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**APCP**

**Agricultural Production and Credit Project**

مشروع الاتحاح الزراعى والائتمان

**APCP BASELINE SURVEY**

**VOLUME II**

**USAID PROJECT NO. : 263-0202**

**CONTRACT NO. : HCC-263-0202-02**

**Prepared by:**

**Chemonics International Consulting Division**

**October 24, 1989**

12 Midan El Sheikh Youssef — Garden City — Cairo — Tel 354 8331 — Fax (20/2) 354 87

CHEMONICS

١٢ ميدان الشيخ يوسف — حازدن سى — القاهرة — كيمونكس — تلفون ٣٥٤٨٣٣٤ — فاكسى (٢٠/٢) ٣٥٤٨٧٥٧

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**ANNEX MATERIAL  
TO SECTION III OF THE BASELINE  
SURVEY MAIN TEXT**

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## ANNEX III-C

### Discussion Paper PBDAC System Structure

In traveling to the BDACs, Branches and Village Banks (VBs) it is obvious that there is considerable overlap in the duties of each function of the institutions. In fact it is recommended that the role of the branch banks in the PBDAC system be reassessed. The following are some thoughts concerning options for improving the Branches' contributions to the system

1. It is suggested that the role of the branches be reevaluated. The duties they perform in the credit and accounting areas are for the most part duplicated in both the VBs and the BDACs. At present, the branches appear to make the credit delivery system more inefficient. There could be a redistribution of employees to higher priority roles such as staffing a loan risk assessment function of the special credit function. This would allow the branches staff an excellent opportunity for valuable training and they would be providing assistance in a high priority area for the bank. If the role of the branches were changed, the BDACs and VBs would then need to strengthen their credit staffs and branch staff could also be given the opportunity of transferring there if they desire. The branches' warehousing/distribution system would need to remain in place.

2. To accommodate a change in the branches' role, the BDACs would need to be strengthened in all areas of operation and definitely computerized. The credit function would need to be made more accountable for the quality of the credit in the governorate and every BDAC would need to have a self sustaining staff. This means that every BDAC would need to be able to handle loans they are responsible for from start to finish and not rely on PBDAC support for project analysis. The responsibility for the audit function should be transferred to the PBDAC and a small staff of PBDAC auditors (current BDAC auditors could be hired) could be housed in the BDAC for routine management checks and balance. The BDACs would use a regional supervisory structure to supervise the VBs and would use the BDACs' internal checks and balances as well as the PBDAC's audit function as its basis for action. All BDACs viewed would need substantial renovation to comfortably house staff and generally improve working conditions.

3. The VBs would also need to be strengthened in all areas of operations. The credit functions would need increased expertise as would the accounting and administrative areas. There would be considerable savings in overhead and it should improve the loan approval process. The need for an audit function at this level would be minimal, especially if the farm input distribution network is privatized. Staff currently in the audit role could be given valuable training to assist in the

increased credit administration responsibilities. All VBs would need major physical improvements if not rebuilt altogether to accommodate staff.

4. PBDAC should be restructured as a combination administrative center and regulator of the system. In administration it would gather funds, provide reporting to the GOE, handle system accounting and MIS, and coordinate computer development. It would also provide economic and market research for the system's use. As the regulator, it would contain an audit function that would examine the system for compliance with the GOE laws and system policies. It would be necessary for the PBDAC to hold the BDACs accountable for their performance and it would need to be established that PBDAC has authority to enforce actions against the system. General system policy would be set by the Board of PBDAC and communicated to the system by PBDAC staff. If these ideas warrant further consideration, they could be explored in greater detail through the strategic planning process which the PBDAC needs to undertake in the near future. A possible outcome could be the selection of one or two small governorates where the consolidation of operations could be planned, implemented and evaluated.

Balance Sheet of The  
Principal Bank, Branches and  
Development Banks  
AT 30/6.1988

Total MS	Partial MS	ASSETS Details	86/1987	Total MS	Partial MS	LIABILITY Details	MS
						Current Accounts, Savings, Deposits:	
		Cash in Cash Dept. and Banks:			659 080 147 480	Current Accounts and Savings	583 555 316.950
	3 292 774 070	Cash Department	19 725 147.840		381 985 685 680	Fixed Time Deposits	321 056 352.990
	35 730 943 070	Commercial Banks	44 500 407.700		177 950 000	Dev Certificates	220 285.000
39 023 717 140		Financial Investments:		1 085 154 195.000	32 678 953 320	End of Service Funds	28 800 971.720
		Shares and Savings	8 109 501.180		11 231 428.520	Saving Accounts Deposits in Islamic Banks	- - - -
27 517 872 430	8 261 230 530	Governmental Bords	16 623 228 340		1 116 323 206.960	Creditor Banks	
	19 256 641 900	Loans			14 263 792.110	Current A/C Commercial Bank/ Open	1 078 241 009 150
	568 972 841.530	Agricultural Loans	422 452 330.730	131 066 999.070		Credit Balances:	
	735 087 964 920	Food Security Loans	765 152 259.110		289 350 365.950	Governmental Accounts	161 069 773.660
	966 584 968.330	Investment Loans	959 253 491.590		257 287 027.910	Public Sector and Cos. Accounts	20 821 810.590
	86 524 572 650	Various Purpose Loans	44 461 594.960		577 524 725.490	Various Creditors Accounts	572 191 456 670
	4 226 731 170	Speculation in Islamic Banks				Facilities for De. Credits	
2 361 397 078 600		Debtor Balances		1 125 162 119 350		National Loans	262 496 312.700
	670 441 908 860	Governmental Accounts	384 668 662.520	306 628 513.410		Loan National Invest. Bank	429 296 750
	77 279 551 990	Public Sector and Cos Accounts	6 959 541.500		6 214 020 370	Interest Expenses Loan	6 582 610.240
	366 238 833 100	Various Debit Accounts	309 690 432 140	6 562 394.120		National Foreign Loans:	
1 1.3 960 093 950		Doc Credits to buy goods				Agricultural Mechanization	10 139 660 230
201 394 950.320		Assets of Small Farmer Production Project			10 578 057 160	Project in Sharqiya	
17 648 753 530		Stocks	227 435 660 480		587 122 050	European Market Grant	644 102.000
303 165 858 140		Principal Banks			6 140 749.570	International Bank Loan 830	7 368 898 280
6 225 000.000		Contribution in Development Banks Capital	6 225 000 000		10 334 060 260	Agriculture Industrialization Loan 965	7 776 872 010
					25 123 570 090	Agriculture Industrialization Loan 2243	17 256 664 370
					2 279 020.750	African Development Loan	1 049 687.500

Continued

Total MS	Partial MS	ASSETS Details	B6/1987	Total MS	Partial MS	LIABILITY Details	MS
	54 572 317 460	Fixed Assets Projects under Execution and Delivery	25 019 080 720		534 543.680 557 790 46v	U.S.A. Loan Fish Development Loan 1111	668 179 600 620 968.960
	59 478 510 800	Fixed Assets after Depreciation	35 596 155.600		11 196 901 950	European Market Loan (Daqahliya)	2 299 328 250
113 050 828.260					1 064 174.000	Agricultural Development Loan (Fayoum)	7 771 174.800
					8 998 662.270	Agricultural Development Loan (Minya)	
				107 746 146 130	23 000 000 000	International Bank Loan 2561	
				133 330 804.030	7 351 594 980	Islamic Development Bank Loan Allocations	902 262 859
					62 009 000 00v	Capital & Reserves	
					30 835 089 310	Capital	62 009 ---
					21 145 982 830	General Reserve	25 432 923 800
					20 531 475 090	Legal Reserve	18 319 019 990
					23 622 365.170	Reserve to Buy Gov Bonds	17 764 512 270
						Reserve for all Assets Prices If Going Up	20 156 676 740
				170 274 299 030	12 020 286.650	Other reserves	11 062 647 800
				72 249 428.240		Surplus due to Ministry of Finance	37 158 915 280
				45 209 164 270			
-----			-----	-----			-----
4 183 384 052 650			3 373 317 087 000	4 183 384 052 650			3 373 377 087 300
-----			-----	-----			-----
	638 702 691 840	Contra Accounts	636 102 108 000		638 702 691.840	Contra Accounts	636 102 108 310
	65 962 930	Dollar	67 497 000		\$ 65 962.930	Dollars	

Principal Bank for Development & Agricultural Credit

Profit & Loss  
For The Principal Bank,  
Branches And Governorate  
Banks  
AT 30/6/1988

	30/6/1987	30/6/1988	DETAILS	30/6/1987	30/6/1988	DETAILS
	38802480.679	39566834.167	Salaries:			Income of Activity:
	67414483.382	74820369.942	Salaries & Global	28648840 367	39,894,050.999	Agricultural Credit
	21045177.673	22085776 517	Grants	54633957.791	61,924,123.001	Fertilizers
	1499368.451	1473214 720	Salaries - Different	3926560.942	5,137,558 309	Seeds & Grains
	18872523 088	28951309.045	Allowances			Insecticides
			Natural Allowances	18788346 894	21,590,275 836	Spare Parts &
			Cash Allowances	2965743.969	3,142 691 217	Pesticide Equipment
147634033 273	16677504 391			243506602.712	25,918,626 319	Foodstuff Operations
			Current			
	1175668.259	1412049 389	Expenses:	1496690.924	13,153,925 499	Forage
	9854218 470	11167167.145	Commodities Needs	9016512 855	10,517,010.752	New Empty Packaging
11029886 629	12579196 538		Service Needs	12385 648	- - -	Cooperative Marketing
			Current Transferrable			
	192051 680	244283 380	Expenses.	1211195.068	1,564,470.775	Crop Maintenance
	1249946 948	1244,00 303	Tax & Duties on	21931454 966	27,237,669.554	Banking Operations
	91668 214	139413 735	Commodities			
	145472666 706	164571501 220	Rents	190945340.789	215,434,837 607	Investment Credit
	583823 248	722375 720	Differences in Rents	18141193.380	16,806,678 716	Commercial
	60000 000	60000 000	Interest & Cost of			
	3167285 319	3582933 132	Finance	386068980 295	442386918 611	
	51205 277	91827 673	Interest Inv Cost			
			Loans			
			Interest Shareholders			
			Bonds			
			Depreciation	82325898 840	91518305.066	Support
			Other Current			
			Transferrable Expenses			
150969147.392	170627044.163					

30/6/1987	30/6/1988	DETAILS	30/6/1987	30/6/1988	DETAILS
		Current Special Transferrable Expenses			Various Income
22500 000	18800 000	Grants to Third Party	687253 205	620,639 314	Income from bills
9050 000	12501.670	Donation	211174.550	54,328 939	Other Credit Interest
46433 802	42386.484	Taxes on Buildings	450959.547	605,863.025	Credit Rents
31423283.464	45697495.640	Bonuses Without Depreciation	91668.214	109,413,735	Differences in Rents
3335471.956	3079158 563	Bonuses of Previous Years	8011373.253	8009577.609	Various Income
501568.316	523697.962	Other Special Expenses	10662334 992	24454984 893	Previous Year's Income
35379307 539	49374040 319		20201188 573	33899440 565	Capital Profits
344871374 932	399355785 411	Total Liabilities			
		Total Profit			
21899347 595	31125929 269	Principal Bank and Branches			
121825351.181	137322949.562	Governorate Banks			
143724598 776	168448878.831		488596073.708	567804664.242	
489596073 708	567804664 242				

Principal Bank for Development & Agricultural Credit

Profit and Loss Account  
For the Principal Bank,  
Branches and Governorate Banks  
from 1/7/1987 to 30/6/1988

30/6/1987		30/6/1988		30/6/1987		30/6/1988		Net Year Income
				Details		L.E.	M.S.	
	2436507.007		2746458.890		Nasser's Bank Shares	143724698.776	168448878.631	
	78324513.480		92531126.177		Commercial & Industrial Profit Taxes			
	270217.624		289079.475		Sport Committee Share			
	13148243.127		13927687.014		Additions to Reserves			
	12386305.262		13745363.002		Employee Profit Sharing			
	37158915.276		45209164.273		Divided to the Min. of Finance			
143724698.776								
143724698.776		168448878.831		143724698.776			168448878.831	

Principal Bank for Development & Agricultural Credit

Commercial Activities  
for the Principal Bank,  
Branches and Governorate Bank  
from 1/7/1987 to 30/6/1988

	30/6/1987		30/6/1988	DETAILS	30/6/1987
				Cooperative Marketing	22616222.023
				Seeds and Grains	20850398.812
				Crop Maintenance	13727922.583
238218 070		283415 947	283415.947		3485882.860
					5626472.705
					6681089.030
					1318995.663
126982213 621		1380544552.218		Result of Trading	5836910.923
				Activities	
					40098897.501
					6947632 560
					2375.234
					66631.777
					-----
				127220431.691	138337968 165
					-----
127220431 691		138337968 165		127220431.691	138337968 165
					-----
				Result Accounts	
	583823 248		722375 720	Interests on Investment	126982213.621
				Loan Expenses	
	3335471 956		3079158 563	Previous Year's Expenses	9913020.555
					10662334.992
3919295 204		3801534 283		Profit of Fiscal Year	86424 812
143724592 775		168448878.831		before Deduction of Tax	-----
				and Shares of Masser	172250413.114
				Bank & Sport Committee	-----
					172250413.114
					-----
147642993 980		172250413 114			-----
					-----

Principal Bank for Development & Agricultural Credit

Schedule of Activities of  
the Principal Bank  
Branches & Governorate  
Banks  
For Year 1988 Compared  
To Year 1987

Name of Activity	1988			1987			Res.11
	Income L.E.	Costs L.E.	Profit L.E.	Loss L.E.	Income L.E.	Costs L.E.	
Agricultural Credit	108477816	81316616	27161200		88774905	66158683	22616222
Fertilizers	61924123	39888712	22035411		54633958	33783559	20850399
Seeds and Grains	5137538	4854037	284521		3926561	3859929	66632
Fertilizers	21590275	15988412	5601663		18788397	12107309	6691988
Spare Parts and Pesticide Equipment	3142692	1866759	1275933		2965714	1646748	1318996
Foodstuff	25918626	13096110	12822516		24350603	10622680	13727923
Forage	13153925	5450109	6703816		11496801	5870328	5626473
New Empty Packaging	10517010	6985226	3531784		9016513	5530630	3485883
Cooperative Marketing	- - -	- - -	- - -		12386	10010	2376
Crop Maintenance	1564471	1847996	- - -	283415	1211195	1449414	- - -
Banking Operations	27237670	18251679	8985991		21931455	16124544	5806911
Investment Credit	237974544	194801808	43172736		212592915	172503018	40089897
Commercial	16866679	10103482	6763197		18141194	11193561	6947633
<b>TOTAL</b>	<b>533505389</b>	<b>395450936</b>	<b>138337968</b>	<b>283415</b>	<b>467842627</b>	<b>349860413</b>	<b>127220433</b>
Result of Operations	138054553				126982214		
Various Income	9196243				9913020		
Previous Year's Income	24454985				10662335		
Capital Income	44633				86424		
Interest on Investment Loan Expenses		722375				583823	
Previous Year's Expenses		3079158				3335472	
Nasser Bank Share		2746459				2436507	
Sport Committee		289079				270215	
Tax on Commercial Profit		92551127				78224513	
Reserve Financial Position		13927687				13148243	
Cash Share in Workmen in Banks		13745363				12386305	
Principal Bank and Branches Governorate Share in Profit		45209166				37158915	
	172250414	172250414			147643993	147643993	

ANNEX III-E-2

FINANCING SECTOR

HEAD OF FINANCING SECTOR

-----+

Foreign Financing

Local Financing

International Loans General

Local Financing General

Director

Director

-----+

-----+

International  
loans Dept.

Letters of Credit  
Dept.

Financing  
Dept.

Savings &  
Deposits

LIST OF NAMES

International loans employees

NAME	POSITION	FUNCTION
1. Mrs. Rokaya Alam	Admin. Director	
2. Mrs. Khadiga Moha Ahmed	Vice Director	
3. Mr. Adel Wahid El Din	Controller	
4. Mrs. Nagla Salama	"	
5. Mr. Adel Hussein	"	
6. Mr. Mohamed El Laban	Head of Division	Loan988 - Loan111
7. Mrs. Leila Badran		Preparation of required data, foreign loan utilization, bank depart- ments and high admin. position
8. Mrs. Nabila Ismail	Accountant (B)	Hehia/Behera- loan
9. Mrs. Nadia Hassan	Admin. Specialist	Admin. Affairs
10. Mr. Ahmed El Sanaheni	Accountant (B)	Loan 1243-2561
11. Mr. Reda Lotfi	Accountant (B)	Loan 988-111
12. Mrs. Safaa Hilal	Short term contract	Typist assists in loans
13. Miss Mona Abdallah	Short term contract	Admin. support loan data loan 2561
14. Mr. Soliman Hassan	" " "	Fayoum loan- preparation of loan information
15. Miss Mona Zeid	" " "	

List of names

Employees in Deposits and Savings Department

---

<u>NAME</u>	<u>POSITION</u>
1. Mostafa Mohamed Gharib Review - Administration	Director of Department
2. Kadis Sedael Review works related to admin.	Accountant - Senior
3. Mohamed Abdel Hamid Amin Review admin. related works	Accountant I
4. Salah Abdel Sattar El Kadi Review works related to current accounts and savings division	Accountant I
5. Mr. Abadir Review works related to savings and lotteries	Accountant I
6. Ali Ibrahim Bassiouni Review current account, recording, deposit and draw movement, cheques, monthly budgeting	Accountant II
7. Abdel Hakim Abdel Sattar El Maghrabi Check approval - Review monthly budgeting of current account	Head of Division
8. Mohamed Saberi Hamoud Proceed with foreign currency weekly, and monthly data and inquire about clients	Accountant V
9. Essam Attia El Shafei Financial analysis - control foreign currency	Accountant IV
10. Amal Kaysar Sort out saving vessels - lotteries data	Accountant IV

NAME	POSITION
11. Mounira Mohamed Ibrahim Agricultural savings data, letters of guarantee, fixed monthly income certificate	Accountant V
12. Mervat Salama Darwish Check balance, recording Trade Banks debit notes	Clerk IV
13. Mohamed Saber Orabi Cash-bank monthly reconciliation up-to-date balancing	Clerk IV
14. Karima Shawki Suliman Recording in cash-book, adjusting current account ledger, monthly banking movement statement	Accountant
15. Amal Hamed Abul Osr Review deposits and savings (fixed asset, current accounts + letters of guarantee)	Chief of unit
16. Talawi Amin El Rashidi inward account - sending cheques to Trade Banks for Collection	
17. Laila Mohamed Abdallah El Sharkawi Proceed Transfers from bank account with Alexandria Kuwait International Bank for the autonomous financing credits	Accountant
18. Hanan Ibrahim Abu Seteite Disbursement of pension starting at the 10th day of each month, Prepare current account statements, Reconcile signatures of disbursed cheques and balance	Accountant
19. Tahra Hosni Hamed Send cheques to Trade and Governorate banks for collection	Accountant

NAME -----	POSITION -----
20. Abdel Soliman Mohamed Salem prepare lotteries, monthly recon- ciliation, prepare circulars of lost lotteries	Accountant
21. Fardous Kamel Taha Prepare savings banks and lotteries, Prepare statements of drawings	Accountant
22. Mona Fouad Hussein Prepare daily movement of due cheques to governorates	Accountant
23. Ahmed Sami Abdel Hamid El Menshawi Prepare savings books and lotteries, reconcile support ledger to general ledger, (assess savings interest)	Accountant
24. Fayza Youssef Abdel Rahman Sell constant income certificates	

**LIST OF NAMES  
EMPLOYEES AT FINANCE DEPARTMENT**

---

<u>NAME</u>	<u>POSITION</u>
1. Nadia Hammad	Director of Department
2. Abdel Nabi Youssef El Hefnawi	Vice-director
3. Mohamed Hussein Saleh Barakat	Controller of financial position financing plans, interest of bank current a/e c/o Trade banks, daily drawing.
- Mahmoud Mohamed	Head of financial position dept., Trade bank interests
- Ahmed Mohamed El Banna	Financial position of Principal bank, branches, governorate banks current a/c National Bank
- Fayez Gaafar	Daily drawing chart - Assist in preparation of financial position to Principal Bank, branch and development banks
- Afaf Mohamed El Sayed	Follow up and adjust financial plan monthly achievements to all banks dependent on Principal Bank
- Kamarat Ahmed Mostfa	Follow up and adjust financial plan achievements to all banks dependent on Principal Bank
4. Mostafa Mohamed Abdel Moneim Shata	Control financing with regard to credit risks, gathering-process, follow-up with Principal Bank, control bank's debit current account statements with trade banks, control letters of guarantee issued in favor of the bank
- Mohamed Salem	Responsible for Letters of credit, risks control account of Alex. Kuwait International Bank
- Magda Mohamed	Control Bank of Alexandria deposits Prepare statement of financial position wide vouchers - revise Bank Misr account
- Seham Saad	Control Bank of Alexandria deposits



## DOCUMENTARY CREDIT ADMINISTRATION

- 1- Alfred Agaebi Rafael Elgamal (Manager / Credit Dept.)  
Management Work Supervision
- 2- Nessim Ebeid Awad Awad (Deputy Manager)  
Review of management related  
business
- 3- Abdalah Mohamed Tawfik Gharib (Management Controller)  
Supervision over credit Depts.  
of Fertilizers, yellow maize,  
spare parts, insecticides, new  
canvas and international and  
investment loans.
- 4- Abdel Rahman Ali El Aassar (Management Controller)  
Supervision over departments  
of overseas reporters, foregin  
currency current account and  
the process of cotton spraying  
by plane.
- 5- Mohamed Said Abdel Fattah (Management Controller)  
Supervision over naval insurance  
and administrative affairs
- 6- Essam Zaki Eldin Hassan (Dept. Chief)  
Supervisor / Spare parts &  
Overseas reporters Credit Depts.
- 7- Fayez Hussein Sharaf Eldin (Dept. Chief)  
Supervisor / Fertilizers and  
yellow maize Credit Depts.
- 8- Mohamed Abdel Salam Hassan (Responsible for insecticides  
Badawi credits)
- 9- Hanem Hamed El Sayed (Responsible for new canvas  
loan credits)

- 10- Ibrahim Willian Khella (Responsible for international and investment loan credits)
- 11- Hassan Abdel Ghafar Khashaba (Responsible for credits of the process of cotton spraying by plane)
- 12- Mamdouh Helal Mohamed Badawi (Responsible for current accounts in foreign currency)
- 13- Mohamed Younis Shalkamy (International and investment loans credit dept.)
- 14- Hafez Osman Hafez (Yellow maize & Fertilizers Depts.)
- 15- Madiha Mohamed Ibrahim (Naval insurance Dept.)
- 16- Tarek Hamdi Abul Hana (Overseas Reporters Dept.)
- 17- Samia Rizk Morkos (International & Investment Loan Dept.)
- 18- Kadria Hassan Gouda (Cotton plane spraying Process Dept.)
- 19- Ama: Mohamed Badr (Admin. Affairs)

## MANAGEMENT STAFF WITH CONTRACTS

- 1- Hosni Mohamed Ahmed El Shenawi (Telex)
- 2- Essam Nassr (Insecticides Credit Dept.)
- 3- Maha Farid Mankarius (International & Investment Loans Credit Dept.)
- 4- Mohamed Wael Moustafa Mazen (Fertilizers & yellow maize Credit Depts.)
- 5- Sherif Sayed Abdel Aziz (International and Investment Loans Credit Dept.)
- 6- Hanaa Barakat Hassan (Arabic & English Typing)
- 7- Mamdouh Hamed El Sayed (International and Investment Loans Credit Dept.)

ANNEX III-G-1

Presentation Formats of Financial Statements for Banks  
Balance Sheet at / /

Liabilities & Shareholders Equity	Current Year	Last Year	Assets	Current Year
Demand deposits	x		Cash & dues from Central Bank	x
Time & notice deposits & saving Accounts	x		Other dues from Banks	x
Saving & deposit certificates	x		Total cash & dues from	xx
Other deposits	x		Government bonds & secured	x
Total deposits		xx	by government	x
			Other securities	x
Due to Central Bank	x		Total investments in	
Due to other Banks	x		securities	
			Bill discounted	x
Total due to Banks		xx	Customers loans	x
			Specialized banks loans	x
Dividend creditors	x		Total loans advances &	
Sundry credit balances	x		discounting	xx
Total creditors		xx	Miscellaneous debit	
Foreign long term loans			balances & other assets	yy
Provisions		xx	Investments in subsidiaries &	
Total liabilities		xxx	affiliated banks and companies	zz
Paid up capital	x		Fixed assets	xx
Reserves	x			
Profit (or loss) carried forward	x		Total assets	xxxx
Total shareholders equity		xx		
Total liabilities & shareholders equity		xxxx		
<b>Contra Accounts:</b>			<b>Contra Accounts:</b>	
Bank's liability for letters of credit & letters of guarantee commitments, etc.			Customers liability for letters of credit, letters of guarantee, commitments, etc	

Accompanying form part of the  
financial statements,  
port attached

Figure 2:

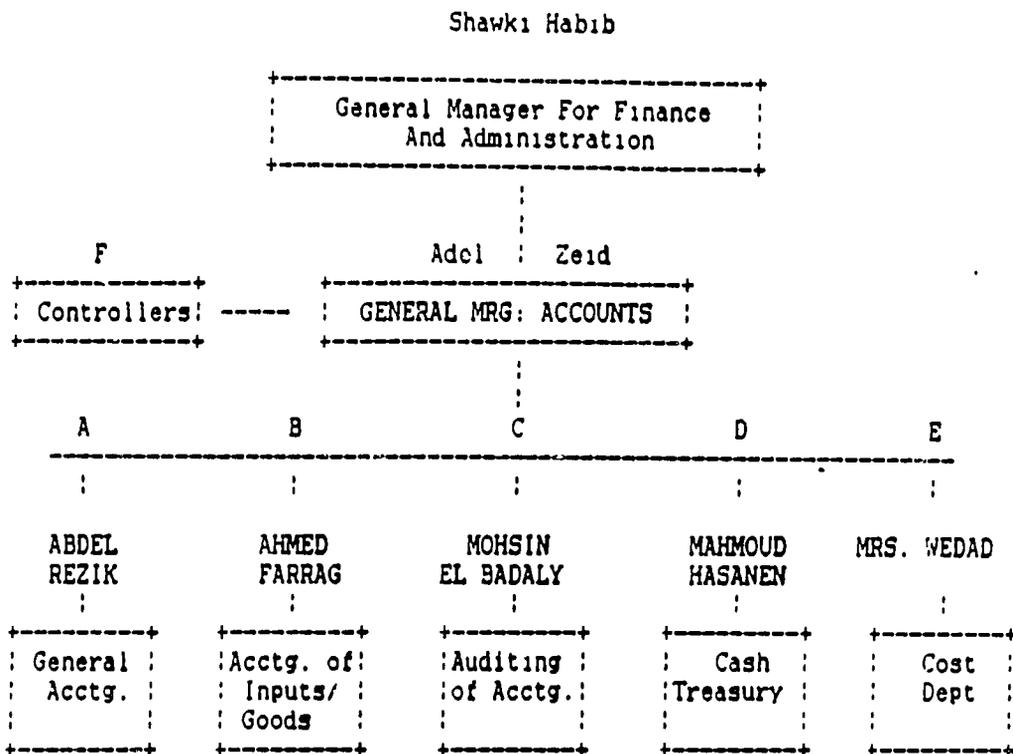
Profit & Loss Account			
For the year ended /			
Last Year	Current Year	Last Year	Current Year
Interest expense	x	Interest Income	x
Salaries	x	Income from Investments	
Current miscellaneous		& Securities	x
expenses & Depreciation	x	Income from bank services	
Provisions	x	& sundry Income	x
Income taxes & Nasser			
Bank share (if any)	x		
Net profit for			
appropriation	<u>x</u>		
	xx		<u>xx</u>

Figure 3:

Appropriation Account			
For the year ended /			
Last Year	Current Year	Last Year	Current Year
Net Loss for the year	x	Net Profit for	
Loss b/f from previous		appropriation	x
year	x	Profit b/f from	
Legal reserve	x	previous year	x
Statutory reserves	x		
Other reserves	x		
Board of Directors			
remuneration	x		
Shareholders Dividends			
(at LE per share)	x		
Employees profit sharing	x		
Profit carried forward to			
next year	<u>x</u>		
	xx		
	----		

ANNEX III-G-2

Organizational Chart For Accounting Department: PBDAC



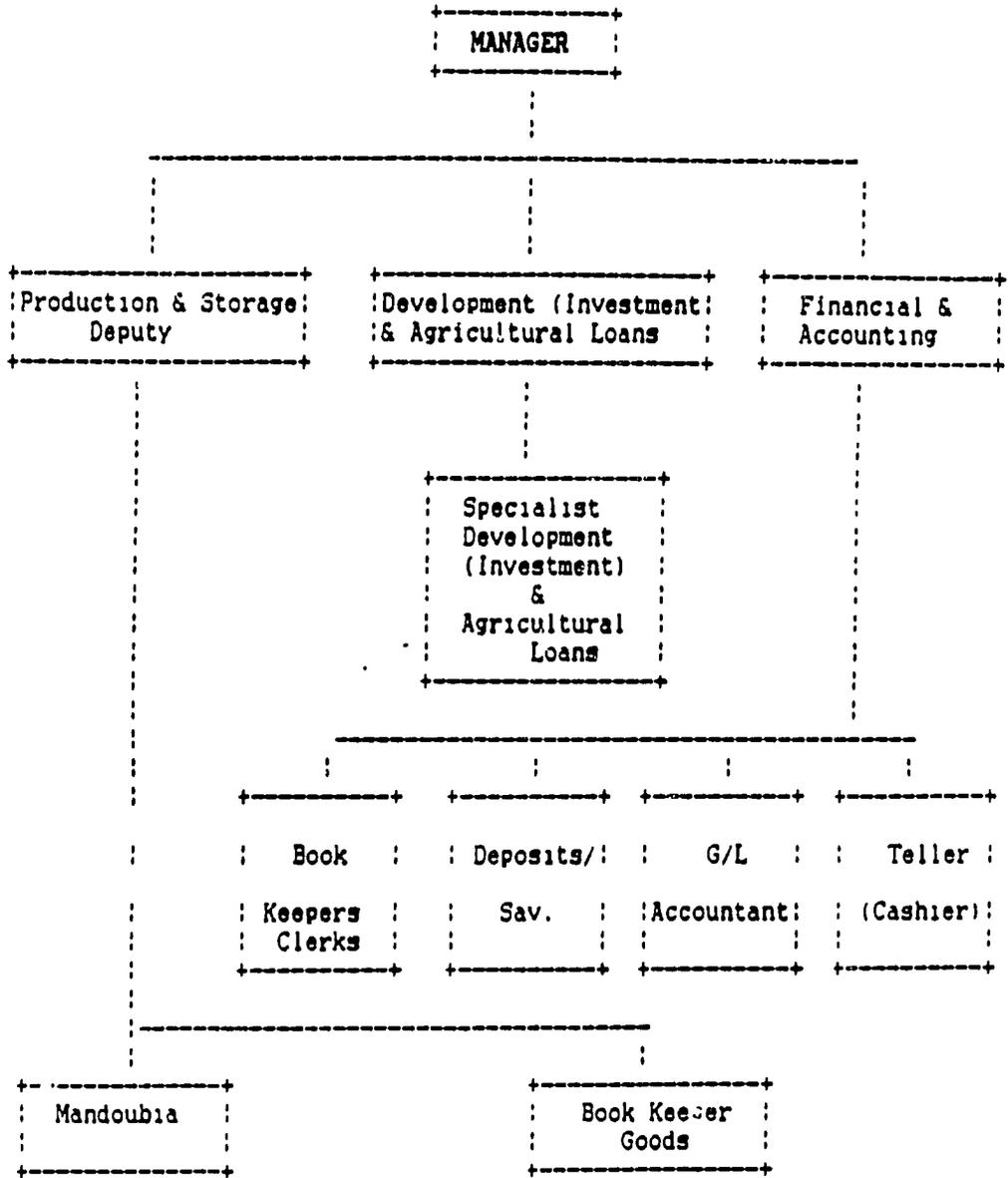
- A. 1. PBDAC H.O. Acctg. and Branch Acctg.
  - o Alex Branch
  - o Cairo Branch
  - o New Valley Branch
  - o El Arish Branch
- 2. Current A/C trans. between BDACS & PBDAC
  - o B/S for BDAC's receives and consolidates
  - o B/S for PBDAC
- B. 1. Acctg. for all inputs. Also min. of supply
- 2. Identify needs for inputs and analyze profit/loss.
- 3. Acctg. for commissions on inputs.
- C. 1. Audit of all operations documentation prior to any disbursement of funds.
- D. 1. Disburses and receives funds
- 2. Funds transfer between PBDAC & BDACS by check
- E. 1. Special studies of cost/benefits efficiencies for PBDAC activities.
- F. 1. Controllers are responsible for relations with Taxation Authority, Social Insurance/ Pension Authority and receivables from Government Authorities.





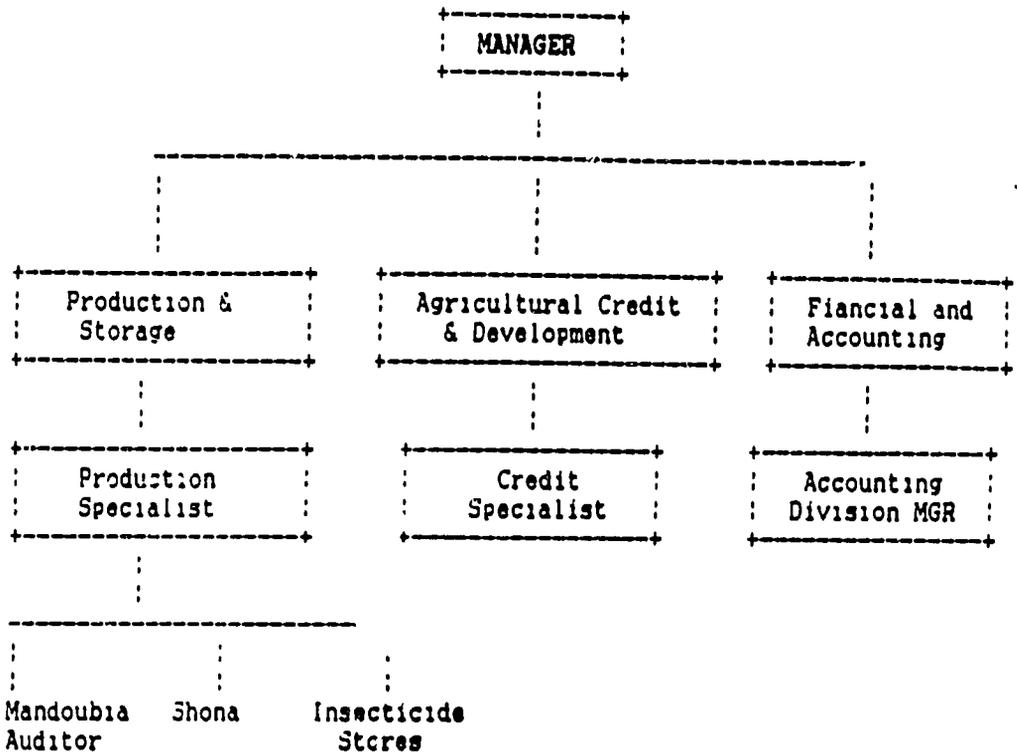
2/26/89

### TERSA VILLAGE BANK



1 2 3 4

**TOUKH BRANCH**

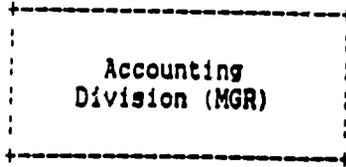


**FUNCTION OF BRANCH:**

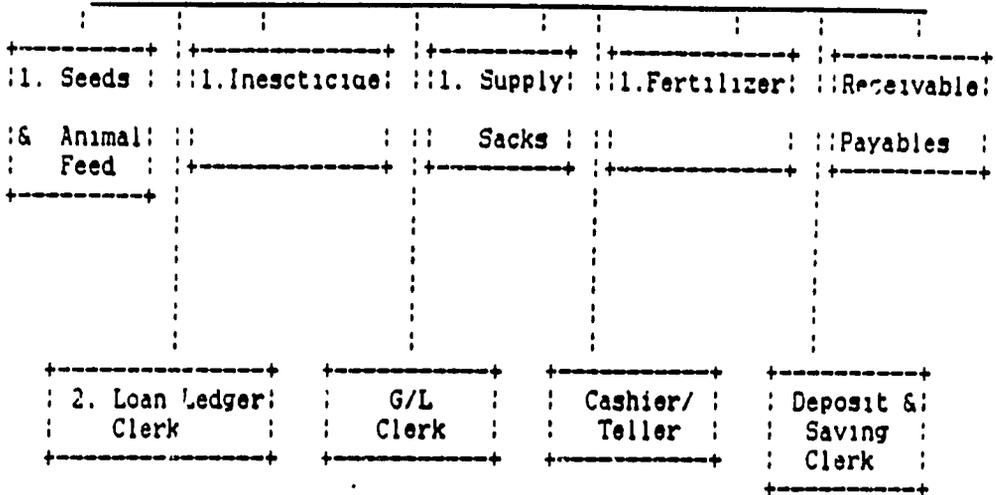
1. Supervise village banks. consolidate village bank financial reports for reporting to the Governorate Bank. manages the distribution of goods/inputs from the Governate Bank to its Village Banks/Mandoubia.

TOUKH BRANCH (Continued)

Auditor -----  
 Auditor -----  
 Auditor -----



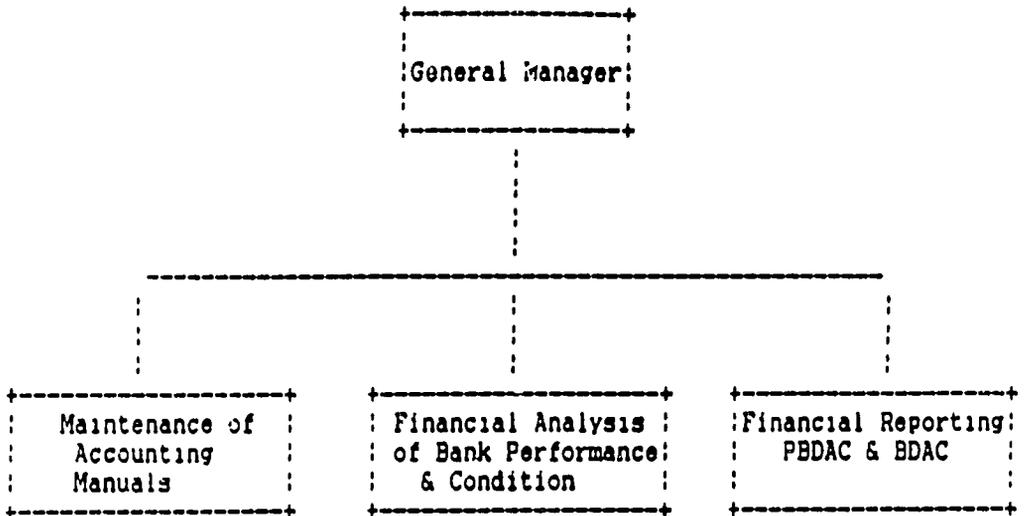
⋮



1. Maintains a record for the good's value  
 Maintains a record for the good's quantity
2. Consolidated loans for all village banks  
 Maintains records for loans to companies  
 for development projects (i.e. land  
 reclamation).



## FINANCIAL REPORTING DEPARTMENT



### Functions:

1. Responsible for all financial reporting PBDAC (includes BDAC reporting to PBDAC)
2. Responsible for maintaining the uniform chart and description of accounts
3. Responsible for maintaining the uniform accounting manual
4. Responsible for Financial Analysis of the Financial performance and condition of PBDAC and BDACs.

## ANNEX III-G-3

## INDEX

Circulation letters, and directions issued by  
PBDAC administration departments

Circular No.	Issued on	Department	Reference
26	5/9/81	Lending Department	Flax seeds loan.
304	11/4/82	" "	Loan for controlling cotton worm in Alfalfa fields.
328	11/4/82		Loan for establishing grafted applied orchard on imported bases.
332	15/4/82		Service loan. Loan for potatoe seeds kept in refrigerators.
344	20/5/82		Loans for supplying electrical connection.
380	31/5/82		Service loans for medicine aromatic plants.
381	3/5/82		Loans - for repair and maintenance of agric. tools.
23	16/8/83		Cash loans for field services for imported strawberry transplants.
206	8/2/84		Funding the control operations booklets.
39	20/1/8		Final figures for summer crops annual loan.
4	22/7/86		Final figures for cultivation loans.
53	29/7/86		Unsubsidized loan for cotton harvest and cutting stalks.
97	28/8/86		Potatoe seeds winter crop loan.
1750	5/11/86		Loans for establishing orchards for newly graduates.
192	10/11/86		Imported summer potatoe seeds loan.
223	11/12/86		Cash service loans for barley.
224	18/12/86		Unsubsidized additional service loan for wheat and faba beans.
312	4/3/87		Open loan account for controlling cotton pests.

Circular No.	Issued on	Department	Reference
161	26/1/88		Interests price halt for sugar cane loans cash. Disbursement of production requirements service loans according to actual record sheets.
192	10/11/86		Imported summer potatoe seeds loan.
223	11/12/86		Cash service loan for barley.
224	18/12/86		Unsubsidized additional service loan for wheat and faba beans.
312	4/2/87		Opening account for cotton worm control.
161	26/1/88		Interest price chart for sugar cane loans.
228	27/3/88		Cash service loans for production requirements according to actual record sheets.
254	26/4/88		Unsubsidized additional service loans for sorghum.
259	2/5/88		Change interest rate for the service loans to banana and citrus fruits.
275	16/5/89		Unsubsidized additional service loans for winter onion seed-lings.
448	21/6/81	Seeds Dept	Closing the seeds account.
13	20/7/81	"	Final account for summer crops seeds.
76	5/9/81		Flax seeds loan.
115	24/9/81		Barley seeds sale price
387	5/6/82		Purchased rice seeds.
388	7/6/82		Final accounts for cotton seeds.
180	7/1/84		Delivery of wheat seeds distribution of which has been delayed to supply directorates.
214	78/2/84		Cotton seeds purchasement price.
335	6/3/86		Accounting method for high yield maize.
243	24/12/86		Methods of settling the price of empty containers filled with rejected seeds of which has been late for distribution.
201	19/2/88		Final account for faba beans, wheat, and lentil seeds.
382	29/4/81	Marketing Dept.	Account sheet No. for wheat and faba beans crops.
451	22/6/81		Expendures and interests of funding marketing crop credits.
27	11/8/81		Marketing peanutist.

Circular No.	Issued on	Department	Reference
29	13/8/81		Supply and distribution of cotton sacks.
9	31/8/81		Accounts collection sheets for bank claims to price crop.
70	31/8/81		Marketing.
71	31/8/81		working staff in the rice collecting center.
72	31/8/81		Peanuts commission.
88	12/9/81		Forms used for marketing the rice crop.
103	20/9/81		Reviewing rice weights.
113	24/9/81		Reviewing and checking cotton weights.
180	12/11/81		Rice marketing supreme Committee resolutions.
289	4/3/82		Delinquent rice importers.
326	10/4/82		Import system for wheat crops.
369	26/5/82		Ministerial decree No. 16 for 1982 to expand cultivation of soya beans.
205	5/4/84		Collection peanuts marketing sacks.
375	30/3/86		Rice import incentives.
111	15/9/86		Methods for collecting assigned dues, and deducting it from the cotton price in cooperative zones.
154	14/10/86		Peanuts commission.
58	23/9/87		Rice crop account record sheets.
114	26/11/87		Due bank claims on voluntary crops.
453	23/6/81	Storing Dept.	Crops kept in the banks barn as subject to court.
18	6/8/81		Delivery and funding the General Company for Poultry, Purchasements of soya beans.
21	13/8/81		Empty containers statement, repair and export to labors.
244	27/1/82		Maize shipment programs form Alex. or Port Said to the BDAC.
369	26/5/82		Ministerial decree No. 14 for 1982 to expand cultivation of soya beans crop.
100	23/9/86		Storing charges for ruined containers.
35	16/8/81	Budget Planning	Preparing the final accounts or the state general budg.t.
174	10/11/81		Quarterly report for chapter 4 capital
431	14/6/81	Secretary Dept.	Insurance against attacks & theft on the transfer of each from and to the bank, branch and village banks.

384	1/6/82		Staff subscriptions for the loss + squandering accounts.
424	11/6/87		To cover theft and squandering accident, caused by staff.
356	18/4/81	Pests Dept.	Delivery and export of pesticides any shortage that might occur.
9	13/7/81	Fodder & Feed Department	Average transport charges and difference in rates. Distribution of allocated forage shares.
181	15/11/81	The general administration for financial affairs	Unified unit for commissions and expenditures of supply crops.
370	26/5/82		Administration fees added to credit commission & penalty fees
375	27/5/82		Arranging the cheque collecting system.
22	31/7/82		Debit & Credit - interest, price chart.
68	11/6/86		Cancel the use of metal coins like melleime & 10 m.on 1/7/86.
139	25/9/86		Unified unit for supply crops commissions.
139	22/6/87		Accounts directions for the bank budget on 30/6/88.
21	23/7/87		Bank import, supply, & distribute corns for different purposes.
21	25/6/88		Accounts directions for the banks.
4	8/7/81	Credit & Funding Department	The Egyptian agricultural company for producing seeds.
127	15/11/83		Arranging cheque collecting operations.
144	23/11/83	" "	Accept the transfer of armed forces pension.
328	12/6/84		Banking services fixed charges.
145	5/10/86		The general Union for agric. councils account.
60	24/9/87		Interest price list on loans and lending.

ANNEX III-G-4

FINANCIAL REPORTS

TYPE

FREQUENCY

MANDOUBIAS TO VILLAGE BANKS :

1. Input Reports : Each category of goods is reported with the beginning balance, incoming, outgoing and closing balance. Only volumes of goods are reported because values are maintained at the village bank in the general ledger. The outgoing balances are reconciled to the cash and credit sales reported on forms 5m and 7m. Daily

VILLAGE BANK TO BRANCH :

- |                                |              |          |      |
|--------------------------------|--------------|----------|------|
| 1. Input Reports . Animal Feed | Subsidized   | Every 10 | days |
|                                | Unsubsidized | "        |      |
| Fertilizers                    | Unsubsidized | "        |      |
| Seeds                          | "            | "        |      |
| Insecticides                   | "            | "        |      |
| Fertilizers                    | Subsidized   | Weekly   |      |
| Seeds                          | "            | "        |      |
| Tares                          | "            | "        |      |

Only volumes of inputs are reported. The values are reported in the general ledger summary report for each category. Also monthly, a Goods Balance Report is completed to reconcile the end of month volumes in the mandoubias with the village bank's general ledger.

- |  |  |               |
|--|--|---------------|
| 2. General Ledger Trial Balance            |  | Monthly       |
| 3. General Ledger Summary (Qualyubia)      |  | Every 10 Days |
| (Other governates visited)                 |  | Daily         |
| 4. Income Position Report (Qualyubia only) |  | Monthly       |
| 5. Collection Reports : Agricultural Loans |  | Monthly       |
| Investment Loans                           |  | "             |

6. Installments Maturing Report		Monthly
7. New Loans Report	: Subsidized Unsubsidized	Monthly "
8. Interest Collection Report :		
Ag. Loans - Subsidized		Monthly
Ag. Loans - Unsubsidized		"
Investment Loans - Short Term :	Subsidized	"
	Unsubsidized	"
	Medium Term:	Subsidized
	Unsubsidized	"
9. Deposits, Current Accounts, and Savings Report		Monthly
10. Loans Outstanding	10,000 L.E.	"
11. Subsidy Due Report :	Agricultural Loans (By season)	Monthly
	Investment Loans	"
12. Revenue Report for each Input		"
	Shows the commission amount and difference in price representing income for the inputs sold.	

SHONAS TO BRANCHES :

1. Inputs Report :	Volume Activity is reported each Input with beginning balance, incoming orders, outgoing orders and ending balances.	Daily
--------------------	--	-------

BRANCHES TO BDACs :

All of the village bank reports are consolidated at the branches and reported monthly to the BDAC. A copy of the inputs report from the shona is also forwarded to the BDAC. The following additional reports are also issued :

1. Seeds Under Examination Report Monthly
2. Analysis of Current Account with BDAC Daily
3. Traditional Insecticides Report (Volumes) Daily or when activity
4. Traditional Fertilizer Report Weekly
5. Traditional Insecticides Report Every 10 Days
6. Traditional Fodder Report "
7. All Non-Traditional Inputs are reported Every 10 Days
8. Consolidated Inputs Report "  
(This report shows the inputs volumes for village banks and shona.)

BDAC to PBDAC :

1. Income Position Report Monthly  
(Actual income and expenses vs budget)
2. Central Bank Reporting Format "
3. Reports No 1 and 4 through 12 listed under Village Bank consolidated for BDACs.

ANNEX III-G-5

TO : Mahmoud Noor, Executive Manager, APCP  
Kemal Nasser, Executive Manager, APCP

THROUGH : Dan Lowery, COP

FROM : Alan Glenn

SUBJECT : Deliverables - Financial Performance Indicators  
Financial Statement Format

Enclosed are two accounting deliverables, a format for the consolidated PBDAC financial statements consistent with international banking organizations and a number of key banking ratios which may be used to evaluate the financial condition and performance of the PBDAC and BDACs.

The financial statement format can be used as the basis for an annual report which could serve as a marketing tool for the bank as it pursues international opportunities for funding and development.

I am available to discuss these if you have any questions at your convenience.

Two deliverables from the Accounting Task are included here. The consolidated financial statements of the PBDAC (& BDACs) are presented in a format consistent with those of international banking organizations. The financial statements include accompanying footnotes which describe in further detail the consolidated accounts and accounting principles used by the banks'.

A second deliverable includes key banking ratios used by international banking organizations to evaluate their financial condition and performance. These financial indicators are recommended for use by the PBDAC in evaluating its own performance and condition and also in evaluating the BDACs. Available data was used to calculate most of the recommended indicators for the three year period ending 6/30/88.

The indicators are briefly described regarding how they may be used by management to evaluate performance. Standards are discussed for each indicator which may be used as objectives for measuring PBDACs performance. It is recommended to use a rolling average of the PBDAC's consolidated indicators for the most recent three year period as a standard in evaluating the relative performance of each BDAC.

#### Liquidity Indicators

The ratio of loans to deposits is the primary measure of a bank's liquidity. For private commercial banks the ratio is in the range of .60 to .80. For the PBDAC (& BDACs) the ratio is substantially higher with loans representing twice the volume of deposits. The PBDAC can operate at a higher level because it is owned by the Government of Egypt and enjoys the support of the government in carrying out its mission to finance agricultural development (Law No. 117). In addition to its deposits, the second principal source of liquidity for the PBDAC (& BDACs) are its borrowing (overdraft) lines with the public sector commercial banks which are also owned by the Government of Egypt.

#### Capitalization Indicators

The principal measures of capitalization include:

- ratio of liabilities to capital (+ reserves),
- ratio of capital (+ reserves) to assets,
- ratio of adversely classified loans to capital (+ reserves).

The first two ratios evaluate the degree of leverage (financial borrowing) in a bank's financial structure. The ratio of liabilities to capital is lower for agricultural banks than other banks because of the greater risk of lending to a single industry. Agricultural banks (those with most of their assets invested in agricultural loans and commodities) have ratios of liabilities to capital in a range of 9 to 12. The ratio of capital to assets also measures the degree of financial leverage in a bank's financial structure. For agricultural banks, the normal ratio of capital to assets is 8 to 10 percent. The third ratio of adversely classified loans to capital (+ reserves) is an indicator of the adequacy of capital. Banks with adversely classified loans that approach and exceed 100 percent of their capital are exposed to serious levels of risk. When the PBDAC has a loan classification system, this ratio can be calculated and used to evaluate the adequacy of its capital position.

#### Earnings Indicators

The principal indicators of a bank's earnings and profitability are :

- Return on Assets,
- Return on Equity (Total capital + reserves),
- Net Interest Margin & Interest Spreads,
- Ratio of Operating Expenses to Earning Assets.

Return on assets measures the efficiency of utilization of the bank's total assets. The PBDAC's consolidated return on assets (1987/88 - 1.4%) compares very favorably with that of other banking organizations where achievement of an ROA in excess of 1% is considered excellent.

Return on equity measures the efficiency of utilization of the bank's equity (total capital + reserves). The PBDAC's consolidated return on equity (1987/88 - 25 %) also compares very favorably with that of other banking organizations where the norm is 10 to 15 percent. However, PBDAC is very leveraged for an agricultural bank. Relatively small profits on total assets produce high returns on equity.

Net interest margin measures the profit margin on a bank's interest earning assets. The interest spread represents the effective interest rate that must be charged over a bank's cost of funds to yield a desired net interest margin. For the PBDAC on a consolidated basis both of these measures (Net interest margin 8%-9%

and average interest spread of 6.4% - 7%) also compare very favorably with other banks where net interest margins are usually in a range from 3 to 5 percent.

A final indicator of bank profitability is the ratio of operating expenses to earning assets. Operating expenses are considered to be all noninterest expenses excluding the provision for losses. This ratio expresses what the bank must earn from its earning assets or other sources to pay its operating expenses. The PBDACs ratio of 7.8% - 9% is quite high when compared with other agricultural banks, but is more than adequately covered by the bank's substantial income from noninterest sources including the commissions earned from trading activities and distribution of inputs.

#### Asset Quality Indicators

The principal indicators of a bank's asset quality are :

- Ratio of Adversely Classified Loans to Total Loans,
- Ratio of Past Due Loans to Total Loans, and
- Ratio of Nonearning Assets to Total Assets.

The first two indicators measure the risk exposure in the bank's loan portfolio. These indicators will be able to be calculated if the PBDAC implements a loan classification system. The last indicator measures the percent of total assets which are contributing no earnings to the bank. This ratio for the PBDAC is quite high (1987/88 - 41%) when compared with other agricultural banking organizations due to the PBDAC (& BDACs) extensive trading operations.

