

EASTERN ORD OF UPPER VOLTA

FINANCIAL INFORMATION AND FORECASTS

1980 - 1981

Touche Ross & Co.

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Our ref. CS/JDW/1025

September 17, 1980

The Director
United States Agency
for International Development
c/o U.S. Embassy
Ouagadougou
Upper Volta

Dear Sir,

Contract: REDSO/WA 80-208 (Part II)

We have performed an examination of the management and financial organisation of the Eastern "Organisme Regional de Developpement" (ORD) of Upper Volta. Our earlier report, dated September 2, 1980, covered accounting procedures, internal control and the management study. This report deals with the financial information for the year ended March 31, 1980 and forecasted activities for the year ending March 31, 1981. This latter part of the report should be read in conjunction with the opinion expressed at page 22.

As discussed with you prior to beginning this part of our assignment, both you and we were aware of the limitations of the quality of accounting records at the Eastern ORD. We performed this assignment by spending a limited number of days at the ORD gathering information, and then preparing the accompanying financial information. We have audited the accompanying financial information.

As explained in our earlier report, there are serious deficiencies in the basic internal controls of the ORD, and therefore, it cannot be assumed that the accounting systems have recorded transactions in a reliable manner. As expected, we encountered numerous difficulties when preparing the accompanying financial information. Several examples of the problems we encountered are outlined below (this list is not intended to include all problems):

- Accounting transactions are recorded several months late. During the year, the general ledger control accounts were not balanced with supporting ledgers or appropriate detail.

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- Our comparison of general ledger balances with supporting detail disclosed a net difference of CFA 43.893.000 (debit). This is made up of CFA 127.366.000 debit items, offset by 83.473.000 credit items. (see page 12 for details).
- Filing of documents is very poor. In many cases supporting documents (invoices, bank statements, bank advices, etc.) could not be found.
- The ORD's trial balance of general ledger accounts showed credit balances CFA 3.643.000 higher than debit balances.
- We found examples of transactions (both revenue and expense, which had not been recorded in the accounts.

Because we have not performed an audit, we are unable to and do not express an opinion on the accompanying financial information. Furthermore, because of the unexplained differences and missing documents, readers should place a low level of reliability on the accompanying financial information.

Yours faithfully,

Touche Ross & Co

TOUCHE ROSS & CO.
ABIDJAN

EASTERN ORD

BALANCE SHEET
(unaudited)

	March 31			March 31	
<u>ASSETS</u>	1979	1980	<u>LIABILITIES</u>	1979	1980
	(CFA 000's)			(CFA 000's)	
Fixed Assets (Note 1):			Equity:		
Buildings	90.711	130.012	Contribution	3.000	3.000
Vehicles	69.980	92.870	Retained earnings	47.395	3.730
Equipment	60.929	97.426	Current year loss	(43.665)	(49.097)
	221.620	320.308			
Less: accumulated depreciation	(66.360)	(122.701)	Equipment subsidies (Note 6)	6.730	(42.367)
	155.260	197.607		98.193	156.775
				104.923	114.408
Inventories (Note 2):			Projects in progress (page 13)	29.240	(13.099)
Total	133.446	103.301	Contribution to the revolving fund		
Less: reserve for obsolescence	(3.396)	(1.942)	(Note 3)	144.512	165.061
Net inventory	130.050	101.559	Other liabilities:		
			Accounts payable	99.823	107.276
Revolving fund (Note 3):			Bank loans (Note 7)	71.890	63.438
Short term loans	4.333	8.276	Mobyette retentions (Note 8)	10.068	10.833
Medium term loans	47.245	71.528	Other liabilities	16.455	21.049
	51.578	79.804		198.236	202.596
Less: allowance for doubtful accounts	(3.184)	(2.473)			
	48.394	77.331			
Other assets:					
Advances to suppliers	2.431	12.492			
Prepaid expenses (Note 4)	17.903	17.903			
Sundry debtors	10.552	604			
Due from employees (Note 5)	-	15.957			
	30.886	46.956			
Cash and bank accounts	112.321	45.713			
	476.911	468.966		476.911	468.966
	=====	=====		=====	=====

EASTERN ORD
STATEMENT OF REVENUE AND EXPENSES

Year ended March 31
(unaudited)

<u>Revenues</u>	<u>1979</u> <u>(CFA 000's)</u>	<u>1980</u> <u>(CFA 000's)</u>	<u>Expenses</u>	<u>1979</u> <u>(CFA 000's)</u>	<u>1980</u> <u>(CFA 000's)</u>
Sales (Note 9):			Purchases:		
- Local products (Marketing fund)	17.527	937	- Local products	4.303	4.044
- Agricultural material	41.865	22.219	- Agricultural material	24.662	3.560
- Pesticides and Insecticides	2.985	3.659	- Pesticides and Insecticides	7.137	-
- Fertilizer	2.401	2.688	- Fertilizer	2.625	-
- Cement	902	-	- Cement	4.124	1.036
- Seeds	4.868	1.440	- Seeds	2.111	1.787
- Veterinary products	3.637	672	- Veterinary products	2.741	1.903
- Sundry	334	-	- Animal traction - purchases	-	12.359
	<u>71.519</u>	<u>31.615</u>	Less items sold (note 12)	-	(3.988)
Operating subsidies from Donors (Note 10)	115.055	200.205	- Sundry	4	105
Interest on time deposits	2.456	24	- Inventory (increase) decrease	47.707	20.806
Other	718	5.876		(11.239)	30.145
Adjustment of prior years (Note 11)	12.359	2.899	- Cost of sales (Note 9)	<u>36.468</u>	<u>50.951</u>
	<u>130.588</u>	<u>209.004</u>	Personnel	112.450	106.064
	<u>205.107</u>	<u>240.619</u>	Motor fuel and lubricants	20.810	25.703
Loss for the year	43.665	49.097	Taxes	579	31
	<u>248.772</u>	<u>289.716</u>	Purchased services	37.779	34.482
	=====	=====	Traveling expenses	1.374	2.076
			General and administrative expenses	23.798	14.539
			Bank charges	40	961
			Increase (decrease) in accrued expenses	9.202	(2.165)
				<u>206.032</u>	<u>181.691</u>
			- Depreciation (Note 1)	26.810	56.342
			Less: depreciation on contributed assets (Notes 1 and 6)	(20.538)	(43.161)
				<u>6.272</u>	<u>13.181</u>
			- Unexplained and unreconciled difference in the accounts (Note 13)	-	43.893
				<u>248.772</u>	<u>289.716</u>
				=====	=====

See accountants letter - page 1

EASTERN ORDNOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 19801. Fixed Assets

Fixed assets are recorded at cost. The ORD also records fixed assets which are purchased directly by donors, and items which the ORD purchases as part of a specific project. These contributed assets are also recorded in the equity account "Subsidies for fixed assets".

Depreciation is recorded on the straight line basis over the following estimated useful lives:

- buildings 10 years
- equipment 10, 5 and 3 years
- vehicles 2 and 3 years

Depreciation is also recorded on contributed fixed assets (see above). The depreciation expense is then offset by a corresponding reduction in the account "Subsidies for fixed assets".

Detail of the building account at March 31, 1980 was:

	<u>(CFA 000's)</u>
Administrative building and installations	71.307
Building - MSU	25.694
Wells (AFDI)	7.158
Director's villa	7.375
Construction in progress	18.478
	<hr/>
	130.012
	=====

EASTERN ORDNOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 19802. Inventories

The detail of year-end inventories is

	<u>1979</u>	<u>1980</u>
	(CFA 000's)	
- Fertilizer	9.290	6.006
- Pesticides and insecticides	21.262	12.804
- Seeds	3.410	611
- Local products	4.152	278
- Agricultural materials and spare parts	91.104	69.085
- Veterinary products	4.228	5.117
- Sundry	-	9.400
	<u>133.446</u>	<u>103.301</u>
	=====	=====

Purchased products are valued at average cost. Agricultural material, which is assembled at the ORD is valued at the government imposed sales price. However, the price used by the ORD has not been updated for the past three years and we estimate that the value of agricultural material is below cost price by 15% or Cfa 9.000.000. No adjustment was made for this difference for reasons of prudence and lack of adequate supporting documentation.

The inventory was counted on December 31, 1979 and this valuation is used in the balance sheet at March 31, 1980. ORD management explained that there was no stock movement between December 31, 1979 and March 31, 1980. We were unable to verify if this was true.

Our review of the EDP inventory listing also disclosed two multiplication errors. Although, not for large amounts, these errors cast doubt as to the clerical accuracy of the entire listing.

The reserve for obsolescence amounts to 10% of perishable items. Our review did not disclose that additional amounts were needed.

EASTERN ORDNOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 19803. Revolving Fund

Most sales of agricultural products are made on credit through the Revolving Fund. Short term loans are repayable at the end of the harvest and medium term loans are repayable over 2 or 3 years. Interest charges of 5,5% or 8% are included in the sales price and credited to income when the sale is made.

The detail of outstanding credit is maintained on EDP. We noted that the EDP detailed listing exceeded the general ledger contract account by CFA 20.347.000 at March 31, 1980 and an adjustment was recorded. Approximately 50% of this difference existed at March 31, 1979.

During our review of the Revolving Credit we found unexplainable differences between totals in one EDP output which should correspond to amounts used in other output.(e.g. EDP output for credit outstanding, at beginning and end of year, new credit issued and past due items).

The accounting records indicate that CFA 165.061.000 has been contributed to the ORD for use in the revolving fund. One EDP document indicates that over the years CFA 95.882.883 of credit was extended and collections of CFA 17.970.072 were received. It appears therefore that not all contributions are used for the Revolving Fund.

Detail of donor contributions to the Revolving Fund in prior years were not available. Contributions during the year ended March 31, 1980 were:

<u>Donor</u>	<u>CFA 000's</u>
- AFDI	15.187
- CTS	1.899
- Sundry (not reconciled)	3.463
	<hr/>
	20.549
	=====

EASTERN ORDNOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 19804. Prepaid expenses

The amount shown in the accounts is the same as last year. The general ledger does not give any movement for the year ended March 31, 1980 because expenses are charged directly to the income statement during the year. As the chief accountant had not yet prepared a detail of the actual prepaid expenses at March 31, 1980, last year's balance was carried forward.

5. Due from employees

This account represents claims against agents or employees of the ORD.

The major amount receivable is related to an unexplained inventory difference (CFA 13.925.013) which is considered to be the responsibility of an employee. There is another amount receivable (CFA 1.754.308) for a similar unexplained difference in revolving credits.

We were unable to determine if these amounts are realizable assets.

EASTERN ORD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1980

6. Equipment subsidies

As explained in Note 1, the ORD capitalizes fixed assets contributed by donors and fixed assets which are part of a specific project. These subsidies are credited to an equity account, which is reduced each year by an amount equal to the depreciation of the related assets. Detail of this account was, at March 31, 1980:

<u>Donor</u>	(CFA 000's)		
	<u>Received</u>	<u>Depreciated</u>	<u>Remainder</u>
Budget National	22.417	(17.879)	
U.S.A.I.D.	92.517	(33.017)	
FENU	45.666	(10.528)	
OXFAM	1.434	(1.031)	
FAO	6.950	-	
FDR	3.095	-	
CTS	30.936	-	
AFDI	18.350	-	
CCCE/Sofitex	39.734	-	
Sundry	1.292	-	
1979/1980 not yet allocated by donor		(43.161)	
	262.391	(105.616)	156.775
	=====	=====	=====

7. Bank loans

The amounts shown by the ORD as loans consist of the following as of March 31, 1980 (CFA 000's):

<u>Due to</u>	<u>Maturity</u> <u>date</u>	<u>Interest</u> <u>rate</u>	<u>Unpaid</u>			<u>Total</u>
			<u>Principal</u>	<u>Interest</u>	<u>Penalties</u>	
BND (1)	1976	7,5%	25.920	12.481	9.711	48.112
OFNACER (2)	1977	-	15.326	-	-	15.326
						63.438
						=====

EASTERN ORDNOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1980

These amounts are guaranteed by the government of the Republic of Upper Volta.

- (1) Banque Nationale de Développement - The BND granted to the ORD three short term loans for a total amount of CFA 107.500.000 for marketing revolving funds. Two have been reimbursed. The ORD still owes the BND CFA 25.920.000 of the last loan and interest on all the loans.
- (2) Office National des Céréales - This state organism has bought 2,500 metric tons of standing crop and paid in advance CFA 29.125.000. The ORD delivered cereals for a total amount of CFA 13.799.000 only. Therefore, the ORD must refund CFA 15.326.000. OFNACER does not charge interest on this amount.

8. Mobylette retentions

The ORD received from the USAID a number of "mobylettes". To renew these mobylettes after two years, the ORD withholds monthly amounts from the salary of the people who received the mobylettes.

9. Sales

The sales figure of CFA 74.519.000 for the year 1978/1979 appears reasonable. The sales figure of CFA 31.615.000 for the year 1979/1980 appears to be significantly understated because numerous sector cash reports have not been recorded. It was not possible to determine the amount of unrecorded sales.

EASTERN ORDNOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 198010. Operating subsidies from donors

Detail of funds received were difficult to obtain from the accounting records. Our review disclosed the following:

	<u>CFA 000's</u>
1. Funds which were identified as relating to the various projects (see page 13 for details)	109.867
2. Funds received from the Government of Upper Volta. No trace was found in the accounting records; this figure was obtained by discussions with the direction of the ORD.	17.500
3. Unexplained difference - In order to assess the income for donors to the ORD it was necessary to rely upon incomplete records. Therefore wherever there were unpaid statements of operating expenses for which no receipt was recorded in the donors' account on the general ledger an adjustment to debtors was made. These totalled ...	72.838

There is the possibility that some of these have been received, recorded in the operating subsidies account directly, and form part of the unexplained difference in bank accounts in Note 13.

Per financial statements	<u>200.205</u> =====
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11. Adjustment of prior years

This account represents the outcome of transactions of previous periods.

EASTERN ORDNOTES TO THE FINANCIAL STATEMENTSMARCH 31, 198112. Animal traction

The ORD provides cash funds to extension agents for the purchase of animal traction. These animals are then resold to local farmers without markup. The accounts at March 31, 1980 indicate purchases which exceed resales. One explanation could be the fact that numerous sector cash reports have not yet been recorded.

13. Unexplained and unreconciled differences

	<u>DEBIT</u>	<u>CREDIT</u>
	<u>CFA 000's</u>	
Difference between debit and credit balances in ORD trial balance	3.643	
Unrecorded revenues on projects	68.510	
Excess expenses recorded on projects	4.495	
Adjustment of the bank loans		8.452
Unreconciled difference in bank accounts		30.193
Understatement of revolving fund in general ledger compared to EDP detail		20.347
To adjust sector cash funds to March 31, 1980 balances	26.150	
Other	84	
	<u>102.885</u>	<u>58.992</u>
Net effect		43.893
	<u>102.885</u>	<u>102.885</u>
	=====	=====

EASTERN ORO
PROJECTS - REVENUES AND EXPENDITURES

Year ended March 31, 1980
(unaudited)

	<u>FAO</u>	<u>DAI</u>	<u>AFDI</u>	<u>CTS</u>	<u>FENU</u>	<u>FDR</u>	<u>USAID</u>	<u>Other</u>	<u>Total</u>
REVENUES	8.266	35.770	14.996	47.430	18.180	11.106	36.551	3.463	175.762
EXPENDITURES:									
- Revolving funds	-	-	15.187	1.899	-	-	-	3.463	20.549
- Investments (land and building)	-	39.734	3.022	2.859	-	-	-	-	68.293
- Equipment	1.350	-	227	23.308	3.158	1.210	15.218	-	32.157
- Operating expenses	7.936	44.734	1.665	5.531	5.501	300	33.693	-	109.867
	<u>9.286</u>	<u>84.468</u>	<u>20.101</u>	<u>33.597</u>	<u>14.909</u>	<u>12.317</u>	<u>52.725</u>	<u>3.463</u>	<u>230.866</u>
Balance beginning of the year	<u>-</u>	<u>-</u>	<u>14.893</u>	<u>-</u>	<u>11.863</u>	<u>511</u>	<u>14.586</u>	<u>152</u>	<u>42.005</u>
Balance at year-end	<u>(1.020)</u> =====	<u>(48.698)</u> =====	<u>9.788</u> =====	<u>13.833</u> =====	<u>15.134</u> =====	<u>(700)</u> =====	<u>(1.588)</u> =====	<u>152</u> ===	<u>(13.093)</u> =====

Note : A brief description of each project
is included on the following pages.

EASTERN ORD
DESCRIPTION OF PROJECTS
MARCH 31, 1980

1. FAO

- Period : January 1, 1979 to March 31, 1982
- Activities: Technical assistance project with two objectives
 - Plant production ("Hollows" planning)
 - Agricultural Education

FAO and the Government of Upper Volta which are both involved in the project finance 6 experts who are working on the ground (the project envisages another 4 experts).

- Financing:

Payment of salaries of the experts is done by the ORD which charges it to FAO and the Government. Other items are pre-financed by FAO using an imprest account.

- Total Budget:

Government : CFA 151,4 M
 PNUD : US \$ 1,683 M (+ CFA 350 M.)

- Donors:

Upper Volta Government
 PNUD

2. DAI (Développement Agricole Intégré)

- Period: January 1, 1979 to December 31, 1981
- Activities: 4 main objectives:
 1. Plant production (especially cotton)
 2. Animal husbandry
 3. Road building (+ 144 km)
 4. Drilling for water(+ 40 wells in total, of which + 20 are in use at 31 August 1980).

EASTERN ORD
DESCRIPTION OF PROJECTS
MARCH 31, 1980

- Financing:

ORD finances the project and regularly sends a statement of expenses to the donors for reimbursement.

- Total Budget:

CFA 660 M

- Donors:

CCCE	85%
Sofitex	15%

3. AFDI (Agriculture Française et Développement International)

- Period: January 1st, 1978 to December 31, 1980

- Activities: Development program in the Kanthari section.
 3 subdivisions:

- Rural planning (roads, hollows, wells..)
- Community activities (Agricultural use of animal traction, country stores..)
- Education

- Financing:

On the basis of a budgeted program, AFDI sends the funds for the following six months. Each six months, ORD must report to AFDI the actual expenses.

