible to match an item of expenditure to a particular source of income.

The accounting records of ASPAP for 1988 do indicate, through the Budget Control report, an allocation of expenditure to either USAID or GOR. The method of allocation of expenses was discussed and it was apparently made on the basis of the source of expenditure i.e. if from USAID's account or not. We tested this representation and noted items paid for from the Revenue account and posted to USAID. Accordingly, no reliance was placed on the Budget Control report.

In the context of the fourth demand for reimbursement for 1988 where RWF 2,010,842 was disallowed, the allocation of all of PRIME's and MINIFINECO's contributions to the ASPAP/ex-MINIFINECO unit is however of no effect as items were disallowed by USAID as they had been budgeted to be financed by the GOR. As to whether the application of PRIME's and MINIFINECO's contributions were properly applied and supported we are unable to comment given the poor accounting records and as the funds were aggregated with funds from other sources, it has not been possible to specifically track the application of the contributions. The issue could possibly be resolved through an audit of the project but again given the lack of accounting records and poor audit trail we doubt whether such an exercise could be concluded.

It should be noted that EWF 8,662,783 had been budgeted by USAID for commodities for ASPAP/ex-MINIFINECO in PIL 7. This budget line was not itemized and no claim made by the project under the line. ASPAP/ex-MINIFINECO did however spend EWF 1,024,563 on furniture and equipment which was disallowed. The validity of the USAID budget line should be reviewed and the disallowed expenditure of ASPAP/ex-MINIFINECO reconsidered accordingly.

Further, the matter of allocation of PRIME's and of MINIFINECO's contributions between the various units would have been relevant only if USAID had disallowed certain expenditure claimed by ASPAP/MINAGRI or ASPAP/ex-MINIFINECO. However all other expenditure claimed for 1988 were accepted and reimbursed.

**V.2 REVIEW OF THE UTILIZATION BY ASPAP OF RWF 1,750,000 RECEIVED FROM MINIFINECO IN 1988**

Further to mission concern we have investigated the application, by ASPAP of the funds received from MINIFINECO.

**Findings**

As discussed in Section V.1, funds from all sources have been aggregated including the MINIFINECO transfer of RWF 1,750,000. This payment which had been made expressly for ASPAP to replace MINIPLAN's damaged Pajero was instead applied to the project's activities.

It is not therefore possible to identify any specific payments made out of these monies. Our opinion on the validity of expenses refunded by USAID is expressed in Section II.

**V.3 REVIEW OF ASPAP/MINAGRI'S FINANCING OF ASPAP/ex-MINIFINECO DURING THE PERIOD JANUARY TO MAY 1989 FOR THE STATED TOTAL OF RWF 1,355,144**

The expenditure total of RWF 1,355,144 has been obtained from Mr. Niyoyita's report. No explanation of how this sum had been arrived at was however provided in his report.

**Background**

The establishment of total expenditure financed by ASPAP/MINAGRI for and on behalf of ASPAP/ex-MINIFINECO is relevant to the debate on the application by ASPAP/MINAGRI of the RWF 1,750,000 received for the Pajero. It is argued that if ASPAP/MINAGRI is to reimburse ASPAP/ex-MINIFINECO of this sum then any expenditure incurred by ASPAP/MINAGRI for and on behalf on the former should be deducted in arriving at a final settlement.

**Work Done**

- General Ledger listings for the period January to September 1989 reviewed for any expense classifications to ASPAP/ex-MINIFINECO;
- Demands for Repayment made under PIL 9 reviewed for any items paid on behalf of ASPAP/ex-MINIFINECO.

**Findings**

Expenditure relating to both ASPAP/MINIPLAN and ASPAP/ex-MINIFINECO was classified under ASPAP/MINIPLAN for the period January to May 1989. The results obtained were as follows:-

V.3 Review of ASPAP/MINAGRI's Financing of ASPAP/ex-MINIFINECO  
during the period January to May 1989

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	<u>Budget</u> RWF	<u>Claimed</u> <u>by ASPAP/</u> <u>MINAGRI</u> RWF	<u>Per</u> <u>Accounting</u> <u>ASPAP Records</u> RWF
Logistics	1,482,339	79,378	34,166
Equipment	1,782,390	-	679,270
Printing	700,000	56,966	25,966
Personnel	312,000	1,207,500	1,259,500
Training	1,000,000	-	-
Other Costs	600,000	11,300	-
	<hr/>	<hr/>	<hr/>
	RWF 5,876,729	1,355,144	1,998,902
	=====	=====	=====

The difference between RWF 1,355,144 and RWF 1,998,902 could not be reconciled.