## BALANCE SHEET : FBOAC (&amp; BOACs)

ASSETS :	الاموال	30-Jun-88	30-Jun-87	30-Jun-86
		L.E.	L.E.	L.E.
Cash & Due from Banks	نقدية وبنوك مدمنة	39,023,717	64,225,555	8,752,228
Investments	استثمارات	27,517,872	24,732,730	22,442,723
Loans Receivable	القروض المسحقة	2,361,397,078	2,151,319,976	1,572,285,112
Less: Allowance for Losses	ناقص - احتياطي خسائر	97,708,181	70,050,629	52,366,684
Net Loans Receivable	القروض المسحقة الصافية	2,263,688,897	2,081,269,367	1,520,918,428
Accounts Receivable	حسابات مدمنة	1,113,960,093	701,315,636	515,570,588
Inventories	المخزون	7,165,858	227,435,660	210,373,447
Documentary Credits	اعتمادات مستندة	201,394,850	137,507,272	81,173,437
Fixed Assets	اصول ثابتة	113,050,828	60,615,236	51,020,343
Other Assets	اصول اخرى	17,672,856	2	9,233,216
Total Assets	اجمالي الاصول	4,079,474,971	3,297,101,458	2,438,504,612
		*****	*****	*****
LIABILITIES :	الخصوم			
Deposits	الودائع	1,085,154,195	933,932,926	771,198,876
Due to Banks	بنوك دائنة	1,131,066,999	1,078,241,009	673,393,459
Accounts Payable	حسابات دائنة	1,125,162,119	753,943,040	560,056,300
L.C. Facilities	تسهيلات باعتمادات مستندة	306,628,513	262,486,312	211,820,146
Foreign Loans	قروض اجنبية	107,746,146	55,595,335	46,781,606
Dividend Payable - M.F.	حصة الحكومة في الارباح	45,209,164	37,158,715	38,433,028
Other Liab. / Invest. Bank	خصوم اخرى	42,209,110	27,224,141	22,877,715
Total Liabilities	اجمالي الخصوم	3,843,176,246	3,148,581,678	2,304,871,141
Capital	رأس المال	55,784,000	55,784,000	55,784,000
Reserves	الاحتياطيات	108,265,297	92,735,780	77,847,471
APCP	مشروع الانتاج الزراعي	72,249,428		
Total Capital & Reserves	اجمالي رأس المال واحتياطيات	236,298,725	148,519,780	133,631,471
Total Liabilities & Capital	اجمالي الخصوم ورأس المال	4,079,474,971	3,297,101,458	2,438,504,612
		*****	*****	*****
CONTRA ACCOUNTS	الحسابات النظامية	638,702,671	636,102,108	567,668,538

INCOME STATEMENT : PBDAC & BDACs

		30-Jun-88	30-Jun-87	30-Jun-86
		L. E.	L. E.	L. E.
<b>INTEREST INCOME :</b>	<b>الفوائد الواردة</b>			
Agricultural Loans	القروض الزراعية	39,874,051	28,648,840	17,754,279
Investment Loans	القروض الاستثمارية	215,439,838	190,945,341	127,040,185
Subsidy Interest	الدعم	91,518,305	82,325,878	74,603,377
Investments	استثمارات	620,639	687,253	662,838
Other	اخرى	54,329	211,175	81,784
<b>Total Interest Income</b>	<b>احمالي ايرادات الفوائد</b>	<b>347,527,162</b>	<b>302,818,507</b>	<b>224,142,463</b>
<b>INTEREST EXPENSE :</b>	<b>Deposits &amp; Borrowings</b>	<b>165,293,877</b>	<b>146,056,490</b>	<b>98,175,135</b>
	<b>وحدات - او سلعات</b>			
<b>NET INTEREST INCOME</b>	<b>الفوائد الصافية الواردة</b>	<b>182,233,285</b>	<b>156,762,017</b>	<b>125,947,328</b>
	<b>العمولات (نشا - تجارى / مستلزمات اساح )</b>			
<b>Commissions - Commercial Activities / Input Distribution</b>		<b>159,815,360</b>	<b>144,543,350</b>	<b>133,564,241</b>
<b>Income - Banking Operations</b>	<b>العملبات المصرفية</b>	<b>27,237,670</b>	<b>21,931,455</b>	<b>17,972,589</b>
<b>Other Income</b>	<b>ايرادات اخرى</b>	<b>8,660,074</b>	<b>8,518,758</b>	<b>6,367,843</b>
<b>Income From Prior Years</b>	<b>ايرادات سنوات سابقة</b>	<b>24,454,985</b>	<b>10,662,335</b>	<b>9,327,740</b>
<b>Operating Expenses :</b>	<b>مصروفات التشغيل</b>			
Compensation	الباب الاول	166,775,505	147,334,033	127,309,567
Other Expenses	مصروفات اخرى	17,896,561	16,498,114	19,431,722
Depreciation	اهلاك	3,582,933	3,167,785	2,655,716
<b>Total Operating Expenses</b>	<b>اجمالي مصروفات التشغيل</b>	<b>188,254,999</b>	<b>167,279,932</b>	<b>151,398,407</b>
<b>Provision for Losses</b>	<b>احتياطي خسائر</b>	<b>45,697,496</b>	<b>31,423,283</b>	<b>16,366,552</b>
<b>Total Operating Expenses &amp; Provision for Losses</b>	<b>اجمالي مصروفات التشغيل واحتياطي خسائر</b>	<b>233,952,495</b>	<b>198,723,215</b>	<b>167,754,959</b>
<b>INCOME BEFORE TAXES AND CONTRIBUTIONS</b>	<b>الايراد قبل الضرائب والحصص</b>	<b>168,448,879</b>	<b>143,724,700</b>	<b>126,428,770</b>
Corporate Profits Tax	الضرائب	92,531,126	78,324,513	63,643,683
Employee profit Sharing	حصص العاملين	13,743,363	12,386,305	8,113,621
Other Contributions	حصص اخرى	3,035,538	2,706,722	2,338,785
<b>NET INCOME</b>	<b>صافي الايراد</b>	<b>59,136,852</b>	<b>50,307,160</b>	<b>52,332,701</b>

## NOTES TO FINANCIAL STATEMENTS

### 1. Loans Receivable

Loans receivable consists of the following balances :

	millions L.E. <u>6/30/88</u>	<u>6/30/87</u>	<u>6/30/86</u>
Agricultural loans	568.9	422.4	326.7
Food Security loans	735.1	795.2	591.0
Other Investment loans	966.6	889.3	630.2
Other loans	<u>90.7</u>	<u>44.4</u>	<u>44.3</u>
Total loans	2,361.3	2,151.3	1,592.2

Interest income is recorded using the following procedure :

Subsidized Agricultural Loans - Interest income is calculated and recorded for the season when the loan is extended to the borrower.

Unsubsidized Agricultural Loans and Investment Loans - Interest income is calculated and recorded on the principal balance outstanding the month prior to an installment due date for the period from the previous installment.

### 2. Accounts Receivable

Accounts Receivable consists of the following balances :

	millions L.E. <u>6/30/88</u>	<u>6/30/87</u>	<u>6/30/86</u>
Government A/C	670.4	384.7	229.9
Organizations & Co.	77.3	6.9	10.7
Other	<u>366.2</u>	<u>309.7</u>	<u>275.0</u>
Total	1,113.9	701.3	515.6

### 3. Inventories

Inventories consists of agricultural inputs/goods on hand at bank facilities that are related to the banks' trading activities. Such inventories are valued at cost.

#### 4. Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation.

#### 5. Deposits

Deposits consists of current accounts, savings accounts, fixed time deposits and other deposits.

	millions L.E. <u>6/30/88</u>	<u>6/30/87</u>	<u>6/30/86</u>
Current accounts	327	281	210
Savings accounts	348	305	230
Fixed time deposits	380	315	269
Other deposits	<u>30</u>	<u>32</u>	<u>22</u>
Total	1,085	933	731

#### 6. Due to Banks

Due to Banks consists of overdraft borrowings with local commercial banks. The PBDAC is charged interest on these borrowings on an annual basis.

#### 7. Accounts Payable

Accounts Payable consists of the following balances :

	millions L.E. <u>6/30/88</u>	<u>6/30/87</u>	<u>6/30/86</u>
Government A/C	290	161	84
Organizations & Co.	258	20	12
Other	<u>577</u>	<u>572</u>	<u>464</u>
Total	1,125	753	560

#### 8. LC Facilities

LC Facilities consists of unpaid liabilities of the PBDAC under letters of credit. Advance payments made by PBDAC under letters of credit are shown as Documentary Credits.

## 9. Dividend Payable

Dividend Payable to the Ministry of Finance represents the PBDACs (& BDACs) surplus earnings which are distributed to the Ministry of Finance as required by Law 117.

## 10. Capital

The PBDAC contribution to the capital of the BDACs is shown as a deduction from total reported capital in consolidating the financial statements.

	<u>millions L.E.</u>
PBDAC (& BDACs) capital	62.0
Less: PBDAC investment in BDACs Capital	<u>6.2</u>
Consolidated Capital	55.8

## 11. Reserves

Reserves represents the balance of retained earnings allocated to statutory and other bank reserves. The balances at June 30, 1989 are :

	<u>million L.E.</u>
General Reserve	30.8
Legal Reserve	21.1
Reserve to Purchase Govt. Bonds	20.6
Reserve for Fixed Asset Capital Gains	23.6
Other Reserves	<u>12.1</u>
Total	108.2

## 12. APCR Capital

APCR represents the capital contributed by USAID under the Agricultural Credit and Production Project.

## 13. Contra Accounts

These accounts represent contingent assets and liabilities of the PBDAC (& BDACs) which are shown off balance sheet. Examples are contingent liabilities under letters of credit and guarantees and assets acquired on a consignment basis.

## 14. Commissions

The PBDAC (& BDACs) earn commissions from trading activities on behalf of the Ministries of Agriculture and Supply. Commissions from these commercial activities and agricultural input distributions consists of the following balances :

Commission Income	millions L.E.		
	<u>6/30/88</u>	<u>6/30/87</u>	<u>6/30/86</u>
Fertilizers	62.0	54.6	53.5
Seeds + Grains	5.1	3.9	2.9
Insecticides	21.6	18.8	16.3
Spare parts	3.1	3.0	2.5
Foodstuffs	26.0	24.4	24.8
For age	13.1	11.5	10.2
Sacks/Tares	10.5	9.0	8.6
Crop Maintenance	1.5	1.2	.9
Commercial Comm.	<u>16.9</u>	<u>18.1</u>	<u>13.8</u>
Total	159.8	144.5	133.5

RATIO ANALYSIS : FBDAC (& BDACs) النسب التحليلية (الرئيسي والمنوك)		30-Jun-88	30-Jun-87	30-Jun-86
Loan/Deposit	ودائع / قروض	2.1	2.2	2.1
Liabilities/Capital	راس مال / خصوم	16	21	17
Capital/Assets	اصول / راس مال	5.8%	4.5%	5.5%
Return on Assets	العائد على الاصول	1.4%	1.5%	2.1%
Return on Equity	العائد على راس المال والاحتياطيات	25.0%	33.7%	17.2%
Net Interest Margin (NIM)	صافي الفائدة / الاصول ذات هامش الفائدة الصافية	7.98%	8.27%	7.38%
Average Interest Yield	متوسط سعر الفائدة	15.23%	15.98%	16.67%
Average Cost of Funds	متوسط تكلفة التمويل	8.79%	9.65%	9.57%
Average Interest Spread	متوسط فرق سعر الفائدة	6.44%	6.33%	7.10%
Avg Yield - Agricultural Loans	سلف زراعية	8.05%	7.65%	7.12%
Avg Cost of Funds	تكلفة التمويل	8.79%	9.65%	9.57%
Avg. Spread - Agricultural Loans	متوسط فرق سعر الفائدة	-0.74%	-2.00%	-2.47%
Avg Yield - Investment Loans	قروض استثمارية	12.73%	13.14%	12.77%
Avg Cost of Funds	تكلفة التمويل	8.79%	9.65%	9.57%
Avg. Spread - Investment Loans	متوسط فرق سعر الفائدة	3.94%	3.49%	3.20%
Nonearning Assets/Total Assets	اجمالي الاصول/ الاصول التي لاتدر عائد	41.44%	34.00%	33.78%
Operating Exp./Earning Assets	الاصول ذات العائد/ مصروفات التشغيل	7.88%	7.67%	7.78%

COMPARATIVE RATIO ANALYSIS : 1987/88		الحسب المقارنة	FBDAC	FCS	FAROBANK
Loan/Deposit	ودائع / قروض		2.1	N/A	0.70
Liabilities/Capital	راس مال / خصوم		16	11	16
Capital/Assets	اصول / راس مال		5.8%	8.40%	5.8%
Return on Assets	العائد على الاصول		1.5%	1.07%	1.48%
Return on Equity	العائد على راس المال والاحتياطي		25.0%	12.80%	9.20%
Net Interest Margin (NIM)	هامش العائد الصافي		7.98%	1.40%	2.77%

FCS = U.S. Farm Credit System

=  $\frac{\text{صافي الفائدة}}{\text{الاصول ذات العائد}}$

## Definitions

تعريفات

1. Equity = Total Capital plus Reserves  
حقوق الملكية = راس المال بالإضافة إلى الاحتياطات
2. Earning Assets = Interest-earning Loans & Investments  
أصول ذات عائد = القروض ذات العوائد (العوائد) والاستثمارات والعروض ذات العوائد
3. Interest Bearing Liabilities = Interest-bearing Deposits,  
ودائع بعائده الخصوم المدفوع عنها فوائد  
Borrowings, Savings Accounts,  
السلفيات - حسابات السوفير  
Foreign Loans  
قروض أجنبية .
4. Interest Yield = Interest Income / Average Earning Assets  
سر العائدة = العائدة المحصلة / متوسط الأصول ذات العائد
5. Cost of Funds = Interest Expenses / Average Interest-Bearing  
Liabilities  
تكلفة التمويل = مصاريف العائدة / متوسط الخصوم ذات الدعاء
6. Non-earning Assets = Total Assets Less Earning Assets  
الأصول التي لا تدر عائداً = إجمالي الأصول - الأصول ذات العائد
7. Operating Expenses = Non Interest Expenses excluding the  
provision for losses.  
مصاريف التشغيل = مصاريف بدون فوائد باستثناء احتياطي الخسارة
8. Classified Loans = Loans Classified adversely under the  
bank's classification system  
قروض مصنفة = قروض مصنفة (مشكوك فيها) طبقاً لنظام التصنيف بالبنك
9. Past Due Loans = Total Installments Past Due plus related  
unmatured loan balances.  
مجموعة الديون التي مضى ميعاد استحقاقها بالإضافة إلى الدرصة  
العمر مسجلة لهذه القروض

## FINANCIAL INDICATORS

### المؤشرات المالية

1. Ratio of Loans to Deposit:  $\frac{\text{Total Loans}}{\text{Total Deposits}}$  اجمالي القروض / اجمالي الودائع  
نسبة القروض للودائع
2. Ratio of Liabilities to Total Capital.  $\frac{\text{Total Liabilities}}{\text{Total Capital (+Reserves)}}$  اجمالي الخصوم / اجمالي رأس المال (+ الاحتياطات)  
نسبة الخصوم لاجمالي رأس المال
3. Ratio of Total Capital to Total Assets:  $\frac{\text{Total Capital (+Reserves)}}{\text{Total Assets}}$  اجمالي رأس المال (+ الاحتياطات) / اجمالي الأصول  
نسبة اجمالي رأس المال الى اجمالي الأصول
4. Return on Assets :  $\frac{\text{Net Income}}{\text{Average Total Assets}}$  صافي الربح / العائد على الأصول  
متوسط اجمالي الأصول
5. Return on Equity (Total Capital):  $\frac{\text{Net Income}}{\text{Total Capital (+Reserves)}}$  صافي الربح / العائد على حقوق الملائمة  
اجمالي رأس المال والاحتياطات ( اجمالي رأس المال )
6. Net Interest Margin :  $\frac{\text{Interest Income} - \text{Interest Expense}}{\text{Average Earning Assets}}$  العوائد المصروفة = العوائد المحصلة / صافي هامش العائدة  
الدول ذات العائد
7. Interest Spread :  $\text{Interest Yield} - \text{Cost of Funds}$  سعر العائدة - هامش العوائد  
تلفة التمويل
8. Ratio of Non Earning Assets to Total Assets:  $\frac{\text{Non Earning Assets}}{\text{Total Assets}}$  الدول التي ليدر عائد / مجموع الدول  
نسبة الدول التي ليدر عائد / الى اجمالي الأصول

9. Ratio of Operating Expenses to Earning Assets

$$\frac{\text{Total Operating Expenses}}{\text{Earning Assets}}$$

احمالى مصاريف التشغيل  
نسبه مصاريف التشغيل/الى الدصول ذات العائد  
الدصول ذات العائد

10. Ratio of Adversely Classified Loans to Total Loans

$$\frac{\text{Loans Classified (Adversely)}}{\text{Total Loans}}$$

( القروض المصنفة (المشكوك فيها)  
احمالى القروض  
نسبه الديون المصنفة (المشكوك فيها)  
الى احمالى القروض

11. Ratio of Adversely Classified Loans to Total Capital

$$\frac{\text{Loans Classified (Adversely)}}{\text{Total Capital (+Reserves)}}$$

نسبه القروض المصنفة (المشكوك فيها) الى احمالى رأس المال + الاحتياطات  
(قروض مصنفة) (مشكوك فيها)  
احمالى رأس المال + الاحتياطات

احمالى القروض التى مضى ميعاد استحقاقها

12. Ratio of Past Due Loans to Total Loans :  $\frac{\text{Total Past Due Loans}}{\text{Total Loans}}$

احمالى القروض  
نسبه قروض مضى ميعاد استحقاقها للاحمالى القروض

ANNEX III-H-1

PBDAC

Office of the Chairman of the Bank

Decree of the Chairman  
of the Board of Directors  
No. 45 - Dated 10/22/87

The chairman of the board of directors  
after reviewing

- Law No. 117 for the year 1976 for the PBDAC;
- the regulations organizing the employee system at the PBDAC and the Governorate Banks; and
- the memoranda from the Information System Sector dated 2/8/87 and 8/17/87

has decided the following:

Article One

The highest committee for Information Systems is to be formed as follows:

- 1- The chairman of the Board Directors;
- 2- The two deputies to the chairman;
- 3- The bank advisor for credit, financing, and banking affairs;
- 4- The chief of sectors at PBDAC;
- 5- The chairman of the consultant committees at PBDAC;
- 6- The chairman of the Boards of Directors of the following banks:  
Qalubiya, Sharqiya, Daqahliya, Gharbiya, Giza, Fayoum, Assyout, Sohag;
- 7- The general manager of the technical office;
- 8- Dr. Mohamed Adel Riad Ghaneimi, chief of the Information System of the Engineering, Faculty at Ain Shams University;
- 9- Mr. Ahmed Soliman Mouisi, senior advisor at CAPMAS;
- 10- Dr. Said Abd El Wahab, chief of the Information System and Computer Section, Sadat Academy;

- 11- Eng. Nabil Hassan Shanan, manager of the Economic Research Section, Ministry of Agriculture and Land Reclamation; and
- 12- Mr. Nabil Abd El Aziz el Hamalawi, General Manager of the Electronic Center at the Central Bank.

The chairman of the Information System Sector at the PBDAC will be the executive of the committee and has two assistants from the employees in the Bank's Chairman Affairs sector who will act as secretaries for the committee.

The committee has the authority to choose anyone from inside or outside the bank to assist the committee. A meeting should be held every three months or as necessary.

#### Article Two

The committee is responsible for:

- 1- Planning general policy for the Information Systems at the PBDAC and the Governorate Banks and their branches;
- 2- Granting approval for the plans and development projects;
- 3- Granting approval for the travel of the development project teams;
- 4- Approving the necessary financial statements;
- 5- Following-up the execution of plans and projects; and
- 6- Any other subjects referred to it by the chairman of the Bank which are related to the committee's field.

#### Article Three

The members of the committee and any individuals invited from outside the bank will be given LE 60 for each meeting. Any person invited from inside the bank will be given LE 30 for each meeting. The secretaries will be given LE 15 for each meeting.

#### Article Four

All departments are responsible for executing this decree.

Chairman of the Board of Directors

Signature

Adel Hussein Ezzi

## ANNEX III-H-2

### FBDAC

#### Office of the Chairman of the Board of Directors

#### Decree of the Chairman

No. 59

Dated 10/27/87

#### Chairman of the Board of Directors

- After reviewing law No. 117 for the year 1976 for the FBDAC.
- The regulations of the employees system at the FBDAC
- The memorandums of the information system dated 2/8/87, 3/22/87, 8/17/87.
- The Chairman's decree no. 54 dated 1/22/87

#### Article One:

Farm management committee developed the information system project as follows:

1. Mr. Mourad Mohamed Ali, Deputy to the Chairman for Finance, Administration and Credit affairs
2. Mr. Ahmed Lotfy El Kafrawi, Bank Consultant
3. Mr. Kamal El Din Taha Nasser, Chairman of Finance and Credit Sector
4. Mr. Adel Shanab, Chairman of Development and Investment Sector
5. Eng. Zenab El Zein Salem, Chairman of office Affairs for the Bank's Chairman
6. Mr. Ahmed Ragaes El Maraqli, chairman of Information System Sector
7. Mr. Shafik El Samadoni, Chairman of the Finance and Administration Sector

8. Mr. Sheriff Othman, Chairman of the Kalubiya bank
9. Mr. Gawad El Mikaty, Chairman of the Central Administration for Computers at CAPMAS
10. Mr. Mohamed Abd El Hamid Darwish, General Manager of Planning
11. Chairmen and coordinators of the technical and specialized committees were formed in order to study and develop the information system. These committees have the authority to invite to their meetings any managers and or specialists of the projects which are being executed by local or foreign authorities in the field of developing information systems at the bank.

The committee also has the authority to ask for help of anyone who may be helpful from inside or outside of the bank.

Reporter/Mr. General Manager of the Computer General Department. Two of the workers in the Deputy of the Bank's Chairman's office for Financial and Administrative affairs work as his assistants.

This committee holds a periodical meeting once a month and whenever it is necessary to follow-up with the execution of the work - it should be carried out and the results presented to the Chairman of the Bank.

#### Article Two:

The committee prepares a plan for the work to be done and is responsible for the followings:

1. Supervising and directing the plans and projects of the development of information systems at the PBDAC and governorate Banks.
2. Prepares the balanced plan necessary for the development projects and follows it up after approval from the highest committee.
3. Issuing approval for the executive plans of the technical committees.

4. Follow-up the work of the technical and specialist committees in order to overcome the problems and supply its needs (administrative expenses, means and costs of transportation) related to the studies done by these committees at the various sights.
5. The administrative and financial work necessary for managing the development projects.
6. Preparing a 3 month report about the work which has been done by the committee and then presenting it to the highest committee.
7. Anything which was transferred to this committee which is related to this field.

#### Article Three

The members of this committee obtained 20 LE for each meeting (except the managers and the local and foreign specialists executing the projects.)

The secretaries for the committees obtained 10 LE for each meeting held.

#### Article Four

All responsible departments executed this decree.

**Signature**

**Adel Ezzi, Chairman**

## ANNEX III-H-3

PBDAC

Office of the Chairman of the Bank

Decree of the Chairman  
No. 60 Dated 10/27/87

After reviewing:

- Law No. 117 year 1976 for the PBDAC;
- Regulations of the employee system at the PBDAC;
- Memoranda regarding the Information System Sector;
- The Chairman's Decree No. 54 dated 10/22/87; and
- The Chairman's Decree No. 59 dated 10/27/87.

The chairman has decided the following:

### Article One

The technical information system be formed as follows:

- Dr. Eng. Mohamed Adib Riad Ghanemy, Chairman of the Information System Section of the Engineering Faculty, Ain Shams University;
- Mr. Ahmed Soliman Moray, Senior Consultant - CAPMAS;
- Dr. Said Abd El Wahab, Chairman of the Information System and Computer's Section - Sadat Academy;
- Dr. Eng. Amin Kamal El Kharbotly, Professor of English, Ain Shams University;
- Dr. Eng. Mohamed Abd El Fattah El Sheriff, Professor of Computer Science at the National Research Center and AUC;
- Dr. Eng. Medhat Mohamed Fakhry, Professor in the Computer Section at the Military Technical Academy;
- Professor Samir Zaki Mehrez, specialist in statistical analysis and operational research; and
- The coordinator of specialized technical committees for information systems.

### Article Two

Specialized technical committees will be formed in the following fields:

1. Computer Systems Committee

- Dr. Said Abd El Wahab, Chairman of the Information System and Computer Section - Sadat Academy;
- Mr. Adel El Sheriff, Computer Supervisor Coordinator;
- Dr. Eng. Medhat Fakhry, Professor of Systems Design and Analysis at the Military Technical Academy; and
- Dr. Eng. Mohamed Abd El Fattah Saad, Professor of Computer Science at the National Center of Research and AUC.

2. Sub-committee for Systems, Program Design, and Analysis

- Dr. Eng. Medhat Mohamed Fakhry, Professor in the Computer Section at the Military Technical Academy;
- Two specialist from outside the Bank to be nominated by the Chairman, one of whom should be from CAPMAS; and
- Two technicians from the Computer Department at PBDAC.

3. Sub-committee for Processing, Networks and Equipment Systems

- Dr. Eng. Mohamed Abd El Fatah El Sherif, Professor of Computer Science at the National Research Center and AUC;
- Two specialists to be nominated by the chairman from outside the Bank, one of whom should be from CAPMAS; and
- Ten technicians from the Computer Department at the PBDAC.

4. Committee for Documentation and Microfilm Systems

- Dr. Eng. Amin Kamel El Kharbotly, Professor of English, Ain Shams Univ.;
- Mr. Mahmoud Teema, General Manager of Documentation and Publication;
- Two specialists to be nominated as corrdinators by the Chairman from outside the bank, one of whom should be from CAPMAS; and

- Twenty technicians from the General Department of Statistics and Operational Research.

### Article Three

These committees are responsible for the following:

1. Performing the necessary technical studies for designing the information systems at the PBDAC or the related banks in the governorates in order to prepare for the tender document for the proposed systems and determine what equipment will be needed for this system;
2. Training the technicians and the maintenance staff as needed, overseeing the preparation of the locations for the equipment;
3. Submitting the technical proposals and opinions for all jobs related to technical aspects to the committees.

### Article Four

These committees are responsible for preparing the executive plans to accomplish the technical and field studies which are necessary for the nature of the job.

### Article Five

The following are required to join the committees:

1. The chairman of the sector which is responsible for the implementation of the current system; and
2. Two general managers or department managers from this sector.

The time required for each implementation should not exceed six months.

### Article Six

The chairman of the Information Systems Sector is responsible for general coordination between the above mentioned committees. In order to assist the chairman, a follow-up team should be formed as follows:

- Three specialists from the information system sector to follow-up the development plan; and
- Three specialists from the information system sector to follow-up the training plan and the work of the committees.

### Article Seven

To assist all of the committees and the general coordinator, the following are required:

- Two secretaries; and
- Help services.

### Article Eight

These committees should use the results of the work of the data collection committee formed by Decree No. 22 in the year 1987 as a guide.

### Article Nine

The sector chairman and the governorate bank chairmen should cooperate with the technical committees in this work.

They should also charge the specialists and the staff responsible for gathering data from the PBDAC sectors and the information and statistics departments in the governorate banks, with supplying the Information Systems Sector and technical committees with all required data related to analysis and the design of the new systems.

### Article Ten

Each committee should prepare a monthly report detailing the results of its work and submit this report to the Information Systems Development Project Administration Committee.

### Article Eleven

These committees should finish all of their work no later than 9/30/88.

### Article Twelve

All responsible departments are required to execute this decree.

Chairman of the  
Board of Directors

Signature

Adel Hassan Ezzi

PBDAC

The Technical Committee for Information Systems Sub-committee for Program and Systems Design and Analysis

Workplan

1. Organize team work;
2. Train the team on the work involved;
3. Assign one primary concept for the workplan and the program stages and Present the Workplan to the administration committee;
4. Evaluate the previous studies;
  - Canadian study
  - Philippine study
  - Accounting study for El Mazawi
5. Study the organizational structure and the responsibilities of the PBDAC and the governorate banks.
6. Study the data relationship between the PBDAC and:
  - the 17 governorate banks
  - the 146 branch banks
  - the 765 village banks
  - the 4,307 mandoubia agencies;
7. Study the main activities of the Bank related to the data and the relationship between these activities and the organizational structure and responsibilities in order to define the activities of the information sub-systems; coordinate with the highest committee to define the priorities of the activities and sub-systems and coordinate with other sub-committees;
8. Study the activities and sub-systems according to their priorities; for each sub-system include:
  - Input;
  - Output;
  - Processing;
  - Rate of movement and size of manpower needed;
  - Co-relation matrices between the administrative structure and the flow of data;
  - Areas of relationship between the used patterns and the flow of information;
  - Nature of data (confidential - private - statistics;

Suitability of the current system for serving the goals and defining drawbacks and problems;

9. Make a full analysis of the current system to indicate the logical design for the new system, presenting alternatives for the new system to the highest committee;
10. Complete the detailed logical design for the new system, defining the sub-systems and the integration of the sub-systems;

For each sub-system include:

- Design of the data base;
- Design of the implementation;
- Methods of system use and procedures;
- Manpower structure and requirements;
- Design of systems check.

11. Write the section concerning the system analysis in the tender document;
12. Submit the tender document.

## Network and Equipment Committee

### Workplan:

1. Evaluate the study previously prepared by the BIRO Company and its results in order to assess its benefits and effectiveness.
2. Study the environment and means of communications available:
  - Study the geographical distribution of the PBDAC, the governorate banks, village banks, and their branches;
  - Study the banks' environment;
  - Study the communication means available in the bank and their branches.
3. Collect data about the availability of networks and the possibility of using them.
  - Collect data about the national network and the network of the banking and agricultural sector at the national level.
  - Collect data about the wire and wireless communication authority and their capabilities.
4. Study the feasibility of using these networks.
5. (Arabic original illegible)
6. Study the input and output data for the network and define its size.
7. Defining the topography of the network.
8. Defining the components of the network.
9. Define the equipment specifications according to the progress of data analysis. This equipment includes the following:
  - CPU
  - (Arabic original illegible)
  - Secondary memory
  - (Arabic original illegible)
  - Terminals
  - Printers
  - Communication equipment and networks

10. Write the final report:

The final report should include a general concept for using the proposed network and its requirements as well as descriptions of the required equipment, their size and characteristics. Also, indicate the services that the network can and cannot provide.

11. Write the tender document together with the other committees in order to prepare a conclusive joint tender document.

## Committee for Documentation and Microfilm

### Workplan:

1. Gather all relevant information on the Bank's data system, and documentation of all executive and planning levels.

The following information is required:

- A. Procedures for handling documents;
  - B. Documents, papers and forms including:
    - the contents
    - the design of documents and forms
    - the condition of the document, accumulated quantities, and new ones.
  - C. Methods of using these documents.
2. Analyze the current system and define indicators for the documentation information system which should be considered in designing the systems at all executive and planning levels.
  3. Reach an agreement on the list of priorities for designing and implementing the system with the project administration committee.
  4. Develop logical designs for integrated and comprehensive documentation systems for all activities.
  5. Present the detailed design for the chosen system.
  6. Create a sample description - (size, level of execution, standard of administration).
  7. Test the system.
  8. Measure the results, making the necessary amendments.
  9. Implement the actual system, maintaining the system in relation to the sample system.

### Work Teams

The work team of the Documentation and Microfilm Committee has been divided into five sub-teams in order to execute the project stages at the following levels:

1. PBDAC
2. Governorate Bank
3. Village Bank
4. Bank branches

Each group is responsible for studying one or more activities as follows:

- Group A: Development;
- Group B: Financial affairs;
- Group C: Credit;
- Group D: Agricultural machines, and trade issues related to agricultural mechanization;
- Group E: Warehousing

Some changes may be required in the formation of each group according to the scope of the activity or concentration on one of the activities.

An additional group will be formed to prepare a study concerning administration matters.

ANNEX III-H-4

FEDAC

Office of the Chairman of the Board of Directors

Detailed Memorandum  
For the Forms Chosen by  
The Committee of Data Unity

First: Credit and Marketing Sector: -  
General Department for Credit

1. Loan Department

- a. Form No. (1) loans: Monthly  
(data of loans distributed for crops)

This form has been cancelled. There is an agreement to only use the (credit and statistics form) because the two forms are similar. The form (credit statistics) has been developed to include subsidized or unsubsidized distributed loans.

The purpose of this form is to know the size of the loans, corporeal and cash, subsidized or unsubsidized - which are distributed monthly for all crops and seasons. A copy of these forms should be sent to the loan department every month.

- b. Form No. (2) loans: Monthly  
(Indicates production necessities in corporeal and cash for the chosen co-operative)

This form is new. It is under approval because forms exist which are similar to it.

The main purpose of this form is to know the size of the loans distributed, corporeal and cash money, subsidized or unsubsidized - the chosen agricultural co-operatives in order to deal with the bank in disbursing the production necessities.

This form will be sent to the top management every month.

- c. Form No. (3) loans (seasonal, winter, summer, fall)  
(Final number given to seasonal crops).

This form has been approved and as a result form No. 5 (statistics and credit) has been cancelled.

The purpose of this form is to inform the departments of the final number for distributing loans for seasonal crops.

- d. Form No. (4) loans: yearly  
(Data of Crop patterns)

This form has been cancelled. The committee found that it is enough to have the data of the crop patterns from the MOA.

- e. Form No. (5) loans: yearly  
(Data about owners)

This form has also been cancelled. It is sufficient to have form No. (7), Statistics and Credit, because the data in these are similar.

The purpose of this form is to provide the department with the data about the owners - divided according to the tranche of their possessions, and the number of farmers in each tranche. This form is prepared every year.

The statistics department sends a copy to the loan department.

- f. (Data about the distributed loans for agricultural machines and equipment for farmers, co-operatives and companies).

This form has been approved and the form from the department of Development and investment has been cancelled.

The purpose of this form is to know the number of loans distributed for agricultural machines and equipment to farmers, co-operatives, companies and authorities - and being subsidized or unsubsidized.

This form is prepared monthly. (A copy is sent to the Development Sector).

- g. Form No. (7) loans Every 3 months  
(data about loans from the National Project of  
Agricultural Mechanization)

This form is up-dated and approved because there is  
no other form similar to it.

This form is to indicate the loans given from the  
National Project of Agricultural Mechanization  
(workshop c/1670)

This form is to be prepared every three months and  
is to be presented to the top management.

- h. Form No. (8) loans  
(Data about loans of the National Project for  
Agricultural Mechanization).

This form is up-dated and approved by the com-  
mittee.

This form indicates the number of distributed loans  
from the National Project of Agricultural  
Mechanization.

This form should be sent every 3 months (3/31,  
6/30, 9/30, 12/31).

- i. Form No. (5) loans Every 3 months  
(Indicates the loans of the National Project for  
Agricultural Mechanization) Water pumps.

This is a new form and has been approved by the  
high committee.

This form indicates the loans distributed by the  
National Project for Agricultural Mechanization.  
(Water pumps c/1982)

The department should receive a copy every 3  
months.

- j. Form No (10): Every Six months  
(Garden loans)

This form is also new and indicates the loans dis-  
tributed to plant and serve the crops. (Subsidized  
and unsubsidized).

- k. Form No. (11): Every Six months

Also a new form which was specially made for the APCP. It is under agreement with the American International Development Authority.

This form is to know the total distributed loans for the winter season according to the loan size with a maximum of 10 000 LE or more for organizations and co-operatives. (Subsidized and unsubsidized).

1. Form No. (12) loans Every six months.

This form is specially for the APCP and it was approved by ACDI.

It is used in order to know the number of total loans distributed for the summer season according to the size of the given loan with a maximum of 10,000 LE and more for organizations, cooperatives.

2. Collection Department

- a. Form No. (1) collection Monthly  
(Indicates the collection of agricultural short - term loans).

The purpose of this form is to measure the collection procedures for agricultural loans every month.

A copy should be sent to the Statistics Department.

- b. Form No. (2) Collection Every Six Months  
(Indicates the collection procedures for agricultural short - term loans every six months.

The purpose of this form is to measure the collection procedures at 6/30 - 12/31 every year (amended).

A copy should be sent to the Collection Department.

- c. Form No. (3) Collection Monthly
- To indicate the total number of development loans (collected monthly). Detailed data for the various activities.
- The purpose of this form is to measure the procedures of the collection of the monthly activities. It is an amended form in order to indicate in detail all activities, short, medium and long term.
- A copy should be sent to the Development Sector.
- d. Form no. (4) Collection
- This indicates the all procedures of collection of development loans. This is the detailed procedures for all activities - short, medium, and long term - every year.
- The purpose is to measure the collection procedures for the various activities during the year.
- A copy should be sent to the development sector.
- e. Form No. (5) collection Yearly
- To indicate the tranches of possessors which received agricultural loans (short term)
- There is not a similar one in any of the departments. The purpose of this form is to measure the tranches which concentrate on indebtedness - every year.
- f. Form No (6) collection
- To indicate the collection procedures for the loans of the National Project of Mechanization (Agricultural Machine and Equipment).
- g. Form No. (7) Collection monthly  
Same as f. above but for mechanization workshops.
- h. Form No. (8) collection monthly  
Same as f. above but for water pumps.

3. Department of Research of Cooperative Finance Development.

a. Form No. (1) Cooperatives

This includes the credit situation for cooperatives for the various kinds of agricultural and investment loans for short, medium and long term loans and their approval.

b. Form No. (2) Cooperatives

This indicates the deposits and savings in the cooperatives.

This form has been cancelled - form No. 2 (Banking statistics is used in place of it.

The Department of cooperative research should receive monthly information from the statistics department about the cooperative stock.

The General Department for Marketing

The data in this department is private and it is not repeated in any other department. It has been approved to continue as it is.

Second: Production Department:-  
General Department for Production

1. Fertilizer Administration

a. Form No. (1)

This form indicates the fertilizers distributed monthly for cash payment or credit and the remaining stocks.

The main purpose of this is to avoid a lack of stock in order to cover the banks needs during the following months.

Form (12), statistics and production has been cancelled.

A copy should be sent to the Statistics Department from the Fertilizer Department every month.

b. Form No. (2)

This is about fertilizers from \_\_\_\_\_ season to \_\_\_\_\_ and from \_\_\_\_\_ to \_\_\_\_\_.

The purpose of this form is to make sure that all seasonal needs have been covered on all levels of the districts in order to direct the programs and to know the distribution procedures and the reasons for any drawbacks.

2. Form No. (26) Seeds

Data about transportation and distribution of seeds.

The main purpose is to follow up on the served allocated amounts by the MDA on all levels of the districts for each governorate - distributed for cooperatives and authorities. Also to indicate the distribution procedures for farmers.

A copy should be sent to the statistics department every month.

3. Chemical Department

a. Form No. (13) Chemicals

Monthly data to indicate the stock of chemicals at the banks warehouses.

The purpose is to secure the stock of chemicals on a monthly basis.

The department should receive a copy on the second day of every month.

b. Form No. (15) Chemicals

Data collected every two weeks to indicate the stock of chemicals in the warehouses of the branches.

The purpose is to prepare the vouchers for chemicals on a daily basis.

4. Control department

- a. The monthly movement for the spare parts at the governorate banks.

To distinguish between the governorate stock and spare parts - monthly.

Co-ordinate between governorates with their need for spare parts.

In order to arrange for new stock to take the place of the finished stock.

A copy should be sent to the MDA and the Central Department for Control Affairs.

b. Development Plan Pattern

To arrange for new stock - so that there is no lack in stock.

A copy should be sent to MDA, Central Department for Control Affairs, and the Conference of Chairmen of the Governorate banks.

General Department for Storing (Warehousing):

5. Warehousing Department

- a. Form No. (21) Warehousing monthly

Stock of empty packages for each governorate bank.

The main purpose is to prepare shipping programs from the governorates which have stocks which are more than their needs to the ports. In order to arrange the banks needs to pack the winter crops and also insure the stock of the empty packages. This also helps in doing the tender for any damages.

- b. Form No. (22) warehousing Every 3 months

The movement of supplying crops.

The purpose is to know the stock of supplying crops which exist in the granaries of the governorate banks. Then contacting the concerned parties for the disposal of the stored crops or preparing a shipping program from the producing governorate to the consuming governorate.

This data will be useful in knowing the stock situation in the governorates - to present it to the concerned parties (Ministry of Supply, Authority of Provisional Goods, and the Banks Administration.)

- b. Department of Oil Cake and Feed

- a. Form No. (11) Oil cake and feed

This form indicates the production of the manufacture of feeds and stock for ten days.

The purpose is to know the required production and also the problems that could arise between the production at these manufactures.

- b. Form No. (12) oil cake and feed

Indicates the used feed packages and the imported packages in the manufactures.

The purpose is to arrange the necessary packages on time and according to the needed production for each factory. Every 10 days.

- c. Form No. (13) oil cake and feed

Indicates the monthly procedures for the rations received (disposal and stock).

The main purpose is to coordinate the distribution of the production at the governorate level according to the amount allocated in the Ministry decree for ration distribution.

A copy should be sent to the Statistics department every month.

7. Trade Department

a. Form No. (13) Trade

The procedures for handling the packaging of the canvas (used in packaging) in receipt, and disposing of stock.

The purpose is to adjust the exported amounts of empty packages from the ports and the General company of Jute Productions with the amount received by the banks and then insuring the stock after monthly distribution and arranging the needs for future stock.

A copy should be sent to the Statistics Department

8. Crops and Maintenance Department

a. Form No. (1) monthly

This form indicates the procedures of handling the (can't read the Arabic) -----?

The purpose is to know the available stock in each governorate and to arrange what is needed from these materials.

b. Form No. (2) monthly

Report of insect inspection

The purpose is to follow-up on the development of the insect situation concerning the stock and then proceeding with the necessary treatment and prevention procedures at the proper time.

General Department for Trading Affairs

a. Form No. (1)

This form indicates the procedures for handling trade activities.

The purpose is to know the size/amount of the distributed stock and the remaining stock from the governorate banks. This information is available from the contract between the PBDAC and the governorate banks and will help in performing accounting tasks with the banks.

b. Form No. (2)

This form indicates the monthly handling of fertilizers and the uncommon chemicals used.

The purpose is to know the procedures of distributing the various amounts of the uncommon chemicals and the fertilizers so as to be able to do the accounting with the supply companies and then arrange the needs of the banks from these statistics.

c. Form No. (3)

This form includes detailed information about the situation of loans given from the bank to the supply companies.

The purpose is to know the size of the loans distributed and the percentage paid back.

birds: Sector of Development and Investment

a. Form No. (7) monthly

Monthly follow-up of the National Project for Veal.

This form includes:

Contract Procedures -

This part of the form indicates how many heads per contract are donations or gifts and the value of the loans which has actually been distributed. (The contracts include self finance, and loan remittance) according to the desire of the contractor.

### Procedure of the Deliveries

This part indicates the size of the deliveries, number and value according to the prices of the delivered calf with consideration of indebtedness on the authority of the provision of goods from the delivery date.

The banks will send this form to the Development and Investment Sector.

#### b. Form No. (8)

This is the total number of grants from the investment loans.

This is a new form. The data in this form covers the data in two previous forms - (1). Food Security and (2.) Rural Development, along with other new data.

This form includes the monthly development loans which have been dispersed and include (all kinds of loans, for all dealers, persons, cooperatives or companies.

This form will be sent to the Development and investment Sector from all banks.

Development and Investment Sector will send this form to both the collection Department and the Statistics Department - therefore forms 2/3 Statistics and Credit will be cancelled.

The General Department for Development will send a copy of this form to the Statistics Department on a monthly basis.

#### c. Form No. (9)

This is the form that indicates the follow-up of the reimbursement of the obtained project loans of 50,000 LE or more.

d. Form No. (10)

This is the follow-up of the reimbursement of the obtained project loans of less than 30,000 LE.

These last two forms are new. And according to the scheduling operations department they include: local loans, subsidized or unsubsidized, foreign loans if any.

Fourth: Information Sector

1. Statistics Department

a. Form No. (1) Statistics and Credit

This form indicates the loans which have been distributed for the crops of the season \_\_\_\_\_ through the month of \_\_\_\_\_.

This form has been amended by the committee. It includes all kinds of loans which have been given for each kind of crop every month in the branch or governorate banks.

The purpose of this form is to follow-up with the loan procedures for each crop according to the season for each type of loan (corporeal, cash, other).

b. Form No. (2)

To show the number of dealers and their property divided into tranches according to the property.

The purpose is to receive statistical data about the number of dealers and their properties at the beginning of the agricultural year and how it is divided into tranches.

c. Form No. (3)

Banking Statistics

the purpose of this form is to prepare a detailed report (data) about the banks monthly procedures at the village bank level. In order to know the liquidity and also to evaluate the activities.

d. Form No. 4

This form indicates the monthly handling of checking accounts in detail.

This form has a double purpose. It is prepared first at the branch level and then it is prepared as a total at the governorate level.

e. Form No. 5

This form indicates the procedures for deposit accounts, and bank books.

This is also first prepared at the branch level and then later at the governorate level

Fifth: Financial Affairs Sector

The data from this sector is not repeated in any other department and it is obtained by telephone and/or letter.

Sixth: General Department for Planning

The data from this department is also not repeated in any other department and it is prepared in special forms.

Seventh: Finance Sector

1. Financing Department

a. Monthly report about the credit facilities

This report is received monthly from the banks, branches, and departments of the \_\_\_\_\_ development about the credit facilities given to the customers which trade exceeds 20,000 LE. The department sends these reports to the Collection department (banking credit risks) at the Central Bank according to the regulation of 1978.

b. Informing when a client fails to pay

We receive this form from the banks and branches every month and then send it to the collection dept. (credit risks) at the Central Bank according to regulation 6/22/78.

c. Monthly Financial Position

Form No. (5) Banks and Credit

This form is received from the banks on a monthly basis.

This form indicates assets and liabilities and it is gathered into one form. Also includes the PBDAC procedures.

This is an amended form and the main purpose is to indicate the assets and liabilities according to the importance of each item.

- d. This indicates clients who draw and deposit on the PBDAC current account at the trading banks - prepared by the development banks. This is sent monthly to the department with all information gathered as to the number of drawees and depositors and the amount of the loans taken from the trading banks.

- e. Deposits at the trading banks (development banks is done by letter.)

- f. This indicates about withdrawals, deposits, and indebtedness from the trading banks.

- g. Contributions

This indicates the contribution of each governorate bank to the capital of the companies.

The department receives these on a periodic basis or as needed.

This form also includes the data of the value of the capital of the bank or the company and the number of shares, the value of each share and the amount that the bank of development contributes, how much has been paid from this and how much is under payment.

- h. The Financing Plan

To evaluate the financing requirements for each governorate bank during the year.

This includes the uses and resources and the amount of financing required. This is gathered in the department as a general financing plan for the PBDAC and the development banks to indicate the total amount for the needed funds all through the year - divided every three months to inform the central bank every year after approval from the top management.

i. Saving Stocks

This is to indicate the type of stock received every month by the development banks and comparisons made to the year before in order to know the differences. This is then presented to the top management.

j. The withdrawal of the development banks in the governorates from the National bank.

This data is sent from the banks to indicate the number of withdrawals and deposits from the current accounts of the PBDAC and the national banks. We receive this on a daily basis with an attachment of advice on debit and credit.

k. Monthly Liquidity

We receive this from the development bank every month. This includes the various resources and used money so that we know the banks capabilities to finance its activities. We gather this information and present it to the top management on a monthly basis.

Department of International Loans

a. Form for the procedures of foreign loans

The purpose of this form is to define the procedures for foreign loans. Who is paying the installments and interest in the governorates.

Results of the Work  
of Gathering Data

Decree of Mr. Eng./Chairman of the Board of Directors, no. (22), dated 8/19/87, in order to form a committee to define the data which will be presented by the different departments and sectors of the Bank.

As you can see from the following table, some of this data has been combined and some new data has been created. and some has been cancelled.

ANNEX III-II-5

ESTIMATED BUDGET FOR THE MIS  
PBDAC, BDAC'S AND DISTRICTS  
US \$ 000  
ENTIRE PROJECT

COSTS	YEARS		YEARS			LOCAL	FOREIGN	TOTAL
	88/89	89/90	90/91	91/92	92/93			
<b>INVESTMENT COSTS FOR COMPUTERS:</b>								
<b>FIRST: Computers</b>								
1- PBDAC and BDAC's								
Computer Main Frames			1750				1750	1750
Mini Computers	500		1500	1500	1500		5000	5000
Personal Computers (PC)	300	225	225				750	750
2- PC for Districts			2000	2000	2000		6000	6000
<b>SECOND: Computer Software</b>	100	300	450	250	250	675	675	1350
<b>THIRD: Site Preparation for Computers and Microfilm (PBDAC, BDAC's Districts).</b>	100	170	600	600	600	1242	828	2070
<b>FOURTH: Communications/Local Networking</b>	75	75	800	600	600	537.5	1612.5	2150
<b>FIFTH: Vehicles</b>	60	60	60	60	60	150	150	300
<b>SIXTH: Training</b>	150	160	190	190	190	528	352	880
<b>SEVENTH: Technical Support</b>	60	60	60	60	60	300		300
<b>EIGHTH: Consults</b>	100	100	100	100	100	500		500
<b>NINTH: Allowances</b>	40	40	40	40	40	200		200
<b>TOTAL INVESTMENT COSTS FOR COMPUTERS</b>	<b>1485</b>	<b>1199</b>	<b>7775</b>	<b>5400</b>	<b>5400</b>	<b>4132.5</b>	<b>17117</b>	<b>21250</b>
<b>INVESTMENT COSTS FOR MICROFILM:</b>								
<b>FIRST: Microfilm Lab</b>								
	120					30	90	120
<b>SECOND: Microfilm Centers</b>								
		240	720	720	720	600	1800	2400
<b>TOTAL INVESTMENT COSTS FOR MICROFILM</b>	<b>120</b>	<b>240</b>	<b>720</b>	<b>720</b>	<b>720</b>	<b>630</b>	<b>1890</b>	<b>2520</b>
<b>TOTAL INVESTMENT COSTS FOR THE PROJECT</b>	<b>1605</b>	<b>1439</b>	<b>8495</b>	<b>6120</b>	<b>6120</b>	<b>4762.5</b>	<b>19007</b>	<b>23770</b>
<b>OPERATING COSTS:</b>								
= Leased Lines	5	5	30	60	100	200		700
Maintenance including Spare Parts:								
- Computer IOZ		80	192	650	1000	916.25	916.25	1832.5
- Microfilm BZ		6	28.8	86.4	144	134.4	134.4	268.8
= Supplies for Computer	40	50	325	500	575	590		1590
= Supplies for Microfilm	10	34	106	187	250	587		587
<b>TOTAL OPERATING COSTS</b>	<b>55</b>	<b>178</b>	<b>592</b>	<b>1483</b>	<b>2169</b>	<b>3427.6</b>	<b>1050.6</b>	<b>4478.5</b>
<b>TOTAL COSTS OF THE PROJECT</b>	<b>1660</b>	<b>1608</b>	<b>9087</b>	<b>7603</b>	<b>8289</b>	<b>8190.1</b>	<b>20558</b>	<b>28248</b>

## ANNEX III-H-6

PBDAC

Information System Sector

Work Paper

Includes the Concept of the Sector Development  
and Activity through the Coming Five Years

### Development Plan:

All countries were very interested in special reports on Management Information Systems and kept in mind implementing the most up-to-date system in this field in order to achieve the efficiency needed to make the right decisions at the right/proper time. Through the last decade our country has implemented MIS in all practical levels aiming to change the way we use to work in order to be able to cope with the society of the year 2000.

In order to establish MIS we should consider that the development process has several dimensions. We should consider the following main components:

1. Hardware
2. Software
3. Communications
4. Communication Software
5. Data base
6. Staff
7. Environment

There is no role in manufacturing or producing the first four components in the underdeveloped countries which we must consider when purchasing it. The most important thing is that the designer of this system is responsible for the other three elements which are staff and environment.

The Main Goal for the MIS Sector:

The main goal of any information system is to provide accurate data or information at the proper time and place. To enable establishing an up-to-date and effective information system the bank has established an MIS Sector. Responsibilities in brief are to set up the general policy for the activities of the information system at the PBDAC and the governorate banks in the following fields:

1. Computer systems
2. Documentation and microfilm systems
3. Statistical analysis and Operational Research

The primary concept for the main features.

The PBDAC has different activities which are spread out all over the country. The PBDAC has:

17 BDACs governorates

148 Branch banks

771 Village banks

4307 MADONIA

Therefore, the bank should use a developed information system. A system using up-to-date methods and equipment/computers to be able to cope with the nature of the developed and progressive technology. The sub committee for MIS which was formed by decree No. 114 dated 6/30/76 and was branched out from the principle committee of the APCP - has prepared a primary concept for the development plan. The concept includes the followings:

1. Presenting the bank activities
2. Evaluation for the current situation according to the systems of keeping and processing the data.

3. A primary concept and the main features for establishing and designing an information system including statistical systems and computer systems and documentation and microfilm.

The sub committee indicated in its report the primary needs to establish this system and also indicated that the system design should be conclusive and the execution of the plan should be gradually in three steps.

Short term, Medium term, and Long term plan

The committee also prepared a primary system for financial and training needs. The MIS sector has proposed that studies should be prepared on strategic development for the MIS and their medium and long range plans (which include using the computer in the implementation of accounting system and the General Ledger beginning in the Kalubia bank and then at the other banks). Short range plans should begin immediately as follows:

- Finish setting up the structural organization for the MIS sector as this was accepted by the Board of Directors and approved by Mr. Deputy of the Prime Minister and the Minister of Agriculture and Land Reclamation.
- Provide the financial budget needed for the sector to enable finishing the procedures of appointing the needed technicians for these jobs.
- Providing the sector with the necessary needs previously required from the banks administration such as equipment, furniture, etc.

The main center for development in the sector should be provided with medium size computers like the one installed in the governorate banks in order to serve the banks activities related to the development of systems and programs various implementations.

- Preparing two training rooms with personal computers numbering not less than 10 (computers) including printers and software which should be chosen by the sector according to the banks needs.

One of these two rooms has already been prepared and has been provided with P.C.s needed for training in this field.

- Prepare a laboratory for documentation and microfilm.
- Establishing the laboratory and training rooms such as the previous ones but with less capabilities in the governorates and sectors. Total personal computers needed will be 130 PC's distributed as follows:

17 Governorate x 5	=	85
MIS Sector x 10	=	10
10 Sectors x 3	=	30
4 branches x 2	=	8
2 Islamic branches x 1	=	2
		-----
TOTAL		135

The main reason for this is to activate the role of supervising data in the governorates so they can practice their jobs as a link between the governorate banks and the PBDAC.

- The requirements for manpower and specialists for short and medium term:

The sector needs the manpower to manage it in the field of computers, documentation, and microfilm, statistics, and operational research to be trained and prepared to do their jobs/roles. It also needs a number of specialists and trainers in the fields of:

\* Computers

- System analysis and design
- Program planning
- Database
- System and programs of networks

\* Microfilm

\* statistics and Operational Research

- A number of technicians in the computer field have been appointed at the PBDAC and governorate banks with approval from Eng. Chairman of the Board of Directors, for the current stage according to the needed specifications as follows:

- Three graduates from University - preferred - Bachelor of Business/Engineer/Math/Science
- Three High Diplomas
- Diploma - in Commerce/Agriculture/Industry

This appointment is intended for the technicians at the governorate banks and sectors which are included in the development plan. They have also been provided with PC computer units for keeping the microfilm to be used in these places beginning at the governorate banks as a first stage for development in the APCP at these places (12 governorate banks) which are:

Kalubia, Sharkia, Behera, Gharbia, Kafr El Shiekh, Damietta, Menoufia, Dekahlia, Giza, Beni Suif, Assiut and Sohag.

- The candidates for these positions should be chosen from inside these banks and be either permanent or temporary positions. These candidates will be tested after that to make sure that they are qualified for the jobs. In the case that there are not all of the numbers that are needed - we can take people who have the desire to work in this field and appoint them with temporary contracts. After they have been qualified for the work we will appoint them permanent contracts.

#### Development Plan:

The development studies to establish a Management Information system with regard to developed studies at the PBDAC and governorate banks requires intensive cooperation between the technical teams and the system users, bank sectors and branches. Therefore, the MIS sector presented the proposals of forming the committees for MIS and its three levels as follows:

1. The highest Committee for MIS:

The decree of the Chairman of the board of Directors, No. 54, dated 10/22/1987 has been issued to form a high committee for MIS. He will be the Chairman of this committee and the member will be Mrs. Deputy of the Chairman of the Bank and chief of the Sector from the Chairman of the Governorate bank and representatives from outside the bank. This committee will be responsible for:

- Setting up the general policy for information systems at the FBDAC and the units related to them, the governorate banks and their branches.
- Approving the plans and projects of developments.
- Granting approval for the groups of the development projects to travel.
- Granting approval for needed budgets.
- Following-up with the execution of the plans and projects
- Any other subjects related to this field or transferred to it by the Chairman of the bank.

2. The Committee for Managing the Projects of Development of MIS:

A decree has been issued by the Chairman of the bank - No. 59, dated 10/27/87 to form a committee to manage the projects headed by the deputy of the Chairman of the Board of Directors. Members include some of the Chiefs of the sectors of the bank and the Chiefs of the technical committees for MIS. This committee will be responsible for the following:

- Supervising the directing the project plan for developing the information system at the FBDAC and the banks related to it at the governorates.
- Preparing the projects budget plan necessary for development projects, and following it up after receiving approval from the high committee.
- Approval of the executive plan for the work of the technical committees.

- Follow-up the work of the technical committee on specialized committees to help them to overcome any problems and to seek their needs (administrative expenses, transportation expenses) related to the studies which the committees are performing in different places.
- The financial and administrative works necessary for managing the development projects.
- Preparing a three month report for the work of the committee to present it to the high committee.
- any other subjects related to this field.

### 3. The technical committee for MIS

Decree No. 60 - dated 10/27/67 has been issued by the Chairman of the bank for forming the technical committee for information systems. This committee includes all of the technical committees specialized in the following fields:

1. The committee for the Computer Systems-
  - a. The sub committee for systems analysis and design.
  - b. The sub committee for processing systems, networks and equipment
2. The committee of documentation and microfilm
3. The committee of statistics and operational research

These committees are responsible for:

- Preparing the technical studies necessary for designing MIS at the PBDAC and the banks related to it in the governorates. This study is needed to prepare the tender documents for the proposed systems and the requirements for some of these systems from devices and equipment (hardware) and the training needed for the technicians and users of the systems; also the condition of maintenance needed for the equipment and networks, and also the environment preparations for the sights being prepared for work processing.