- Total budget:

CFA 120 M

- Donor:

AFDI

EASTERN ORDDESCRIPTION OF PROJECTS
MARCH 31, 19804. CTS (Coopération Technique Suisse)

- Period: January 1st, 1978 to December 31, 1978 Phase I
January 1st, 1979 to September 30, 1980 Phase II

- Activities:

- Phase I was mainly a study of the needs of the area
- Two projects in Phase II

1. Project "Reforestation"
Replanting based on participation of the villagers
2. Rural development project in Diapaga section
(Well drilling, promotion of professional association)

- Financing:

On the basis of a budgeted program, CTS sends the funds; on a quarterly basis, ORD has to justify the use of the funds to get another advance.

- Total Budget:

Phase I : CFA 9 M
Phase II: CFA 250 M

- Donors:

CTS

5. FENU (Fonds d'équipement des Nations-Unies)

- Period: January 1st, 1977 to March 31, 1981
Should have been finished in 1979 but because finance was delayed, the construction sub-project is still open.

EASTERN ORDDESCRIPTION OF PROJECTSMARCH 31, 1980- Activities:

The purpose of the project is to provide funds for purchasing animals and to build the necessary related infrastructure.

- Financing:

There is a bank account in Ouagadougou for the project and signatures of both ORD and FENU are needed to make payments. Most of the time, ORD provides finance itself and then claims reimbursement from FENU.

- Total Budget:

CFA 90 M

- Donors:

PNUD

6. FDR (Fonds de développement rural)

A Voltaic organisation for management of funds.

It is financed by - BIRD (World Bank)

- FED (Fonds Européen de Développement)

- Period: January 1st, 1978 to December 31, 1980

- Activities:

Two types of project:

1. Hollows Planning, replanting

2. Participation in "Micro-projects"

- Financing:

Depends on the type of project:

- Type 1. prefinancing by ORD

- Type 2. prefinancing by FED of 30% of the Micro-projects - Balance is paid after checking that the prefinancing was correctly spent.

EASTERN ORD
DESCRIPTION OF PROJECTS
MARCH 31, 1980

- Total Budget:

CFA : 35 M.

- Donors:

BIRD
 FED

7. USAID

- Period : Project started in 1975 and will continue for the foreseeable future.

- Activities:

1. Project for integrated rural development
 agriculture using animal traction
 contribution to the financing of ORD buildings
 Applied research (financing of the mission MSU)
2. "Revolving fund" (finished in 1979)
3. "Role of women in development" (finishing on
 December 31, 1980)
4. "Animal husbandry" (finished September 30, 1980)
5. "Urban services and development" (study of the impact
 of urban services on rural development)
6. "Non-formal education" (construction of community
 centers)

Activities 2, 3, 4, 5, 6 are not solely related to the Eastern ORD.

- Financing:

Prefinancing by ORD. A periodical statement of expenses is sent to USAID to be reimbursed. Now ORD is negotiating with USAID to set up a system of advance payments by the donor.

- Total Budget:

CFA : 1.400 M

- Donor:

USAID

EASTERN ORDDESCRIPTION OF PROJECTS
MARCH 31, 19808. GENERAL

Only three of the above projects are currently scheduled to continue into 1981-82; namely:

- FAO
- DAI (secteur Diapaga)
- CTS (Reforestation)

Most of the projects appear to be running behind the scheduled timetable, and it is possible that some of these projects will carryover for a longer period of time.

Also, some new projects and extensions to several existing projects are now in the discussion stage. Most important is "Projet Vivrier".

We have obtained the preceding information by examining the accounting records, and discussions with Messrs. Lompo, Zempo and other ORD personnel. It has not been checked in detail with the individual donors.

EASTERN ORD
REVOLVING FUND
MOVEMENT DURING YEAR ENDED MARCH 31, 1980

	<u>CFA 000's</u>		
	<u>Short term</u>	<u>Medium Term</u>	<u>Total</u>
Beginning balance (March 31, 1979)	5.402	59.177	64.579
New loans			21.042
Less repayments			(9.164)
Unexplained difference			<u>3.347</u>
Closing balance (March 31, 1980)	<u>8.176</u> =====	<u>71.528</u> =====	<u>79.804</u> =====

EASTERN ORD

REVOLVING FUND

The following schedule provides details as to increases in the Revolving Fund since inception, by donor and by year.

It should be noted that the total on this schedule (CFA 84,720,428) does not agree with another FDP document which shows total credit extended to be BF 95,882,883. We were unable to determine the reason for this difference.

Also the increase in credit extended through Revolving Fund should roughly equal the sales of agricultural material. We did not obtain a logical explanation as to why sales of agricultural material amounted to CFA 41,865,000 in 1978/1979 but the schedule below shows new credit of only CFA 12,158,030.

TOUS SECTEURS CONFONDUS											PAGE
CAMPAGNE	DONORS	SHORT TERM			MEDIUM TERM			TOTAL			
		NB. OF LOANS	NB. OF PAYEES	AMOUNT OF THE CREDITS	NB. OF LOANS	NB. OF PAYEES	AMOUNT OF THE CREDITS	NB. OF LOANS	NB. OF PAYEES	AMOUNT OF THE CREDITS	
75/76	USAID	0	0	0	1	1	13.600	1	1	13.600	
	AFCI	0	0	0	5	5	168.000	5	5	168.000	
	CCDR	0	0	0	14	45	655.200	14	45	655.200	
TOTAL		0	0	0	20	51	836.800	20	51	836.800	
76/77	CRC	11	11	28.400	0	0	0	11	11	28.400	
	USAID	0	0	0	98	123	5.369.950	98	123	5.369.950	
	AFCI	0	0	0	1	1	48.250	1	1	48.250	
	FAG	0	0	0	25	25	2.353.794	25	25	2.353.794	
	CCDR	0	0	0	44	39	205.000	44	39	205.000	
TOTAL		11	11	28.400	128	108	8.056.994	139	199	8.056.994	
77/78	AUTO FINANCEMENT	2	2	1.560	0	0	0	2	2	1.560	
	JHD	554	223	5.522.050	6	44	213.560	1560	3267	5.734.610	
	USAID	3	102	603.290	386	707	20.228.730	389	809	20.842.020	
	FENU	2	17	10.170	86	143	8.845.530	88	160	8.855.700	
	AFCI	1	1	3.440	36	45	2.251.930	37	46	2.255.370	
	ENTENTE	0	0	0	2	2	69.890	2	2	69.890	
	CTS	3	24	500.000	0	0	0	3	24	500.000	
	FAG	0	0	0	69	69	3.593.520	69	69	3.593.520	
	FUR	1	1	3.120	0	0	0	1	1	3.120	
	CCDR	0	0	0	6	6	511.740	6	6	511.740	
TOTAL		1566	3170	7.042.630	591	1016	35.724.900	2157	4306	42.767.530	
78/79	CRC	318	684	1.073.555	7	7	408.295	325	691	1.481.850	
	USAID	5	58	850.000	86	93	2.242.870	91	151	3.092.870	
	FENU	2	2	20.420	17	59	1.490.325	19	61	1.511.255	
	AFCI	5	62	400.000	29	63	858.150	34	125	1.298.150	
	ENTENTE	1	1	2.420	45	104	3.880.595	46	105	3.891.015	
	CTS	1	7	300.000	0	0	0	1	7	300.000	
	FAG	0	0	0	9	9	149.350	9	9	149.350	
	FUR	0	0	0	9	9	410.850	9	9	410.850	
	CCCE	0	0	0	1	1	22.690	1	1	22.690	
TOTAL		332	814	2.646.905	193	345	9.511.125	515	1239	12.158.030	
79/80	CRC	192	497	821.102	0	0	0	192	497	821.102	
	USAID	1	90	2.159.700	31	56	2.583.230	42	154	4.742.930	
	FENU	0	0	0	5	5	209.800	5	5	209.800	
	AFCI	7	53	414.140	39	87	1.474.130	46	140	1.888.270	
	ENTENTE	0	0	0	102	273	7.420.470	102	273	7.420.470	
	CTS	13	44	1.300.000	0	0	0	13	44	1.300.000	
	FAG	1	15	200.000	12	12	359.655	13	27	559.655	
	CCCE	522	906	1.520.192	69	80	2.322.195	591	986	3.842.387	
TOTAL		746	1613	6.495.154	258	513	14.377.480	1004	2126	20.872.614	
TOTAL GENERAL		2655	5000	14.213.069	1100	2113	68.507.359	3855	7921	84.720.428	

FORECAST OF REVENUES AND EXPENSES FOR THE
YEAR TO MARCH 31, 1981 FOR THE ACTIVITIES
OF THE EASTERN ORD.

To arrive at the forecast statements we have performed the following work:

- (1) A general review of the available financial statements for the ORD activities in the year to March 31, 1979.
- (2) A more detailed review of the financial statements of the year to March 31, 1980.
- (3) A critical review of the budget for the year to March 31, 1981 as drawn up by ORD personnel, with particular attention to the shortcomings expressed in our previous report.
- (4) An appraisal of the programmed activities on which the budget was based.

On the basis of this information we discussed with Messrs. Lompo and Zempo the present situation vis à vis their expectations and what they considered to be probable outcome for the various activities of the ORD for the year. The figures put into the forecast are their estimates after discussion and detailed review with us.

In our opinion the critical areas of the forecast are:

1. If there is a shortfall in the working capital available for either the marketing fund or inventories for the credit fund, they will not be able to reach these sales targets. Also the sales of agricultural materials are greatly in excess of the increase in loans forecast for the credit scheme, unlike previous periods. Management further explained that the level of activity in the marketing fund depends, to some extent, upon purchase and sale prices which are imposed by the Government. The forecast is based upon assumption that a favorable pricing structure will exist. If prices are unfavorable, the gross margin could decline by as much as CFA 20.000.000.
2. There are no audited statements of liabilities at March 31, 1980. If there are any large unrecorded commitments these will absorb resources scheduled for project expenditure.
3. There is a heavy dependence on a high level of subsidy to cover the operating expenses of the ORD. These figures have not been discussed with the donors concerned.
4. Administration expenses show a large increase over last year because of EDP processing, postal expenses and demonstrations for local farmers.
5. The unreliability of the accounting records discussed earlier in this report and our earlier report could affect the bases on which estimates have been made.
6. Past history has tended to indicate a high incidence of unscheduled expenditure. No account has been taken of any expenditure which might arise outside the budget, and its effect thereon.

For these reasons, although we have prepared this forecast of activities at the specific request of USAID we are unable to express any opinion as to the accuracy of the assumptions on which these figures are based.

EASTERN ORD
PROJECTS FORECASTED EXPENDITURES
YEAR ENDED MARCH 31, 1981

(CFA 000's)
(unaudited)

	<u>National budget</u>	<u>FAO</u>	<u>DAI</u>	<u>AFDI</u>	<u>CTS</u>	<u>FENU</u>	<u>FDR</u>	<u>USAID</u>	<u>TOTAL</u>
Revolving fund	-	-	-	-	-	-	-	-	-
Investments	-	-	65.900	19.760	6.000	-	3.640	21.099	116.399
Equipment	-	-	193.740(1)	33.700(2)	8.500	-	-	-	-
Operating expenses	14.000	23.100	34.241	13.975	17.700	6.580	10.184	50.590(3)	303.294
	<u>14.000</u>	<u>46.484</u>	<u>65.178</u>	<u>6.800</u>	<u>24.920</u>	<u>2.920</u>	<u>15.849</u>	<u>22.820(3)</u>	<u>130.605</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====
			359.059	74.235	57.120	11.107	16.576	54.243	242.408
			=====	=====	=====	=====	=====	=====	=====
						20.607	49.349	148.752	792.706
						=====	=====	=====	=====

- (1) Mostly relates to rural road development
(2) A portion relates to rural road development.
(3) CFA 34.000.000 relates to the "Vivrier" project.

EASTERN ORD
FORECAST OF REVENUES AND EXPENSES

YEAR ENDED MARCH 31, 1981
(unaudited)

(CFA 000's)

REVENUES

Sales:

Marketing fund	54.250
Agricultural material and other	47.547
Veterinary products	3.407

105.204

Operating subsidies from donors	242.408
Interest	2.600
Other	718

350.930

Total revenues

Expected loss of the year	1.503
---------------------------	-------

352.433
=====

EXPENSES

Purchases	82.594
-----------	--------

Less inventory increase	(13.000)
-------------------------	----------

Cost of sales	<u>69.594</u>
---------------	---------------

Personnel	173.900
-----------	---------

Motor fuel and lubricants	33.414
---------------------------	--------

Travelling expenses	2.000
---------------------	-------

Taxes	600
-------	-----

Purchased services	42.000
--------------------	--------

Administrative expenses	21.606
-------------------------	--------

Bank charges	961
--------------	-----

Depreciation, excluding contributed items	8.358
--	-------

352.433
=====

EASTERN ORD
REVOLVING FUND - FORECAST
YEAR ENDED MARCH 31, 1981

I. <u>Credit to be extended</u>		(CFA 000's)
Beginning balance, March 31, 1980		79.804
New credit		25.000
Less repayments		8.000
		<hr/>
Closing balance, March 31, 1981		96.804
		=====
II. <u>Contributions from donors</u>		
Balance March 31, 1980		165.061
Forecasted increases		
AFDI	19.760	
CCCE	65.900	
USAID	21.099	
CTS	6.000	
Other	3.640	
		<hr/>
		116.399
		<hr/>
Forecasted balance March 31, 1981		281.460
		=====

We were unable to obtain a logical explanation as to why contributions of CFA 116.399 will significantly exceed new credit extended of CFA 25.000.

Also, the contributions at March 31, 1980 of CFA 165.061 significantly exceed credit outstanding of CFA 79.804.000. All or part of the difference could be explained by inventory purchases which are necessary for the operations of the Revolving Fund.

Touche Ross Belgium

represented in Belgium by

s.v. Belgofides s.c.

September 24, 1980

Mr. G. Byllesby
USAID
American Embassy
Ouagadougou
Upper Volta
Africa

Dear Mr. Byllesby,

Please find enclosed a copy of the 'Financial Information and Forecasts' of the Eastern ORD of Upper Volta.

We also have sent a copy to :

- Mr. B. Manuri - Int. Fund for Agricultural Development - Italy
- Mr. A. Vizzavona - Caisse Centrale de Cooperation - France
- Mr. G. Bertolin - American Embassy - Ouagadougou
- Mr. Fudzie

Yours very truly,



Clarence Steininger

CS/ng

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R SOC CIV 288

Touche Ross & Co.,
12eme Etage,
Immeuble de la B.I.D.,
ABIDJAN.

The Director,
USAID,
Ouagadougou,
Upper Volta.

24th July 1980

Dear Sir,

Contract: RTDCC/MA 80-202

We take pleasure in enclosing our draft interim report on our examination of the Eastern O.R.D.'s financial structure. Due to the unexpected illness of one of our team members this interim report is incomplete. Our final report will also be delayed. We would ask you to treat the information under headings A, B, C and E as provisional and not yet ready for general disclosure. We are providing you with this information for your internal purposes only. To circumvent the problems we have encountered we propose the programme outlined at General Appendix H. The present status of the contract in terms of man days is disclosed at Appendix I.

In our opinion the most important recommendation in this report is to bring in a qualified conseiller technique to introduce an improved accounting system and train and supervise the staff. We consider that individual interventions in particular areas, while providing information on what has happened do not provide any assurance of future improvement. Unless such interventions are structured into a consistent programme leading to the introduction of the modified procedures we are recommending, they can only be considered as palliatives with no longer term objective.

/continued

In order to facilitate your reading of this report we have used the contract headings with the following abbreviations as General Appendices to this letter.

Appendix	A	Capacity
	B	Internal Control
	C	Accounting System
	D	Donor Reporting
	E	Inventory
	F	Management Study
	G	Cash Flow

We trust that you will understand the problems facing us and will allow us the necessary extension past the provisional deadline of July 31st to complete the work to our mutual satisfaction.

Yours faithfully,



J.D. WYER

TOUCHE ROSS & CO.

GENERAL APPENDIX A

CAPACITY

At the present time we do not feel that the Eastern O.R.D. is adequately equipped to handle the size of funds which will flow from the suggested project for the following main reasons :-

1. The present accounting system does not produce meaningful, timely management information either for donors or central government which would enable management of the funds to be placed at the disposal of the O.R.D.
2. There are insufficient controls in the present system of recording to ensure the accuracy of the prime data for the accounting records.
3. The present organisational structure is unsuitable for the management of such a large project.
4. The present staff at all levels of the O.R.D. are not sufficiently trained or experienced to be able to cope with the present work flow effectively.

We have recommended improvements under paragraphs D and F which if fully implemented would go a long way to circumventing these problems. At this point in time our work under paragraphs B and C is not complete but we will be making recommendations in our final report with a view to suggesting improvements to cover this area.

GENERAL APPENDIX B

INTERNAL CONTROL

In terms of our proposed work plan we have :

- i) determined the systems in operation
- ii) completed draft flowcharts
- iii) performed most of our walkthrough tests.
These have lead to further wholesale changes
in our original flowcharts.
- iv) formed an assessment of the internal control
which is being written up by the member
of our team who is ill.

Outstanding are the following :

- a) finalisation of ii) and iv).
- b) v) bearing in mind that the C.R.D. records
are not up to date and our provisional
assessment of the level of internal control
this part of the work plan, the design and
implementation of audit tests to assess the
effect of weaknesses in internal control on
the C.R.D.'s records, cannot be completed
in such a way as to provide a meaningful
conclusion.
vi) commentary on the internal control system
and areas for improvement to be completed.

Interim comment:

The major weaknesses we see at the present are:-

1. Lack of awareness of extension agents on how to

/continued

maintain the required records, or to complete the present documentation.

2. Lack of control over prime documents e.g. receipts, invoices etc.
3. Multiple copies of prime documents in use.
4. No regular reporting cycles.
5. No controlled filing system.

At present we have drafted flowcharts on the following areas :-

Orders, Purchases, Cheque Payments, Stock, Cash Receipts, Credit Accounting, Motor Pool, Salaries and Marketing. In most of these areas we have completed walk through tests which have lead to the need to update our charts.

It is at this juncture that our team member has fallen ill.

The marketing flowchart is based on the information that has been gleaned from documentation inspected since the marketing manager was new and was not fully cognisant of how the operation works since the new marketing season has not yet opened. Apparently very little marketing was done last season due to the shortage of funds.

GENERAL APPENDIX C

ACCOUNTING SYSTEMS

Provisional Conclusion

The accounting at the O.R.D. is marked by the following major problems.