### Conclusion

The identification of expenses incurred by one unit on behalf of another is relevant to the extent that such expenditure is not covered in a PIL and therefore the unit which incurred the expense stands to 'lose out' as only a finite sum of money is available.

The only demand for repayment under PIL 11 totalled RWF 889,288 under 'Equipment and Supplies', out of which RWF 201,438 were disallowed. If, as ASPAP/MINAGRI argue that they financed the ASPAP/ex-MINIFINECO unit, then as most of the items making up the amount of RWF 1,355,144 had been budgeted for, why were they not claimed from USAID under PIL 11?

Assuming the expenditure total of RWF 1,355,144 is accurate it appears that the only item which ASPAP/MINAGRI could offset against the RWF 1,750,000 is 'Personnel' where PIL 11 only provided RWF 312,000 against RWF 1,207,500 apparently spent i.e. RWF 895,500.

V.3 <sup>4</sup> Review of ASPAP/MINAGRI's Financing of ASPAP/ex-MINIFINECO  
during the period January to May 1989

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However as the supporting documentation for the payments under PIL 9 for the above period could not be traced, a verification of payments by ASPAP/MINAGRI for and on behalf of ASPAP/ex-MINIFINECO for the period January to May 1989 could not be carried out. We recommend that the make up of PIL 9 be reworked and when done any items relating to ASPAP/MINIPLAN but claimed under the PIL identified. Only then shall the extent of any debt situation be finalized.

This issue appears to be an item of discussion within the GOR. We could not identify any relevance of the issue to USAID.

#### V.4 REVIEW OF FRAUD ALLEGATIONS

Included in our terms of reference was a review of a number of fraud allegations from and against a number of persons involved at some time in the project.

##### Background

The fraud allegations were made by the acting Project Director for the period 2 October 1990 to 17 April 1991, Mrs. Laurence Uwamariya, on dismissing the project's Chief Accountant, Mr. Anastase Niyoyita, on 3 March 1991 and in turn by Mr. Niyoyita on 25 March 1991 in a letter to the Rwandan Minister of Agriculture, Livestock and Forests. Additional information was provided by Mr. Niyoyita in a number of handwritten and photocopied documents.

##### Work Done

- Categorize allegations on a person basis and assess if within our capabilities to comment upon;
- For the allegations which can be investigated, review accounting documents, correspondence files and through discussions, assess veracity and comment;
- Review transactions on all bank accounts and cash books for the period January 1990 to June 1991 and identify significant transactions for further investigation.

##### Classification of Allegations

Allegations made by Mrs. L. Uwamariya against Mr. A. Niyoyita:

Source: Letter addressed to Mr. Niyoyita, dated 3 March 1991

**V.4 Review of Fraud Allegations**

- a. RWF 150,000 taken by Mr. A. Niyoyita on 17 December 1990 and the application of this sum questioned. The money was to compensate PETROKAWANDA for the increase in prices of petrol on the project's current stock of petrol vouchers.
- b. Orders of RWF 910,000, being far in excess of the project's needs, placed with the printers IKPLICO.

**Allegations made by Mr. A. Niyoyita against Mrs. L. Uwamariya:**

**Source: Letter addressed to the Rwandan Minister of Agriculture, Livestock and Forests.**

- a. Unjustified dismissals of personnel;
- b. Makes a habit to initiate not programmed and unjustified field trips;
- c. Unjustified and illegal, 'Illicite', recruitment of personnel;
- d. Use of project vehicles for personal needs;
- e. Project vehicles are repaired in certain garages, AMAUKI, without tenders being called;
- f. Project vehicles lent to privileged employees for personal use;
- g. Leaves work early;
- h. Is late for work and does not sign the attendance book;
- i. Decision making process is monopolized and little consulting done with other personnel;
- j. Project staff threatened and workloads not evenly assigned;
- k. Project funds applied to expenditure other than those provided for in the Project Grant Agreement;
- l. Loans made to certain privileged employees;
- m. Loans made to self;

- n. (i) Possibly received a 'Kick Back' or commission from a supplier in the form of a check of RWF 100,000 drawn to her name;
- (ii) Has requested the postdating of certain documents;
- o. Complains about her job and responsibilities.

