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REPORT ON REVIEW OF THE ADMINISTRATIVE AND
FINANCIAL PROCEDURES AT THE
DIRECTORATE GENERAL OF FISHERIES

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Mr Murl R Baker
Acting US Representative
Omani-American Joint Commission for
Economic and Technical Cooperation
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13 May 1989

Dear Sir

At your request we have performed a review of the administrative and financial procedures at the Directorate General of Fisheries in Muscat and the Directorate of Fisheries in Salalah. Our review consisted of the procedures agreed in advance with you and described in Section 1 of this report entitled "Scope of Work".

This report relates only to the procedures performed. Had we performed additional procedures other matters may have come to our attention that we would have reported to you. It has been prepared solely for the information of the members and staff of the Omani-American Joint Commission and the Minister and staff of the Ministry of Agriculture and Fisheries in connection with their preparations for the second phase of the technical assistance and training project in the Fisheries sector. It should not be used, referred to, or distributed for any other purpose.

Please contact John Simpkins if you have any questions or wish to discuss any of the matters included in this report.

Yours faithfully

Arthur Andersen + Co.

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1. SCOPE OF WORK

In accordance with our proposal dated 5 November 1988 and subsequent correspondence we have performed a review of the administrative and financial procedures at the Directorate General of Fisheries, both in Muscat and Salalah in connection with the implementation of the technical assistance and training project in the fisheries sector. Our work included the following procedures:

1. An analysis of the planning, budgeting, financial management and accounting procedures within the Directorates in Muscat and Salalah in so far as they directly impact the operations of the Fisheries Project. Our work consisted of interviews with a wide variety of personnel at the Ministry of Agriculture and Fisheries in Muscat, including the Marine Science and Fisheries Centre and at the Directorate General of Agriculture and Fisheries in Salalah. We also reviewed various items of documentation in order to facilitate our understanding of the processing and reporting procedures.
2. As part of our review we have attempted to identify the major administrative problems that have been encountered by personnel within the Directorate during the first phase of the project. During our discussions we have attempted to quantify the time taken in performing these administrative functions.
3. A review of the Ministry's procedures for hiring expatriate and Omani staff, including:
 - . recruitment methods
 - . supervision and direction
 - . performance evaluation
 - . methods of payment
 - . types of contract utilised
4. An analysis of the audit coverage at the Directorate of Fisheries in both Muscat and Salalah.
5. A review of the quarterly reporting procedures relating to the technical advisers, including the distribution of reports to Ministry officials and their use in supporting the decision making process.
6. Analysis of the budgeted funds made available to the Directorate of Fisheries in Muscat. We have analysed the expenditure in the three budget area of the Directorate, by year, as follows:
 - . Directorate General of Fisheries, 1984 to October 1988. (We have not been able to obtain any expenditure or budget figures for 1987).
 - . Fisheries Project, 1984 to October 1988.
 - . Marine Science and Fisheries Centre, 1986 to October 1988.

This analysis compares budgeted expenditure with actual expenditure for each account caption.

2. SUMMARY OF RECOMMENDATIONS

The principal recommendations contained in this report are summarised below. The section number refers to the section of the report containing the detailed recommendation.

Section No.

3(a) Purchasing procedures

- . Maintain separate accounting records for the project in order to improve control over project transactions and provide accurate financial reports.
- . Institute a logging system that would track individual purchases through the various processing stages in order to speed up processing.
- . Prepare monthly financial reports which compare actual expenditure with budget on the accruals basis rather than the cash basis.
- . Ensure expenditure items are properly classified to the correct project or department.
- . Major purchases should be planned well in advance and such plans should be communicated to the individuals concerned.

3(b) Petty cash

- . Discussions should be held with the Ministry of Finance in order to try and reduce the number of petty cash reimbursement requests that are rejected.
- . Petty cash needs should be reassessed in order to try and ensure that adequate petty cash funds are available at all times.
- . The practice of drawing on one department's petty cash to meet the needs of another department should be discontinued.
- . A petty cash register should be maintained by the petty cash holder within the Directorate General of Fisheries.

3(c) Staff hiring

- . In order to emphasise the need to speed up procedures, internal instructions should be issued to all department heads describing the procedures for hiring new employees.
- . A time limit should be given to each department to complete its part of the processing procedures. Any delays should require explanation in a memo to the Under Secretary.
- . A formal staff evaluation system should be developed for both Omani and expatriate employees.

3(d) Visa and NOC applications

- . Every effort should be made to speed up the processing of NOC applications. Any application taking more than three weeks should be reported to the Head of Administration.

3(e) Vehicle repair and maintenance

- . The number of vehicles required to meet the needs of the Fisheries Project should be reassessed. The lack of availability of appropriate vehicles can seriously curtail the efficiency and effectiveness of project personnel.
- . Authority for use of vehicles should be clearly defined. Any unauthorised use should be forbidden.
- . A vehicle repair and maintenance plan should be developed to ensure that vehicles are maintained in good condition throughout the year.

3(f) Government audit coverage

- . The audit team should ensure that they cover all departments of the Ministry over the course of the year including the Fisheries Project and MSFC.

3(g) Reports prepared by the technical advisers

- . A detailed work plan should be developed for each phase of the project. The advisers' quarterly reports should relate back to this work plan and compare work and accomplishments against plan. We consider that this will make the reports more useful as a management tool to monitor progress.

Budgeting procedures

- . The accuracy of financial reporting of actual results against budget should be improved so that all expenditure is correctly classified to the department or project to which it relates.
- . Internal instructions should be issued each year which specify the objectives for each department or project and give guidance as to how these objectives will impact the budget.
- . Budgets should be based on projections of future expenditure and not merely on prior years' experience.
- . Greater coordination between the General Controller within the Finance Department and individual project and department heads is required so that amendments can be discussed and budgets finalised on a basis acceptable to all parties.
- . Monthly reports against budget should be prepared on a timely basis and circulated to all appropriate department and project leaders so that expenditure against budget can be regularly monitored.
- . A separate budget should be established for work on the Fisheries Project in Salalah each year.

3(h)

Overall recommendation

The principal reasons for the administrative delays that have arisen during the course of the project are:

- Budget constraints arising as a result of either a lack of funds in a specific budget category, or a general lack of funds to allow for increases in the budget.
- The fact that the Directorate of Fisheries is part of a larger Ministry and does not have its own accounting staff. Consequently, all of the accounting and administrative functions are handled by the Ministry's procedures, which are slow and time consuming.

Our report contains a number of recommendations in respect of possible improvements in Ministry procedures. However implementing such changes will probably be an extremely slow process. If a more timely improvement in the accounting and administrative procedures relating to the Fisheries Project is to be achieved then the Directorate General of Fisheries should be given more autonomy.

- . The Directorate should appoint its own accountant. This accountant should spend a proportion of his time on administrative matters in order to reduce the time that other project personnel spend on such matters.
- . A simple accounting software package should be purchased that will accommodate the reporting of expenditure against budget in accordance with the account captions of the Ministry of Finance.
- . Transactions within the approved budget of the Directorate should not require higher approval unless they are in excess of RO 5,000.
- . The Directorate should be given its own bank account. Cheque signing power should be within the Directorate.

3. DIRECTORATE GENERAL OF FISHERIES - MUSCAT

3(a) PURCHASING PROCEDURES

Finance and Administration Department

Requisitions for purchases of materials, supplies and services within the Directorate General of Fisheries are prepared by the project heads. These are forwarded to the Administrative Officer who reviews the requisitions and approves them. He ensures that a purchase/service requisition form has been properly completed and then forwards it to the Director General for approval. The Director General signs the form to evidence his approval. Once the requisition form has been approved it is forwarded to the purchasing department.

Purchasing Department

When the purchasing department receives the requisition form they obtain three competitive quotations from appropriate suppliers. This is a procedure required by the Ministry of Finance.

We discussed with department personnel their estimates of the time involved in obtaining these quotations. In general, the time taken depends upon the type of material or service requested and its availability in the local market place. Estimates of the amount of time involved were as follows:

- . 3 to 4 days for recurring items such as spare parts, fuel, stationery, etc.
- . One week to two weeks for larger items of equipment such as computer equipment, vehicles, boats, etc.
- . Significantly longer periods are required when the requested items are not available in the local market and would need to be imported by a local agent from overseas. Obtaining quotations in such situations may take more than a month.

Ministry of Finance procedures require that the Purchasing Department must obtain a new quotation for every purchase even if quotations have been obtained for similar items in the recent past. When the quotations have been received they are analysed and sent to the appropriate department for review and selection. The selected quotation together with the requisition form are then sent to the Finance Department (Accounting Section) at the Ministry. This department checks that funds are available for the requested item within the related department or project budget. They also indicate on the requisition the standard account number to which the item should be allocated together with the appropriate expense caption. A list of these standard expense captions and account numbers is included below in the section entitled "Chart of accounts".

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If funds are available within the budget to cover the cost of the purchase, the requisition, quotations and any supporting documents are submitted to the Purchasing Committee in the Ministry for review and approval.

If no funds are available within the budget for the requested item a budget adjustment request must be submitted to the General Controller for approval. He in his turn must submit such an adjustment request to the Ministry of Finance for their approval. In the case of the Fisheries Project, for example, the requisition and related documents would be returned to the Administration Officer within the Directorate General of Fisheries. He would prepare a budget adjustment request that would be submitted to the General Controller and the Ministry of Finance, in turn, for approval. Once approval has been received, the Administration Officer would be advised and he would then resubmit the requisition for approval by the Purchasing committee.

We have been informed that approval of a budget adjustment request by the Ministry of Finance takes from 2-3 days up to a maximum of one week.

Purchasing Committees

There are two purchasing committees that are involved in the approval of transactions relating to the Fisheries project. One committee is responsible for approving current expenditure up to RO 10,000. A second committee is responsible for approving purchases in excess of RO 10,000. All purchases should be submitted to one of these committees for approval.

- a) The first committee can authorise purchases up to RO 10,000. This committee is responsible for the current expenditure of the Directorate General of Fisheries. Its members are:

- . Undersecretary - Chairman
- . Five members from the different departments of the Directorate.

All purchases approved by this committee also have to be approved by the Secretary General of the Ministry.

- b) The other committee, also known as the Bidding Committee authorises all purchases over RO 10,000. Its members are:

- . Secretary General - Chairman
- . Heads of the various Directorate Generals within the Ministry are members.

All purchases approved by this committee also have to be approved by HE the Minister.

Local Purchase Orders

Once a purchase has been appropriately approved by one of the purchasing committees, a local purchase order is prepared by the Purchasing Department. Authorisation levels are clearly defined for the approval of these purchase orders. These authorisation levels vary depending on whether the expenditure comes under the development budget or the current budget and are as follows:

a) Development budget

. up to RO 10,000

Purchasing Department Head
Projects Department Head
Financial Manager
Secretary General

. above RO 10,000

Purchasing Department Head
Projects Department Head
Financial Manager
General Manager of the Diwan at the Ministry
HE the Minister

b) Current budget

. up to RO 2,000 - Deputy Finance Manager
. RO 2,001 to 5,000 - Finance Manager
. RO 5,001 to 10,000 - General Manager of the Diwan at the Ministry
. RO 10,000 to 50,000 - Secretary General
. Above 50,000 - HE the Minister and the Ministry of Finance

Once the LPO has been appropriately approved it is forwarded to the supplier.