- Setting up the executive plan in order to achieve the technical and field studies.
- These committees will be directed in their studies by the results of the work of the data committee formed by decree No. 22 in 1987.

The Ninth Article states:-

Mrs. Chief of Sector and Chief of governorate banks is to cooperate with the technical committee in the work and charge the specialist and the responsible people for data in the PBDAC Sectors and departments, and supervisors of information and statistics at the governorate banks to provide the sector of the information system and technical committees with all there needs from the data related to its mission in the analysis and design of the updated systems.

- The committee presents to the committee of project management a periodical report (monthly) indicating the results of the work.
- These technical committees should end their work no later than 9/30/88 and present the results after having them approved by the management committee and the high committee. Then it will be put in the tender document to indicate the needs of the bank for equipment/devices etc.

### Training Plan

The MIS sector has a detailed plan for training and preparing technicians in the field of information systems which includes training sessions - - - high and medium management levels and supervising levels. Also preparing the technician with data from the bank. The sector is currently coordinating with the training department to prepare to execute the training plan. which has been prepared for the training year 87/88.

Three specialized sessions have begun already in the training room in the MIS sector of the Bank. This room has 10 computers in it.

The sessions held are divided into:

1. Management Session
  - a. Session for high management levels
  - b. Sessions for medium management levels
  - c. Session for first supervisory levels
2. Sessions to prepare the managers of information centers
3. Sessions for the mechanization of office administration and data input and processing
4. Specialized session in the following fields:
  - a. computers
  - b. Documentation and microfilm
  - c. Documents, libraries, translations and publications
  - d. Statistics, quantitative methods and operational research
  - e. Preparing technicians in the field of maintenance environmental preparations
  - f. Preparing technicians in the maintenance of electronic equipment

Attached is a copy from the training plan also of the detailed plans and timetable for the technical study to develop and establish information system at PBDAC and governorate banks in the following fields:

1. computers (system analysis and design - processing, equipment and networking).
2. documentation and microfilm
3. Statistical systems and operational research

These committees will commit themselves to the development priorities defined by the committee of managing the projects of developing the MIS and the high committee for MIS for the banks activities and their various sectors.

Follow-up is being performed now with the Sector of Planning, Organizing and Training for the execution of the recommendations of the high management committee in its meeting held 9/14/87 to change the organizational structure and the positions for MIS in the banks sectors, the governorate banks and their branches. Therefore the departments and sections in the branches and village banks must be responsible for some of the duties of the MIS sector especially; in work that is related to (documentation, microfilm, computers, statistics and operational research).

Chairman of MIS Sector

Signature

Ahmed Ragael El Maraghi

## ANNEX III-H-7

Principal Bank for Development  
and Agricultural Credit (PBDAC)

The Component of  
Management Information Systems (MIS)  
In the Second Agricultural Development Project  
'SADP)

### I. The "MIS" Development Plan in PBDAC

The Board of Directors of PBDAC has adopted an MIS Development plan to be introduced in the Central Bank (PBDAC) and its branches (BDACs) in the governorates in three phases:

Phase I	:	1988 - 1990
Phase II	:	1991 - 1993
Phase III	:	1994 - 1997

#### A. Aims

The aim of this plan is to collect all the information and data needed to enable the staffs of PBDAC & BDACs to make the correct decisions and find suitable solutions for the problems facing them in serving approximately three million farmers who receive services and in-kind or cash credits for 68 activities which are applied by PBDAC and its branches (BDACs) in the governorates.

#### B. Components of the Project

##### 1. Computer Systems

- a. One central main frame to be established at PBDAC.
- b. 20 super mini-computers; one for each BDAC, to be installed in three phases, starting with the BDAC of Qalubiya Governorate and the software development sector at PBDAC.
- c. 150 personal computers for Bank sectors and governorate banks.
- d. 1200 personal computers to be installed at 150 district banks for data entry (or 150 mini-computers, each connected to eight data entry stations).

##### 2. Microfilm Centers

- a. One center to be established at PBDAC.
- j. One center in each BDAC to be established in phases.

3. Microfilm Lab

To be established at FBDAC.

4. Statistical Analysis and Operations Research

To be established as an institutional activity in the MIS sector at FBDAC, for the analysis and research work for the Central Bank and BDACs.

5. Facsimile System

To be used for sending copies of documents between FBDAC and BDACs to accelerate the flow of information.

6. Training Activities

One new training hall is to be established at FBDAC for training on computer systems and MIS development plans, beyond the existing hall.

C. Committees Established for the Supervision of MIS Systems Plans

1. A central committee headed by the chairman of the board of Directors of FBDAC has been established to set up the strategy of the project development plan, and to determine the priorities for implementation.
2. A committee headed by the vice chairman of the Board of Directors of FBDAC for the administration activities of the project and the follow-up of the development work plan has also been established.
3. A Technical Committee for the studies needed for the development of the project was formed. It proposes the workplan to be submitted to the previous two committees and revises the specifications and terms of reference put for tenders before advertisement for procurement.

D. Implementation

Implementation of the project has been proposed in three phases:

a. Phase I: 1988 - 1990

1. Completion of studies prepared by the technical committee; preparation of specification books of tenders for the procurement of equipment, hardware and software needed for the project;
2. Formation of committees responsible for the administration, follow-up, and preparation of the technical, legal and financial aspects of the project;

3. Consideration of studies suggesting that the whole design of the project should be integrated, but the procurement of equipment needed should be made in stages to complete the implementation as planned in three phases;
4. Selection and preparation of the sites in which the computers and microfilm equipment will be placed;
5. Preparation of a new training hall at FBDAC with the necessary facilities for training on computer and microfilm systems and other MIS development plans;
6. Establishment of the main frame computer at FBDAC;
7. Establishment in phases of the super mini-computers at PBDAC and BDACs, starting with the Qalubiya Governorate BDAC;
8. Introduction of the computer systems in the implementation of accounting systems, general ledger systems, and subsidiary accounts systems in Qalubiya BDAC and testing of the operation of these systems in the BDAC including its integration with FBDAC as a model to be replicated gradually in other BDACs.

b. Phase II: 1991 - 1993

1. Introduction of the computer systems described in Phase I under paragraphs 7 and 8 in phases in the other BDACs.
2. Introduction of the appropriate computer systems in the branch banks in the districts, starting with 30 district banks, linking them with the computer systems at the BDACs to provide the district banks with data entry systems.
3. Physical transfer of media between districts and BDACs as a preliminary step until the establishment of communication lines for MIS.

c. Phase III: 1994 - 1997

The introduction of computer and MIS systems in all district banks and in the village banks will be extended gradually according to financial, human and environmental facilities provided to the project and according to the availability of communication lines between the governorates, the districts and the villages.

Until this network is completed, a number of data recording systems will be available for use.

#### E. Training Program

The training plan for the technical personnel who are participating in the implementation of the MIS development plan has been agreed upon with the training department and the senior training board. Training programs have started and are now being conducted in FB DAC for the different administrative staff and the technical staff of the project.

#### F. Project Financing

The preliminary estimate for the budget needed for financing this project is about \$28.5 million, approximately \$20 million of which is foreign currency.

Foreign currency will be provided from several sources, namely the AFPCP and the Second Agricultural Development Project.

### II. The "MIS" Component in the Second Agricultural Development Project

The Second Agricultural Development Project (SADF) will contribute to the MIS development plan by providing about \$8 million received from the African Fund Loan No. CS/ARE/85/14.

During 1988/1989 to 91/1992, the project is prepared to finance the following activities in this field:

1. The establishment of the main frame computer for FB DAC;
2. The establishment of seven super mini-computers for seven Governorates;
3. The procurement of 1200 PCs for FB DAC and the BDACs;
4. The establishment of a microfilm lab and microfilm centers in FB DAC and the BDACs;
5. Establishment of a training hall at FB DAC;
6. Procurement of software for the computers (programs, discs, etc...); and
7. Procurement of vehicles for the project.

### III. Budget

The attached budget is prepared to cover the local and foreign expenses during the period 1988/1989 to 1991/1992. It was sent to the Ministry of Planning for ratification.

Project Director

(Eng. Adel H. Ezzy)

## ANNEX III-H-2

### Responsibilities of Information Sector

Responsible for:

- A. Setting up the general study for the activities of the information system for the PBDAC, and governorate banks, approving it and then executing the study.
  1. knowing what data and information is needed from the proper sources and at the proper time in order to complete the work requirement.
  2. Collecting the needed data and making an analysis to be sure that it is in order.
  3. Designing the statistics record and cards to be able to develop and store the information so that calling it back will be made easy. This is done so that the various sectors of the PBDAC, its branches, governorate banks and units will be able to be informed.
  4. Preparing the statistical studies and research which is related to the PBDAC and governorate bank activities. Also preparing the periodical reports and information according to the up - to - date data which is received.
  5. Preparing all of the necessary communications with the concerned parties to be able to compare statistics and also the necessary reports.
  6. Prepare special studies on the nature of the collected information and obtain the results in order to make the right decision.
  7. Executing the statistics programs which have been chosen and then supplying CAPMAS with all of the requested statistical data. Also executing the regulations organizing the work of CAPMAS according to the organizing decrees which were issued for this purpose.
  8. Prepare the necessary plans in order to execute and operate the different operations for all activities at the PBDAC and governorate banks on the computers.

7. Studying all of the problems of the implementation of the work systems and participating in solving these problems with the administration and other concerned parties.
10. Communicating with the other concerned sectors to study the operations which could be executed on the computer and then preparing these studies.
11. Studying and analyzing the current work systems and evaluating them in order to develop them to cope with the capabilities of the computer.
12. Preparing the charts which indicate the sequence of operations and the IP/OP and the stages of execution.
13. Designing the systems and programs needed to operate the different equipment on the computer according to the quality and nature of the used data.
14. Reviewing the statistical documents, and forms which are received from the different sections and assigning them numbers before being sent to the computer section.
15. Designing forms and records which will enable us to obtain the required data for the computer - with the concerned sectors.
16. Prepare the systems used to supervise the processing procedures in order to obtain the best and most effective results.
17. Design the cards and record the necessary data on them with the punching machines.
18. Keeping documents and cards secure after operation is finished.
19. Defining the information systems requirements from computer referrals.
20. Designing and specifying the technical specifications and performing the maintenance networks for transferring the data and its programs and operating and securing the processing of the network for all applications of the PBDAC and governorate banks with the concerned parties inside and outside of the bank.

21. Supplying documentations and publications (books and references) used in the field of this work. Preparing programs to benefit from the information found in these publications.
22. Describing the books, documents, references and then indexing them. Prepare booklets related to the activities of the PBDAC and its branches.
23. Prepare the yearly announcement and distribute it to the concerned parties. Also supply the researchers with a copy and prepare encyclopedias for documentation.
24. Provide the library staff with required announcements and references and then setting up rules and regulations for the handling and updating of the information.
25. Prepare forms of agreements with the scientific organizations so as to have their support in the field of publications.
26. Translating the books and articles according to the work requirement and writing the letters in the necessary foreign languages.
27. Organizing different operations for keeping documents, files, papers and records.
28. Preparing the plans and programs related to the use of microfilm system and then choosing the best way for photographing the document and organizing the ways of keeping it (securing it) to be able to call it back whenever necessary.
29. Following up the technical development in the field of devices/equipment and defining the specifications for the computers and networks. This should be done in order to transfer information which achieves the unity of measurement and integration between it and the other computers at the PBDAC and the governorate banks and their branches. Also in joining in the preparing of the contracts of buying these systems and equipment.
30. Preparing the yearly planning budget for information systems and informing the other concerned sectors and departments about it on time.

31. Joining the department of administration of Financial Affairs in doing the financial procedures related to the projects, contracts, purchasing and warehousing - concerning the sector work.
32. Defining the training requirements for the activities of the information systems in the field of using computers, documentation systems and microfilm, statistics and operational research and then following up on the programs with the training team at the PBDAC and governorate banks.
33. Following up on the technical performance of the information systems department at the PBDAC and governorate banks.

The organization structure for the Information Sector consists of:

A. General Department for Documentation and Publications.

It is responsible for:

1. Supplying the library (section of documentation and publication) with the different books and periodical references through gifts or buying from local market or outside the country. Also receiving updated references, books in this field.
2. Description of documents, books, and references - and then indexing them. Informing the other sectors and departments about the indexing or any changes that have been made.
3. Preparing a special program to provide the users of the library with the required references. Giving them the necessary instructions of the borrowing system inside and outside of the bank and all data and information needed for the study and research.
4. Preparing an encyclopedia of documents.
3. Organizing the group of references so as to be ready for the library users.
6. Preparing the library with the necessary equipment needed to keep reference books, etc.

7. Preparing a system for keeping the necessary indexes in order to serve the library users.
8. Preparing the form of agreement with the Scientific organizations.
9. Preparing periodical announcements, booklets, research, relating to the activities of all sectors and departments at the bank level.
10. Prepare the yearly announcement for the documentation and publication activities in Arabic and other foreign languages and then distribute it to the concerned parties.
11. Preparing the systems for supplying the researchers and others with scientific analysis in case of problems which are related to it.
12. Contacting the scientific organizations which could help with the publications.
13. Performing the technical work related to the documents and books before they are sent to be printed.
14. Translating from a foreign language to Arabic and vice versa.
15. Translating the books, articles and research according to the needs of work to be performed. Also writing the letters in foreign languages and helping the other departments and sectors in translating their work if needed.
16. Preparing the plans and programs to use the microfilm and choose the best ways to photograph the documents and the best way to secure the film for future use.
17. Making sure that the equipment used for the microfilm is working properly and checking on this periodically and obtaining the necessary maintenance people if required.
18. Evaluating the annual needs of spare parts and equipment for microfilm.

The organizational structure of the department of Documentation and Publication consists of:

- a. Documentation and microfilm department
- b. Publication department

A. Department of documentation and microfilm:

It is responsible for:

1. gathering the documents, records and data which serve the PBDAC from the different sources - inside and outside of the bank - then sorting it out and recording it.
2. Describing documents in a way to indicate the elements and contents and preparing an index for it.
3. scientific analysis as to what the documents include.
4. Gathering, sorting, describing and keeping, and calling back - laws, decrees, documents, records, books, and references which serve the goals of the bank.
5. Joining the other departments of the bank in developing the systems of documenting and storing the microfilm.
6. Joining in the choosing of devices and equipment of documentation and microfilm.
7. Using and operating the equipment (documentation and microfilm) storing and securing it.
8. Preparing an encyclopedia for documents in order to show the documents that have been gathered, the places of activity. Also making the appropriate amendments to them.
9. Preparing the necessary rules and regulations organizing the work in the library and keeping the books, documents, references etc. related to the activities of the PBDAC and governorate banks in a way to enable the users to get the maximum benefits from it.
10. Submit the library with books which serve the purposes of the PBDAC and state the rules to organize the handling of it.

11. Contacting the scientific organizations locally or abroad and preparing the agreement to obtain the needed references to be able to use it and achieve the goals of the PBDAC.
12. Improving the execution of the banks plan by providing the technical documents (specialized books, scientific and legal announcements, bibliography lists and setting up the regulations and rules which will ensure its security.
13. Review the contents of the technical documents with someone in the producing companies periodically in order to be sure that all published amendments are done and in their place.
14. Utilizing up - to - date scientific ways to sort, store, and handle bibliographic research in data base - in coordination with the concerned parties inside or outside of the bank.
15. Preparing a system for recording the contents of the library, stamping it, preparing the indexes and cards. Supervising all of the above.
16. Preparing a periodical memo letter by the names of new books and references, and preparing a card for each which includes a summary for the most important subject which the book deals with in order to facilitate the borrowing procedures.

b. Department of Publication

Responsible for:

1. Procedures necessary for the laws and regulations and directions related to the field of the work at the PBDAC and its branches - to be published.
2. Issuing the monthly newsletter.
3. Preparing periodical announcements, studies, booklets and research related to the activities of other departments and sectors at the PBDAC and also the translations at the bank level.

4. Preparing the yearly announcements for the publication activities either in Arabic or foreign language and then distribute it to the concerned parties.
5. Contacting the scientific organizations which can be helpful in the field of publications.
6. Translating from a foreign language to Arabic and vice versa.
7. Translating books, articles, printed matter, announcements, research according to the needs of the work. Also writing letters in foreign languages and helping certain departments in translating anything that may be needed.
8. Keeping the data and information confidential and working through the rules and regulations issued.

#### General Department for Computers:

Responsible for:

1. Studying and analyzing the current system and evaluating it in order to be able to make the necessary changes. Mechanize the system.
2. Joining the other concerned departments and sectors in studying the operations that could be processed on the computer.
3. Preparing the necessary plans for analyzing and designing the different programs for the various operations according to the computers capabilities.
4. Preparing the necessary programs for the computer.
5. Preparing plans for processing the operations on the computer according to work needs.
6. Designing forms and records which will enable obtaining the required data from the computer with the concerned departments.
7. stating the numeric directory for the data that will be processed.

8. Reviewing the statistics, documents, and forms which are received from the different departments and filling it out as necessary before storing it in the computer.
9. Preparing a flow chart to indicate and follow up with the different operation at the PBDAC and governorate banks and showing the input, output and processing.
10. Studying the problems of implementing the system and helping to solve these problems with the general department for administration and organization and other concerned departments.
11. Preparing the necessary study, to define the needed data for the different management levels with consideration to quantity, quality, the right time to obtain and process it for making a decision.
12. Designing the cards and filling them out with the machine used for this purpose.
13. Storing the documents, cards, tapes - after processing according to the regulations issued for that purpose.
14. Defining the needs of the computers and the various equipment (supplies etc.)
15. Following up with periodical maintenance and performing the necessary periodical inspection for the equipment.
16. cooperating with the Statistics and Information department at the PBDAC and governorate banks in order to obtain the information at the right time and on time.
17. Following up with the up - to - date technical development of the equipment and defining the specifications for the computers and their units and networks for information transfer. Also joining in the preparing of the contracts when buying this equipment.
18. Following up with the up - to - date technical development in the field of equipment, systems, processing and using data to define the possibility of implementing it.

19. Knowing the standard of unity and measurement for equipment, and the programs which are used to store the information.
20. Following up with the execution of structural and installation work and the maintenance for the network of the transfer of information which the specialized companies perform. Also defining the requirements of maintenance, and preparing programs for all of this work.

The general Department for Computers contains the following information:

- A. Department of Systems and Programs
- B. Department of Preparing Data
- C. Department of Operations and Processing

A. Department of Systems and Programs

1. Studying, analyzing, designing and developing plans for the use of computers at the PBDAC and governorate banks and their branches and making the necessary coordination according to the plan for the integrated information system.
  - a. Designing, Analyzing, and developing the systems and performing the necessary maintenance in the frame of the plan of developing the work system at the bank and their branches.
    - Gathering documents, files, and reports related to the current work system. Organizing it and putting it into work files in order to make it easy to study and analyze.
    - Analyzing the current systems and organizing the new systems/amendments which will be incorporated into the existing systems.

- Organizing the system of work of the manual archives which are related to the implementation. Developing ways to put it together, connect it easily, and then preparing the financial plans for the computerized systems and supervising the execution of this with the other departments.
2. Preparing the basic processing program and organizing the electronic files and data base:
    - a. Introducing a system to build up the used files and approve the proposals for starting new files.
    - b. Studying the amendments for the processing system (the data in the files which control the system).
    - c. Joining with other concerned departments in choosing the programs when redesigning and reorganizing the files.
    - d. Analyzing the computer output statistics which are related to the implementation in order to define the file amendment system.
    - e. Analyzing the results of processing the programs and proposing the necessary amendments.
  3. Using the technical methods according to the rules of data base to design and connect the recorded data in the different files with the systems analysts and programmers:
    - a. Preparing indicating charts for the executed operations by the computer for the different activities and the sequence of their stages. Also the input/output and the stages of processing.
    - b. Preparing the studies for the design of main forms and records which are used to record the data required for the computer with the specialized departments and approving it.

- c. Studying the proposed amendments with the programs and data base and making sure that they are qualified for the job.
  - d. Cooperating with the banks departments which are concerned in organizing data base. Also sharing in its study and development.
4. Designing, choosing and developing the programs according to the processing plans:
- a. Designing the code for the data and its files, preparing the program flowcharts and choosing the proper language for each program. Designing the auxiliary organization programs.
  - b. Succeed in achieving the logical connection between the different programs which are related to one another.
  - c. Defining the best component of the devices and equipment which will be used for each program.
  - d. Joining with other concerned departments in the analyzing and designing of systems to find the processing requirements.
  - e. Reviewing the program timing and all of the regulations and indicators necessary to supervise the program process.
  - f. Studying the proposed amendment for the programs and making sure that they are qualified/accurate.
  - g. Following up with the scientific developments in programming and preparing software and using new languages.
5. Following up with the up - to - date technical developments in the field of computers and their equipment. Also the electronic systems and defining the optimum descriptions for computers and their local equipment and networks for the transfer of information so that integration will be achieved between this and the PBDAC and governorate banks equipment. Also joining with other concerned departments in all contract work for purchasing this equipment.

- Sharing in designing and the functioning of the computers networks and their programs. Studying the protocol of communications for these kinds of networks in order to achieve the coordination needed between them.
- Studying and stating the technical descriptions for auxiliary and linking equipment (in order to connect the communication channels.)
- a. Securing the continuation of the programs of information transfer network and the functions of the auxiliary equipment on the country level to ensure its efficiency.
- b. Joining in the work of the committees (for studying the development in the field of organizing information) and using the computer in the different implementations at the bank departments.
- c. Joining the committees performing the technical studies for computer systems and networking programs and terminals.
- d. Factors concerning specification measures at the local and universal level.
- e. Studying and stating the optimum specification standard for the equipment and programs which are used for storing, processing, restoring and documenting data at the PBDAC departments and governorate banks. Following up the technical development in this field.
- f. Studying and stating the optimum standards and protocol used for networking data transfer at the bank in order to achieve the link of operations for the integrated information system at the bank and governorate banks by coordinating with the concerned parties and the wire and wireless communications authority.
- g. Joining in the tenders with the committee which chooses the best offer for supplying devices, equipment, programs and all of the preparation for computer systems with all bank departments according to the laws, regulations, rules and systems organizing the work in that field.

- a. Joining in with the other concerned parties in forming the items needed which are related to the technical side of purchasing contracts for the computers, peripherals and systems programs and software.
- b. Joining in with the other concerned parties/committees to inspect and receive the equipment, programs, and then following up with the carrying out of these contracts.

B. Department of Data Verification and Preparation:

This department is responsible for:

1. Designing the supervising procedures which ensure the verification of data before processing it.
2. Reviewing the key numbers for the data required to be processed and ensuring that they are correct.
3. Supervising the work of receiving and handling the data and the forms - preparing it and then delivering it to the concerned parties.
4. Receiving the output from the department of operations and processing - preparing it, and then delivering it to the concerned parties.
5. Contacting data resources continuously to ensure the accuracy of carrying out the work at the right time.
6. Studying the problems of the implementation of the systems and participating in solving them with the systems and programs departments.
7. Studying the remarks which have been found during the verification phase and preparing data which effects the use of the computer.

C. The Department of Operations and Processing

This department is responsible for:

- a. Operating the computers and its peripherals - also the installation.
  1. Organizing and coordinating the work of this section, evaluating the performance and developing its capabilities.
  2. Keeping accurate records about using the devices and equipment.
  3. Joining in with other concerned departments in defining the periodical times to receive and organize the data and the output for the different systems and coordinating this with the process supervision.
  4. Preparing daily and periodical timetables for operating the computers and its peripherals according to the prepared programs and work timetable and then informing the processing supervision personnel.
  5. Keeping all of the data files which have been received and processed.
  6. Making sure that the integration of all files, tapes, and disks is performed.
  7. Complying with the procedures and technical methods of processing and reviewing the results in order to avoid reprocessing.
  8. Ensure that the security procedures are performed well to avoid any danger to the safety of the equipment and installation.
  9. Maintain data and tables concerning the available capabilities so as to use it when planning the computer systems and programs.

10. Defining the processing needs for supplies, personnel, equipment and then supervising the use of these needs.
11. Joining in with the concerned parties in preparing time tables for periodical maintenance for the computer and its peripherals which achieve the processing plan with the least cost and minimum mal - functions.
12. Carrying out the operations and time tables of processing, and then supervising the results of the periodical programs and amending them if needed.
13. Supervising the receiving and handling programs for documents received from the data verification department and then sending the output after the data processing.
14. Supervising the library of programs and magnetic files and coordinating with the systems and program department and processing department in order to achieve the technical security for the files.
15. Supervising the standards of performance of the department and proposing any changes.
16. Supervising the input of data and the system of follow up related to it.
17. Analyzing the statistical performance and informing the concerned departments and then stating the proposal and recommendations in these affairs.
18. Preparing the reports indicating the needs of equipment, installation and personnel.
19. Performing the periodical and yearly maintenance for the devices and equipment, the computer installations and also sharing in the preparation of the yearly needs of spare parts and supplies necessary for maintenance and repairs.

20. Preparing the rules and conditions for the maintenance performed by the specialized companies and then following up with the execution of it. Organizing the methods of informing about the mal functions and following up with the repair operations. Recording the number of hours per mal-functions in order to execute the penalty conditions included in the contract. Stating the forms and records, and data necessary to complete this work.
  - a. Preparing records.
  - b. Studying the cases of mal-functions which effect the efficiency of performance and then performing the necessary procedures to avoid this in the future.
  - c. Performing the necessary maintenance for the electrical network and connections, air conditioners, ventilation equipment and all warning and fire systems. Making periodical inspections and checking operations to be sure that it is working and is in good condition. Record this in log book.
  - d. Joining in with other concerned departments in preparing the yearly needs of spare parts and maintenance supplies.
  - e. Supervising the carrying out of the installation work needed and inspecting it according to the rules which have been approved.
  - f. Approving the daily work for the maintenance personnel and presenting any problems/obstacles to the responsible persons in order to solve them.

- g. Joining in with other concerned departments in purchasing, and inspecting the spare parts and also in all of the inquiries made on any malfunctions or damage.
- h. Supervising the installation work and construction - choosing and approving it according to the technical rules and regulations.
- i. Following up on the maintenance work for information transfer networks and the terminals at the PBDAC.
- j. Preparing the rules and conditions of maintenance which is to be done by specialized companies and authorities and following it up in a way to ensure the efficiency of the work.
- k. Joining in with other concerned parties in the preparation of the yearly needs of spare parts, and supplies necessary for maintenance. Also sharing with the committee for buying and inspecting the spare parts.
- l. Following up with the maintenance operations for equipment of documentation and microfilm and making the periodical checks and inspections to ensure that it is in good condition. Recording this in the log.

## The General Department of Statistics and Operations

### Research:

1. Knowing in advance the required data and information.
2. Gathering the required data, editing it, sorting/classifying and analyzing it in order to reach accurate statistics to be able to make the right decisions at the right time.
3. Designing the statistical forms and cards to store the information on and develop it. Store it in a way that recalling it is made easy.
4. Preparing the statistical studies and research related to the PBDAC and governorate banks activities. Also preparing the periodical reports and information according to the most up - to - date data.
5. Using scientific methods, mathematical forms and linear programs for planning.
6. Presenting their opinions in the field of operational research (stating policies, plans and decision making).
7. Using scientific methods to achieve the optimum economical use for the capabilities and human resources in order to face varying situations.
8. Carrying out the statistical programs which have been approved by the PBDAC and governorate banks and supplying CAPMUS with all the required statistical data at the proper time.
9. Carrying out all the decrees organizing the work of PMAS according to the organizing decrees issued for these reasons.

The organizational structure of the Department of Statistics and Operational Research consists of:

A. Department of Information and Statistics

This department is responsible for:

1. Gathering the statistical data from the different resources and activities and then preparing the required reports about this data and information obtained.
2. Preparing the tables and diagrams for all activities of the bank.
3. Studying and defining the fields which need statistical studies. Designing samples and then checking on how to carry them out in the field and also studying the results of these samples so that implementation will be economically performed.
4. Studying the statistical forms related to the gathering of the data at all work levels.
5. Preparing instructions for obtaining the statistics (its sources, timing, cycle) and following it up with the departments at the bank.
6. Developing the statistical services in order to reach a better level of performance.

B. Department of Operational Research

This department is responsible for:

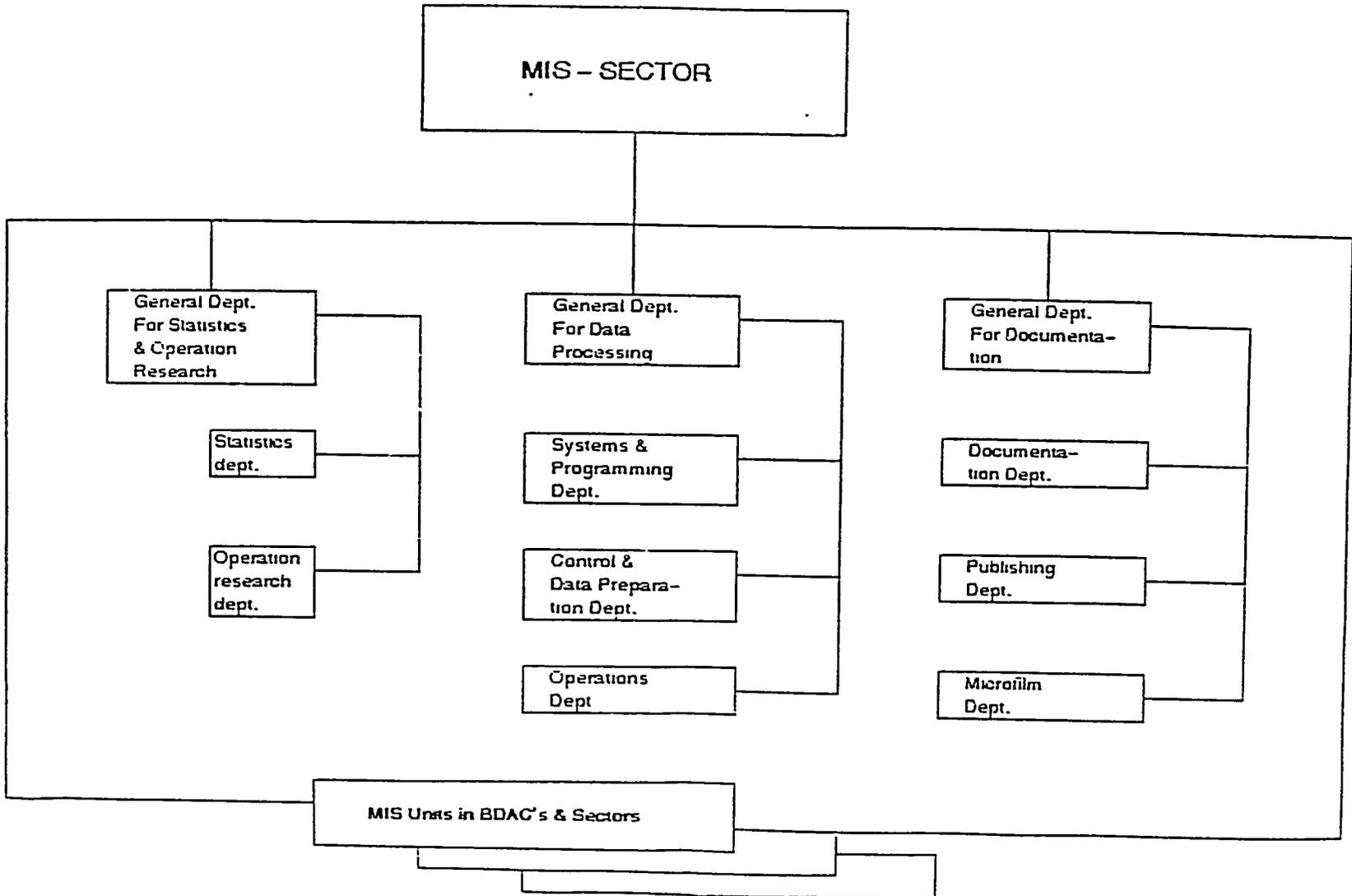
1. Using scientific methods and mathematical forms in preparing the required research.
2. Using imitation and linear programs in planning.
3. Offering opinions in the field of operational research whenever it relates to planning and decision making.
4. Using scientific methods to achieve the optimum economical use for resources and personnel.
5. Facing the varying situations with the optimum use of financial resources.

C. Department of Central Statistics

This department is responsible for:

1. Carrying out the statistical programs which have been approved for the PBDAC and governorate banks.
2. Providing CAPMAS with the required statistical data and information.
3. Carrying out the statistical and analytical studies and evaluating them in order to state the banks policies and plans.
4. Executing the organized decrees which have been issued for PMAS and how to implement them.

# MIS Organizational Chart



ANNEX III-H-10

PBDAC  
Planning and Organization  
Organization Department

Decree No. 11 - 1987

Mr. Chairman of the Board of Directors - Bank of Development and Agricultural Credit Governorate.

In developing and up-dating the system of work at the PBDAC and its branches the committees responsible for developing the APCP found that it is necessary to prepare technical staff needed to cope with the rapid development movement at the PBDAC which will be responsible for the following main operations:

1. Documentation, publication and microfilm
2. Computers
3. Information, statistics and operational research

This will begin at the governorate banks at the first stage of development which include:

Kaluybia - Sharkia/ Behera/ Gharbia/ Kafr El Sheikh/  
damietta/ Manoufia/ Dekallia/ Giza/ Beni Suif/  
Assiut/ and Souhag.

This technical staff will be the direct link between these banks and the information system section at the PBDAC. The PBDAC will test, train and supply the staff with the procedures and systems of the work.

It has been decided that these banks are responsible to provide the requirements from the different qualities of employees needed for this stage according to the following numbers and specialties:

1. Three University graduates - - - it is preferred that they be graduated from a business faculty, engineering faculty, or mathematics - bachelor of Science.

2. Three persons having high diplomas in Commerce, Industry and Secretarial work.
3. Three persons having a diploma in commerce, agriculture and industry.

Since the current approved organizational structure for the banks include the activities of information, publicity and documentation, it is necessary to alter and change the components of these activities. (Understand) that the activities indicated in this paper is what the organizational plan is studying now.

In order for the information systems at the FBDAC to perform successfully and fulfill their responsibilities - dependence will be mainly upon the different data collected from the other governorate banks and their branches.

Therefore, we will appreciate being informed about the following:

#### First

The ability to have the numbers of employees and specialists indicated from the available current employees in order to carry out the job without asking for any additional numbers of employees (from outside the bank).

#### Second

In case we must ask for additional number of employees, we can have them from the employees appointed with temporary contracts if they are qualified for the jobs.

#### Third

In the case that our needs are not fulfilled by the first and second statements above, we can seek out people interested to do this kind of work and then appoint them with a temporary contract. If they are satisfactory, we will get them a permanent contract.

We hope that the number of candidates which will be responsible for doing the work on the computers and microfilm will have a good amount of experience and will know the procedures to follow - either by having a degree in this field or by attending training sessions. Persons with experience/degrees will have priority when it comes to nominations. If we do receive qualified candidates, they will be trained on the equipment and the training session will be held at the PBDAC. These sessions will indicate if they are well enough qualified or not.

Would you please inform us by the names of the candidates and their job descriptions and experience. Also whether they are permanent employees, or on a temporary contract or have they never worked at the bank.

Chief of Planning and organization Sector

Signature

Mohamed Wagdi El Seaidi



ANNEX III-H- 11

DEVELOPING  
A SENSIBLE STRATEGY  
FOR  
PBDAC BUSINESS COMPUTERIZATION  
AND PLANNING  
FOR  
PBDAC MIS / DP SECTION.



PREPARED BY:



SAAD A. NASR, MIS SPECIALIST

SFPP - MIS COMPONENT

Cairo, Apr. 21, 1986



Small Farmer Production Proj

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EXHIBIT 4 : MIS/D<sup>3</sup> ORGANIZATION CHART

## I. EXECUTIVE SUMMARY

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The SFPP Management is currently launching an expansion programme of the SFPP credit extension and packages in Assyout Governorate Bank. With this expansion, the SFPP project will be documented and formalized for replication by PBDAC at the rest of the Branches.

The expansion programme features the implementation of a manual credit and accounting procedures at the village bank level, and a computer-based credit extension system at the Governorate Bank level. Both of these will be implemented at Kalyoubia.

The introduction of computer hardware at the Principal and Governorate levels will order many changes which deal with policies, methods and procedures, organizational changes, human resources, as well as needed training.

PBDAC total participation in the implementation process and commitments are critical to the success of this SFPP undertaking to the extent that delays could inhibit the SFPP Management from completing this project by the end of July 1987, leaving PBDAC with the responsibility of completing any delayed and late task(s).

This report presents PBDAC Management with all the required actions which will lead to the launching of the Kalyoubia project. The issues raised herein require PBDAC to take appropriate decisions within three weeks' time permitting the implementation process to start by July 1986.

The SFPP Director, Co-Director, MIS Specialist and other SFPP team members are ready to devote their time to assist PBDAC Management to deal with the issues raised by this report, and the associated actions required.

## II. INTRODUCTION

---

In 1979, The Small Farmer Production Project (SFPP) was established to assist the Principal Bank for Development and Agricultural Credit (PBDAC) in increasing the productivity and income of the Egyptian small farmer. In order to achieve this objective, the SFPP identified several problems facing PBDAC, these were:

1. lack of sufficient funds for medium and long term credits;
2. lack of efficient logistics and storage facilities;
3. lack of modern and efficient management techniques;
4. lack of qualified resources in modern credit operations, credit analysis and management;

The SFPP established several policies and credit procedures aimed at phrasing appropriate solutions to the identified problems to the extent that by 1985 these policies and procedures were operating in 27 village banks.

In 1985, the SFPP contract was extended for two (2) additional years. The objectives for the extended contract include:

1. institutionalization of the project so it can stand alone and be transported (replicated) for expansion;
2. assist PBDAC in the expansion of the SFPP policies and procedures in additional Governorate Banks (8 G.B.);
3. implement a human resource development programme which would assure the availability of well trained cadres of PBDAC personnel, to carry on with both the administration and the application of the SFPP philosophy and procedures after the American Specialists are gone.

The expansion issue brought about new factors which are critical for its success:

1. Notwithstanding the expansion programme, the SFPP itself has matured enough to warrant its formalization and documentation.
2. There is an obvious need to implement a Credit System which would facilitate the wide expansion into the

targeted G.B.s, while also permitting common operations to be developed and administered under one set of personnel. If this is achieved, then the new Credit System may very well be the vehicle to the deployment of one single credit system throughout FBDAC.

3. A manual credit system is not feasible nor practical within the current environment of FBDAC. The Bank's manual operations have been themselves identified as part of FBDAC's lack of efficient modern management techniques.

Therefore, in planning for the expansion, it is obvious that the plans should include the implementation of a computer based credit system with well trained administrative support.

The Governorate Bank at Kalyoubia has been singled out as the ideal target to pilot the development and the implementation of this computerized system.

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### III. REPORT OBJECTIVES.

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This report objectives are the following :

1. Spell out to PBDAC Management the implications of introducing computers and computer based systems:
  - 1.1 The introduction of computers to PBDAC is yet another form of the SFPP technology transfer to this important Egyptian Public Sector Organization. It orders the creation of a new ORGANIZATION dynamically positioned within the corporate structure of PBDAC, delegated with proper mandate and authority to: absorb this transfer, support it, administer it, maintain and enhance it.
  - 1.2 With the introduction of computers and computer based applications, many CHANGES will be called for. They will definitely bear on PBDAC's policies, management, operations, methods and procedures. These changes are sure to be profound and their effects will not be localized. Rather, they are expected to cut across the vertical organization as well as the geographic branches of the Bank.
  - 1.3 As PBDAC becomes the owner of all hardware and software, it must reckon with substantial NEW EXPENSE ITEMS to cover further development (optional), maintenance, supplies, salaries, etc. (all required). An appropriate budget for some of these expenses will be required almost immediately.
2. Spell out to PBDAC Management the SFPP computerization plans and its rationale:
  - 2.1 PBDAC's firm COMMITMENTS to the design of the American Specialists and their Egyptian counterparts are crucial elements for success. The Specialists advisory role requires the client's acceptance before the implementation process can begin.
  - 2.2 PBDAC will be required to provide ADDITIONAL RESOURCES and support of many forms. In addition, more active participation and involvement by the Principal Bank will be required this time.

3. Set the proper expectations of PBDAC Management at ALL levels as to the exact scope of the planned work.
  - 3.1 The deliverables' will have to be clearly defined and stated to PBDAC and to all those who are formally envolved.
  - 3.2 The responsibilities of SFPP will have to be clearly delineated from those of PBDAC's for effective implementation and accountability.

To sum it up, the report's objectives are to solicit and gain PBDAC's Management acceptance and support to the SFPP plans for a computer based credit system at the Governorate Bank level, and for a revised manual credit accounting procedure at the Village Bank level.

#### IV. PBDAC AND THE ROAD TO COMPUTERIZATION.

---

In the summer of 1985, the Supreme Committee for Investments, under the chairmanship of Prime Minister Kamal Hasan Ali, issued recommendations (in directive form) to computerise the 760 Village Banks of PBDAC. The recommendations were adopted by PBDAC Board of Directors under the chairmanship of Mr. F. Rafaat and announcements were made during PBDAC summer conference which was held in Aug. 1985 at Alexandria.

PBDAC has so far participated in no less than four feasibility studies aimed at computerizing its operations. The last study by a Canadian consulting firm resulted in the purchase of two PCs by PBDAC to implement a demo for the purpose of identifying the effects of computerization on PBDAC's manual operations and the supporting staff, training requirements, and Arabisation required.

The SFPP will soon install 10 PCs for its use in training, development, and administration. One set of two (2) PC's networked to one (1) large XT will be located at the FAO offices. Two (2) additional sets plus one (1) stand-alone XT will be located at PBDAC. The ownership of all of these units will be turned over to PBDAC at the end of the project.

The SFPP is also planning to install a MICRO computer at the Kalyoubia Governorate Bank, which will be covered in other parts of this report.

As this computer proliferation process begins, PBDAC awaits to receive the report on the feasibility study from BIRO of Canada, which is expected to explode to PBDAC its options and opportunities regarding the computerization of its business operations. Until said report is issued, PBDAC will not have an effective handle on this important matter. In particular, PBDAC will not be able to judge the merits of the SFPP plans for Kalyoubia.

This situation leaves the SFPP Management with the added task of ensuring that its plans for Kalyoubia are flexible to permit:

- 1 Either the integration of the Kalyoubia model into the ultimate solution for PBDAC computerization needs;

- 2 Or, the integration of the traditional PBDAC credit procedures into the Kalyoubia model.

Therefore, the SFPP plans must now have the following additional features:

1. The Kalyoubia model must be positioned within the PBDAC options for computerization. Ideally, it should reflect PBDAC preferred alternative(s).
2. The model must be responsive to the expansion plan without the ordering of stand-alone hardware, or application software, or administrative support. Ideally, it should contribute to the standardization of the credit extension procedures and their administration at PBDAC.
3. The model must be restricted to the SFPP time and budget constraints. Ideally, it should aim at a manageable number and size of application(s), and a manageable number and type of tasks which require the phasing out of manual operations in favor of formal and disciplined systems.

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## A. DIVISIONAL OPPORTUNITIES.

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1. There are many ways to computerize PBDAC, which we will term as opportunities. We will not explore these opportunities in depth, which is by right, the subject of a formal feasibility study, and which is 'forthcoming'. We shall only mention them in brief for the purpose of this report. Furthermore, we will not qualify any one of these opportunities. It is not our responsibility to do that. Though unsolicited, we will however, give brief assessments to some of these opportunities where the SFPP plans for Kalyoubia warrant it, to permit the making of independent judgment by the responsible officials. The opportunities available to computerize PBDAC business operations are the following:

2. Principal Bank.

The opportunity at this level cannot be dismissed. Planning, budgeting, monitoring, reporting, and administration are all centralized at this level for the twenty one Branches (19 G.B. plus 4 Regions) for three seasons. The size of manual operations and associated problems, can easily justify placing medium to large computing facilities at this level. The growth pattern of the administrative support and related services has been bodybound to the extent that PBDAC has run out of physical space, and it can no longer address its growth requirements by adding more bodies.

3. Bank Branches.

Addressing the Branches needs will be a difficult task to reckon with for several reasons:

- 3.1 The pyramid organization of PBDAC opens up the scope of available opportunities.
- 3.2 The geographic locations of the branches across all of Egypt, render a high risk to the required maintenance and support.
- 3.3 Informatics personnel outside the big urban cities (i.e. Cairo, Alex. etc.) are indeed very scarce.
- 3.4 Data network alternatives which could have easily addressed all the above problems are deemed inappropriate. Egypt's current data network facilities are still at the infancy stage.

4. The previous constraints leave FBDAC with the following opportunities to address the needs of its Branches:

4.1 Regional Data Centres.  
-----

This perhaps is the most attractive option available to FBDAC and which, when dissected, may prove the most effective in addressing all the stated constraints as well as all the needs of FBDAC's Branches.

In brief, this option orders the establishment of four (4) to five (5) data centers across Egypt. Each regional center will function like a service bureau to provide computer processing services to its client users which will be Governorate Banks, District Banks, Village Banks, silos and Sawama'a, yards and shounas, show rooms, warehouses and stores within its boundaries. In addition, the regional data centers will forward processed data (summarized and/or in detail) to the Principal Bank data center, on magnetic media (diskette or tapes), or in printed report format, or both. Medium to large computer hardware configuration will most likely be required to support this option.

4.2 Governorate Branches.  
-----

FBDAC could set up computing facilities at each Governorate Bank. Each one of these will function like the regional data center. However, the "clients" of any one of these facilities are the branch members of that Governorate Bank as per the existing organizational structure. Hardware wise, a scaled down configuration will most likely prove sufficient (small to medium size computer) for this option.

4.3 District & Village Branches.  
-----

According to available statistics, there are 143 District Banks and 759 Village banks (TABLE 1). Hypothetically, installing computer hardware at either level is possible, but practically it is not. The associated costs are prohibitive:

Table 2 - Section IX Exhibits, gives terminals and disk space requirements for a typical Village Bank. The estimated cost for a PC of a medium size configuration with UPS, stabilizer, back-up facilities (tape streamer), and

a heavy duty printer is \$5,000 (estimated net price after volume discount). Thus, total hardware cost alone will amount to \$3,780,000.00 and \$715,000.00 for the Village and District Banks, respectively.

Annual maintenance costs will amount to \$378,000.00 and \$71,500.00, respectively (10% rate of net price). We suspect that no distributor will be able to cover this kind of installation base across Egypt, without having to plan for a network of maintenance centres, at substantial additional costs to PBDAC which cannot be estimated.

This option at the Village and District Bank levels, will order substantial renovations to every bank location. Renovation cost estimates can only be available from qualified contractors after inspecting each individual site.

Furniture and supplies will also be required, which do not include consumable supplies such as stock tab. paper forms, ribbons, tapes and diskettes.

If we assume that resources are readily available, some seven hundred and fifty nine (759) individuals will have to be trained as operators, and an equal number as back-up operators (Village Banks only) .

If the PC's at the Village Bank level were to be dedicated for credit extension processing only, an average of five (5) hours per day will be required for data entry alone (see table 2). The balance of 3 hours/day will not be sufficient for maintenance, up-dates, reports generation, inquiries and other processing functions.

## B. THE PREFERRED ALTERNATIVE.

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When computer opportunities are rationalized, PBDAC's options seem viable at the Principal and Governorate levels only.

At the Principal level, PBDAC cannot hope to provide processing services to the Branches. Credit extension functions are performed at District and Village levels. The volume of transactions combined with the geographic distribution of the branches render this mission impossible. In addition, lead-time for data gathering, editing, error correction and reporting will render such services valueless. Thus, the Principal level facilities can address PBDAC's corporate requirements only.

The Governorate Bank maintains daily messenger services with its branches. This link and the relative distance proximities between them, combined with manageable volume transactions, put the Governorate Bank closer to the credit extension activities, which enables it to provide its clients with processing services.

When all the arguments presented, so far, by this report are considered, it will then appear that placing computer hardware at the Governorate level represents the preferred alternative solution for PBDAC's computerization needs.

## C. THE SFPP SENSIBLE APPROACH.

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1. SFPP Management recognizes all the previously stated factors which impact PBDAC's future computerization, to the extent that it is prepared to adopt and incorporate in its plans all the features of the preferred alternative solution.
2. SFPP Management is planning to implement a computer based Credit Extension System (CES) at the Governorate level, supported by an efficient manual accounting credit extension procedures (CEP) at the Village Bank level.
3. Hardware will be:

### 3.1 Non-conclusive:

The configuration will support the Malyoubia Governorate Bank total requirements, and will reflect its environment to the extent that PBDAC should be able to implement additional development of Bank applications.

### **3.2 Modular:**

It will permit PBDAC to expand it to a regional data centre, dedicate it to the Governorate Bank, or distribute its processing capabilities to the lower District Bank level.

### **3.3 Up-ward compatible:**

It will interface directly to PBDAC's future central data processing facilities, either by direct means (communication network), or by means of compatible data output (diskettes and/or magnetic media).

### **3.4 Down-ward Compatible:**

It could function itself as a host to wider arrays of terminals (dumb-intelligent), printers, and/or PC's located remotely at each member District Bank.

## **4. The CES and CEP design will be:**

### **4.1 Universal:**

We will strictly avoid customizing an " SFPP credit extension systems and procedures". Instead, the design criteria will cater to "credit industry standards and practices". Thus, the SFPP and PBDAC's credit extension packages, or any credit extension package, will all be transparent to the planned CES and CEP.

### **4.2 Replicable:**

PBDAC will be able to replicate the planned CES and CEP horizontally across all Governorate Banks, down to District and Village Banks, and up to the Principal level as well.

## V. IMPLEMENTATION REQUIREMENTS.

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1. Of all the tasks associated with computerization and in the approximate order of complexity, hardware acquisition and physical installation are the easiest. Computer information systems although relatively more difficult, may be designed and developed. However, creating the required organization and enlisting the required human resources and skills are the most difficult of all the tasks !!!
2. But with the planned installation of a computer at Kalyoubia to process credit extension information, PBDAC will have bypassed the natural evolutionary process with which MIS/DP organizations normally develop and grow, and with which related skills naturally evolve and mature. As a result of this void, PBDAC will have to face several difficult tasks ?
3. On the other hand, PBDAC stand to benefit enormously if it chooses to put the necessary efforts and commitments to properly set-up and staff its MIS organization. Here, SFPP Management is willing to expand its advisory role to provide PBDAC with expert advice on the actions and the appropriate steps required to achieve this goal.
4. Towards this end, this report has been prepared. In particular, this section of the report will cover four (4) parts. The first two (A & B), will deal with Organization, and Human Resources. A general discussion on related subject matters appears followed by pertinent recommendations for formal adoption by PBDAC. The remaining parts (C & D) will deal with hardware specifications and budget, intended for PBDAC's general information.

## A. ORGANIZATION.

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### 1. SYSTEMS FUNCTIONS OF MANAGEMENT.

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In the past, managers did their own systems work, although they undoubtedly did not think of their role in these terms. In many respects modern managers still personally perform many functions related to systems. They must be responsible for setting goals and objectives, must figure out detailed plans for reaching these goals, must consider all reasonable alternatives, evaluate probable cost and time factors, select the most likely plan, employ and train staff, provide equipment and supplies, and implement systems work. They must then watch closely to see that it is functioning properly and make changes where indicated. Managers cannot avoid their responsibility for these functions. It is the reason they are managers!

When the size of the organization reaches the point that managers can no longer attend to these functions, they must arrange for help. In the past, when business organizations grew, more people were hired to cope with this growth. Today though, modern management relies on computers not only to absorb this kind of growth, but to improve and enhance their products and services for the cardinal reason of staying in business.

As businesses become dependent on computers to keep and then produce business related information, they typically set-up a complete department to be concerned specifically with systems analysis and information processing, just as in other areas of the firm there are departments for purchasing, accounting, and other necessary functions. There are many terms which refer to this department. The most widely used are Management Information Systems Department (MIS), and Data Processing Department (DP).

### 2. ORGANIZATION FORMS.

---

When business organizations set up their MIS/DP section, they employ as many different forms and structures as they produce products and services. Some choose a rather autocratic structure where the reins are closely held by a single individual who delegates little or no real decision-making authority to his subordinates. On the other extreme, some MIS/DP sections function as a loose assembly of teams or groups who go their way in performing their functions and delivering services. And between these two extremes we can find a full spectrum of subtle variations.

It is very important to consider the existing organization form of the business when planning for an MIS/DP section. The existing form often reflects the scope of the business activities, the local business environment and its constraints, including socio-economic and political factors.

There are two major approaches which are widely employed in setting up an MIS/DP section or departments.

The first is the **CENTRALIZED** arrangement. Under this plan, a single department is set up for the entire organization. A full time MIS/DP Director or Manager is in charge, assisted by staff of middle-line managers who are assigned to the various functions of MIS/DP, and including admin. functions. The responsibilities of a centralized MIS/DP department include all aspects of the department operations: budgeting, staffing, development, operations, H/W acquisition, planning and scheduling, even for remote locations.

Under the **DECENTRALIZED** plan, one or more data processing specialists, typically systems specialists, may be attached to key departments of an organization. If there is a systems coordinator for the organization as a whole, he would have no line authority over other systems personnel. They report to the manager of the department where they serve, both functionally and administratively. In most cases, the decentralized plan offers processing services to its client departments who plan and implement their own development work.

Advantages of the centralized plan are:

- \* MIS efforts are pooled so they may be better concentrated in areas of greatest needs.
- \* A greater variety of talents and skills most probably will be available.
- \* Responsibility for developments and operations activities can be better pinpointed.
- \* Personnel are less likely to be diverted into trivial activities.
- \* Standardization of H/W and S/W can be better achieved
- \* Controlled development and better over-all cost performance can be achieved.

Advantages of the decentralized plan are:

- \* MIS personnel probably will be in closer touch with the immediate problems of the department to which they are attached.

- \* They phrase better and faster solutions to problems of their departments.
- \* Review and maintenance of procedures and documentations within the department will be more constant, consistent, and current.
- \* They enjoy better rapport with their department managers than "outsiders" would.

### 3. RELATIONSHIP BETWEEN SYSTEMS, DATA CENTER AND MIS/DP.

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The systems section of MIS/DP in some organization is one of the sections under the director of the data processing center who is also responsible for programming and computer operations. In other organizations, particularly those where the systems and procedures department preceded the use of computers, this department is separate and it could combine the functions of administrative procedures (methods, time and motion) to the systems and analysis functions.

A second approach is to have the manager of systems and procedures report to an executive outside the data processing center. Under this plan, the systems analysis and design functions would remain under the director of data the processing center and would tend to be directed towards problem definition and systems within the center than for the entire organization.

Smaller organizations, which cannot afford such an elaborate structure, often have to depend upon the director of DP center to perform the systems functions and to use other departments and the programmers to perform duties such as flow charting, detailed analysis, work measurement, and procedures writing and documentations.

#### 4. PBDAC MIS/ DP RECOMMENDED ORGANIZATION.

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##### 4.1 Name.

MIS Section (Latin)  
Kita'a Nouzoum Al-Ma'aloumat (Arabic)

We do not recommend Kita'a Al-Hasib Al-Aly (IBM or Computer Section). Although the planned hardware will be IBM, this word is for a brand name, and there are many other brands. Similarly, Nouzoum Al-Ma'loumat (information systems) is more appropriate than Al-Hasib Al-Aly (computer). The new section will provide processed information (Ma'aloumat) not Hasib Aly (computers).

##### 4.2 Level.

The positioning of MIS on the corporate chart is a statement of how PBDAC views its information.

We recommend that information be viewed by PBDAC as resource of value and utility, essential to PBDAC's development, and a potentiating element for increasing the productivity of the Egyptian Farmers as well as PBDAC's own productivity.

We then recommend that PBDAC officially adopts the proposed organization chart, (EXHIBIT - 4). We finally recommend that the new MIS section be placed under the direct jurisdiction of the Vice Chairman of the Board of Directors.