1. Lack of adequate direction; no-one understands what sort of reports the organisation needs, nor the importance of reliable records, nor the necessary infrastructure to produce meaningful reports.
2. We found that all transactions are individually posted to the equivalent of a nominal ledger. The accounting staff are at present engaged in posting this ledger with November and December transactions.
3. No control accounts are maintained. All postings are made direct to expense or capital codes and are not necessarily correct.
4. No analysed cash book is maintained. Current transactions are recorded on cheque lists, the cash book which served a similar purpose, not having been written up since April.
5. No formal bank reconciliations are prepared. At present the O.R.D. maintains nine bank accounts of which only 2 are still meant to be separately maintained, the others having mixed funds in them.
6. No project accounts are maintained.
7. The ambiguous division of accounting responsibilities.
 - 1) Between service financier and service comptabilite
 - 2) Generally e.g. it is the O.R.D. Director who decides which invoices to pay and from which account, on an invoice by invoice basis.
8. The lack of a regular programme for the production of accounting information. There are no regular financial management reports produced, nor any regular cycle for the production of e.g. stock reports.
9. There is no organised reliable filing system.

10. The multiplicity of uncontrolled prime documentation:
- Our examination revealed that there are between 3 and 7 copies of each original invoice in the accounting system and more than one copy is stamped paid and annotated with the cheque number.
11. The shortage of funds and the consequent practice of using donor funds for temporary working capital.

In terms of our proposed work plan we have :

- i) discussed with responsible officials the accounting records in use.
- ii) partially recorded the systems in use.
- iii) evaluated most of the major weaknesses in the present book-keeping system.
- v) considered the efficiency and effectiveness of the method of preparing reports from the available financial reports.

The following items are outstanding :

- iv) establishment of level of error likely to be involved due to weaknesses in accounting system. bearing in mind the present state of the accounting system this will be impractical.
- vi) consider records in terms of reports required.
- vii) commentary on systems in operation and recommendations for improvements.

Our recommendations will concentrate on document flow, documentation, book-keeping, filing and authorization procedures.

GENERAL APPENDIX D

DONOR REPORTING

In terms of the proposed work plan we have :-

- i) been in contact with outside donors and assessed their requirements i.e. CTS, CCCE, PNUD, FENU, FAO.
- ii) analysed this information for common factors.
- iii) recommended uniform reports for all donors. These have not been discussed with donors, but bearing in mind the level of reports produced at the present time and the problems encountered by the various donors we consider that these reports should meet at least their primary requirements.
- v) established how the O.R.D. draws up its budgets.
- vii) evaluated the budgeting system and prepared recommendations for improvements.

The items not fully covered are :-

- vi) comparison of budgets with actual events in the previous two years. Bearing in mind the revenue orientated method of drawing up budgets and the lack of comparability between the budgets and those financial reports at present available no useful comparison can be performed.

/continued

- iv) modifications to the accounting system cannot be drafted until our work under paragraphs B,C and E has been completed.

Apart from this our work under this section is broadly completed.

The present system of donor reporting is in our opinion unsatisfactory. Reports are prepared by service financier independently of the O.R.D. accounts drawn up much later by the service comptabilite, with the assistance of M.M. Sanou, a professional expert comptable, based in Ouagadougou. The O.R.D. accounts themselves are apparently based on the plan comptable of the OC AM countries. While the present system of attaching supporting vouchers to cash reports provides some evidence to donors we do not consider that such reports provide sufficient evidence or comfort to donors, particularly without any form of accounts to support overhead expenditure. Please refer to our attached detailed report and recommendations.

GENERAL APPENDIX E

INVENTORY

In terms of our proposed work plan we have :-

- i) determined the procedures in operation
- ii) partially established the procedures employed for physical inventory.
- iv) attempted to test inventory records without success.
- v) considered book and physical stocks.

There is no overall stock figure valued for comparison of book and physical stocks on a global basis. The only comparison that is available is of theoretical and actual on a line by line basis at each point of physical inventory. Inventory is held by every extension agent, sub-sector, sector and centrally. A detailed comparison is therefore not practical.

- vi) attempted to perform test inventory accounts. The O.R.D. does not maintain adequate control over prime documentation, nor does it keep cut-off records. The physical stock was put on computer at 31/12/70 and there has been one update since since the end of May. We have not yet received explanations covering some of the tests we have attempted, due to the absence of the C.R.D. staff etc. required.

/ continued

Outstanding are the following:

- (ii) evaluate the weakness in the system and consider their likely effect on inventory valuation.
- ii) completion of work on inventory procedures.

We propose to stratify stock by organization level and value, and to obtain more details of which counts were double checked. Such details will give us more knowledge of the year end stocktake. We also need to complete some more work on the present inventory system prior to giving a final report on this area.

GENERAL APPENDIX F

MANAGEMENT STUDY

Please see attached draft report.

GENERAL APPENDIX C. 1.

CASH FLOW

We have spent some time under this heading attempting to recognise future cash flows and establish a basis for a current cash flow. Given the current state of the O.R.D. records outlined at C we do not see how a meaningful cash flow statement can be drawn up without a good deal of ground work to reconstitute the records. Under the terms of our present contract this is not practical. The problems encountered in this area were discussed with Messrs. Byllesby, Kramer, Zoghby and Bertolin at a meeting on the 11th July with our co-ordinator, Mr. Wyer, and it was agreed to take a further decision on this area on the 24th July when we all would have more information.

GENERAL APPENDIX G. 2.

To prepare a cash flow statement for the year ended 31st March, 1979 and 31st March, 1980 and a forecast for the year ended 31st March, 1981 would be impractical and meaningless without reconstituting the basic information required for the following reasons : -

1. There is no correlation between reports to donors and the O.R.D. accounts.
2. Bank reconciliations are not formally prepared.
3. The lack of control accounts and the current 'short cut' net postings sometimes employed.
4. Prima facie certain parts of the O.R.D. report do not make sense e.g. a large increase in motor pool spares when there are no purchases recorded under expenditure.
5. No accounts have yet been prepared for 31st March, 1980, and the 'nominal ledger' has only been written up to November/December, 1979.
6. Without cut-off procedures and better control of prime documentation we would be unwilling to place much emphasis on the accounts of the O.R.D.

Therefore to prepare a meaningful cash flow statement would require reconstitutions from the banking records of the O.R.D., all major deposits being agreed with donors. Assuming full co-operation from the O.R.D. we do not think this could be prepared in less than 6 man weeks and even then without some idea of the outstanding creditors these figures would only give part of the picture.

, continued

GENERAL APPENDIX H

Due to the unfortunate illness of our colleague who has also been unwell earlier during his stay, we have been left with no alternative but to return him to England. This has unfortunately already lead to a serious delay in our programme. We propose to replace him with another member of our staff, a bilingual supervisor of Belgian nationality, on the 4th August. This person will have de-briefed Mr. Christodoulou in England and will be accompanied by Mr. Myer to Fada to complete the remaining areas requiring attention under paragraphs B,C,D and E.

As soon as we are in a position to provide a curriculum vitae we will formally request permission under the contract for staff substitution, but we are proceeding with this substitution on the basis of an informal agreement with Messrs. Kramer and Skořw.

The final report in English and French will still be ready for the end of August. Our revised anticipated programme would be :-

Arrival in Ouagadougou		4 August
Transfer to Fada	a.m.	5 August
Complete field work at the latest by		21 August
Final report submitted in English & French		30 August

GENERAL APPENDIX I

Present status of contract in man days at 24th July, 1980.

			Budget per work plan	Utilised	Available
APPENDIX	A	CAPACITY	4	3	1
"	B	INTERNAL CONTROL	14	10	4
"	C	ACCOUNTING SYSTEM	12	7	5
"	D	DONOR REPORTING	9	7	2
"	E	INVENTORY	7	4	3
"	F	MANAGEMENT STUDY	24	24	-
"	G	CASH FLOW	7	2	5
"	H	REPORT	5	2	3
"	GENERAL		8	5	3
			—	—	—
			90	64	26
		Less Cash Flow	—	—	-5
					—
					21
					==

We propose to use the 5 days remaining under the cash flow allocation to cover briefings with yourselves and O.R.D. staff and report drafting time.

D. DONOR REPORTING

D. REPORTING AND BUDGETING

1. Introduction
2. Donor Reports
3. C.R.D. Reports

Form 1. Cash Journal

Form 2. Cash Report

Form 3. Budget Report

BEST AVAILABLE COPY

1. Introduction

We have looked at the financial reports prepared by the O.R.D. both for its own use and for external donors of funds. We do not find them satisfactory. We comment below on the existing reports and how these might be improved with a little extra effort. However, we believe that the O.R.D.'s accounting system requires to be re-shaped to produce the kind of information needed to control the operation satisfactorily. We describe in Appendix B how this might be done.

2. Donor Reports

The reports currently produced for donors by the O.R.D. are merely summaries of bank movements. They show cash received and give an analysis of cash payments. The payment analysis is supported by the vouchers necessary to prove the payment. These reports are prepared from the statement received from the bank and the cheque stubs. The reports are generally produced quarterly.

Because the O.R.D.'s accounting is very much in arrears the only information which donors can expect to receive on a regular basis is limited to what is available from the bank accounts. Donors of large sums should insist that the O.R.D. keep a separate bank account for any funds advanced by them. They should also insist on the keeping of a cash journal to record all payments. An example of such a journal is attached - Form No. 1. The journal should list chronologically all cheques drawn and analyse the payments by budget headings using the analysis columns. The journal can be kept in two copies using carbon paper. A copy of the journal sheet can be attached to the quarterly report, together with copies of the relevant vouchers. Alternatively a representative can visit Fada to check the payments on the spot. Donors should also insist on receiving a copy of the bank statements together with a reconciliation of the balance shown in the bank account. A specimen form of report is given in Form No. 2 attached.

It would also be helpful if the O.R.D. when submitting the cash report were to attach a list of the purchase orders outstanding at the end of the quarter. The list should indicate the nature of the expenditure and the amount. This would give donors some indication of the commitments so far incurred.

The O.R.D. should also keep a cumulative summary of cash payments and send each quarter with the cash report a budget report showing by budget heading the total budget for the project, the total payments to date and the balance still to pay this ; A suitable form is illustrated in Form No. 3 attached.

We suggest that a copy of the budget report be attached to the technical reports prepared by the B.A.E.P. The progress recorded in the technical reports should be related to the expenditure recorded in the budget report. The presentation of the budget report with the technical report would help to ensure a correspondance between the two.

3. O.R.D. Reports

The O.R.D. produces no regular reports - apart from the donor report - for its internal use. The only information currently available is :

1. The annual accounts
2. The annual budget

The O.R.D.'s accounting period ended on the 31st March. The accounts for that period are not yet available. Looking at previous years accounts, the information is badly presented and it is difficult, without considerable analysis, to draw any meaningful conclusions.

The O.R.D. prepares an annual budget. The annual budget of operating expenses, however, appears to be a budget of revenues expected from projects rather than costs to be incurred. They produce a detailed budget of salaries but the budget of other operating expenses is not set out in heads which correspond with those in the accounts. It is thus rather difficult - even if the information was available - to compare the budget expenditure with the actual.

B U D G E T R E P O R T

con. 3

Budget Item	TOTAL BUDGET	Expended to Date			Balance
		PREVIOUS PERIODS	THIS QUARTER	TOTAL	
Investments					
etc.					
EQUIPMENT					
etc.					
OPERATING EXPENSES					
etc.					

A P P E N D I X B

1. Introduction
2. Projects and C.R.D. Operating Expenses
 - 2.1. Budgeting
 - 2.2. Accounting and Reporting
3. Revolving Fund
 - 3.1. Operating Budget
 - 3.2. Cash Flow Forecast
 - 3.3. Accounting and Reporting
4. Conclusion

ANNEXES

- | | |
|------------|---|
| Annex 1.1. | Outline Chart of Accounts - C.R.D. Operations |
| " 1.2. | Project Budget |
| " 1.3. | C.R.D. Budget - Income and Expenditure |
| " 1.4. | Project Account |
| " 1.5. | Project Report |
| " 1.6. | Statement of Work in Progress |
| " 1.7. | Schedule of Items to be Capitalized |
| | <u>Financial Report - C.R.D. Operations</u> |
| " 1.8. | Income and Expenditure Account |
| " 1.9. | Balance Sheet |
| " 2.1. | Outline Chart of Accounts - Revolving Fund |
| " 2.2. | Operating Budget - Revolving Fund |
| " 2.3. | Purchases Budget - Revolving Fund |
| " 2.4. | Forecast Cash Flow - Revolving Fund |
| | <u>Financial Report - Revolving Fund</u> |

Indexes cont.

Annex 2.5.	Profit and Loss Account
" 2.6.	Balance Sheet
" 2.7.	Credit Statement

1.

Introduction

The O.R.D. has to account for three kinds of activity. The first is what is virtually a commercial operation - the revolving fund. The second is receiving funds from donors for specific projects and spending them in accordance with the project agreement. The third is to account for its own operational expenses - staff salaries, transport, travelling expenses etc.

The accounting system must therefore provide :-

1. A complete accounting for the revolving fund
2. An accounting for all projects
3. An accounting for its own operational costs.

The best way to do this is to separate, as far as possible, the accounting for the revolving fund from the accounting for projects and O.R.D. operations, preferably by keeping two sets of books. Most of the accounts necessary to do this are already identified in the existing accounting system.

We have set out on Annexes 1.1. and 2.1. attached skeleton charts of accounts for both activities. Annex 1.1. lists the records necessary to account for projects and O.R.D. operating costs; Annex 2.1. lists the accounts necessary to control the revolving fund.

Income and expenditure can only be controlled if there is some yardstick against which to measure the actual figures of income and expenditure recorded in the accounts. The yardstick is the budget. Detailed budgets must be prepared annually for projects, the operating costs of the O.R.D. and the operation of the revolving fund. The budgets are an essential part of the reporting system and must be constructed in the same way as income and costs will eventually be recorded in the accounts.

Accounting systems must be designed to produce with the minimum of extra work all the control reports required to run the operations effectively. We describe below how this might be done, first for the O.R.D.'s non-commercial activities and then for the revolving fund.

2. Projects and O.R.D. Operations

2.1. Budgeting:

An annual budget should be prepared for each project. The budget should be set out as illustrated in Annex 1.2. This schedule shows the expenditure by budget head. It shows also the contribution the project will make to O.R.D. operating costs.

The information set out on the individual project budgets is summarised on Annex 1.3, the O.R.D. annual budget of income and expenditure. The O.R.D.'s income is the sum of the contribution it receives from the state plus the contributions to operating costs included in the various project budgets. Against this income the O.R.D. has to set its operating expenditure. These expenditures should be listed in detail in accordance with the expense headings in the books of account. The salaries budget will obviously be based on the numbers of people expected to be employed. The remaining expenses should be based on past experience modified to reflect any anticipated changes in circumstances.

The expenses in the budget should - as far as possible be set out by responsibility. It should be possible eventually to construct budgets of salaries and direct expenses - e.g. fuel, repairs etc. for each sector and the three head office divisions. If actual expenses are recorded in the same way the responsibility for any overspending can be attributed to the manager responsible. If this is to be done manager should, of course, be involved in the construction of the budgets for their sector or departments.

The difference between total income and total expenditure is the estimated surplus or deficit. This will indicate to the O.R.D. whether it has or has not sufficient finance available to cover its operating costs.

2.2. Accounting for O.R.D. Operations and Projects

There must be an account for each project - sub-divided by budget head - and an account for each nature of operating expense. At present there are no project accounts. Project expenditure is charged directly to asset accounts or operating expense accounts. All project expenditure, other than the project share of operating costs, should be charged directly to the project account.

The project account should be kept in columnar form - see illustration in Annex 1.4. Everything charged to the project should pass through the account. An entry should be made in the total column and in the appropriate analysis column. There should be an analysis column for each budget head. The account must also be debited with any share of O.R.D. operating costs to be borne by the project. An internal invoice should be made out monthly or quarterly for this purpose, debiting project account and crediting "donor's contributions to operating costs". The account, if posted regularly, will always show the total cost of the project to date.

An account should also be kept for all the cash received for projects - a separate account for each project. The account should be credited with the value of funds received from donors.

Thus at the end of each month or quarter it should be possible to prepare a report similar to that illustrated in Annex 1.5. The report shows the total budget for the project by budget head, the total expenditure to date, separating this year from previous years, and the balance to spend.

4.

The report also shows the cash received to date, again separating this year from last and showing the balance to come. The balance on the project bank account should be deducted from the total expenditure to date. This gives the total expenditure actually paid in cash. The balance - difference between costs incurred and cash paid out - represents the creditors unpaid and should agree with the creditors' balances for that project recorded in the suppliers' accounts.

A summary can now be prepared listing all projects. An example of the summary is given on Annex 1.6. This shows by project, the total budget, the total costs incurred, the total cash received and the balance (cash still to be received). This schedule gives the value of the work in progress.

When the project is complete or at the end of each financial period a schedule can be completed listing any project expenditure that is to be capitalised. This can be done using a form such as that illustrated in Annex 1.7. The totals on the schedules can be debited to the appropriate fixed asset accounts and credited to capital accounts. (How much project expenditure should be capitalised is a matter to be considered. We suggest that only buildings be capitalised in the accounts. However asset records should be kept outside the accounting system for all assets showing the value, location date of acquisition and the donor).

When the project is complete total expenditure should equal total cash received. The project accounts can be removed from the books by crediting the project cost account and debiting the project cash account with the total costs. The balances in these accounts will then be zero.

All C.R.D. operating expenses should be charged to the appropriate expense account. Any charges to payees should be made by raising internal invoices and crediting the recovery account, "donors contribution to operating costs".

It should then be possible to prepare an income and expenditure account for the months, quarter or year to date in the form illustrated in Annex 1.8. This shows the contribution to operating costs received during the period - from the state and from projects - and the operating costs incurred by nature of expense. The account is set out in the same format as that on which the budget has been prepared so that the actual and budget figures to date and the variances can be set out side by side.

A balance sheet can now be prepared and set out as illustrated on Annex 1.9.

3. Revolving Fund

3.1. Operating Budget

The first step is to prepare an operating budget for the commercial operations. The budget should be set out as illustrated in Annex 2.2.

The budget should be based upon the estimated quantities of material and equipment to be supplied to farmers during the year. The procedures for collecting this data already exist. An estimate will have to be made of the proportion of cash and credit sales. To obtain the cost of sales the materials to be sold have to be valued at cost and the equipment sold at its material content. To this has to be added the cost of the agricultural workshop, the wages and any associated overheads. The sum of materials, wages and overheads deducted from the sales value gives the estimated gross margin. To this has to be added any anticipated income from insurance premiums, group affiliation fees etc. Any additional expenses such as the replacement of dead animals, stock writedowns etc. have to be deducted. The balance is the expected net profit or loss for the year.