Receipt of Goods

When the goods are received at the Ministry warehouse a receiving report is prepared. This report, together with a copy of the supplier's invoice is passed to the purchasing department. If the item concerned involved the completion of certain work, then a certificate of completion is required from the department that had requested the work to be performed.

The purchasing department reviews the documents and compares them with a copy of the local purchase order. If the documents are in order, a copy of the invoice is sent to the department that raised the original requisition to be approved for payment. Once the invoice has been approved it is returned to the purchasing department. All purchase documents, the receiving report and the invoice are then passed to the Finance Department for review and payment.

Finance Department

Payment section:

Upon receiving the purchasing documents described above, the following procedures are performed in the payments section:

- a) The documents are reviewed for completeness and to check that the appropriate authorisations described above have been provided.
- b) The supplier's invoice is reviewed to ensure it has been accurately prepared. It is matched against the local purchase order and the receiving report.
- c) A payment voucher is prepared and approved by the head of the section.
- d) The purchasing documents, together with the payment voucher, are sent to the accounting section.

Accounting Section:

Upon receiving the purchasing documents from the payment section, the documents are reviewed and checked for completeness. The payment voucher is then submitted for approval. The voucher should be approved in accordance with the following authorisation structure:

Up to RO 2,000	- Deputy Financial Manager
RO 2,000 to 5,000	- Finance Manager
RO 5,000 to 10,000	- General Manager of the Diwan at the Ministry
RO 10,000 to 50,000	- Secretary General
Above RO 50,000	- HE the Minister

Once the payment voucher has been approved it has to be sent to the Ministry of Finance for payment. A control sheet is prepared for the purchasing documents indicating the supplier's name, bank account number and bank code number. A copy of the documents sent are kept in the accounting section.

There are VDU's in the payment section which are linked to the Ministry of Finance computer. The payment voucher is entered to the computer system via these VDU's.

When payment is made by the Ministry of Finance, they in turn enter the payment information into the computer system. When the accounting section receives output information from the computer that a particular payment has been made they update the manual records that they maintain.

- Manual records and reports

The principal manual records maintained by the accounting section in respect of purchase expenditure are:

- . Payment register
- . Commitment register
- . Commitment subsidiary ledger

When the accounting section initially receives the requisition and the quotations (see Purchasing Department section above) the proposed purchase is recorded in the commitment register and the commitment subsidiary ledger card. Once the purchase has been completed and a payment made, the item is posted to the payment register and removed from the commitment register and the commitment subsidiary ledger card.

Monthly financial reports are prepared manually from the above records which include the following by account caption:

- . Budget for the year
- . Current month expenses
- . Accumulated expenditure balance to date
- . Commitment balance
- . Variances

These reports are prepared for each department within the Ministry. The classification of expenditure by department or project is performed manually at the time of preparation of these reports.

The reports relating to the Directorate General of Fisheries go to the Administration Officer within the Directorate who utilises the information from them to prepare monthly reports, in Arabic, which analyse by account caption, budget for the year, expenditure to date and variance. These reports are prepared utilising a microcomputer. Three such reports are prepared for each of the Directorate's separate budgets, as follows:

- . Directorate General
- . Fisheries Project
- . Marine Science and Fisheries Centre

The Director of the Fisheries Project, Rashid bin Amour al-Barwani receives a copy of the Fisheries Project report. The Director of MSFC, Mohammed bin Amour al-Barwani receives a copy of the MSFC report. The Director General also receives copies of the reports. These reports are not regularly translated into English.

It is not clear that they are distributed to all personnel who need them to manage their departments or projects. For example, Dr Dudley at MSFC does not receive regular reports.

Chart of Accounts

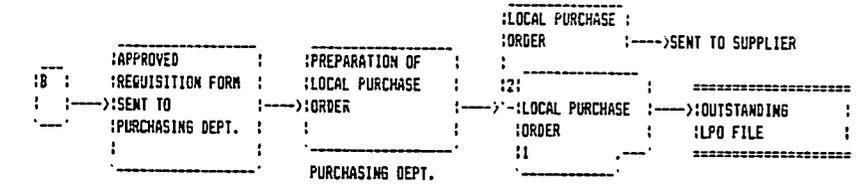
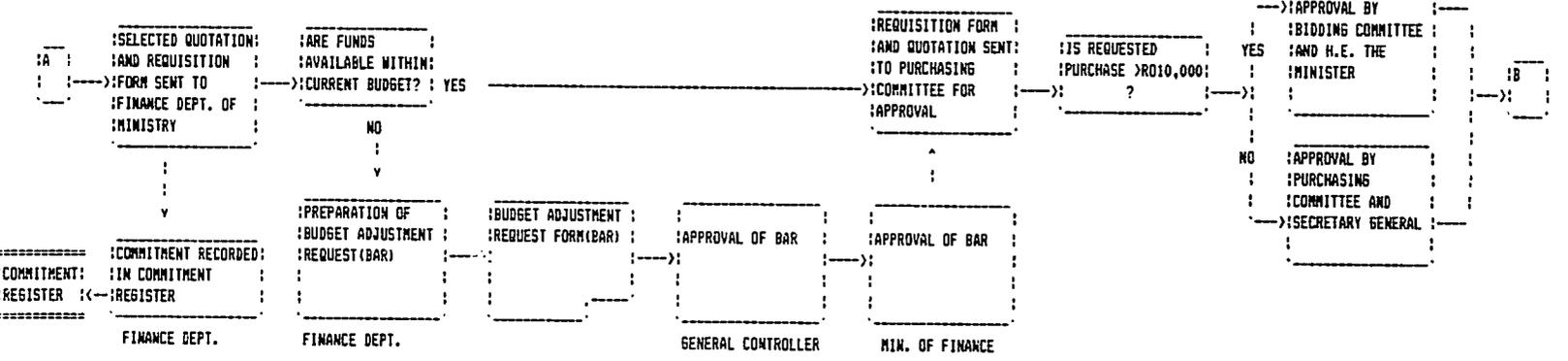
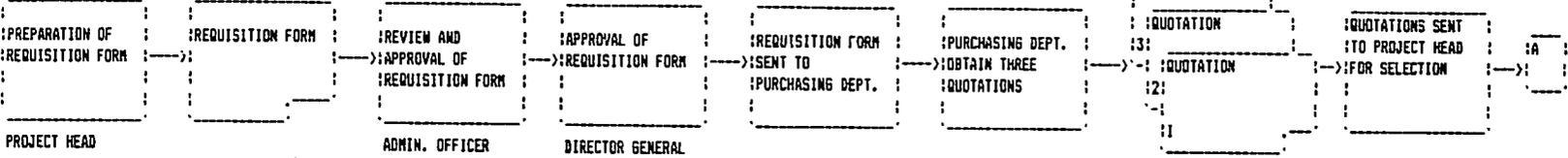
The account numbers and descriptions used to account for expenditure within the Ministry comply with the standard numbers and descriptions established by the Ministry of Finance for use in all government ministries in Oman. The monthly financial reports prepared by the accounting section analyse expenditure into these accounts. The account numbers and descriptions relevant to the Fisheries Project are as follows:

<u>Account No.</u>	<u>Account description</u>
11 101	Salaries
11 201	Housing allowance
202	Electricity allowance
203	Water allowance
204	Telephone allowance
205	Special allowance - work nature
206	Remote regions allowance
207	Transportation allowance
208	Other allowances
301	Air tickets
302	Travelling expenses
303	Rewards
304	Cash compensation
305	Overtime
307	Residence leases
308	Other costs
13 101	Medical requirements
102	Food stuffs
106	Stationery appliances
109	Computer appliances
110	Equipment fuel
112	Equipment spare parts
113	Vehicles fuel
114	Vehicles spare parts
115	Other appliances
13 301	Buildings maintenance
304	Office furniture maintenance
306	Vehicles maintenance
307	Equipment maintenance
308	Computer maintenance
309	Other maintenance
310	Leases
311	Vehicles insurance
313	Travelling on assignment
314	Subscriptions
315	Flyers and advertisements
316	Training and scholarships
318	Costs of other services
319	National Day
325	Contracts of other services

13 401	Posts, telegraphs and telephones
402	Electricity
403	Water
36 202	International organisations
43 101	Office furniture
102	Residence furniture
43 201	Vehicles
43 301	Machines and equipment
43 401	Other fixed assets

FUNCTION:ORDERING

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Estimated timings

In order to try and establish an estimate of the time taken to complete the purchasing procedural cycle from initial preparation of requisition to final payment of the supplier, we have broken the cycle down into six key processing steps which are listed below. We have then estimated typical times for the completion of these steps based on our discussions and review of relevant documentation. Obviously, these typical times are rough estimates but they give an indication of the time taken to complete the purchase of goods or supplies. We have also suggested some possible times that we consider represent realistic and desirable targets.

<u>Processing Step</u>	<u>Estimated Average Time</u>	<u>Desirable Time</u>
1. Prepare, review and approve requisition form	2 to 4 weeks	1 week
2. Obtain three quotations	Recurring items - 1 week Larger items of equipment - 2 to 4 weeks Foreign purchases - more than 4 weeks	1 day 1 week 2 weeks
3. Budget adjustment requests	1 week	1 week
4. Approval of purchase committee	2 to 4 weeks If the purchase is greater than RO 10,000 and the bidding committee is involved this will take significantly longer.	2 weeks
5. Issuance of LPO, receipt of goods	For local purchases there is not normally any significant time delay Foreign purchases are unusual. Delivery periods can be long.	-
6. Payment of supplier	3 to 6 months depending on availability of funds	1 month

From our discussions, we estimate that a normal time for the completion of purchasing procedures from the preparation of a requisition to receipt of goods is approximately four months.

Issues

- . The processing of the Omani portion of expenditure on projects within the Directorate General of Fisheries is handled in the same way as all other expenditure of the Ministry. Such expenditure has to go through all the review and authorisation stages described above. These procedures are, in the main, in accordance with Ministry of Finance requirements applied to all government ministries in Oman.

Transactions are not processed speedily through the system and therefore there are delays in obtaining equipment and supplies. Furthermore, financial information is not available on a timely basis to enable project teams to control and monitor their expenditure.

- . Actual expenditure is accounted for and reported against budget on a cash basis. In other words, the financial reports that compare actual expenditure with budget pick up the actual expenditure items once they have been paid by the Ministry of Finance. Reporting of expenditure would be enhanced if such expenditure were reported on an accruals basis. That is to say, expenditure could be reported against budgeted figures at an earlier stage. The information to facilitate such reporting is available on the reports prepared by the Accounting Section.
- . When monthly reports are prepared items of expenditure are not always classified to the correct project or department. For example, we noted that the cost of vehicles purchased for the use of other departments was applied against the Fisheries Project budget. We understand that in some cases this misclassification may arise intentionally. If a budget item in one of the Ministry's departments has been fully utilised, expenditure on such items may be applied against the budget of another department that has not yet been utilised. This misclassification significantly reduces the value of the monthly reports which compare actual expenditure with budget since such comparisons will be meaningless if expenditure is not applied against the correct budget head. In turn, this reduces the ability of department and project heads to control and monitor expenditure in their area.
- . The project heads within the Directorate General of Fisheries are not receiving monthly financial reports on a regular and timely basis.
- . No formal forward planning is done in respect of future purchasing requirements. Major purchases could be planned in advance to try and speed up the purchasing process.