##### 4.3 Form.

PBDAC is a public sector organization. Planning, control, monitoring and decision functions are currently centralized at the Principal level, while business operations are distributed to the Branches (Governorate, District, and Village levels) through defined and long time operative chains of command, all of which are reflected on the corporate organization chart.

We recommend a similar form for the MIS Section featuring centralized management for planning and development, and distributed, non-networking processing operations at the Branches level.

#### 4.4 Responsibilities.

MIS will function to support the policies and the corporate objectives of FEDAC, by providing Management with disciplined MIS development and information processing services, and managing the MIS resources which include the computer's hardware, applications software, and MIS personnel.

As custodian of data and information, MIS shall also be responsible for their storage and retrieval, their maintenance and safety, including data and information accuracy, reliability, security, and confidentiality.

## B. HUMAN RESOURCES.

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### B.1 GENERAL DISCUSSION.

In the following discussion, we will draw first the basic profile of MIS personnel. We will then provide specific job definition for each MIS position on the suggested organization chart, followed by our recommendations concerning the staffing of the planned organization (EXHIBIT 4).

MIS functions demand a wide variety of talents which are not often found in one single individual. MIS people must be able to work well with others, suggesting an outgoing, gregarious nature. At the same time, they must be masters of detail planning which are qualities associated with the introvert. They must be able to converse intelligently with people of many "occupational" levels of the corporate organization. They must be technicians in their knowledge of information gathering, storage and retrieval, hardware, programming methods, flowcharting and documentation.

Perhaps the most important qualification of all is experience. No matter how thorough the preparation and technical training MIS people have, they are fully valuable to their organization only when they are thoroughly familiar with the business, operations, and activities of their employer.

Numerous authorities have cited the importance of personal qualifications quite outside the formal training which MIS people must have. Lack of these traits can hinder or destroy the efficiency and the effective performance of the MIS section.

1. **Initiative.** MIS personnel must be constantly alert for problems before they happen and before they become severe. They are often given great latitude in undertaking system studies, and must be quick to seize upon the direction of greatest potential benefits.
2. **Cooperation.** MIS personnel have no authority outside their own department. All the results they aim to get depend upon the cooperation they elicit from those with whom they work.
3. **Communication.** They must be able to interview others from the highest to the lowest organizational level, to understand their needs and wants, and to make their own thoughts clear. Their reports must not only show management what their proposals will involve, but help management in making appropriate decisions as well.
4. **Alertness.** They must be sensitive to gradual changes as well as prepared for rapid changes.
5. **Imagination.** They must be able to perceive solutions to problems and be able to visualize the effects of any anticipated course of action.

6. **Understanding of human nature.** MIS personnel will encounter the whole gamut of human emotions in the course of a day's work. They must be sensitive to the fears, suspicions, ambitions, and the needs of others.
7. **Loyalty.** Given the opportunity to probe into the most intimate details across the organization, MIS personnel must be fully trustworthy.
8. **Respect for role.** There is a danger that MIS personnel in the course of their performance, will think of themselves as authorities. They should not be allowed to interfere with the role of management in decision making. They can lobby, recommend, persuade, suggest, and urge, but they must remember that only management makes the final decisions.

## D.2 MIS PERSONNEL - JOB DESCRIPTION.

To design, develop, install, and operate systems requires the services of many people with different talent, skills, training, background, and qualifications. For the purpose of this general discussion, most of the MIS job descriptions will be given below. Those which are required immediately will be referenced as to the proposed organization chart (EXHIBIT 4).

### 1. MIS Director.

=====

Position on the chart: 1.1

Responsibilities: This position reports directly to the Vice Chairman of the Board of Directors. The executive who assumes this position will provide overall management and direction of all information systems, development and computer facilities. He plans for H/W and S/W acquisition, and he is responsible for all aspects of MIS budgeting, staff hiring and staff training.

Qualification: Minimum three years experience with a similar organization, advanced industry (agri.business) knowledge coupled with a Masters degree and sound technical and business skills.

.

### 2. Operations Manager.

=====

Position on the chart: 2.1, reports to MIS Director.

Responsibilities: Directs all computer and peripheral machines operations. Sets efficient and optimum performance standards of all hardware resources. Responsible for effective hardware maintenance. As the production resource responsible for providing user departments with processed information and computer output, he structures an effective and responsive production control and distribution function. He sets standards for back-up procedures, disaster planning and recovery procedures.

Qualifications: Minimum two years of supervisory experience and good knowledge of installed hardware, software, operating systems and utilities. Degree in a related discipline is highly desirable, or several years of experience in a similar position.

3. Systems Development Manager.  
=====

Position on the chart: 2.2, reports to MIS Director.

Responsibilities: Responsible for systems development and implementation. He assumes leadership role in feasibility studies and special project. Schedules and directs the development efforts of his staff. Sets development standards and methodology including documentations and systems specifications. Development responsibilities include stand alone systems, on-line and inter-active user friendly systems, high level staff assignments in hardware/software evaluation, technical bench-mark functions, data base administration, and long-range planning.

Qualifications: Extensive systems implementation experience and advanced industry (agri. business) knowledge, awareness of current computer technology, intimate understanding of user operations and problems, minimum four years significant systems development experience along with project management and general management ability. Data Base management experience is highly desirable. This position can lead to MIS Director position.

4. Systems Programming Manager.  
=====

Position on the chart: 2.3, reports to MIS Director.

Responsibilities: He directs and schedules the efforts of the applications and maintenance programmers in his department. He sets standards for programming techniques and methodology and related documentations.

Qualifications: Advanced knowledge of current computer technology, advanced knowledge of installed hardware, operating systems and utilities, sound software engineering back-ground with significant programming experience in several languages, coupled with project management experience.

5. Admin. & Services Support Manager.  
=====

Position on the chart: 2.4, reports to MIS Director

Responsibilities: Liaison services with other admin. and personnel departments. Performs orientation functions for new hires, plan their training in-house and out, procurement and inventory control functions for the MIS section which include hardware and contracts if applicable, material and supplies,

stock-tab. and printed form for all data centers. He is also responsible for custody of libraries, back-up copies. He maintains documentations and issues revisions when necessary.

Qualifications: Basic administration experience, excellent organizational capabilities, knowledge of documentation methods, and indexing, etc.

6. Operation Supervisor(s).

=====

Position on the chart: 3.X, where X is one Principal location, and 19 Governorate Bank Locations. Reports to MIS Director.

Responsibilities: Liaison between data centers and Operation Manager. Implements policies and procedures of Operation Manager concerning hardware and production procedures. Supervises "local" branch staff personnel, keeps timely processing schedules and other reporting requirements for both MIS and Corporate.

Qualifications: Intimate knowledge of Branch operations and procedures, reasonable knowledge of installed hardware, software and utilities, applications software, supervisory capabilities sufficient to permit the supervision of minimum operating staff, advanced knowledge of data entry procedures, data collections, editing and error correction procedures.

7. Systems Analyst.

=====

Position: Reports to Systems Development Manager.

Responsibilities: Performs detail systems design, specifications, provides technical assistant to the application programmer(s), may supervise their work as well. Performs analysis functions leading to either computer based solutions, or methods and procedures alternatives.

Qualifications: University degree in a related discipline, excellent exposure to programming with three years experience. Very good knowledge of installed hardware, operating systems, utilities and applications software.

8. Applications Programmer.  
=====

Position: Reports to Systems Programming Manager.

Responsibilities: Performs detailed program design, coding, testing, debugging, and implementation of commercially oriented information systems. Provides specialized training to console operators, data entry operators and their back-ups.

Qualification: Good exposure to the installed hardware, operating systems and utilities, good knowledge of commercial programming languages ( COBOL, BASIC, and RPGII ), exposure to Job Control Languages, data base management, direct access techniques, report generators, remote processing, CRT drivers, data base handlers, and structured programming techniques. A degree in Business, Systems, or Accounting is preferred, but may be waived if sufficient programming experience is present.

9. Operator(s).  
=====

Position: Report to Operations Supervisor.

Responsibilities: Conducts computer operation functions according to prescribed procedures, this includes back-up and restore functions. Monitors and supports computer processing, maintains logs of operations, monitors hardware performance and reports irregularities to his supervisor for possible maintenance services, schedules with his supervisor shut-downs. He maintains, allocates, configures and assigns machine resources; peripherals and terminals.

Qualifications: Secondary education, prior experience is desirable but not critical. Basic aptitude, and ability to train.

10. Librarians and Documentalists.  
=====

Positions: Report to Admin. Services Support Manager.

Responsibilities: Maintain program listings, technical publications, manuals and up-dates, reproduce and maintain documentations.

Qualification: Basic skills, ability to train.

11. Data Entry operator(s).  
=====

Responsibilities: Various data entry functions, and terminal operations.

Qualifications: Basic education and ability to train.

11. Input/Output Clerk(s).  
=====

Responsibilities: General assignments i.e. transcription, balancing, etc.

Qualifications: Basic skills, and ability to train.

- - - - -

### B.3 STAFFING CONSTRAINTS.

There are few obstacles to be faced in staffing the MIS Section:

1. Leading the list of obstacles is the paucity of qualified persons to meet the growing demand for trained informatics personnel. This paucity is due mainly to a modest number of graduates in Computer Science from Egyptian universities and higher institutes of learning. In 1982-1983, only one hundred and fifteen (115) university graduates received various diplomas in pure Computer Science and other Science disciplines with Computer Science being Minor ( EXHIBIT 5 ). This number reached the two hundred and twenty two (222) in 1983-1984. This rate is indeed modest, when compared with total number of science graduates in Egypt.
2. Egypt continues to experience a traditional high rate of attrition of its skilled resources. Traditionally, Egyptian skilled resources relocate in Gulf States and other Arab countries. Thus, contributing to above mentioned paucity of skilled computer personnel.
3. The private sector draws the lion's share from the remaining balance of this modest labor pool, as it offers more attractive salaries and career paths than the public sector organizations, which are bound by numerous salary and wage constraints.
4. The staffing practices in the public sector are often subjected to "patronage" and "buddy" forms of filling vacant posts. Thus, further inhibiting the public sector organizations from attracting choice talents and highly skilled individuals.
5. PBDAC, being a public sector organization itself, will face all these obstacles. However, PBDAC Management can alone effectively minimize these constraints if it chooses, and it has several venues to do so. All these venues can be combined together to form one "package" for selecting candidates and filling their corresponding vacant posts. These are spelled out Section VI - Implementation Strategy, Part B. Staffing .

B.4 START-UP STAFF.

The following two lists give staff detail and summary count as per the proposed organization chart ( EXHIBIT 4 ).

1. Detail list:

=====

A- Central location: Principal Bank

```

-----
1- 1 MIS Director
2- 1 " " Secretary
3- 1 Operations Manager
4- 1 Systems Development Manager
5- 1 Systems Programming "
6- 1 Admin. & Services Support Manager
7- 3 Systems Analysts
8- 5 Programmers
9- 2 Documentalists
10- 1 Librarian
Total 17
=====

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B- Branch location: Principal Bank

```

-----
1- 1 Operations Supervisor
2- 1 Console Operator *can be defrayed
3- 1 Back-up " " " "
4- 1 Input-output clerk " " "
5- 2 Data Entry Operators " " "
Total 6
=====
Principal Bank Total 23
T **** 23
=====

```

C- Branch location : Kalyoubia Governorate Bank