Allegations Investigated

Both the allegations against Mr. Niyoyita were investigated.

Of the allegations against Mrs. L. Uwamariya only the allegations of privileged contracts for car repairs (f), of loans being made to employees (k), (l) and (m) and the check of RWF 100,000 from a supplier were investigated. Other allegations were considered as either beyond our competence or too vague.

Findings

1. RWF 150,000 paid to PETRORWANDA

This amount was effectively taken as cash on 17 December 1990 and should be considered with another payment of RWF 2,500 on 3 January 1991. The withdrawals were meant to validate a stock of petrol vouchers following the increase in petrol prices. For both these amounts a receipt totalling RWF 152,000 was issued on 20 December 1990 or three days after the money was taken from the till. Further the receipt from PETRORWANDA is unsigned.

This item has been subject to internal investigations by both the project and, we understand PETRORWANDA, and during our field work unconcluded. The payment was not refunded by USAID on submission under PIL 19.

In our opinion, the application of these monies is highly questionable for a number of reasons:

- Nowhere have we been able to find calculations substantiating the amount of RWF 152,000;
- A receipt for a cash payment was received three days late;
- The receipt was unsigned.

On evidence available the possibility of a fraud is high. We recommend that the matter be investigated further by a reconciliation of the petrol vouchers unused until the 17 December 1990 and also that the results of the investigation at PETRORWANDA be considered.

2. Stationery Orders with IMPLICO

The allegation concerns orders placed by Mr. Niyoyita with IMPLICO for exceptionally large orders of stationery. Delivery of the items was made on 19 June 1990 but payments never made to date. We understand that the Project Director is negotiating for a settlement whereby only the estimated number of pads needed until September 1992, the project's PACD, would be paid for.

We have reviewed the purchasing procedures and note that the purchase orders were signed by the Chief Accountant only, the established procedure then, but that the invoices were never approved. We have also reviewed the quantities ordered and concur with the estimates made by the ex-ASPAP accountant, Mr. Augustin RUZIBIZA. These are:

	<u>Estimated Years' Consumption</u>
Cash Payment Vouchers	28
Cash Receipt Vouchers	58
Bank Payment Vouchers	83
Memo Pads	4
	====

We recommend that negotiations be pursued by the project to reach a settlement with IMPLICO. Further, we recommend that USAID should only consider the annual consumption over approximately 25½ months, being the period from 19 June 1990 to the PACD in September 1992.

### 3. Car Repairs at AMAUKI

At 17 August 1991 three invoices (002/90; 007/90; 008/90) from AMAUKI totalling KWF 264,620 had been paid for while ten more had been retained pending investigation by ASPAP. These are summarized:

<u>Invoice Number</u>	<u>Registration of Vehicle</u>	<u>KWF</u>
011/91	A 7161	15,440
015/91	A 7161	7,074
016/91	A 8343	36,342
017/91	A 7161	8,740
045/91	A 7161	41,420
053/91	A 8343	311,906
054/91	A 6960	142,030
056/91	A 6960	8,270
058/91	A 8343	84,185
059/91	A 6960	37,400
		<hr/> 692,807
		=====

All the invoices are supported by duly authorized purchase orders, signed by both Mrs. Uwamariya and Mr. Niyoyita. We are not aware of any circumstances which make AMAUKI more suspect than any other service centre and consequently reserve judgement on the allegations of Mr. Niyoyita.

However we must draw attention to the fact that in numerous instances the repairs made or parts supplied were not on the purchase order and that the invoice consequently rarely matches the order. We are aware that the extent of car repairs are difficult to judge prior to the repair itself and to expect the purchase order to include all details is not realistic. It however appears that there are no written procedures in force to approve major repairs once the vehicle is at a garage. Invoice No 053/91 indicates that a check-up was requested and the garage supplied for RWF 228,406 of spares. We therefore recommend that such approval be documented preferably accompanied by an estimate of the parts to be supplied.

Moreover we recommend that all old parts replaced be returned with the vehicle. A further procedure is to insist on the invoice for the part supplied, should the parts have been supplied by say, the local agent.

#### 4. Loans to Project Directors and Personnel

Mr. Niyoyita alleged that RWF 1,500,000 of loans had been made to various personnel, including the then Project Director Mrs. L. Uwamariya. The loans total included an approximate amount of RWF 400,000 in respect of Mr. S. Rwamasirabo an ex-Director of the project; RWF 120,000 in respect of Mr. E. Karamera, currently Project Analyst at USAID and RWF 100,000 in respect of a certain 'Anastase' whom we have assumed to be Mr. Niyoyita himself.