Recommendations

- . One possibility to ensure that expenditure on the Fisheries Project is reported on an accurate and timely basis would be to maintain separate accounting records for the project. This is feasible because the volume of transaction involved is not high. This would help to achieve the following:

- 1) Maintain good control over the project transactions and provide accurate financial reports.
- 2) The records should be maintained on an accruals basis so that they will reflect up-to-date expenditure. Accurate and timely expenditure reporting will assist in planning future purchases. It will also provide a better basis from which to develop budgets for future periods.

However this would increase the administrative burden within the Directorate General of fisheries. Also there will be potential problems if the reports produced by the overall Ministry accounting system and those produced by the separate system referred to above differ. Significant amounts of time could be expended in investigating differences.

- . Attempts should be made to speed up the processing of purchasing documents through the Ministry system. This could be facilitated by instituting a logging system that would track individual purchases, through the various stages of the process. A date would be entered in the log as each stage of the authorisation process is completed. This should be done over a limited period of time for a selection of items in order to try and identify where particular delays are arising. The appropriate department heads should then be requested to explain why the delay is arising and explain what corrective action can be taken. The purpose of this exercise would be to try and encourage staff to improve efficiency in the processing of transactions.
- . The monthly financial reports comparing actual expenditure with budget should be prepared on the accruals basis rather than the cash basis. This could be achieved utilising information contained in the monthly reports prepared by the Accounting Section. We consider that this change could be implemented without great difficulty since the reports available within the Accounting Section already contain much of the necessary information.
- . When the monthly reports are prepared expenditure items should be allocated to the correct project or department. Any misclassification of expenditure into an incorrect project or department undermines the value of the financial reports produced.
- . Major purchases relating to the Fisheries Project should be planned well in advance by project heads. These plans should be communicated to the Administration Officer and discussed with him. They should identify tentative delivery dates. Any budget constraints can be identified and addressed at an early stage. Such forward planning should assist in obtaining materials or services for the projects on a timely basis.

3(b) PETTY CASH

Procedures

Ministry procedures require that petty cash floats be maintained on an imprest basis. A petty cash balance is set at an imprest level for the whole Ministry. This balance is then distributed to the different departments and projects according to their needs. RO 2,000 is assigned for the Fisheries Project and a further RO 2,000 is assigned for MSFC. Petty cash can be utilised for items of expenditure up to RO 200. No single expenditure from petty cash exceeding RO 200 is approved.

Petty cash expense and reimbursement procedures are as follows:

An individual is identified for each department or project who is responsible for maintaining the petty cash float and preparing the supporting documentation.

When a petty cash advance is required, an internal request is prepared and approved by the appropriate department or project head. On receiving the request the petty cash holder prepares a payment voucher. The individual who receives the cash must sign the payment voucher to evidence receipt. This individual then makes the purchase and returns a copy of the invoice to the petty cash holder. Any cash that has not been spent should be returned. On receiving the invoice the petty cash holder performs the following procedure:

- . Reconciles the invoice value with the original advance payment.
- . Obtains the approval of the expenditure by the appropriate department or project head.
- . Prepares a payment voucher (one payment voucher for a similar group of charges for each department or project). He indicates on the voucher the department or project budget and account number to which the expenditure relates.
- . Obtains the approval of the Administrative Officer within the Directorate General of Fisheries.
- . Sends the payment voucher, together with supporting documentation to the Director General for approval. Once it is approved it is returned to the petty cash holder.

When a group of payment vouchers has been accumulated (normally amounting to a value of between RO 200 - 300) the petty cash holder will submit the vouchers in order to obtain reimbursement. The procedures are as follows:

- . Prepares a petty cash imprest summary report from the payment vouchers.
- . Prepares a petty cash reimbursement requisition and has this approved by the appropriate department or project head.
- . Submits all documents to the Finance Department within the Ministry.

Upon receiving the petty cash documents, the Finance Department perform the following procedures:

- . Agree the payment vouchers to the related supporting documents.
- . Check the accuracy and completeness of the documents (account no., authorisations, etc.)
- . Prepare a payment voucher and arrange for it to be approved in accordance with the authorisation limits described in the section entitled "Purchasing Procedures".
- . Submit the documents to the Ministry of Finance for reimbursement.

We were informed that the period from submission of the documents to the Ministry of Finance to the receipt of reimbursement should take a maximum of one week. However, delays occur because payment vouchers are sometimes rejected by the Ministry of Finance. This arises when incorrect account numbers have been put on the payment voucher, or the Ministry of Finance requests more information about items of expenditure.

Issues

- . All of the petty cash holders that we spoke with were facing difficulties in obtaining petty cash reimbursement and, most of the time, they have a zero cash balance because of the delays in receiving payments from the Ministry of Finance. This can result in delays in critical operational activities, since funds are not readily available to meet operational requirements.
- . We understand that if one department in the Ministry has no petty cash they will draw funds from the petty cash of another department.
- . The petty cash holder within the Directorate General of Fisheries, who is also responsible for the petty cash float for the Fisheries Project does not maintain a register to record and control petty cash transactions.

Recommendations

- . Discussions should be held with the Ministry of Finance to further define the specific reasons for the rejection of petty cash reimbursement requests. Once their requirements have been clearly defined, all petty cash reimbursement requests should be carefully checked within the Finance Department of the Ministry before submission to the Ministry of Finance in order to try and reduce the number of rejected items. It may be appropriate to increase the amount for which petty cash reimbursement requests are prepared, from the present level of RO 200 to RO 300 up to, say, RO 1,000 in order to reduce the volume of requisition requests.
- . The petty cash needs of the various departments and projects within the Ministry should be reassessed in order to try and ensure that adequate petty cash funds are available at all times.

- . The practice of drawing on one department's petty cash to meet the needs of another department should be discontinued.
- . A petty cash register should be maintained by the petty cash holder within the Directorate General of Fisheries in order to improve the control over petty cash transactions.

3(c) STAFF HIRING

Omani staff

Requests to hire new staff within the Directorate General of Fisheries are communicated to the Administration Officer. He documents the details of the staff requirement and forwards it to the Director General for approval.

After the request has received the Director General's approval, the request is sent to the Head of Administration within the Ministry, who performs the following procedures:

- . Ensures the availability of funds within the budget to cover the cost of the new employee within the appropriate department or project.
- . Assesses the need for the new employee and considers whether the job responsibilities can be met by existing employees.
- . Prepares a covering letter which includes his opinion concerning the request, and sends it, together with the original request to the Minister's office for approval.

Once the approval of HE the Minister, has been received, an advertisement is prepared which includes a description of the qualifications required, other details about the position and the procedures for submitting applications. We were informed that HE the Minister has issued internal instructions that all new recruits must be individually approved by him. Obtaining the approval of HE the Minister to proceed to hire a new employee usually takes from one day up to one month, depending on the importance of the position. We understand that it is currently difficult to obtain approval to hire new employees, principally because of budget constraints.

Once applications for the position have been received a committee is formed within the appropriate department, to review the applications and meet and interview the applicants as appropriate. Once the committee has made its selection, meeting minutes are prepared and signed by all committee members and sent to the Minister's officer for final approval.

When the final approval of the Minister has been received, all documents are then forwarded to the Head of Administration who arranges for the selected employee to have a medical inspection. He also sends information concerning the selected employee to the Security Department.

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Expatriate staff hiring

Essentially the same procedures as above are followed in hiring expatriate staff. However, the advertisement is placed and committee selection made in their countries of domicile.

- . All new employees are subject to a three month probationary period.
- . An employment contract is prepared for expatriates and signed by them. The contract is on an annual basis and is renewable. Two kinds of contract are utilised, single status contract or married status contract which allows family to accompany the staff member.
- . Salaries are paid monthly and employees receive the following benefits:
 - Housing allowance or a furnished apartment.
 - Air tickets for one trip home each year.
 - Other allowances are offered for certain job levels such as telephone calls allowance, car allowance, etc.
- . The civil service law requires that the direct manager or supervisor of a new employee assess the capabilities of any new employee who is subject to the three months probationary period. Staff who do not meet the expectations and requirements must be reported to the Personnel Department and the termination of their employment considered.
- . Three months before the expiry date of any expatriate's contract, the personnel department at the Ministry requests a performance evaluation from his department head concerning the expatriate's work.

Method of payment

All employees are paid by cheque. One cheque is issued by the Ministry of Finance in the name of the Directorate General of Fisheries and deposited in the name of the Directorate at one of the Commercial banks. Separate cheques are then prepared by the accounting section in the Finance Department to be cashed by each individual.

Issues

We understand that it is very difficult to arrange for the hire of new employees, since the hire of new employees has been restricted as a matter of policy.

- . The time taken to hire a new employee from the first request to the final approval can extend to more than three months, mainly due to administrative hold-ups within the Ministry.

- . Reports are only requested on the performance of new employees during their probationary period if their performance during this period is extremely unsatisfactory. Otherwise no formal reporting on an employee's performance during this period is required.
- . Expatriate performance evaluations are done only at the time of renewal of the employment contract. No formal system for the regular evaluation of performance exists in respect of Omani or expatriate employees.

Recommendations

- . Internal instructions should be issued to all department heads describing the procedures for hiring new employees and indicating the importance of speeding up the procedures.
- . A time limit should be given to each department to complete its part of the processing procedures. Any delays by any department should require to be explained in a memo to the Undersecretary.
- . A formal staff evaluation system should be developed within the Ministry for Omani and expatriate employees. This system would require the preparation of a standard evaluation form which would include assessment of the main areas of an individual's performance, highlighting improvements required, training required and other matters of interest. Also the system should specify regular reporting and evaluation periods. Such a system would help determine the overall performance of the individuals within the Ministry and the training requirements for different levels of personnel. It could be utilised to support annual salary reviews and would be an incentive to employees to improve the quality of their performance.

3(d) VISA AND NOC APPLICATIONS

Any request for an NOC is prepared on a pre-printed form, developed by the Ministry for its internal use. The form contains, in the main, the same information as the actual NOC application form.

The NOC application form must be approved by head of the department or project concerned and the Director General of the appropriate Directorate.

The form is then passed to the Public Relations Department. This department reviews the application and checks the details for completeness and accuracy. We were informed that this procedure normally takes two to three days. In the event that information is missing or incorrect the application is returned to the originating department to be completed or corrected. It is then returned to the Public Relations Department to be rechecked.

If all details are in order it is then passed to the Security Department within the Ministry for final approval. Approval by this department can take between one and two weeks and sometimes more. However, we were informed that applications can be processed by this department in a day if they are considered to be very urgent.

Once approval has been received the NOC application and related documents are all sent to the Directorate General of Immigration together with a covering letter signed by the Public Relations Manager. The Directorate General of Immigration has informed the Ministry that 10 days is the usual period for processing an application.

Upon the approval of the Directorate General of Immigration, an NOC certificate is issued and lodged at the airport by the Ministry representatives.

Issues

- . The period taken from the initial completion of the application form to lodging of the NOC at the airport can often extend beyond one month.

Recommendation

- . We see no reason why it should take more than two weeks to obtain an NOC unless there are specific security issues involved. We recommend that every effort should be made to speed up the processing of documentation in this area. Any application taking more than three weeks should be reported, by the appropriate department to the Head of Administration. The head of the Public Relations Department should be required to give a specific explanation for any such delays.