```

-----
1- 1 Operations supervisor
2- 1 Back-up Operator
3- 1 Input-output Clerk
4- 7 Data Entry operators
Total 10
=====
T **** 10
=====

```

Grand Total 34  
=====

2. Summary List.

=====

1- 1 MIS Director	6- 2 Documentalist		
2- 4 Managers	7- 1 Librarian		
3- 3 Analysts	8- 1 Secretary		
4- 5 Programmers	9- 4 Operators		
5- 2 Supervisors	10- 2 I/O Clerks		
	11- 9 D/E Operators		
-----	-----		
15	19	=	Grand Total 34
-----	-----	-----	-----

C. HARDWARE GENERAL SPECIFICATIONS  
FOR:  
I.B.M. SYSTEM 36  
-----

UNIT	MDL /PN	..... DESCRIPTION.....	1	PRICE \$\$\$	MAINTENANCE MONTHLY	YEARLY
5360-C2K		IB.M. S/36 -X	1	82,320		
		512 KB MEMORY				
		716 MB FIXED DISK				
		(23) DISKETTE MAGAZINE				
		ARABIC FEATURE				
7960		TAPE DRIVE ATTACHMENT	1	5,165	14	
0805		VOLT 180/259 1PH, 3 WIRES		00		
8D0190		ARABIC FEATURE	1	3,180		
		** SUB TOTAL **		90,665	**	14
3180-200		BILINGUAL DISPLAY STATION	12	31,320		2,088
0801		200 - 240 VOLT	12	00		
		** SUB TOTAL **		31,320		2,088
4224-101		200 CPS BIL. PRINTER	1	4,575	44	
		ARABIC / LATIN		00		
		FORMS STAND	1	00		
		** SUB TOTAL **		4,575	44	
4223-002		400LPM DOT BAND PRINTER	1	9,315	144	
9537		50 HZ 220 - 240 VOLT				
		ARABIC / LATIN				
		** SUB TOTAL **		9,315	144	
8809-C01		MAG. TAPE UNIT	1	12,360	170	
2318		220V1PH-50HZ				
2924		US E. NOMENCLATURE				
		** SUB TOTAL **		12,360	170	
		*** PURCHASE ONLY TOTAL		\$148,235		
		*** PURCHASE ONLY MAINT / MONTH			\$ 372	
		*** PURCHASE ONLY MAINT / YEAR				\$2,088

D. BUDGET.  
-----

The following is an estimated budget for all the planned hardware:

BUDGET ITEMS =====	L.E. =====	US \$ =====
<b>1- SFPP HARDWARE PKG.</b>		
1.1 10 PC - XTk		60,000
1.2 supplies	5,000	
1.3 special training	12,000	
	-----	-----
* TOTAL	17,000	60,000
<b>2- KALYOUBIA PROJECT.</b>		
2.1 IBM S/36 ( 25% disc.)		100,000
2.2 maintenance at 10%		10,000
2.3 one time supplies		8,000
2.4 computer furnitures	6,000	
2.5 stock tab.,ribbons, etc	35,000	
2.6 rennovations at Kalyoubia	25,000	
2.7 rennovations at PBDAC	25,000	
	-----	-----
* TOTAL	94,000	115,000
<b>3- SYSTEMS DEVELOPMENT.</b>		
3.1 systems design & programming	45,000	
3.2 design and implementation support:		
a- accounting consultancy	25,000	
b- PBDAC 12p X 14 X L.E.500	60,000	
c- Kalyo 8p X 14 X 500	56,000	
d- addtl MIS support	16,000	
	-----	-----
* TOTAL	202,000	000
<b>4- MISC. ITEMS.</b>		
4.1 D.P. library at PBDAC		7,000
4.2 MIS development S/W tools	5,000	2,500
4.3 contingency	8,000	
	-----	-----
* TOTAL	13,000	9,500
	=====	=====
** GRAND TOTAL	326,000	185,300

## VI. IMPLEMENTATION STRATEGY.

-----

To summarize in a capsule form what has been covered up to now in this report, we have presented in a chronological sequence:

- \* the implications of computerization at PBDAC,
- \* the available opportunities,
- \* the most likely preferred alternative,
- \* the SFPP Kalyoubia computer plan in light of the preferred alternative,
- \* and, the requirements for an MIS organization and the skilled human resources to go with it.

It is obvious that all these are conceptual subject matters. They have been presented by SFPP Management for the benefit of its client the Principal Bank for Development and Agricultural Credit. With this approach, the SFPP Management recognizes the leadership position of PBDAC: PBDAC alone can move these concepts through the goal setting level and up to the implementation stage.

Like most projects of worth, this too, requires an implementation plan to lend its objectives attainable. Our recommendations in this respect propose an implementation strategy which effectively deals with development, staffing, and training.

Our rationale behind this strategy is the following:

[ We have alluded several times in this report to the role of ]  
[ SFPP Management and team members; their role is strictly ]  
[ advisory, and the ownership of their output belongs to PBDAC ]  
[ alone. This advisory role can most certainly reach its upper ]  
[ limit in as much as PBDAC is willing to exercise its owner ]  
[ ship privileges and the responsibilities that normally go with ]  
[ it! On the other hand, the SFPP Management and team members ]  
[ cannot do it alone, even if they wanted to! Thus, PBDAC and ]  
[ SFPP each has a vested interest to see this project succeeds, ]  
[ and both have to team together to bring this project to a ]  
[ successful conclusion. ]

## A. DEVELOPMENT METHODOLOGY.

-----

### 1. Steering Committee.

The Kalyoubia package will impact FBDAC in several sensitive areas of its operation:

- \* A computer based credit extension system will be implemented to support the SFPP credit extension requirements which can be replicated throughout the branches. It will be designed to permit FBDAC to use it for the support of its current traditional credit extension packages.
- \* The accounting procedures for credit extension at the Village Bank level will be revised, documented, and formalized to permit their replication across all village banks.
- \* Both of these will order corresponding changes in many areas of either policy and/or administrative (clerical) support.
- \* Both will require dedicated organizations for their management, maintenance, and technical support. In turn, these organizations will have to be set up and staffed.
- \* Extensive training will be required to prepare the newly created organizations for the anticipated functions. While in training, the affected staff will not perform "regular" bank work.
- \* Sizable space will be required for the planned hardware, the new organizations and their staff. We also anticipate some extensive renovations to be ordered by the physical hardware installations.
- \* When the package is turned over to FBDAC, it will order new expenditures which have to be budgeted and made available.

The above are just a few of the issues which have been covered in different parts of this report. We have assembled them here to help make a case for the need to create a steering committee to oversee their attainment, and to resolve the expected conflicts, which are most likely to happen in the process.

#### Acknowledgment:

We should like to mention here that the last statement does not take away any credit from many of FBDAC line management and staff members, whose support has been excellent! Their dedication and hard work contributed a lot to the success of the SFPP other packages.

Notwithstanding the previous acknowledgment, SFPP Management wishes to voice its concerns regarding many serious questions which up till now remain without satisfactory answers!

Specifically, how will PBDAC:

- \* sanction the planned work at Kalyoubia and at the Principal level?
- \* formulate the required policies and enforce them?
- \* validate the system and procedures design?
- \* accept and approve the deliverables?
- \* sign-off and deem the work completed?

In our mind, the answers to all these questions point to the need for a steering committee to do just that! This committee can be chaired by Mr. Chairman of the Board of Directors of PBDAC, or his designate, and the membership of the following:

- Mr. Vice Chairman, PBDAC Board of Directors,
- Mr. A. Abdel Wahed,
- Mr. M. Fayek,
- Mr. K. Nasser,
- The SFPP Project Director,
- The SFPP Project Co-Director and Team Leader,
- The SFPP-MIS Specialist,

Initially, the S/C ought to meet twice a month to launch the Kalyoubia computer project, after which time, the meetings could be held on a regular monthly basis.

## **2. Credit Extension System (CES) Users Group.**

Our second recommendation vis-a-vis the proposed Implementation Strategy calls for the creation of a user committee or users group. This group should be entrusted with the responsibilities to:

- 1- Validate the design criteria of the planned computer credit extension system. It may also provide its own input for the design of the system in order to reflect the immediate and future needs of PBDAC. This is very important if CEP is to be replicated at all Governorate Banks, and be fit to handle PBDAC's traditional credit extension packages.
- 2- Seek approval of the S/C for policy and major changes if and where required by CES, and then proceed to implement these changes.

It is recommended that this group issue periodic reports to the S/C covering progress of work. It, too, should hold bi-monthly meetings to discharge its responsibilities. The experience gained will most certainly allow this group to replicate CES.

It is recommended that the composition of this group be made-up of Messrs: A. K. Abdel Wahed, M. Fayek, K. Nasser, Chairman of the Kalyoubia Governorate Bank, and the MIS Director.

The SFPP Co-Director and MIS Specialist will provide all needed support and will act as extended resources through which additional support could be made available from the rest of the SFPP team members and/or from outside sources as and when/where needed.

### **3. Credit Extension Procedures (CEP) Users Group.**

CEP will be a manual accounting set of procedures which will be implemented at the Village Bank level, and which will support CES. It will also feature replicability and transportability. The users group recommended membership and its mandate will resemble that of CEP. Obviously, it should include one or two village bank managers.

PBDAC Management may certainly combine both users groups into one, if it so wishes. Also, the inclusion of a member from MOA and one from CAPMAS may be desirable to ensure that the needs of both organizations can be met and to avoid possible duplication between MOA's planned database, and those of PBDAC's.

The SFPP Management is unable at this point of time to provide detail information regarding CES and CEP business specifications and design. This report makes obvious, the lack of sound foundations on which work may only begin!

The SFPP Management will soon be taking steps to augment its current MIS capabilities by hiring adequate outside resources to assist in the general implementation tasks of systems design, programming and training.

## B. STAFFING.

-----

Our implementation strategy for staffing is influenced by the constraints which we have alluded to in part: B. Human resources; of section V., and which dealt with implementation requirements. Here too, our recommendations must be viewed in light of said constraints. To staff the MIS Section, our recommendations to PBDAC Management are:

1. Explore all possible ways and means to improve the salary scale for the MIS personnel to attract the best potential personnel.
2. Announce the vacant posts within the entire PBDAC organization to draw out the maximum number of potentially qualified candidates who may already be employed by PBDAC.
3. Select a compact committee whose membership includes no more than two (2) from PBDAC, the Director and Co-Director of SFPP, and the SFPP MIS Specialist, to interview and select candidates for the vacant posts.
4. Give the committee the mandate to:
  - \* lower the personnel qualifications only where it is safe to do so,
  - \* apply appropriate aptitude tests for the most critical posts to ensure fitness of the candidates to the required posts,
  - \* act independent of any form of patronage in filling the vacant positions,
  - \* seek outside sources to fill the vacancies if necessary.
5. Adopt and fully support the SFPP proposed training plans, which appear in Part C. Training, and which follow immediately.

## C. TRAINING.

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The implementation strategy for training has been prepared in light of the constraints associated with qualified human resources, (see Part B. Human Resources, Section V. Implementation Requirements).

In preparing this component, the Co-Director and the MIS Specialist of the SFPP have spent considerable time weighing all available training alternatives which might be used as a vehicle to produce cadres of computer professionals, for the immediate needs of PBDAC at the Principal and Kalyoubia locations, and for FEDAC future needs for the rest of the Governorate locations.

### 1. Features.

#### \* Replicability:

The training package will conform to the expansion requirement. It too, can be replicated across the rest of the Governorate Banks.

#### \* Flexibility:

Most of the training material will be computer based which will permit greater flexibility and output in processing more trainees from the Governorate Banks.

#### \* Transportability:

Being computer based, the training package and material will also be transportable; PBDAC can conduct on-location training which resolves traveling problems from far away Governorate Bank locations to the Principal Bank in Cairo. It will also eliminate the current space constraints at FEDAC.

#### \* Customized subject material:

The course ware and associated material will be carefully planned and delivered to render the trainees more proficient and productive in their required jobs in reasonable time.

#### \* Vocational training:

This feature and the two following are going to be "a first" in Egypt. It will stress and emphasize the hands-on approach with just the right percentage of theory and lectures (max. 30%). The balance of 70% of most courses will be devoted to lab. work and study cases.

**\* Applied training:**

The lab. work and study cases will be "live". They will feature true processes and associated data of PBDAC real operation(s).

**\* Apprenticeship:**

The first group which will be trained, will undergo a period of apprenticeship with the development team during the development and implementation stages of CES and CEP. Thus, gaining valuable experience and intimate knowledge of these systems.

## 2. Training courses

The following is a training course "catalogue" made up of five (5) modules. Each module is made of several courses which also appear within their module. Each course will feature a unique number for quick and easy identification as to its placement in the module. The I.D. number is composed of three characters. The first two of these indicate the initials of the module, and the last digit is its order or sequence within the series of courses. A higher number course requires the previous number (course) as pre-requisite, except in few cases. These will be clearly indicated on the detail synopsis of each module which immediately follow the catalogue modules list.

MODULE =====	COURSE CATALOGUE. =====	NO. OF DAYS. =====
MS.	MANAGEMENT SERIES. =====	
	1. MS1 Executive Management Seminar	2
	2. MS2 Information Support for Management	3
SS :	SYSTEMS SUPPORT SERIES. =====	
	1. SS1 Systems Analysis and Design	25
	2. SS2 Project Management and Control	15
AP :	ADVANCE PROGRAMMING SERIES. =====	
	1. AP1 Programming in COBOL	15
	2. AP2 Programming in PASCAL	15
	3. AP2 Programming in FORTRAN	15
BP :	BASIC PROGRAMMING SERIES. =====	
	1. BP1 Programming in BASIC	15
	2. BP2 Programming in RPGII	35
	3. BP3 DBMS Software Development	31
OS :	OPERATIONS SERIES. =====	
	1. OS1 Introduction to Data Processing	5
	2. OS2 PC-MICRO based Operations	5
	3. OS3 Computer Operations	5
	4. OS4 Text, Document, Word Processing, and Data Entry (terminal) Operations	15

**COURSE DESCRIPTION.**  
=====

**MS1. EXECUTIVE MANAGEMENT SEMINAR.**  
-----

**Module :** Management Series, Part 1.

**Objective:** To impart to top decision makers a sophisticated appreciation regarding the status, trends, services and issues of the informatics technology.

**Expected outcome:**

Better awareness of the informatics technology, resulting in greater attention to, and support of computerization plans.

**Audience:** Top echelon executives in FBDAC, Governorate Banks top executives, first and second line managers.

**Duration:** Two (2) days.

**Method of delivery:**

Timed presentations; video slides, live demonstrations, hands-on, hand-outs, non-trivial group discussions, questions and answers.

**Suggested coverage (topics):**

- Information as national and as corporate resources,
- Information and problems solving,
- Information and productivity,
- The continuing revolution of informatics,
- Information management,
- Information dept. in the organization,
- Types of information dept. organizations and forms,
- Centralized / decentralized / distributed information processing,
- Methodologies: feasibility studies, cost benefit studies, development, implementation, staffing and career planning,
- Hardware / software: evaluation and acquisitions.
- Physical planning and installation,
- Comments and feed back

COURSE DESCRIPTION...cont'd.

=====

**MS2. INFORMATION SUPPORT FOR MANAGEMENT.**

---

Module : Management Series, Part 2.

Objectives: To Impart an appreciation of the value and utility for better management and for improved productivity; to overview microcomputer based information systems, applications, and productivity (tools) software.

Expected outcome:

Decision to initiate in-house actions leading to an increased utilization of the available productivity tools.

Audience: - Participants of MS1,  
- Directors and managers of projects,  
- Middle line and operating managers.

Duration: Three (3) days.

Method of Delivery:

Live presentations, video slides, live demonstrations using SYMPHONY's: SPREAD SHEET, WORD PROCESSOR, DB, GRAPHICS, and similar application softwares.

Suggested coverage and topics:

- Information support; rationale and objectives,
- Decision support application software, ( DSS ),
- Fourth generation database management systems (D base, D base II, D base III)
- Introduction to Database, and database concepts, uses, organization, search and inquiries features, comments and report generation.
- Study case using FEDAC data:
  - \* Financial statement,
  - \* Ratios, Cash Requirement and Forecast,
  - \* Income Statement and Balance Sheet,
  - \* Break Even Analysis,
  - \* "What If" simulations,
  - \* Graph= for each of above for easier reading.

COURSE DESCRIPTION...cont'd.

=====

**SS1. SYSTEMS ANALYSIS AND DESIGN.**

---

**Module:** Systems Support Series, Part 1.

**Objectives:** To provide practical training starting with basic analysis techniques, and up to the detail specifications of advanced systems design in order to prepare professional staff at PBDAC for the development and maintenance of computer based systems and manual administrative procedures.

**Expected outcome:**

Ability to assume the professional job of "systems analyst".

**Audience:** PBDAC Candidates for the stated position, outside university graduates seeking a career with PBDAC in systems development.

**Course requisit:**

Satisfactory completion of the programming series; module 4 is absolute minimum.

**Duration:** Twenty five (25) sessions (days), at the rate of six (6) hours/session or day.

**Method of delivery:**

Minimum lectures, outside readings, learner paced course material, forum discussions, on-job or "field" two (2) live case studies on systems and procedures from PBDAC list for development.

**Suggested coverage and topics:**

- Organization of systems department,
- Functions and role of systems department,
- The feasibility study, objective setting, justifications, trade-offs, methodologies,
- Data gathering, interviews, surveys, qualitative surveys, monitoring, auditing, and modeling.
- Documentation techniques, standard documentations, forms, flowcharting, HYFO, PERT, CPM, procedures and manuals,
- Data analysis and synthesis,
- Requirements definition, business applications definition,
- Modular design, HYFO design,
- Cost financing, cost estimation, cost control,

- Implementation, scheduling, monitoring and follow-up,
- Forms analysis and forms management and control, systems department internal forms.

COURSE DESCRIPTION...cont'd.

=====

**SS2. PROJECT MANAGEMENT AND CONTROL**

Module : Systems Support Series, Part 2

Objectives: To train professionals in project management and control techniques to permit their application.

Expected outcome:

Ability to plan using latest techniques to streamline programme/project planning, organization, implementation, testing, and delivery.

Audience : Attendees who successfully completed SS1.

Duration : Fifteen (15) days.

Method of delivery:

Minimum lectures, outside reading, learner-paced course material, simulated study case, filed visits.

Suggested coverage and topics:

- Phase plans, modular planning approach,
- Organization plans, developing the organization for a planned project,
- Work-load assignments, project coordination, responsibilities of the analysis, programming and quality assurance and testing groups, work flow and monitoring.
  
- Test plans: tools, procedures, modeling, modularity, integration, alpha-beta test sites, quality assurance, acceptance,
- Changes and control, procedures for controlling changes during the development cycle, estimating impact of change, risk assessment, reducing the un-knowns.
- Documentation plans, formal documents for project management and control,
- Writing of proposals, documenting findings, technical and operations manuals,
- Training plans: internal and external, scheduling, facilities planning, training material,
- Progress review and reporting,
- Physical installation, planning, site preparation,
- Post implementation review, audit, and sign-off.

COURSE DESCRIPTION...cont'd.

=====

APX. ADVANCE PROGRAMMING SERIES.

-----  
Modules : AP1 Programming in COBOL  
          AP2 Programming in FASCAL  
          AP3 Programming in FORTRAN

Objectives: To train programmers in the above languages.

Audience : Attendees who successfully complete at least two units of basic programming series, module four (4).

Course requisite:  
          At least BP2 and BP3.

Duration : Nine (9) weeks at the rate of: four weeks for each series (course), five days per week, and six hours per day.

Method of delivery:

Programmed instructions and learner paced subject material, augmented by lectures. The courseware could be micro-based and interactive. sixty (60) percent will be lab work supervised by a lab instructor. Actual programming cases from PBDAC list of requirements.

Suggested coverage and topics: ( for each language).

- Algorithms, pseudo coding,
- Language syntax,
- Architecture and data representation,
- Vectors, lists, strings, trees, variable and fixed data and words,
- Sequential, index, direct, random, matching files processing techniques,
- Arrays, built-in and external sub-routines, compile and run-time tables, debugging procedures,
- File management, utilities, operating systems.

COURSE DESCRIPTION...cont'd.  
=====

**BPX. BASIC PROGRAMMING SERIES.**  
-----

Modules : BP1 programming in BASIC  
          BP2 Programming in RPG II  
          BP3 DBMS software development

Objectives: To train professional staff for commercial applications programming and maintenance.

Expected outcome:

Ability to specify, write, test and document applications programs and routines to extend the software repertoire and computational capabilities, and to qualify for professional positions of "applications" programmer, "commercial programmer", and "maintenance" programmer".

Audience : Jr. programmers, candidates and university graduates seeking a career in programming with FBDAC.

Duration : Eighty one (81) days:

15 days .....BP1  
35 days .....BP2  
31 days .....BP3

Requisites: University degree in a related discipline, or equivalent experience.

Method of delivery:

Programmed instructions and learner paced subject material, augmented by lectures. The courseware could be micro-based and interactive. sixty (60) percent will be lab. work supervised by a lab. instructor. Actual programming cases from FBDAC list of requirements.

Suggested coverage and topics:

- Introduction to data processing,
- Computer and numbering systems,
- Introduction, to DOS , DOS instructions and commands, DOS utilities, advanced DOS,

- Introduction to BASIC, BASIC commands and instructions, implementing algorithm, editing, input, output, formatting characters strings, and arrays, modularity, file I/O, screen and printer drivers, graphics,
- Introduction to RPG, RPGII, RPG cycle,
- RPG forms specifications: File (F), Extension (E), Form Length (L), Input (I), Calculations (C), Output (O), Sub-routines (SR).
- Files management: sequential, index, adroot, matching, multiple files/records, variable files/records, transfers, control level indicators, level breaks,
- Single, two and three dimensional arrays,
- External, run-time, compile time tables,
- Decimal, packed, and binary fields,
- Masking and editing,
- LOOKAHEAD, DEBUG, CHAIN, EXCPT, FORCE & SRs.
- On-line RPGII,
- On-line compiler and utilities,
- OCL, SFG, SEU, DFU,
- S/36 Security.

COURSE DESCRIPTION...cont'd.

=====

**OSX. OPERATIONS SERIES**

---

Modules : OS1 Introduction to data processing  
OS2 PC-MICRO based operations  
OS3 Text, Document, Word Processing, Terminal,  
Data Entry operations.

Objectives: To secure competent operators for computers,  
terminals, and microcomputer.

Expected outcome:

Ability to [1] operate, schedule, and manage  
the resources of a computer including console  
operations; [2] diagnose a specific class of  
microcomputer systems, isolate cause of failure  
and take appropriate actions; [3] train in the  
use of document preparation on a specific  
microcomputer system.

Audience : Operator candidates.

Duration : Based on operator class (see course catalogue)

Requisites: Similar experience, or secondary education,  
good clerical skills and/or equivalent experience.

Method of delivery:

Minimum lectures, operations manuals, on-the-  
job training, and hands-on training.

Suggested coverage and topics:

- Range of responsibilities of operator,
- Hardware and software relationship,
- Systems and production programs,
- System performance, productivity, job mixes,
- Security, scheduling, spooling, back-ups and  
restore functions, initialization (system,  
disks, tapes, diskettes),
- Resource allocations, power-up/down
- Guided practices of appropriate instructions  
on word/text processing.

#### D. IMMEDIATE ACTION PLAN.

-----

By referring to the course catalogue which shows the number of days required for each course, it is clear that we must begin the training immediately for FBDAC Management personnel, and the programming staff. In addition, the programming staff must begin immediately with the BP Module; Basic Programming Series. The Advanced Programming Series - Module AP, the Systems Support Series - SS Module, and the Operations Series - Module O can be scheduled later.

The Management series will require 5 days which can be administered repeatedly, say once a month. The size of each class should not exceed 12. A total of 120 can be trained in 10 calendar months.

The Basic Programming Series - Module BP, will require eighty one (81) days to cover. This represents roughly four (4) calendar months, excluding holidays. An additional two (2) weeks will have to be planned for in between course breaks. Thus, to complete the training of this module, the total elapse time will be five (5) months.

It follows that between now and the expiration date of the SFPP, this course could be offered twice. It may prove more urgent to schedule the advance programming courses in lieu of the second basic programming series, or schedule the Systems Support Series instead. FBDAC MIS Director will then have the flexibility to take the appropriate step(s).

Note: The critical constraints associated with training will be dealt with in Section VII- Project Start-up.

## VII. CRITICAL CONSTRAINTS.

The report presents several issues which are intrinsic elements for computerization! They all require immediate action by PBDAC's Management which in turn would permit the SFPP Management to initiate the proper steps to implement the Kalyoubia project.

The report also showed how much important these issues are. It even suggested how to deal with these issues so that they can be resolved. However, there are some critical constraints which could impact the implementation of the whole project to the extent of rendering its goals unattainable!

The time table to implement the Kalyoubia project is bound by the SFPP remaining time, which is the end of July 1987. Any delays to any required action by PBDAC will not permit the SFPP Management to complete the Kalyoubia project. PBDAC will have to bear this fact in mind and be prepared to carry on the implementation in order to complete the job.

The Kalyoubia project is also bound by a budget which cannot be appended without putting the the project under the time constraint and its effects as mentioned above.

The SFPP stated objectives for the Kalyoubia project cannot be expanded either. If this happens, then both of the projected budget and the time table will delay the implementation process leaving PBDAC alone to complete the affected tasks.

The SFPP project will expire by the end of July 1987, or after fourteen (14) calendar months. When holidays, vacations, week-ends, and overhead days are netted out from the total available mandays, the actual remaining time will not exceed eleven (11) months which may not be sufficient. Hence, any delay(s) will reduce this actual time and will push equivalent tasks past the deadline of July 1987.

If we were to launch the implementation process immediately, we still need one full month for planning. This gives PBDAC Management only one month to take appropriate decisions which effectively deal with the following:

- \* Computerization options,
- \* SFPP approach to the Kalyoubia hardware and applications
- \* SFPP implementation plans,
- \* PBDAC proposed MIS organization and its personnel,
- \* SFPP planned training at PBDAC,
- \* PBDAC / SFPP project steering committee and user groups,

**\* Physical space requirements and location.**

The SFPP Management will ready within two weeks a detail programme of work and a corresponding general implementation schedule for presentation to FBDAC Management and the Steering Committee for discussion and official adoption.

TABLE 1.

=====

PBDAC : BRANCHES STATISTICAL BREAK-DOWN

=====

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
G.B.	#DB	#VB	#AGN	no. FARMERS	avr VB/DB	avr AG/VB	avr FRM/DB	avr FRM/VB
ISMALIA	4	5	33	33,000	1	7	8,250	6,600
DAMIETTA	3	14	76	75,000	5	6	25,333	5,429
DAKALIA	12	66	447	447,000	6	7	37,250	6,773
SHARKIA	12	68	457	456,900	6	7	38,083	6,721
KALYOL'IBIA	7	40	208	208,000	6	5	29,714	5,200
MONOFIA	8	39	308	308,000	5	8	38,500	7,897
GHARBIA	8	53	333	333,000	7	6	41,625	6,283
KAFR ELSH	9	43	237	237,000	5	6	26,333	5,512
BEHIRA	12	72	399	399,000	6	6	33,250	5,542
GIZA	7	30	185	185,000	4	6	26,429	6,167
BENI SUIF	7	33	220	220,000	5	7	31,429	6,667
FAYYOUM	5	41	169	169,000	8	4	33,800	4,122
EL MONYA	9	78	355	355,000	9	5	39,444	4,551
ASSYOUT	11	48	215	215,000	4	4	19,545	4,479
SOHAG	11	54	283	283,000	5	5	25,727	5,241
KENA	11	44	216	216,000	4	5	19,636	4,909
ASSWAN	3	18	86	86,000	6	5	28,667	4,778
PBDAC	4	13	77	77,000	3	6	19,250	5,923
TOTAL	143	759	4,304	4,304,000	5	6	30,098	5,671

LEGEND: A = GOVERNORATE BANKS  
 B = NO. OF DISTRICT BANKS / A  
 C = " " VILLAGE " " "  
 D = " " AGENCIES " "  
 E = " " FARMERS " "

F = AVERAGE NO. OF VILLAGE BANKS PER DISTRICT BANK  
 G = " " " AGENCIES " VILLAGE BANK  
 H = " " " FARMERS " DISTRICT "  
 I = " " " " " VILLAGE "

\* Figures supplied by PBDAC Nov./Dec. 1984  
 \*\* Nos. of Banks are exact  
 \*\*\* PBDAC estimates 1,000 farmers per agency  
 \*\*\*\* Other remaining figures have been calculated.....

TABLE 2.

=====

PBDAC : TERNINALS & DISK SPACE REQUIREMENT / V.B.

=====

T Y P E

:-----VILLAGE BANK-----:

:--SMALL---MEDIUM---LARGE--:

=====

A) RANGE OF FARMERS / V.B.	4,000	6,000	8,000
B) NO. OF TRANSACTIONS / YEAR / FARMER	15	15	15
C) TOTAL NO. OF TRANSACTIONS / YEAR	60,000	90,000	120,000
D) " " " WORK DAYS / "	250	250	250
E) TOTAL " " TRANSACTIONS / DAY	240	360	480
F) TERMINAL CAPACITY / 6 hrs / DAY	360	360	360
G) TOTAL NO. OF TERMINALS REQUIRED	(2/3)	1	(1 1/3)

----- D I S K -----

H) FILES AND INDEXES	9 MEG	12 MEG	15 MEG
I) LIBRARIES	3 "	3 "	3 "
J) WORK SPACE	2 "	2 "	2 "
I) GROWTH POTENTIAL	6 "	8 "	10 "
K) TOTAL DISK SPACE	20 MEG	24 MEG	30 MEG

TABLE 3.

=====

KALYOUBIA GOVERNORATE BANK  
 =====  
 GOVERNORATE BANK STATISTICS BY DISTRICT  
 =====

3.0 GOVERNORATE BANK, KALYOUBIA:  
 =====

	BENHA	TOUKH	KALIOB	SHOKER	AFR SHBIL ELI ANATR	KANATR	KHAIR	KHANKA	KALYOUBIA GOV. TOTAL
<b>FARMERS &amp; EMPLOYEES</b>									
-----									
FARMERS:	37041	42617	18461	13250	24953	15135	12213	163,670	
EEs :	262	218	129	120	144	108	100	1,081	
<b>CLIENTS: BANKING OPERATIONS</b>									
-----									
CURRENT:	222	6103	439	1052	251	379	392	8,838	
SAVINGS:	10613	13633	8326	4458	5774	4167	5574	52,545	
DEPOSIT:	5499	4037	230	257	36	894	147	11,100	
OTHERS :	437	2215	495	0	534	0	0	3,681	
TOTAL :	16771	25988	8487	5767	6595	5440	6113	75,161	
<b>CLIENTS: LOANS</b>									
-----									
AGRI. :	24725	42617	8200	12600	17373	14765	7407	127,687	
DVLPMT:	2362	3081	774	10208	1249	800	2505	20,979	
TOTAL :	37087	45698	8974	22808	18622	15565	9912	158,666	
<b>NO. OF LOANS</b>									
-----									
AGRI. :	42033	2498	8200	54300	17373	9781	426	134,611	
DVLPMT:	8682	4964	774	10208	1249	1595	529	28,001	
TOTAL :	50715	7462	8974	64508	18622	11376	955	152,612	
<b>OUT- STANDING</b>									
	2350	10	0	445	0	59	629	3,493	

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84

TABLE 3.  
 \*\*\*\*\*

KALYOUBIA GOVERNORATE BANK  
 \*\*\*\*\*  
 VILLAGE BANKS STATISTICS BY DISTRICT BANK  
 \*\*\*\*\*

3.1 DISTRICT BANK : BENHA  
 \*\*\*\*\*

kafr el gazar	san dan hour	mar talha	tame safa da	kafr tahia el arubn	kafr mana kar	BENHA	TOTAL DIST BENHA
---------------------	--------------------	--------------	--------------------	------------------------------	---------------------	-------	------------------------

FARMERS & EMPLOYEES  
 -----

FARMERS:	5280	5500	6014	5124	4384	5849	2000	1950	400	37041
EEs :	24	21	21	26	19	22	12	7	110	262

CLIENTS: BANKING OPERATIONS  
 -----

CURRENT:	21	14	15	23	5	22	9	2	111	222
SAVINGS:	871	1173	630	532	1876	3150	1146	840	395	10613
DEPOSIT:			109			11	20	1	5358	5499
OTHERS :	229	15	120	26	8	18	21			437
TOTAL :	1121	1202	874	581	1889	3201	1196	843	5864	16771

CLIENTS: LOANS  
 -----

AGRI. :	4650	5500	6014	5124	4383	5602	1200	1850	1	34725
DVLPMNT:	350	472	287	150	595	150	254	105		2362
TOTAL :	5000	5971	6301	5273	4979	5752	1854	1955	1	37087

NO. OF LOANS  
 -----

AGRI. :	1550	4700	5221	7895	7095	6070	7400	1701	1	42033
DVLPMNT:	2100	1250	598	314	1649	633	676	808	654	8682
TOTAL :	3650	5550	5819	8209	8544	6703	8076	2509	655	50715

OUT- STANDING	2000		150	200						2350
------------------	------	--	-----	-----	--	--	--	--	--	------

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84

TABLE 3.

=====

KALYUBIA GOVERNORATE BANK  
 =====  
 VILLAGE BANKS STATISTICS BY DISTRICT BANK  
 =====

3.2 DISTRICT BANK : TOUHH  
 =====

AL	AG	AL	DEL.	MEITMOUSH				TOTAL	
AMR HOUR	IRIAD	DEIR	TAN	TERSA	TOURH	KAHA	KEN TO	TOURH	DIST.
						NA	HOUR		

FARMERS & EMPLOYEES

FARMERS:	3351	5149	3321	3033	7648	4696	4924	4053	3914	2528		4261
EEs :	8	19	16	18	21	17	19	16	18	13	53	211

CLIENTS: BANKING OPERATIONS

CURRENT:	132	1381	884	155	154	505	107	266	188	2000	331	6100
SAVINGS:	115	1380	1445	680	1542	1945	2944	1000	820	1645	117	13633
DEPOSIT:	250	1000	560	120	232	560	108	800	105	201	101	4037
OTHERS :	300	150	340	160	110	180	195	130	300	50	300	2215
TOTAL :	797	3911	3229	1115	2023	3190	3354	2196	1413	3896	849	25988

CLIENTS: LOANS

AGRI. :	3351	5149	3321	3033	7648	4696	4924	4053	3914	2528		42617
DVLPMT:	370	136	207	203	1322	137	107	193	292	62	52	3081
TOTAL :	3721	5285	3528	3236	8970	4833	5031	4246	4206	2590	52	45698

NO. OF LOANS

AGRI. :	163	278	269	260	240	345	191	344	210	185	13	2498
DVLPMT:	370	149	2015	225	1322	137	115	217	310	52	52	4964
TOTAL :	533	427	2284	485	1562	482	306	561	520	237	65	7462

OUT- STANDING				2					2	1		5	10
------------------	--	--	--	---	--	--	--	--	---	---	--	---	----

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84

? # loans  
 vs  
 # farmers

TABLE 3.

=====

KALYOUBIA GOVERNORATE BANK  
 =====  
 VILLAGE BANKS STATISTICS BY DISTRICT BANK  
 =====

3.3 DISTRICT BANK : KALYOUB  
 =====

	KALYOUB	SENDION	TANAN BELKS	BEHTIM	KALYOUB	TOTAL KALYOUB DIST.
<b>FARMERS &amp; EMPLOYEES</b>						
-----						
FARMERS:	3603	5024	6261	2049	1375	18461
EEs :	19	18	16	18	13	129
<b>CLIENTS: BANKING OPERATIONS</b>						
-----						
CURRENT:	58	143	115	68	44	439
SAVINGS:	1204	2013	2658	1233	1135	8326
DEPOSIT:	5	114	68	8	35	492
OTHERS :	10	170	15	114	132	492
TOTAL :	1283	2440	2856	1423	1346	9487
<b>CLIENTS: LOANS</b>						
-----						
AGRI. :	2176	2150	3278	584	9	8200
DVLPMT:	144	434	127	42	20	774
TOTAL :	2320	2584	3405	626	29	8974
<b>NO. OF LOANS</b>						
-----						
AGRI. :	2176	2150	3278	584	9	8200
DVLPMT:	144	434	127	42	20	774
TOTAL :	2320	2584	3405	626	29	8974
<b>OUT- STANDING</b>						
	0	0	0	0	0	0

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84

TABLE 3.

=====

KALYOUBIA GOVERNORATE BANK  
 =====  
 VILLAGE BANKS STATISTICS BY DISTRICT BANK  
 =====

3.4 DISTRICT BANK : KAFR SHOKAR  
 =====

	KAFR NUSEIF	EL KOBRA	ASTEAT	AL SHOK	TOTAL	TOTAL DIST. BANK
<b>FARMERS &amp; EMPLOYEES</b>						
-----						
FARMERS:	3500	2750	3250	3750		13250
EEs :	19	16	19	22	44	120
<b>CLIENTS: BANKING OPERATIONS</b>						
-----						
CURRENT:	179	113	397	276	87	1052
SAVINGS:	1269	477	1846	570	296	4458
DEPOSIT:	100	4	127	16	10	257
OTHERS :	0	0	0	0	0	0
TOTAL :	1548	594	2370	862	393	5767
<b>CLIENTS: LOANS</b>						
-----						
AGRI. :	3250	2650	3100	3600		12600
DVLPMNT:	2300	2500	3150	2256	2	10208
TOTAL :	5550	5150	6250	5856	2	22808
<b>NO. OF LOANS</b>						
-----						
AGRI. :	15300	10250	12250	16500		54300
DVLPMNT:	2300	2500	3150	2256	2	10208
TOTAL :	17600	12750	15400	18756	2	64508
<b>OUT- STANDING</b>						
	120	100	120	105		445

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84

TABLE 3.

\*\*\*\*\*

KALYOUBIA GOVERNORATE BANK  
 \*\*\*\*\*  
 VILLAGE BANKS STATISTICS BY DISTRICT BANK  
 \*\*\*\*\*

3.5 DISTRICT BANK : SHBIN ELKANATER  
 \*\*\*\*\*

	SHBIN EL KANATER	TAHR SHBIN	TAHA MOULG	EL LEIZA	TAHORIA	SHBIN EL KANATER	TOTAL DIST. BANK
<b>FARMERS &amp; EMPLOYEES</b>							
-----							
FARMERS:	6012	4690	7018	3390	3843		24953
EEs :	20	19	23	17	24	41	144
<b>CLIENTS: BANKING OPERATIONS</b>							
-----							
CURRENT:	16	48	95	13	42	377	251
SAVINGS:	863	636	1300	1243	1444	88	5774
DEPOSIT:	11	8	6	2	4	5	36
OTHERS :	96	77	177	41	125	24	534
TOTAL :	986	769	1772	1299	1615	154	6595
<b>CLIENTS: LOANS</b>							
-----							
AGRI. :	3585	3602	6586	275	3325	0	17373
DVLPMT:	215	137	372	180	330	15	1249
TOTAL :	3800	3739	6958	455	3655	15	18622
<b>NO. OF LOANS</b>							
-----							
AGRI. :	3585	3602	6586	275	3325	0	17373
DVLPMT:	215	137	372	180	330	15	1249
TOTAL :	3800	3739	6958	455	3655	15	18622
<b>OUT- STANDING</b>							
	0	0	0	0	0	0	0.

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84

TABLE 3.

=====

KALYOUBIA GOVERNORATE BANK  
 =====  
 VILLAGE BANKS STATISTICS BY DISTRICT BANK  
 =====

3.6 DISTRICT BANK : EL KANATER EL-KHAIRIA  
 =====

	EL KANATER	ABO EL ZEIT	SANDA BIS	AT MEDA	KANATER EL KHAIRIA	TOTAL DIST. BANK
<b>FARMERS &amp; EMPLOYEES</b>						
-----						
FARMERS:	3050	2555	6300	3230	0	15135
EEs :	16	17	23	15	37	108
<b>CLIENTS: BANKING OPERATIONS</b>						
-----						
CURRENT:	9	20	152	72	146	379
SAVINGS:	890	1232	264	1482	299	4167
DEPOSIT:	25	7	323	5	534	894
OTHERS :	0	0	0	0	0	0
TOTAL :	924	1259	719	1559	979	5440
<b>CLIENTS: LOANS</b>						
-----						
AGRI. :	3050	2555	6300	2860	0	14765
DVLPMNT:	71	71	376	256	26	800
TOTAL :	3121	2626	6676	3116	26	15565
<b>NO. OF LOANS</b>						
-----						
AGRI. :	2931	3324	294	3230	2	9781
DVLPMNT:	71	71	1263	164	26	1595
TOTAL :	3002	3395	1557	3394	28	11376
OUT- STANDING	0	59	0	0	0	59

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84

TABLE 3.

=====

KALYOUNBIA GOVERNORATE BANK  
 =====  
 VILLAGE BANKS STATISTICS BY DISTRICT BANK  
 =====

3.7 DISTRICT BANK : KHANKA  
 =====

	ABO ZAABAL	AL HALG	SERIA KOS	AL MARG	AL MAMAIT	KHANKA	TOTAL DIST.
--	---------------	------------	--------------	------------	--------------	--------	----------------

FARMERS & EMPLOYEES  
 -----

FARMERS:	4012	1300	2423	2028	2200	250	12213
EEs :	13	10	9	14	9	45	100

CLIENTS: BANKING OPERATIONS  
 -----

CURRENT:	87	134	29	100	8	34	392
SAVINGS:	1346	1291	1783	550	428	176	5574
DEPOSIT:	8	1	68	50	17	3	147
OTHERS :	0	0	0	0	0	0	0
TOTAL :	1441	1427	1882	700	453	213	6113

CLIENTS: LOANS  
 -----

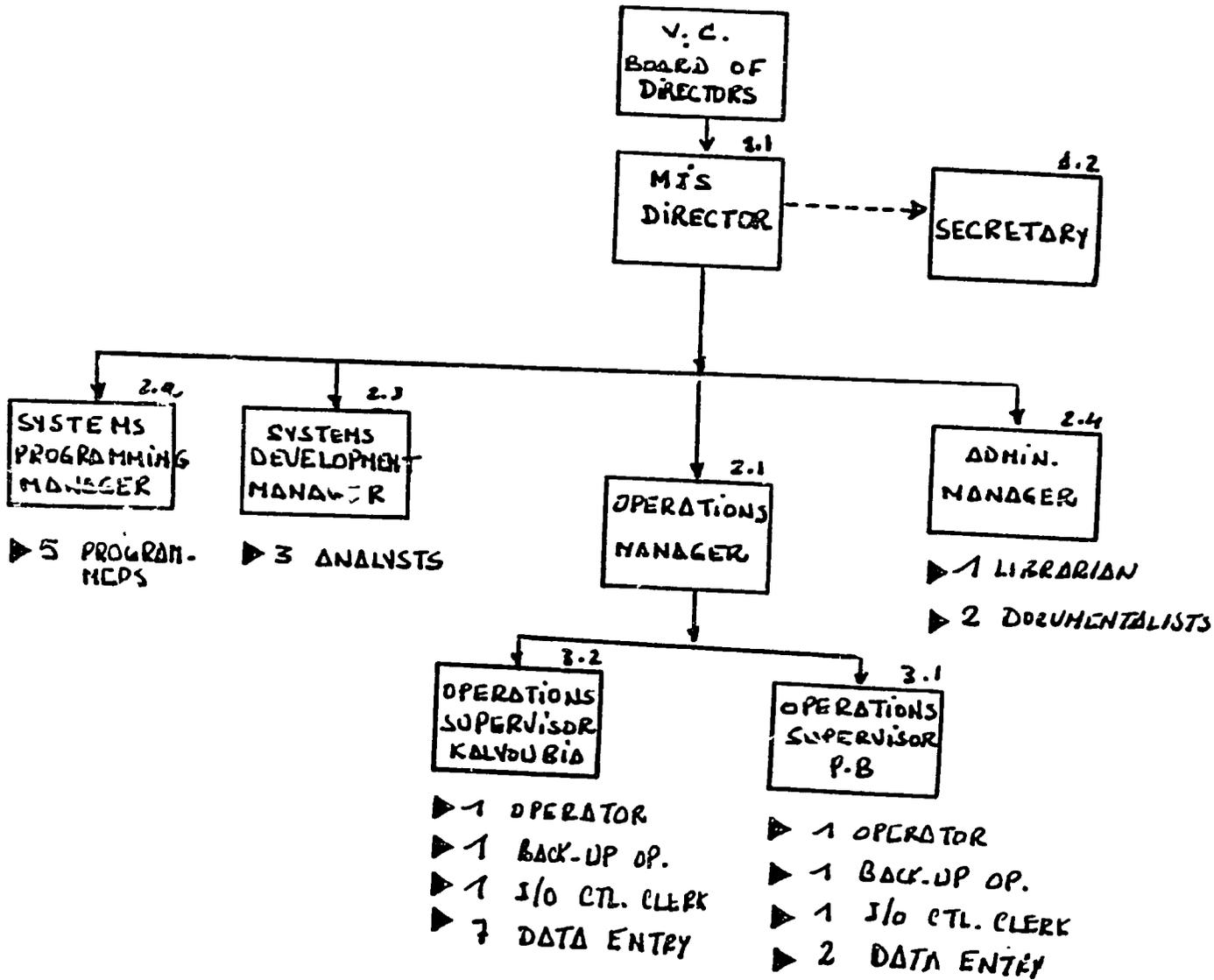
AGRI. :	2000	900	1800	1200	1500	7	7407
DVLPMNT:	1000	200	200	800	300	5	2505
TOTAL :	3000	1100	2000	2000	1800	12	9912

NO. OF LOANS  
 -----

AGRI. :	149	30	87	9	150	1	426
DVLPMNT:	148	132	123	36	88	2	529
TOTAL :	297	162	210	45	238	3	955

OUT- STANDING	2	0	379	0	250	0	629
------------------	---	---	-----	---	-----	---	-----

SOURCE : MAIL SURVEY MAR. 1985  
 PERIOD 01/07/83 TO 30/06/84



===== EXHIBIT 4. =====  
PBDC: RECOMMENDED ORGANIZATION CHART.

EXHIBIT 4.

EXHIBIT 5.

=====

NUMBER OF DIPLOMAS DELIVERED IN INFORMATICS.

=====

ALL UNIVERSITIES

=====

1982-83 AND 1983-84

=====

---

LEVEL OF DEPLOMAS	NUMBER OF DIPLOMAS	
	1982-83	1983-84
Doctorate		5
Master	9	31
DSS	76	116
Bachelor in informatics	30	70
	----	---
TOTAL	115	222

---

NOTE: 1- Informatics cover pure Computer Science AND/OR other Science disciplines as Major, and Computer Science as Minor.

---

Reda El-Karaky and Gamal M. Aly, Computer Science Education in Egypt. Overview and Education Training Experiences and Plans. in pre-print, Joint Seminar on Integrated Information Systems for Administration and Industry, State of the Art and Future Trends of Information Processing, Cairo 10-12 April 1985.

### ANNEX III-H-12

#### PC SUPPORT - APPLICATIONS REVIEW FEB, 1989

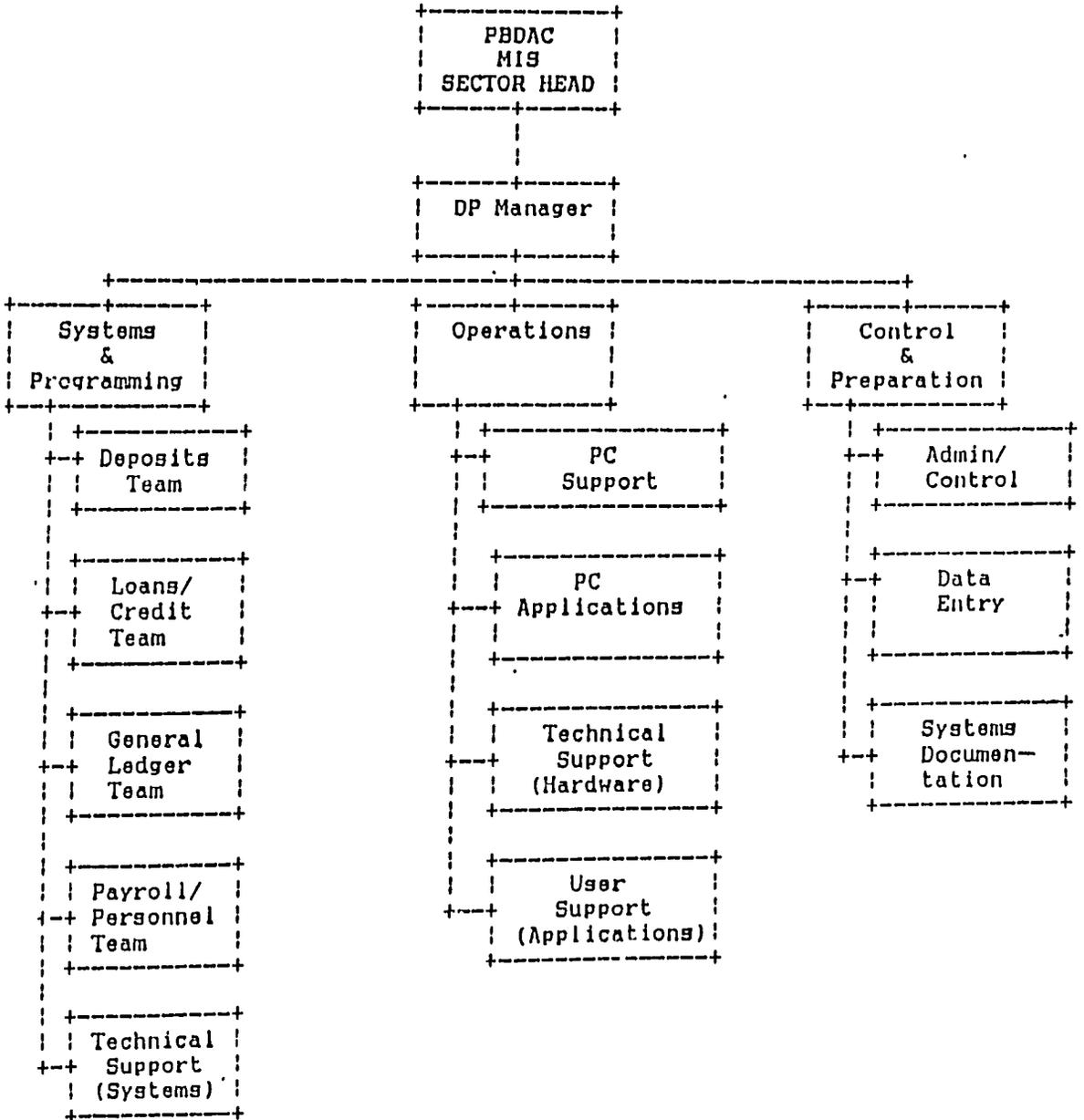
Application Name	User Name	Program Used	Prog. Fits	Problems	Recommendations
1. Commercial Banks	Finance Sector- Deposits & Savings Dept.	LOTUS 1-2-3	No	1. Data base program is more suitable 2. Slow 3. Complicated	1. Use a separate spreadsheet for each governorate 2. Modify the equations 3. Use dBase III
2. Personnel	Admin. Sector- Service Documents Dept.	DMS	Yes	1. Computer and diskettes used 2. Files protection against deletion and files backup	1. Size of data files to be obtained 2. Operating procedures for: a. Data entry b. Reports c. Files backup
3. Inventory	Inventory & Input Dept.	LOTUS 1-2-3	No	A Database program is more suitable	Use dBase III
4. Savings with Prizes	Finance Sector- Deposits & Savings Dept.	DBASE+III	No	1. The method used in the program to select prizes 2. Computer and diskettes used 3. No files protection or backup	1. Statistics equations for this application to be programmed. 2. Enhance input screens 3. Enhance reports 4. Size of data files to be determined 5. Operating procedures for: a. Data entry b. Reports c. Files backup
5. Cooperatives		LOTUS 1-2-3	Yes	Macro written for graphics draws 6th file in the directory	Improve the macro to be parameterized

Application Name	User Name	Program Used	Prog. Fits	Problems	Recommendations
6. Crops Marketing		LOTUS 1-2-3	Yes	No data processing	Revise with the user
7. Islamic Operations	Islamic Operations Department	dBASE III	Yes	Output reports not sufficient	Revise with the user
8. Insecticides	Production and Storage Sector- Insecticides Dept.	LOTUS 1-2-3	Yes		
9. Training	MIS Sector	dBASE III	Yes		
10. Retirement Fund	Finance Sector	dBASE III		Underdevelopaent	Revise with the user
11. Financial Analysis	Finance Sector	LOTUS 1-2-3	Yes	Underdevelopaent	Revise with the user

ANNEX III-H-13

DATA PROCESSING DEPARTMENT

Functional Organization  
Chart - March 1989



DATA PROCESSING DEPARTMENT - PBDAC

3/22/89

Systems and Programming	Operations	Control and Preparation
!DEPOSITS	!PC SUPPORT	!ADMIN/CONTROL
!\$ Atef Yassin	!Faten Eshaa El Din	!\$ Mohamed Helmi
!\$ Mohamed Ossama	!Essam Galab	!Salwa El Berry
!\$ Seham El Shahawy	!\$ Manal El Fangari	!Iman Mohamed Sayed
!\$ Ahmed Fouad	!\$ Mohamed Zenhom	!
!	!\$ Hatem Saleh Bahin	!DATA ENTRY
!LOANS	!\$ Doaa AL'el Rahman	!\$ Magdy Hamza
!Fahima Omar	!\$ Mona El Said	!Mona Mekhail
!Nadia Bayoumy	!Osama Toema	!Mohamed Hussein
!\$ Yasser Handy	!Amany Farag	!
!\$ Hala Lotfi	!Azza Abou M.	!DOCUMENTATION
!\$ Salwa Youssef	!\$ Osama M. Sami	!Ali Moustafa
!	!	!Zenab Abdel Shakour
!GENERAL LEDGER	!PC APPLICATIONS	!
!\$ Abdel Rahman El Kafrawy	!\$ Mohamed Abou El Fotouh	!
!\$ Iman Sayed	!\$ Alyaa Gamal El Din	!
!\$ Magdi Wassel	!Tarek El Shaer	!
!\$ Mohamed El Hoseni	!Mohamed Gamal	!
!	!\$ Mohamed Hassan	!
!PAYROLL/PERSONNEL	!\$ Mona Medhat	!
!Mona Lotfi	!\$ Mohamed Magi	!
!\$ El Shemy Ali	!\$ Amira Mohamed Ahmed	!
!\$ Amal Abdel Raouf	!\$ Randa Morad Mohamed	!
!	!	!
!TECH. SUPPORT (SYSTEMS)	!TECH. SUPPORT (HARDWARE)	!
!Manal Kassem	!\$ Mohamed Anwar	!
!\$ Maha M'heeb	!\$ Hanan Sobhy	!
!	!Mohamed Zaki Hassanein	!
!	!	!
!	!USER SUPPORT (APPLICATIONS)	!
!	!	!
!	!- GENERAL LEDGER	!
!	!\$ Hazem Mahmoud	!
!	!\$ Khalid Rashad	!
!	!\$ Ali Amer	!
!	!	!
!	!- LOANS	!
!	!\$ Sabah A'wda Allah	!
!	!\$ Inas Linhom	!
!	!\$ Omnia Ibrahim	!
!	!\$ Manal Desouki	!
!	!\$ Fatma Sadek	!
!	!\$ Alaa El Din Samy	!
!	!	!
!	!- DEPOSITS	!
!	!\$ Iman Abde' Hamid	!
!	!\$ Abir Mahmoud	!
!	!\$ Mohamed Shedik	!
!	!\$ Azza Aahawi	!
!	!\$ Heba Mostafa Eid	!
!	!	!
!	!- PAYROLL/PERSONNEL	!
!	!\$ Maha Adel Khalek	!
!	!\$ Amant Haadi	!

PRINCIPAL BANK OF DEVELOPMENT AND AGRICULTURAL CREDIT  
 SECTOR OF MANAGEMENT INFORMATION SYSTEMS  
 DATA PROCESSING DEPARTMENT - SKILLS ASSESSMENT REPORT

Page 1 of 3

NAME	TRAINING ALREADY TAKEN	RECOMMENDED TRAINING
SYSTEMS AND PROGRAMMING		
DEPOSITS		
Atef Yassin	2-6	3-10
Mohamed Ossama	1-3, 5, 8-10	3-10
Seham El Shahawy	2-5	3-10
Ahmed Fouad	1-3, 7, 10	3-10
LOANS		
Fahima Omar	1-4	3-10
Nadia Bayoumy	1-3, 5	3-10
Yasser Hamdy	3-5	3-10
Hala Lotfi	1-4, 7	3-10
Salwa Youssef	1-3, 10	3-10
GENERAL LEDGER		
Abdel Rahman El Kafrawy	3-5	3-10
Iman Sayed	1-3	3-10
Magdi Wassef	12	3-10
Ahmed Hussein	5, 7, 13	3-10
PAYROLL/PERSONNEL		
Mona Lotfi	1-3, 5	3-10
El Shemy Ali	1-3, 10	3-10
Amal Abdel Raouf	2, 3, 10	3-10
TECH. SUPPORT (SYSTEMS)		
Manal Kassem	1-4, 12	3-7, 9, 12, 14
Maha Moheb	4, 7, 8	3-7, 9, 12, 14

NAME	TRAINING ALREADY TAKEN	RECOMMENDED TRAINING
OPERATIONS:		
PC SUPPORT		
Faten Bahaa El Din	1-3, 10	2-5, 10
Essam Galab	11	2-5, 10
Manal El Fangari	1-3	1-5, 10
Mohamed Zenhom	2-5, 8	2-5, 10
Hatem Saleh Gahin	1-4	2-5, 10
Doaa Abdel Rahman		1-5, 10
Mona El Said	1-4	2-5, 10
Osama Toema	1-3	2-5, 10
Amany Farag	1-4	2-5, 10
Azza Abou M.	1-3	2-5, 10
PC APPLICATIONS		
Mohamed Abou El Fotouh	1-3, 5, 10	2-5
Alyaa Gamal El Din	1-3, 5	2-5
Tarek El Shaer	2, 3, 5, 7, 9	2-5
Mohamed Gamal	1-3	2-5
Mohamed Hassan	1-3, 9	2-5
Mona Medhat	2, 3, 5, 10	2-5
Mohamed Nagi	4, 9	2-5
Amira Mohamed Ahmed	1-3, 5	2-5
TECH. SUPPORT (HARDWARE)		
Mohamed Anwar	1-3	2, 9, 12
Henan Sobhy	1-4, 6	2, 9, 12
Mohamed Zakı Hassanin	1, 3	2, 9, 12
USER SUPPORT (APPLICATIONS)		
GENERAL LEDGER		
Hazem Mahmoud	2, 3, 5	2-5, 9, 10
Halid Rashad	1-4	2-5, 9, 10
LOANS		
Sabah Abdel Allah		1-5, 9, 10
Inas Zinhom	2, 3, 5, 8	1-5, 9, 10
Omnia Ibrahim	1-3, 10	2-5, 9, 10
Manal Desouki	1, 3	1-5, 9, 10
Fatma Sadek		1-5, 9, 10

NAME	TRAINING ALREADY TAKEN	RECOMMENDED TRAINING
DEPOSITS		
Iman Abdel Hamid	1-3,5	2-5,9,10
Abir Mahmoud	1-3,5	2-5,9,10
Mohamed Shedid	2,3,10	2-5,9,10
Azza Amhawi	9	1-5,9,10
PAYROLL/PERSONNEL		
Maha Abdel Khalek	2-4	2-5,9,10
Amani Hamdi	1-3,9,10	2-5,9,10
CONTROL AND PREPARATION		
ADMIN/CONTROL		
Mohamed Helmi	1-3	3-5,9,10,13,15
Salwa El Berry	1-4,9	3-5,9,10,13,15
Iman Mohamed Sayed	1-3,11	3-5,9,10,13,15
DATA ENTRY		
Magdy Hamza	1,2	1-3
Mona Mekhail	1-3,10	1-3
Mohamed Hussein	1-3,10	1-3
DOCUMENTATION		
Ali Moustafa	1-3,10	1-3
Zenab Abdel Shakour	1,2,10	1-3

TRAINING	
NO.	DESCRIPTION
1	MS-DOS
2	LOTUS 1-2-3
3	DBASE III
4	BASIC
5	COBOL
6	ASSEMBLY LAN
7	C-LANGUAGE
8	PASCAL
9	INTROD.
10	WORDSTAR
11	ISADAAT ACADEMY DIPLO
12	STAT. INST. DIPLO.
13	UNIX

RECOMMENDED TRAINING	
NO.	DESCRIPTION
1	INTRODUCTION TO COMPUTERS
2	IPC STANDARDS (MS DOS, WP,SS,DB)
3	APPLICATIONS TRAINING (BANKING)
4	INTRODUCTION TO PROGRAMMING
5	PROGRAMMING I
6	PROGRAMMING TECHNIQUES
7	DATA STRUCTURE
8	PROGRAMMING II
9	OPERATING SYSTEMS
10	SYSTEMS ANALYSIS I
11	SYSTEMS ANALYSIS II
12	HARDWARE MAINTENANCE
13	DP MANAGEMENT
14	TELE COMMUNICATIONS
15	EDP AUDIT

ANNEX I1J-H-14

THE PRINCIPAL BANK  
FOR  
DEVELOPMENT  
AND  
AGRICULTURAL CREDIT

MANAGEMENT INFORMATION SECTOR

TRAINING MASTER PLAN  
TRAINING CURRICULUM

NOV. 17, 1989

NO. ----- TRAINING AREA -----  
 CODE -- TOPICS ----- TARGET ---- NO. DURA TION PLACE FRQ. HRS.

=====

1 MANAGEMENT SEMINARS:

NO.	TOPICS	TARGET	NO.	DURA TION	PLACE	FRQ.	HRS.
1.1	MIS ORIENTATION	TOP MGMT.	90	2 D	HOTEL	16	6
1.2	MIS ORIENTATION	MIDL.MGMT.	150	3 D	BARAGES	24	6
1.3	INTRODUCTION TO MIS	1ST. LINE MGMT	600	3 D	BDACS	18	12

2 MANAGERS INFORMATION CENTERS:

NO.	TOPICS	TARGET	NO.	DURA TION	PLACE	FRQ.	HRS.
2.1	MGMT MIS CENTERS	PRINC.CENTER	12	3 W	PBDAC	108	1

- INFORMATION SYSTEMS COMPONENTS
- PRINC. OF SYSTEMS ANALYSIS AND DESIGN
- PROGRAMMING LANGUAGES & METHODOLOGIES
- DATA PREPARATION AND DATA ENTRY
- DATA SECURITY AND PROTECTION
- OPERATIONS (HARDWARE & NETWORKS)
- BASICS OF STATISTICAL ANALYSIS
- QUANTITATIVE ANALYSIS
- OPERATIONS RESEARCH

NO.	TOPICS	TARGET	NO.	DURA TION	PLACE	FRQ.	HRS.
2.2	MGMT MIS CENTERS	BR. CENTERS	60	2 W	BARAGES	72	3

- Selected courses from topics listed above 2.1

3 OFFICE AUTOMATION:

NO.	TOPICS	TARGET	NO.	DURA TION	PLACE	FRQ.	HRS.
3.1	- INTRODUCTION TO COMPUTER DATA PROCESSING	OPERATORS	240	1 W	FBDAC	36	10

- MICRO PROCESSORS
- PERSONAL COMPUTERS

NO.	TOPICS	TARGET	NO.	DURA TION	PLACE	FRQ.	HRS.
3.2	- DATA ENTRY	PC OPERATORS	240	" "	" "	36	10

- COMPUTER TERMINALS

NO.	TOPICS	TARGET	NO.	DURA TION	PLACE	FRQ.	HRS.
3.3	WORD PROCESSING	PC TERM. OP.	240	" "	" "	36	10

4. COMPUTER INTRO. TRAINING:

NO.	TOPICS	TARGET	NO.	DURA TION	PLACE	FRQ.	HRS.
4.1	- INTRODUCTION TO EDP	MIS NEOPHYTES	90	4 W	FBDAC	144	3

- COMPUTERS: TYPES AND PURPOSES
- COMPUTER GENERATIONS
- PERSONAL COMPUTERS
- DOS

- PROGRAMMING TOOLS: DBIII & LOTUS 123
- SYSTEMS ANALYSIS
- APPLICATIONS

COMPUTER BASIC TRAINING

- |     |   |    |      |       |     |   |
|-----|---|----|------|-------|-----|---|
| 4.2 | - PROGRAMMING METHODOLOGIES<br>- FLOWCHARTING TECHNIQUES<br>- PROGRAMMING LANGUAGES | 15 | 10 W | PBDAC | 360 | 1 |
|-----|---|----|------|-------|-----|---|

COMPUTER ADVANCED TRAINING

- |     |                        |    |     |       |     |   |
|-----|------------------------|----|-----|-------|-----|---|
| 4.3 | - ADVANCED PROGRAMMING | 15 | 6 W | PBDAC | 216 | 1 |
|-----|------------------------|----|-----|-------|-----|---|

SPECIALIZED TRAINING

- |     |   |    |     |       |    |   |
|-----|---|----|-----|-------|----|---|
| 4.4 | - DATA STRUCTURE<br>- DATA ANALYSIS<br>- FILES ORGANIZATION | 30 | 1 W | PBDAC | 36 | 2 |
|-----|---|----|-----|-------|----|---|

- |     |             |    |     |       |     |   |
|-----|-------------|----|-----|-------|-----|---|
| 4.5 | - DATA BASE | 20 | 3 W | PBDAC | 108 | 2 |
|-----|-------------|----|-----|-------|-----|---|

- |     |                     |    |     |       |     |   |
|-----|---------------------|----|-----|-------|-----|---|
| 4.6 | - COMPUTER NETWORKS | 20 | 3 W | PBDAC | 108 | 2 |
|-----|---------------------|----|-----|-------|-----|---|

- |     |                               |    |     |       |     |   |
|-----|-------------------------------|----|-----|-------|-----|---|
| 4.7 | - SYSTEMS ANALYSIS AND DESIGN | 20 | 6 W | PBDAC | 216 | 2 |
|-----|-------------------------------|----|-----|-------|-----|---|

5 DOCUMENTATION & MICROFILM (A) BASIC TRAINING:

- |     |  |    |     |      |  |   |
|-----|--|----|-----|------|--|---|
| 5.1 | - INTRO. TO DOCUMENTATION<br>- MICROFORMS: METHODS AND TECHNIQUES<br>- DOCS. & FORMS ANALYSIS AND DESIGN<br>- WORK-FLOW AND DOCUMENTATION<br>- INDEXING<br>- ARCHIVES AND MICROFILM HARDWARE<br>- APPLICATIONS | 90 | 2 W | T.C. |  | 3 |
|-----|--|----|-----|------|--|---|

(B) ADVANCED TRAINING:

- |     |   |    |     |      |  |   |
|-----|---|----|-----|------|--|---|
| 5.2 | - SYSTEM ANALYSIS AND DESIGN  |    |     |      |  |   |
|     | - WORK FLOW<br>- FORMS ANALYSIS AND DESIGN<br>- DATA AND FORM MATRICES<br>- SYSTEMS DESIGN<br>- HARDWARE<br>- COMPUTER OUTPUT MICROFORMS<br>- IMAGE PROCESSING<br>- COMPUTER AIDED STORAGE AND RETRIEVAL<br>- ACCESS SYSTEM | 60 | 6 W | T.C. |  | 3 |

6 LIBRARIES, BIBLIOGRAPHY, TRANSLATION, AND PUBLISHING:

6.1	- LIBRARIES - BIBLIOGRAPHY - ARCHIVES - INDEXING AND CARD CATALOGUES	SECTL. STAFF	20	3 M	T.C.	5
6.2	TRANSLATION COURSES - ENGLISH/ARABIC/ENGLISH - FRENCH/ARABIC/FRENCH	SECTL. STAFF	5	9 M	T.C.	2
6.3	- PUBLISHING SP. TRAINING - PERIODICALS - ABSTRACTS AND RESUMES	" " " "	9	3 M	T.C.	3

7 STATISTICS/QUI/QR:

7.1	- STATISTICS - DATA REPRESENTATION	SECTL. STAFF	40	2 W	T.C.	
7.2	- FREQUENCY DISTRIB. - CORRELATION - REGRESSION - TIME SERIES ANALYSIS - INDEX NUMBERS - OPERATION RESEARCH - OPTIMIZATION - FORECASTING - LINEAR PROGRAMMING - INVENTORY SYSTEMS - QUEUING THEORY - PERT L/P/M	SECTL. STAFF	30	6 W	T.C.	

8 MAINTENANCE (ENVIRONMENT):

8.1	- ENVIRONMENT EQUIP. - SITE PREPARATION AND MAINTENANCE - POWER SUPPLY/COMMUNICATION - AIR CONDITIONING - ALARM SYSTEMS - FIRE DETECTION EQUIPMENT	MAINT. STAFF	120	2 W	SUPPLIERS	8
-----	---	--------------	-----	-----	-----------	---

9 MAINTENANCE (COMPUTERS AND ELECTRONICS):

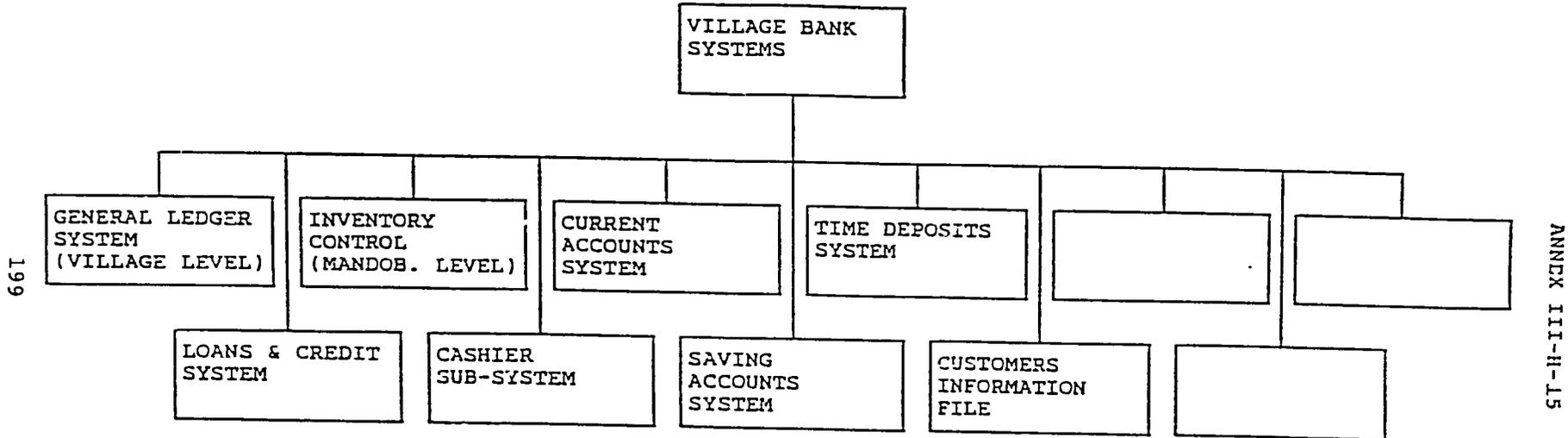
9.1	- COMPUTER PREVENTIVE - MAINTENANCE - TROUBLE SHOOTING - DIAGNOSTICS - SPARE PARTS - COMPONENTS - HARDWARE MAINTENANCE - SOFTWARE MAINTENANCE	MAINT. TECHS.	90	6 W	T.C.	9
-----	--	---------------	----	-----	------	---

LEGEND:

D	-----	DAYS
T.C.	-----	TRAINING CENTERS
W	-----	WEEK
M	-----	MONTH

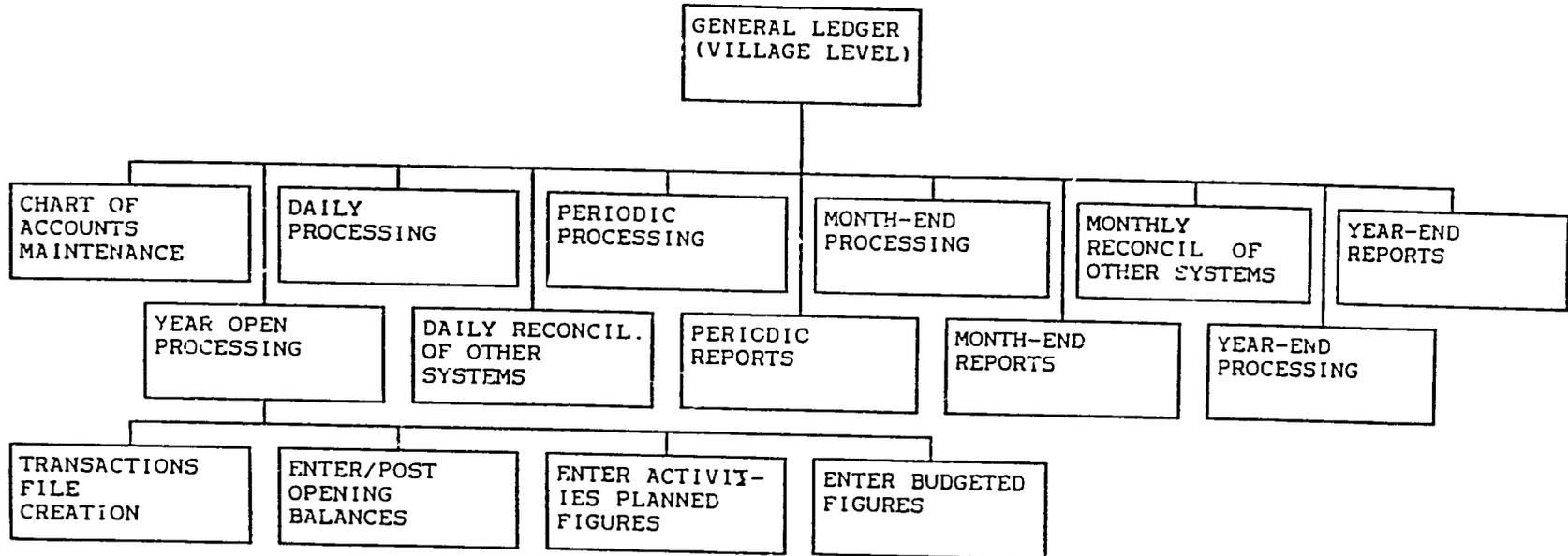
VILLAGE BANK  
FUNCTIONAL BLOCK DIAGRAM  
OVERALL SYSTEM OVERVIEW  
(PRELIMINARY)

PAGE : 1  
APRIL 16 1989

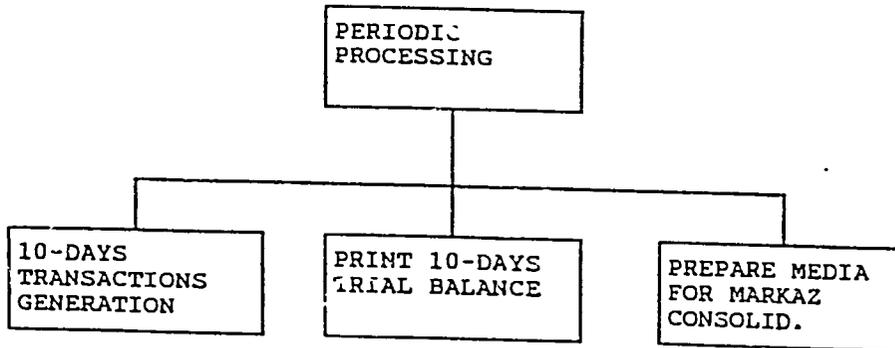
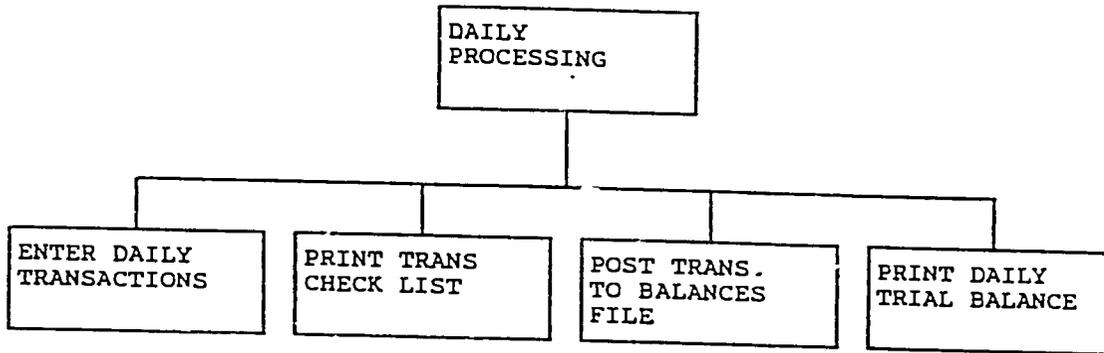


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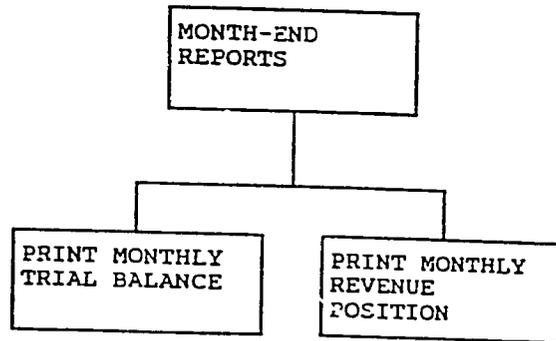
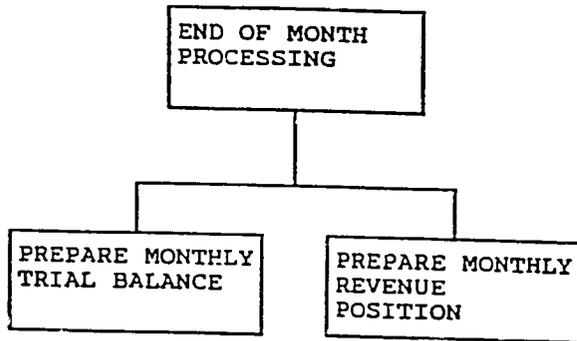
200



VILLAGE BANK  
FUNCTIONAL BLOCK DIAGRAM  
GENERAL LEDGER SYSTEM  
(PRELIMINARY)

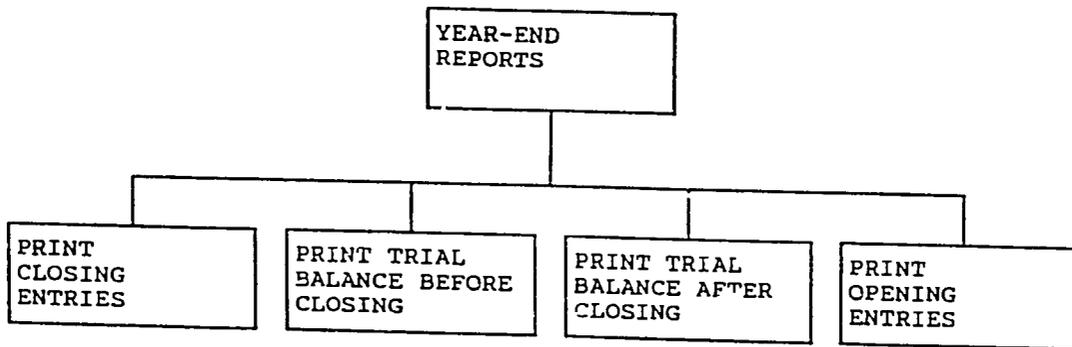
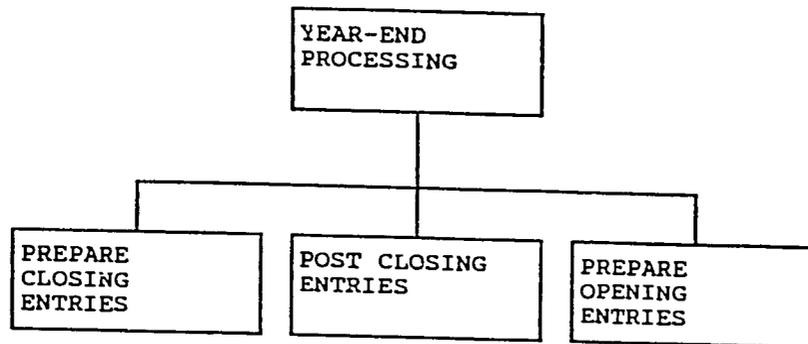


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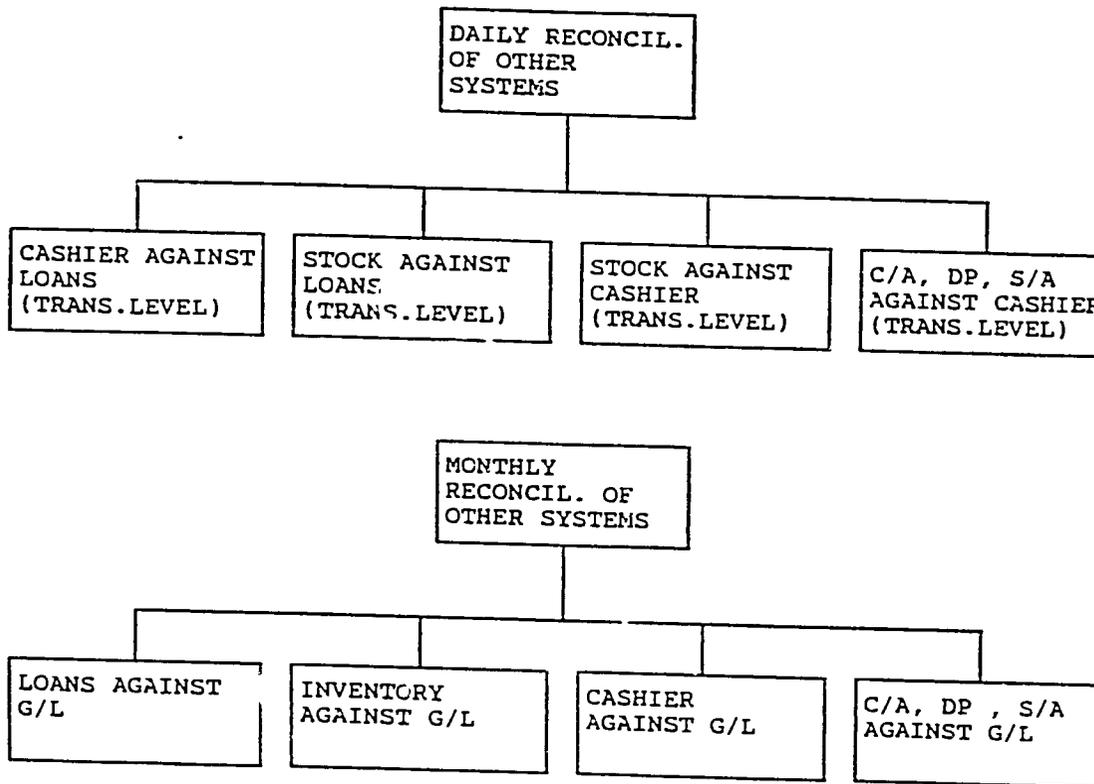
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203

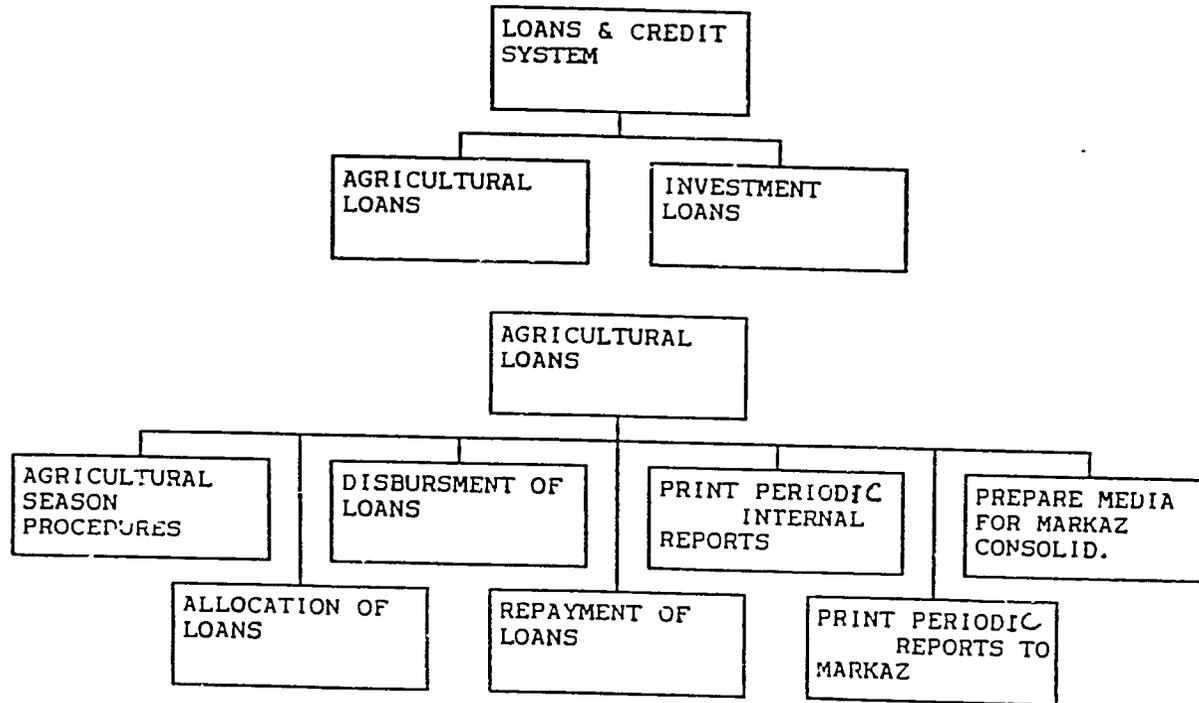
VILLAGE BANK  
FUNCTIONAL BLOCK DIAGRAM  
GENERAL LEDGER SYSTEM  
(PRELIMINARY)

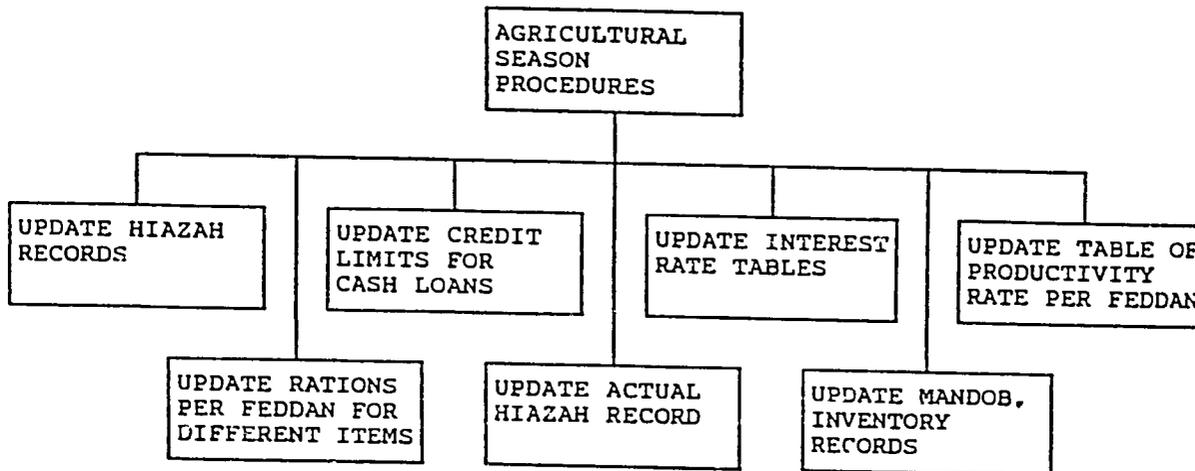


204

VILLAGE BANK  
FUNCTIONAL BLOCK DIAGRAM  
LOANS & CREDIT SYSTEM  
(PRELIMINARY)

205

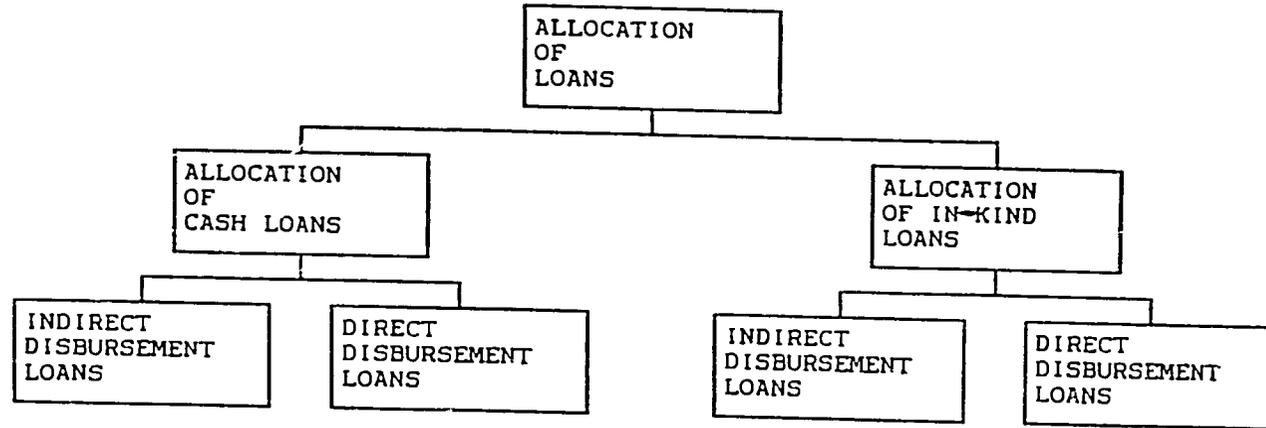




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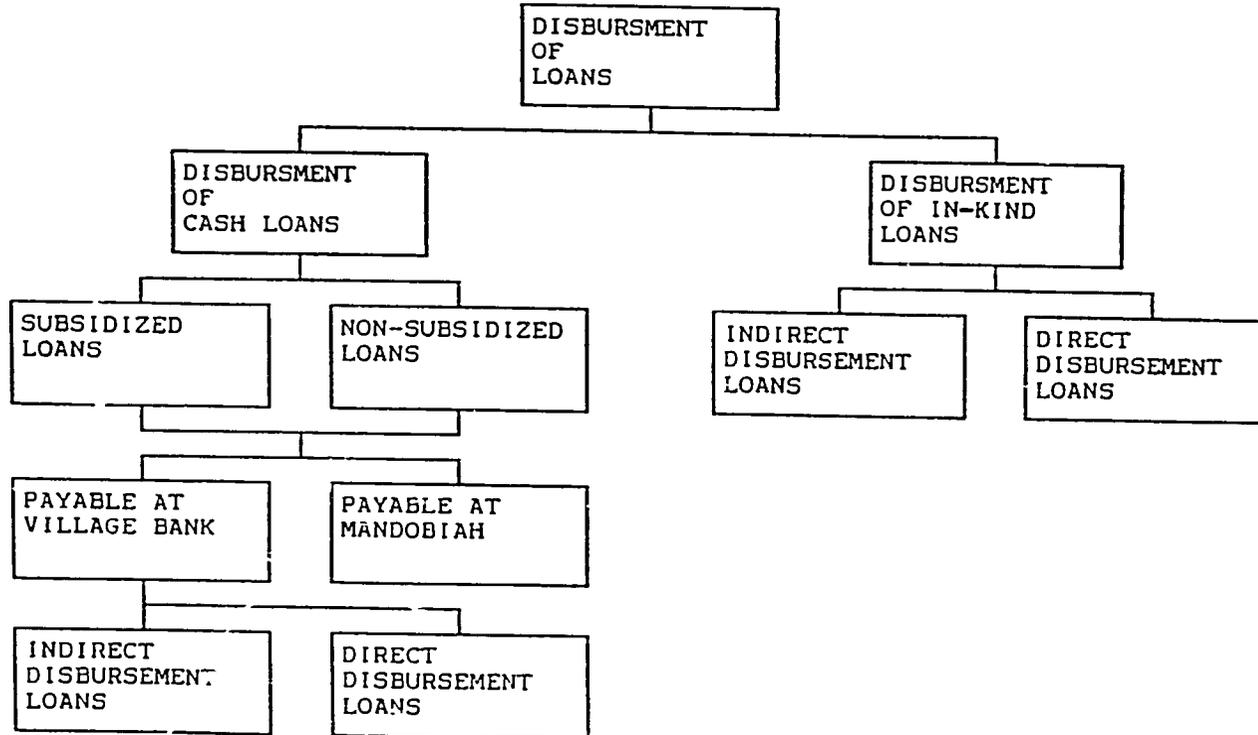
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VILLAGE BANK  
FUNCTIONAL BLOCK DIAGRAM  
LOANS & CREDIT SYSTEM  
(PRELIMINARY)

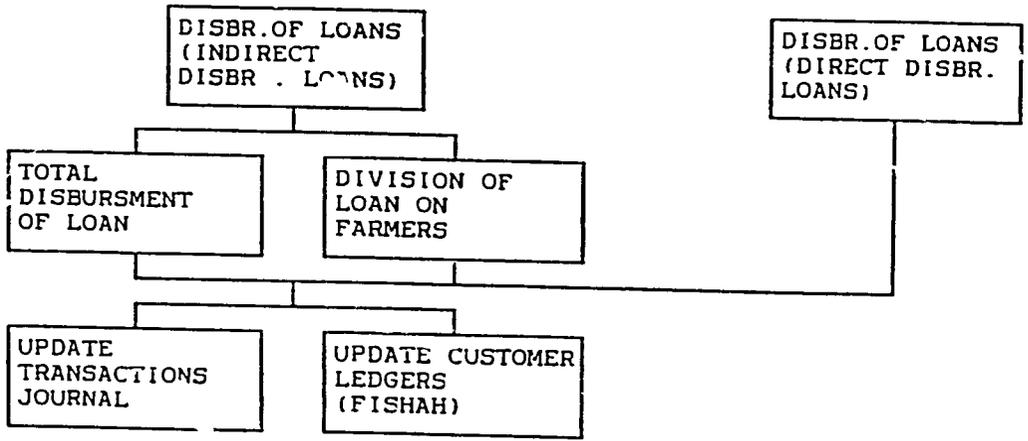


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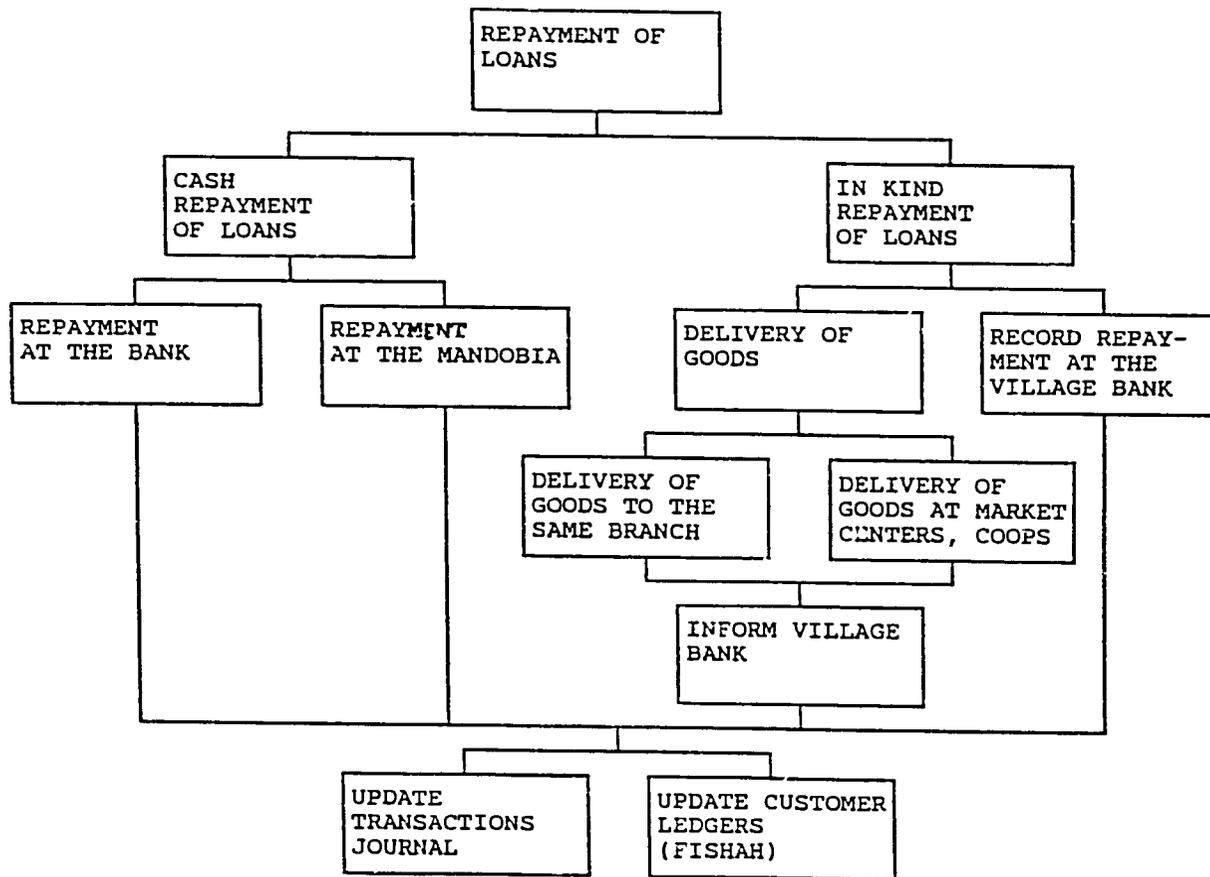


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209

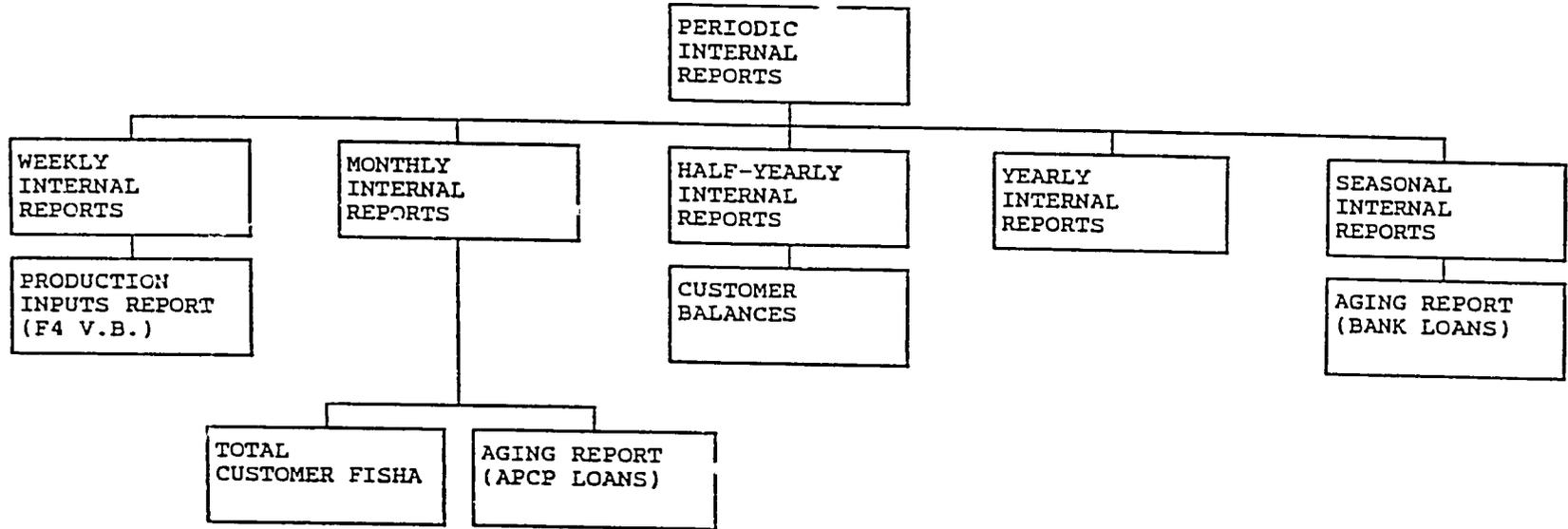
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210

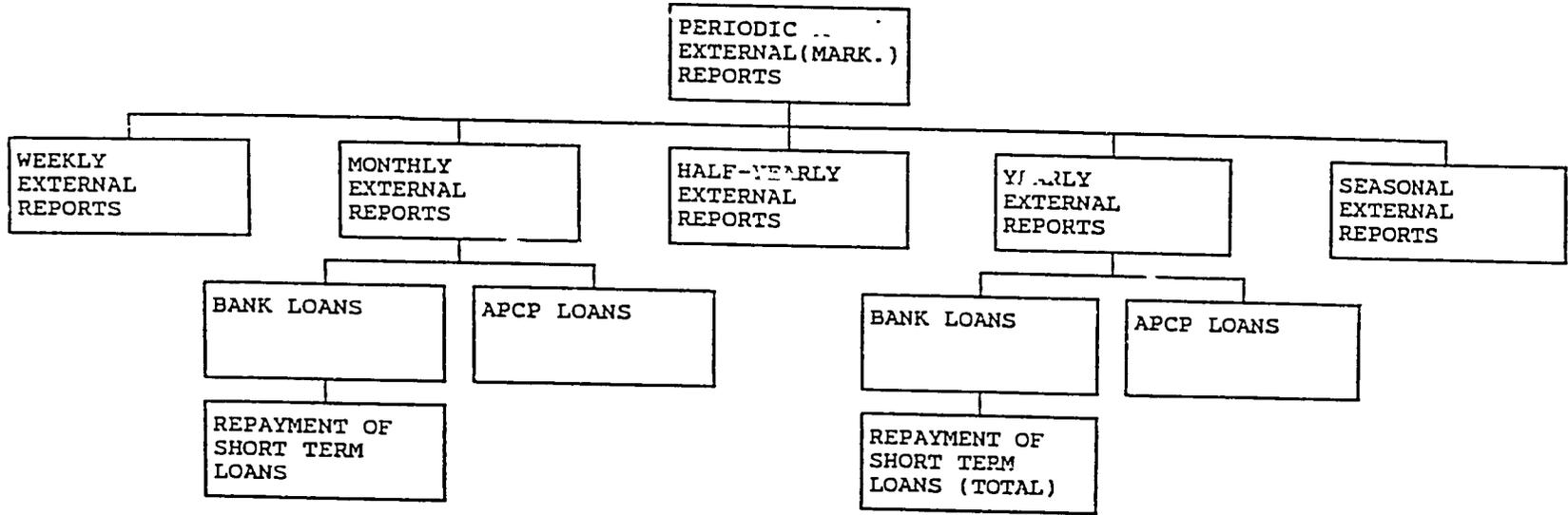
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FUNCTIONAL BLOCK DIAGRAM  
LOANS & CREDIT SYSTEM  
(PRELIMINARY)

PAGE : 13  
APRIL 16, 1989



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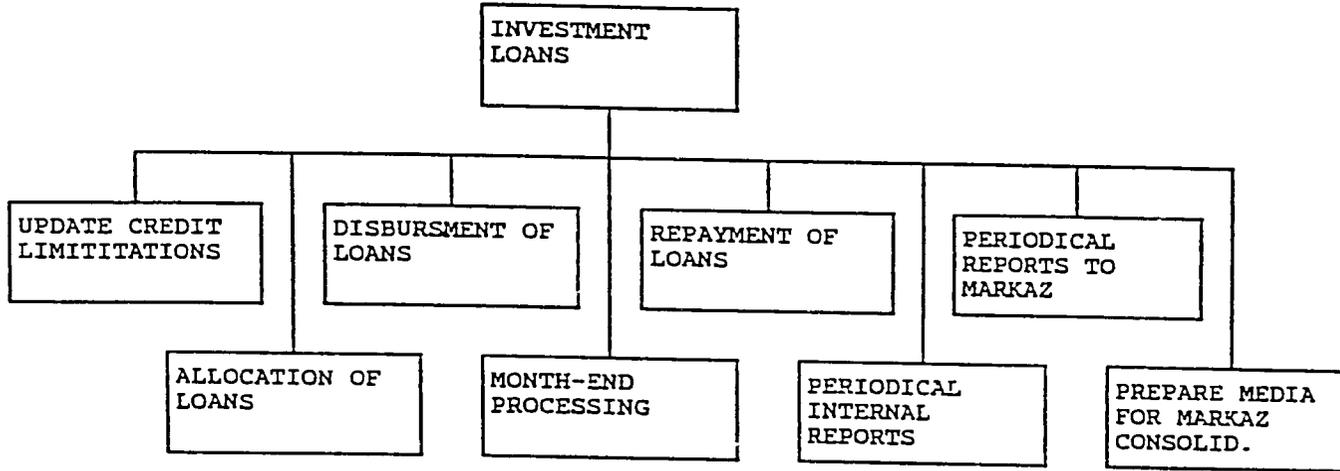
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212

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LOANS & CREDIT SYSTEM  
(PRELIMINARY)

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APRIL 16, 1989

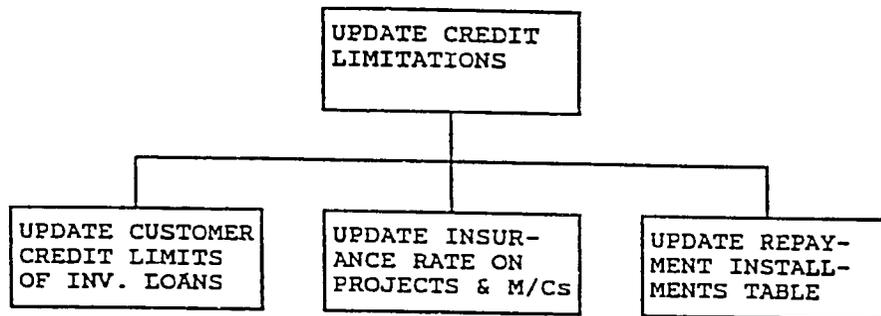


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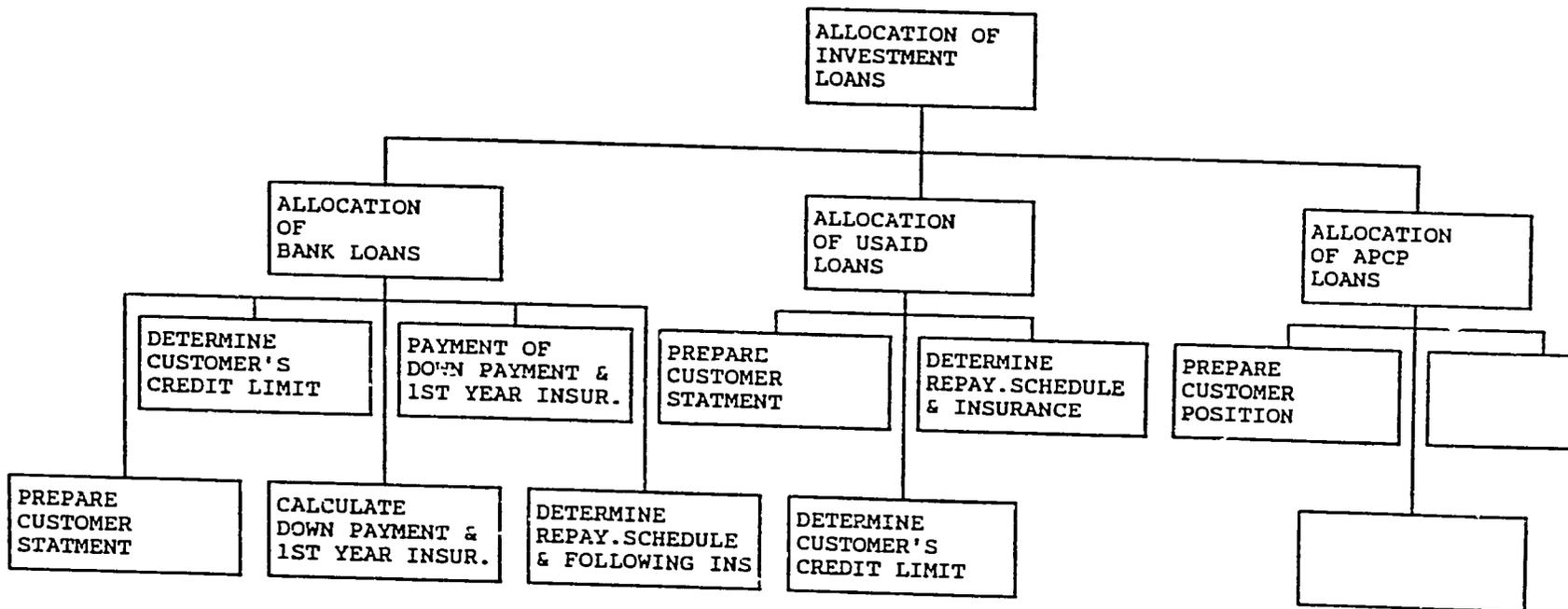
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LOANS & CREDIT SYSTEM  
(PRELIMINARY)

PAGE : 16  
MAY 11, 1989

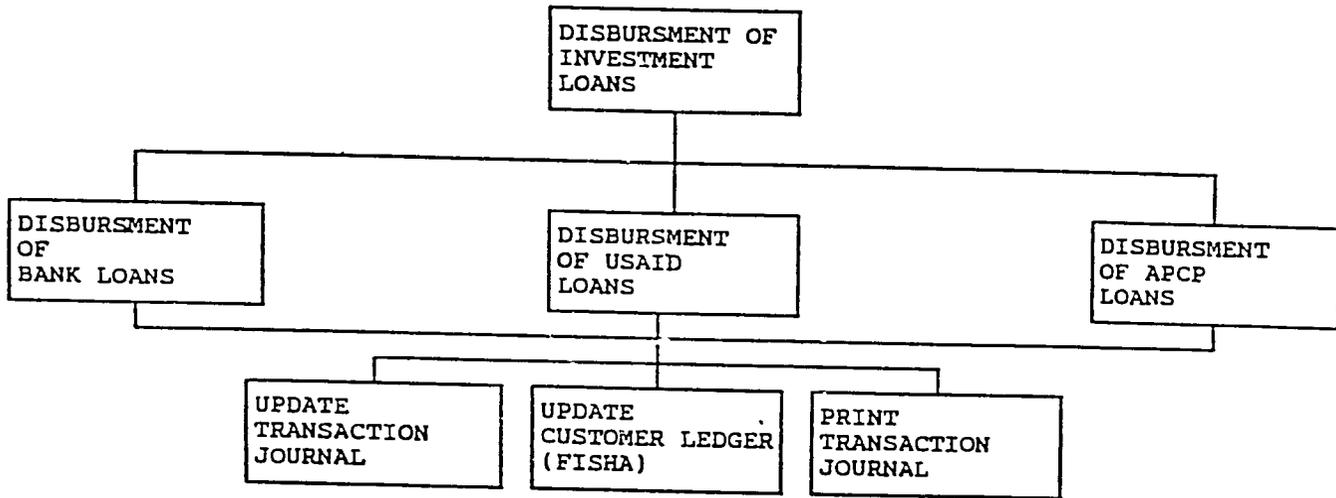


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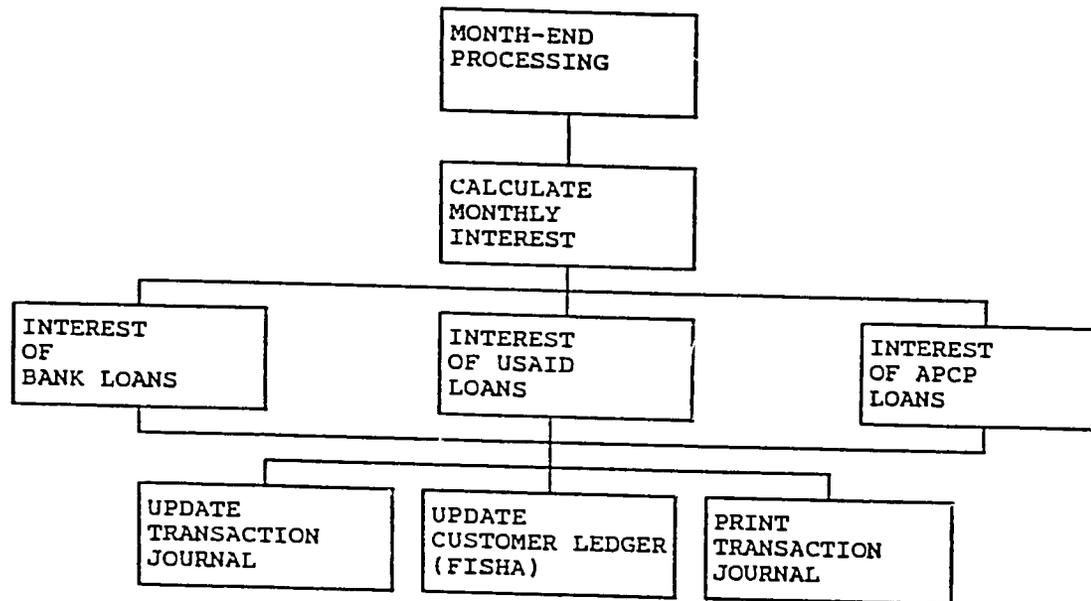


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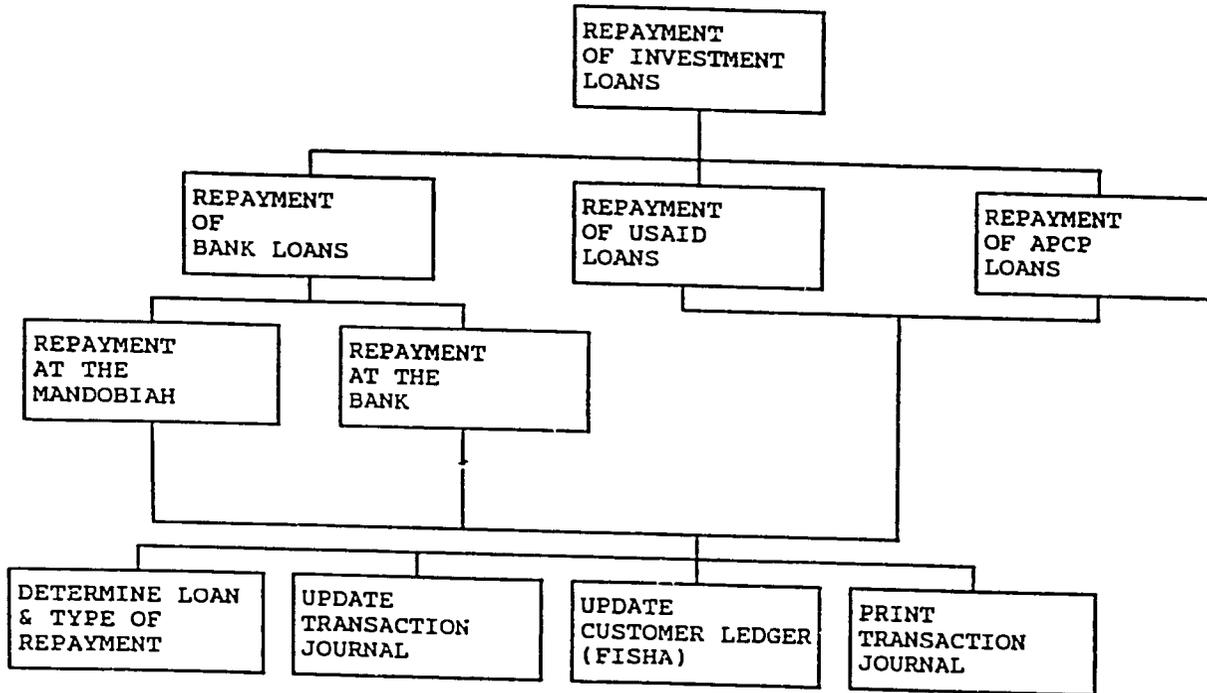
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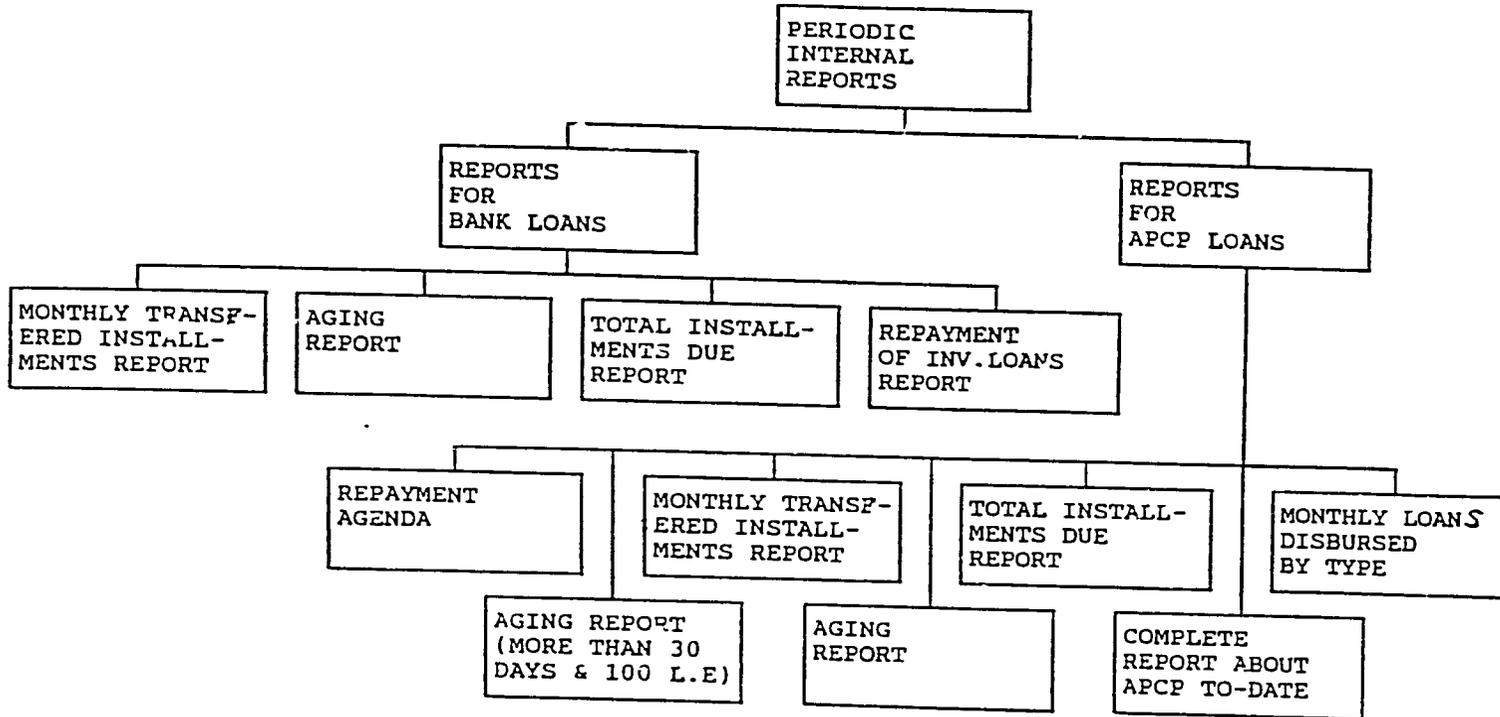
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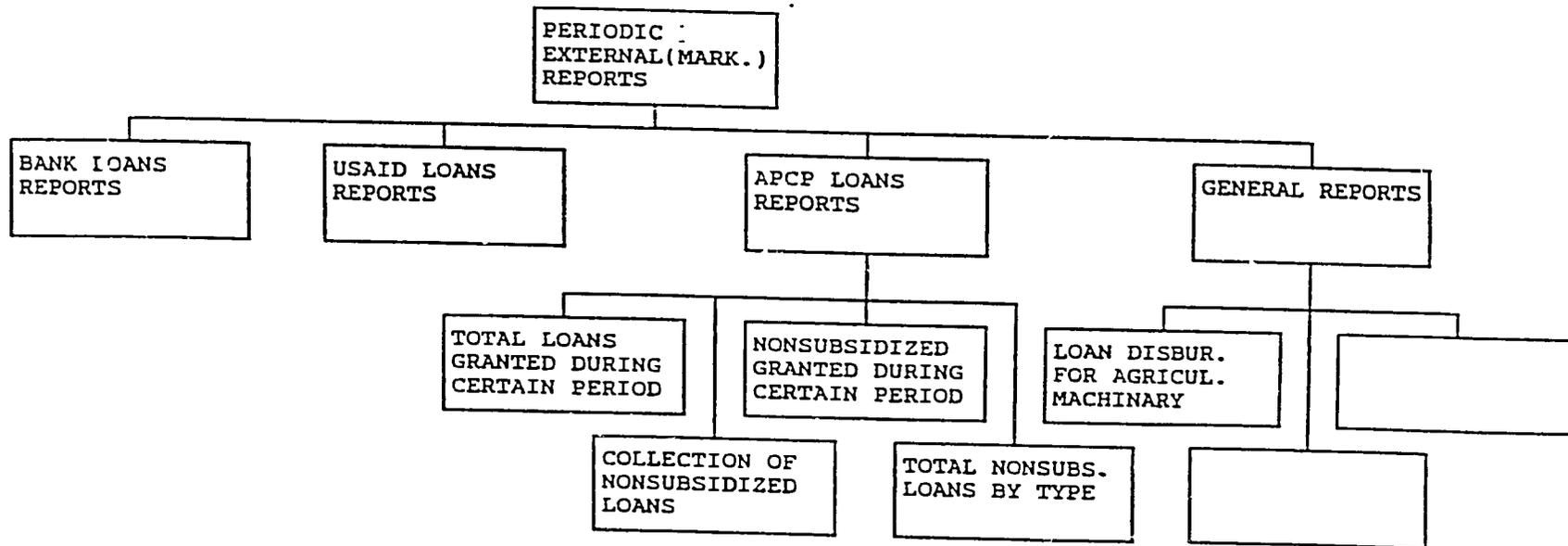
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LOANS & CREDIT SYSTEM  
(PRELIMINARY)



219

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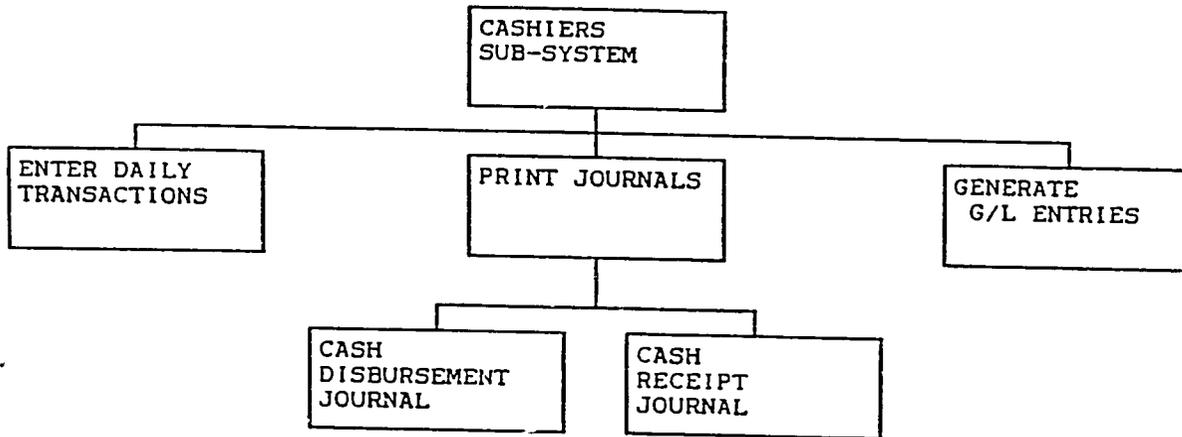
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FUNCTIONAL BLOCK DIAGRAM  
LOANS & CREDIT SYSTEM  
(PRELIMINARY)



220

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VILLAGE BANK  
FUNCTIONAL BLOCK DIAGRAM  
CASHIERS SUB-SYSTEM  
