

PD-ABC-239

**NON-FEDERAL AUDIT OF
THE SENEGAL COMMUNITY AND ENTERPRISE
DEVELOPMENT PROJECT
Project No. 685-0260**

Audit Report No. 7-685-91-02-N
November 30, 1990

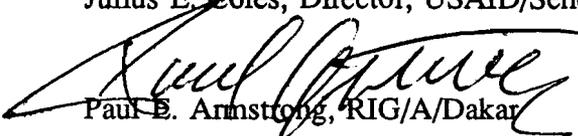
AGENCY FOR INTERNATIONAL DEVELOPMENT

Office of the Regional Inspector General for West Africa

November 30, 1990

MEMORANDUM

TO: Julius E. Coles, Director, USAID/Senegal

FROM:  Paul E. Armstrong, RIG/A/Dakar

SUBJECT: Non-Federal Audit of the Senegal Community and Enterprise Development Project, Audit Report No. 7-685-91-02N

Attached is the subject audit report prepared by Deloitte and Touche, Abidjan, Ivory Coast. The audit was performed at the request of USAID/Senegal.

The Senegal Community Enterprise Development project has two principal components: (1) a private voluntary organization (PVO) component which assists village organizations through U.S. and local PVOs to complement community-oriented and agricultural production activities and (2) a Small Scale Enterprise (SSE) component which assists small entrepreneurs in expanding their businesses via a revolving fund credit program. To implement the project USAID and a U.S. consulting firm, the New Transcentury Foundation (NTF), signed a Cooperative Agreement in August 1985 which is to end in June 1993. NTF implements the project through a Management Unit located in Kaolack, Senegal.

The audit objectives were to verify the allowability and reasonableness of local currency costs incurred by the NTF field office for calendar year 1989, evaluate NTF's system of internal control, and determine whether NTF has complied with applicable laws and regulations. In addition, the audit was to assess the adequacy of the new procedure manuals for the SSE and PVO components. These manuals were established as the result of a previous non-Federal audit in 1989 which found unauthorized expenditures, petty cash discrepancies, non-allowable bonuses and embezzlements both at the head and branch offices.

The auditors questioned NTF expenditures totalling \$5681. About half of these expenditures related to personal international telephone calls improperly charged to the project (Finding No. 4). The auditors also recommended the disallowance of certain residential repair and utility costs incurred by an NTF contractor which had not been provided for under the contract (Finding No. 3). Still other costs were questioned due to lack of adequate supporting documentation.

The auditors also questioned a transaction which they believe could be interpreted as an attempt to defraud the project. The transaction involved a \$2471 advance to the contractor Chief of Party for the purchase of an airline ticket. We referred this matter to the RIG Office of Investigations which declined to pursue a full investigation, as the NTF controller had already judged the trip unnecessary, had on its own disallowed the associate expense, and had required the employee to repay advance. The audit report, however, has treated this transaction as an unauthorized withdrawal of project funds and recommended that imputed interest of \$191 be charged against the contractor for the eight months over which advanced funds were outstanding (Finding No. 2).

With regard to the NTF's system of internal controls the auditors concluded that the project's internal accounting control system has shown commendable improvement and that the new operating procedures for the SSE and PVO project components were adequate and were being followed. Nevertheless, the auditors have made a number of recommendations for further improvement, three of which have been included in this transmittal memorandum so as to ensure contractor implementation. And finally, the auditors concluded that except for the failure to draw up a program of fixed asset maintenance, repair, and protection, the contractor complied with applicable laws, regulations, and agreements.

The recommendations below will be included in the Office of the Inspector General's audit recommendation follow-up system. The contractor agreed with these recommendations--except for several questioned costs which will need to be resolved by the Mission. The contractor, however, vigorously disputed that there was any fraudulent intent in the airline ticket transaction. Rather, they argued that the Management Unit could be faulted for not having made out a check directly to the travel agency and the Chief of Party could be faulted for a delay in repaying the cash advance. We therefore regard the recommendation to recover interest on the advance as justified: the \$191 in imputed interest is included in Recommendation No. 1 questioned costs.

Recommendation No. 1: We recommend that USAID/Senegal determine the allowability of questioned costs of FCFA 1,704,261 (\$5681) and require the contractor to reimburse USAID for those expenditures that are determined by the Mission to be not allowable (see Appendix II).

Recommendation No. 2: We recommend that USAID/Senegal require that the contractor submit evidence that the following internal control/compliance exceptions have been addressed:

- 2.1 The contractor should put into place the new data processing system for monitoring Small Scale Enterprise loan operations (Finding 2).

- 2.2 The contractor should investigate all excess payments obtained from clients and if substantiated and if material, these amounts should be repaid (Finding 2).
- 2.3 The contractor should draw up and submit to the Mission a program to fixed asset maintenance, repair and protection. The program should include a complete fixed asset register and provisions for adequate control over project vehicles (Findings 3, 4 and 7).

Please advise within 30 days of actions planned or taken by the Mission to implement the above recommendations. I appreciate the cooperation and courtesy extended to the non-Federal auditors.

NON-FEDERAL AUDIT OF THE
COMMUNITY AND ENTERPRISE DEVELOPMENT
PROJECT N°685-0260

NON-FEDERAL AUDIT OF THE
COMMUNITY AND ENTERPRISE DEVELOPMENT PROJECT
N° 685-0260

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AUDIT OF THE COMMUNITY ENTERPRISE
DEVELOPMENT PROJECT N°685-0260

ACRONYMS

USAID	-	United states Agency for International Development
PVO	-	Private Voluntary Organizations
VO	-	Village Organization
SSE	-	Small Scale Enterprises
NTF	-	New Transcentury Foundation
GOS	-	Government of Senegal
MU	-	Management Unit
AO	-	Administrative Officer

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 **Akintola Williams & Co.**

Chartered Accountants

Mr. Paul Armstrong
Regional Inspector General for Audit
USAID/RIG Dakar, Senegal.