3(e) VEHICLE REPAIR AND MAINTENANCE

Procedures

Vehicle repair and maintenance procedures are as follows:

- . The Transportation Officer in the Finance and Administration Department in the Directorate General of Fisheries receives vehicles which require repairs or maintenance and transfers them to the General Services Department which is responsible for the repair and maintenance of Ministry vehicles.
- . The Transportation Officer is responsible for following up on the status of repairs and maintenance work on the Directorate's vehicles.
- . On receiving a vehicle, the General Services Department Head transfers it to the Ministry garage for inspection to determine the required service and spare parts.

The Ministry garage carries out the following procedures:

- . Determines the vehicle's requirement for service and spare parts.
- . Sends the required service description to three different garages to obtain quotations (the Purchasing Committee has approved a number of private garages for the repair and maintenance of Ministry vehicles).
- . Obtains the prices of spare parts from the appropriate supplier.
- . Prepares purchase/service requisition and sends it to the General Services Department Head, who in turn sends it to the Directorate General of Fisheries for approval.

Once approval has been received, the requisition has to go through the normal purchasing procedures described in detail in the section entitled "Purchasing procedures". These procedures are summarised here.

The purchase/service requisition is sent to the Finance Department (accounting section). This department checks whether there are funds available within the budget to cover the cost of repairs.

If there is no available budget balance for the vehicle service or for the spare parts item, the requisition is sent back to the Finance and Administration Department in order to initiate procedures for an internal budget adjustment.

If funds are available within the budget, the requisition is sent to the Purchasing Committee for approval, after which the requisition, along with the committee meeting minutes regarding their decision, goes to the Purchasing Department. The local purchase order is then prepared for the repairs and the purchase of spare parts and is sent to the appropriate suppliers.

The usual period which would be required, if funds are available within the budget, from the Ministry garage receiving the vehicle until the completion of internal procedures and commencement of repairs by the private garage, for average types of service, is estimated to be at maximum one week.

A petty cash float of RO 2,000 is maintained at the Ministry garage to cover repairs or maintenance costs which do not exceed RO 50.

Issues

- . We were informed that although the Ministry garage is supposed to have a petty cash float of RO 2,000, they never have this amount of cash available. Usually they have cash of between RO 500 and RO 700 in the float. This arises because of delays in obtaining petty cash reimbursement.
- . When we visited the Ministry garage during December, there were fifteen vehicles in the garage which could not be serviced or repaired because of a lack of available funds. We were informed that no funds had been available since 1 December 1988 and that no funds would be available until the 1989 budget could be utilised. Out of the fifteen vehicles, seven were from the Directorate General of Fisheries.
- . No check is made within the Finance and Administration Department of the Directorate General of Fisheries to ensure that funds are available within the budget to cover the cost of repairs and maintenance. Accordingly delays occur when requisitions are returned and budget adjustments have to be requested.
- . There is no systematic schedule of vehicle service and maintenance to ensure that vehicles are maintained in good working order throughout the year. Such a schedule would be based on vehicle usage and each vehicle's estimated useful life.
- . Obviously serious delays can occur in project work if an appropriate vehicle is not available in good working order when it is needed.
- . Project heads complained that the number of field vehicles is insufficient, resulting in delays in carrying out research projects. We understand that this shortage of vehicles arises both because of a failure to purchase suitable vehicles in appropriate numbers and the inefficiency of the maintenance and servicing procedures.

Recommendations

- . The number of vehicles required to meet the needs of the Fisheries Project should be reassessed. If new vehicles are required plans should be made to purchase such vehicles and funds will have to be made available within the budget. We understand that no funds are available within the 1989 budget for the purchase of new vehicles by MSFC. It may be appropriate for OAJC to consider funding vehicle purchases if no funds will be available within the Ministry budget. The lack of availability of appropriate vehicles can seriously curtail the efficiency and effectiveness of project personnel.
- . Vehicles which are available to Directorate General of Fisheries personnel should be clearly identified. Instructions should be issued by the Director General defining which personnel are allowed to utilise which vehicles. Any unauthorised use should be forbidden.
- . A vehicle repair and maintenance plan should be drawn up to ensure that vehicles are maintained in good condition throughout the year. Vehicles should be regularly serviced and maintained in accordance with this plan.

3(f) GOVERNMENT AUDIT COVERAGE

As a result of the large volume of transactions at the Ministry, HE the Minister requested a full time audit team to be assigned to the Ministry of Agriculture and Fisheries. Accordingly, a full time audit team is working permanently in the Ministry and consists of three staff members and one supervisor.

The audit objectives, as described by one of the staff members, can be summarised as follows:

- 1) To ensure that the Ministry's processing procedures for purchasing, and any other expenditure and revenue are in accordance with the established procedures and instructions issued by the Ministry of Finance.
- 2) To ensure that all purchases and expenditure are appropriately authorised as per the Ministry's internal authorisation limits and/or the established authorisation limits set by the Ministry of Finance.

We were informed that the audit coverage and audit plan have been agreed between the audit team and their department head. The audit work is broken down by department, which corresponds to the departmental budgets prepared by the Ministry. Audit coverage of transactions usually ranges between 70% and 100% of a department's transactions. The actual scope will depend on the level of exceptions that have been noted in each department in the past.

The audit work performed covers the following areas:

- . Expenditure
- . Revenue
- . Warehouse issues and receipts
- . Cash and advances

Issues

- . Up to 15 December 1988, no audit had been performed for the Fisheries Project or the MSFC. We were unable to ascertain exactly why this was, although our impression was that the audit team had not yet had time to audit these departments as they were busy with other departments of the Ministry.

Recommendation

- . The audit team should ensure that they cover all departments of the Ministry over the course of the year including the Fisheries Project and MSFC.

3(g) REPORTS PREPARED BY THE
TECHNICAL ADVISERS

Background

The Omani American Joint Commission for Economic and Technical Cooperation and the Ministry of Agriculture and Fisheries had agreed on a general program concerning the Fisheries Project as follows:

- 1) The goals and objectives to be achieved.
- 2) The background and qualifications of personnel that would be required.
- 3) The expected output and results.

A detailed plan of implementation was prepared including the tasks to be accomplished and the time frame.

Based on the above plan, each adviser developed a detailed work plan which covers his day-to-day activities and the work to be performed. The implementation of these plans has met with a number of difficulties, partly as a result of some of the administrative delays at the Ministry.

A report on the activities of the Fisheries Project is prepared quarterly by RDA personnel and submitted to the Director General of Fisheries and the Omani American Joint Commission. Quarterly reports are also prepared by OSU in respect of their work at MSFC. A report prepared by RDA personnel covering the third quarter of 1988 was reviewed by us and included the following:

- . Executive summary
- . A detailed description of the activities of the Fisheries Project. This mainly described the activities of the RDA during the period.

Issues

The report we reviewed extended to nine pages and described the activities of the advisers in the major project areas during the period covered. There did not appear to be any attempt to relate the work performed to any sort of time frame or goals for the achievement of the Project's objectives, or to relate the work performed in the period to the overall plan for the project. Nor did the report identify any real issues, delays or problem areas that need to be addressed. Consequently the value of such reports in managing progress on the Project is limited.

Recommendations

- . We recommend that before the second phase of the project is commenced, a detailed work plan should be developed for, say the first three years of the second phase. This work plan should cover all areas of the Project, identify the objectives that are to be accomplished and establish specific target dates.

This work plan should then be used as a management tool to control the work of the advisers on the Project. The quarterly reports should relate back to this work plan and compare the work and accomplishments during any specific quarter against the plan. Any time delays or problems should be identified, so that they can be discussed with OAJC and the Ministry in order to try and identify solutions and take corrective actions. Once the quarterly reports are received the plan for the next quarter can be amended and updated in order to take account of changing circumstances. We consider that if the reports relate back specifically to the overall plan for the project they will be more meaningful and useful as a management tool to monitor progress.

A specific reporting schedule with established reporting deadlines should be developed as part of the work plan. This reporting schedule should specifically allocate responsibility for the preparation of the quarterly reports. It should also clearly define the distribution of the reports and the time for this distribution. We suggest that, as a minimum, the distribution list should include:

- Director General
- Director of Fisheries Project
- Director of MSFC
- OAJC

3(h) SUMMARY

Introduction

The principal reasons for the administrative delays that have arisen during the course of the project are:

- 1) Budget constraints arising as a result of either a lack of funds in a specific budget category, often arising because such funds have been utilised by another department or project, or a general lack of funds to allow for increases in the budget.
- 2) The fact that the Directorate of Fisheries is part of a larger Ministry and does not have its own accounting staff. Consequently, all of the accounting and administrative functions are handled by the Ministry's procedures. These procedures are, in the main, in line with those established by the Ministry of Finance and are common to most of the Ministries in Oman. To process accounting transactions or administrative requirements through these procedures is time consuming.

Overall recommendation

Whilst our report contains a number of recommendations in respect of possible improvements in these Ministry procedures, implementing changes within the Ministry will probably be an extremely slow process. But changes are necessary if the second phase of the Fisheries Project is to be more effective and efficient. At the moment project personnel are wasting a considerable amount of time in trying to solve administrative problems. For example, Dr Swerdloff estimates that he spends approximately 80% of his time on administrative matters. Dr Dudley estimated that he spent between 20% and 40% of his time on administration.

We recommend that, in order to obtain a more timely improvement in the accounting and administrative procedures relating to the Fisheries Project, the Directorate General of Fisheries should be given more autonomy. The Directorate should appoint its own accountant. He would be responsible for the accounting for all three of the Directorate's budgets, as follows:

- . Directorate General of Fisheries
- . Fisheries Project
- . Marine Science and Fisheries Centre

The accounting function relating to the Directorate is not complex and could easily be handled by one accountant utilising a microcomputer. The accountant should be qualified with a working knowledge of microcomputer software. A simple accounting software package should be purchased that will accommodate the reporting of expenditure against budget in accordance with the account captions of the Ministry of Finance. We would be pleased to assist in identifying such a package if this is considered appropriate.

Once the budget for the year has been approved, then as long as the transactions of the Directorate are within that budget it should not be necessary to get approvals from outside the Directorate, except perhaps for expenditure in excess of a limit of, say RO 5,000. Such expenditure could be approved by HE the Minister.

We expect that if the Directorate were responsible for its own accounting, the problem of expenditure being allocated to incorrect departments would not arise and therefore the monthly reporting of expenditure against budget would be far more meaningful. Project heads would be able to monitor expenditure against budget accurately. This, in turn, should significantly reduce delays in obtaining equipment and services.

As part of this increase in autonomy the Directorate should be given its own bank account and have cheque signing powers within the Directorate. Funds could be transferred from the Ministry of Finance to this account over the course of the year, up to the amount that has been approved for the three budgets under the Directorate's control.

We consider that there are precedents within Omani government agencies for the extension of such autonomy. An example would be the Industrial Estate Authority at Rusayl. It has its own accountant and its own bank account and submits monthly reports back to the Ministry of Finance which compare expenditure against budget by detailed caption. It is subject to audit by the Diwan of Audit as well as its own external auditors.