(PRELIMINARY)

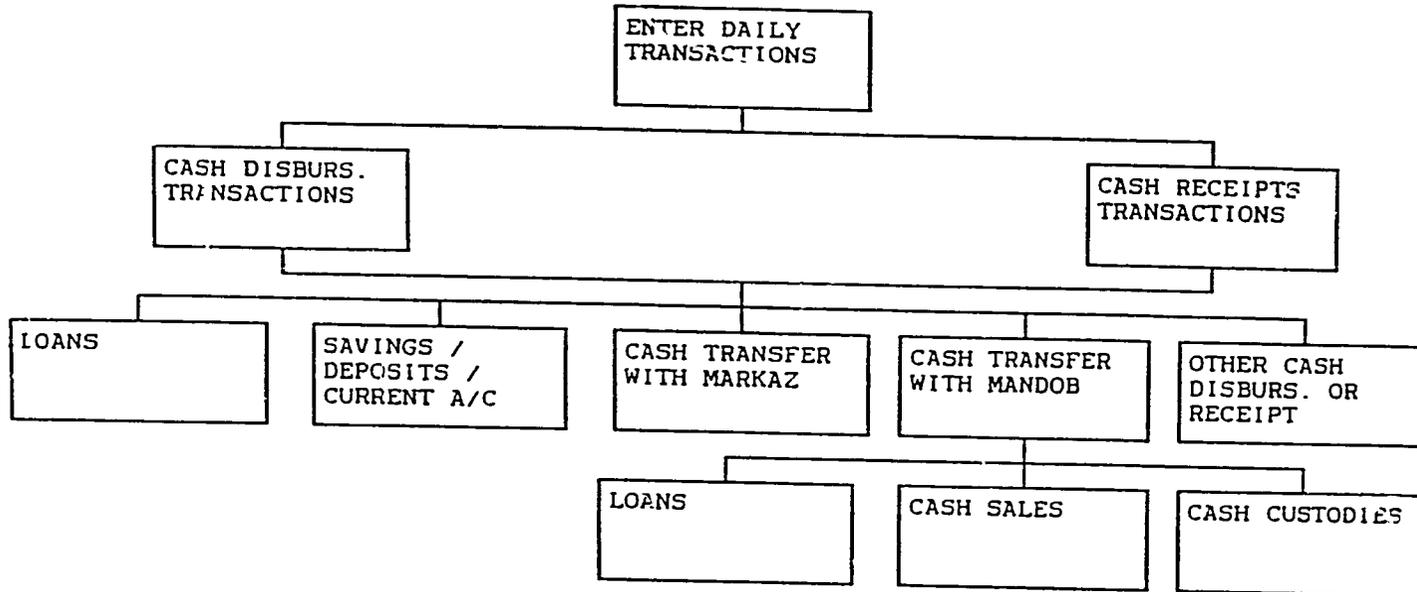


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VILLAGE BANK  
FUNCTIONAL BLOCK DIAGRAM  
CASHIERS SUB-SYSTEM  
(PRELIMINARY)

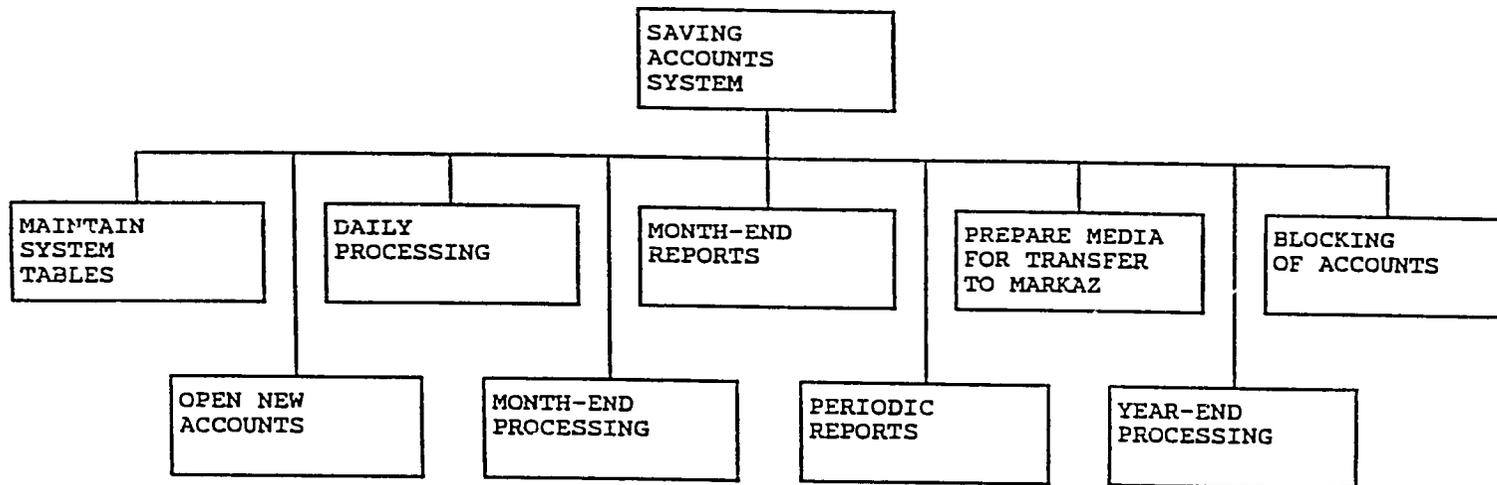
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FUNCTIONAL BLOCK DIAGRAM  
SAVING ACCOUNTS SYSTEM  
(PRELIMINARY)

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MAY 11, 1989

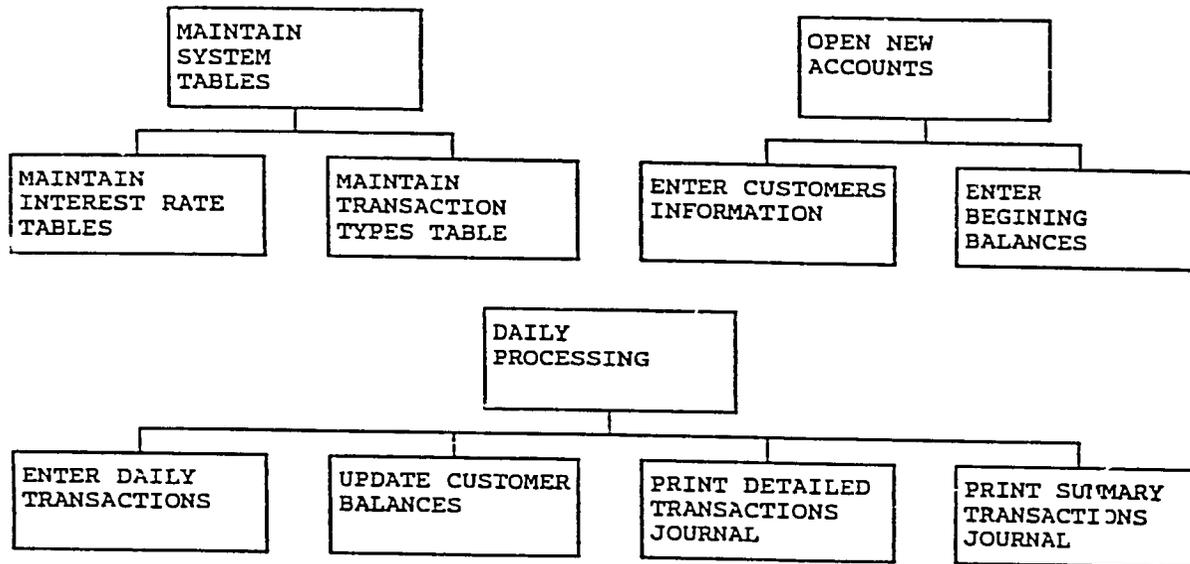


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FUNCTIONAL BLOCK DIAGRAM  
SAVING ACCOUNTS SYSTEM  
(PRELIMINARY)

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MAY 11, 1989

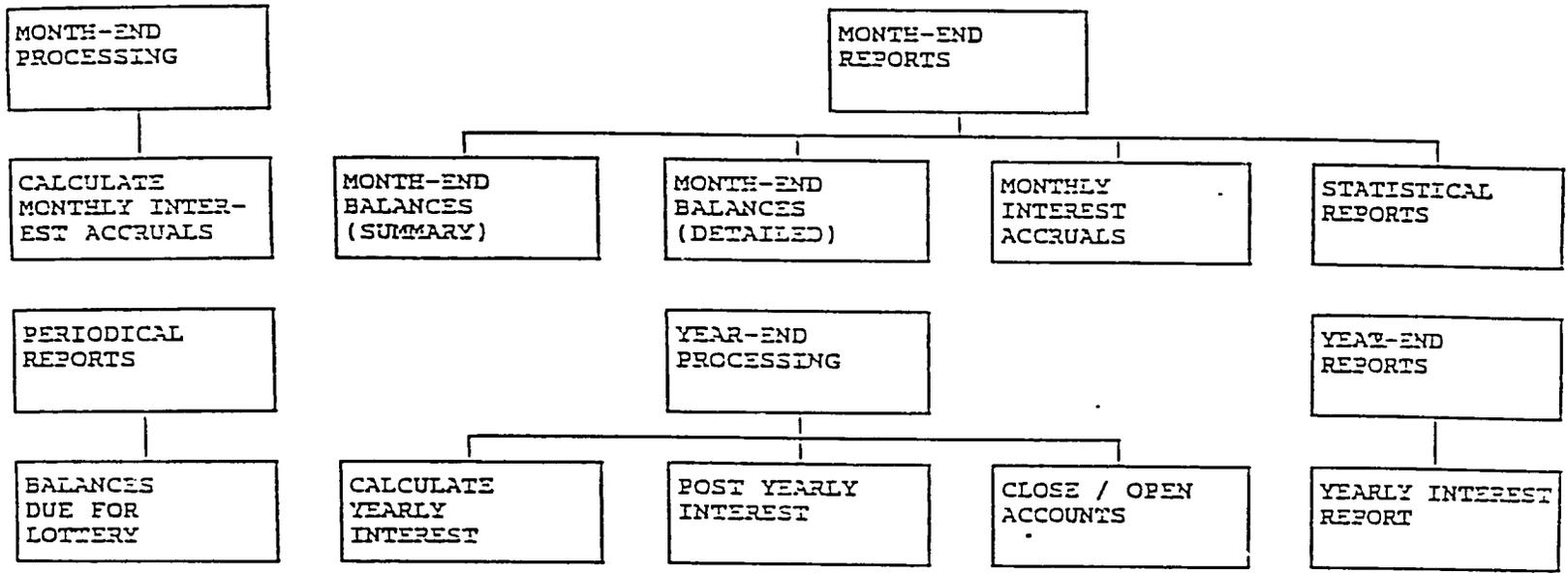


224

ref : VILL026

VILLAGE BANK  
 FUNCTIONAL BLOCK DIAGRAM  
 SAVING ACCOUNTS SYSTEM  
 (PRELIMINARY)

225



ref : VILL027

## ANNEX III-I-1

### OVERVIEW OF TASK 5 - MONITORING AND AUDITING

Relationship between the main objective of the technical assistance effort, major institution building outputs, anticipated end of project status, general and specific responsibilities, and annual workplan tasks.

APCP PROJECT PURPOSE,  
OBJECTIVES AND OUTPUTS

GENERAL RESPONSIBILITIES AND  
PROPOSED CONTRACTUAL TASKS AS STATED  
IN TECHNICAL PROPOSAL

SPECIFIC RESPONSIBILITIES AND  
SPECIFIC TASKS AS STATED IN WORKPLAN I

LEGISLATIVE/STATUTORY  
RESPONSIBILITIES  
(PBDAC LAW)

Effective management  
control  
  
A modern management  
information\accounting  
system

Improve Loan Classification Procedures  
And Monitoring System  
This task is designed to improve direct  
management controls in the area of auditing  
and pertains to the responsibilities of the  
monitoring and auditing specialists in  
loan monitoring and classification, & risk  
assessment, including reserves for losses,  
and the development of a reporting and  
monitoring system.  
This task is intended to assist in improv-  
ing the village bank's ability to detect  
potential problem loans in a timely manner,  
take remedial steps and, most importantly,  
flag the problem to upper levels : markaz  
and BDAC.  
  
The required data will also be an integral  
part of the management information and  
accounting system.

Assist PBDAC in coordination with other  
Chemonics team members , to develop a  
loan monitoring and loan classification  
system to ensure that ongoing lending  
operations are being carried out in confor-  
mity with approved policies and procedures  
to maintain control and creditability of  
the bank a financial institution.

Article 3  
The PBDAC shall undertake the  
following-up of its  
programmes.

Task 5.2  
5.2.2 Loan classification Concept Paper  
5.2.3 Action Plan

Assist key bank officials in developing  
staffing requirements for administration  
of these programs.

Task 5.1.3  
Organizational infrastructure discussion  
paper on credit auditing

Task 5.5.3  
Organizational infrastructure discussion  
paper on operational auditing

APCP PROJECT PURPOSE, OBJECTIVES AND OUTPUTS	GENERAL RESPONSIBILITIES, AND PROPOSED CONTRACTUAL TASKS AS STATED IN TECHNICAL PROPOSAL	SPECIFIC RESPONSIBILITIES AND SPECIFIC TASKS, AS STATED IN WORKPLAN I	LEGISLATIVE/STATUTORY RESPONSIBILITIES (PBDAC LAW)
<p>Improved financial services to rural clients</p> <p>Increased percentage of total PBDAC lending at the highest legal rate in order to increase the bank's financial viability</p> <p>Effective management control in financial analysis and budgeting</p> <p>A modern management information/accounting system</p> <p>Increased PBDAC capitalization (since the net profits of the Bank after deducting approved reserves and provisions will be included in the resources of the PBDAC)</p>	<p><u>Loan Risk Factors and Reserves (Reporting)</u></p> <p>The risk assessment of loans and setting of reserves will be under the supervision of the monitoring/audit specialist. This task is designed to assist in maintaining as high a loan (credit) quality as possible while increasing loan activity.</p> <p>This task is also designed to set up reserves against anticipated losses in order to preserve financial integrity of PBDAC</p>	<p>Assist PBDAC to design and implement a system whereby project loans can be evaluated as to the risk factor and losses reserve program established to the degree necessary and feasible.</p> <p><u>Task 5.3</u></p> <p>5.3.2 User requirements documented</p> <p>5.3.3 Loan risk matrix concept</p>	<p><u>Article 6</u></p> <p>The PBDAC as well as its affiliated banks, (BDAC's) shall follow the systems, practices, and methods of management used in banking and commercial firms.</p> <p><u>Article 18</u></p> <p>The PBDAC is required to submit, within six months of the year end, an annual balance sheet for the bank, in accordance with rules for financial reporting, including the creation of reserves and provisions; and a profit and loss statement covering the year in accordance with the rules followed by banking and commercial institutions.</p>

APCP PROJECT PURPOSE,  
OBJECTIVES AND OUTPUTS

GENERAL RESPONSIBILITIES, AND  
PROPOSED CONTRACTUAL TASKS AS  
STATED IN TECHNICAL PROPOSAL

SPECIFIC RESPONSIBILITIES AND  
SPECIFIC TASKS AS STATED IN WORKPLAN I

LEGISLATIVE/STATUTORY  
RESPONSIBILITIES  
(PBDAC LAW)

A modern management infor-  
nation/accounting system

Reporting System :

This task is designed to meet the need  
for an overall quality control reporting  
and monitoring system. The major aim of  
this task is to provide a credible system  
wide view of different operations  
indicators.

The Peat Marwick monitoring/audit specia-  
list, assisted by the MIS/accounting  
specialists, will have major responsibility  
for this task.

Assist in the development of a quality  
control reporting and monitoring system  
which meets the need of APCP (including  
USAID), PBDAC and other special reporting  
requirements.

Task 5.2.2

Loan classification concept paper

Task 5.3.2

User requirements documented for the loan  
loan classification system and loan risk  
matrix concept

Article 18

The FBDAC should prepare  
an annual balance sheet for  
the bank in accordance with  
the rules of financial  
accountancy, including the  
formation of reserves and  
provisions.

Article 17

The PBDAC and the affi-  
liated banks shall each  
a separate budget to be  
prepared in accordance  
with the rules governing  
the budgets of the  
banking system

APCP PROJECT PURPOSE, OBJECTIVES AND OUTPUTS	GENERAL RESPONSIBILITIES, AND PROPOSED CONTRACTUAL TASKS AS STATED IN TECHNICAL PROPOSAL	SPECIFIC RESPONSIBILITIES AND SPECIFIC TASKS AS STATED IN WORKPLAN I	LEGISLATIVE/STATUTORY RESPONSIBILITIES (PBDAC LAW)
<p>Effective management control auditing</p> <p>Improved banking system (in order to simplify borrowing procedures and reduce transaction time, and improve efficiency in banking and credit operations)</p>	<p><u>Credit Audit Operations</u></p> <p>As we have already addressed the issue of loan monitoring and loan classification, this task pertains to the improvement of management control in the area of auditing. The goal is to develop an international auditing service.</p> <p>This task is designed to simplify lending procedures and reduce transaction time and cost. Improved policies and procedures, including delegation of authority at the village level, will result in reductions of the transaction time required to process loans. Furthermore, a more judicious application of the classical "five c's of credit", with emphasis on repayment capacity, rather than collateral, will result in improved financial services through the granting of more loans.</p>	<p>Assist PBDAC to develop an agricultural credit audit operation throughout the project governorates with a control audit operation in the bank's headquarters to supervise the maintenance of an internal audit system.</p> <p><u>Task 5.1.2</u></p> <p>Mandate paper on credit auditing</p> <p><u>Task 5.1.4</u></p> <p>Preliminary credit audit program</p> <p><u>Task 5.5.2</u></p> <p>Mandate paper on operational auditing</p> <p><u>Task 5.5.4</u></p> <p>Outline of draft operational audit program</p> <p>Assist key bank officials in developing staffing requirements for administration of these programs.</p> <p><u>Task 5.1.3</u></p> <p>Organizational infrastructure discussion paper</p>	<p><u>Article 3</u></p> <p>The PBDAC shall undertake the follow-up of its programs and the supervision of the delivery of these lending programs within the framework of the state's policy.</p> <p><u>Article 6</u></p> <p>The PBDAC, as well as its affiliated banks (BDAC's) shall follow the systems and practices and methods of management applied in banking and commercial firms</p> <p><u>Article 16</u></p> <p>The board of directors of the affiliated banks shall follow up the credit business which they undertake at the regional level and insure that it realizes the set plan.</p>

APCP PROJECT PURPOSE, OBJECTIVES AND OUTPUTS	GENERAL RESPONSIBILITIES, AND PROPOSED CONTRACTUAL TASKS AS STATED IN TECHNICAL PROPOSAL	SPECIFIC RESPONSIBILITIES AND SPECIFIC TASKS AS STATED IN WORKPLAN I	LEGISLATIVE/STATUTORY RESPONSIBILITIES (PBDAC LAW)
<p>Improved banking system</p> <p>Effective management control auditing</p> <p>Increased PBDAC capitalization thru maximizing or optimizing returns</p>	<p><u>Operational Auditing</u></p> <p>Improve efficiency (and effectiveness) and simplify bank and credit operations.</p>	<p>Assist PBDAC in developing an international auditing service.</p> <p><u>Task 5.5.2</u></p> <p>Mandate paper on operational auditing or value for money auditing (economy, efficiency, effectiveness) the state's policy.</p> <p><u>Task 5.5.3</u></p> <p>Organizational infrastructure discussion paper</p> <p><u>Task 5.5.4</u></p> <p>Outline of draft operational audit program</p>	<p><u>Article 3</u></p> <p>The PBDAC shall undertake the follow-up of its programs and the supervision of the delivery of these lending programs within the framework of</p> <p><u>Article 6</u></p> <p>The PBDAC, as well as its affiliated banks (PBDACs) shall follow the systems and practices and methods of management applied in banking and commercial firms.</p>

APCP PROJECT PURPOSE, OBJECTIVES AND OUTPUTS	GENERAL RESPONSIBILITIES, AND PROPOSED CONTRACTUAL TASKS AS STATED IN TECHNICAL PROPOSAL	SPECIFIC RESPONSIBILITIES AND SPECIFIC TASKS AS STATED IN WORKPLAN I	LEGISLATIVE/STATUTORY RESPONSIBILITIES (PBDAC LAW)
Bank staff trained in banking, financial management and business loan evaluation	<u>Training</u> As SFPP and the bridging contract provide good documentation for the credit and lending system, the village auditing and the village auditing and monitoring component should be concentrated on.	Advise on developing and implementing a training program related to quality control requirements.  Assist counterparts and other team members in the identification of appropriate short-term training programs. observation visits, seminars and other human resource development activities.	<u>Article 22</u>  The regulations of public sector personnel issued by law number 71/1971 shall apply to them pending the preparation of personnel regulations in application of the present law
Improving financial services to rural client	The expected output of this task will be an efficient and effective training program	<u>Task 5.4</u>  5.4.2 Course outline on managerial development 5.4.3 Course outlines on Internal Auditing I (Intermediate level course) 5.4.4 Internal Auditing II (Advanced level course) 5.4.5 Reference list (Short term training courses and relevant seminars)	<u>PBDAC By-Laws</u>  These by-laws deal with personnel regulations, including training.

## ANNEX III-I-2

10/1/1989

### INSPECTION AND CONTROL SECTOR

#### THE ACHIEVEMENTS OF THE INSPECTION AND CONTROL SECTOR AND THE MOST IMPORTANT REMARKS UNTIL 31/12/1988

#### I- : ACHIEVEMENTS

##### IN THE FIELD OF PRODUCTION REQUIREMENTS

1. The number of empty containers which have been examined by the inspectors of the production section in the inspection and control sector, reached 4.5 million empty containers among the governorate banks and the principal Bank's branches.

##### IN THE FIELD OF ADMINISTRATIVE AFFAIRS

2. The general inspector of administrative affairs for the control sector investigated the problem of the lorry which broke the door of a shoe-maker's shop in Alexandria branch and drove away. They recognized the driver and the car which had the accident, after a threat to hold an investigation with the shop controller, the workers, and the people in charge of the branch. Accordingly, the driver paid the expenses and the door was repaired with the store and the houseware without any burdens on the bank's behalf.

##### IN THE FIELD OF FINANCE AND CREDIT

3. The sector formed committees to examine topics issued according to instructions of the supreme authority and some external authorities (Gena prosecution). A total of 65 inspectors participated in these committees, working under the supervision of seven chief inspectors.
  - a. A committee examined car loans at the Nagaa Hamady branch of Gena bank (according to instruction from Gena prosecution).
  - b. A committee examined the advisory loans at the Alexandria and Matrouh branches since 1980, according to the instructions of the Chairman. Those people who were accused were sent for administrative prosecution after the Chairman's approval was obtained.
  - c. A committee examined the central accounting bureau's remarks on the 30/06/1988 budget for the Ismailia bank. This was done according to instructions by the supreme authority.

- d. A committee examined the central accounting bureau's remarks on the 30/06/1988 budget for the following banks: Fayoum, Menoufiya, Minya, and Sohag. This was done according to instructions from the supreme authority.
  - e. The sector shared in following up the work done on the seventh and the eighth floor of the bank's main building after the move.
  - f. A committee audited the account of Mohsen Nabih, a client, in Giza Governorate.
  - g. According to the general meeting recommendations which were based on discussing and approving the budgets of the credit and development banks in the governorate for the financial year in 30/6/1988. The sector formed some committees to inquire about the defects (as far as the sector is concerned) and try to take necessary steps to avoid their repetition.
  - h. A committee was formed to examine the administration control's report about the Qena bank, according to the instructions of the supreme authority.
  - i. A committee was formed to investigate a complaint against some employees in the Qalubiya bank.
4. Due to repeated violations in the governorates' banks checked by the sector, which were as a result of deficiency in carrying out instructions, the sector contacted the inspection and control departments at the governorate banks in order to obtain the names of the employees filling these positions. The sector will coordinate with the governorate banks to hold a meeting with the employees in charge of inspection and control at the governorates' banks with the with the purpose of:
- acknowledging problems that hinder work.
  - clarifying common and redundant mistakes and ways of avoiding them.
  - contacting the training department, if necessary, to hold specialized training courses in the nearest locations for employees who are scheduled to attend the courses. This is done to save both time and effort instead of holding them at the Principal Bank in Cairo. It is also done to enable the employee at the governorate banks working in these fields to attend the courses as it was noticed that some governorate banks recommended that employees attend the courses when they actually had nothing to do with courses, just to keep the training going on.

5. According to the instructions of the Chairman of the inspection and control sector will handle the revision of executed data from the financing plan of 1988/1987 in all activities at the governorate banks and the Principal Bank's branches. This is to be done monthly, before sending them to the Principal Bank's sectors or showing them to the Chairman. The sector took the necessary steps to consider his instructions and to execute them immediately. In addition to what is mentioned above, the sector examined some complaints which were sent either to Chairman directly or through other external authorities such as the deputy prime minister's office, the administrative prosecution, or the central accounting bureau.
6. The sector carried out monthly control courses in the fields of financial affairs, production affairs, credit affairs, administration affairs, and banking affairs. The courses were given the following remarks:

#### In The Field Of Administrative Affair

It was recorded that some banks are handling the penalty amount in the wrong way, for example:

1. The Menoufiya bank distributed 30% which is supposed to go to the Ministry of Treasury.

The I Afr El-Sheikh bank distributed the percentage wrongly in contradiction with Article 45 of Law 48 for the year 1978, its amendment in Law 45 for the year 1981, and the deputy Prime Minister's Resolution number 979 for the year 1981, concerning the expenditures of 1/3 of the collected money from the deduction penalty imposed on the employees of the public sector.

There were also violations of Articles 50, 51, and 52 of the disciplinary and penalty board of the Principal Bank and the governorate banks.

The sector informed the banks of the right way to spend the penalty fund according to the instructions mentioned above.

2. Mr. Gomaa Saleh Ahmed, an employee at Aswan bank, gumbled in personnel files. He took a document stating a penalty decision against him issued by the disciplinary court in Assyout in 15/03/1987 10 days from his salary.
3. The promotion board's Article 85 is never applied at the Aswan bank. The subject was referred to the personnel department for comment.
4. The subject of the loss of documents and credentials from the personnel files at the New Valley Bank was referred to the legal affairs sector to investigate and to specify the names involved.

## In The Field Of Financial Affairs

The sector examined the banking work in the rest of the governorate banks and it determined the following:

1. Interest has been miscalculated, for example:  
At the Badhle village bank, Smasta branch, Beni Suef governorate, the interest of seven pounds for the "casual" savings account number 267 under the name of Mr. Ramadan Aly Saad should have been calculated as 8.280.

The same case was repeated in the following banks:

- Sendyoun village bank, Moshtaher village bank in Qalubiya governorate
  - El-Amiria village bank in Alexandria governorate.
2. At some banks no deposit contracts are written between some clients and the banks although the contract is considered to be the written proof that forces the client to comply with the bank's conditions. This was the case at:
    - a. El-Bergana village bank and Eberia village bank in Minya governorate
    - b. Sendenhore village bank, El-Deir village bank, Moshtaher village bank, Mit-tanana village bank, Sendyoun village bank, Seneen village bank in El Qalubiya Governorate.
    - c. El-Rasheda village bank in the New Valley
  3. The "deposit/cash" restrictions are not in agreement with the personnel balance sheets of the clients, which leads to uncertainty about the new actual account in which the cash should not exceed its limits. It is worth mentioning that this is risky because it leads to "overdraft" as happened in Luxor branch in Qena Governorate. For example:
    - El-Mansheaa village bank was not in agreement with the fee from 01/10/1988 to the visiting date.
    - Edfou village bank was not in agreement with the fee from 15/10/1988 to the visiting date.
    - Awlad Hamza village bank was not in agreement with the fee from 01/11/1988 to the visiting date.
    - El-Ahsas village bank was not in agreement with the fee from 01/11/1988 to the visiting date.
    - Sohag governorate also showed discrepancies.

\* the visiting date is from 20/11/1988 till 21/12/1988

4. There are some liquid cash accounts under the name of persons, for example:

a. Abyouha village bank, Abu Korsa branch in Minya governorate.

Examples:

- Mohamed Nashaat Abou El Sebaa, account number 2 in the amount of LE. 50
- Mohamed Sayed El Touni, account number 10 in the amount of LE. 50
- Ahmed Sadek Ahmed, account number 11 in the amount of LE. 50

b. El-Borhana village bank in Minya governorate.

Examples:

- Amal Aly Sheha'a, account number 27 in the amount of LE. 2,508.30
- Sayed Abdalla Allah Mahmoud, account number 24 in the amount of LE. 25.30

c. The signature format for the bank lines is not kept at:

- El-Mansheaa village bank in Sohag governorate.
- Badhel village bank in Beni Suef governorate.
- El Heer village bank, Mit Kanana village bank in Qalubiya governorate.
- El-Monaza village bank in Alexandria governorate.

### In The Field Of Credit

The following are remarks that were made after forming committees and examining complaints :

1. The continuity of the loan turnover in some governorates Sohag, Minya, El-Fayoum, Menoufiya. They follow new rules such as paying loans which aren't due to be paid in the same day of the grant.
2. The Qalubiya bank did not collect the rest of the television, car, etc... loans which reached LE. 31,000 although there were enough guarantees and the bankers themselves knew the debtors.
3. At the Kafr El-Gazar village bank in Qalubiya, the payment is only for the original debt regardless accrued interests.

4. At the Kafr El-Gazar village bank in Qalubiya, the due dates of loan installments are not accurately determined.
5. After examining the complaints of the El-Saadawi family in Beheira, it was found that the bank granted loans for legal minors and not for the legal guardian. Furthermore, fertilizer were distributed in the amount of LE. 100,000 which was against instructions. Accordingly, the sector informed the general prosecution against those who are responsible for these violations.
6. After auditing the account of the client, Mohsen Habih, in Giza bank, it was found that the overdraft which was prepared by the bank is less than the total amount audited by the control sector where the difference amounts to L.E. 37,000.
7. By examining loans granted at the Qena governorate bank, many violations were discovered. The bankers obtained loans for themselves and their relatives such as their wives. They have not repaid their debts and they used their influence to obtain such loans without any existing projects. Sometimes, they obtained loans from more than one bank and did not repay the loan.
8. After examining one of the complaints at El-Nawat village bank in Giza, it was found that the bank gave subsidized insecticides to clients without any evaluation.
9. It was discovered that some clients were given an extra quantity of fertilizers in some banks such as El-Nawat village bank in Giza, and Serce El-Lyan village bank, Menoufiya branch in Menoufiya.

#### In The Field Of Production Requirements

1. The local controlling and supervising systems for the units and establishments are inadequate at some governorate banks such as:
  - The Damietta bank
  - The Kafr El Sheik bank
  - The Sharqiya bank
2. There is no monthly plan for the supervisory system in some banks such as:
  - The Ismailia bank
  - The Asswan bank
  - The Minya bank
3. When inventories in some stores and warehouses were conducted by the sector inspector, it was noticed that the actual balance does not match the written one, indicating deficits. All these show the necessity of periodic checks and supervision of these establishments such as:

- The Salem, El-Balakose, Kafr Elwan and El-Delenqate warehouse, the Kafr El-Zayat fertilization storehouse, the Barawia stores, and the Kafr El-Dawar storehouse in Beheira governorate.
- The Mit Yazeed warehouse in Santa, the Samla in Ikatour, and the Abou Haqar warehouse in Bassioun in Gharbiya governorate bank.
- The Awlad Salem Bahari warehouse (Awlad Touaa branch) in Sohaq governorate.
- The Bertash warehouse (Embaba branch) in Giza governorate.
- Several warehouses in west Deshna branch in Uena governorate.
- The El-Bahari warehouse (Hofada branch) in Uena governorate.
- The Awlad Neqm warehouse (Naqaa Hamadi branch) in Qena governorate.
- The El-Deir El-Sharki warehouse (Qena branch in Qena governorate).
- The Windra warehouse in Qena governorate.

4. Available fertilizers were found to be less than the amounts supposed to be available, for example:

- A deficiency in phosphoric fertilizers was found in Sohaq governorate.
- A deficiency in super smooth and super concentrated fertilizers has found in Uena governorate.
- A deficiency in phosphoric fertilizers was found in Kafr El Sheikh governorate bank.

#### 5. STORES OCCUPATION

- There are a lot of raqs in most of the stores in Damietta bank.
- In Fort Said's store there are leftovers and scraps from the past since ten years ago. Despite the previous reports by the controlling systems both the internal and the external to remove them, on the contrary the leftovers have accumulated to the degree that they are occupying 1/3 of the store. Consequently, it negatively affects the storage spaces, especially as it is the only store for the Fort Said branch. It was included in the sector work plan during the squads of the production section.

6. THE UNAVAILABILITY OF INDUSTRIAL SECURITY TOOLS

It was recorded that some stores and warehouses don't have fire fighting equipments, for example

- The Naser store (El-Shohadaa branch) in Menoufiya governorate.
- The Abou-Shehat store and the El Nasr store in ismailia governorate.
- The kafr El-Zayat store in El-Gharbiya governorate bank.

7. It was discovered that warehouses are closed during official working hours, for example :

- The kafr Tefah, El Mokataa, and kafr El-Baz warehouse in in Daqahliya governorate.
- The Agaria warehouse (Awlad Toak branch) in Sohag governorate.
- The El-Saa-Ayed Bahari warehouse (Edfou branch) in Asswan governorate.
- The El-Aakab warehouse (Aswan branch) in Aswan governorate.
- The Youga warehouse in Minya governorate.
- The kafr El-Refate warehouse (El-Ayat branch) in Giza governorate.
- The Mashtoul, and Sebrai warehouses in Gharbiya governorate.
- The Abou Mandour warehouse store in kafr El Sheikh governorate.

8. The appropriate rules and instructions are not observed while storing, which has led to the deterioration of production inputs and crops.

The storage of the insecticides, fertilizers, and fodder is inadequate at:

- El Saidya warehouse in Fayed in Ismailia governorate.
- Kom Shewayah, Hanin, El Laem, and El-Berendat warehouse in Beheira governorate.

The Fertilizers are stuck in the stores and warehouses which hinders the inventory procedures such as :

- Serce El-Lian store in Menouf and Gezoure store in Berkat El-Sabaa in Menoufiya governorate bank.

- El-Salhat warehouse in Mit Seweed in Daqahliya governorate bank.

Grain is stored directly on the ground which is contrary to Circular number 192 concerning crop protection for example:

- It was noticed at the Wandeel store (Naser branch) in Beni Suef governorate that 1,900 sacks of corn from 1988 were left on the ground. Also it was noticed that some poultry opened the sacks causing the contents to all on the ground.
- At the Shobra El-Namla store in Belbeise, Mashtoul El-Markazia, and El-Lian El-Gadia in Deir Bneqm in Sharqiya governorate bank.

9. They don't follow up the military captures which occupy space in these stores such as :

- The Tameya Store in Fayoum governorate.
- The El-Maraaha El-Molheka, Gerga, and Dar El-Salam Stores in Sohag governorate.
- The El- Mensheaa Store in Sohag governorate.
- The Damietta store in Damietta governorate.
- The Abou Faraq, El-Sahafa in Mashtoul, and El-Lian in Deir Bneqm warehouse in Sharqiya governorate.

10. Cotton seed was found left over in most of the stores in Damietta governorate.

The sector is to inform the banks of these discoveries, and it will follow up their correction.

#### RECOMMENDATIONS

It was noticed that some departments in the Principal Bank issued books periodically containing its instructions to the governorate banks. The sector is not informed of these books until the time of auditing. The control and inspection sector has to know these instructions to enable the inspectors to check and examine according to these instructions to avoid any further defaults or defects. The sector should have a copy of these periodic instructions.

- To avoid repeated mistakes in banking operations which are widely spread throughout the governorate banks such as overdrafts which are very risky, as the client has no right to cash money while there is no guarantee to support his withdrawal, the sector recommends releasing disciplined instructions for banking operation and providing new guarantees to the existing instructions at the banks, to avoid the infractions of the regulations found in them and to be available for people in charge of consideration

### ANNEX III-I-3

This checklist focuses on the adequacy of the internal audit function as an effective tool of management. When effectively employed to complement other elements of managerial control, internal audit facilitates adjustments to operations to conform to prescribed or desired standards of performance. It can also act as a catalyst for change.

The questions have been divided into two parts: management of the audit function; and audit plans and results. The questions for the first part are designed to assess the adequacy of the organizational status, role and relationships. The second part concerns itself with the internal audit process and the practices utilized by PBDAC's audit organization.

**A. MANAGEMENT OF THE AUDIT FUNCTION**

\*Questions noted with an asterisk are for information purposes only and are intended to provide a data in such areas as skills, training and resources.

**1. Organizational Structure and Responsibilities**

<u>Role</u>	<u>Current status</u>
-------------	-----------------------

Does the role of the internal audit organization provide for an independent systematic appraisal of the bank's operations and administration by:

- |   |                       |
|---|-----------------------|
| 1.1 - identifying, reviewing, evaluating and reporting on the adequacy of the bank's predetermined operational and administrative control framework (this framework includes all policies, systems and activities)? | Not fully             |
| 1.2 - examining and evaluating performance in relation to this predetermined framework and reporting the extent of compliance to management?  | No framework          |
| 1.3 - advising management on the efficiency, economy and effectiveness of the operational and administrative functions?   | Not included in scope |

Administrative functions include such support services as finance, performance measurement, program evaluation, policy, strategic planning, and general administration.

**Scope and Frequency**

Scope

- |   |   |
|---|---|
| 1.4 Does the scope of audit encompass all policies, systems and functions that contribute to control and accountability and to the visibility of financial and operating information? | Not all policies, systems and functions |
| 1.5 Does the internal audit organization as a matter of course participate in the review of design proposals for major new policies or systems, and for                               | No                                      |

Current status

significant changes or conversions in existing policies, procedures or systems, whether they are manual, mechanical or electronic in nature?

1.6 Does the internal audit organization evaluate whether major agreements and contracts between the Bank and outside entities can be audited before they are finalized? Not formally

1.7 Does the internal audit organization evaluate how legislation or proposed legislation concerning the bank can be audited? No

Is the internal audit organization consulted when the bank is reviewing proposals for new or amended:

1.8 - Government legislation or regulations? No

1.9 - Central agency policies or regulations? No

Frequency of Audit

Financial Function (and Policies)

1.10 Are all major functions of the financial function--including the financial controls in every financial system or program--deemed to be operational or administrative by the bank subject to audit at least every three years? No plan

1.11 Has the internal audit organization identified any major components of the financial function which require review more frequently than every three years? No plan

Other Functions and Policies

1.12 \*How often are the major components of all other operational and administrative functions subject to audit? No plan

Reporting Relationship

1.13 Does the head of the internal audit organization report to the chairman? Yes

2. <u>FUNCTIONAL LINKAGES</u>	<u>Current Status</u>
<u>Audit Committee</u>	
2.1 Is there an Internal Audit Committee established under terms of reference approved by the Board of Directors?	No
2.2 Is the Internal Audit Committee chaired by an outside director?	N/A
2.3 Is the senior financial officer invited to the Internal Audit Committee to explain the financial statements?	N/A
2.4 Is the head of the internal audit organization invited regularly by the Internal Audit Committee?	N/A
Do the terms of reference of the Internal Audit Committee include responsibilities for reviewing:	N/A
2.5 - audit reports or summaries of these reports, and advising on action to be taken?	N/A
2.6 - implementation of recommendations in audit reports?	N/A
2.7 - long-term plans of the internal audit organization?	N/A
2.8 - the annual plan of the internal audit organization?	N/A
2.9 - whether or not major changes in the components (policies, systems and activities) of the bank's operational and administrative functions can be audited?	N/A
2.10 - reports from the office of the central audit organization?	N/A
2.11 Is there evidence available in the documented proceedings, formal minutes etc. of the meetings of the Internal Audit Committee to indicate that it is functioning effectively?	N/A

Current Status

Coordination/Integration of Audit Activities

- |  |              |
|--|--------------|
| 2.12 Is the internal audit organization the sole organizational entity having internal audit responsibilities?   | No           |
| Where separate internal audit or evaluation groups exist in the department:  |              |
| 2.13 - are there clear terms of reference for each group?  | No           |
| 2.14 - are the annual schedules of each group effectively coordinated to avoid duplication or overlapping of work, undue interference in operations and value for the total resources committed to audit/evaluation? | N/A          |
| 2.15 - is there an exchange of audit reports and related information?  | No           |
| 2.16 - is there coordination of any required follow-up by each group?  | Not formally |

Audit Independence

- |   |     |
|---|-----|
| 2.17 Is the internal audit organization established under a formal internal audit policy approved by the board of directors?  | No  |
| 2.18 Is the internal audit policy communicated effectively to all appropriate bank personnel?   | No  |
| 2.19 Does the internal audit policy give the internal audit organization access to all information, records, documents and reports that they deem to be related to the fulfillment of their responsibilities? | N/A |
| 2.20 Does the internal audit policy grant the internal audit organization reasonable access to all staff in order to obtain all information and explanations necessary to their examinations?                 | N/A |

Current Status

2.21	Does the internal audit policy restrict the internal audit organization from participating in the development or implementation of policies, systems or activities which it may be called upon to examine and review?	N/A
	Does the internal audit organization have an audit manual which describes:	No
2.22	- goals and objectives of the internal audit organization?	N/A
2.23	- internal audit policies and procedures?	N/A
2.24	- standards of field work?	N/A
2.25	- organization of internal audit?	N/A
2.26	- duties and responsibilities of each level in the internal audit organization?	N/A
3.	<u>Staffing and Training</u>	
	<u>Group Characteristics</u>	
3.1	Is there an up-to-date organization chart of the internal audit organization?	No
	*Of the person years actually utilized by the internal audit organization during the previous fiscal year, what is the percentage at:	N/A
3.2	- the supervisory level?	N/A
3.3	- the working level?	N/A
3.4	- the secretarial/clerical level? *What percentage of the internal audit organization's total authorized person years for the previous fiscal year were not staffed (i.e. not utilized) at:	N/A
3.5	- the supervisory level	N/A
3.6	- the working level	N/A
3.7	- the secretarial/clerical level?	N/A

Current Status

- 3.8 Is there a documented resource plan which calculates total staff requirements (including those to be obtained from audit agents) in relation to audit responsibilities documented in the long-range plan? No
- 3.9 Does employee turnover (or lack of continuity) appear to be a problem? No
- 3.10 Do all the internal audit staff have a basic knowledge of computer controls and the auditability of E.D.P. systems? No

Individual Characteristics

\*How many persons in the internal audit organization have professional expertise in:

- 3.11 - accounting? N/A
  - 3.12 - EDP (technical expertise other than audit)? N/A
  - 3.13 - computer audit? N/A
  - 3.14 - statistics? N/A
  - 3.15 - systems and industrial engineering? N/A
  - 3.16 - other specialist skills (specify)? Agricultural Sciences
- \*How many of the persons indicated above are employed:
- 3.17 - at the supervisory level N/A
  - 3.18 - at the working level? N/A
  - 3.19 Do inexperienced staff members work under the direct supervision of a person with sufficient qualifications and experience? No

Professional Development

- 3.20 Has a formal training and orientation program been designed specifically for new members of the internal audit staff? No

Current Status

- |      |   |     |
|------|---|-----|
| 3.21 | Is there a formal plan for the continuous training and development of internal audit staff?   | No  |
| 3.22 | Is there a formal training plan to ensure that all audit staff have a basic knowledge of computer controls and the techniques of auditing E.D.P. systems? | No  |
| 3.23 | Are all members of the internal audit staff given demonstrable opportunities for training and development?  | No  |
| 3.24 | Is the internal audit training and development plan integrated with the departmental training and development plan?                                       | No  |
| 3.25 | Is each member of the internal audit staff given a formal written performance appraisal at least annually?  | Yes |
|      | Does the periodic appraisal:  |     |
| 3.26 | - review the individuals strengths and weaknesses in relation to the duties of the position?  | No  |
| 3.27 | - describe short-term and long-term goals?  | No  |
| 3.28 | - review employee progress since last appraisal?  | No  |
| 3.29 | - identify training needs?  | No  |
| 4.   | <u>Planning and Scheduling</u>  |     |
|      | <u>Long Term Plan</u>   |     |
| 4.1  | Has the internal audit organization prepared and documented a long-term plan to meet efficiently and effectively the bank policy on internal audit?       | No  |
| 4.2  | Is the long-term plan reviewed and updated annually?  | No  |
| 4.3  | Is it designed to meet the bank audit policy as to the overall scope and frequency of audit?  | No  |

	<u>Current Status</u>
4.4 Is the long-term plan prepared from a systematic, logical and documented analysis of the organization's total internal audit responsibility, by function, organization and program? Does the process of analysis of the total internal audit responsibility include:	No
4.5 - identification of manageable audit units:	No
4.6 - evaluation and ranking of audit units in order of priority (taking into consideration such factors as size, risk of loss known desires of senior management, etc.)?	No
*Indicate if audits are scheduled according to the following functions together with the projected cost (and person days):	No
4.7 - performance measurement?	No
4.8 - program evaluation?	No
4.9 - personnel?	No
4.10 - equal opportunities for women program:	No
4.11 - policy and liaison?	No
4.12 - E.D.P policy and plan?	No
4.13 - management controls?	No
4.14 - administrative policies?	Yes though very informally
4.15 Is advice sought from the Internal Audit Committee and senior officers having functional responsibilities (e.g. the senior financial officer) when preparing the long-term internal audit plan and annual schedule of audits?	N/A
4.16 Does the long-term plan include an estimate of the numbers of audit staff and skills required?	N/A
4.17 Does it include an estimate of the total cost of the internal audit function in salary and other resources?	N/A

	<u>Current Status</u>
4.18 Is the long-term plan sufficiently balanced so that a variety of components of the various functions and organizational units are covered annually within the established cycle of audit?	N/A
<u>Annual Schedule</u>	
4.19 Does the internal audit organization prepare an annual schedule of planned audit assignments?	NO
Is the annual internal audit schedule (with supporting narrative) submitted to:	
4.20 - Internal Audit Committee?	N/A
4.21 - Chairman?	N/A
Does the annual internal audit schedule:	
4.22 - define scope and objectives of each audit assignment?	N/A
4.23 - estimate person days and other resources for each assignment?	N/A
*What percentage of time during the previous fiscal year was spent on:	
4.24 - scheduled audits?	N/A
4.25 - unscheduled audits?	N/A
4.26 - special assignments of a non-audit nature?	N/A
<u>AUDIT PLANS AND RESULTS</u>	62
5. <u>The Internal Audit Process</u>	
The remainder of this questionnaire is intended to evaluate the methodology employed by the internal audit organization in performing audit assignments.	
The questions are based on the assumptions that there are five basic phases in the internal audit process (assignment planning, review, evaluation, verification and assignment reporting) and that proper execution of the first four phases rests	

Current Status

on several basic audit concepts (due care, evidence, documentation, materiality and assignment management).

The questions pertain to both credit/financial and operational auditing situations.

Assignment Planning

- |      |   |                  |
|------|---|------------------|
| 5.1  | Is a specific plan of action developed prior to the commencement of each internal audit assignment?   | No, not formally |
|      | Is the audit plan documented in an assignment memorandum which sets out:  |                  |
| 5.2  | - scope and objectives of the audit?  | No               |
| 5.3  | - the policies, systems and activities selected for audit   | No               |
| 5.4  | - the audit approach (which includes in a computer environment, complete consideration of computer control objectives and standards and computer oriented audit techniques)?  | No               |
| 5.5  | - assignment of staff, including use of agents and specialized skills?  | No               |
| 5.6  | - a time-phased budget?   | No               |
| 5.7  | - responsibility for preparation of the audit report?   | No               |
| 5.8  | - supervision and review arrangements?  | No               |
| 5.9  | - any constraints such as availability of audit or auditee personnel and?   | No               |
| 5.10 | - The potential impact of the assignment on future internal audit assignments   | No               |
| 5.11 | In determining the audit approach in the assignment plan, is adequate consideration given to the impact that conversions to new methods and procedures, whether manual or EDP, will have on the accuracy and reliability of records and the effectiveness of the control framework? | No               |

The Review Phase

Current status

- 5.12 Is a meeting held with the management of the area subject to audit at the commencement of each assignment? No
- 5.13 Do audit working papers show that a thorough and consistent study and documentation of the control framework has been made? No
- 5.14 Do audit working papers indicate that a sufficient verification has been carried out to ensure that the control framework is operating as documented? For computerized systems the verification should include regular accounting transactions and master file change transactions. No
- 5.15 Do the audit working papers indicate whether there was an investigation and documentation of environment controls which operate outside but have an impact upon the system under review? No

Examples of environment controls could be the participation of management in systems complementary to the transaction recording and control system (e.g. setting, controlling and analyzing budgets and variances, or the provision for rotation and segregation of duties among employees).

The Evaluation Phase

- 5.16 Is the evaluation performed to identify essential controls, significant weaknesses, and major inefficiencies in the operational and administrative control framework? No
- 5.17 Do the audit working papers show that the controls, deficiencies and inefficiencies identified during the evaluation were the result of a thorough analysis of the operational and administrative control framework documented in the review phase? No
- 5.18 Is the evaluation accomplished by comparison of the design of the operational and administrative control framework, as documented in the review phase, with a predetermined control model? No

	<u>Current status</u>
5.19 Are internal control questionnaires or checklists employed in the evaluation?	No
5.20 Is consideration given to the effect of compensating controls and environment controls in the evaluation of apparent deficiencies in the area under audit?	No
5.21 Does the evaluation include a thorough review of the effect that the compensating and environment controls have on the different weaknesses in the area under audit?	No
5.22 Does the evaluation include a review of financial controls in the processing stage of computerized systems located off-site in other locations ?	No
<u>The Verification Phase</u>	
Do audit working papers substantiate that an in-depth verification has been carried out:	No
5.23 - to determine that essential controls identified in the evaluation phase are operating as designed and are effective?	No
5.24 - to substantiate significant deficiencies and major inefficiencies identified in the evaluation phase?	No
5.25 Are the additional significant deficiencies and major inefficiencies discovered in the course of verification of essential controls subject to the same verification as those identified in the evaluation phase?	N/A
5.26 Is the program of verification of significant deficiencies and major inefficiencies designed to determine their cause as well as their real or potential effect?	No
5.27 Is there a comprehensive internal audit program which clearly defines the objectives of each verification step?	No

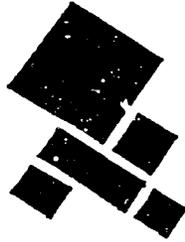
	<u>Current status</u>
5.28 Are the verification techniques employed compatible with the objectives of each verification and consistent with the nature of the policy, system or activity under review?	N/A
5.29 Does the internal audit organization employ statistical sampling or computer-assisted audit techniques whenever appropriate?	No
5.30 Are audit findings fully discussed with the auditee as an additional means of verification before the draft audit report with recommendations is prepared?	Yes
<b>6. <u>Basic Concepts</u></b>	
<u>Due Care</u>	
Has each phase of every internal audit assignment been carried out with due care by a person or persons who:	
6.1 - have the appropriate degree of knowledge and experience with respect to the area selected for audit?	No
6.2 - have the technical training and competence to carry out the specific audit routines?	No
(Due care is defined as a professional obligation to execute every responsibility with the care expected of a reasonable man with the same or similar qualification in similar circumstances.)	
<u>Evidence</u>	
6.3 Do the internal audit working papers show that sufficient, appropriate and valid evidence has been obtained to afford a reasonable basis for the auditor's findings, observations, conclusions and recommendations?	No
<u>Documentation</u>	
Are there adequate working paper files which:	No

	<u>Current status</u>
6.4 - document all phases of the internal audit assignment from planning to execution to conclusion?	N/A
6.5 - provide proper support for observations and recommendations in the audit report?	N/A
Are there adequate written procedures for:	No
6.6 - preparation of internal audit working papers?	No
6.7 - filing, indexing and referencin, of internal audit working papers?	No
6.8 - retention of internal audit working papers?	No
6.9 - maintaining the confidentiality of internal audit working papers?	NO
<u>Materiality</u>	
6.10 Do the internal audit working papers indicate that due consideration has been given to the concept of materiality in each phase of the internal audit process?	No
(Materiality limit may be defined as the aggregate amount of errors which, if they had occurred, would cause management serious concern as to the continued effectiveness of the procedures and systems under examination.)	
<u>Assignment Management</u>	
Does the internal audit organization have documented procedures for the management of audit assignments which include:	No
6.11 - details of the organization of internal audit teams, lines of authority and responsibility of each auditor?	No
6.12 - procedures to ensure that all staff engaged in the conduct of an internal audit assignment are subject to adequate supervision?	No

<u>Supervisory Review</u>	<u>Current status</u>
Do the documented procedures for management review show that there are supervisory review points at the following phases of the audit:	No
6.13 - assignment planning?	N/A
6.14 - review?	N/A
6.15 - evaluation?	N/A
6.16 - verification?	N/A
6.17 - assignment reporting?	N/A
<b>7. <u>Audit Assignment Reports</u></b>	
7.1 Is a written report issued to appropriate officials of the bank at the conclusion of every audit assignment and do they recommend corrective action when appropriate?	Yes
7.2 Is the report issued after review and under written authority of the head of the internal audit group?	No
7.3 Are the reports issued on a timely basis?	Yes
Is the content of the audit reports:	
7.4 - as concise as possible, yet clear and complete?	No
7.5 - objectively and constructively presented?	Room for improvement
7.6 Do the audit reports contain a clear statement of audit scope and objectives?	No
7.7 When opinions or conclusions are expressed in audit reports are they clearly represented, and is the basis upon which they are expressed indicated?	No
7.8 Are the observations in the audit report supported by adequate working papers?	No
7.9 Do the audit reports include only significant findings? When the problems or deficiencies are identified, does the report:	No

	<u>Current status</u>
7.10 - include sufficient details and evidence to justify the observations?	Yes
7.11 - state the causes of the problem, financial or other implications of the problem, and principles involved?	No
7.12 Do the audit reports give a clear indication of the area and level of management responsible for taking corrective action?	No
7.13 Are audit findings and recommendations discussed with relevant officials prior to issuing the report and are their comments included in the report, as appropriate?	Yes
7.14 Do the audit reports refer to good practices whenever they are identified during an audit as a means of encouraging general acceptance and implementation?	No
7.15 Does the head of the internal audit organization have the right to report audit findings to any management level in the department?	Yes
Are audit reports issued:	
7.16 - to all officials, both line and functional, directly responsible for taking action on matters raised?	No
7.17 - to their superior officers?	Yes
<u>Discussion of Audit Findings and Recommendations</u>	
7.18 Are matters of disagreement with or comments obtained from responsible officials stated in the audit report?	No
8. <u>Follow-Up</u>	
8.1 Do the Bank's internal audit policies clearly indicate that responsibility for taking action on audit findings and recommendations rests with officials responsible for the function?	N/A

	<u>Current status</u>
8.2 Are documented procedures, which ensure that management action is taken, included in the bank's financial, administrative, operational and internal audit manuals?	No
8.3 Does the internal audit organization have established procedures for follow-up on audit recommendations?	Yes
8.4 Do audit reports contain reference to the extent and effectiveness of corrective action taken on recommendations made in previous reports?	No
During the past year, in what percentage of the cases did:	
8.5 - management concur with the audit recommendations?	Not reported
8.6 - implement the recommendations?	Not reported
9. <u>Summary Reports To The Board of Directors</u>	
9.1 Does the head of the internal audit organization submit a comprehensive report annually to the board?	No
Does the summary report to the board:	
9.2 - set out the coverage and results of audits compared to the annual audit schedule?	N/A
9.3 - summarize major audit findings and recommendations?	N/A
9.4 - comment on the extent of management follow-up and implementation of corrective action?	N/A
9.5 - provide overall conclusions on the adequacy of major components of the operational and administrative system?	N/A
9.6 - highlight other important matters requiring the chairman's attention?	N/A



# Standards for the Professional Practice of Internal Auditing

The Institute of Internal Auditors, Inc.  
Altamonte Springs, Florida

ANNEX III-I-4

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## Foreword

In 1941 The Institute of Internal Auditors Inc (IIA) was created by and for internal auditors. Today IIA is the only international organization dedicated solely to the advancement of the individual internal auditor and the internal auditing profession. Since 1941, IIA has been instrumental in helping its members meet the generally accepted criteria of a profession by

- adopting a *Code of Ethics*
- approving a *Statement of Responsibilities of Internal Auditors*
- establishing a program of continuing education
- developing a *Common Body of Knowledge*
- instituting a certification program

Adopting professional standards is another vital step in the development of internal auditing. To accomplish this IIA formed the Professional Standards and Responsibilities Committee in 1974.

The *Standards for the Professional Practice of Internal Auditing* are the result of nearly three years of effort by that committee. These *Standards* are meant to serve the entire profession in all types of business in various levels of government and in all other organizations where internal auditors are found.

The term standards as used in this document means the criteria by which the operations of an internal auditing department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be, as judged and adopted by the Board of Directors of The Institute.

As internal auditing adapts to the continuous changes taking place in business and in society, our *Standards* will be modified from time to time to meet the changing needs of auditors everywhere.

The Institute of Internal Auditors is grateful to those governmental agencies, professional associations, internal and external auditors, and members of management, audit committees and academe who provided guidance and assistance in the development of these *Standards*. It is deeply indebted to the following individuals and members of the IIA Practice Standards Subcommittee and their employers for their dedicated services:

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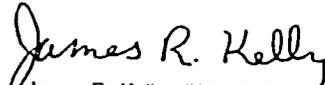
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Organizations which already have established an internal audit function or are planning to establish one, are urged to adopt and support the *Standards for the Professional Practice of Internal Auditing* as a basis for guiding and measuring the function

  
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1977 1978

  
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1978 1979

