

Regional Inspector General for Audit  
Cairo, Egypt

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**Financial Audit of the Federation of Egyptian Industries,  
the Energy Conservation and Environment Component  
of the Science and Technology for Development Project  
(USAID/Egypt Project No. 263-0140)**

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Report No. 6-263-96-09-N  
February 8, 1996



FINANCIAL INFORMATION CONTAINED IN THIS  
REPORT MAY BE PRIVILEGED. THE RESTRICTIONS  
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ANY INFORMATION IS RELEASED TO THE PUBLIC.



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

CAIRO, EGYPT

February 8, 1996

**MEMORANDUM**

**TO :** DIRECTOR USAID/Egypt, John R. Westley  
**FROM:** RIG/A/C, Lou Mundy *Lou Mundy*  
**SUBJECT:** Financial Audit of the Federation of Egyptian Industries, the Energy Conservation and Environment Component of the Science and Technology for Development Project (USAID/Egypt Project No. 263-0140)

The attached report, transmitted January 10, 1996, by KPMG Hazem Hassan, presents the results of a financial audit of the Federation of Egyptian Industries (Federation) under Project Implementation Letter No. 5 of the Energy Conservation and Environment component of the Science and Technology for Development Project, USAID/Egypt Project No. 263-0140. The purpose of the project component is to improve the energy efficiency of Egyptian industrial and commercial firms by identifying energy-conserving technologies and then financing and promoting their use.

We engaged KPMG Hazem Hassan to perform a financial audit of the Federation's incurred expenditures of \$451,543 (equivalent to LE1,519,893) for the period July 1, 1992 through January 31, 1995. The purpose of the audit was to evaluate the propriety of costs incurred during this period. KPMG Hazem Hassan also evaluated the Federation's internal controls and compliance with applicable laws, regulations and agreement terms as necessary in forming an opinion regarding the Fund Accountability Statement.

The audit report did not identify any questioned amounts in costs billed to USAID/Egypt by the Federation. The auditors noted two reportable conditions in the Federation's internal controls.

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In response to the draft report, responsible Federation officials provided additional explanation to the report findings. KPMG Hazem Hassan reviewed the Federation's response to the findings but did not make changes to their position.

This report contains no recommendations to be included in the Office of the Inspector General's recommendation follow-up system.

The two reportable conditions identified by the auditor's review of the Federation's internal control structure should be handled directly between Mission and Federation officials.

Thank you for the cooperation and assistance extended to the audit staff on this engagement and your continued support of the financial audit program in Egypt.

Attachment: a/s

Financial Audit of the  
Federation of Egyptian Industries (FEI)  
Project Implementation Letter (PIL) No.5  
Under the Energy Conservation and Environment  
Project No.263-0140.3  
for the Period from July 1, 1992 through  
January 31, 1995

Financial Audit of the  
Federation of Egyptian Industries (FEI)  
Project Implementation Letter (PIL) No.5  
Under the Energy Conservation and Environment  
Project No.263-0140.3  
for the Period from July 1, 1992 through  
January 31, 1995

Table of Contents

	<u>Page</u>
<u>Introduction</u>	
Background	1
Audit Objectives and Scope	2
Results of Audit	4
Management Comment	5
<u>Fund Accountability Statement</u>	
Independent Auditor's Report	6
Fund Accountability Statement and Notes	8
<u>Internal Control Structure</u>	
Independent Auditor's Report	11
<u>Compliance with Laws and Regulations</u>	
Independent Auditor's Report	15
<u>Follow-up on the previous NFA Report</u>	
	17
<u>Appendices</u>	
Appendix I	FEI's Management Response
Appendix II	Auditor's Comments
Appendix III	Mission's Comments

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# **KPMG** Hazem Hassan

## **Public Accountants & Consultants**

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Mr. Lou Mundy  
Regional Inspector General for Audit-Cairo  
United States Agency for International Development  
Cairo, Egypt.

January 10, 1996

Dear Mr. Mundy,

This report represents the results of our financial audit of the Federation of Egyptian Industries (FEI) pursuant to Project Implementation Letter (PIL) No. 5 under the Energy Conservation and Environment Project No. 263-0140.3, the third component of the Broader Science and Technology for Development Project No. 263-0140 for the period from July 1, 1992 through January 31, 1995.

### **Background**

The Energy Conservation and Environment Project is designed to improve the energy efficiency of Egyptian industrial and commercial firms. This objective is accomplished by identifying energy-conserving technologies, not currently being used in Egypt, which offer significant potential for energy saving, financing the initial use of these technologies and promoting their continued use.