The accountant will not need to spend all of his time on the accounting function. The remainder of his time should be spent in handling administrative matters such as following up on NOC applications, tracking the processing of other administrative documents and any other administrative tasks that he can perform to assist project personnel and reduce the time that they spend on such administrative matters.

Internal controls

The procedural write-ups contained in this report demonstrate that the internal controls over the processing of accounting transactions are extensive and may even be excessive. In particular, controls over authorisation of transactions and cash disbursement are strong.

However, there are areas of weaknesses where improvements can be made, as follows:

- . Classification of transactions by department or project. It is clear that transactions are often classified to a department or project to which they do not actually relate. We understand that this is often done intentionally in order to overcome a lack of budgeted funds for a particular account caption within a particular department or project. We consider this to be a serious control weakness which greatly reduces the value of financial reports to management.

- . Distribution of monthly financial reports. It appears that monthly reports are not being distributed to all those responsible for project management. In particular, we understand that Dr Swerdloff and Dr Dudley do not receive regular monthly financial reports. It is important that they do receive such reports regularly in order to enable them to manage the financial resources available to their sections of the project effectively.
- . Timeliness of processing and reporting. Delays occur in the processing of accounting transactions. The value of historic financial information and its comparison with budgeted figures is reduced if it is not reported on a timely basis. Therefore, delays in the processing cycle should be minimised.
- . Preparation of realistic budgets. Our review indicated that, the budgeting process is heavily reliant on prior year's figures. The annual budgets do not appear to take sufficient account of planned tasks and objectives for the future year. Also, draft budgets are amended without sufficient consultation with those responsible for project management. Budgets cannot be used effectively to manage financial resources if they do not represent a realistic attempt to project expenditure for the coming year, within the overall constraints of available funds.

We have made recommendations in respect of changes that would reduce the control weaknesses identified above in the various sections of our report.

Staff skills

It is not possible to make a thorough assessment of the skills of the staff within the Ministry within the scope of our assignment since many individuals are involved in accounting and administrative functions which impact the Fisheries Project. In general, we consider that the quality of staff within the Ministry is not high. Very few of the staff involved in the day to day accounting and administrative functions have recognised qualifications from higher education. However, the tasks that they are required to perform are not technically complex, the accounting process and transactions are straightforward. Therefore, it is probably not necessary that the Ministry employ highly qualified staff to handle accounting and administrative matters.

Furthermore, we consider that the scope for recruiting new employees with higher skill levels within the Ministry is limited because of the restrictions that appear to have been placed on further recruitment. The existing staff would benefit from training in basic management and administrative skills. We have commented on this below.

We have also recommended that a qualified accountant should be recruited within the Directorate General of Fisheries who should be responsible for handling the Directorate's accounting function.

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Training needs

The accounting and administrative tasks that need to be performed, relating to the Fisheries Project are not complex. Therefore, it is probably not necessary that the staff concerned receive higher level formal training, such as degree qualifications or MBA's. However, we consider that the staff involved in these areas would benefit from training in general management and administrative skills. This training could, in the main, be organised into short two to three week sessions and could be presented in Oman.

We suggest the following as some possible topics for such training seminars:

- . Secretarial skills
- . Supervisory skills
- . Management skills
- . Human resources planning and development
- . Report writing
- . Time management
- . Introduction to, and use of microcomputers
- . Accounting and budgeting for non-financial managers

Some training to develop the staff's understanding of practice and procedures within the Ministry may also be appropriate.

In addition, if a qualified accountant is appointed for the Directorate General of Fisheries, he would probably be a non-Omani national. Therefore, an Omani national should be identified to work with the accountant and be trained as his replacement. This should involve formal training for the Omani, including an accounting course overseas and possibly a professional accounting qualification such as a CPA.

4. DIRECTORATE OF FISHERIES - SALALAH

4(a) ACCOUNTING PROCEDURES

Introduction

The accounting procedures relate to accounting for, and the authorisation of expenses and purchases. The procedures cover both expenditure from petty cash expenditure and normal operating expenditure. The procedures carried out in Salalah are very similar to those in Muscat. The paragraphs below outline the procedures in order to highlight the differences.

Initial procedure

When a member of staff requests a purchase, a memo is written and passed to the Head of section and then the the Director of Fisheries who authorises all purchases. If the item to be purchased exceeds RO 200, then it cannot be purchased from petty cash, but has to go to the Ministry of Finance for approval. If it is below RO 200 then it may be purchased from petty cash.

Petty cash

The procedures are the same as in Muscat. Petty cash is maintained on an imprest system and the imprest balance is RO 2,000. The authorisation of vouchers is identical to that in Muscat, as is the procedure of reimbursing the float from the Ministry of Finance, completing a summary report, and submitting it together with a requisition and all relevant documents. The differences between Salalah and Muscat are as follows:

- . The request for petty cash has to be accompanied by a memo signed by the Director of Finance.
- . Verbal quotations are obtained by telephone in order to obtain the best prices.
- . When expenditure reaches RO 1,000 approximately, then a requisition to reimburse petty cash is submitted to the Ministry of Finance in Salalah.
- . The delays in reimbursement are minimal. It normally takes a maximum of 3 days.
- . A petty cash register is maintained by the Salalah Directorate and is updated daily for all vouchers used. Expenditure is monitored and when the level reaches RO 1,000 then procedures for reimbursement are carried out. The register is maintained listing details in voucher number order as follows:

- Date
- Voucher number
- Amount
- Description
- Supplier invoice
- Date of invoice
- Name of supplier

Purchase ordering

The procedures are the same as in Muscat apart from the following points:

- . The Director of Fisheries is authorised to make purchases up to RO 5,000 and it is rare for any purchase to exceed this limit.
- . The Director authorises the documents at every stage and it is he who selects the supplier.
- . A purchase order is sent to the supplier prior to Ministry of Finance approval.
- . A receiving report is completed by the store keeper on receipt of the goods, delivery note and invoice.
- . The LPO, the quotations, invoice, receiving report and delivery note are then sent to the Ministry of Finance in Salalah.
- . The Director of Fisheries claims that the Ministry of Finance has no authority to refuse to pass payment for goods.
- . A daily listing of purchase orders is made in order to control expenses.
- . No committees exist for the authorisation of expenses. The Director of Fisheries has total control. The Director General of Agriculture and Fisheries stated that he had the same authorisation limit of RO 5,000 as the Director of Fisheries has, but that amounts greater than this occurred. If they did, they would have to be authorised by the Ministry of Agriculture and Fisheries in Muscat.

We were informed by the Head of Research that there was a great deal of flexibility between the various account headings after the budget had been set. If towards the end of the year one expense heading had reached its limit, it would be possible to transfer amounts from another account. However, in the case of salaries, it is not possible to transfer funds out and this expense heading could only be increased. As a result of this switching between budget captions, occasions arise when the purchase of particular items may have been budgeted, but at the time when the purchase is to be made no funds are available. The funds will have been put to other uses.

4(b) FINANCIAL MANAGEMENT AND REPORTING

Background

The Directorate in Salalah is a cost centre and consequently it only has control over the expenditure function. Further, it does not have any control over cash management, except for a petty cash float. Revenues in the form of charges for licences for fishermen and boats are collected but are passed on directly to the Ministry of Finance and cannot be utilised by the Directorate.

Monthly statements and reports

Monthly reports of expenditure are prepared manually by the accountant in the Directorate and are reviewed by the Director of Fisheries. This report is reconciled to an expenditure report produced by the Ministry of Finance computer system. Once the reconciliation is completed the Director of Fisheries approves the monthly report which is then sent to the Director General of Agriculture and Fisheries in Salalah. However, the Director General in Salalah stated that these monthly reports were not studied carefully as the department of finance under his control did not analyse the results. The reason for this was that the Fisheries Directorate was not under the control of the department of finance but was a separate body.

The expenditure report from the Ministry of Finance lists the balance brought forward for each expense heading, cash purchase orders approved within each expense heading, the cumulative total to date and the net balance remaining. The monthly report prepared by the Directorate lists the month's expenditure, outstanding commitments, budgeted amount for the year to date, actual for the year to date, total budget for the year and the net balance left.

This monthly report is carefully analysed by the Director, who notes the nature of expenditure under each account heading and how much there remains to be spent. He then works out, for his own purposes, the remaining expenditure to be incurred and compares this against the remaining funds.

Annual reports

An annual report is prepared after the end of each year of the total expenditure during the year. The report is submitted to the Director General in Salalah, after being approved by the Director of Fisheries. The results for the year are incorporated in a report for the whole Ministry of Agriculture and Fisheries and this is then circulated to all departments.

Quarterly reports

The Director General informed us that a quarterly report should be sent to the Ministry of Agriculture and Fisheries in respect of current budgets. A monthly report is required for project budgets. Current budgets consist of the normal expenditure of the Directorate. Project budgets relate to specific projects. However, this has not been of any relevance to date, as there have been no projects allocated to Salalah. Such projects would be monitored by the Director General in Muscat.

1988 budget

Specific details relating to the 1988 budget, based on information supplied by the Director, are as follows:

	<u>RO</u> (000's)
Salaries	271
Maintenance equipment, utilites, stationery and other administrative expenses	34 --- 305 ===

The Director stated that the amount allocated for salaries did not provide for overtime or expense allowances. He further stated that any amounts for promotions or pay increases had to come from the RO 34,000 allocated to other expenses.

Recommendations

- . The budget at present is set for the whole year and is not further analysed as a monthly budget. If a monthly budget were prepared regular variance analysis would be possible by comparing the monthly actual with the monthly budget. A system for explaining these variances should be introduced so that greater control can be exercised.

4(c) MANAGEMENT ABILITIES

Introduction

There is little formal information on which to base an assessment of management's abilities as there are no records which indicate whether objectives have been achieved, or who was directly responsible for achieving such objectives. Therefore, our comments here are based on observation and discussion.

The comments made below result from our discussions with the Director General of Agriculture and Fisheries, Director of Fisheries, Mr Bob McClure and the Head of Research. The Director General stated that he was not in a position to judge the abilities of those below him in the Directorate of Fisheries, as he had only been in control since September 1988, but he gave his initial comments and observations.

Director General of Fisheries and Agriculture - Salalah (Mosalan Salem Qutum)

The Director General is a qualified civil engineer. He has little experience of agriculture or fisheries, but according to Bob McClure and the Director of Fisheries, he appears keen to take steps to advance research in both of these areas. Although he has only been in his current post since September 1988 his intentions are to bring the Department of Fisheries under his control. He stated that increased centralisation within Salalah, would be a good thing, but that he wished to separate the research and training side from finance. The Director General wants to have input into the Directorate of Fisheries, but does not want to reduce the authority of the Director. However, he does want to be able to have the finance of the Directorate under his control and wants to computerise the whole Directorate of Agriculture and Fisheries. Both Bob McClure and the Head of Research indicated that the Director General had only visited the Directorate of Fisheries twice since his appointment and was spending more time with Livestock and Agriculture.

Director of Fisheries (Ali Omar Makfouz)

The Director of Fisheries has had more experience in Fisheries than the Director General, as he was appointed in 1980. The Director General was prepared to state that the Director of Fisheries was experienced and keen to advance research. However, he stated that an initial observation was that the Director of Fisheries was not aware of new methods of management, he has no formal training and he does not appear to be making research an issue or is unable to promote it. We observed that he appeared capable and was careful to keep costs down. He also appeared to be keen to promote research and training.