3.2. Cash Flow Forecast

Having completed the operating budget, a cash flow forecast can then be prepared. The first step in establishing the cash flow is to determine the value of purchases. This can be derived from sales taking into consideration the opening stock and what it is intended should remain in stock at the end. The calculation is illustrated on Annex 2.3.

A cash flow forecast can now be prepared as illustrated on Annex 2.4. The cash flow sets out the payments to be made, purchases, wages and any miscellaneous expenditure, for the year, and quarter by quarter. It also sets out the receipts.

The income from cash sales will correspond with that in the operating budget. The amount of credit repayment to be expected can be found from the credit records. To these have to be added any sundry income e.g. insurance premiums. The difference between total receipts and total payments is the net cash flow.

The cash flow, taking into consideration the funds available in the bank account, will indicate whether or not it is necessary to seek additional finance. A single bank account should be kept for the revolving fund.

3.3. Accounting and Reporting

If the accounts for the commercial operations have been separated as we have suggested it is a simple matter to prepare at the end of each period, quarter, half year or year, a profit and loss account and a balance sheet. The figures from the accounts can be set out side by side with those in the budget and set out in the form of periodical financial reports as illustrated in Annex 2.4. and 2.6. Annex 2.5 shows the profit and loss account, Annex 2.6 the balance sheet. This report will show whether or not the capital of the fund is being maintained.

Most of the information to prepare these reports is already available. It will be necessary, however, to ensure the date on which the computer stock printouts are available so that the date corresponds with the end of an accounting period.

IN ADDITION IT SHOULD BE POSSIBLE TO APPEND TO THE FINANCIAL REPORTS
SUPPLEMENTARY INFORMATION SUCH AS:

1. The state of the credit fund - Annex 2.7.
2. SUMMARY OF RECEIPTS
3. Receipts and payments (i.e. movement of bank account)

Conclusion

If the proposals we have made were put into effect it would be possible for donors to receive copies of the O.A.B. internal management reports. Internal and external reporting would be one. Instead of sending invoices and other original documents to donors in support of claims, the donors could send representatives to inspect the records at Fada or employ, jointly, the services of an independent firm of auditors to examine the accounts and report on them regularly. For such a system to work, however, the accounting records must always be up to date and never allowed to fall behind.

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OUTLINE CHART OF ACCOUNTS - ORD OPERATIONS

Schedule 1.1

Capital and Reserves

Capital Account	Credit
Capital Contributions from Donors - one for each donor	"
Accumulated surplus () - " " " "	"

Liabilities

Loans (from banks etc.)	Credit
Creditors	"
Retentions (taxes etc.)	"

Fixed Assets

Fixed Asset Accounts	Debit
(Provision for Depreciation)	Credit

Current Assets

Sundry Debtors	Debit
Advances to Staff	"
Bank Accounts	"
Cash Accounts	"

Projects in Process

Cost Accounts - one for each project	Debit
(Cash Received for Project) -one for each project	Credit

Income and Expenditure Accounts

Income - State Contributions to Operating Costs	
- Donors Contributions to Operating Costs - one for each donor	
Expenditure -Accounts by nature of expenditure	

PROJECT

DONOR

<u>Nature of Expense</u>	<u>Total for Project</u>	<u>Expended Previous years</u>	<u>Budget This Year</u>	<u>Balance</u>
1. <u>Investments</u>				
Buildings				
Roads				
Wells				
Bottom Land Development				
etc.				
<u>Total</u>				
2. <u>Equipment</u>				
Vehicles				
Office Fittings				
etc.				
<u>Sub Total</u>				
3. <u>Operating Expenses</u>				
Salaries				
etc.				
Operating Expenses				
<u>Sub Total</u>				
<u>Grand Total</u>				

INCOME AND EXPENDITURE ACCOUNT

O.R.D. Operations

Period to

Income

State Contributions to Operating Costs
 Donors Contribution to Operating Costs
 Project A
 B
 C
 etc.

Total Income

Expenditure

Staff Costs:-
 State Employees - operations
 administration
 planning
 O.R.D. Personnel- operations
 administration
 planning

Sub Total

Operating Expenses :-

Vehicle Expenses- fuel
 repairs
 Training experts- internal
 external
 Travelling expenses
 Maintenance of Buildings
 Post, telephone etc.
 Stationery
 General Expenses

Sub Total

Depreciation (notice O.R.D. finance & assets only)

Vehicles
 Buildings
 Equipment

Sub Total

Total Expenditure

Surplus (Deficit)

	Year to Date		
	Actual	Budget	Variance
	CFA	CFA	CFA
State Contributions to Operating Costs			
Donors Contribution to Operating Costs			
Project A			
B			
C			
etc.			
<u>Total Income</u>			
<u>Staff Costs:-</u>			
State Employees - operations			
administration			
planning			
O.R.D. Personnel- operations			
administration			
planning			
<u>Sub Total</u>			
<u>Operating Expenses :-</u>			
Vehicle Expenses- fuel			
repairs			
Training experts- internal			
external			
Travelling expenses			
Maintenance of Buildings			
Post, telephone etc.			
Stationery			
General Expenses			
<u>Sub Total</u>			
<u>Depreciation</u> (notice O.R.D. finance & assets only)			
Vehicles			
Buildings			
Equipment			
<u>Sub Total</u>			
<u>Total Expenditure</u>			
<u>Surplus (Deficit)</u>			

REVENUE STATEMENT

Capital

Cash received from Donors	Credit
Accumulated Surplus (Deficit)	"

Liabilities

Creditors	Credit
-----------	--------

Asset Accounts

Stocks	Debit
Debtors (Co-operative Credit Scheme)	"
Bank	"
Cash	"

Income Accounts

Sales	Credit
Miscellaneous Receipts (Insurance Premiums)	"

Expense Accounts

Purchases	Debit
Wages (Workshop)	"
Overheads	"
Miscellaneous Expenses (Losses of Animals)	"
Provisions (Stock Write Down)	"

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31.12.2014

ROLVING FUND - FORECAST CASH FLOW

Annex 2.4.

	<u>Year to</u>			
<u>Year</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<u>Payments</u>				
Purchases of Seeds				
Fertilisers				
etc.				
Workshop Wages				
Other Expenses				
<u>Total Payments</u>				
<u>Receipts</u>				
Cash Sales				
Credit Repayments				
Other receipts				
<u>Total Receipts</u>				
<u>Net Cash Flow</u>				

Period Ended

2. Balance Sheet

Capital of Fund

Funds Received from Donors

Add Profit (loss) on Operations

- Previous Years

- This Year

Represented by

Cash

Bank

Sub Total

Stocks

Debtors

Sub Total

Less

Creditors

Other Liabilities

Net Worth

CFA

CREDIT STATEMENT

Annex 2.7.

as at _____

	Financing Agency				TOTAL	
	Donor A		Donor B		Donor C	
	No. of Borrowers	Amount	No. of Borrowers	Amount	No. of Borrowers	Amount
<u>Short Term</u>						
Balance as at						
Credit Sales						
Sub Total						
Repayments						
Balance as at						
Of which overdue						
<u>Medium Term</u>						
Balance as at						
Credit Sales						
Sub Total						
Repayments						
Balance as at						
Of which overdue						
<u>Total Debtors as at</u>						
Of which overdue						

F. MANAGEMENT STUDY

Management Structure

We have examined the organisation structure of the O.R.D. and interviewed most of the senior managers and heads of sectors. In our opinion the present management structure is not the one best adapted to the tasks the O.R.D. has to perform. We have set out in Appendix A our proposals for changing this structure. The proposed structure is set out in the form of organisation charts accompanied by job descriptions for all the most important positions indicated on the charts.

Our reasons for proposing these changes are set out in the report which follows. The report is set out in sections thus :-

1. Brief description of the O.R.D.'s activities
2. Comments on the existing organisation
3. Proposed solutions.

1. Brief Description of the O.R.D.'s Activities

The O.R.D. provides an agricultural extension service in the Eastern Region of Upper Volta. The service is effected by means of extension agents spread throughout the region. The task of the extension agent is to improve agricultural practices in his area (called an "unite d'encadrement"), to promote the formation of village groups and rural institutions and in the longer term to raise the social condition of the peasant communities.

The O.R.D. seeks to improve agricultural output by introducing a technical package of approved techniques. The principal techniques in the package are animal traction and improved farming methods for bottom lands ("bas fonds"). Since animal traction makes it necessary for farmers to employ more capital, for example to purchase oxen and ploughs, the introduction of an agricultural credit scheme has been seen as an essential part of the package. The development of bottom lands involves considerable civil engineering operations in the construction of dams and dikes. Much of the labour involved in these works is provided by the beneficiaries themselves under the guidance of O.R.D. advisers. An important part of the civil works programme is the provision of adequate water supplies to villages. To support the animal traction programme, the O.R.D. provides also a veterinary and stock production service.

The O.R.D. receives some of its funds from the national government, but the main source of finance, however, are the technical assistance agencies. This finance is generally given in the form of support for specific projects.

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1. Comments on the Existing Organization Structure

1.1. Outline of the Present Structure

The C.R.D. has a highly centralized management structure. The extension services are divided into eight sectors, each with a sector head who reports directly to the Director C.R.D. The extension service is supported at the centre by a number of specialist services. These are grouped - according to the nature of the service - into departments ("bureaux"), each with its head, who, again reports directly to the Director. There are in all six departments. Thus there are fourteen people reporting directly to the chief executive of the C.R.D. In fact the number of people reporting directly to him is even more than that. The finance department has been fragmented into services - finance, accounting etc. - each of which reports to him separately. The head of the personnel service also has direct access to the director.

1.2. Problems arising from the Present Structure

This type of organization has a number of disadvantages. The first is that it is highly centralized. Secondly the large number of people reporting to one man leads to problems of co-ordination. These problems, together with a number of other matters which came to our attention are discussed below under the following heads.

- 2.2.1. Centralisation
- 2.2.2. Co-Ordination
- 2.2.3. Experience of Staff
- 2.2.4. Formal Training
- 2.2.5. Management Information
- 2.2.6. Morale

2.2.1. Centralisation

The present management structure results in almost all problems, however trivial, being referred to the director. He is, in effect, the sole decision maker. This is a waste of the director's time and leads to delays, particularly when he is away. The director, by the nature of his office, must spend much of his time in an ambassadorial role. He has to represent the O.R.D. in its dealings with other departments of the public administration and meet the local representatives of the international funding agencies. When the director is not present it is his practice to nominate someone to act in his stead. However, there is no recognised hierarchy within the organisation and the organisation structure itself provides no clear indication as to who is responsible in the absence of the Head.

2.2.2. Co-Ordination

Because so many people are directly responsible to the director his span of control is very broad, too wide, in our opinion, for one man to handle effectively. This makes the co-ordination of the several activities of the O.R.D. very difficult. The O.R.D. is a complex organisation with many different activities which have to be effectively co-ordinated into an integrated technical package.

The delivery of an effective technical package is the principal function of the O.R.D.. Someone has to decide the content of this package and co-ordinate all the services involved in its conception, delivery and propagation. We do not think that this is really achieved at the present time although the director has instituted the practice of holding monthly meetings of all senior field and central staff to bring to light any problems and to seek solutions.

We detected some problem with regard to the role of the veterinary service. How does this service fit into the animal traction service? Is it purely a veterinary service or is it also a stock production service? At the time of our visit the service was without a chief. Our general impression was one of a service dispirited and demoralized lacking in the means, medicines and equipment, to function effectively.

2.2.3. Experience of Staff

With the exception of the director the O.R.D. the senior staff fall into two groups.

- (1) Those highly qualified technically with little practical experience.
- (2) Those with lots of practical experience but with limited technical or professional qualifications.

Most of the very senior posts in the organisation require ideally an amalgam of practical experience and technical know how. This applies in the field - particularly in the larger sectors - and in the specialist services at the centre. People of this kind are not presently available within the O.R.D.. Most of the agricultural engineers have only joined the organisation within the last year.

2.2.4. Formal Training

The quality of the extension service depends very much upon the training given to these agents. At present they receive a short course in training (2 months) at an agricultural college before joining the O.R.D.. If they are to function effectively in the O.R.D. they must be well briefed in the techniques they are being sent out to spread and they must come back for retraining at regular intervals throughout their career.

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Agents complain that :

1. They are not properly treated in regard to pay.
2. Their accommodation is often inadequate and they lack the basic facilities for their work.
3. The transport allowance is insufficient.
4. They don't get sufficient training.
5. The scope of their responsibilities is too wide.

Pay

Extension agents are not currently on the official G.R.D. salary scales. They claim that the scale which applies to them is lower than that for people of similar qualifications and duties who are on the G.R.D. pay scales e.g. the teachers (T.T.A.) and the technical assistants (A.T.A.S.). They would like to be put on the G.R.D. scale.

Accommodation

Agents often have difficulty in finding suitable accommodation. To do his work properly an agent requires accommodation which will provide him with a place in which to live, to have an office and hold his stocks. Since he is often responsible for collecting considerable sums of money it should have a lock on the door. He should have a desk and a chair and the material necessary to complete his paper work. These basic requirements are not available to every agent.

Transport

Agents receive an allowance to buy small motor cycles (mobylettes). A frequent complaint is that the price of fuel is continually rising but there is no corresponding adjustment in the allowance.

Insufficient Training

Agents complain that they have a very wide range of duties to perform but are given very little training. Their duties require them to have some

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knowledge of the O.R.D.'s agricultural production services, veterinary and stock production services, and community development programmes. Many agents too, have a number of administrative tasks to perform for example, heads of sub-sectors who have to be familiar with the company's cash accounting, stock accounting and sales procedures.

Too Many Responsibilities

It is generally accepted that the agent must be involved in the whole range of O.R.D. services. However some feel that they should be relieved of the job of administering the credit scheme, particularly the collection of repayments. This, it is suggested, sometimes makes them unpopular and reduces their effectiveness.

3. Proposed Solutions

To meet the problems referred to in the previous section we think it will be necessary to :-

1. Change the organisational structure
2. Find more experienced staff for senior positions
3. Set up more formal training programmes
4. Make some gestures towards improving the lot of the extension agents
5. Review the position of the veterinary service

3.1. Organisation Structure

We attach in appendix A a full description of the management structure we recommend for the O.R.D.. The aim of the new structure is to :

1. Decentralise authority
2. Ensure a much greater degree of co-ordination

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The basic recommendation is that the O.R.D. be divided into three divisions namely :

1. Operations
2. Planning
3. Administration

Each division would be headed by an assistant director - the director operations deputising for the director in his absence.

The deputy director operations would be responsible for all the extension work in sectors and for the technical support of these services at the centre, viz. agricultural production services (crop production, animal production (stock production) and community development services.

The assistant director planning would be responsible for regional planning, project negotiations, making annual programmes for the O.R.D. and fitting into this the programmes of civil works.

The assistant director administration would be responsible for all accounting and financial matters, purchasing, stocking and distribution of materials and for sales. The management of the revolving fund would be his responsibility.

With the exception of the manager - personnel - all managers and sector heads will report to one of the deputy or assistant directors. It is important for the director to be kept fully informed on personnel matters and any labour relations problems. For that reason we have made the head of personnel directly responsible to him.

If the Director is to delegate his responsibilities as suggested the assistants in charge of the three principal divisions must be men of ability and experience in order to have sufficient confidence to allow them a large measure of independence and authority. Unfortunately, the O.R.D. does not have these men.

One solution might be to look to other O.R.D.'s who might have more experienced people. If throughout the O.R.D.'s the post of head of division were seen as a stepping stone to higher responsibility it might be possible to attract to these posts the more able and experienced qualified people available. It would give such people a chance of holding posts of considerable responsibility without yet carrying the full weight of responsibility for an organisation of the importance of an O.R.D.. It would also give the authorities entrusted with the task of selecting future directors of O.R.D.'s or heads of similar organisations the opportunity of choosing from candidates who had already, to some extent at least, been tested in the problems of management. Thus in the long run the O.R.D.'s would produce their own senior managers.

If it is impossible to find suitably experienced Voltaics we do not think that sending less experienced people on training courses overseas is a solution because : -

- 1) It removes personnel which the O.R.D. cannot afford to lose.
- 2) The people who receive such training will be tempted to leave the O.R.D. for other jobs in the public service or more lucrative appointments in the private sector.

We recommend, therefore, bringing in expatriates to act as "conseillers techniques" to each division head, allowing promising Voltaics to take up posts under expert tuition.

The "conseiller technique" to the head of administration division would also act as financial controller. Because of the poor state of the O.R.D.'s accounting on which we comment elsewhere, he will have to try to recruit or train a number of suitably qualified Voltaic assistants to help him in setting up new accounting systems.

In addition to the "conseillers techniques" for the division heads, we think it would be advisable to bring an experienced agriculturalist as head of technical services. His job would be basically to decide what techniques the O.R.D. is going to offer and how these can be best co-ordinated in the form of a package. His choice has to be a pragmatic one based on what is available and his general appreciation of the situation. He would provide technical expertise on agricultural production and would be responsible for co-ordinating the agricultural services with the veterinary services to provide the best possible back up to the agents in the field. He would also be responsible for the training of all the O.R.D. extension staff.

3.3. Formal Training Programme

There is a need for much more formal training within the O.R.D.. We see the need for three kinds of programmes.

1. Induction training programmes for new extension agents
2. Refresher courses (say every 2 years) for agents in service
3. Specialist courses for specialist agents e.g. crop production techniques, stock production, co-operation and ...

Most of the material for these courses would be provided by the various technical services at the centre. The training, however, has to be co-ordinated and balanced to accord with the technical message the O.R.D. is currently seeking to propagate. The courses should be well prepared and professionally presented. They should cover not only technical matters but also such administration procedures as concern agents in the field.

To provide this training and to keep some check on the training needs of each agent we propose the setting up of a separate internal training department with a manager in charge reporting directly to the senior manager technical services.

3.4. Improving the lot of Extension Agents

We recognise that it is impossible, given the financial constraints imposed on the O.R.D.s, to go very far towards meeting all the expectations of extension agents. There are some things which might, however, be possible within a limited budget.

- 1. To reward any special effort on the part of agents by means of bonuses. Where a bonus is impossible a letter of congratulation or appreciation from the director or division head would help.
- 2. To make an effort to see that every agent has a reasonable place in which to live and work.
- 3. To adjust the allowance for transport periodically to compensate for the increase in the cost of fuel.
- 4. To improve his stock of knowledge by more regular training courses.