USAID/Egypt initiated PIL No. 5 to finance the project. The PIL approved a budget of LE280,000 (equivalent to \$83,185) to finance the project during the period from March 1, 1989, the inception of the project, through March 1, 1991. During that period, the budget and the completion date were amended several times. The budget became LE2,730,525 (equivalent to \$811,208) and the project completion date was extended to February 28, 1995.

On April 19, 1995, subsequent to the audited period, amendment No. 8 was issued. This amendment adjusted the budget to LE3,993,733 (equivalent to \$1,186,492) and extended the completion date to February 28, 1996.

A non-federal audit was conducted for the project and a non-federal audit report was issued on November 23, 1992. This report was for the period from March 1, 1989 through June 30, 1992.

### **Audit Objectives and Scope**

The objective of this engagement is to conduct a financial audit of USAID/Egypt's resources, provided pursuant to PIL No.5. These resources were managed by FEI under the Energy Conservation and Environment Project. The audit covered the period from July 1, 1992 through January 31, 1995. The audit encompassed an examination of FEI expenses and whether they were in compliance with the PIL terms, and a review of internal controls.

The specific objectives were to:

1. express an opinion on whether the fund accountability statement, for the USAID financed project of FEI, presents fairly, in all material respects, project revenues received and costs incurred for the periods under audit, in conformity with generally accepted accounting principles or other comprehensive bases of accounting, including the cash receipts and disbursements basis and modifications of the cash basis;
2. determine whether the costs reported as incurred under the agreement are, in fact, allowable, allocable, and reasonable in accordance with the terms of the agreement;
3. evaluate and obtain a sufficient understanding of the internal control structure of FEI, assess control risk and identify reportable conditions, including material internal control weaknesses and;
4. perform tests to determine whether FEI complied, in all material respects, with the terms of the agreement and applicable laws and regulations;

Preliminary planning and review procedures started in August 1995 and consisted of:

- discussions with RIG/A/C;
- a review of the PIL;
- interviews and discussions with the FEI key personnel concerning the status of the PIL, accomplishments during the period, the statutory reporting requirements, the PIL budget, procedures governing actual expenditures by FEI and reimbursement by USAID;
- reviews of the FEI organizational structure, procurement and personnel manuals, financial and accounting policies and procedures manual.

The field work was completed on October 1, 1995. The scope of our work was to audit costs incurred by FEI and reimbursed by USAID/Egypt under PIL No.5. Within each budget line item, we selected amounts for testing on a judgmental basis to test the majority of the related amounts. We tested expenditures of \$83,626 (equivalent to LE281,486) from total expenditures of \$451,543 (equivalent to LE1,519,893) (19%) incurred during the period from July 1, 1992 through January 31, 1995.

Our tests of expenditures included, but were not limited to, the following:

1. Reconciling FEI's accounting records to invoices issued to USAID/Egypt and testing costs for allowability, allocability, reasonableness and appropriate support;
2. Determining whether payroll costs were appropriate and conformed with the terms of the PIL and the relevant regulations;
3. Determining whether training, travel, office equipment and publication charges were adequately supported and approved;
4. Checking the adequacy of FEI's control over project equipment funded by USAID/Egypt;

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain

reasonable assurance about whether the fund accountability statement is free of material misstatement.

We did not have an external quality control review by an unaffiliated audit organization, as required by paragraph 33 of Chapter 3 of Government Auditing Standards, because no such quality control review program is offered by professional organizations in Egypt. We believe that the effect of this departure from the financial audit requirements of Government Auditing Standards is not material because we have participated in the KPMG worldwide internal quality control program. This program requires our office to be subjected, every two years, to an extensive quality control review by partners and managers from other KPMG offices.

As part of our examination, we made a study and evaluation of relevant internal controls and reviewed FEI's compliance with applicable laws and regulations.

#### Results of Audit

##### PIL No.5 Fund Accountability Statement

Our audit did not identify any questioned costs.

##### Internal Control

Our audit identified two reportable conditions; bank reconciliations were not prepared regularly and attendance records were not approved by the project directors. Additionally, other internal control weaknesses were noted and reported separately to the FEI management.

##### Compliance with Laws and Regulations

Our tests of compliance disclosed certain instances of noncompliance with the local laws regarding taxes and labor regulations. These instances are not considered to be material instances of noncompliance and were reported separately to the FEI management.

##### Supplementary Information

The supplementary fund accountability statement, presented in the functional currency, was communicated to FEI's management and is available upon request.