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Head of Research (Salem Bakhit Fadhil)

The Head of Research has travelled abroad in order to train in his field. He spent 2 years in the Fisheries Directorate in Kuwait where he obtained a scholarship to go to the United Kingdom for 18 months to study fisheries administration and analysis. He spent time on the North East coast of England in Hull, Grimsby and Scarborough. Following this, he went to the University of Rhode Island to the college of Agriculture and Fisheries, where he spent three years. He then returned to Oman and took up the post as Head of Research Section in the Directorate of Fisheries in Salalah. He appears keen and committed and a capable manager.

Head of Fisheries Projects (Ali Said Salem Al-Marhum)

The Head of Fisheries Projects has not been able to display his ability due to lack of funds. However, after leaving school in Oman, he went to the Department of Fisheries in Kuwait, where he obtained a scholarship to go to the United Kingdom to study fisheries administration and analysis and spent 18 months in Grimsby.

Head of Supplies and Maintenance (Akeel Sahl H'kahis)

The Head of Supplies and Maintenance has gained his position through experience. He has been carrying out his job in the Directorate for approximately four years. He previously worked in the Ministry of Agriculture and Fisheries in Muscat and transferred to Salalah.

4(d) EMPLOYEES AND STAFFING

Introduction

There are approximately 64 employees working at the Directorate of Fisheries in Salalah (see Appendix I). The Director informed us that many of the staff are not utilised properly. This situation has arisen due to both overstaffing and a lack of resources to fund projects. The majority of employees are covered under the Civil Service Law and their rights and obligations are set out under that law. This section covers the hiring of staff, performance assessments and overtime and allowances.

Hiring of staff

There are no formal instructions for hiring either Omani or expatriate staff and the procedures carried out are on an adhoc basis. To a certain extent, once the Directorate has identified a person it wishes to employ, the details are handled by the Personnel Department in the Ministry of Agriculture and Fisheries. For the employment of Omani staff, the Civil Service Law states that anyone who is to be employed should have a high school certificate as a minimum.

Initially when a position becomes vacant or there is a need to fill a new function, an advertisement is placed in national newspapers. This can either be carried out by the Ministry of Agriculture and Fisheries or by the Directorate. The current procedure is to select employees based on an interview by a committee made up of staff from both the Ministry and the Directorate. It also appears that occasionally Muscat approves new employees based on application forms and a report of a brief interview held at the Directorate.

Assessment of performance

An annual evaluation report is prepared on each employee at the Directorate by his immediate superior. The report is based directly on his performance. The Director of Fisheries reviews all reports and initials them. The Head of Section, under which a particular employee works, also reviews the reports and initials them. The reports are categorised as excellent, very good, average and below average. In order to be promoted the member of staff requires an "excellent" rating on his annual assessment. However, it is not compulsory for the Ministry of Agriculture and Fisheries to promote staff, indeed it is not permitted before two years have been completed in one position.

Promotions are based on a specific, rigid formula which consists of allocating percentages to two criteria-grades on annual reports, and the time spent in one position. Once 4 years in one position has been reached then 100% is achieved. The aggregate of the two percentages arrived at based on the annual report and the percentages obtained through the time spent in a position determine whether one employee will be promoted above another.

If during the year, an employee is not doing well then he will be informed and notices will be issued. Dismissal of an employee is extremely difficult and if a particular employee has a problem, then it is more likely that the Director General of Agriculture and Fisheries will transfer that employee to a more suitable position.

Allowances and overtime

The salaries budget makes no provision for overtime to be paid, however, for research to be properly carried out, it is normal that a team may have to work in the afternoons and at weekends. Consequently there is little incentive to do so and Directorate employees are not willing to work more than their statutory hours. There is a limited amount of overtime paid, but the system is inadequate. According to Bob McClure, provided an employee works some overtime he will receive 10% of his monthly salary. It is not dependent on the number of hours overtime worked but merely on the fact that overtime has been worked. He indicated that in Muscat the percentage was 25%, but this had been reduced for Salalah.

4(e) DEGREE OF DECENTRALISATION

At present a large degree of decentralisation exists due partly to the geography of the country and the distance that Salalah is from Muscat. Even in Salalah, the Ministry of Agriculture and Fisheries, the Directorate of Agriculture and the Directorate of Fisheries are in separate locations.

The Directorate in Salalah is run separately from the Directorate in Muscat, and has a separate budget allocated to it. The Directorate in Salalah has its own building, separate from the rest of the Ministry. The Director of Fisheries reports to the Director General of Agriculture and Fisheries in Salalah. Both Director Generals, in Muscat and Salalah, report to the Minister and are considered to have the same level of responsibility.

The Directorate of Fisheries has its own Accounting and Finance Administration and Purchasing Departments. The rest of the Ministry is located in one place and includes Agriculture, Livestock and Agricultural Research. The finance and administration for these three departments is handled by a separate fourth department, Administration and Finance. Only the Irrigation Department and the Fisheries Department remain as autonomous bodies.

According to the Director of Fisheries, it is intended that all the Ministry departments be located in one building in the future. A single Administration and Finance Department has been set up to control the finances for all departments. The Director indicated that there were some current difficulties which were being experienced by those departments of the Ministry which had their finances controlled by this separate finance department. He stated that the departments tended to compete for the available money and that the timing of each departments' cash flows was not taken into account. Also, the funds tended to be utilised more quickly.

While decentralisation exists in terms of procedures and the Directorate of fisheries budget, the funds made available to the Fisheries Project are centralised and are controlled in Muscat. There originally may have been some intent to allocate a budget to Salalah, but according to the Director of Fisheries and Bob McClure, this has never materialised. Expatriates sent down to Salalah have to be financed from Muscat and have minimal local resources available to them.

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4(f) MOTOR VEHICLES

Introduction

A similar situation exists in Salalah as in Muscat. There are insufficient vehicles to enable the Fisheries Project team to carry out research and the servicing of vehicles is not prompt. There is a lack of funds allocated to purchase new vehicles and to maintain existing vehicles. The Directorate of Fisheries in Salalah was allowed to purchase two Daihatsu "Rocky" 4 wheel drive vehicles for the Fisheries Project in 1984, having requested Land Rovers. However, the distances that have to be covered in the Southern Region are considerable, consequently the vehicles deteriorate quickly. The Directorate of Fisheries' vehicles now have to be used for long trips as the vehicles bought for the Fisheries Project are in such poor condition.

New vehicles

New vehicles have been requested in budgets by the Directorate of Fisheries, but the money is not forthcoming. According to the Director, each year since 1986 they have requested a new vehicle, but the budget has been amended to exclude the purchase of vehicles.

Current situation

The majority of the cars at the Directorate are not in working condition. 10 cars and jeeps are in operation but all are old. The workload is slowly increasing, the number of cars is the same, yet the cars are becoming older each year and are less able to cope. This is putting increasing pressure on the budget for servicing and is causing delays. Due to this situation, the scheduling of vehicles is necessarily tight in order that the work that has to be done is completed.

Servicing

The servicing of vehicles does not cause as much of a problem in Salalah as in Muscat. Two garages are used for servicing: a government garage and a private one. Frequently the government garage is unable to complete the work as a result of budget problems the garages are having which causes a shortage of spare parts. When parts are unavailable, the vehicles are taken to a private garage. This may be more expensive but there are no delays and the repairs tend to be efficiently carried out. However, in order to be able to have the repairs carried out by a private garage, the Directorate is required to obtain a certificate from the government garage stating that the government garage does not have the required spare parts. If major damage has occurred which requires an amount in excess of the

remaining budget, then a report has to be submitted to the Director General in Muscat. However, delays occur in receiving authorisation. The Directorate has little problem in having the vehicles repaired, however, in December 1988 it overspent and owed a private garage approximately RO 2,000 which will have to be met out of 1989's budget.

4(g) AUDIT COVERAGE

Each year two audits are conducted at Salalah: one carried out by a team from the Diwan of Auditing and another one performed by the internal audit team from the Ministry of Agriculture and Fisheries. The last audit was carried out in September 1988. The Director of Fisheries claims that he has had clean audit reports since he arrived. We requested to see copies of the audit reports but were refused access on the grounds that they were confidential. We ascertained that the auditors cover 100% of transactions and look into all procedures and all areas of the Directorate.

NUMBERS OF STAFF BY FUNCTION

Administration:	Director of Fisheries	1
	Deputy Director of Fisheries	1
	Accounts Department	1
	Cashiers Department	1
	Purchase ordering	1
	Typist	1
Research and Training:	Research	25
	Licensing enforcement	2
	Data collection	1
	Mechanics assisting fishermen	3
Marketing and Production:	Marketing and production	3
Supplies and Maintenance:	Supplies and maintenance	5
	Store keeper	1
Projects:	Projects	3
	Statistical data	3
	Computer department	2
Sundry:	Watchmen	3
	Teaboy	1
	Labourers	3
	Drivers	3
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5. BUDGETING PROCEDURES

Timing

The budgeting process normally commences around the end of July each year. The Ministry of Finance sends out a Ministerial circular to all Ministries at this time containing instructions for the preparation of the budget for the following year.

These instructions will usually require that the budgets are submitted to the Ministry of Finance before the end of October. Therefore, budget preparation takes place within the Directorate General of Fisheries mainly in the months of September and October.

The Ministry of Finance reviews the budgets in November and December and it may contact the Ministries during this time for discussion and clarification. All budgets must be finalised by approximately 25 December so that they can be submitted to His Majesty Sultan Qaboos for approval by the end of the year.

Budget procedures

MUSCAT -

Budget preparation instructions are circulated to all government ministries by the Ministry of Finance. As a result, the Administration Officer within the Directorate General of Fisheries receives a copy of the instructions.

The Directorate General of Fisheries prepares three annual operating budgets, as follows:

- Directorate General of Fisheries
- Fisheries Project
- Marine Science and Fisheries Centre

The Fisheries Project budget is to cover the technical assistance project for which RDA are the consultants. The Marine Science and Fisheries Centre budget is to cover the operations and research work of the Centre. The Directorate General of Fisheries budget is to cover all the other activities of the directorate.

On receiving the budget instructions, the Administration Officer passes copies of these instructions to the heads of the projects teams within the Directorate - Dr Stan Swerdloff of RDA for the Fisheries Project and Dr Richard Dudley of OSU for the Marine Science and Fisheries Centre. The Administration Officer prepares the budget for the Directorate General of Fisheries.

The project heads are responsible for preparing the budget for their part of the project. There is a standard format for the preparation of the budget which includes account numbers and descriptive account captions. Once the project heads have completed the preparation of the budget they return a copy to the Administration Officer.

Upon receiving the budgets, the Administration Officer prepares the standard budget forms required by the Ministry of Finance. Where appropriate, he also prepares memos and notes explaining and supporting the figures in the budgets.

The budget and its supporting documents are then sent to the Director General of Fisheries for final approval. After the final approval by the Director General, the budget is then sent to the General Controller in the Finance Department of the Ministry to be included in the final preparation of the overall Ministry budget. This department will revise the original budgets received from the departments or projects according to the financial guidelines and restrictions provided by the Ministry of Finance. Once all the budgets for the departments and projects, together with the overall budget for the Ministry, have been prepared it is then sent to the Minister's office for final review and approval. Once it has been approved it is sent to the Ministry of Finance.

