

Nigeria Trip Report

**Patricia Daunas
April 12 - 23, 1993**

Acknowledgements

My sincere thanks are extended to Mrs. Lola Payne and Mr. USA Nnanta for their very hard work and dedication to this project. They have both accomplished a tremendous amount in a short period of time with only a few hands on board...

My sincere thanks and appreciation are also extended to the LSS trainers at Adeoyo State Hospital - Comfort, Ebun, Jume, Matilda and Sara whose dedication, hard work and hearts of gold have truly made a deep impression on me. They are an inspiration. ...and to Mrs. Jammal for travelling to Lagos to meet with me despite the fuel shortages.

EXECUTIVE SUMMARY

The MotherCare Project Nigeria field office was established in March 1992. At that time, a Project Coordinator, Mrs. Lola Payne, and an Administrative Assistant, Mr. USA Nnanta were identified and hired.

Since the establishment of the office, the MotherCare Nigeria field staff had not received any on-site training regarding JSI and AID financial reporting requirements. All guidance was provided from Washington via fax. Despite this "training by fax" mechanism, the Administrative Assistant in the field, Mr. USA Nnanta, did a tremendous job of completing the One-Write, and keeping neat and clear records. However, some loose ends were evident and there were some areas of confusion.

In addition, Mr. Nnanta was on sick leave from December through February, 1993 and the financial reports were being completed between Lagos and Washington: Mrs. Payne, Project Coordinator, was forwarding all monthly receipts and the One-Write was being completed in Washington. This method, of course, was not terribly efficient and led to several inaccuracies in the monthly reporting.

Following several requests from the field, MotherCare Program Associate, Patricia Daunas, travelled to Lagos from April 12-23, 1993. The overall focus of the trip was to provide guidance on JSI's administrative and financial reporting requirements and to provide training in the completion of the monthly financial reports.

This report contains a description of the activities conducted and recommendations made to the field office regarding their financial reports.

PURPOSE OF TRIP

Ms. Daunas' scope of work included:

1. review and revise, as needed, the monthly financial reports submitted to date;
2. train administrative assistant in the completion of One-Write system, including charging expenses to correct line items;
3. review JSI reporting and record keeping requirements including maintenance of advance ledgers, petty cash ledgers, monthly time sheets, etc.;
4. input a financial tracking mechanism into computer for monthly update by field office; and
5. assist Project Coordinator in reallocating budget and develop a pipeline through the end of the project.

B

ACTIVITIES

I. Monthly Financial Reports

Ms. Daunas reviewed all monthly financial reports since the beginning of the project - particularly those expenses related to the three months during Mr. Nnanta's absence, workshop activities, petty cash disbursements and advances. These appeared to be the most problematic areas of record keeping.

Workshops

Workshops, and/or training courses, are the major thrust of the Nigeria project. Life Saving Skills training is conducted on a regular basis in two states - Bauchi and Oyo. Each training has ten participants and lasts approximately 20 days. Approximately six trainers conduct the courses and each state has one Training Coordinator. Along with the usual per diem and transport allowances, these trainings incur many other expenditures. Reconciliation of the advances for these trainings have at times been difficult for Mr. Nnanta.

In order to track the expenditure of the advances, Mr. Nnanta has developed an attendance form for participants which is signed upon receipt of per diem and transport allowances. This form is being used by the Training Coordinators in both Bauchi and Oyo and is submitted to the office along with other receipts.

At times it is difficult for the training coordinators to collect receipts for expenditures other than per diem and transport. Therefore, together with Mr. Nnanta we determined that any expenditure of N500 or over will require a receipt. Otherwise that expense will be disallowed until the corresponding documentation is received by the field office.

Petty Cash

During the three months of Mr. Nnanta's absence, control of the petty cash proved to be difficult. Unfortunately, Mrs. Payne had, up until then, not been involved in the day-to-day recording of expenditures as per the One-Write and the petty cash ledger. Therefore, several credits and debits to the petty cash account were overlooked.

I reviewed petty cash expenditures from the onset of the project to date and determined a minimal discrepancy in the balance. Mr. Nnanta is to report his actual petty cash balance vs. the One-Write petty cash balance by month's end in order to determine the exact discrepancy.