**KPMG** Hazem Hassan

**Management Comment**

FEI's management response did not change our position.

This report is solely intended for the use of the United States Agency for International Development and may not be suitable for any other purpose.

*H. Hassan*

Hazem Hassan & Co.  
Cairo, Egypt



# Hazem Hassan

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## Report on the Fund Accountability Statement Independent Auditor's Report

Mr. Lou Mundy  
Regional Inspector General for Audit-Cairo  
United States Agency for International Development  
Cairo, Egypt.

We have audited the accompanying fund accountability statement of the Federation of Egyptian Industries (FEI) for Project Implementation Letter (PIL) No.5 under the Energy Conservation and Environment Project No. 263-0140.3 for the period from July 1, 1992 through January 31, 1995. This statement is the responsibility of FEI's management. Our responsibility is to express an opinion on this statement based upon our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the presentation of the overall fund accountability statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not have an external quality control review by an unaffiliated audit organization, as required by paragraph 33 of Chapter 3 of Government Auditing Standards, because no

such quality control review program is offered by professional organizations in Egypt. We believe that the effect of this departure from the financial audit requirements of Government Auditing Standards is not material because we have participated in the KPMG worldwide internal quality control program. This program requires our office to be subjected, every two years, to an extensive quality control review by partners and managers from other KPMG offices.

The aforementioned fund accountability statement does not include the cost of USAID/Egypt's direct procurement of vehicles, equipment and technical assistance provided by USAID/Egypt directly to FEI, or the total revenues and costs incurred by FEI on an organization-wide basis.

As described in Note 1, the accompanying fund accountability statement has been prepared on the cash basis, which is a comprehensive basis of accounting other than the generally accepted accounting principles.

In our opinion, the fund accountability statement referred to above presents fairly, in all material respects, the amounts received and the costs incurred pursuant to the Project Implementation Letter (PIL) No.5, under the Energy Conservation and Environment Project No. 263-0140.3 for the period from July 1, 1992 through January 31, 1995 in conformity with the basis of accounting described in Note 1.

Hazem Hassan & Co.  
Cairo, Egypt

October 1, 1995

FUND ACCOUNTABILITY STATEMENT

FEDERATION OF EGYPTIAN INDUSTRIES (FEI)  
Fund Accountability Statement of Project Implementation letter (PIL) No. 5  
Under the Energy Conservation and Environment Project No. 263-0140.3  
For the Period from July 1, 1992 through January 31, 1995

USAID/Egypt fund received ₤  
444,616

<u>Expenditures</u>	<u>Questioned Costs</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Ineligible</u>	<u>Unsupported</u>
	\$	\$	\$	\$
Salaries	206,143	113,560		
Consultants	9,626	4,776		
Travel and Per Diem	40,584	26,942		
Training and Workshops	59,418	46,479		
Material and Supplies	40,550	18,111		
Office Equipment and Rent	79,370	48,783		
Publications	354,729	176,307		
Other Direct Costs	20,789	16,585		
<b>Total Expenditures</b>	<u><u>811,209</u></u>	<u><u>451,543</u></u>	<u><u>---</u></u>	<u><u>---</u></u>
Expenditures over cash received		6,927		
Line of Credit in NIB		33,603		
<b>Fund Balance</b> as of January 31, 1995		<u><u>26,676</u></u>		

\* The accompanying notes are an integral part of the fund accountability statement.

**FEDERATION OF EGYPTIAN INDUSTRIES**  
**(FEI)**  
**Fund Accountability Statement**  
**Project Implementation Letter (PIL) No.5**

**Notes to the Fund Accountability Statement**

**Note 1: Accounting Basis**

The fund accountability statement has been prepared on the basis of cash receipts and disbursements. Consequently, revenues are recognized when they are actually received and expenditures are recognized when they are actually paid.

**Note 2: Basis of Presentation**

The fund accountability statement is the representation of FEI's management and is the responsibility of the said management. The "Questioned Costs" columns represent the audit results and are included in the fund accountability statement for presentation purposes only.

**Note 3: Translation Rate**

Expenditures paid in Egyptian Pounds (LE) have been translated into US Dollars (\$). The period average exchange rate method was used. This rate is \$1 = LE3.366.

**Note 4: Questioned Costs**

Questioned Costs are presented in two separate categories - ineligible or unsupported - and consist of audit findings made on the basis of the terms of the PIL and related regulations, which prescribe the nature and treatment of reimbursable costs. Costs in the column labeled "Ineligible" are supported by vouchers or other documentation but are ineligible for reimbursement because they

are either unreasonable, not program related, or are prohibited by the PIL or applicable laws and regulations.