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1977-78

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## Introduction

Internal auditing is an independent appraisal function established within an organization to examine and evaluate its activities as a service to the organization. The objective of internal auditing is to assist members of the organization in the effective discharge of their responsibilities. To this end, internal auditing furnishes them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.

The members of the organization assisted by internal auditing include those in management and the board of directors. Internal auditors owe a responsibility to both, providing them with information about the adequacy and effectiveness of the organization's system of internal control and the quality of performance. The information furnished to each may differ in format and detail, depending upon the requirements and requests of management and the board.

The internal auditing department is an integral part of the organization and functions under policies established by management and the board. The statement of purpose, authority, and responsibility (charter) for the internal auditing department, approved by management and accepted by the board, should be consistent with these *Standards for the Professional Practice of Internal Auditing*.

The charter should make clear the purposes of the internal auditing department, specify the unrestricted scope of its work, and declare that auditors are to have no authority or responsibility for the activities they audit.

Throughout the world internal auditing is performed in diverse environments and within organizations which vary in purpose, size, and structure. In addition, the laws and customs within various countries differ from one another. These differences may affect the practice of internal auditing in each environment. The implementation of these *Standards*, therefore, will be governed by the environment in which the internal auditing department carries out its assigned responsibilities. But compliance with the concepts enunciated by these *Standards* is essential before the responsibilities of internal auditors can be met.

"Independence" as used in these *Standards*, requires clarification. Internal auditors must be independent of the activities they audit. Such independence permits internal auditors to perform their work freely and objectively. Without independence, the desired results of internal auditing cannot be realized.

- In setting these *Standards*, the following developments were considered:
1. Boards of directors are being held increasingly accountable for the adequacy and effectiveness of their organizations' systems of internal control and quality of performance.
  2. Members of management are demonstrating increased acceptance of internal auditing as a means of supplying objective analyses, appraisals, recommendations, counsel, and information on the organization's controls and performance.
  3. External auditors are using the results of internal audits to complement their own work where the internal auditors have provided suitable evidence of independence and adequate, professional audit work.
- In the light of such developments, the purposes of these *Standards* are to

- 1 Impart an understanding of the role and responsibilities of internal auditing to all levels of management, boards of directors, public bodies, external auditors and related professional organizations
- 2 Establish the basis for the guidance and measurement of internal auditing performance
- 3 Improve the practice of internal auditing

The *Standards* differentiate among the varied responsibilities of the organization, the internal auditing department, the director of internal auditing and internal auditors.

The five general *Standards* are expressed in italicized statements in upper case. Following each of these general *Standards* are specific standards expressed in italicized statements in lower case. Accompanying each specific standard are guidelines describing suitable means of meeting that standard. The *Standards* encompass:

- 1 The independence of the internal auditing department from the activities audited and the objectivity of internal auditors
- 2 The proficiency of internal auditors and the professional care they should exercise
- 3 The scope of internal auditing work
- 4 The performance of internal auditing assignments
- 5 The management of the internal auditing department

The *Standards* and the accompanying guidelines employ three terms which have been given specific meanings. These are as follows:

The term *board* includes boards of directors, audit committees of such boards, heads of agencies or legislative bodies to whom internal auditors report, boards of governors or trustees of nonprofit organizations, and any other designated governing bodies of organizations.

The terms *director of internal auditing* and *director* identify the top position in an internal auditing department.

The term *internal auditing department* includes any unit or activity within an organization which performs internal auditing functions.

## SUMMARY OF GENERAL AND SPECIFIC STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

- 100 **INDEPENDENCE** — INTERNAL AUDITORS SHOULD BE INDEPENDENT OF THE ACTIVITIES THEY AUDIT
- 110 **Organizational Status** — The organizational status of the internal auditing department should be sufficient to permit the accomplishment of its audit responsibilities.
  - 120 **Objectivity** — Internal auditors should be objective in performing audits.
- 200 **PROFESSIONAL PROFICIENCY** — INTERNAL AUDITS SHOULD BE PERFORMED WITH PROFICIENCY AND DUE PROFESSIONAL CARE
- The Internal Auditing Department*
- 210 **Staffing** — The internal auditing department should provide assurance that the technical proficiency and educational background of internal auditors are appropriate for the audits to be performed.
  - 220 **Knowledge, Skills and Disciplines** — The internal auditing department should possess or should obtain the knowledge, skills and disciplines needed to carry out its audit responsibilities.
  - 230 **Supervision** — The internal auditing department should provide assurance that internal audits are properly supervised.
  - The Internal Auditor*
  - 240 **Compliance with Standards of Conduct** — Internal auditors should comply with professional standards of conduct.
  - 250 **Knowledge, Skills, and Disciplines** — Internal auditors should possess the knowledge, skills and disciplines essential to the performance of internal audits.
  - 260 **Human Relations and Communications** — Internal auditors should be skilled in dealing with people and in communicating effectively.
  - 270 **Continuing Education** — Internal auditors should maintain their technical competence through continuing education.
  - 280 **Due Professional Care** — Internal auditors should exercise due professional care in performing internal audits.
- 300 **SCOPE OF WORK** — THE SCOPE OF THE INTERNAL AUDIT SHOULD ENCOMPASS THE EXAMINATION AND EVALUATION OF THE ADEQUACY AND EFFECTIVENESS OF THE ORGANIZATION'S SYSTEM OF INTERNAL CONTROL AND THE QUALITY OF PERFORMANCE IN CARRYING OUT ASSIGNED RESPONSIBILITIES
- 310 **Reliability and Integrity of Information** — Internal auditors should review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.

- 320 **Compliance with Policies, Plans, Procedures, Laws, and Regulations** — Internal auditors should review the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and report and should determine whether the organization is in compliance.
- 330 **Safeguarding of Assets** — Internal auditors should review the means of safeguarding assets and as appropriate verify the existence of such assets.
- 340 **Economical and Efficient Use of Resources** — Internal auditors should appraise the economy and efficiency with which resources are employed.
- 350 **Accomplishment of Established Objectives and Goals for Operations or Programs** — Internal auditors should review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- 400 **PERFORMANCE OF AUDIT WORK — AUDIT WORK SHOULD INCLUDE PLANNING THE AUDIT, EXAMINING AND EVALUATING INFORMATION, COMMUNICATING RESULTS AND FOLLOWING UP.**
- 110 **Planning the Audit** — Internal auditors should plan each audit.
- 120 **Examining and Evaluating Information** — Internal auditors should collect, analyze, interpret and document information to support audit results.
- 130 **Communicating Results** — Internal auditors should report the results of their audit work.
- 140 **Following Up** — Internal auditors should follow up to ascertain that appropriate action is taken on reported audit findings.
- 500 **MANAGEMENT OF THE INTERNAL AUDITING DEPARTMENT — THE DIRECTOR OF INTERNAL AUDITING SHOULD PROPERLY MANAGE THE INTERNAL AUDITING DEPARTMENT.**
- 510 **Purpose, Authority, and Responsibility** — The director of internal auditing should have a statement of purpose, authority, and responsibility for the internal auditing department.
- 520 **Planning** — The director of internal auditing should establish plans to carry out the responsibilities of the internal auditing department.
- 530 **Policies and Procedures** — The director of internal auditing should provide written policies and procedures to guide the audit staff.
- 540 **Personnel Management and Development** — The director of internal auditing should establish a program for selecting and developing the human resources of the internal auditing department.
- 550 **External Auditors** — The director of internal auditing should coordinate internal and external audit efforts.
- 560 **Quality Assurance** — The director of internal auditing should establish and maintain a quality assurance program to evaluate the operations of the internal auditing department.

## INDEPENDENCE

## INTERNAL AUDITORS SHOULD BE INDEPENDENT OF THE ACTIVITIES THEY AUDIT

01 Internal auditors are independent when they can carry out their work freely and objectively. Independence permits internal auditors to render the impartial and unbiased judgments essential to the proper conduct of audits. It is achieved through organizational status and objectivity.

## 110 Organizational Status

The organizational status of the internal auditing department should be sufficient to permit the accomplishment of its audit responsibilities.

01 Internal auditors should have the support of management and of the board of directors so that they can gain the cooperation of auditees and perform their work free from interference.

- 1 The director of the internal auditing department should be responsible to an individual in the organization with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of audit reports, and appropriate action on audit recommendations.
- 2 The director should have direct communication with the board. Regular communication with the board helps assure independence and provides a means for the board and the director to keep each other informed on matters of mutual interest.
- 3 Independence is enhanced when the board concurs in the appointment or removal of the director of the internal auditing department.
- 4 The purpose, authority, and responsibility of the internal auditing department should be defined in a formal written document (charter). The director should seek approval of the charter by management as well as acceptance by the board. The charter should (a) establish the department's position within the organization, (b) authorize access to records, personnel, and physical properties relevant to the performance of audits, and (c) define the scope of internal auditing activities.
- 5 The director of internal auditing should submit annually to management for approval and to the board for its information a summary of the department's audit work schedule, staffing plan, and financial budget. The director should also submit all significant interim changes for approval and information. Audit work schedules, staffing plans, and financial budgets should inform management and the board of the scope of internal auditing work and of any limitations placed on that scope.
- 6 The director of internal auditing should submit activity reports to management and to the board annually or more frequently as necessary. Activity reports should highlight significant audit

findings and recommendations and should inform management and the board of any significant deviations from approved audit work schedules, staffing plans, and financial budgets, and the reasons for them

120 Objectivity

*Internal auditors should be objective in performing audits*

01 Objectivity is an independent mental attitude which internal auditors should maintain in performing audits. Internal auditors are not to subordinate their judgment on audit matters to that of others.

02 Objectivity requires internal auditors to perform audits in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Internal auditors are not to be placed in situations in which they feel unable to make objective professional judgments.

- 1 Staff assignments should be made so that potential and actual conflicts of interest and bias are avoided. The director should periodically obtain from the audit staff information concerning potential conflicts of interest and bias.
  - 2 Internal auditors should report to the director any situations in which a conflict of interest or bias is present or may reasonably be inferred. The director should then reassign such auditors.
  - 3 Staff assignments of internal auditors should be rotated periodically whenever it is practicable to do so.
  - 4 Internal auditors should not assume operating responsibilities. But if on occasion management directs internal auditors to perform nonaudit work, it should be understood that they are not functioning as internal auditors. Moreover, objectivity is presumed to be impaired when internal auditors audit any activity for which they had authority or responsibility. This impairment should be considered when reporting audit results.
  - 5 Persons transferred to or temporarily engaged by the internal auditing department should not be assigned to audit those activities they previously performed until a reasonable period of time has elapsed. Such assignments are presumed to impair objectivity and should be considered when supervising the audit work and reporting audit results.
  - 6 The results of internal auditing work should be reviewed before the related audit report is released to provide reasonable assurance that the work was performed objectively.
- 03 The internal auditor's objectivity is not adversely affected when the auditor recommends standards of control for systems or reviews procedures before they are implemented. Designing, installing, and operating systems are not audit functions. Also, the drafting of procedures for systems is not an audit function. Performing such activities is presumed to impair audit objectivity.

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PROFESSIONAL PROFICIENCY

*INTERNAL AUDITS SHOULD BE PERFORMED WITH PROFICIENCY AND DUE PROFESSIONAL CARE*

01 Professional proficiency is the responsibility of the internal auditing department and each internal auditor. The department should assign to each audit those persons who collectively possess the necessary knowledge, skills, and disciplines to conduct the audit properly.

*The Internal Auditing Department*

210 Staffing

*The internal auditing department should provide assurance that the technical proficiency and educational background of internal auditors are appropriate for the audits to be performed.*

01 The director of internal auditing should establish suitable criteria of education and experience for filling internal auditing positions, giving due consideration to scope of work and level of responsibility.

02 Reasonable assurance should be obtained as to each prospective auditor's qualifications and proficiency.

220 Knowledge, Skills, and Disciplines

*The internal auditing department should possess or should obtain the knowledge, skills, and disciplines needed to carry out its audit responsibilities.*

01 The internal auditing staff should collectively possess the knowledge and skills essential to the practice of the profession within the organization. These attributes include proficiency in applying internal auditing standards, procedures, and techniques.

02 The internal auditing department should have employees or use consultants who are qualified in such disciplines as accounting, economics, finance, statistics, electronic data processing, engineering, taxation, and law as needed to meet audit responsibilities. Each member of the department however, need not be qualified in all of these disciplines.

230 Supervision

*The internal auditing department should provide assurance that internal audits are properly supervised.*

01 The director of internal auditing is responsible for providing appropriate audit supervision. Supervision is a continuing process, beginning with planning and ending with the conclusion of the audit assignment.

02 Supervision includes

- 1 Providing suitable instructions to subordinates at the outset of the audit and approving the audit program.
- 2 Seeing that the approved audit program is carried out unless deviations are both justified and authorized.
- 3 Determining that audit working papers adequately support the audit findings, conclusions, and reports.
- 4 Making sure that audit reports are accurate, objective, clear, concise, constructive, and timely.
- 5 Determining that audit objectives are being met.

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03 Appropriate evidence of supervision should be documented and retained

04 The extent of supervision required will depend on the proficiency of the internal auditors and the difficulty of the audit assignment

05 All internal auditing assignments whether performed by or for the internal auditing department, remain the responsibility of its director

### **The Internal Auditor**

#### **240 Compliance with Standards of Conduct**

*Internal auditors should comply with professional standards of conduct*

01 The Code of Ethics of The Institute of Internal Auditors sets forth standards of conduct and provides a basis for enforcement among its members. The Code calls for high standards of honesty, objectivity, diligence, and loyalty to which internal auditors should conform

#### **250 Knowledge, Skills, and Disciplines**

*Internal auditors should possess the knowledge, skills and disciplines essential to the performance of internal audits.*

01 Each internal auditor should possess certain knowledge and skills as follows

- 1 Proficiency in applying internal auditing standards, procedures, and techniques is required in performing internal audits. Proficiency means the ability to apply knowledge to situations likely to be encountered and to deal with them without extensive recourse to technical research and assistance
- 2 Proficiency in accounting principles and techniques is required of auditors who work extensively with financial records and reports
- 3 An understanding of management principles is required to recognize and evaluate the materiality and significance of deviations from good business practice. An understanding means the ability to apply broad knowledge to situations likely to be encountered, to recognize significant deviations and to be able to carry out the research necessary to arrive at reasonable solutions
- 4 An appreciation is required of the fundamentals of such subjects as accounting, economics, commercial law, taxation, finance, quantitative methods, and computerized information systems. An appreciation means the ability to recognize the existence of problems or potential problems and to determine the further research to be undertaken or the assistance to be obtained

#### **260 Human Relations and Communications**

*Internal auditors should be skilled in dealing with people and in communicating effectively*

01 Internal auditors should understand human relations and maintain satisfactory relationships with auditees

02 Internal auditors should be skilled in oral and written communications so that they can clearly and effectively convey such matters

as audit objectives, evaluations, conclusions, and recommendations

#### **270 Continuing Education**

*Internal auditors should maintain their technical competence through continuing education*

01 Internal auditors are responsible for continuing their education in order to maintain their proficiency. They should keep informed about improvements and current developments in internal auditing standards, procedures, and techniques. Continuing education may be obtained through membership and participation in professional societies, attendance at conferences, seminars, college courses, and in-house training programs, and participation in research projects

#### **280 Due Professional Care**

*Internal Auditors should exercise due professional care in performing internal audits*

01 Due professional care calls for the application of the care and skill expected of a reasonably prudent and competent internal auditor in the same or similar circumstances. Professional care should therefore, be appropriate to the complexities of the audit being performed. In exercising due professional care, internal auditors should be alert to the possibility of intentional wrongdoing, errors and omissions, inefficiency, waste, ineffectiveness, and conflicts of interest. They should also be alert to those conditions and activities where irregularities are most likely to occur. In addition, they should identify inadequate controls and recommend improvements to promote compliance with acceptable procedures and practices

02 Due care implies reasonable care and competence, not infallibility or extraordinary performance. Due care requires the auditor to conduct examinations and verifications to a reasonable extent, but does not require detailed audits of all transactions. Accordingly, the internal auditor cannot give absolute assurance that noncompliance or irregularities do not exist. Nevertheless, the possibility of material irregularities or noncompliance should be considered whenever the internal auditor undertakes an internal auditing assignment

03 When an internal auditor suspects wrongdoing, the appropriate authorities within the organization should be informed. The internal auditor may recommend whatever investigation is considered necessary in the circumstances. Thereafter, the auditor should follow up to see that the internal auditing department's responsibilities have been met

04 Exercising due professional care means using reasonable audit skill and judgment in performing the audit. To this end, the internal auditor should consider

- 1 The extent of audit work needed to achieve audit objectives
- 2 The relative materiality or significance of matters to which audit procedures are applied
- 3 The adequacy and effectiveness of internal controls
- 4 The cost of auditing in relation to potential benefits

05 Due professional care includes evaluating established operating standards and determining whether those standards are acceptable and are being met. When such standards are vague, authoritative interpretations should be sought. If internal auditors are required to interpret or select operating standards, they should seek agreement with auditees as to the standards needed to measure operating performance.

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## SCOPE OF WORK

*THE SCOPE OF THE INTERNAL AUDIT SHOULD ENCOMPASS THE EXAMINATION AND EVALUATION OF THE ADEQUACY AND EFFECTIVENESS OF THE ORGANIZATION'S SYSTEM OF INTERNAL CONTROL AND THE QUALITY OF PERFORMANCE IN CARRYING OUT ASSIGNED RESPONSIBILITIES*

01 The scope of internal auditing work, as specified in this standard, encompasses what audit work should be performed. It is recognized, however, that management and the board of directors provide general direction as to the scope of work and the activities to be audited.

02 The purpose of the review for adequacy of the system of internal control is to ascertain whether the system established provides reasonable assurance that the organization's objectives and goals will be met efficiently and economically.

03 The purpose of the review for effectiveness of the system of internal control is to ascertain whether the system is functioning as intended.

04 The purpose of the review for quality of performance is to ascertain whether the organization's objectives and goals have been achieved.

05 The primary objectives of internal control are to ensure

- 1 The reliability and integrity of information
- 2 Compliance with policies, plans, procedures, laws, and regulations
- 3 The safeguarding of assets
- 4 The economical and efficient use of resources
- 5 The accomplishment of established objectives and goals for operations or programs

### 310 Reliability and Integrity of Information

*Internal auditors should review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.*

01 Information systems provide data for decision making, control, and compliance with external requirements. Therefore, internal auditors should examine information systems and, as appropriate, ascertain whether:

- 1 Financial and operating records and reports contain accurate, reliable, timely, complete, and useful information
- 2 Controls over record keeping and reporting are adequate and effective

### 320 Compliance with Policies, Plans, Procedures, Laws and Regulations

*Internal auditors should review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and should determine whether the organization is in compliance.*

01 Management is responsible for establishing the systems designed to ensure compliance with such requirements as policies, plans, procedures, and applicable laws and regulations. Internal auditors are responsible for

determining whether the systems are adequate and effective and whether the activities audited are complying with the appropriate requirements

**330 Safeguarding of Assets**

*Internal auditors should review the means of safeguarding assets and, as appropriate, verify the existence of such assets*

01 Internal auditors should review the means used to safeguard assets from various types of losses such as those resulting from theft, fire, improper or illegal activities, and exposure to the elements

02 Internal auditors, when verifying the existence of assets, should use appropriate audit procedures

**340 Economical and Efficient Use of Resources**

*Internal auditors should appraise the economy and efficiency with which resources are employed*

01 Management is responsible for setting operating standards to measure an activity's economical and efficient use of resources. Internal auditors are responsible for determining whether:

- 1 Operating standards have been established for measuring economy and efficiency
- 2 Established operating standards are understood and are being met
- 3 Deviations from operating standards are identified, analyzed, and communicated to those responsible for corrective action
- 4 Corrective action has been taken

02 Audits related to the economical and efficient use of resources should identify such conditions as

- 1 Underutilized facilities
- 2 Nonproductive work
- 3 Procedures which are not cost justified
- 4 Overstaffing or understaffing

**350 Accomplishment of Established Objectives and Goals for Operations or Programs**

*Internal auditors should review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned*

01 Management is responsible for establishing operating or program objectives and goals, developing and implementing control procedures, and accomplishing desired operating or program results. Internal auditors should ascertain whether such objectives and goals conform with those of the organization and whether they are being met

02 Internal auditors can provide assistance to managers who are developing objectives, goals, and systems by determining whether the underlying assumptions are appropriate, whether accurate, current, and relevant information is being used, and whether suitable controls have been incorporated into the operations or programs

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**PERFORMANCE OF AUDIT WORK**

**AUDIT WORK SHOULD INCLUDE PLANNING THE AUDIT, EXAMINING AND EVALUATING INFORMATION, COMMUNICATING RESULTS AND FOLLOWING UP**

01 The internal auditor is responsible for planning and conducting the audit assignment, subject to supervisory review and approval

**410 Planning the Audit**

*Internal auditors should plan each audit*

01 Planning should be documented and should include

- 1 Establishing audit objectives and scope of work
- 2 Obtaining background information about the activities to be audited
- 3 Determining the resources necessary to perform the audit
- 4 Communicating with all who need to know about the audit
- 5 Performing, as appropriate, an on-site survey to become familiar with the activities and controls to be audited, to identify areas for audit emphasis and to invite auditee comments and suggestions
- 6 Writing the audit program
- 7 Determining how, when, and to whom audit results will be communicated
- 8 Obtaining approval of the audit work plan

**420 Examining and Evaluating Information**

*Internal auditors should collect, analyze, interpret and document information to support audit results*

01 The process of examining and evaluating information is as follows

- 1 Information should be collected on all matters related to the audit objectives and scope of work
- 2 Information should be sufficient, competent, relevant, and useful to provide a sound basis for audit findings and recommendations

*Sufficient information is factual, adequate and convincing so that a prudent, informed person would reach the same conclusions as the auditor*

*Competent information is reliable and the best attainable through the use of appropriate audit techniques*

*Relevant information supports audit findings and recommendations and is consistent with the objectives for the audit*

*Useful information helps the organization meet its goals*

- 3 Audit procedures including the testing and sampling techniques employed should be selected in advance, where practicable, and expanded or altered if circumstances warrant
- 4 The process of collecting, analyzing, interpreting, and documenting information should be supervised to provide

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reasonable assurance that the auditor's objectivity is maintained and that audit goals are met

- 5 Working papers that document the audit should be prepared by the auditor and reviewed by management of the internal auditing department. These papers should record the information obtained and the analyses made and should support the bases for the findings and recommendations to be reported

#### 430 Communicating Results

*Internal auditors should report the results of their audit work*

- 1 A signed written report should be issued after the audit examination is completed. Interim reports may be written or oral and may be transmitted formally or informally.
- 2 The internal auditor should discuss conclusions and recommendations at appropriate levels of management before issuing final written reports.
- 3 Reports should be objective, clear, concise, constructive, and timely.
- 4 Reports should present the purpose, scope, and results of the audit, and, where appropriate, reports should contain an expression of the auditor's opinion.
- 5 Reports may include recommendations for potential improvements and acknowledge satisfactory performance and corrective action.
- 6 The auditee's views about audit conclusions or recommendations may be included in the audit report.
- 7 The director of internal auditing or designee should review and approve the final audit report before issuance and should decide to whom the report will be distributed.

#### 440 Following Up

*Internal auditors should follow up to ascertain that appropriate action is taken on reported audit findings*

- 01 Internal auditing should determine that corrective action was taken and is achieving the desired results, or that management or the board has assumed the risk of not taking corrective action on reported findings

## 500 MANAGEMENT OF THE INTERNAL AUDITING DEPARTMENT

*THE DIRECTOR OF INTERNAL AUDITING SHOULD PROPERLY MANAGE THE INTERNAL AUDITING DEPARTMENT.*

01 The director of internal auditing is responsible for properly managing the department so that

- 1 Audit work fulfills the general purposes and responsibilities approved by management and accepted by the board.
- 2 Resources of the internal auditing department are efficiently and effectively employed.
- 3 Audit work conforms to the *Standards for the Professional Practice of Internal Auditing*.

#### 510 Purpose, Authority, and Responsibility

*The director of internal auditing should have a statement of purpose, authority and responsibility for the internal auditing department*

01 The director of internal auditing is responsible for seeking the approval of management and the acceptance by the board of a formal written document (charter) for the internal auditing department

#### 520 Planning

*The director of internal auditing should establish plans to carry out the responsibilities of the internal auditing department*

01 These plans should be consistent with the internal auditing department's charter and with the goals of the organization

02 The planning process involves establishing

- 1 Goals
- 2 Audit work schedules
- 3 Staffing plans and financial budgets
- 4 Activity reports

03 The goals of the internal auditing department should be capable of being accomplished within specified operating plans and budgets and, to the extent possible, should be measurable. They should be accompanied by measurement criteria and targeted dates of accomplishment.

04 Audit work schedules should include (a) what activities are to be audited, (b) when they will be audited, and (c) the estimated time required, taking into account the scope of the audit work planned and the nature and extent of audit work performed by others. Matters to be considered in establishing audit work schedule priorities should include (a) the date and results of the last audit, (b) financial exposure, (c) potential loss and risk, (d) requests by management, (e) major changes in operations, programs, systems, and controls, (f) opportunities to achieve operating benefits, and (g) changes in and capabilities of the audit staff. The work schedules should be sufficiently flexible to cover unanticipated demands on the internal auditing department.

05 Staffing plans and financial budgets, including the number of auditors and the knowledge, skills, and disciplines required to perform their work, should be determined from audit work schedules administrative

activities education and training requirements, and audit research and development efforts

06 *Activity reports* should be submitted periodically to management and to the board. These reports should compare (a) performance with the department's goals and audit work schedules and (b) expenditures with financial budgets. They should explain the reasons for major variances and indicate any action taken or needed.

### 530 Policies and Procedures

*The director of internal auditing should provide written policies and procedures to guide the audit staff.*

01 The form and content of written policies and procedures should be appropriate to the size and structure of the internal auditing department and the complexity of its work. Formal administrative and technical audit manuals may not be needed by all internal auditing departments. A small internal auditing department may be managed informally. Its audit staff may be directed and controlled through daily, close supervision and written memoranda. In a large internal auditing department, more formal and comprehensive policies and procedures are essential to guide the audit staff in the consistent compliance with the department's standards of performance.

### 540 Personnel Management and Development

*The director of internal auditing should establish a program for selecting and developing the human resources of the internal auditing department.*

01 The program should provide for

- 1 Developing written job descriptions for each level of the audit staff
- 2 Selecting qualified and competent individuals
- 3 Training and providing continuing educational opportunities for each internal auditor
- 4 Appraising each internal auditor's performance at least annually
- 5 Providing counsel to internal auditors on their performance and professional development

### 550 External Auditors

*The director of internal auditing should coordinate internal and external audit efforts.*

01 The internal and external audit work should be coordinated to ensure adequate audit coverage and to minimize duplicate efforts.

02 Coordination of audit efforts involves

- 1 Periodic meetings to discuss matters of mutual interest
- 2 Access to each other's audit programs and working papers
- 3 Exchange of audit reports and management letters
- 4 Common understanding of audit techniques, methods, and terminology

### 560 Quality Assurance

*The director of internal auditing should establish and maintain a quality*

*assurance program to evaluate the operations of the internal auditing department.*

01 The purpose of this program is to provide reasonable assurance that audit work conforms with these *Standards*, the internal auditing department's charter and other applicable standards. A quality assurance program should include the following elements:

- 1 Supervision
- 2 Internal reviews
- 3 External reviews

02 Supervision of the work of the internal auditors should be carried out continually to assure conformance with internal auditing standards, departmental policies and audit programs.

03 *Internal reviews* should be performed periodically by members of the internal auditing staff to appraise the quality of the audit work performed. These reviews should be performed in the same manner as any other internal audit.

04 *External reviews* of the internal auditing department should be performed to appraise the quality of the department's operations. These reviews should be performed by qualified persons who are independent of the organization and who do not have either a real or an apparent conflict of interest. Such reviews should be conducted at least once every three years. On completion of the review, a formal written report should be issued. The report should express an opinion as to the department's compliance with the *Standards for the Professional Practice of Internal Auditing* and as appropriate should include recommendations for improvement.

## ANNEX III-I-5

### INDICATORS OF GOOD MANAGEMENT

- Authorizing an action only after understanding what is involved .
- Knowing what one's people are doing (in broad terms only).
- Comparing accomplishments with goals and analyzing variances.
- Providing adequate instruction to employees.
- Providing adequate indoctrination to new employees.
- Maintaining accurate, current and complete control records.
- Maintaining up-to-date written procedures and broad policies.
- Following up on assigned tasks.
- Obtaining reports from subordinates on task accomplishment.
- Ensuring adequate knowledge of related functions in interfacing organizations.
- Maintaining of a system of feedback to highlight inadequate output.
- Evaluating significant jobs at key milestones.
- Maintaining a system of self-evaluation.
- Monitoring the ongoing process.
- Ensuring divisional or departmental objectives are subordinate to bank objectives.
- Compiling adequate statistics on the volume of work and the accomplishment of objectives.
- Spending time preventing problems rather than correcting them.
- Providing the resources needed to do an acceptable job.
- Not assigning responsibility without delegating the necessary authority.

## ANNEX III-J-1

### Summary of

### PBDAC Labor Code

Rules of Personnel of the Principle Bank for Development and Agricultural Credit "PBDAC" and BDAC and Village Banks

### Part I: General Rules

#### Article 1

The rules of this code apply to the personnel of PBDAC, the BDACs, and village branches. Rules and laws of personnel apply to officials in the public sector in the absence of a specific rule of this code in a way that is not contradictory with its rules.

#### Article 2

The rules and instructions issued by PBDAC's board of directors in the light of the laws included in this code pertain to the organization of work and are complementary to its rules.

#### Article 3

The PBDAC board of directors has the right to change all or some of the rules of this code or assign new benefits for personnel within the framework of the rules of the Central Bank and Commercial Banks.

#### Article 4

The board of directors and the president of the board of directors can delegate some of their powers referred to in this code.

#### Article 5

The resolutions taken herein are valid according to the prevailing rules and legislation before the adoption of the rules of this code. It is in no way permitted to resort to the rules included in this code to disqualify decisions issued before it.

#### Article 6

Permission to work abroad is given according to a decision by:

- 1- The Minister concerned for levels of higher management or his counterpart.
- 2- The president of PBDAC's board of directors for official missions.
- 3- The concerned presidents of boards of directors for other cases.

## Article 7

A personnel committee of at least five members is to be set up in each bank by decision of the concerned president of the board of directors. This committee should include workers' representatives selected by the board of the syndicate committee or the general syndicate in the absence of the committee or the invalidity of its board of directors.

The director of personnel or his representative assumes the responsibilities of the secretary of this committee without having any vote.

The committee meets at least once each month with an invitation from its president or from the president of the board of directors and declares its resolutions by a majority of votes. In case of equal votes, the president's side wins.

The committee has the right to invite any member of personnel to attend its meetings to discuss or clarify certain subjects without his vote.

It can set up from among its members or others, sub-committees to perform specified functions and submit their recommendations to the committee. The minutes of the committee are recorded in a registry specially numbered and signed by the president, the members who attended the meetings, and the secretary of the committee.

## Article 8

According to Articles 24, 49 and 81 of this code, the personnel committee is concerned with the following:

- 1- To consider recruitment, promotions and transfer of personnel together with the dates on which increments are awarded to those occupying posts lower than directors of departments or their equivalents.
- 2- To approve reports on efficiency.
- 3- To submit what the president of the board of directors finds pertinent to the committee's work.

## Article 9

The president of the personnel committee refers the recommendations of the committee to the president of the board of directors within a week of their publication to be approved. If he does not object within a month of receiving them they become valid. If he objects to them or some of them within a month, he sends them back to the committee giving the reasons of his objection in writing. The committee should then reconsider them within a month from receiving them. If the committee modifies its recommendations it sends them to be approved by the president of the board of directors but if the committee insists on its

recommendations it returns them to the president of the board of directors to be submitted to the board of directors to make a final decision.

#### Article 10

The decisions related to personnel should be declared and made known to every concerned body. Complaints regarding these decisions or the evaluation of efficiency reports should be submitted in writing to the authorized president of the board of directors within not more than sixty days of their announcement. The worker should send his complaint by registered mail or by hand directly to the post office of the bank. He should include the complaint and the details of all the relevant causes, explanations and support documents.

This complaint should be considered and the worker should be notified with the decision taken about his complaint in not more than sixty days after the date on which the complaint was submitted.

#### Article 11

One or more committees should be set up in each bank by a decision from the concerned president of the board of directors to look at the complaints of the personnel regarding the decisions that concern them or their efficiency reports. The committee should include a personnel representative chosen by the board of the syndical committee or the general syndicate in the absence of the committee for any reason.

The committee can discuss or seek clarification from any concerned person. It has the right to ask for any documents, information, or clarifications required to consider the complaint. Within forty days of receiving the papers, the committee submits a report including the result of their examination of the complaint. Its decision in this case is final.

## Part II - Chapter One: Vacancies

### Article 12

The PBDAC's board of directors approves the organization of positions, classification of jobs and vacancies, definition of their duties and responsibilities, and the requirements for those occupying them, and organizes them according to the levels of jobs stipulated in this code of the principal bank and its branches.

### Article 13

The definition of employment levels in the BDAC's must be approved by a decision from the authorized minister according to a proposal from the board of PBDAC. He fixes the salaries and allowances given to the presidents of boards of directors according to the evaluation of the performance of each bank. The board of directors of PBDAC has the right, in cases under their consideration, to decide that the worker should retain for a duration of not more than a year, all the wages, salaries and the benefits he receives when transferred to another job or if a re-evaluation has resulted in a change in the bank's organization or that of one of its branches.

### Article 14

The organization and definition of levels of the branch banks, the village banks, and sub-branches, must be approved by a decision from the president of PBDAC's board of directors according to regulations and criteria set by the board of directors. Salaries and allowances of the directors of the branches and village banks are fixed according to the evaluation of the standard of each one of them.

### Article 15

The classification of posts in PBDAC, and the BDACs is as follows:

- Higher management posts.
- Banking and administration posts.
- Legal matters posts.
- Engineering posts.
- Medical posts.
- Arts posts.
- Bureau posts.
- Vocational positions.
- Guards and civil servants.

Each group includes supervisory posts and duplicate posts according to the attached tables. Each group is considered a separate unit in the field of recruitment, promotion, transfer and delegation, according to the conditions of employment and the experience and qualifications necessary for each job according to the description cards for the positions.

## Article 16

Filling of positions is through appointment, promotion, transfer or delegation in compliance with rules, regulations and procedures stipulated in the system, and according to the decision of the concerned authority or the board of directors of PBDAC, and on the basis of rules and regulations and in the framework of the rules of this code.

## Article 17

The board of directors of PBDAC determines the regulations concerning the equality of jobs, groups of jobs and net salaries mentioned in the attached tables of this code as well as levels of seniority and net salaries of the general cadres, considering the current rules and criteria of personnel in the public sector and commercial banks.

## Chapter Two: Recruitment of Experts and Temporary Workers

### Article 18

In compliance with the special laws regarding the employment of foreigners, the president of the concerned board of directors can assign a casual or temporary position within the limits of allocated funds and according to the following cases and rules:

- The work should be limited to a duration of time not more than six months renewable.
- The work should require practical or scientific experience or be the result of a casual or seasonal increase in work or to counteract a temporary shortage in the labor force.
- Casual or temporary positions are not given to permanent officials in a central or local government department in one of the public organizations or public sector. Consultative and technical cases are exceptional.
- The laws of this system are applied on the worker who is performing casual or temporary works in a way that does not contradict what is included in his work contract.

### Article 19

The bank announces vacant posts in at least two daily papers after the approval of the president of the board of directors of PBDAC. The announcements include the personal requirements of the vacancies declared and their conditions. Higher management posts are excluded from this practice.

The worker in the bank has the right to apply for the vacancy announced even if it is higher than the post he occupies if he is qualified for it.

The president of the board of directors has the right to recruit without announcement or examination in the following cases:

- 1- If it is necessary to fill the vacancy for the requirements of the work, or because the candidate has qualifications and experiences not available otherwise on condition that the vacancy was previously announced and nobody applied for it.
- 2- To re-recruit an applicant who has occupied the same post or a post similar to it before having the previous salary or with the salary at the beginning of recruitment or with the salary at the beginning of work, whichever is higher, on condition that the worker was in good standing when he left the position.

#### Article 20

Any person taking a post in PBDAC or BDAC should:

- 1- Be a citizen of the A.R.E. or a citizen of any state that treats A.R.E. citizens on equal footing.
- 2- Be not less than 18 years old at the beginning of work. For the civil servant group the minimum age is 16.
- 3- Be of good behavior.
- 4- Have the necessary qualifications for the post.
- 5- Be successful in the examination set by the bank for applicants.
- 6- Have no record of punishment or have legal penalty or punishment for dishonesty.
- 7- Never have been fired before from his work in the bank or any other institution according to a final punishment decision.
- 8- Be medically fit, although the authorized board of directors can appoint any person without this precondition.

#### Article 21

Vacancies should be filled according to the results of an examination. Those who receive the highest marks are appointed. If two are equal, the one who has the highest qualifications is

appointed. Age and seniority are also considered. A period of six months should be the time after which any complaint is invalid

#### Article 22

The priority of recruitment for posts to be filled without an announcement or examination, is according to paragraph (1) from Article (19) as follows:

- 1- If a university degree is one of the conditions for filling the vacancy, priority is given to the person who has the highest degree, to the more senior candidate and to the older person.
- 2- If experience only is required, priority is given according to the amount of experience as required by the nature of post.
- 3- If a university degree and practical experience are both required, priority is according to the organizational chart included in paragraph (1) of this article.

#### Article 23

When recruited, the worker is given the wage of the first level in addition to an increment for every year of his career according to the provisions of labor law. The authorized body has the right to recruit experienced employees with salaries higher than those received at the time they were first appointed and not more than five times the increment they receive. The worker should not receive wages higher than his counterparts in the bank.

#### Article 24

With the exception of the posts of president or member of the board of directors, filling the vacancies is as follows:

- A. The authorized minister recruits for posts of higher management and their equivalent, with their net salaries according to a nomination from the board of directors of PBDAC.
- B. The president of the board of directors of the concerned bank recruits for posts of directors of departments and their equivalent, according to nominations from the board of directors.
- C. The concerned president of the board of directors is responsible for recruiting the rest of the employees subject to a nomination by the personnel committee.

## Article 25

The bank has the right to terminate the service of the worker without prior notification if the recruitment was a result of false data, applications or certificates.

## Article 26

The recruitment of workers in the bank starts and seniority is considered to date from the issuance of the decision of his recruitment. The employee is entitled to his wage or salary starting at that time. The worker who has been recruited should begin his work within a month of receiving the decision of his recruitment in a registered letter at the address he has given in his recruitment papers. If the worker submits an accepted apology during a period of not more than a month, the decision of his appointment is invalid.

## Article 27

The newly appointed employee is put on probation for a period of time not more than six months from the date of starting his work. He becomes a permanent worker according to the code devised by the board of directors of the PEDAC at the end of the period. The employee should not be on probation more than one time and the provision of this article is not applicable to the following cases:

- A. Those recruited by a decree from the president of the republic.
- B. Those recruited by decision from the authorized minister.
- C. Those who were re-recruited after they had left service in the bank on condition that they pass the test period successfully.
- D. Those transferred from an outside organization after passing the test period successfully. The conscript is considered successful in the test period.

## Chapter Three - on the Hierarchy of Seniority

### Article 28

Considering the special rules of the army and public service according to their special laws and regulations, seniority in one level is considered from the date of recruitment. If the decision of recruitment includes more than one worker, the hierarchy of seniority is as follows:

- A. If appointment is for the first time, the position of seniority is according to that stipulated in articles 21, 22 of this code.

- B. If appointment include promotion, seniority is decided on the basis of seniority in the previous job.

#### Article 29

If the worker has been transferred or re-appointed in a job suitable to him, his seniority is as follows:

- A. If transferred or re-appointed to a job of a different group, seniority is considered from the date of transfer or re-appointment.
- B. If re-appointed to the same job or to a similar job within the same group of jobs, seniority is considered according to the period of time the worker spent in the previous job, on condition that those who preceded him in seniority should not exceed the number of those workers before him in this previous job. This is according to Article 31.

#### Article 30

If an employee is punished by lowering his position, his seniority should be on the basis of his previous seniority. If the worker filled the vacancy by recruitment, his seniority is decided in the light of the period he spent in that vacancy.

#### Article 31

If the period of deputation or special leave without wage exceeds four consecutive years during which the worker was promoted, his seniority is decided when he returns to his work according to rules and regulations.