Recommendations were made for Mr. Nnanta to maintain full control of petty cash. Any cash transaction from petty cash must be noted by Mr. Nnanta and the corresponding receipt must be duly issued and signed. No cash should leave petty cash without a

receipt. Mrs. Payne was also instructed in the handling of petty cash and was instructed not to incur any out-of-pocket expenses without reporting them to petty cash.

Mr. Nnanta was instructed to reconcile his petty cash at each month's end by comparing the balance on his One-Write to the actual amount he has left in his cash box. Mrs. Payne should then review the petty cash ledger, verify the reconciliation and sign the ledger.

Advances

Ms. Daunas reviewed all advances from the onset of the project to date since it had become evident that recording of these advances was a bit confusing. Since this project holds so many training courses outside of Lagos, oftentimes, advances would be made to Mrs. Payne who would, in turn, take the funds to the field and advance the funds to the training coordinators. Reporting of these "third party" advances became complicated and was often overlooked.

Therefore, Ms. Daunas reviewed all advances with Mr. Nnanta and discussed an easier method of reporting these advances which would avoid them being overlooked. For example, if Mrs. Payne takes an advance to the field to cover the projected expenses for a training, she will reconcile her advance with a receipt signed by the party receiving the funds. Consequently, a copy of the receipt from that third party will constitute another advance which will require a separate voucher and entry onto the monthly ledger.

The field staff has been advised that all advances must be properly reconciled before additional advances can be issued and Training Coordinators were advised that no expenditure over N500 will be allowed without the appropriate back up documentation.

2. Field Budget

Mrs. Payne and Ms. Daunas reviewed the existing field budget and determined that the budget needed to be reallocated in order to reflect actual activities and costs. High inflation has resulted in increased costs for travel, per diem., etc.

All activities: Field Office, TBA Training, LSS Training, Evaluation and Policy Meetings, Breastfeeding, and IEC - were all incorporated into the budget using actual costs. A pipeline was developed using actual expenditures through February '93 and projected expenditures through September 30, 1993. The pipeline shows that there are adequate funds to carry the project through the end of September.

3. IPC Training

Although not included in the scope of work, Ms. Daunas was fortunate enough to travel to Ibadan to observe a half day of Life Saving Skills Training at the Adeoyo State Hospital, as well as tour the hospital. The training session for the day was on Interpersonal Communications (IPC).

Although ten trainees are selected per training course, eleven trainees were present that day because a midwife who had not been selected to participate was adamant on attending the course and simply showed up.

Trainees appeared to be very receptive to the IPC training and were very enthusiastic and eager to discuss their relationships with their hospitals and with their patients.

As part of their training, trainees were split into groups and sent to tour specific wards of the hospital. Each group returned with observations regarding treatment of the patients, the actual infrastructure and cleanliness of the hospital, as well as availability of supplies. The trainees shared stories about how the midwives at their hospitals team together to purchase supplies which the hospital does not provide for them. One of the trainees told the group that the midwives at her hospital have a "kitty" where they each contribute a specified amount to buy supplies for the hospital such as mosquito netting.

4. Meet with Bauchi Training Coordinator

Mrs. Jammal, Bauchi LSS Training Coordinator, travelled to Lagos on Ms. Daunas' departure date. Although the time was short, they were able to discuss the back-up documentation required for the reconciliation of training advances. Mrs. Jammal, was very receptive to the requirements and agreed to follow the guidelines.

In addition, Mrs. Jammal mentioned that due to the tremendous fuel shortage in Nigeria, outreach has been extremely difficult. According to Mrs. Jammal, the Bauchi Specialist Hospital owns a bus which requires some mechanical work. She asked if MotherCare could provide support to fix the bus so that outreach activities could be conducted. By fixing the bus, MotherCare can in fact save money since car hire costs are extremely high with the fuel shortages. Ms. Daunas promised to review the pipeline budget and determine if funds are available to fix the bus - if the funds are available, then MotherCare will agree to fix the bus.

5. Financial Capability Checklist

Ms. Daunas completed the attached financial capability checklist prior to her departure from Lagos.

FINANCIAL CAPABILITY CHECKLIST

Name: MotherCare/Nigeria

Date: April 23, 1993

Person(s) Interviewed: USA Nnanta

I. Cash

1. Is there an accounting department? If so, how many employees are there and what are their titles? If not, who will do the bookkeeping?

There is no accounting department. Mr. USA Nnanta, Administrative Assistant, MotherCare/Nigeria handles the bookkeeping.