SALALAH -

In Salalah, the Directorate of Fisheries is not able to set the total amount of his budget each year since the amount of the budget is allocated to the Directorate by the Ministry of Finance in Muscat based on previous years' budgets. Thus the budget does not take into account any new projects to be commenced. Within this fixed total, the Director is responsible for allocating the total expenditure among the various expense account headings and once completed, this detailed budget has to be submitted to the Ministry of Finance for final approval, after being approved by the Director General in Salalah and the Finance Department of the Ministry of Agriculture and Fisheries in Muscat. The Director can move funds from one expense account to another, within the overall budget, as required.

The Director of Fisheries stated that the budget setting process could not take into account planning for research projects and training as he indicated that the total annual amount had changed very little since 1986, when budget cuts were made by the Ministry of Finance. Between 1987 and 1988 the amount remained static, giving little opportunity to expand research and training. Prior to 1985, annual increases were in the region of 5 - 10%.

Currently a budget is being submitted to the Ministry of Finance for a special project, which is not part of normal annual expenditure. It is the first time that this has been attempted and it is not known what the outcome will be. A member of the Fisheries Project team, Bob McClure, indicated that it was for Lobster research and that at present the only way to obtain funds for research projects was by submitting a plan and budget in the hope that it would be approved.

The Director said that he was aware that a budget for the Fisheries Project existed in Muscat. However, he maintained that this budget was allocated to Muscat and spent exclusively in Muscat. As far as he was aware, none of the budgeted expenditure had ever been allocated to the Southern region; Bob McClure confirmed this. The Director feels that he is being asked to complete projects without specific funds being made available to him.

Due to the restriction of the budget, the Director has not considered it worthwhile to seriously plan any new projects as he does not have access to funds for such projects.

Reporting against budget

A monthly report is prepared by the Finance Department showing the actual results against budget for each of the three budgets described above. A copy of these monthly reports is received by the Administration Officer who in turn prepares an analysed monthly report for each of the three budgets. From our discussions, it seems that these monthly reports are not distributed regularly to the heads of the project teams. For example, Dr Dudley did not know whether such a monthly report was received by the MSFC.

Also, it appears that the classification of actual expenses to individual department or project budgets within the Ministry is not accurate. During our discussions we were given a number of examples of actual expense items appearing against budget captions on the Fisheries project, that in the opinion of project personnel, did not relate to the project concerned, but were expenses incurred in other areas of the Ministry's operations that had been misclassified to the Fisheries projects. Consequently, it appears that the budgets established for the Fisheries projects are not being utilised to meet the expenditures arising solely on those projects. Similarly, it is also possible that some Fisheries projects expenditures are being funded from other budgets.

SALALAH -

In Salalah, the accountant in the Directorate of Fisheries prepares a manual report each month. This report shows for each expense account:

- expenditure for the month
- outstanding commitments
- budgeted amount for the year to date
- actual for the year to date
- total budget for the year
- remaining funds within budget

This monthly report is carefully analysed by the Director to assist him in monitoring and controlling expenditure.

Issues

- . There appears to be a lack of confidence in the budgeting and financial reporting process amongst project personnel. Consequently, the quality of the budgets being prepared is diminished. Project budgets have been prepared without sufficient estimates of future work plans or commitments to support the budget figures. The budgets seem to have been prepared mainly by reviewing prior year figures and producing an estimate for the next year, based on those prior year figures, rather than as a result of a critical assessment of the likely activities and requirements of the future year.
- . There is no coordination between the General Controller in the Finance Department (who is responsible for the final preparation of the budget) and the project heads. Many changes are made to the original budgets prepared by them. We understand that these changes are made without prior consultation with the project heads or approval by them.
- . There is very little follow-up during the year in the form of the comparison of actual results against budget. Clearly one issue that needs to be addressed in this area is whether the actual expenditure as reported related to the particular project budget within which it has been classified. If the financial reporting of actual expenditure is not accurately classified then comparison with budget will be of limited value.

Recommendations

- . The accuracy of financial reporting of actual results against budget needs to be improved so that all expenditure is correctly classified to the department or project to which it relates. This can be achieved by ensuring that transactions are properly classified within the Finance Department.
- . Internal instructions should be prepared each year which specify the objectives for each department or project for the coming year and include directions as to how the objectives should be utilised to prepare detailed estimates of the costs of achieving them. These instructions should include guidance on such matters as salary rates, expense allowances, equipment requirements and costs. These instructions should also include some guidance as to the likely availability of funds for the coming year so that these can be taken into account when establishing objectives and cost estimates for projects.
- . The budget should be based on the projections for expenditure for the following year and should not be based merely on the previous year's budgets. This will enable:
 - 1) Planning to be properly utilised as provision can be made for money to be allocated to specific projects.

2) A more accurate and realistic budget to be produced, placing additional incentive on the Directorate and the Fisheries Project to meet those budgets.

- . Greater coordination is required between the General Controller within the Finance Department and the individual project and department heads. If changes to the individual budgets are necessary, these should be discussed with the project and department heads concerned so that they will be aware of the requirements and can propose amendments to the budgets based on priorities within their own departments. This process may be facilitated by the formation of a budget committee for the Ministry. Such a committee would include representatives from each principal department or project. The purposes of the committee would be to facilitate and supervise the budgeting process and establish priorities for the utilisation of funds within the Ministry.
- . If the classification of expenditure by project and department is improved, then we recommend that the monthly report comparing budget with actual expenditure should be prepared on a timely basis and circulated to all appropriate department and project heads so that expenditure in comparison to budget can be regularly monitored. In particular, the Director of the Fisheries Development Project (Rashid bin Amour al-Barwani), the Director of the Marine Science and Fisheries Centre (Mohammed bin Amour al-Barwani), Dr Swerdloff, Dr Dudley and the OAJC should all receive copies of these monthly reports, translated into English when necessary. This would enable them to compare budgeted with actual expenditure, take corrective actions on expenditure levels where appropriate and monitor the utilisation of financial resources.
- . There should be a separate budget established for work on the Fisheries Project in Salalah each year. The benefits of this would include:
 - 1) Identification of a specific amount for the use of the Fisheries Project. This would prevent disputes over money and allow the Project to function and reduce unnecessary delays.
 - 2) The Fisheries Project team would be responsible for meeting its own budget and controlling its costs.

Without a separate budget it appears that there will be no resources available in Salalah to support the Fisheries Project.

6. COMPARISON OF RESULTS WITH BUDGET 1984 - 1988

Introduction

The following schedules present comparisons of the actual expenditures of the Directorate General of Fisheries against budget for the years 1984 to 1988. We have summarised the information from reports provided to us by the Administration Officer at the Directorate. It is summarised into ten operating expenditure captions plus expenditure on fixed assets. We have presented the figures for the three operating budgets of the Directorate, as follows:

- . Directorate General of Fisheries
- . Fisheries Project
- . Marine Science and Fisheries Centre

We have also prepared combined figures, combining the three budgets listed above. The following points should be considered in reviewing the schedules:

- We have been unable to obtain the budget and expenditure figures for 1987 for the Directorate General of Fisheries. Therefore we have not prepared combined figures for that year as they would not provide a meaningful comparison.
- The Marine Science and Fisheries Centre commenced operations in 1986.
- The figures for actual expenditure in 1988 are for the ten-month period to October 1988. We have been unable to obtain the expenditure figures for the full year. The budget figures for 1988 are for the full year.

Combined figures

We present below our comments on some of the significant features of the combined figures:

- . A comparison of combined budget with combined actual total expenditure indicates that the Directorate always incurs significantly less expenditure than its budgeted figure:

	<u>Budget</u>	<u>Actual</u>
	(Currency RO 000's)	
1988	1,401	1,058
1986	1,375	1,060
1985	1,682	1,044
1984	684	419

In 1985, for example, actual expenditure amounted to only 62% of budgeted expenditure. Although combined figures for 1987 have not been obtained, the figures available for the Fisheries Project and the Marine Science and Fisheries Centre suggest that actual expenditure would also have been significantly less than budgeted expenditure.

- . Combined budgeted expenditure has been between RO 1,375,000 and RO 1,682,000 per annum, excluding 1984 and 1987. We have excluded 1984 since the level of expenditure in that year was significantly lower.
- . Combined actual expenditure has been between RO 1,044,000 and RO 1,060,000 per annum, excluding 1984 and 1987.
- . Expenditure on salaries and related costs have represented between 72% and 76% of all operating expenditure (excluding expenditure on fixed assets) in each year apart from 1984, as follows:

	<u>Budget</u> %	<u>Actual</u> %
1988	74	72
1986	76	75
1985	72	72
1984	33	36

- . Fixed asset expenditure, both budgeted and actual, has varied significantly from year to year, as follows:

	<u>Budget</u> (Currency RO 000's)	<u>Actual</u>
1988	53	42
1986	94	55
1985	660	197
1984	214	154

Most of the fixed assets expenditure is incurred under the Fisheries Project budget. For example, in 1986 67% of the actual fixed assets expenditure was attributed to the Fisheries Project. For 1985 the percentage was 91%.

Fisheries Project

The budgeted and actual expenditure on the Fisheries Project has been as follows:

	<u>Budget</u> (Currency RO 000's)	<u>Actual</u>
1988	348	285
1987	394	342
1986	406	295
1985	949	400
1984	455	242

The significant difference between budgeted and actual expenditure in 1985 arises principally because fixed asset purchases of RO 642,000 were budgeted for and actual expenditure of only RO 180,000 was incurred. Out of this budget, approximately RO 500,000 was for the purchase of vehicles and only approximately RO 49,000 was actually spent.

- . Expenditure on salaries and related costs has been between 61% and 71% of operating expenditure (excluding fixed asset expenditure) in all years.
- . After salaries, the three most significant expense captions are parts and fuel, leases, and training and scholarship.

Marine Science and Fisheries Centre

- . Total budgeted and actual expenditure on the Marine Science and Fisheries Centre has been as follows:

	<u>Budget</u>	<u>Actual</u>
	(Currency RO 000's)	
1988	304	223
1987	294	269
1986	291	161

- . Expenditure on salaries and related costs has been between 47% and 71% of operating expenditure (excluding fixed asset expenditure).

After salaries, the three most significant expense captions are parts and fuel, stationery and supplies, and other services.

Directorate General of Fisheries

Total budgeted and actual expenditure has been as follows:

	<u>Budget</u>	<u>Actual</u>
	(Currency RO 000's)	
1988	748	550
1986	678	604
1985	733	644
1984	229	177

Expenditure on salaries and related costs has been between 76% and 79% of operating expenditure (excluding fixed asset expenditure) in all years apart from 1984.

After salaries, the three most significant expense captions are parts and fuel; postage, telephones, electricity, water; and other services.