We have considered the possibility of relieving the extension agents of the responsibility for credit administration and collection. We do not think that this is practicable. Credit should only be given to those who can take care of it. Only the extension agent can best judge the creditworthiness of a borrower and the local conditions which affect the repayment of the loan. It is therefore essential to place the responsibility of the extension agent.

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3.5.

Review the position of the Veterinary Service

The veterinary service seems to be at the present time the Cinderella of the C.R.D. organisation. The service seems to be very much under financed and not very sure of its role. With the means currently at its disposal it can do very little.

The solution seems to be either to make more finance available to the veterinary service within the context of the C.R.D.'s operation or to completely remove the veterinary service from the C.R.D. altogether and set them up as a service apart and separately financed.

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PROPOSED ORGANISATION STRUCTURE

I N D E X

<u>Section No.</u>	
1	Description of the Proposed Organisation
2	Organisation Charts
	2.1. Divisional Organisation
	2.2. Operations Division
	2.3. Planning Division
	2.4. Administration Division
	2.5. Personnel Department
3	Job Descriptions
	3.1. Director, Deputy and Assistant Director Operations Division --
	3.2. Field Staff
	3.3. Headquarters Staff
	3.4. Planning Division
	3.5. Administration Division
	3.6. Personnel Department
4	Note on Grading
5	Summary of number employees July 1980

S E C T I O N 1

Description of the Organisation

- 1.1 Divisional Structure
 - 1.2 Operations Division
 - 1.2.1. Field Services
 - 1.2.2. Divisional Headquarters Services
 - 1.3 Planning Division
 - 1.4 Administration Division
 - 1.5 Personnel Department
-

1. Description of the Organisation

1.1 Divisional Structure

The organisation structure shown on Chart 1 divides the O.R.D. into three divisions each headed by a deputy or assistant director. The operations division is by far the largest. It has most of the personnel and is responsible for running the extension services of the O.R.D. The head of the division would also act as deputy head of the O.R.D. The other two divisions are concerned with planning and administration. The planning division is charged with preparing a development plan for the region, negotiating project agreements with funding agencies and preparing an annual programme for the O.R.D. The administration division is responsible for finance, accounting, purchasing and marketing. For the time being we suggest that the head of personnel also report directly to the O.R.D. director. This might be changed later bringing personnel under the wing of the assistant director administration. Detailed job descriptions for the directors are given in Section 3.1., that for the personnel manager in Section 3.2.

1.2 Operations Division

Chart 2.1 gives the internal organisation of the operations division. The director operations is responsible for Headquarters and field services. The field services are divided into sectors each headed by a head of sector who reports directly to the director operations. The headquarters services provide the technical back up to the field services. Each technical service is headed by a manager who reports to the senior manager technical services. The senior manager technical services is responsible to the director operations for the co-ordination of all the technical services. Job descriptions for headquarters staff are given in Section 3.2. and field staff in Section 3.3.

1.2.1. Field Services

Chart 2.2 gives the organisation structure for a typical sector. Sectors differ in size and some, well endowed with project money, are staffed and equipped more generously than others. The organisational problem within the sector is the same as that for the operations division. The staff are divided into field services and technical services. The field staff are grouped by sub sector, each with a sub sector head. The sub sector head may himself be an extension agent with an "unite d'encadrement".

Within a sub sector, as well as the extension agent, there may be also schoolmasters (F.S.A.), responsible for the agricultural schools for 12-15 year olds, and "agents" who are charged with promoting the formation of womens groups. The sub sector head has to co-ordinate the activity of all who work in his sub sector. The technical services at sector H.Q. are a reflection of the technical services at divisional H.Q. There will generally be a specialist agent for credit and co-operation, and for stock production/veterinary services. Where there is need for it there may be specialist advisers in crop production techniques, the kind of specialist depending on the need and the availability of specialist services in specific techniques. These specialists will be responsible for providing specialist advice and help to agents in the sub sector. Section H.Q. will also have a storekeeper to look after the sector store. Specialist agents are answerable functionally to the head of their technical discipline at divisional H.Q.

1.2.3. Divisional Headquarters Services

Charts 2.3 to 2.5 show the internal structure of the several technical services at divisional H.Q. Each service has its own manager. The senior manager technical services - who might himself be the head of one of the technical services - is responsible for the co-ordination of all the services to ensure that they fit into the overall technical package. He is responsible, too, for ensuring that the training programmes prepared by the training manager also conform to the general strategy and that the various technical services co-operate with the training manager in producing these programmes. The technical managers are responsible for providing specialist advisers to sectors in their specialist disciplines. They may do this from the centre or, where the need arises, by detaching staff and assigning them to sectors.

1.3 Planning Division

Chart 3 sets out the internal structure of the planning division. The planning division is divided into four departments each with a department manager. The project department is concerned with the conception of projects, the negotiation of project agreements and the follow up of projects. The planning and programming department is responsible for producing an integrated development plan for the region, producing an annual programme for the C.R.D., co-ordinating the various projects to be carried out during the year and matching this with the resources available. The department will also collaborate with directors ^{of} planning and administration in the preparation of the annual budget.

Reporting also to the director planning is the manager applied research. The activity of this department will be much reduced with the departure of the M.S.U. team. It is, however, we think worthwhile for the O.R.D. to keep a small staff primarily for agro-economic research to evaluate the longer term benefits of the O.R.D. operations. We would attach to the applied research department any staff engaged in seed trials etc. in order that a complete economic evaluation of the results might be available. Reporting also to the assistant director planning is the head of the civil engineering department. He will act as civil engineering adviser to the planning manager and will be responsible for estimating the costs of civil works and supervising their execution. Almost all major civil works will form part of specific projects. Detailed job descriptions for the staff of the planning division are given in Section 3.4.

1.4 Administration Division

The proposed structure for the administration division is set out on Chart 4.1. The division is divided into three departments - the accounting and finance department, the supply services department and the marketing department. The financial controller who heads the finance and accounting department will act as deputy head of the division. The activities of the marketing division are at present very limited. The director administration is thus responsible for purchasing supplies and equipment, distributing these supplies and accounting for any stocks and effecting any sales. He has to try to run the commercial operations of the O.R.D. in a business like way preserving as far as possible the funds provided by donors as working capital.

Charts 4.2. and 4.3. show the internal structures of the financial controller's and the supply manager's departments. Detailed job descriptions for all ^{key} personnel in the administration division are given in Section 3.5.

1.5 Personnel Department

Chart Number 5 shows the organisation of the personnel department. The job description for the personnel manager is given in Section 3.6.

S E C T I O N 2

Organisation Charts

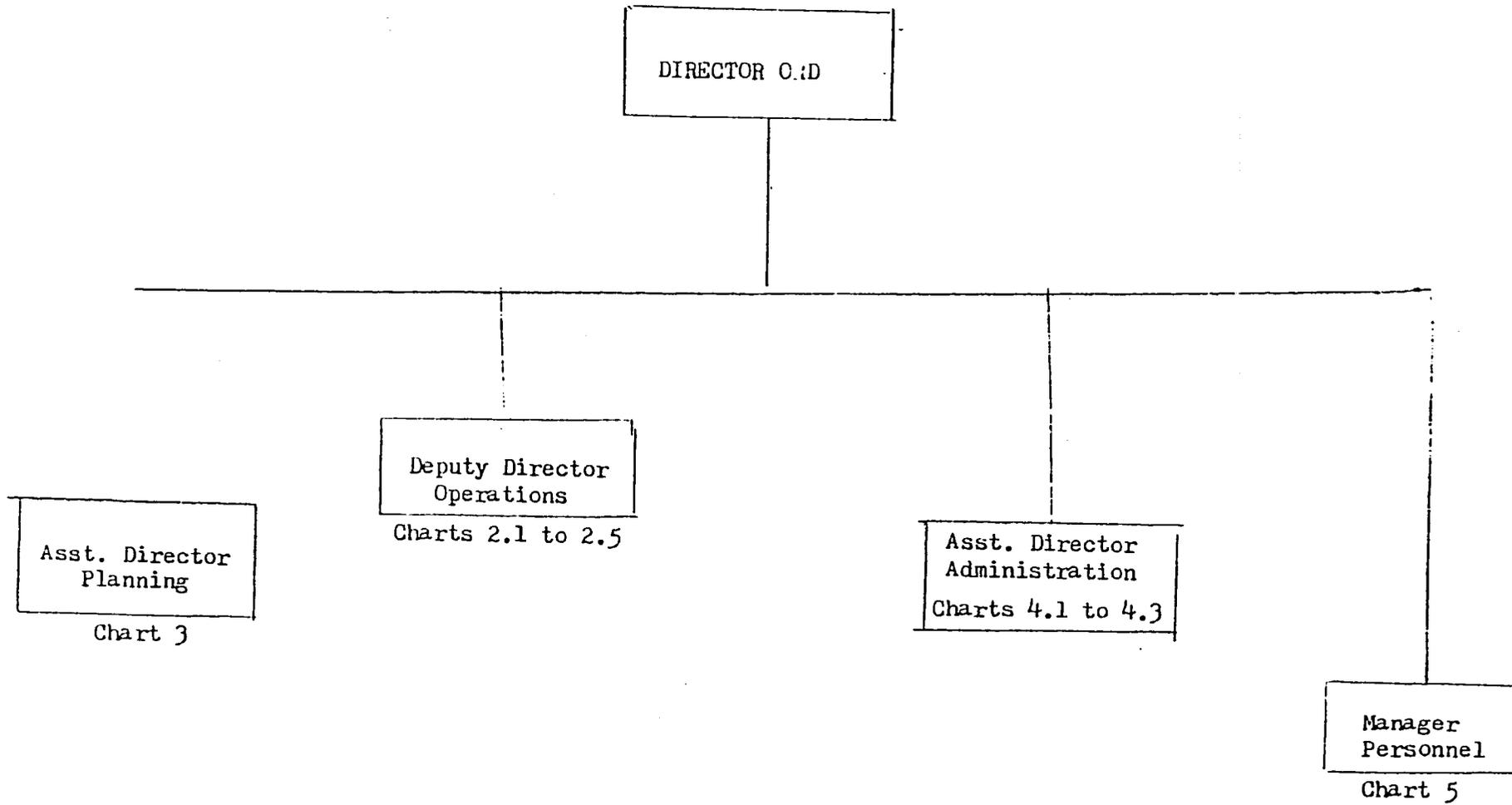
Chart Number

1. Divisional Organisation
2. Operations Division
 - 2.1. Divisional Organisation
 - 2.2. Field Services
 - 2.3. H.Q. Services - Crop Production
 - 2.4. " " - Stock Production
 - 2.5. " " - Community Development
3. Planning Division
4. Administration Division
 - 4.1. Divisional Organisation
 - 4.2. Finance and Accounting Department
 - 4.3. Supply Services