Costs in the column labeled "Unsupported" are also included in the classification of "Questioned Costs" and are related to costs that are not supported by adequate documentation. All questioned costs are described in the "Details of Questioned Costs" section of this report.

No questioned costs were identified during the audit.

**Note 5: USAID/Egypt fund received**

This line item represents the fund received from USAID/Egypt during the period from July 1, 1992 through January 31, 1995.

**Note 6: Line of Credit in the National Investment Bank (NIB)**

Government of Egypt (GOE) has an account in the NIB through which GOE provides lines of credit to USAID/Egypt funded projects.

On March 1, 1989, NIB provided a line of credit to the Project for \$19,608 (equivalent to LE66,000). During the period from March 1, 1989 through June 30, 1992, FEI used an amount of \$13,931 (equivalent to LE46,893) to cover the expenditures incurred in excess of the fund received from USAID/Egypt during that period. Consequently, the line of credit balance as of July 1, 1992, was \$5,677 (equivalent to LE19,107). During the period from July 1, 1992 through January 31, 1995 (the current audited period), the line of credit was extended, by an amount of \$27,926 (equivalent to LE94,000), to \$33,603 (equivalent to LE113,107).

**Note 7: Budget**

The budget represents USAID/Egypt's approved budget in accordance with the most recent amendment of the PIL No. 5 within the audited period. It includes the total budget of the project from March 1, 1989 to February 28, 1995.

INTERNAL CONTROL STRUCTURE

10A

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### Report on the Internal Control Structure Independent Auditor's Report

Mr. Lou Mundy  
Regional Inspector General for Audit-Cairo  
United States Agency for International Development  
Cairo, Egypt.

We have audited the accompanying fund accountability statement of the Federation of Egyptian Industries (FEI) for Project Implementation Letter (PIL) No.5 under the Energy Conservation and Environment Project No. 263-0140.3 for the period from July 1, 1992 through January 31, 1995 and have issued our report thereon on October 1, 1995.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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 from material misstatement.

We did not have an external quality control review by an unaffiliated audit organization, as required by paragraph 33 of Chapter 3 of Government Auditing Standards, because no such quality control review program is offered by professional organizations in Egypt. We believe that the effect of this departure from the financial audit requirements of Government Auditing Standards is not material because we have participated in the KPMG worldwide internal quality control program. This program requires our office to be subjected, every two years, to an extensive quality control review by partners and managers from other KPMG offices.

The management of FEI is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments 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 fund accountability statement in accordance with the cash basis of accounting. 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.

In planning and performing our audit of the fund accountability statement of the Federation of Egyptian Industries (FEI) for the Project Implementation Letter (PIL) No.5 under the Energy Conservation and Environment Project No. 263-0140.3 for the period from July 1, 1992 through January 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the fund accountability statement and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the fund accountability statement. Our audit disclosed the following reportable conditions:

**Finding No.1**

During our audit we noted that FEI does not prepare the bank reconciliations on a regular basis.

A good internal control system requires that bank reconciliations be prepared, on a monthly basis, to explain the difference between the cash balance per bank statement and per cash book.

FEI management believed that bank statements were sufficient to control the USAID/Egypt fund.

The lack of bank reconciliations may lead to a discrepancy between the cash book and the bank statement which could affect the fair representation of the fund accountability statement.

We recommend that FEI prepare, review and approve monthly bank reconciliations.

**Finding No.2**

During our audit we noted that the attendance records are not approved by the project director.

A sound internal control structure requires that transactions be executed in accordance with management's authorization and recorded properly to permit the preparation of the fund accountability statement.

The FEI's management asserted that, due to the small number of the project staff, the staff attendance is reviewed through observation. Additionally, the attendance records are approved but the evidence of the approval is not documented.

Lack of documented approval of the attendance records before entering the data into the accounting records may lead to errors occurring and not being detected in the normal course of business.

We recommend that FEI project director document his approval of the attendance records.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control elements does not reduce to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the fund accountability 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. However, we believe that the reportable conditions described above are not material weaknesses.

We also noted other matters, involving the internal control structure and its operation, that we reported to the management of FEI in a separate letter dated October 1, 1995.

This report is intended for the information of FEI's management and others within the organization, and the United States Agency for International Development. However, this report is a matter of public record, and its distribution is not limited.