COMBINED BUDGETS - TO OCTOBER, 1988

(CURRENCY - RO'000,5)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	995	74	729	72
VEHICLE PARTS & FUEL	101	7	72	7
STATIONARY & OTHER SUPPLIES	34	3	25	2
FOODSTUFFS	4	0	1	0
CLEANING & MAINTENANCE	33	2	27	3
LEASES	3	0	1	0
TRAINING & SCHOLARSHIP	43	3	44	4
OTHER SERVICES	86	6	81	8
CONTRIBUTIONS & CELEBRATIONS	8	1	7	1
PTT, ELECTRICITY & WATER	41	3	30	3
	1347	100	1016	100
FIXED ASSETS	53		42	
TOTAL EXPENDITURE	1401		1058	

COMBINED BUDGETS - 1986

(CURRENCY - RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	968	76	754	75
VEHICLE PARTS & FUEL	52	4	52	5
STATIONARY & OTHER SUPPLIES	24	2	16	2
FOODS/STUFFS	5	0	2	0
CLEANING & MAINTENANCE	26	2	21	2
LEASES	19	2	22	2
TRAINING & SCHOLARSHIP	55	4	35	4
OTHER SERVICES	77	6	54	5
CONTRIBUTIONS & CELEBRATIONS	7	1	5	0
PTT,ELECTRICITY & WATER	47	4	45	4
	<u>1281</u>	100	<u>1005</u>	100
FIXED ASSETS	94		55	
TOTAL EXPENDITURE	<u>1375</u>		<u>1060</u>	

COMBINED BUDGETS - 1985

(CURRENCY - R0'000,5)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	733	72	612	72
VEHICLE PARTS & FUEL	60	6	55	7
STATIONARY & OTHER SUPPLIES	20	2	20	2
FOODSTUFFS	5	0	3	0
CLEANING & MAINTENANCE	25	2	13	2
LEASES	37	4	36	4
TRAINING & SCHOLARSHIP	45	4	43	5
OTHER SERVICES	55	5	47	6
CONTRIBUTIONS & CELEBRATIONS	7	1	4	0
PTT,ELECTRICITY & WATER	36	4	13	2
	<u>1022</u>	100	<u>847</u>	100
FIXED ASSETS	660		197	
TOTAL EXPENDITURE	<u>1682</u>		<u>1044</u>	

COMBINED BUDGETS - 1984

(CURRENCY - RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	156	33	95	36
VEHICLE PARTS & FUEL	49	10	38	14
STATIONARY & OTHER SUPPLIES	21	4	17	6
FOODSTUFFS	11	2	2	1
CLEANING & MAINTENANCE	19	4	12	5
LEASES	55	12	29	11
TRAINING & SCHOLARSHIP	57	12	15	6
OTHER SERVICES	59	12	37	14
CONTRIBUTIONS & CELEBRATIONS	7	1	5	2
P.TT.ELECTRICITY & WATER	36	8	15	6
	<u>469</u>	100	<u>265</u>	100
FIXED ASSETS	214		154	
TOTAL EXPENDITURE	<u>684</u>		<u>419</u>	

FISHERIES PROJECT -- TO OCTOBER, 1988

(CURRENCY - RO'000, S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	199	63	160	62
PARTS & FUEL	37	12	29	11
STATIONARY & OTHER SUPPLIES	9	3	5	2
FOODSTUFFS	2	0	0	0
CLEANING & MAINTENANCE	12	4	11	4
LEASES	0	0	0	0
TRAINING & SCHOLARSHIP	42	13	44	17
OTHER SERVICES	12	4	11	4
PTT, ELECTRICITY & WATER	5	2	1	0
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	316	100	261	100
FIXED ASSETS	32		24	
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TOTAL EXPENDITURE	348		285	
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FISHERIES PROJECT - 1987

(CURRENCY - RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	218	69	183	71
PARTS & FUEL	28	9	14	5
STATIONARY & OTHER SUPPLIES	6	2	5	2
FOODSTUFFS	2	1	1	0
CLEANING & MAINTENANCE	6	2	7	3
LEASES	0	0	0	0
TRAINING & SCHOLARSHIP	43	14	35	13
OTHER SERVICES	10	3	11	4
PTT,ELECTRICITY & WATER	2	1	2	1
	<u>315</u>	100	<u>257</u>	100
FIXED ASSETS	79		85	
TOTAL EXPENDITURE	<u>394</u>		<u>342</u>	

FISHERIES PROJECT - 1986

(CURRENCY -- RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	239	68	174	67
PARTS & FUEL	14	4	11	4
STATIONARY & OTHER SUPPLIES	4	1	3	1
FOODSTUFFS	3	1	2	1
CLEANING & MAINTENANCE	6	2	5	2
LEASES	10	3	13	5
TRAINING & SCHOLARSHIP	55	16	35	14
OTHER SERVICES	19	5	13	5
PTT,ELECTRICITY & WATER	2	1	2	1
	<u>351</u>	100	<u>258</u>	100
FIXED ASSETS	55		37	
TOTAL EXPENDITURE	<u>406</u>		<u>295</u>	

FISHERIES PROJECT - 1985

(CURRENCY - RD'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	193	63	134	61
PARTS & FUEL	14	5	11	5
STATIONARY & OTHER SUPPLIES	3	1	3	2
FOODSTUFFS	4	1	3	1
CLEANING & MAINTENANCE	7	2	3	1
LEASES	17	6	17	8
TRAINING & SCHOLARSHIP	40	13	37	17
OTHER SERVICES	21	7	10	4
PTT,ELECTRICITY & WATER	7	2	2	1
	<u>307</u>	100	<u>219</u>	100
FIXED ASSETS	642		180	
TOTAL EXPENDITURE	<u>949</u>		<u>400</u>	
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FISHERIES PROJECT -- 1984

(CURRENCY = R01000.S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	132	49	77	67
VEHICLE PARTS & FUEL	6	2	2	2
STATIONARY & OTHER SUPPLIES	5	2	3	3
FOODSTUFFS	9	3	1	1
CLEANING & MAINTENANCE	4	1	2	2
LEASES	31	11	13	11
TRAINING & SCHOLARSHIP	51	19	11	10
OTHER SERVICES	25	9	7	6
PTT, ELECTRICITY & WATER	8	3	0	0
	<u>271</u>	100	<u>116</u>	100
FIXED ASSETS	184		126	
TOTAL EXPENDITURE	<u>455</u>		<u>242</u>	

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MARINE SCIENCE & FISHERIES CENTRE - TO OCTOBER, 1988

(CURRENCY - R0'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	215	72	144	66
PARTS & FUEL	21	7	13	6
STATIONARY & OTHER SUPPLIES	12	4	13	6
FOODSTUFFS	1	0	0	0
CLEANING & MAINTENANCE	10	3	8	4
LEASES	1	0	0	0
TRAINING & SCHOLARSHIP	0	0	0	0
OTHER SERVICES	24	8	22	10
CONTRIBUTIONS & CELEBRATIONS	7	2	7	3
PTT,ELECTRICITY & WATER	9	3	12	6
	-----		-----	
	299	100	219	100
FIXED ASSETS	5		4	
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TOTAL EXPENDITURE	304		223	
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MARINE SCIENCE & FISHERIES CENTRE _ 1987

(CURRENCY - RD'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	217	76	125	47
VEHICLE PARTS & FUEL	9	3	9	3
STATIONARY & OTHER SUPPLIES	13	4	97	37
FOODSTUFFS	3	1	0	0
CLEANING & MAINTENANCE	12	4	7	3
LEASES	2	1	0	0
TRAINING & SCHOLARSHIP	0	0	0	0
OTHER SERVICES	17	6	17	6
CONTRIBUTIONS & CELEBRATIONS	7	2	0	0
PTT.ELECTRICITY & WATER	8	3	8	3
	-----		-----	
	287	100	263	100
FIXED ASSETS	7		6	
	-----		-----	
TOTAL EXPENDITURE	294		269	
	=====		=====	

MARINE SCIENCE & FISHERIES CENTRE _ 1986

(CURRENCY - R0'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	193	72	111	71
VEHICLE PARTS & FUEL	13	5	9	6
STATIONARY & OTHER SUPPLIES	8	3	2	1
FOODSTUFFS	2	1	0	0
CLEANING & MAINTENANCE	7	3	4	3
LEASES	5	2	5	3
TRAINING & SCHOLARSHIP	0	0	0	0
OTHER SERVICES	20	7	7	5
CONTRIBUTIONS & CELEBRATIONS	2	1	0	0
PTT,ELECTRICITY & WATER	18	7	17	11
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	268	100	155	100
FIXED ASSETS	24		6	
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TOTAL EXPENDITURE	291		161	
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DIRECTORATE GENERAL OF FISHERIES - TO OCTOBER, 1988

(CURRENCY - RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	581	79	424	79
PARTS & FUEL	43	6	30	6
STATIONARY & OTHER SUPPLIES	13	2	7	1
FOODSTUFFS	1	0	0	0
CLEANING & MAINTENANCE	12	2	8	2
LEASES	2	0	0	0
TRAINING & SCHOLARSHIP	2	0	0	0
OTHER SERVICES	49	7	48	9
CONTRIBUTIONS & CELEBRATIONS	1	0	1	0
PTT.ELECTRICITY & WATER	27	4	17	3
	<u>732</u>	100	<u>536</u>	100
FIXED ASSETS	17		13	
TOTAL EXPENDITURE	<u>749</u>		<u>550</u>	

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DIRECTORATE GENERAL OF FISHERIES - 1986

(CURRENCY - RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	536	81	470	79
VEHICLE PARTS & FUEL	25	4	31	5
STATIONARY & OTHER SUPPLIES	12	2	11	2
FOODSTUFFS	0	0	0	0
CLEANING & MAINTENANCE	13	2	12	2
LEASES	4	1	4	1
TRAINING & SCHOLARSHIP	0	0	0	0
OTHER SERVICES	38	6	34	6
CONTRIBUTIONS & CELEBRATIONS	5	1	5	1
PTT,ELECTRICITY & WATER	27	4	26	4
	<u>662</u>	100	<u>592</u>	100
FIXED ASSETS	16		12	
TOTAL EXPENDITURE	<u>678</u>		<u>604</u>	

DIRECTORATE GENERAL OF FISHERIES - 1985

(CURRENCY - RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	540	75	478	76
VEHICLE PARTS & FUEL	46	6	45	7
STATIONARY & OTHER SUPPLIES	17	2	17	3
FOODSTUFFS	1	0	0	0
CLEANING & MAINTENANCE	18	2	10	2
LEASES	20	3	20	3
TRAINING & SCHOLARSHIP	5	1	6	1
OTHER SERVICES	34	5	37	6
CONTRIBUTIONS & CELEBRATIONS	7	1	4	1
PTT,ELECTRICITY & WATER	30	4	11	2
	<u>716</u>	100	<u>628</u>	100
FIXED ASSETS	18		16	
TOTAL EXPENDITURE	<u>733</u>		<u>644</u>	

DIRECTORATE GENERAL OF FISHERIES - 1984

(CURRENCY - RO'000,S)

	BUDGET	%	ACTUAL	%
SALARIES & RELATED COSTS	24	12	18	12
VEHICLE PARTS & FUEL	43	22	36	24
STATIONARY & OTHER SUPPLIES	16	8	14	9
FOODSTUFFS	2	1	0	0
CLEANING & MAINTENANCE	15	8	11	7
LEASES	24	12	16	11
TRAINING & SCHOLARSHIP	6	3	4	3
OTHER SERVICES	34	17	31	20
CONTRIBUTIONS & CELEBRATIONS	7	3	5	3
PTT,ELECTRICITY & WATER	28	14	15	10
	<u>199</u>	100	<u>149</u>	100
FIXED ASSETS	30		28	
	<u>229</u>		<u>177</u>	
TOTAL EXPENDITURE	<u>229</u>		<u>177</u>	