2. Do they have their own cash disbursement vouchering system? Are cash disbursements vouchers written on a current basis? Are vouchers complete, with proper review, signatures and back-up?

The MotherCare/Nigeria Office has its own cash disbursement vouchering system for petty cash transactions. In addition, the project uses the One-Write System for vouchering. The vouchers are written on a current basis - in fact, Mr. Nnanta completes a voucher with each transaction. The vouchers are mostly complete.

3. Who manages the accounts payable (cash disbursement) system? Mrs. Lola Payne with the assistance of Mr. Nnanta.

4. Do they reconcile bank cash to the general ledger monthly?

Mr. Nnanta reconciles the bank statement to the One-write ledger monthly. Reconciliation against the general ledger is done in Washington.

5. How is petty cash replenished? Is petty cash audited?

Petty cash is replenished on an as-needed basis. Since the project holds many training workshops, large sums of cash are sometimes put into petty cash in order to disburse the funds accordingly for the workshops.

The petty cash is not audited on a regular basis. This

is the first such audit being conducted. I have discussed this issue further with Mr. Nnanta and have reviewed acceptable JSI procedures for reviewing and reconciling petty cash.

6. Has the organization ever been audited? If so, when was the last time & by whom?

No.

7. Have they ever managed projects funded by overseas agencies? If so which agencies?

N/A

8. What was the largest single contract amount managed? What was the smallest single contract amount managed?

N/A

9. Is the stock of blank checks controlled? Are there two signatories on the checking account?

Yes, Mrs. Payne controls the stock of blank checks. The signatories on the account are Mrs. Lola Payne, Project Coordinator; Ms. Colleen Conroy, MotherCare Deputy Director; and Mr. Joel Lamstein, Vice President, John Snow, Inc.

II. Office and Administrative Management

1. Is the accounting office orderly and well maintained?

Mr. Nnanta keeps his financial records in a very orderly manner.

2. Are old records being maintained?

Yes, since the beginning of the project in March, 1992.

3. Is there a safe or file cabinet to lock petty cash and checks?

Yes. Mrs. Payne keeps the checkbook and petty cash box in her office locked in a file cabinet.

III. Purchasing and Receiving

1. Are budgets consulted before each project procurement is authorized?

Yes. Procurement costs are controlled by Mrs. Payne and Ms. Margaret Marshall, training coordinator,

MotherCare/ACNM consultant for training equipment. A budget is established for procurement and is being carefully followed.

2. Is there any separation of duties to insure control?

Unfortunately the MotherCare/Nigeria Project is grossly understaffed. Since the office only has two employees it is difficult to insure control at all times. I have reviewed several controls which should be instituted by both Mr. Nnanta and Mrs. Payne especially in reconciling of petty cash.

3. Is there a list of their equipment and furniture maintained?

A full comprehensive list is not available.

IV. Travel

1. Is a written policy being followed? If so briefly summarize.

The project follows all AID regulations related to travel. Per diem is established by the USAID Mission in Lagos - a maximum amount is allotted for lodging; an amount is allotted for MIE and should the traveller require more than the MIE amount, then a maximum amount is established which requires all corresponding receipts.

2. How is per diem advanced and settled? Are participants required to sign for all monies received?

Any transaction out of petty cash requires a signed receipt. In the case of workshops, a list of participants is developed and each participant signs on a daily basis for per diem, transport allowance, etc.

3. Are all required receipts (hotel/fax) furnished?

For the most part all back up documentation is furnished. Copies of all receipts are in Mr. Nnanta's files and originals are in JSI/DC. However, sometimes in the case of workshops it is difficult to collect all corresponding receipts from the training coordinators.

We have agreed that we need all the back-up documentation.

V. Local Hire Personnel Practices .

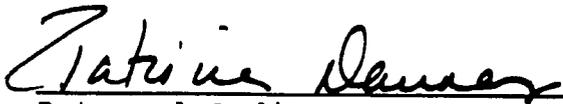
1. Are personnel files created for employees and consultants?

Yes.

2. Do they have timesheets for all staff members? Salary and Benefits registers?

Time sheets are now being kept on a regular basis. All past overdue time sheets are now under completion and will be submitted accordingly. No benefits registers are kept.

3. Are there any persons on the payroll of another AID project? No.


Internal Auditor