We confirm the advances made to key personnel as stated with the following exceptions:

- (a) S. Rwamasirabo - The advances are stated at approximately RWF 400,000. We have established the advances made at RWF 318,639 which includes RWF 38,049 since 1986. No terms of repayment were

- (b) E. Karamera - The advance made to Mr. Karamera was effectively of RWF 120,000 but we traced a receipt of RWF 30,000 dated 10 February 1988 to ASPAP's bank records. The outstanding balance according to the loan card is currently of RWF 91,500 representing a net of RWF 90,000 plus RWF 1,500 being an unjustified balance from monies advanced for local purchases.
- (c) A. Niyoyita - We have assumed the 'Anastase' to whom RWF 100,000 was said to have been advanced to as Mr. A. Niyoyita himself. We traced advances of RWF 200,000 to him and not RWF 100,000. We are not aware of any repayments to date.

Comments

Loans to employees appear to be a common feature of ASPAP as loans are frequent and have been going on for several years. There however has effectively been periods of abuse and January 1991 has been exceptional with several large loans made by ASPAP. We note the following weaknesses in procedures:

- Loans made by the directors to themselves without any conditions and/or security;
- When terms of repayment are defined these are rarely enforced;
- The loans made are not always posted to the person's loan card;
- A number of loans have been outstanding for several years;
- Without a double entry system of bookkeeping no reconciliation of cards to a control account is possible;

V.4 Review of Fraud Allegations

- A number of loan cards were missing from the loans file;
- It appears that all computerized loan balances were not taken in consideration when manual cards were started in September 1989;
- At times there has been the tendency to treat the project's cash in hand as a local bank with little apparent controls;
- The loans records are maintained by the cashier who is also responsible for loan disbursements and cashing of advances. This lack of division of duties could result in the mismanagement of the project's funds and of loans receivable.

We recommend that the following procedures be implemented as soon as possible for proper control of loans to employees:

1. All loan cards from 1986 onwards should be brought up to date. Care should be taken to ensure that all unpaid balances from the previous year are brought forward.
2. All bank, cash and salary records should be reviewed to ensure the completeness of transactions to date. Periodic reconciliations should be carried out to ensure accuracy of records.
3. Clear limits should be established for all loans. We suggest a maximum of 20% of monthly pay.
4. For all existing and new loans precise repayment terms should be established and subsequently enforced.
5. When the accounting system is up and running the loans control account should be reconciled on a monthly basis.



6. All loans to directors to be approved by the Secretary General of the MINAGRI. All other loans to be approved by the project director.
7. All loan demands to be made in writing by the person concerned.

Conclusion

Funds from the USAID special account were used to make loans to employees but as the loans were not included in demands for reimbursement, arguably the funds were not applied to loans. The situation is however unclear when advances were made by USAID.

The accuracy of certain loans is doubtful given the lack of controls and poor quality of accounting records. We reserve judgement on balances outstanding at this date.

5. RWF 100,000 Check drawn in favor of Mrs. L. Uvamariya

The allegation concerns a check drawn in favor of Mrs. L. Uvamariya by a supplier of stationery SOGEC. The check apparently came in Mr. Niyoyita's hands when erroneously remitted to him by the SOGEC manager. He is, we understand, still in possession of the check.

Work Done

- Purchase orders for the period October 1990 to April 1991 reviewed and any orders from SOGEC summarized;
- Correspondence files reviewed;
- Comment

**Findings**

The review of purchase orders was inconclusive as several purchase orders were completed with the same details and were all unsigned, undated and did not bear the supplier's name. We have instead relied on a statement of account from SOGEC indicating total orders of RWF 2,156,785. We are not aware of orders from SOGEC by ASPAP prior to October 1990.

No invoices were available to compare prices charged.

**6. Additional Findings**

As part of our review of the fraud allegations we tested a number of transactions during 1990 and 1991. A number of payments came to our attention and which in our opinion should be further investigated:

(a) We noted that a payment for RWF 972,000 had been made to Mr. Kalisimbi for the supply of photocopy paper when the backing invoice was only for RWF 72,000. The evidence of payment is from the bank statement. We recommend that the matter be investigated to establish if the discrepancy of RWF 900,000 is due to a bank error or whether fraud did take place. No payment should be made by USAID until this item is sorted out. No receipt was seen for the above payment.