Personnel Department

DIVISIONAL ORGANISATION

CHART No. 1



Divisional Organization

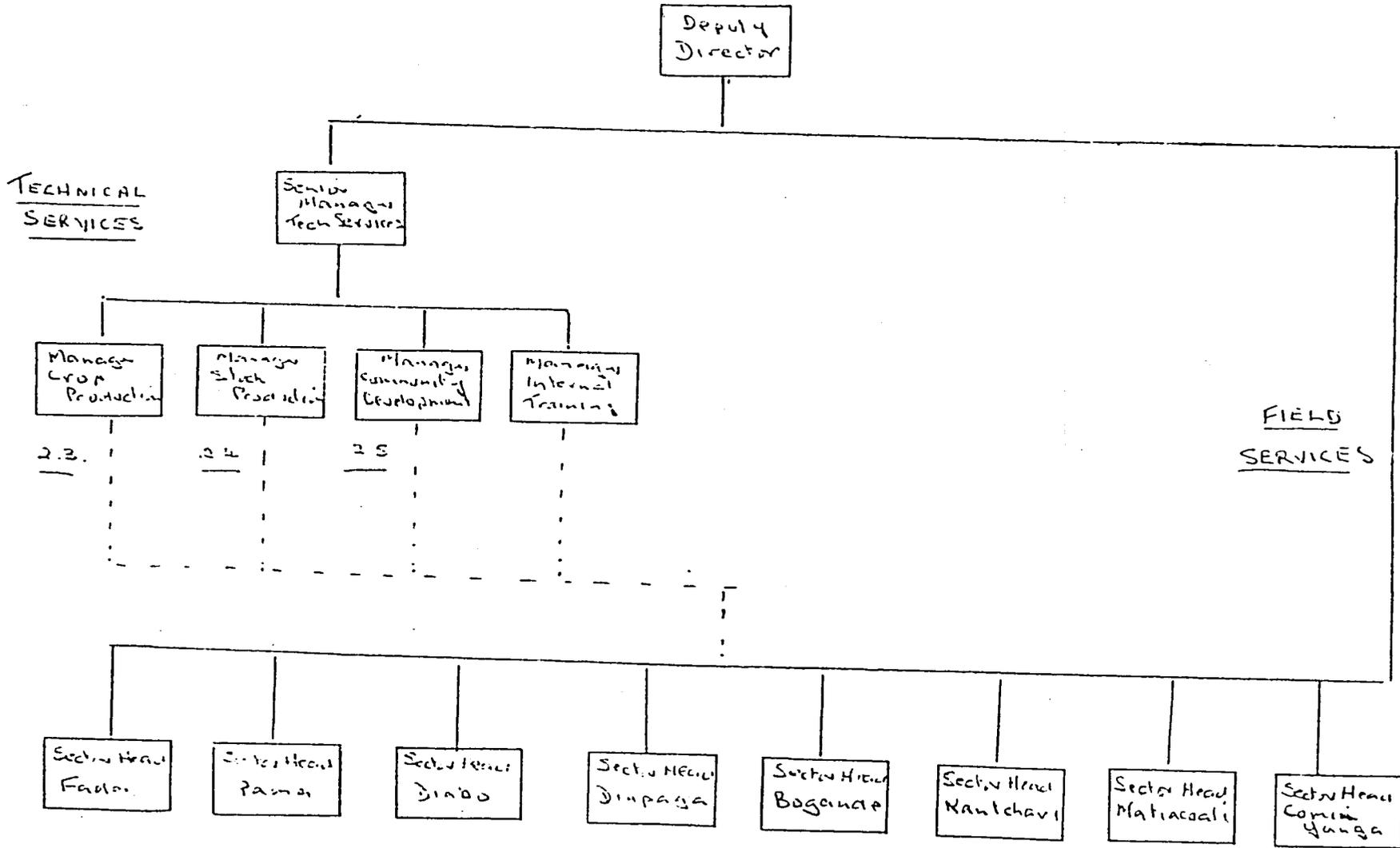


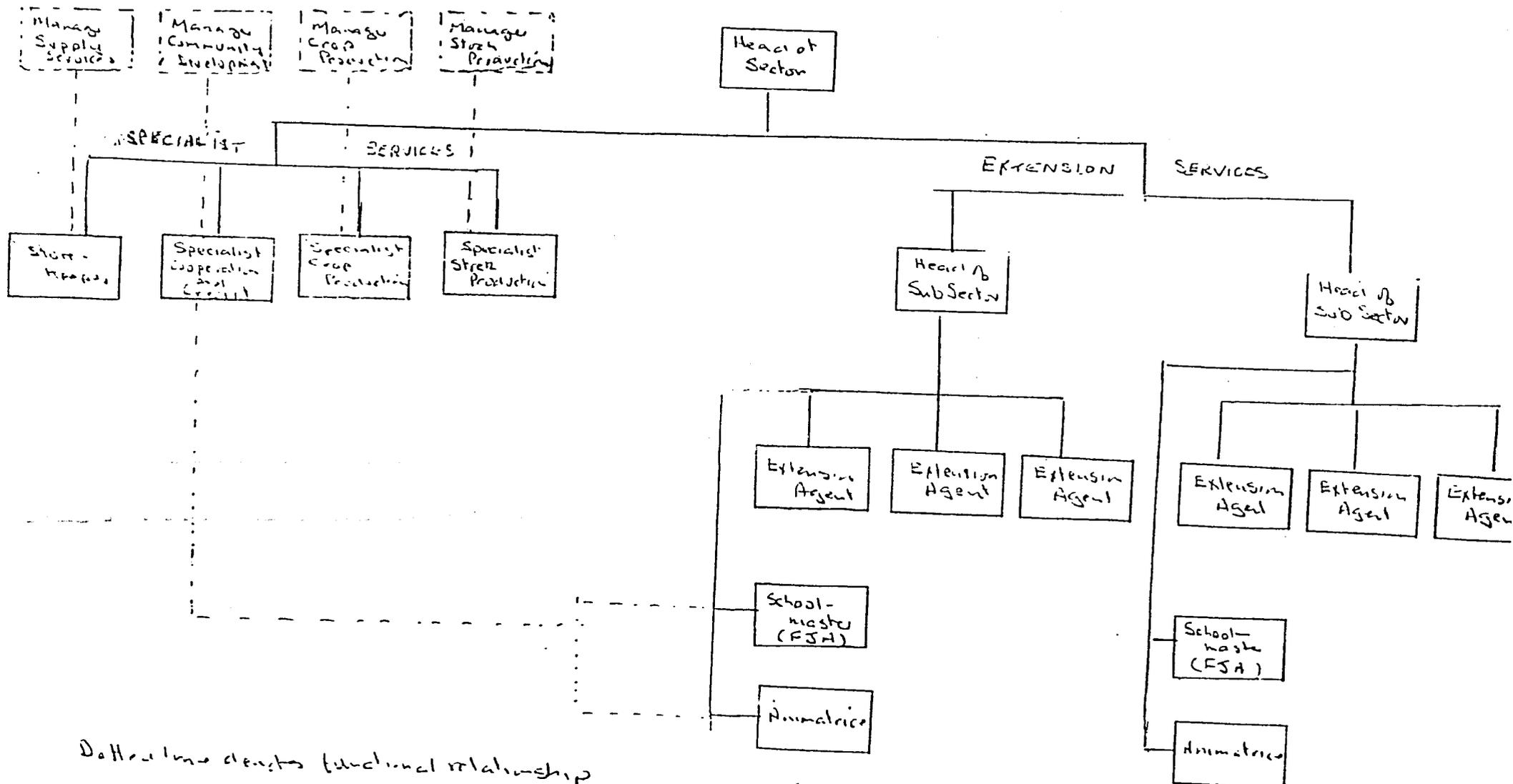
chart 2.2

Dotted lines indicate a functional relationship

OPERATIONS DIVISION

Chart 2.2

Field Services

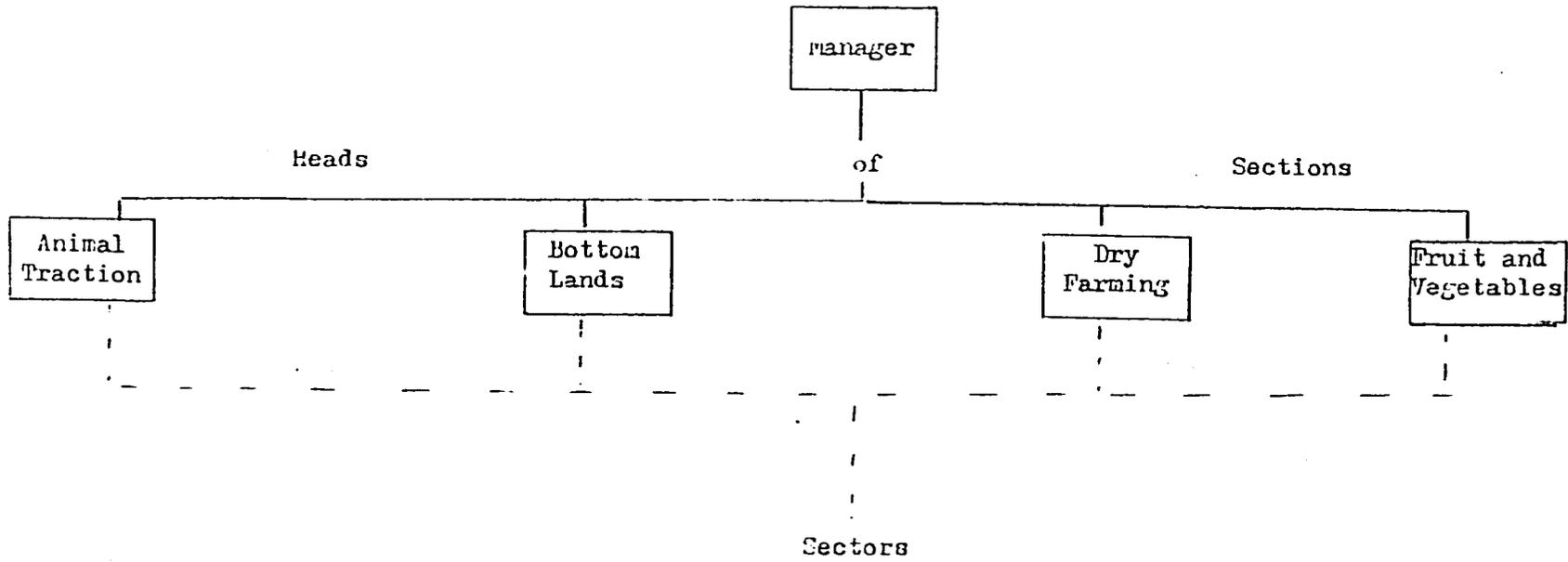


Dotted lines denote functional relationship

The number of sub sectors varies from sector to sector. There are in all 23 sub sectors. Not all sub sectors have...

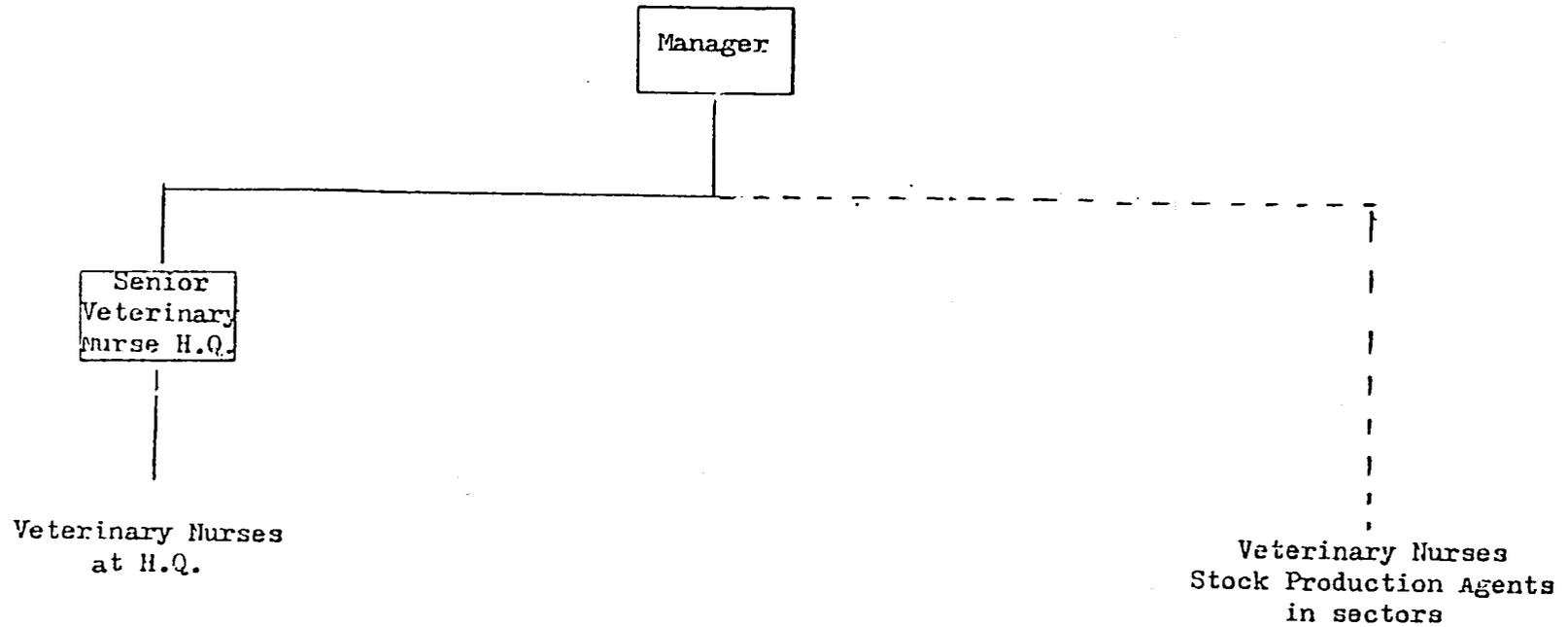
Crop Production

CHART 2.3



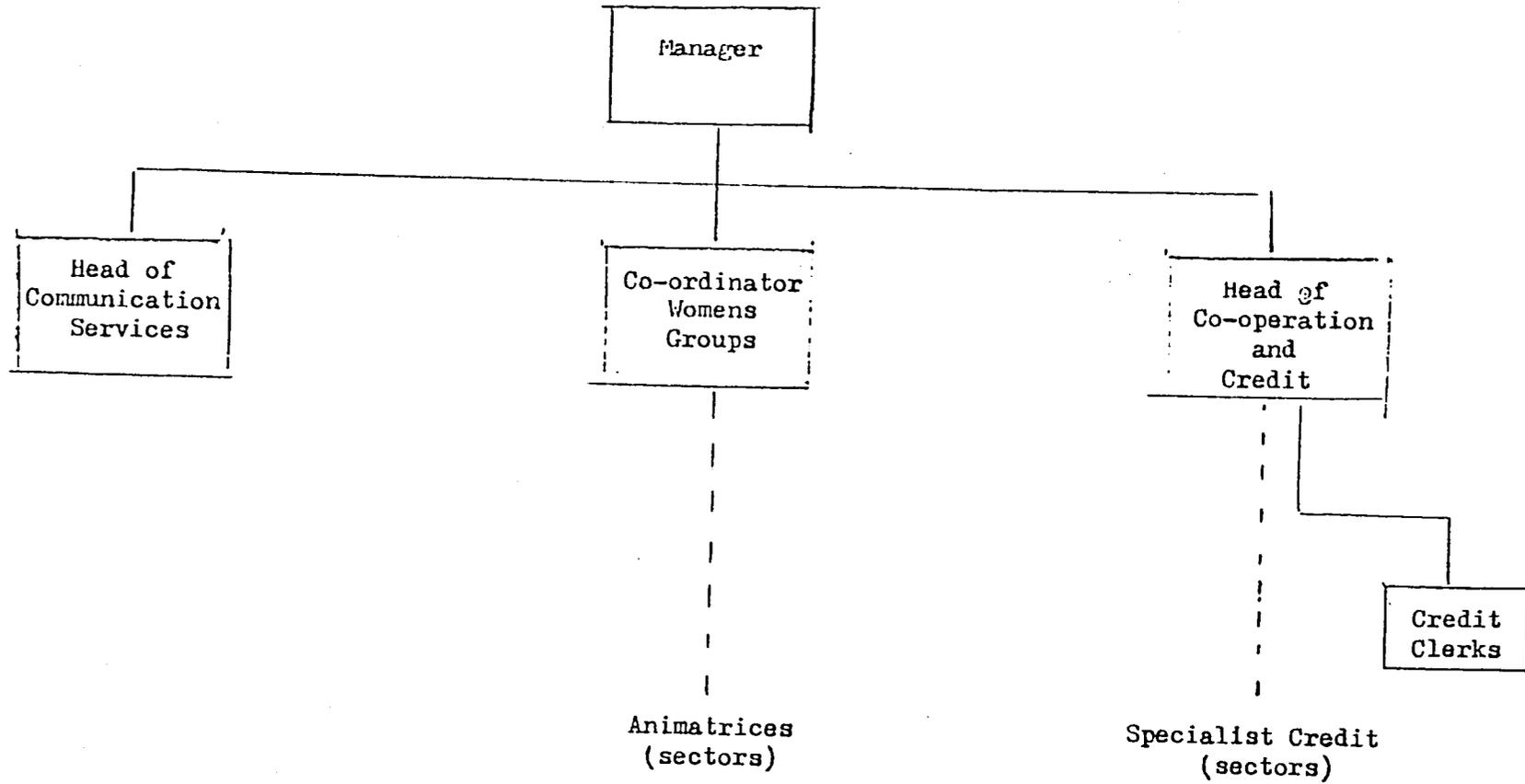
(Functionally responsible for specialist agents assigned to sectors)

Stock Production



Dotted lines show functional relationship

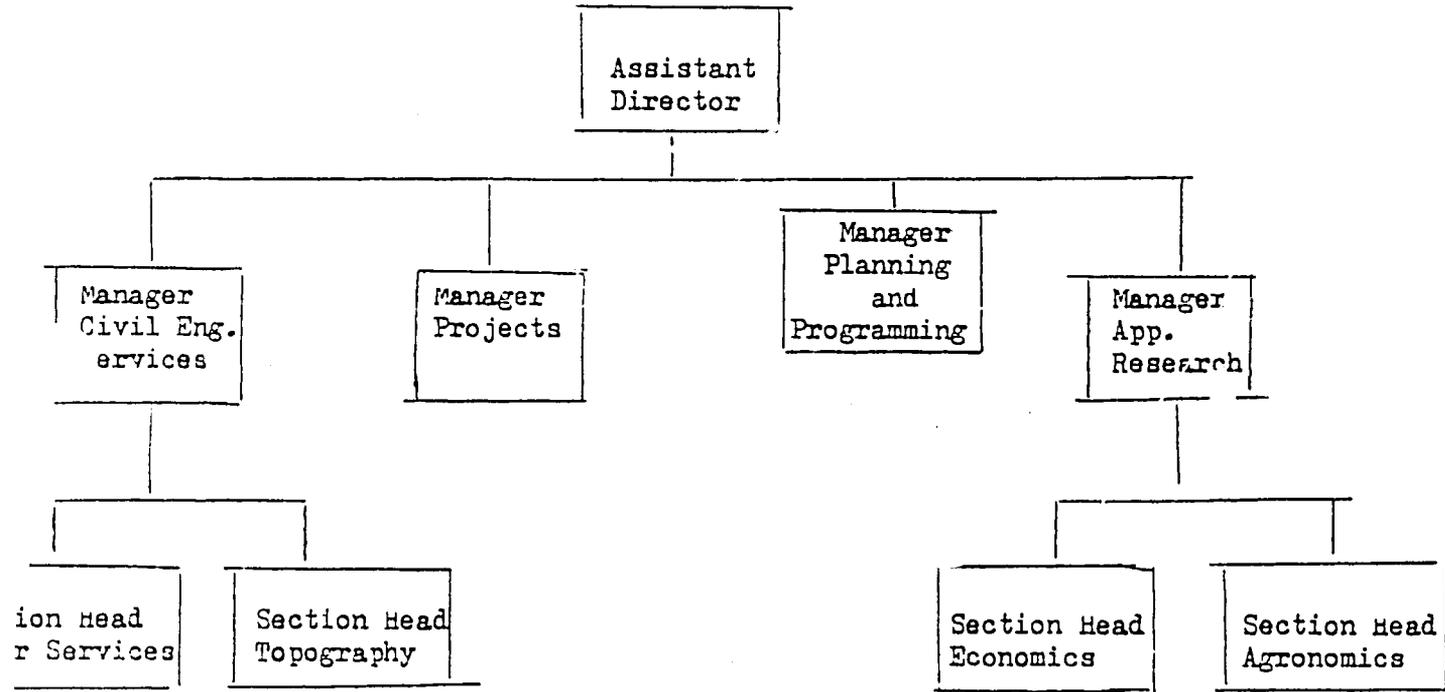
Community Development



PLANNING DIVISION

Divisional Organisation

CHART 3.