*M. Kamel* →

Hazem Hassan & Co.  
Cairo, Egypt

October 1, 1995

COMPLIANCE WITH LAWS AND REGULATIONS

# **KPMG** Hazem Hassan

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### Report on Compliance with Laws and Regulations Independent Auditor's Report

Mr. Lou Mundy  
Regional Inspector General for Audit-Cairo  
United States Agency for International Development  
Cairo, Egypt.

We have audited the accompanying fund accountability statement of the Federation of Egyptian Industries (FEI) for the Project Implementation Letter (PIL) No.5 under the Energy Conservation and Environment Project No.263-0140.3 for the period from July 1, 1992 through January 31, 1995 and have issued our report thereon on October 1, 1995.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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.

We did not have an external quality control review by an unaffiliated audit organization, as required by paragraph 33 of Chapter 3 of Government Auditing Standards, because no such quality control review program is offered by professional organizations in Egypt. We believe that the effect of this departure from the financial audit requirements of Government Auditing Standards is not material because we have participated in the KPMG worldwide internal quality control program. This program requires our

office to be subjected, every two years, to an extensive quality control review by partners and managers from other KPMG offices.

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

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards. However, we noted certain instances of noncompliance that are not considered to be material instances of noncompliance. We have reported those instances of noncompliance to the management of FEI in a separate letter dated October 1, 1995.

This report is intended for the information of FEI's management and others within the organization and the United States Agency for International Development. However, this report is a matter of public record and its distribution is not limited.

*M. Karmel* →

Hazem Hassan & Co.  
Cairo, Egypt

October 1, 1995

FOLLOW UP ON THE PREVIOUS NFA REPORT

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**Follow-up on the Previous NFA Report**

We have followed up on the findings and recommendations identified in the previous NFA report for the period from March 1, 1989 through June 1, 1992 as required by paragraph 10 of Chapter 4 of Government Auditing Standards

Findings and recommendations that may affect the fund accountability statement have been considered during our audit. Findings resolved and recommendations implemented to the satisfaction of ourselves have not been reported in this report.

APPENDIX I

FEI'S MANAGEMENT'S RESPONSE



December 25, 1995

Hazem Hassan & Co.  
Public Accountants & Consultants  
72, Mohi Eldin Abul Ezz Street  
Mohandeseen, Cairo, Egypt

Subject: The Non-Federal Audit of ECEP/FEI

Dear Sirs,

Referring to your financial audit of the Federation of Egyptian industries (FEI), Project Implementation Letter (PIL No. 5), under the Energy Conservation and Environment Project (ECEP) No. 263-0140.3, for the period from July 1, 1992 through January 31, 1995. I have the pleasure to inform you that, the two reportable conditions of internal control, that were taken in your audit report will be considered as following:-

- 1- Bank reconciliations will be prepared on a monthly basis. The ECEP/FEI administration and financial manager will take the necessary actions to obtain the bank reconciliations regularly. This procedure will explain the difference between the cash balance per bank statement and per case book. ECEP/FEI executive director will review and approve the bank reconciliations jointly with the A/F manager.
- 2- ECEP/FEI executive director will approve the attendance records regularly and before entering the data into the accounting records in particular

In addition the above mentioned reportable conditions will be included into the ECEP/FEI's Accounting System and Staff Regulations.

If you have any comments or questions,...etc. don't hesitate to call me.

Sincerely,



Mohamed Kamal  
Executive Director  
ECEP/FEI

c.c. Mrs. Shirley Hunter, Office Director,  
Financial Analysis Division, USAID

Mr. Jim Goggin, Project Officer,  
PDS/ENV., USAID

Mrs. Salwa Wahba, Project Officer,  
PDS/ENV., USAID

APPENDIX II

AUDITOR'S COMMENTS

**AUDITOR'S COMMENTS**

We have reviewed FEI's response, which is included in Appendix I. This response has not changed our understanding of the fund accountability statements, reportable conditions in the Report of Internal Control Structure or our finding in the Report on Compliance with Laws and Regulations.

APPENDIX III

MISSION'S COMMENTS

**USAID**



CAIRO, EGYPT

UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

RECEIVED

6 FEB 1996

**MEMORANDUM**

**DATE** : February 4, 1996

**TO** : Lou Mundy, RIG/A/C

**FROM** : Eric Schaeffer, A/OD/FM/FA *Eric Schaeffer*

**SUBJECT** : Financial Audit of the Federation of Egyptian Industries, the Energy Conservation and Environment Component of the Science and Technology for Development Project No. 263-0140 - Draft Report dated January 23, 1996

Mission has no comments to offer on the subject report which contains no recommendations. Please issue the final report.

cc: HRDC/ENV: J. Goggin  
S. Wahba