(b) We noted a cash payment of RWF 300,000 in April 1990 made to PETROBWANDA representing a part payment of two invoices totalling RWF 1,185,330. The cash was taken from the till by Mr. Niyoyita personally and a receipt was issued by PETROBWANDA. However, the payment did not appear in their latest statement and RWF 1,185,330 called for payment again. Both the payments of RWF 300,000 and RWF 1,185,330 were made by ASPAP and both were refunded by USAID.

We recommend that the cash payment of RWF 300,000 be investigated along with the RWF 152,500 cash payment which is not recognized by PETRORWANDA (see the allegations against Mr. Niyoyita).

## V.5 REVIEW OF COSTS OF VEHICLE OPERATIONS

An assessment of the costs of vehicle operations is only possible if adequate statistics are available over specific periods and on a vehicle basis. We have attempted to build up such a statistical base but the effort proved frustrating as no general ledger account was available to summarize costs on a periodic and vehicle basis. Further, a number of invoices making up vehicle operations were missing e.g. PIL 9 and PIL 14. The volume of information to be processed is also important and cannot be expected to be processed within a reasonable time. For the above reasons, we recommend that the exercise be completed by the project staff responsible for vehicles. Such an analysis should include:

- Details of car repairs;
- Date of repair;
- Cost of repair;
- Reference of voucher;
- Garage which undertook the repair;
- Total of petrol consumed;
- Mileage of vehicle and calculation of litres per 100 kms.

It should however be noted that during our review of procedures concerning car repairs and purchasing of petrol, we noted a number of weaknesses which had recently been corrected and procedures strengthened.

AGRICULTURAL SERVICES AND POLICY ANALYSIS PROJECT - ASPAP  
 SUMMARY OF AMOUNTS REIMBURSED BY USAID

RL	Period	Ministry	CATEGORY														Total				
			Lodging		Printing		Personnel		Supervision of Studies		Training		Equipment and Supplies		Construction		Other Costs		US\$	RPr	
			US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr					
4	1986-87	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Oct 87 - Dec 87	A and P	-	-	-	-	-	-	-	-	-	-	-	62,000	4,589,020	-	-	-	-	62,000	4,589,020
7	Jan 88 - Dec 88	A, P and F	46,249	3,536,393	10,760	822,754	145,602	11,133,390	-	-	4,967	379,000	54,400	4,159,708	-	-	40,133	3,009,975	45,133	3,009,975	
9	Jan 89 - Dec 89	A	51,457	4,078,604	979	77,589	81,820	6,485,300	45,431	3,601,027	-	-	42,005	3,327,245	-	-	8,500	656,041	270,550	20,688,006	
11	Jan 89 - Dec 89	P and F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,934	1,104,499	235,626	10,674,424	
14	Jan 90 - Dec 90	A	11,745	878,666	-	-	31,749	2,376,570	10,050	1,351,148	1,931	144,510	7,264	687,850	-	-	-	-	9,264	687,850	
15	Jan 90 - Dec 90	P	2,262	170,004	-	-	10,216	771,365	76	5,800	-	-	-	-	-	-	741	55,520	71,709	5,367,335	
19	Jan 90 - Dec 90	A	15,665	1,852,774	-	-	31,925	3,776,099	13,666	1,500,964	-	-	-	-	-	-	-	-	12,554	947,969	
20	Jan 90 - Dec 90	P	2,315	272,955	814	96,000	8,345	906,309	1,281	151,000	-	-	20,076	2,374,510	-	-	5,492	649,590	86,824	10,233,037	
21	Jan 90 - Sep 90	A	-	-	-	-	9,524	720,000	-	-	-	-	8,208	977,369	-	-	-	-	21,063	2,483,633	
			129,693	10,790,276	12,553	996,343	319,201	26,249,113	78,504	6,689,939	6,898	524,310	141,526	12,087,603	62,000	4,589,020	68,000	5,475,625	819,255	67,402,229	

Ministry

- A = Minagri
- P = Minfinanc
- F = Miniplan

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**AGRICULTURAL SERVICES AND POLICY ANALYSIS PROJECT - ASAP**  
**SUMMARY OF UNSUPPORTED EXPENDITURE DUE TO MISSING VOUCHERS**