#### Article 32

Seniority is given to all those having degrees above the G.C.E. in hierarchy or positions and according to their level in their hierarchy and on the basis of the rules and provisions of evaluating qualifications and degrees.

#### Article 33

The arrangement of seniority among employees at each level according to their previous positions is noted in the prepared records for this purpose in the concerned bank, taking into consideration the rules in the provisions of this code. The seniority of those occupying posts of directors of department and the rest of higher management posts in PBDAC is registered in a special registry in PBDAC. Choices for higher vacancies in the bank are made in the light of this seniority and in accordance to criteria and specifications set by PBDAC.

## Part III: Training, Missions and Scholarships

### Article 34

The PBDAC maintains a system of training for personnel internally and externally, central and local, in order, to develop their capabilities, skills, experiences and knowledge, to train new employees and those who are going to be promoted for new jobs.

This system includes methods of executing, monitoring and evaluating training, and rules for sending employees with grants or scholarships internally or abroad, whether for training with a wage or without. This is in addition to the rules of transforming training that ensures training and preparation of surplus manpower (labor) in some jobs or groups of jobs that prepare for other jobs in the same level.

The system also includes a definition of allowances for training, lecturing, examinations, training AIDs, and writing and administrative AIDs as well as the expenses of accommodation during training. This is for programs implemented by the bank in order to define financial treatment for trainers and training incentives.

### Article 35

Practical training and analysis of employees' training needs are considered some of the main duties at all supervisory levels. The time which the employee spends in training internally and externally is considered a paid working period according to the previous article. If the employee does not attend training after being notified in writing of its venue and date he is considered negligent of the duties of his job. His absence from training is considered absence from his job, a matter that leads to the cancellation of the training course.

Part IV:

Chapter I

On Efficiency Evaluation and Performance  
Records

Article 36

The direct senior official shall distribute work among his affiliates in accordance with the nature of their jobs and with consideration to their respective experience and qualifications. Such distribution shall also be effected in such a way as to ensure the optimal utilization of the workforce as well as the achievement of the tasks and specific duties with which the unit under the mandate of the senior official is entrusted.

Article 37

The senior official directly in charge of a given unit shall register, each time he deems convenient, his remarks on the performance, behaviour, shortcomings, distinction and the results of practical or theoretical training of each worker as well as any other data or information that may guide the evaluation of the efficiency of a worker.

The Board-Chairman of the Principal Bank shall issue the model records for efficiency evaluation to be used by work directors.

Article 38

The Board of Directors of the Principal Bank shall devise a system for the evaluation of the performance of workers in conformity with the nature, duties and responsibilities of each job, on the basis of performance data and records, the results of training and tests and whichever data or information that may guide the evaluation the evaluation of the efficiency of a worker.

The aforesaid system will include the evaluation elements and criteria as well as the rules, checks and procedures to be followed in the drafting, processing and endorsement of the final reports and the model reports to for each job.

Article 39

With the exception of those occupying senior administrative positions or other jobs with the same financial remunerations, all workers shall be subject to the system of annual efficiency evaluations.

Article 40

Annual efficiency reports shall be made to cover the period extending from the first of April every year to the end of March in the following year, in accordance with the models and rules to be drafted for this purpose and approved by the Board of Directors of the Principal Bank.

Article 41

The annual efficiency reports shall end by assigning one of the following specified grades to each worker:

- "Excellent" ... for those obtaining 90%.
- "Very Good" ... for those obtaining 75% to 90%.
- "Good"... .. for those obtaining 60% to 75%.
- "Average" ..... for those obtaining 40% to 60%.
- "Poor" ..... for those obtaining 40% or less.

Article 42

Annual efficiency reports shall be drafted by both the direct official and the manager concerned, to be later referred to the Personnel Affairs Committee for endorsement. The committee may for this purpose summon the report drafters for discussion of the contents of reports and shall produce its own justifications for whichever amendments it may deem necessary in order to alter the efficiency grades appearing on the reports. The annual efficiency reports shall be endorsed not later than the end of June every year.

With respect to the annual efficiency reports for trade union members and the elected members of the Board of Directors, the efficiency grades appearing therein shall not be made lower than those contained in the reports covering the year preceding their election.

Article 43

In case a worker is conscripted for more than six months falling within the mandate period of a given efficiency report, his efficiency grade shall be statutorily set at "Good". In case any such worker had in the previous year obtained a higher grade, he shall retain the same. Should a conscripted worker be ordered to remain in army service after completing the conscription period or should he be called to serve as a reservist, his efficiency grade shall be statutorily set at "Excellent" if the period of conscription extension or call to reserve exceeded six months.

Annual efficiency grades shall be fixed on the basis of the last such grades a worker obtained with the Bank should he be on deputation with a different establishment or on individually-requested unpaid leave. In case no efficiency report had earlier been drafted by the Bank, a worker on deputation to a different establishment or permitted to go on individually-requested unpaid leave shall statutorily obtain a "Good" grade.

Should a worker be permitted to take sick leave for more than six months during a period covered by any report, his efficiency grade shall be statutorily set at "Good" unless he had obtained a higher grade during the previous year, in which case he shall be entitled to retain the same.

Should the service of a worker be suspended for more than six months during the period covered by the annual efficiency report, his efficiency grade shall be decided in accordance with the rules hereinunder stipulated:

1. He shall be statutorily accorded an "Average" grade if the service suspension was prompted by his imprisonment as a result of a criminal offence unrelated to his job. Should he be acquitted, any such worker shall retain the efficiency grade appearing on the last efficiency report the Bank drafted on him. Should there be no such report, a worker shall statutorily obtain a "Good" efficiency grade.
2. He shall be statutorily accorded a "Poor" efficiency grade if the service suspension was prompted by the provisional imprisonment of the worker as a result of a criminal offence related to his job. Should he be acquitted, the rule stipulated in the above paragraph shall be invoked.
3. He shall be statutorily accorded a "Poor" efficiency grade if the service suspension was only provisional. Should interrogation or court investigation end by acquitting the worker, he shall be statutorily accorded a deficient grade as so provided for under paragraph of this Article. In case the interrogation or court investigation ended up in issuing a disciplinary action which is confined to a salary cut or service suspension of not more than five days, the Bank may reconsider the efficiency evaluation of any such worker in the light of considerations left to the discretion of the authorities concerned.

#### Article 44

The Personnel Affairs Units shall inform the workers affiliated to each of the efficiency grades they obtained.

Workers obtaining "Average" or "Poor" efficiency grades shall be informed, in writing, of the aspects of their shortcomings or their weaknesses in performance unless they had been so classified by virtue of the provisions of Article (43) of this statutes.

Efficiency reports shall be considered final only after the expiration of the period of time statutorily permitted for disclaiming or for ruling thereof.

## Article 45

The case of any worker obtaining a "Poor" efficiency grade for two consecutive years shall be referred to the Personnel Affairs Committee which may, after examining the case, decide to transfer him to another equal job it deems more suitable for him. Should the said committee come to the conclusion that the worker was unfit for holding any equal job in a satisfactory manner, it may recommend the suspension of his service without blocking his right to pension or reward. A report containing this recommendation shall be submitted to the Board Chairman for endorsement. Should the Board Chairman not endorse this report, he shall return it to the committee coupled with a decision naming any other job the worker shall be transferred to.

Should it occur that the next efficiency report of the worker assigns him a "Poor" grade, his service shall be suspended on the day following the final endorsement of the efficiency report; and his right to pension or reward shall be retained.

The service of any worker shall not be suspended in conformity with the aforesaid stipulations should his efficiency grade statutorily fall under the provisions of Article (43) of this statutes.

## Chapter II

### On Promotion

#### Article 46

Promotion shall be effected to a vacant job the financial appropriations of which are made available under the same qualitative category to which a given worker belongs. It shall be effected only to the very first higher job, with the ensuing financial entitlements. Promotion shall be made conditional on the enjoyment by the candidate of the terms and requirements deemed necessary for holding the job to which he may be promoted as so stated in the job classification cards, after completing the minimum tenure of previous jobs with their various financial categories as are shown in the appended Table (4) and after satisfactorily passing the training programmes and other tests the Bank may decide for the purpose of worker promotion. In addition, the rules, terms and criteria pertaining to promotion set forth under the provisions of these statutory regulations shall be observed.

The failure by a worker to join a training programme or sit for a test after being informed in writing of the date and venue of the test or programme shall be viewed as a reason for excluding him for promotion.

The Board of Directors of the Principal Bank may assign complementary and additional terms and criteria for promotion.

#### Article 47

Promotion may be effected on a discretionary basis only within the limits appearing in the appended Table (4) for each fiscal year separately, on condition that the number of jobs allocated for promotion by seniority be filled first. Promotion on a discretionary basis shall be effected in the light of the annual efficiency reports, the results of training programmes made available and other tests. In the case of workers whose jobs are exempted from the efficiency report provision, promotion shall be effected in the light of the content of their service career file, as well as by the views expressed by their seniors on their performance.

#### Article 48

Only workers obtaining grade "Excellent" in annual efficiency reports for the two previous years shall be declared eligible for promotion on a discretionary basis but that preference shall be given to those obtaining grade "Excellent" in the three previous years. In all cases, the rule of seniority within the same efficiency category shall be observed.

Should it occur that the number of those workers obtaining grade "Excellent", thereby declared eligible for promotion on a discretionary basis, was less than the number of jobs open for

such promotion, the workers obtaining grade "Very Good" in the two previous years shall be considered for promotion on a discretionary basis. Preference shall also be given to those obtaining grade "Excellent" in the three previous years.

Should it be found that the number of those declared eligible for promotion on a discretionary basis in conformity with the aforesaid rules was less than that permitted for such promotion, the remaining jobs shall be kept vacant until the next year.

Article 49

Promotion shall be effected by virtue of a decree to be issued by:

- \* the authorities competent for selecting appointees for supreme administration jobs and equivalents of the same financial entitlements;
- \* the competent Board Chairman, on the basis of recommendation by the Board of Directors, in the case of promotion to the post of Department Director and equivalents;
- \* the competent Board Chairman, on the basis of recommendation by the Personnel Affairs Committee, in the case of promotion to jobs other than the aforesaid.

Article 50

Promotion shall be declared effective as of the date on which the respective decree was issued by the competent authority. A promoted worker shall be paid the basic salary for the new job or his previous salary coupled with the promotion increment, whichever is higher, as of the date the promotion became effective, and without prejudice to the regular increment, whether granted in full or in part, when due.

Article 51

No worker shall be considered for promotion in the cases hereinafter specified:

- a) if a worker was transferred to the Bank from a different establishment or was re-appointed following a service suspension, unless and when he completes one full year in service as of the date of transfer or re-appointment;
- b) if a worker is on deputation to another establishment at his own request or has been authorised to go on individually-requested unpaid leave. Otherwise, the workers on deputation or on unpaid leaves shall be considered for promotion only to redundant jobs on condition that the deputation period of leave duration

did not; separately or combined, exceed four years. The deputation period or leave duration shall be considered uninterrupted if the days involved are consecutive or if separated by not more than one year;

- c) if a worker was ordered to appear before disciplinary or criminal courts, or suspended, he shall not be considered eligible for promotion during such time, and the job to which he might have been promoted shall be reserved for him for a one year period. Should judicial proceedings last for more than one year following which he was acquitted or disciplined to administrative warning, salary cut, or work suspension for not more than five days, the worker in question shall, upon deserving promotion, be entitled to job seniority commencing upon the date his promotion should have become due had he not been referred to disciplinary or criminal investigation, and shall equally be rightful to the promotion dues thereof. A worker shall be considered under disciplinary action as of the date on which the Board Chairman concerned or the Central Auditing Agency requested the Administrative Prosecution to file a disciplinary suit against him.

#### Article 52

No worker shall be considered eligible for promotion should he be declared subject to any of the disciplinary penalties specified below, except after completion of the periods of time appearing hereafter:

- 1- three months in the case of a salary cut or service suspension for no less than five and no more than ten days;
- 2- six months in the case of a salary cut or service suspension for eleven to fifteen days;
- 3- nine months in the case of a salary cut or service suspension for fifteen to thirty days;
- 4- one year in the case of a salary cut or service suspension for more than thirty days, or in the case of salary reduction;
- 5- the equivalent of the period of promotion postponement or denial, should a worker be disciplined to promotion increment postponement or one-half-increment denial. The aforesaid postponement periods shall be calculated as of the date of enforcing the disciplinary action even if the latter interfered with periods of postponement emanating from previous disciplinary action.

## Part V

### Chapter I: Salaries and Increments

#### Article 53

Without prejudice to the provisions of Article 23 of this statute, the beginning salary and maximum salary for jobs belonging to the various qualitative categories shall be fixed as shown on the appended Table (1).

The Board of Directors of the principal bank may however adopt decisions to amend the principal scales for the salaries of jobs in different categories as well as to amend the annual increment rates within the framework of the financial appropriations and increment rates in force at commercial banks. Any such amendments shall be made to equal any decreed raise in the salaries or salary scales for public sector workers, commensurate with the relevant laws and decrees that may be issued to this effect.

#### Article 54

The Board of Directors shall decide, at the end of each fiscal year, in the light of the budget of the fiscal year ending in June as well as in the light of the targets achieved, whether workers shall be paid their regular increments or not, and whether the payment of such increments shall be effected in full or in part.

In the latter case, the percentage of the regular increment paid to the holders of senior administration jobs and other equally remunerated jobs shall not exceed the percentage decreed for inferior jobs.

Under all conditions, the relevant decision to be issued by the Board of Directors concerned requires approval by the Board of Directors of the principal bank.

#### Article 55

The rate of the regular increment for all jobs in all job categories shall be decided in accordance with the appended tables.

While observing the provisions of the previous article, the payment in full of the regular increment, or the decreed percentage thereof, shall be conditional on the worker obtaining an efficiency grade of "Good" at least. Workers securing only an "Average" efficiency grade shall be entitled to only 50% of the value of the full regular increment or the decreed percentage thereof. Workers obtaining "Poor" efficiency grades shall be denied their regular increments or the decreed percentages thereof.

## Article 56

While observing the provisions of the previous articles, regular increments shall be effected on the dates specified below:

- 1- July 1st, following the completion of one full year after appointment or re-appointment.
- 2- July 1st, following the completion of one full year as of the date of entitlement to previous regular increment.

This rule shall be invoked in the case of workers' re-appointment without leave time; official holidays shall not be considered as leave.

## Article 57

Should a worker spend two years without being paid the regular increments as a result of reaching the highest salary ceiling statutorily permitted, he shall be paid an additional increment, the value of which shall be equal to the rate of increment appropriated for other holders of his job. Any such additional increment shall be effected on July 1st following the completion of the aforesaid period (two years) on condition that the salary due thereafter shall not exceed the fixed financial appropriation of the first higher job.

## Article 58

While observing the provisions of the previous articles, a worker on deputation at his own request or permitted to go on an individually-requested unpaid leave shall be considered entitled to regular increments only for four years throughout his career life, and shall not be entitled to any more increments should his deputation or unpaid leave exceed four years.

Should a worker re-join his job directly after completing the period of deputation or unpaid leave for more than four years, he shall be entitled to only part of the regular increment, at a rate to be decided in proportion to the actual period of his service estimated in months.

Exempted from the aforesaid rules shall be any woman worker permitted to go on individually-requested unpaid leave for maternity purposes or for joining her husband should he be employed at any of the Egyptian Embassies, consulates or affiliate bodies abroad. Any such woman worker shall be entitled to the regular increment, or to the decreed percentage thereof, throughout the period of the authorized leave on condition that she not be employed by any other establishment during the same period. This exemption shall be equally applicable in the case of workers authorized to go on an unpaid leave for educational purposes or to sit for examinations.

## Article 59

In the cases specified below, a worker may be granted a special increment beyond the scale rates fixed for his job even if the granting of such increment increases his salary beyond the ceiling shown on the job salary scales:

- 1- A worker who has been acknowledged for having exerted marked efforts in the realisation of the targets of the bank plan or the achievement of an increase in revenues or the rationalisation of performance and expenditure or of productivity.
- 2- A worker who has contributed magnificent services in the consolidation and development of cooperation between the bank and relevant establishments.
- 3- A worker who has submitted scientific or applied research work or studies or suggestions which were put into effect by the bank and resulted in decreasing expenditures or considerably increasing bank resources.
- 4- A worker who has spent thirty years in actual service with the bank, on condition that he has rendered excellent efforts during such service.
- 5- A worker recognized for education advancement during his service with the bank, such as obtaining a higher educational qualification or a degree higher than that of the basic university degree on condition that any such qualification or degree be in line with the nature of work as the bank.
- 6- A worker reaching retirement age, in which case he shall be paid the additional increment during the two preceding years on condition that his length of service with the bank until the retirement date was not less than fifteen years.
- 7- A worker who dies during his service with the bank, irrespective of the duration of service.
- 8- A worker becoming totally incapacitated during or because of his service with the bank, irrespective of the duration of the service.

## Article 60

The special increment shall be granted to those holding senior administration jobs and equally-paid jobs only by a special decree to be issued by the concerned minister on the basis of a recommendation by the Board of Directors of the Central Bank. The granting of the same increment to other workers shall be effected on the basis of recommendation by the Board of Directors concerned.

The granting of any such increment shall not block the right of a worker to a promotion increment or his regular increment whether decreed in full or in part, to which he is entitled, even if the promotion or regular increment increases the salary of the worker beyond the maximum ceiling statutorily permitted but within the limits of the special increments granted to him in accordance with the statutory rules.

The special increment payable to holders of jobs on the fixed salary scale shall be the equivalent of the highest regular increment payable to holders of jobs in the lower scale.

#### Article 61

The Board of Directors of the principal bank shall issue the rules, regulations and rates to be observed in the granting of special increments to each job category separately.

#### Second Chapter: Remuneration, Allowances and Privileges

#### Article 62

Workers in the bank are granted a remuneration of 50% of their wage as a work allowance in accordance with the following terms and conditions:

- A. The worker must actually be performing work in the bank. Emissaries to missions or scholarships are considered under the same conditions of those actually working in the bank.
- B. It is permissible to hold the remuneration, the overtime wage or any other allowances with the exception of professional allowance. The worker has the right to opt between remuneration and professional allowance whichever he prefers.
- C. It is permissible to deprive remuneration for a maximum of one month's salary for each time the worker violates his level of performance or his duty or violates discipline. This penalty should be according to the decision of the principal bank chairman with regard to bank presidents and those occupying high administrative posts, and to the decision of the concerned bank chairman or the person authorized with regard to other posts.
- D. The bank remuneration is treated as the wage where there is merit or deduction.

### Article 63

Those occupying high administrative posts or supervisory posts or the equivalent in various qualitative groups are granted a representation allowance according to their category as shown in schedules 2 and 3 attached. This allowance is not subject to taxes in accordance to prevailing tax rules.

It is permissible for the Board of Principal Bank according to the president's offer to stop disbursement of the representation allowance or reduce its value in the event the bank faces an emergency during the financial year that affects its financial capabilities, or if the annual plan objectives are not achieved.

### Article 64

Those occupying high administrative posts and equal levels are granted a vehicle allowance according to categories as shown in schedule 2 attached. In case there is no allotment to utilize a vehicle inside the country where the workstation exists, and this allowance does not include transportation allowances outside the country where the workstations exist. Greater Cairo is considered one city.

### Article 65

It is permissible to reimburse transportation expenses to those workers occupying posts of which the functions necessitate travel by special transportation or to travel constantly. The Principal Bank Chairman defines the posts are entitled to this kind of expense and the value of such expenses.

It is permissible to grant transportation expenses to those who perform services to the bank and are not permanent bank personnel.

### Article 66

An allowance for risks related to circumstances of the posts are granted at 20% of the salary minimum to a maximum of LE 240 per annum. The Chairman of the Principal Bank defines the posts for which the occupant is eligible for this allowance and the value of the said allowance.

### Article 67

It is permissible to grant employees of high administrative posts and lower supervisory posts equal levels actual hospitality expenses in accordance to the nature of the post.

#### Article 68

Workers at the canal zone or at remote areas are granted the allowances approved for the workers of the public sector in accordance to the laws or the decisions of the president, the cabinet, or the Prime Minister, according to rules and regulations thereof, without violating their rights to allowances mentioned in previous articles.

#### Article 69

Allowances and remunerations mentioned in previous articles are not subject to taxes except within the rules and regulations stipulated in tax laws and other laws and decisions.

#### Article 70

The Board of Principal Bank sets a system for the real qualities which are possibly granted to some workers according to the nature of their work. These qualities are decided upon by the chairman and representatives of syndicate committee.

#### Article 71

The Board of the Principal Bank sets the regulations and categories regarding travel and transportation allowances inside Egypt and abroad within the frame of specified categories at commercial banks and the Egyptian Central Bank.

#### Article 72

The worker is entitled to remuneration for unusual efforts and additional work delegated to him in accordance with the decision of the concerned chairman. It is permissible to grant a remuneration to those who are not from the bank personnel but perform work and services for the bank. Bank representatives at bank boards or companies are eligible to a representational remuneration for representing the bank in accordance with the Principal Bank Chairman's decision with consideration for rules and regulations in force.

#### Article 73

Employees occupying posts other than high administrative positions and their equivalent are granted overtime wages for working hours exceeding 42 hours per week and official holidays and weekends, provided the disbursement of overtime does not exceed 25% of his basic salary per month. The Principal Bank Board has the power to increase or decrease this rate on the light of the financial situation.

#### Article 74

With regard to overtime wages, the following regulations are in effect:

- A. These wages are granted for additional working hours to a maximum of 12 hours per week. The maximum limit does not apply to technical positions, cleaners and watchmen.
- B. Overtime wages are only considered for the exigencies of work which does not interfere with the performance of the workers normal functions.
- C. In consideration of the maximum limit mentioned above, the overtime wage is calculated at the worker's basic salary, in addition to 25% daily working hours and 50% for night working hours. In case the overtime falls on a weekend or on an official holiday, it is calculated at two times of the said rate. It is permissible to compensate the worker with days off in compensation for official holidays when he has worked at least six hours per day.
- D. The decision to require working for additional hours is issued by the concerned manager in accordance with the regulations of the concerned chairman.

#### Article 75

It is permissible to disburse the cost of a meal for workers and non-workers who continue their work after official working hours, or to add this cost to the overtime wages, according to terms and conditions approved by the Principal Bank Chairman.

#### Article 76

The Chairman of the concerned board fixes the allowance for attending temporary or permanent committees during their formation at two times the allowance approved for attending board sections. Other than this, the allowance is determined by a decision from the Chairman of the Principal Bank.

#### Third Chapter: Incentive Remuneration, Production Incentives and Profits

#### Article 77

The Principal Bank Board decides annually the incentive remuneration for board presidents and members, and employees of the Principal Bank and Governorate Banks in accordance to the objectives achieved, and with consideration of the achievements of each bank.

## First Chapter: Transfer

### Article 81

The transfer of presidents of Governorate Development Banks from one bank to another at the same functional level or to the principal bank is determined by the concerned minister's decision. It is permissible to transfer the worker upon his request to a similar position or another position for which he is qualified inside the bank either in his qualitative group or other qualitative group. It is also permissible to transfer the worker from one bank to another. It is permissible to transfer the worker upon his request to one of the government central or local organizations, or to public institutions or their units or to departments that have a special cadre. The transfer is effected according to the decision of:

1. The principal bank board with regard to high administration positions at the principal bank and dependent banks, or the concerned minister in case the transfer is to an external body.
2. The principal bank chairman or the person authorized with regard to other employees, in case the transfer is to or from the principal bank and Governorate Banks or between Governorate Banks.
3. The concerned chairman or authorized person in case the transfer is from one unit to another within the bank with regard to all other positions.
4. The concerned chairman after discussion with the board with regard to department directors or their equivalent in case the transfer is from the bank to an external body. The concerned chairman after discussion with the personnel affairs committee with regard to positions lower than department director in case the transfer is from the bank to an external body, after the approval of the concerned board in case the transfer is from an external body to the bank.

### Article 82

The transfer to a vacant financed position is permissible except to the position of an employee on secondment or on unpaid leave for a period that exceeds one year.

### Article 83

The transfer of a worker from other bodies is permissible if he has the same basic wage without any additional salaries, increments, allowances, monetary or real privileges or others which he used to receive from that said body. The worker transferred to the bank receives the salaries, allowances and privileges fixed for the position he assumes with effect from the date of assuming work at the bank.

### Article 84

With regard to all above mentioned, it is imperative that the worker does not fail his promotion unless it is at his own request.

## Chapter Two: Investigations and Penalties

### Article 135

Any employee who disobeys or breaches duties, or commits any prohibited action or act in a way that affects the dignity of the job is punished and presented to judicial courts when necessary.

### Article 136

Penalties are imposed only after written investigation and after listening to the employee or his lawyer. The penalty issued must be signed for reason.

An exception is that, for the purpose of a warning a deduction can be made from the employee's salary, although this is not to exceed three days, salary suspension from work must also not exceed three days. Investigations must be oral on the condition that the contents are recorded in the report, including the penalty imposed.

### Article 137

The legal affairs sectors in PBDAC and the BDACs carry out investigations of bank employees for any reported case of disobedience except in high administrative positions or similar jobs.

The investigator can solicit the opinion of specialists and technicians in the same field of work and of the concerned chairman of the board of directors. He can also delegate an investigator to investigate any case apart from the technical members in the legal affairs department.

### Article 138

The employee cannot be penalized twice for one mistake, but the penalty may be doubled if he repeats the mistake during a certain period.

### Article 139

Disciplinary penalties that can be applied to employees excluding high administration officials and similar levels are as follows:

1. Warning.
2. Postponment of salary increments for a period of not more than three months.
3. Salary deductions should not exceed two months salary per year.

4. Deprivation of half the annual salary increase or half the allocated increment.
5. Termination for a period not more than six months, at half salary.
6. Postponement of promotion for a period of not more than two years.
7. Salary decrease.
8. Demotion to next lower position.
9. Demotion to next lower position and decrease in salary to previous level before increase.
10. Retirement.
11. Termination of service.

The following penalties are applied to senior administrative employees:

1. Warning.
2. Blaming.
3. Retirement.
4. Suspension from service.

#### Article 141

Disciplinary legal proceeding fail after three months from commitment date. If the charge is a criminal charge, the disciplinary legal proceedings will not fail unless the charge fails. Unforceable charges may be valid from the last date of any taken procedure.

#### Article 142

The board of directors has established a system of investigations and penalties which include all violations and the penalties for each, degrees of severity or commutation of penalty, investigation procedures, temporary termination of service during investigation, imposing or rearranging penalties, cancelling rules and procedures for abolishing penalties, appeal and protest procedures.

This system also includes methods dealing with total deduction penalties applied to staff.

Annex III-J-2

Table 1

Annual Rank	Annual Increase	Senior Administration Group
2928	-	Chairman PBDAC
2828 2220/2760	- 144	Vice Chairman Head of Bank Sector (A) Head of Bank Sector (B)
1980/2700	132	Chairman of BDAC Governorate 2nd Level (A) Governorate 2nd Level (B) Vice Chairman
1680/2640	120	Director General of Directorate Director General of Branch Director General BDAC
1560/2580	108	Director of a Department, Directorate, or Branch General Inspector Researcher/Specialist Accountant/Senior Auditor
2520/1440	96	Director of Branch or Village Bank Level A Head of Department of a Branch or Village Bank Head of Department - Research Specialist
2340/1260	90	Branch Director of Credit/Village Bank Director Level B Head of Department of a Branch or Village Bank Head of Department - Research Specialist Inspector/Accountant Auditor
2100/1080	84	Village Bank Director of Credit Unit Head of Branch or Village Bank
1860/900	78	
1620/720	72	Research Specialist/Accountant/ Sorter

1380/540	60	Specialized Accountant
1140/480	48	Storekeeper
960/420	36	

List of Abbreviations:

Hd.	=	Head
Gov.	=	Governorate
D. Gen.	=	Director General
Br	=	Branch
Spec.	=	Specialist
Res. Spec.	=	Research Specialist
Sr.	=	Senior
VB	=	Village Bank

ANNEX III-J-3

TABLE - 1

Car and Representation Allowance  
for High Admin Position

Rank	Job Title	Representation Allowance	Car Allowance
2928	Chairman - PBDAC	2000	1500
2828	Deputy - PBDAC	2000	900
2220 /	Director of Sector	1800	600
2760	Chairman BDAC Senior	1800	600
	Chairman BDAC Junior	1700	540
	Chairman BDAC Second lend A	1600	510
	Chairman BDAC Second lend B	1500	480
1980	Director General of PBDAC	1400	420
2700	Deputy Chairman BDAC	1400	420
1680 /	Director General of any directorate	1200	300
2640	Director General of any branch	1200	300
	Director General BDAC	1200	300
	Senior Inspector/Engineers/		
	Physicians/technicians/clerks		

TABLE 2

Representation Allowance Promotion Percentage  
for Management Jobs or Any Equivalent Jobs

Rank	Job Title	Representation Allowance	Percentage of Promotion
1560 / 2580	Director Directorate Branch General Inspector Researcher/Specialist/Accountant/ Auditor/Lawyer/Engineer/Physician/ Technician/Clerk/Excellent	720 540	100%
1440 / 2520	Director Branch B/ Village Bank Director A Branch Auditor Auditor (Researcher)/ Specialist/Inspector	420 336 300	100%
1260 / 2340	Director - Branch C Village Bank Director B Head of Dept. Branches and Village Bank Head of Dept.	336 216 120	100%
1080 / 2100	Director of Village Bank Head of Unit A in Branches and Village Branches Head of Unit A	216 96	100%
900 / 1860	Head of a Unit at Branches and Village Bank	72	100%

ANNEX III-J-4

Promotion Percentage for Selected Positions  
Step Increases and Periods

Annual Rank	Promotion Percentage by Selection	Step Increase	Minimum Time
2928	---	---	-
2828	---	---	-
2220 / 2760	---	144	1
1980 / 2700	---	132	1
1680 / 2640	100%	120	1
1560 / 2580	100%	108	2
1440 / 2520	100%	96	3
1260 / 2340	100%	90	3
1080 / 2100	75%	84	2
9001 / 1800	50%	78	3
720 / 1620	30%	72	3
540 / 1380	20%	60	5
480 / 1140	10%	48	5
420 / 960	---	36	5

Position: Senior Management Researcher

Category: First

Salary Scale: L.E. 684-1440 per annum

General Description :

The position is one of the Management system Dept. jobs. Applicant will supervise programs and organizational studies, methods of work Research preparation, giving technical advice in this field when needed.

Applicant will work under the direct supervision of the director of the department, who will review his work in detail .

This job needs frequent connections with interior and exterior institutions.

Responsibilities and duties:

To establish administrative organization plan in the institution and PBDAC, prepare organizational charts. Identify responsibilities and duties.

1. This job needs frequent connections with the interior and exterior places.
2. Supervising studies that deals with programs of organizing and rearrange the available specifications.
3. Prepare the studies and recommendations dealing with the development of work performance and reduce procedures.
4. Prepare and check the work manual for the administration units .
5. Study the organizational plan in office and field. Prepare organizational suggestions and studies which develops the work system in the institution and PBDAC.
6. Monitoring and identifying rates of performance for all the jobs in the institution and PBDAC. Study the volume of work and select the job assignments for the different administration units. Prepare the list of duties for each department.
7. Supervise, classify and file all documents related to the institution.

8. Advise the junior researchers and help them prepare the organizational studies.
9. Advise the junior researchers and review their work before submitting it to higher authorities.
10. Prepare recommendations that help to increase efficiency of work and reduce costs.
11. Participate with the director of the Department in writing the evaluation reports of the researchers and employees.
12. To carry similar duties given to him.

Conditions:

Suitable Qualification plus experience in the same field of work for period not less than 11 years.

ANNEX III-J-6

PRINCIPAL BANK FOR DEVELOPMENT  
AND AGRICULTURAL CREDIT

PROFICIENCY REPORT FOR YEAR  
FROM PERIOD: UPTILL:

ANNUAL PROFICIENCY REP  
MANAGERIAL POSITIONS

GOVERNORATE DEVELOPMENT BANK  
DEPARTMENT/BRANCH/VILLAGE BANK

NAME OF EMPLOYEE:  
DATE OF APPOINTMENT:  
PREVIOUS QUALIFICATIONS:

DATE OF BIRTH:  
POSITION HELD:  
DATE OF APPOINTMENT:

QUALIFICATIONS:  
SALARY:  
CATEGORY:

LEVEL OF PROFICIENCY ATTAINED DURING THE TRAINING COURSE SESSION

QUARTERLY REPORT		ANNUAL REPORT					
PERIOD	ESTIMATED RATE	ELEMENTS OF EVALUATION	EST'D RATE	DIRECT BOSS	DIRECTOR GENERAL	SECTOR DIRECTOR	COMMENTS
1ST PERIOD FROM 1/4 TO 30/6		LEVEL OF PERFORMANCE					
		1. PRODUCTION PROFICIENCY	15				
		2. MANAGERIAL CAPABILITY	15				
		3. SUPERVISING & MANAGING	10				
2ND PERIOD FROM 1/7 TO 30/9		4. TAKING ACTION & BEING RESPONSIBLE	20				
		5. TRAINING EMPLOYEES	10				
		SUB-TOTAL	70				
3RD PERIOD FROM 1/10 TO 31/12		PERSONAL QUALIFICATIONS					
		1. PERSONALITY	5				
		2. RELATIONS W/DIRECTORS AND COLLEAGUES	5				
4TH PERIOD FROM 1/1 TO 31/3		3. RELATIONS W/CUSTOMERS	5				
		4. BEHAVIOUR, APPEARANCE & PERSONALITY	15				
		SUB-TOTAL	30				
ANNUAL AVERAGE		TOTAL GRADES	100				

OTHER COMMENTS:	MEDICAL CONDITIONS	GRADE	ESTIMATE
	1: V.GOOD: 2: GOOD: 3: FAIR	ESTIMATED	LEVEL
	SICK LEAVE: DAYS	WRITTEN	

DIRECT BOSS	RESPONSIBLE MANAGER	GENERAL DIRECTOR	DIRECTOR OF DEPT, VICE CHAIRMAN, BOARD OF DIRECTORS
NAME:	NAME:	NAME:	NAME:
SIGNATURE:	SIGNATURE:	SIGNATURE:	SIGNATURE:

PERSONNEL COMMITTEE EVALUATION REPORT  
JUSTIFICATION/CHANGES

1. POINTS OF PROFICIENCY/DEFICIENCY		YES:	NO:
A. IS HE AWARE ENOUGH OF THE TYPE OF WORK			
B. DOES HE DELAY WORK			
C. DOES HE FOLLOW-UP HIS TASK UNTIL IT IS DONE			
D. DOES HE SUBMIT CONSTRUCTIVE IDEAS			
E. DOES HE FLATTER HIS DIRECTORS/SUPERIORS WITHOUT REASON			
2. TRAINING COURSES AND STANDARD OF PROFICIENCY			
3. IS HE ENTITLED TO A HIGHER MANAGERIAL POSITION			
4. WAS HE PRECEDED TO ANY PENALTY COURTBEFORE			
5. STATEMENT OF PENALTIES DURING THE REPORT PERIOD			
SIGNATURE OF THE GENERAL DIRECTOR		SIGNATURE OF THE SPECIALIZED DIRECTOR	
AUTHORIZED			
GRADES UPON WHICH PROFICIENCY IS DETERMINED			
PROFICIENCY DEGREE	GRADE		
LESS THAN 40%			WEAK
40% UPTILL 60%			FAIR
60% UPTILL 75%			GOOD
75% UPTILL 90%			VERY GOOD
MORE THAN 90%			EXCELLENT

Number of Employees According To

District	Qualifications						Financial Category								Sex			Position					
	High	High	Mediate	Less	Without	Total	High	1st	2nd	3rd	4th	5th	6th	Total	Male	Female	Total	Clerks	Techni-	Labors	Total		
Governorate	Institutes	Than Mediate	Certificate				Gen. Mgr. Dept.	Asst. Mgr. Dept.	Super-visor Chief Clerk	Head Clerk	Chief Clerk	Mark Clerk	Support. Clerks				40 Administrators		cians				
1986																							
PBDAC	1078	512	265	69	396	2321	31	133	522	1111	294	165	63	2321	1570	751	2321	25	1944	48	329	2321	
Cairo Branch	49	9	146	17	150	371	-	4	38	153	68	53	53	371	276	95	371	25	152	67	152	371	
Alexandria Branch	141	10	175	36	125	497	2	11	95	240	60	22	67	497	409	88	497	7	371	13	113	497	
New Valley Branch	25	2	79	-	41	147	-	1	4	79	34	11	18	147	132	15	147	0	61	45	41	147	
El Arish Branch	16	5	22	3	19	65	-	1	5	19	24	1	15	65	58	7	65	5	43	2	20	65	
Total	1309	539	687	125	741	3401	32	152	664	1602	480	252	218	3401	2445	956	3401	29	2571	175	655	3401	
1987																							
PBDAC	1170	422	387	160	447	2586	31	141	565	1245	340	179	85	2586	1753	833	2586	32	2083	11	492	2586	
Cairo Branch	15	1	47	7	92	162	-	1	12	61	20	38	30	162	146	16	162	10	30	38	94	162	
Alexandria Branch	156	10	167	34	131	498	3	11	94	234	63	24	69	498	408	90	498	12	372	9	117	498	
New Valley Branch	26	3	73	-	41	143	-	-	4	73	36	10	20	143	129	14	143	0	75	28	40	143	
El Arish Branch	14	4	22	4	18	62	-	1	5	15	25	1	15	62	55	7	62	1	41	2	19	62	
Total	1291	440	696	205	729	3451	34	154	680	1628	484	252	219	3451	2491	960	3451	28	2601	88	762	3451	
1988																							
PBDAC	1063	256	338	117	435	2209	36	181	592	885	319	107	79	2209	1655	554	2209	25	1748	71	370	2209	
Cairo Branch	89	4	190	27	177	487	3	15	61	232	62	79	33	487	403	84	487	17	309	60	118	487	
Alexandria Branch	126	11	190	33	118	478	2	17	42	311	33	31	42	478	389	89	478	4	380	16	82	478	
New Valley Branch	25	3	67	-	40	135	-	-	4	85	18	17	11	135	121	14	135	0	66	29	40	135	
El Arish Branch	14	4	24	5	17	64	-	1	7	25	15	1	15	64	58	6	64	1	42	2	23	64	
Total	1317	278	809	182	787	3372	41	214	696	1538	447	235	202	3372	2626	747	3372	12	2545	178	650	3372	

ANNEX III-J-8

PUBLIC SECTOR EMPLOYEE REGISTRATION FORM

Part I  
Personal Info.

Date  
Bank Name  
City  
Name (first, family)  
Title  
Male/Female  
Birthdate/Place  
Resident Address  
Marital Status  
Religion

Part II  
Education

Beginning Qualification (degree) when hired  
Specialization (major)/date of degree  
Last degree/major/year

Part III  
Job Info.

Date of Hire  
Sector of bank worked in at start date  
Current position/date started  
Original job  
Job family (i.e. technical/clerical)

Part IV  
Salary Range

Salary Range  
Start date in range  
Assignment (temporary) to another area (i.e. 3 mo. at a BDAC)

Part V  
Location

Training name	Courses period (date)	Course title	Location
---------------	-----------------------	--------------	----------

Part VI  
Compensation

Salary  
Annual increment (date & amt.)  
Special increase  
Incentive amts (no dates)

Name & sig. of preparer

## ANNEX III-J-9

## Job &amp; Personnel Data Base

PBDAC  
MIS - Computer

General Position      Short term Assignment      Position No. 406      Date 20/3/89

Personnel data	name	Abdel Rahman Aly El Assar	Appointment date 18/7/64
Marital status	Married	Religion: Moslem	
Address	Cairo	El-Khalifa	
Qualifications	Certificate	Date	
	1. High school Diploma	1960	
	2. Bsc. of Commerce	1968	

Training sessions: Program name: Place: Reason - duration  
Agric. loans: interior: Skill Development 6 days

Personnel data	Major Organization Classification	Sector	Serial No. 119
Job statement	Accountant	Second Job date	appointment 20/12/84
Second Job	Banking & adm. Rank 2520/144	Job group date	Specialist 20/12/84
Job category	---	starting date	---
Salary Scale	---	date	---
Holidays			
Secondment			

Financial data	Monthly basic salary on 1/7/88	30/6/88	L.E. 162.58
Step increase on		L.E. 8.00	new increase L.E. 04.21
Annual changes on 87/88	1- Incentives	L.E. 260.28	
	2- Allowance	L.E. 81.29	
	3- Other currency variables	L.E. 42.52	

## ANNEX III-J-10

## PBDAC: Number of Employees

No. Governorate Bank	# of Employees		% of Change	% of Total
	1984	1988		
1 El Behera	3,216	3,053	-5.1%	8.8%
2 Kafr El Sheik	2,142	1,901	-11.3%	5.5%
3 El Gharbeya	2,451	2,485	1.4%	7.2%
4 Damietta	468	551	17.7%	1.6%
5 El Ismailia	290	365	25.9%	1.1%
6 Sharkia	2,711	2,977	9.8%	8.6%
7 Dakahlia	2,843	2,994	5.3%	8.7%
8 Menoufia	1,332	2,049	53.8%	5.9%
9 Giza	1,969	1,275	-35.2%	3.7%
10 Kalyoubia	1,046	1,428	36.5%	4.1%
11 El Fayoum	1,292	1,498	15.9%	4.3%
12 Beni Suef	1,327	1,336	0.7%	3.9%
13 Minya	2,511	2,620	4.3%	7.6%
14 Assuit	1,798	1,928	7.2%	5.6%
15 Sohag	2,258	2,250	-0.4%	6.5%
16 Kena	1,647	1,838	11.6%	5.3%
17 Asswan	562	594	5.7%	1.7%
Subtotal	29,863	31,142	4.3%	90.2%
PBDAC & Branches	3,254	3,373	3.7%	9.8%
TOTAL	33,117	34,515	4.2%	100.0%

Source: PBDAC Statistics Department

## ANNEX III-J-11

## PBDAC: Employees by Gender

	Organization	Sex			
		Male	Female	Total	Percent Females
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1986					
	PBDAC	1,570	751	2,321	32%
1	Cairo Branch	276	95	371	26%
2	Alexandria Branch	409	88	497	18%
3	New Valley Branch	132	15	147	10%
4	El Arish Branch	58	7	65	11%
-----					
	Total	2,445	956	3,401	28%
-----					
1987					
	PBDAC	1,753	833	2,586	32%
1	Cairo Branch	146	16	162	10%
2	Alexandria Branch	408	90	498	18%
3	New Valley Branch	129	14	143	10%
4	El Arish Branch	55	7	62	11%
-----					
	Total	2,491	960	3,451	28%
-----					
1988					
	PBDAC	1,655	554	2,209	25%
1	Cairo Branch	403	84	487	17%
2	Alexandria Branch	389	89	478	19%
3	New Valley Branch	121	14	135	10%
4	El Arish Branch	58	6	64	9%
-----					
	Total	2,626	747	3,373	22%
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Source: PBDAC Statistics Department  
File: Employee.wk1

## ANNEX III-K

### TRAINING UNDER SFPP/APCP

#### A. Credit and Lending

Three courses are conducted in all 12 governorates according to the Bank's annual training plan, which schedules courses based on planned APCP expansion. The Credit is designed to explain APCP strategy, concepts, and procedures, and introduce the new credit system. Target participants include BDAC, branch and village bank level managers, and credit, accounting and follow-up staff. Most village banks covered under APCP have taken the core course.

During the baseline study, specialists found great variation in the understanding of project goals and application of new credit concepts (see section A: Credit). Even if drawn from the SFPP project, the trainers themselves will need structured materials and careful instruction to make sure they present a similar interpretation of the Bank's objectives. The credit specialist will be reviewing course content during the period of the first annual work plan.

Village Bank Financial Analysis targets village bank financial analysts and assistants. It covers agricultural loan analysis based on the five credit factors, basics of financial analysis, and simple feasibility studies. These courses were developed under SFPP and continually undergo revisions based on training evaluation results and feedback from the APCP project leaders. Case study and exercise methods are used. At present, work is in progress to develop additional practical cases to support the Village Bank Financial Analysis Course. The course has been temporarily stopped since the fall of 1988 pending development of the credit policies and procedures manual and integration of cases.

The Financial Planning and Management is given for managers at the BDAC, branch and village bank levels. During the bridging year, eight governorates were covered. The course focuses on credit policy; loan performance, review, analysis and control; sources and uses of funds; and profitability and credit planning. It was developed by outside consultants including specialists from Banque Misr. During the bridging year period (August 1987 through September 1988), the following training was carried out:

<u>Course</u>	<u>No. of Courses</u>	<u>No. of Trainees</u>	<u>Days</u>	<u>'88/89 Plan No. of Courses</u>
Credit Core Course	32	820	5	90
Village Bank Financial Analysis	30	776	4	42
Financial Planning and Management	13	356	5	22

### B. Farm Management

Seasonal training based on a comprehensive governorate by governorate needs assessment is given to the extension staff in order to promote technology transfer and the use of APCP credit. The winter and summer season courses are given to over 4,031 extension staff on the basic crop production techniques, crop budgets, and the various village bank planning and financial services available from the Bank. For 1990 the following courses are planned:

<u>Course</u>	<u>No. of Courses</u>	<u>No. of Trainees</u>	<u>Days</u>	<u>No. of Governorates</u>
Summer Season	168	4,200	4	12
Winter Season	168	4,200	4	12
TOT	1	20	10	12
CTS Computer courses	16	96	15	3

### C. Farm-related Business

The Agribusiness Lending Seminar and Agribusiness Financial Analysis Course were designed to build the awareness of BDAC staff with respect to types of loans (agribusiness and cooperative lending), financial analysis, loan processing, and reporting. The agribusiness course focused on an introduction to APCP concepts and cooperative lending.

<u>Course</u>	<u>No. of Courses</u>	<u>No. of Trainees</u>	<u>Days</u>	<u>No. of Governorates</u>
Agribusiness Lending	5	150	1	11
Agribusiness Financial Analysis	2	27	3-4	4

#### D. Finance and Capital Management

One pilot course was given in this area in June 1988, covering savings account development, deposits and savings bank management, and foreign borrowing as well as credit policy. APCP project leadership elected not to continue this course.

#### E. MIS and Accounting

Training focused on PC-based software package training for PBDAC staff. During the bridging year, instruction was given in DOS, Wordstar 2000, Lotus 1-2-3, and dBASE under contract with Team Misr (97 trainees). An additional 110 employees were trained by CTS unit instructors.

In the bridging year, there was no formal accounting training. Accounting courses were conducted under SFPP based on the Maazawy Study. The 1988/89 bank training plan includes 26 accounting courses for bank accountants, scheduled in all governorates and beginning in February 1989. The course curriculum is being developed by an accounting committee. Training in the general ledger was developed by a bridging year subcontractor and began in October/November 1988 as specified in the subcontract.

#### F. Audit and Quality Control

The Core Credit Audit Course was given in the second half of the 1987/88 bridging year. The eight-day course was given twice for 45 trainees. The course included APCP strategy, concepts and procedures; new credit system; and fundamentals of audit, control, follow-up and reporting. The course curriculum requires revision. The 1988/89 bank training plan includes 17 credit audit courses for all 12 governorates, but the curriculum has not been developed to date.

### G. Overseas Participant Training

Overseas participant training has focused on short-term study tours and seminars. Tours during the bridging year concentrated on farm-related business, cooperative lending, and farm credit. To support overseas training, PBDAC has increased participation in USAID's English language program with AUC.

### H. English Language Training

During the bridging year, 112 employees took the ALIGU (American Language Institute, Georgetown University) examination and 25 were subsequently enrolled in AUC's evening adult courses. The PBDAC 1988/89 bank training plan calls for 50 employees to be added to this program. The program stresses conversational English and is not focused on special purpose business or bank English.

### I. Managerial Skills Training

In cooperation with the MALR's Center for Management Development (CMD), PBDAC runs two managerial skills courses. One is designed for extension agents; the other, for credit staff at the branch and village bank levels. A summary for the 1987/89 bridging year period follows:

<u>Course</u>	<u>No. of Courses</u>	<u>No. of Trainees</u>	<u>Avg. No. of Days</u>
Management Skills (bank/credit)	20	389	6
Management Skills (extension)	15	323	6