ADMINISTRATION DIVISION

Divisional Organisation

CHART 4.1

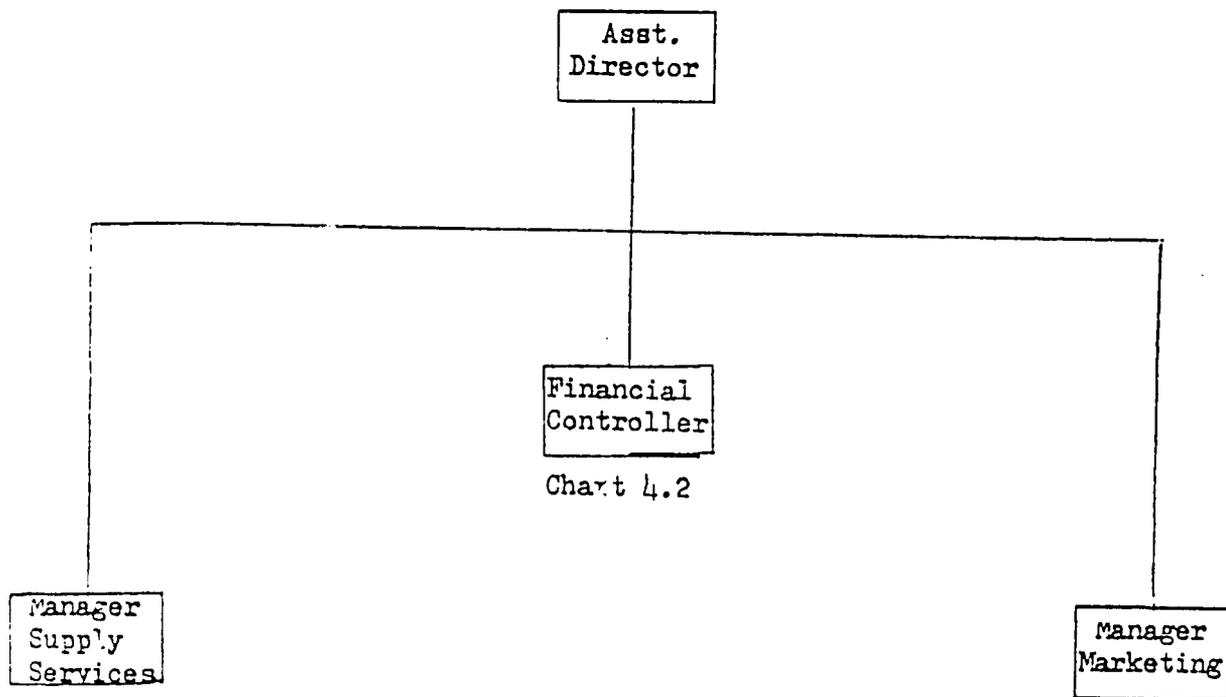


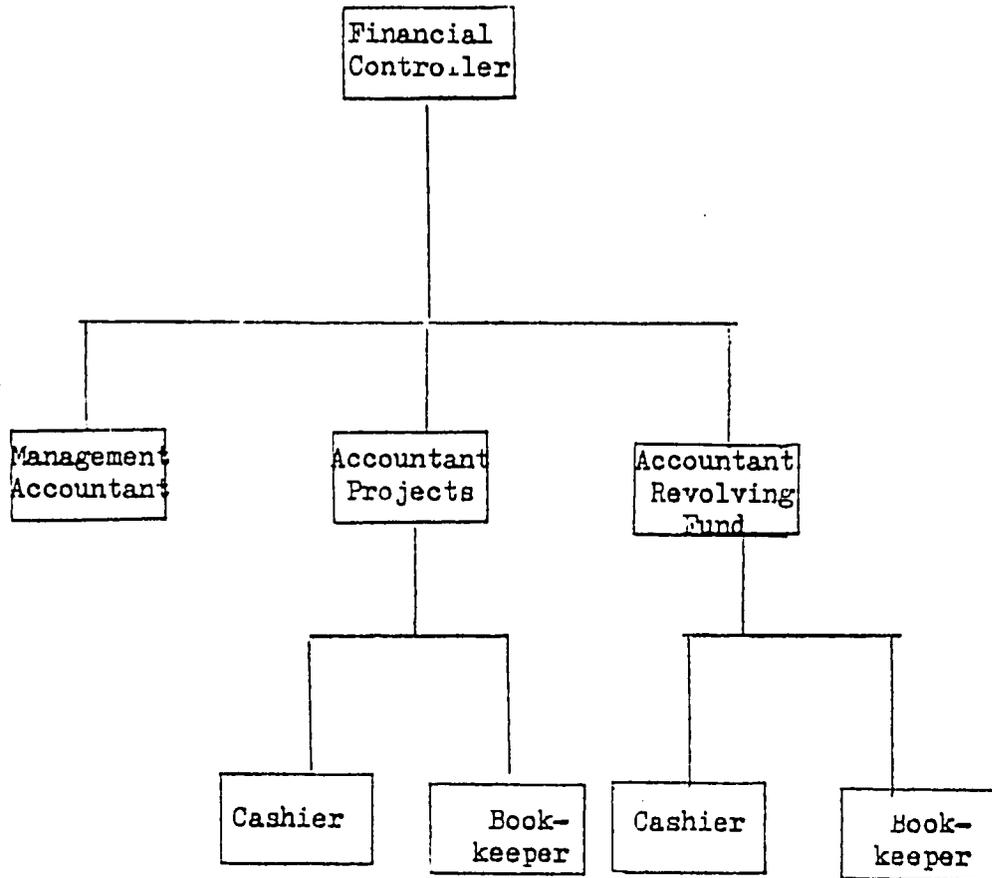
Chart 4.2

Chart 4.2

ADMINISTRATION DIVISION

Finance and Accounting Department

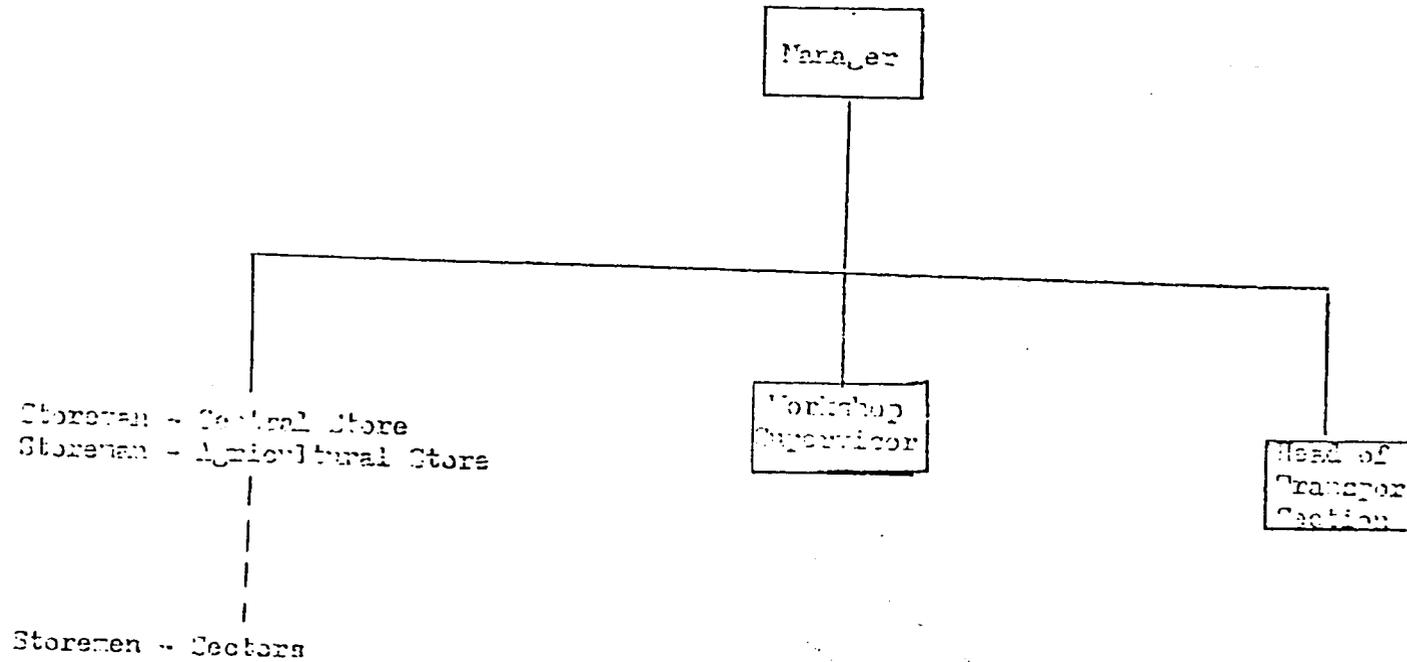
CHART 4.2



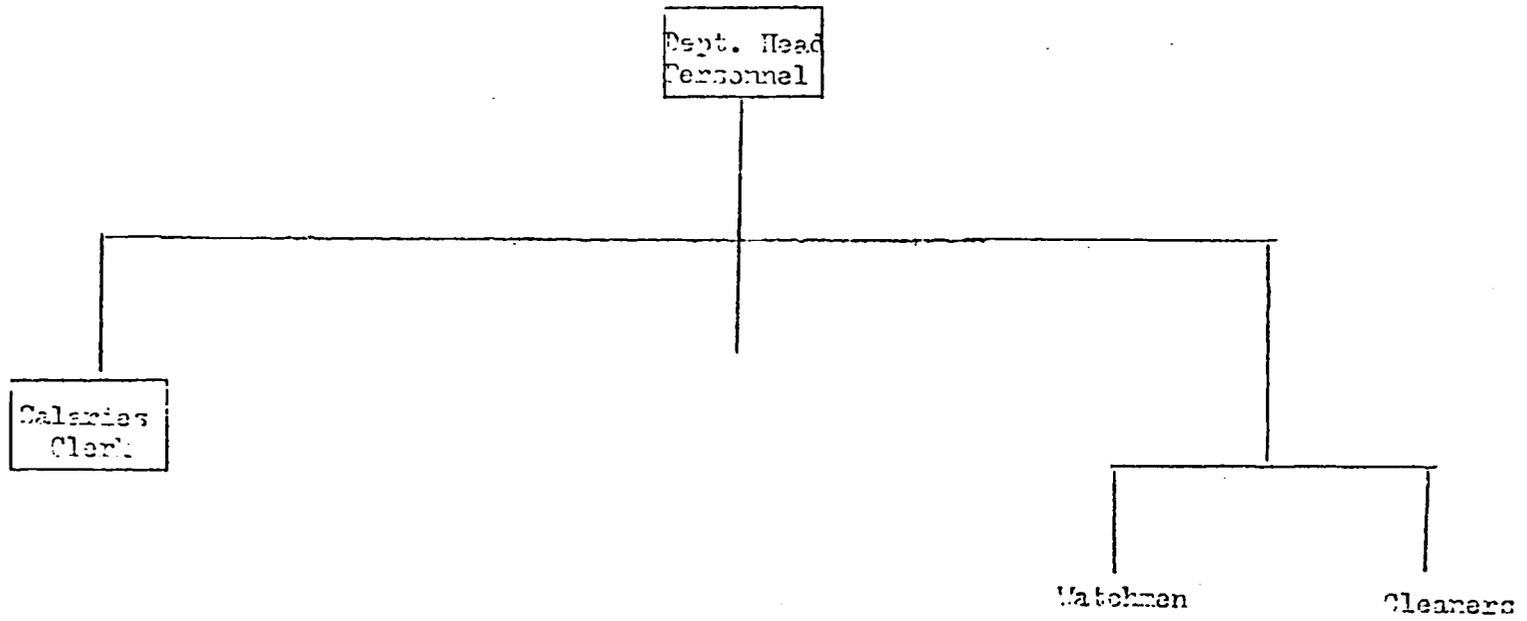
ADMINISTRATION DIVISION

Supply Services

CHART 4.3



Dotted line shows functional relationship



S E C T I O N 3

Job Descriptions

- 3.1 Directors and Assistant Directors
- 3.1.1 Director
 - 3.1.2 Deputy Director - Operations
 - 3.1.3 Assistant Director - Planning
 - 3.1.4 Assistant Director - Administration
- 3.2 Operations Division - Field Services
- 3.2.1 Head of Sector
 - 3.2.2 Head of Sub Sector
 - 3.2.3 Extension Agent
 - 3.2.4 Schoolmaster (FSA)
 - 3.2.5 Animatrice
 - 3.2.6 Specialist - Co-operation and Credit
 - 3.2.7 Specialist - Stock Production
 - 3.2.8 Specialist - Crop Production
 - 3.2.9 Storekeeper
- 3.3 Operation Division - Divisional HQ Services
- 3.3.1 Senior Manager - Technical Services
 - 3.3.2 Managers - Technical Services
 - 3.3.3 Stock Production
 - 3.3.4 Crop Production
 - 3.3.4 Community Department
 - 3.3.5 Internal Training
 - 3.3.5 Heads of Sections etc.
 - 3.3.6 Co-operation and Credit
 - 3.3.7 Communication
 - 3.3.8 Co-ordination - Womens Groups
 - 3.3.9 Crop Production
- 3.4 Planning Division
- 3.4.1 Manager - Planning and Programming
 - 3.4.2 " - Projects
 - 3.4.3 " - Applied Research
 - 3.4.4 " - Civil Engineering

- 3.5 Administration Division
 - 3.5.1 Financial Controller
 - 3.5.2 Manager Supply Services
 - 3.5.3 " Marketing
 - 3.5.4 Management Accountant
 - 3.5.5 Accountant

- 3.6 Manager Personnel
-

Job Description

3.1.1

Job Title	Director
Responsible for	The direction of the O.R.D.
Reports to	The "Consula-Administration"
Reporting to him	<ol style="list-style-type: none">1. The Deputy Director - Operations2. The Assistant Director - Planning3. The Assistant Director - Administration4. The Manager Personnel
Duties	<ol style="list-style-type: none">1. To set the policy to be followed by the O.R.D. and monitor their execution.2. To answer to the "Consul d'Administration " for all the activities of the O.R.D.3. To represent the O.R.D. in dealing with ministries and other government agencies.4. To represent the O.R.D. in its dealings with international agencies supplying funds.5. To approve all project agreements with such agencies.6. To approve the development plan for the region and the annual work programme of the O.R.D.7. To ensure that programmes are adequately financed8. To approve the annual budget of the O.R.D.9. To approve the annual report and the annual accounts.10. To motivate his staff and maintain good labour relations.11. To sign all cheques.
Qualifications	<p>A university degree in agricultural science Considerable experience in implementing agricultural development projects Some previous experience in administering a large organisation.</p>

Job Description

3.1.2

Job Title	Deputy Director - Operations
Responsible for	The running of the extension services
Reports to	The Director
Reporting to him	1. The Senior Manager - Technical Services 2. Heads of Sectors
Duties	<ol style="list-style-type: none">1. To direct and supervise the extension services of the O.R.D.2. To determine the content of the technical package to be offered by the extension service.3. To co-ordinate the annual programmes submitted by sectors.4. To agree with the Asst. Director planning a programme for the coming year.5. To allocate resources to meet the needs of the agreed programme.6. To provide sectors with the requisite specialist technical services.7. To co-ordinate the work of these services.8. To execute the annual programme.9. To ensure that his staff are properly trained and equipped.10. To maintain the morale of field staff by regular visits to sectors and sub-sectors.11. To review the monthly and annual reports from sectors and technical service departments.12. To deputise for the director in his absence.

A degree in agricultural science.

Some years practical experience in the agricultural extension (or similar) service.

Some experience in handling a large number of people.

Job Description

3.1.3

Job Title	Assistant Director - Planning
Responsible for	Planning and Programming
Responsible to	The director
Reporting to him	<ol style="list-style-type: none">1. The Manager - Planning2. The Manager - Projects3. The Manager - Civil Engineering4. The Manager - Applied Research
Duties	<ol style="list-style-type: none">1. To prepare a regional plan for the development of the region.2. To design projects in keeping with the regional plan and propose them to funding ^{AGENCIES} SERVICES.3. To receive projects submitted by funding agencies, evaluate them and negotiate project agreements, fitting them into the regional plan.4. To produce annually a co-ordinated programme of activities for the O.R.D.5. To collaborate with the assistant director - administration in producing the annual budget of the O.R.D.6. To follow up projects and keep in touch with funding sources.7. To schedule the civil engineering works to be undertaken within the general programme of activity of the O.R.D.8. To assign to the manager - applied research topics for research.9. To set the marketing strategy to be followed by the marketing manager.
Qualifications	<p>A university degree in agricultural economics. Some experience in regional planning. Some experience in running a planning department.</p>
Grade	A. 1

Job Description

3.1.4

Job Title	Assistant Director - Administration
Responsible for	Finance accounting, supply and marketing.
Reports to	The Director
Reporting to him	<ol style="list-style-type: none">1. The financial controller2. The manager - supply services3. The manager - marketing
Duties	<ol style="list-style-type: none">1. To agree with the assistant director planning the annual budget for the O.R.D. and ensure the ^{at} requisite finance is available.2. To manage the revolving fund.3. To manage the O.R.D.'s bank accounts.4. To ensure that a proper accounting is kept of all the O.R.D.'s activities.5. To ensure the prompt regular production of financial statement^s and report^s.6. To deal with funding ^{sources} services on financial matters.7. To set procurement and purchasing procedures.8. To approve all purchase orders and sanction all payments.9. To ensure the efficient stocking and distribution of supplies.10. To see that the vehicle fleet is properly run.11. To supervise the marketing operation and to approve all purchases and sales.
Qualifications	A university degree in finance or business administration. Several years experience in financial administration.
Grade	A. 1

Job Description

3.2.1

Job Title	Head of Sector
Responsible for	The extension services within his sector.
Reports to	The deputy director - Operations.
Lateral Relationships with	The technical managers (in the provision of technical services to his region and the training of personnel).
Reporting to him	<ol style="list-style-type: none">1. The heads of sub sectors2. The staff at sector H.Q. viz.<ul style="list-style-type: none">- the specialist stock production- the specialist crop production- the specialist credit and co-operation- the "storekeeper"
Duties	<ol style="list-style-type: none">1. To promote the services of the O.R.D. in his sector.2. To maintain good relations with members of the civil administration and community leaders in his sector.3. To ensure that his sector is adequately staffed with both field and specialist personnel to carry on the programme of activities assigned to him.4. To ensure that his staff are adequately trained and that they are kept up to date in the techniques being applied by the O.R.D.5. To supervise and co-ordinate the activities of his staff in the field and at sector H.Q.6. To see that the credit programme is administered and accounted for in accordance with the norms set by the O.R.D.7. To furnish O.R.D. with the statistics and returns required by them - monthly, quarterly and annually.8. To receive and account for all cash received by the sector and to transmit it to the cashier at O.R.D.9. To prepare monthly and annual reports of the activities of his sector.10. To prepare annually a programme of activity for the sector together with a list of requirements both in material and equipment.11. To keep his staff informed of the O.R.D.'s plans and activities.

/ cont.....

Requirements of Post

1. A good general education up to secondary level (EF.PC)
2. Advanced training in agriculture at an agricultural institution.
3. Preferably the holder of a degree or diploma in agriculture. (in the absence of that considerable practical experience in applying the techniques being advocated by the O.R.D.).
4. Some practical experience in the field.

Grade

A.3 to B.1 (depending on size of sector and the projects being executed within it and the qualifications of the sector head.)

Requirements of Post

1. A certificate of primary education (C.E.P.E) preferably followed by some years of secondary education (B.E.P.C).
2. A course at the agricultural school at Z/abou K... ..

Grade

C. 2

Job Title	Head of Sub Sector
Responsible for	
Reports to	Head of Sector
Lateral Relations with	1. The technical specialists at O.R.D. ^{Sector} H.Q. (for specialists' help and advice)..
Reporting to him	1. The extension agents 2. The schoolmaster (FSA) 3. The "animatrice"
Duties	1. To promote the services of the O.R.D. within his sub-sector. 2. To supervise and co-ordinate the work of the people working within his sub-sector. 3. To call upon the help of the specialist services as required. 4. To consolidate for the sub sector all statistical information received from his agents. 5. To keep records of all stocks in his charge. 6. To receive all cash collected by his agents and hand over all monies at least once per month to the head of sector. 7. To complete all accounting and statistical returns required by the O.R.D. from his sub-sector. 8. To prepare monthly and annually reports of the activities of his sub-sector. 9. To prepare annually a programme of work for his sub-sector for the coming year together with a list of all material and equipment required.
Requirement of Post	1. The same basic qualifications as an extension agent. 2. Some years of experience as an extension agent in the field.
Grade	C.1.

Job Description

3.2.3

120

Job Title Extension Agent

Responsible for The extension services within an "unite d'encadrement".

Reports to Head of Sub-Sector

Lateral Relationship
with

1. The schoolmaster (FSA) in promoting adult literacy (alphabetisation fonctionelle).
2. The "animatrice" in promoting womens groups (Not all "Unites" have schoolmasters and animatrices).

Duties.

1. To bring the extension services of the O.R.D. to the notice of the communities which he serves.
2. To instruct individual farmers in improved farming techniques.
3. To set up village groups to encourage improvements both social and agricultural.
4. To promote the animal traction programme by setting up viable co-operative groups and providing access to agricultural credit.
5. To administer the credit services in his district and account for them in accordance with the norms set by the O.R.D.
6. To make the monthly statistical returns of agricultural production required by the O.R.D.
7. To hand over all cash collected at least once per month to his head of sub sector.
8. To promote - in co-operation with the animatrice - women and young persons groups.
9. To promote - in co-operation with the schoolmaster (FSA) adult literacy (alphabetisation fonctionelle).
10. To promote so far as he is able, the health, hygiene and welfare of the communities within his district.
11. To prepare annually a programme of work for his "unite" together with a list of requirements in equipment and materials.

continued

Job Description

121

3.2. 4

Job Title Schoolmaster (F.S.A.)

Responsible for The running of an agricultural school for 12 to 15 year olds.

Reports to Directly (X) The head of the sub section where he is working.
Functionally (X) The manager community ^{development} service at O.R.D. H.Q.

Lateral Relationship with 1. Extension agents of the units where the school is located.
-particularly in respect to adult education -
(alphabetisation fonctionelle).

Duties 1. To run the village agricultural school.
2. To promote an interest in agricultural improvement and community development among the young.
3. To advise the head of sector, extension agents etc. in matters relating to adult education (alphabetisation fonctionelle).

Requirements of Post Membership of the corps ^{of S} at F.S.A.

Grade C.1.

Job Title Animatrices

Responsible for Promotion of ^{WORKING} various activities and young persons groups in the communities to which she is assigned.

Reports to Directly (1) The head of sub-sector to which she is assigned.
Functionally (1) The co-ordination ^{OR} at O.R.D. H.Q.

Lateral Relations with The extension agents or the units in which she is working.

Duties

1. To promote the formation of women's and young persons groups.
2. To extend the awareness of good agricultural practice and encourage the formation of groups to cultivate fields in common.
3. To promote a knowledge of the basic principles of health care and hygiene.
4. To encourage other social activities especially among women and young people.

Requirements of Post The same qualifications as an extension agent.

Grade C. 2.

Job Description

123

3.2.6

Job Title Specialist - Co-operation and Credit

Responsible for The promotion of co-operative groups and the administration of the agricultural credit scheme.