PIL	Period	Ministry	CATEGORY														Total			
			Logistics		Printing		Personnel		Supervision of Studies		Training		Equipment and Supplies		Construction		Other Costs		US\$	RPr
			US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr	US\$	RPr				
4	1986-87	A	-	-	-	-	-	-	-	-	-	-	-	62,000	4,589,020	-	-	62,000	4,589,020	
5	Oct 87 - Dec 87	A and P	-	-	-	-	-	-	-	-	-	-	-	-	-	40,133	3,009,975	40,133	3,009,975	
7	Jan 88 - Dec 88	A, P and P	46,249	3,536,393	10,760	822,754	145,602	11,133,390	-	-	4,967	379,800	54,400	4,159,708	-	-	8,500	656,041	270,550	20,688,086
9	Jan 89 - Dec 89	A	31,470	2,522,300	-	-	53,881	4,333,842	20,859	2,321,407	-	-	26,459	2,126,994	-	-	7,770	624,687	148,439	11,929,230
11	Jan 89 - Dec 89	P and P	-	-	-	-	-	-	-	-	-	-	9,264	687,850	-	-	-	-	9,264	687,850
14	Jan 90 - Dec 90	A	3,866	217,500	-	-	201	14,278	3,996	283,570	-	-	4,978	353,234	-	-	400	28,420	12,641	897,882
15	Jan 90 - Dec 90	P	2,339	170,804	-	-	1,862	135,946	79	5,880	-	-	-	-	-	-	-	-	4,200	312,550
			83,124	6,447,877	10,760	822,754	201,546	15,617,456	32,934	2,510,777	4,967	379,800	95,101	7,327,786	62,000	4,589,020	56,803	4,319,123	547,315	42,113,793

**Ministry**

- A = Minagri
- P = Minifineco
- P = Miniplan

**AGRICULTURAL SURVEYS AND POLICY ANALYSIS PROJECT - ASPAR  
SUMMARY OF BUDGET OVERRUNS**

Category	PIL	Expenditure as per Budget		Amounts Reimbursed by USAID		Budget Overrun		Maximum Allowable Overrun		Questioned Costs		
		US\$	RWF	US\$	RWF	US\$	RWF	US\$	RWF	US\$	RWF	
Personnel	9	57,024	4,276,800	81,820	6,485,380	24,796	2,208,580	(144)	7,983	598,752	16,813	1,609,828
	7	105,321	7,372,500	145,602	11,133,390	40,281	3,760,890	(104)	10,532	737,250	29,749	3,023,640
		<u>162,345</u>	<u>11,649,300</u>	<u>227,422</u>	<u>17,618,770</u>	<u>65,077</u>	<u>5,969,470</u>		<u>18,515</u>	<u>1,336,002</u>	<u>46,562</u>	<u>4,633,468</u>
		*****	*****	*****	*****	*****	*****		*****	*****	*****	*****
Other Costs	9	5,600	420,000	13,934	1,104,499	8,334	684,499	(144)	784	58,800	7,550	625,699
	14/19	5,600	420,000	6,233	705,110	633	285,110	(154)	840	63,000	-	222,110
		<u>11,200</u>	<u>840,000</u>	<u>20,167</u>	<u>1,809,609</u>	<u>8,967</u>	<u>969,609</u>		<u>1,624</u>	<u>121,800</u>	<u>7,550</u>	<u>847,809</u>
		*****	*****	*****	*****	*****	*****		*****	*****	*****	*****

VEHICLE LOG BOOK  
FUEL AND OIL CONSUMPTION  
FLEET BY MINISTRY

Month	REGISTRATION		
	AB 8775	AC 0438	A 6960
METER AT START OF MONTH			
METER AT END OF MONTH	_____	_____	_____
KILOMETRES RUN	=====	=====	=====
CONSUMPTION			
Fuel - Vouchers -			
-			
-			
-			
-			
-			
TOTAL	FRW _____	_____	_____
	=====	=====	=====
LITRES/100 KMS	=====	=====	=====
Oil - Invoice -			
-			
-			
-			
-			
	FRW _____	_____	_____
	=====	=====	=====

VEHICLE LOG BOOK  
REPAIRS AND MAINTENANCE  
MINISTRY:

Make:

Registration No:

<u>Km</u>	<u>Date</u>	<u>Purchase</u> <u>Order</u>	<u>Cash/Bank</u> <u>Payment</u> <u>Voucher</u>	<u>Garage</u>	<u>Description</u> <u>of Spare Parts</u>	<u>Amount</u> <u>RWF</u>
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