Reports to Directly - The head of sector
Functionally - The manager community development at O.R.D. H.Q.

Lateral Relationships with The heads of sub-sectors

Duties

1. To promote the creation of village groups within his sector.
2. To supervise all co-operative groups set up in his sector.
3. To advise the heads of sub-sectors on all matters relating to the administration of the credit scheme.
4. To hold meetings of farmers participating in the credit scheme and issue to them the annual statement of account (facture).
5. To receive from head of sectors all documentation relating to the provision of credit, check ^{it} out and pass it on to manager community development at O.R.D. H.Q.
6. To follow up and pursue the collection of all amounts overdue.
7. To assist in the training of all extension agents of his sector.

Requirements of Post

1. The same qualifications as an extension agent.
2. Specialised training in the O.R.D.'s procedure for credit administration.

Grade C.1.

123

Job Description

124

3.2.7

Job Title Specialist - Stock Production

Responsible for Provision of veterinary and animal management services within his sector

Reports to Directly - Head of Sector
Functionally - Manager Stock Production at O.R.D. H.Q.

Lateral Relations with Heads of Sub-Sectors

Duties.

1. To provide a veterinary service.
2. To give advice on animal management and nutrition.
3. To advise on stock production.
4. To assist in the training of extension agents in his sector.

Qualification Specialist training as a veterinary nurse.

Grade C.1.

124

Job Description

125

3:2.8

Job Title Specialist - Crop Production

Responsible for The provision of specialist advice on agricultural matters..

Reports to Directly - The head of sector
Functionally - the manager crop production

Lateral relations with The heads of sub-sectors.

Duties

1. To provide specialist advice in his specialist area to agents within the sector.
2. To assist in the training of extension agents in the sector

Qualifications

As for an extension agent
Followed by specialist training in specific aspects of crop production.

Grade C.1..

125

Job Title	Storekeeper
Responsible for	The running of the sector's central store
Reports to	Directly - The head of the sector in which he is working Functionally - The manager supply services at O.R.D. H.Q.
Lateral Relations with	Heads of sub-sectors
Duties	<ol style="list-style-type: none"> 1. To receive all material and equipment and be responsible for its safe keeping. 2. To record all issues and receipts. 3. To maintain stock records. 4. To check actual and physical stocks and to report any discrepancies. 5. To consolidate any statistical returns from sub-sectors. 6. To assist the head of sector in all administration and accounting matters.
Requirements of Post	<ol style="list-style-type: none"> 1. A primary school education. 2. Training in the stock recording procedures and cash accounting procedures of the O.R.D.
Grade	D.

Job Description

Job Title	Senior Manager - Technical Services
Responsible for	The technical services provided by the O.R.D.
Reports to	The Deputy Director - Operations
Lateral Relationship with	Head of Sectors
Reporting to him	The Manager - Crop Production Services The Manager - Stock Production Services The Manager - Community Development Services The Manager - Internal Training Service.
Duties	<ol style="list-style-type: none">1. To advise the deputy director operations on the content of the technical package to be offered by the O.R.D.2. To provide the specialist technical advisory services necessary to implement that package.3. To co-ordinate the work of all specialist departments in providing an integrated technical package.4. To provide technical training for extension agents and specialist advisers both at H.Q. and in the field5. To assign specialists to sectors as required by the annual programme.6. To deputise for the deputy director operations in his absence.7. To produce monthly and annual reports on his services and to produce a programme of activity for the coming year.
Qualifications	A university degree in agricultural science. Some years practical experience preferably in the extension service.
Grade	A. 2.

Job Description

3.3.2

128

Job Title Manager - Stock Production

Responsible for The provision of veterinary and animal production services

Reports to Director - Operations

Lateral Relations with Heads of Sectors
 The Manager internal training service

Reporting to him Directly - The veterinary staff at H.Q.
 Functionally - The veterinary staff in the field.

Duties

1. To provide a veterinary service to all sectors.
2. To provide a meat inspection service.
3. To improve the standard of animal management and stock production throughout the O.R.D.
4. To see that his staff are properly equipped and trained.
5. To co-operate with manager training services in the training of O.R.D. staff.
6. To prepare a programme of work for the following year together with a list of the requirements (drugs, equipment etc) to meet it.
7. To prepare an annual report on the work of the veterinary services.

Qualifications A university degree in veterinary medicine and surgery.

Grade A.2./A.3.

Job Description

130

3.3.4

Responsible for The promotion of community services rural ~~and~~ education and development of co-operation.

Reports to The Deputy Director - operations.

Lateral Relationship with 1. The heads of sectors
2. The manager - internal training.

Reporting to him Directly
1. The section head - co-operation and credit.
2. The co-ordinator women groups.
3. The section head - communication services.

Functionally 3
1. the schoolmaster (RKA).

Duties 1. To promote the development of village groups and co-operatives.
2. To promote the training of rural craftsmen.
3. To supervise the running of rural agricultural schools.
4. To promote adult education (alphabetisation functionally in rural areas.
5. To provide rural communities with an audio visual service with the purpose of :
a) Diffusing a knowledge of agricultural techniques and practices.
b) Promoting general education.
c) Providing entertainment and recreation.
6. To promote rural radio for recreational and education purposes.
7. To encourage the setting up of women and young persons groups.
8. To improve standards of hygiene and health care.
9. To co-operate with the manager internal training in training extension staff.
10. To produce an annual programme of activities.
11. To produce monthly and annual reports on the work of his service.

Qualifications membership of the corps. of R.K.A.
A teaching diploma or qualification.
Some years practical experience in agricultural education.

Grade A-3.

132

Job Description

3.3. 7

Job Title .	Section Head - Communications.
Responsible for	Diffusing the message of the C.R.D. by audio visual techniques.
Reports to	Manager - Community Development.
Reporting to him	The audio visual team. The adult education adviser.
Duties	<ol style="list-style-type: none"> 1. To produce audio visual material with the purpose of : <ol style="list-style-type: none"> a) conveying information on agricultural techniques. b) promoting general education c) promoting entertainment. 2. To take this material to rural communities and present it to them. 3. To provide material for adult education (alphabeticisation fonctionnelle).
Qualifications	A diploma or qualification in agricultural education. Some training in audio visual techniques.
Grade	4. 2.

133

Job Description

3.3. 8

Job Title	Co-ordinator - Womens Groups
Responsible for	Promoting the formation of womens groups.
Reports to	Manager - Community Development.
Reporting to him	Functionally - "the animatrice".
Duties	<ol style="list-style-type: none"> 1. To co-ordinate the work of the animatrices. 2. To promote the formation of womens groups. 3. To promote the formation of young peoples groups. 4. To promote the social welfare of village communities. 5. To disseminate information on hygiene and healthcare.
Qualifications	<p>A good general education (secondary level) A course of instruction at an agricultural college. Some years of experience as an animatrice.</p>
Grade	C.1.

Job Description

3.3. 9

Job Title	Section Head - Crop Production
Responsible for	Providing specialist advice on agricultural techniques.
Reports to	Manager - Crop Production.
Duties	<ol style="list-style-type: none">1. To keep himself informed of the best current practices in his field.2. To advise extension agents of the best practices.3. To organise courses of instructions in his speciality.
Qualifications	A good general education - secondary level. A diploma from an agricultural college. Special training in the field in which he specialises.
Grade	B.2.

Job Description

3.4. 1

Job Title	Manager - Planning and Programming.
Responsible for	Producing the regional plan, the annual programme and the annual report of the O.R.D.
Reports to	Assistant Director - Planning.
Material Relationship with	Deputy Director - Operations } in the preparation of the Manager Technical Services } annual programme.
Duties	<ol style="list-style-type: none">1. To receive the annual reports from sectors and produce a consolidated report for the O.R.D.2. To direct the sectors and technical department in the preparation of their annual programmes.3. To co-ordinate the work programmes of sectors with the projects to be undertaken in the coming year.4. To incorporate within the programme the programme of civil works.5. To produce a co-ordinated work plan for the O.R.D. as a whole.6. To study the economic resources of the region and produce a five year development plan.7. To place, with outside agencies and consultants, any contracts for agro-economic studies which cannot be done in house.8. To maintain a technical library.9. To collaborate with the marketing department in preparing marketing plans.10. To assist the director planning and director administration in preparing the annual budget.11. To act for the assistant director planning in his absence.
Qualifications	A university degree in agricultural economics.
Grade	A. 3.

Job Title	Manager - Projects.
Responsible for	Assisting the assistant director planning in the conception and follow up of projects.
Reports to	Assistant Director - Planning.
Duties	<ol style="list-style-type: none">1. To assist in the design of projects.2. To participate in the negotiation of project agreements.3. To assist in following up projects.4. To assist in the evaluation of projects.
Qualifications	A university degree in agricultural economics or agricultural science.
Grade	A. 3.

Job Description

3.4.3

Job Title	Manager - Applied Research
Responsible for	The execution of research projects.
Reports to	Assistant Director - Planning.
Reporting to him	1. The head of socio-economic research. 2. The head of agronomic research.
Duties	1. To suggest topics for research. 2. To carry out the research projects assigned to him. 3. To supervise seed trials and evaluate the results.
Qualifications	A university degree in agricultural economics.
Grade	A.3

Job Description

3.4. 4

Job Title	Manager - Civil Engineering.
Responsible for	The execution of the civil engineering work of the O.R.D.
Reports to	Assistant Director - Planning
Reporting to him	1. Section heads - Rural Water Services. 2. Section Heads - Topography.
Duties	1. To prepare a programme of civil engineering works in accordance with the project funding available. 2. To prepare estimates for all civil engineering work viz Rural Water Schemes Development Bottom Lands. Roads, Dams, buildings. 3. To maintain contact with H.E.R. in all civil works. 4. To supervise the execution of civil engineering works carried out by outside contractors. 5. To prepare payment certificates for such works 6. To direct and supervise all engineering works being carried out by his own staff.
Qualifications	A university degree in civil engineering. Some practical experience since qualifying.
Grade	A. 3.

Job description

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3.5. 1

Job title
Responsible for
reports to
reporting to him

Financial Controller.
Accounting and budgeting.
Assistant Director - Administration.

Duties

1. The management accountant.
 2. The accountant - Operations Projects.
 3. The accountant - revolving fund.
1. To set up improved accounting systems for the O.R.G.
 2. To reduce the amount of paper work and posting.
 3. To ensure that the books of account are brought up to date and kept up to date.
 4. To ensure that all assets and liabilities are properly recorded.
 5. To watch the bank and cash position and report to the director - administration.
 6. To set up a management accounting service to produce :-
 - a) annual budgets for projects, operational costs and recoveries.
 - b) operational forecasts and cash flows for the revolving fund.
 - c) management reports regularly - for project operations and revolving fund - for internal use and for donors of funds.
 - d) the costs and selling prices of equipment etc. manufactured in house.
 7. To produce the annual account and balance sheet of the ORD.
 8. To ensure that all his staff are properly trained.

Qualifications

A degree or professional qualification in accountancy.
Practical experience in running an accounting department.

Grade

A. 2.

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Job Description

3.5. 3

Job Title	Manager - Marketing.
Responsible for	Running the O.R.D.'s marketing operations.
Reports to	Assistant Director - Administration.
Lateral Relationship with	The manager planning in setting marketing strategies.
Duties	<ol style="list-style-type: none">1. To suggest marketing strategies for the O.R.D.2. To buy and sell crops.3. To keep adequate records of all stocks.4. To encourage the development of cereal banks.
Qualifications	A good general education - secondary level. A diploma in economics or business administration.
Grade	B. I.

Job Description

3.5. 4

Job Title	Management Accountant.
Responsible for	Budgeting, forecasting and management reporting.
Reports to	The financial controller.
Duties	<ol style="list-style-type: none"> 1. To prepare under the supervision of the financial controller : <ol style="list-style-type: none"> a) budgets for projects and operations. b) trading forecasts and cash flows for the revolving fund. 2. To provide a general report on : <ol style="list-style-type: none"> a) projects. b) operational costs and recoveries. c) the revolving fund. 3. To produce the reports required by funding agencies: <ol style="list-style-type: none"> a) cash and expense reports. b) expenditure forecasts. c) financial statements for the revolving fund.
Qualifications	<ol style="list-style-type: none"> 1. A good general education - secondary level. 2. Further professional training in accounting, finance or business administration.
Grade	B. 2.

Job Description

3.5. 5

Job Title	Accountant.
Responsible for	The keeping of the books of account.
Reports to	The Financial Controller.
Duties	<ol style="list-style-type: none">1. To keep the books of account.2. To be responsible for all bank accounts.3. To be responsible for the O.R.D.'s cash.4. To keep fixed asset records.5. To prepare periodical financial statements.6. To prepare the annual ^{annual} accounts of the O.R.D.
Qualifications	A good general education - to secondary level. A formal training in accounting.
Grade	B.2.

Job Description

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Job Title	Manager - Personnel.
Responsible for	Personnel, Administration and Labour Relations.
Reports to	The Director.
Reporting to him	1. The Salaries Clerk. 2. The watchmen and cleaners.
Duties	1. To keep the personnel records. 2. To keep the salary records 3. To produce the payroll. 4. To handle relations with trade unions. 5. To look to the welfare of the O.R.D. staff and assist them with their personal problems. 6. To keep the director informed on all matters concerning good staff relations. 7. To supervise the watchmen and cleaners.
Qualifications	A good general education - at least to secondary level. Some specialist training in personnel administration.
Grade	B. 1.

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SECTION 4

Note on Grading

DEPARTMENT OF TRANSPORTATION

In the job descriptions we have indicated a grade for each post. The grade is an indication of the relative importance of the position in the hierarchy. It takes account both of the technical qualifications required to do the job and the responsibilities involved. For some posts e.g. heads of sections - there is a range of grades - depending on the technical qualifications of the head of sector and the nature and size of his sector. The grade shown is merely an indication of their relative status within hierarchy.

Attached is a table listing the various posts in the organization by grade. Against each grade is shown the present basic salary according to the O.S.S. scale - or in the case of agents, the agents scale. In addition to basic salary all grades get additional allowances - for accommodation, responsibility, transport etc. Again the figures are intended to indicate the relative worth of each post. The figures shown are the mid-point on each of the scales.

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Per Month

		<u>Per</u> <u>Month</u>	<u>Extension</u> <u>to</u> <u>Scale</u>
C.P.	Extension Agents "A" Instructors Storeroom - Central and Agricultural Store		50,000
D.	Clerks, Storekeepers, Mechanics, Millers	50,000	
E.	Drivers, Watchmen, Laborers	40,000	

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LIST OF GRADES

UTA per Month

		<u>ORD</u> <u>Scale</u>	<u>Extension Age:</u> <u>Scale</u>
Not Graded	Director	214,000	
A.1.	Deputy/Assistant Directors	150,000	
A.2.	Senior Manager Technical Services		
	Financial Controller		
	Manager Planning & Programming		
A.3.	Managers - Projects	125,000	
	" - Applied Research		
	" - Civil Engineering		
	" - Stock Production		
	" - Crop Production		
	" - Community Development		
	" - Training		
	Heads of Sectors - Large Sectors		
B.1.	Manager - Marketing		
	Manager - Personnel	92,000	
	Manager - Supply Services		
	Heads of Sectors - Small Sectors		
B.2:	Accountants		
	Head of Section - Co-operation & Credit	83,000	
	" - Communication		
	" - Stock Production		
	" - Crop Production		
	" - Transport		
	" - Agricultural Workshop		
	" - Garage		
C.1.	Head of Sub Sector		46,000
	Co-ordinator - Womens Groups		
	Schoolmasters - F.J.A.	62,000	
	Specialists - Technical Services Sector H.Q.		

SECTION 5

List of Numbers Employed

July 1980

DEPT. OF THE ARMY, WASHINGTON, D.C.

NUMBERS EMPLOYED - JULY 1980

Total Sector BPA BDC Elevage BAEP BAER Finance Appro Personnel Marketing Director

Ingenieurs Agronomes	6	3			2						1	
Dr. Veterinaire	1			1								
Administration-Stock	1						1					
C.T.A.S.	5	3	2									
A.T.A.S.	26	21	2	1	2							
Cadre-Affaires Economique	2			1						1		
Servis Civil - Agents	2											
- Autres	6						2					
Infirmieres Veterinaires	8	4					6					
Assistant Elevage	2	2		3					1			
Encadreur Elevage	3	3										
F. J.A.	43	42		1								
Alphabetiseurs	3	2		1								
Enqueteurs	20											
Encadreurs	143	138	2	2		20				1		
Animatrices	5	4		1								
Secretaires	8	1	1	1	1							
Agents du bureau	10	8					1				2	
Chauffeurs	31						7		3			
Agents	5								31			
Agents	3								5			
Agents	7								3			
										7		
Total	348	231	7	8	4	25	8	9	42	8	1	3

Operations = Sectors
 BPA
 BDC
 Elevage

Planning = BAEP
 BAER

Finance Admin = Finance
 Appro.
 Marketing

Touche Ross & Co.,
12eme Etage,
Immeuble de la P.I.D.,
ABIDJAN.

The Director,
UCAFID,
Ouagadougou,
Upper Volta.

24th July 1980

Dear Sir,

Contract: EDED/AM 80-208

We take pleasure in enclosing our draft interim report on our examination of the Eastern O.R.D.'s financial structure. Due to the unexpected illness of one of our team members this interim report is incomplete. Our final report will also be delayed. We would ask you to treat the information under headings A,B,C and E as provisional and not yet ready for general disclosure. We are providing you with this information for your internal purposes only. To circumvent the problems we have encountered we propose the programme outlined at General Appendix H. The present status of the contract in terms of man days is disclosed at Appendix I.

In our opinion the most important recommendation in this report is to bring in a qualified conseiller technique to introduce an improved accounting system and train and supervise the staff. We consider that individual interventions in particular areas, while providing information on what has happened do not provide any assurance of future improvement. Unless such interventions are structured into a consistent programme leading to the introduction of the modified procedures we are recommending, they can only be considered as palliatives with no longer term objective.

/continued

In order to facilitate your reading of this report we have used the contract headings with the following abbreviations as General Appendices to this letter.

Appendix	A	Capacity
	B	Internal Control
	C	Accounting System
	D	Donor Reporting
	E	Inventory
	F	Management Study
	G	Cash Flow

We trust that you will understand the problems facing us and will allow us the necessary extension past the provisional deadline of July 31st to complete the work to our mutual satisfaction.

Yours faithfully,


J.D. WYER

TOUCHE ROSS & CO.