Dear Mr. Armstrong,

**NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260**

This report presents the result of our audit of the Community and Enterprise Development Project N°685-0260 relating to the Cooperative Agreement between USAID and the New Transcentury Foundation for the period from January 1, 1989 to December 31, 1989.

The background, audit objectives and scope are contained in Part I of this report. Part II, III and IV include our audit opinions on the Statement of Expenditure, Internal Accounting Controls, compliances with laws and regulations and related findings and recommendations.

Part V contains our audit opinion on the Review of SSE and PVO Operating Procedures.

The comments of the New Transcentury Foundation (NTF) have been reproduced in its entirety under various sections of the report. Where satisfactory explanations have been given, the findings have been deleted. Where comments or explanation are not satisfactory, we have made additional comments to each section under Auditors Comment.

The summarized local currency expenditure reimbursed, summary of Disallowed and Questioned Costs, Cash Reconciliations for the period January 1 to December 31, 1989 and reconciliation of claimed costs to accepted costs are presented in Part VI as Appendixes I, II, III & IV.

USAID Mission Senegal substantially agreed with the contents of this report.

Yours faithfully,

Akintola Williams & Co

AKINTOLA WILLIAMS & CO.
(DELOITTE ROSS TOHMATSU)

NON-FEDERAL AUDIT OF THE COMMUNITY AND ENTERPRISE
DEVELOPMENT PROJECT N°685-0260

PART I INTRODUCTION

A. Background

In January 1984, USAID and the Government of Senegal signed an agreement to implement the Community and Enterprise Development Project.

The project has two principal components:

- i. A Private Voluntary Organization (PVO) component which assists Village Organizations (VOS) through US and Local PVOS, to complement community oriented and agricultural productive activities;
- ii. A Small Scale Enterprise (SSE) component to assist small entrepreneurs of the regions, of Kaolack, Fatick, Thies and Dakar through a revolving fund credit program to expand their businesses and become more viable enterprises.

To implement the project, USAID and a US consulting firm, the New Transcentury Foundation (NTF) signed a Cooperative Agreement on August 2, 1985 which is to end on June 30, 1993. NTF implements the project through a Management Unit located in Kaolack. The role of the management Unit is to assist PVOs in developing sub project proposals and to channel and account for the grant funds and the credit funds provided to PVOs and VOs collaborating in the implementation of the project. The Management Unit monitors the subproject activities and reports to USAID and the National Project Committee on project activities and progress. The National Project Committee is made up of four GOS ministries and USAID.

The MU also manages the credit portfolio of the SSE component by providing credit and limited managerial assistance to small businessmen in the Regions of Kaolack and Fatick. These activities are currently being extended to the Dakar and Thies regions. Currently, the MU is working with eight PVOs and 57 VOs. During the one-year period covered by this audit (January 1, 1989 to December 31, 1989), 50 loans totalling CFA 90 688 531 were made to the VOs and 151 loans totalling CFA 209 055 000 were made to the SSEs in the regions of Kaolack and Fatick. These include loans made from the revolving funds of the project.

A significant portion of the expenses is incurred in local currency. Between January 1 to December 31, 1989, total disbursements according to NTF financial report was CFA 410 277 437.

B. Audit Objectives and Scope

The audit objectives were:

- i. To verify the allowability and reasonableness of local currency costs incurred by NTF field office and reported to NTF headquarters in Washington under the cooperative agreement from January 1 through December 31, 1989 with special emphasis on the PVO and SSE components.
- ii. Evaluate NTF's system of internal control
- iii. Review the SSEs and PVOs operating procedures to assess their adequacy.
- iv. Determine whether NTF has complied with applicable laws and regulations.

Procedures manuals established for the SSE and the PVO components went into effect in April 1990.

The audit covered operations at NTF's offices in Kaolack and two PVO offices in Dakar - Africare & O E F. Within the two PVO offices, the audit examined and reconciled various disbursements to and repayments from VOS.

The audit which basically covered records of the fiscal year 1989 was also extended into 1990 wherever considered necessary for observing compliance with internal control system and project activities and examining related records as far as practicable. Results of the review of the internal control during 1989, which is the period covered by our scope of work, were considered in formulating an opinion on operations of the project and the report for 1989. Field work took place from June 26 to July 14, 1990.

The audit was conducted in accordance with generally accepted US Government auditing standards, set forth by the Comptroller General of the United States and accordingly included such tests of the records and such other auditing procedures as we considered necessary to accomplish the audit objectives.

For the purpose of this report, all local currency expenditure have been converted to US dollar at a rate of US\$ 1 to 300 CFA.

NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

REPORT ON STATEMENT OF EXPENDITURE
PART II

NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

PART II: REPORT ON STATEMENT OF EXPENDITURE
AUDITORS' OPINION

We have examined the Statement of Expenditure of local currency costs incurred by NTF in accordance with the Cooperative Agreement between USAID and the New Transcentury Foundation under the Community and Enterprise Development Project N°685-0260 for the period from January 1, 1989 to December 31, 1989.

Costs claimed, costs questioned, costs disallowed and costs accepted are summarized on Appendix IV.

The Financial Status report, which we used to develop these summary costs, is NTF's responsibility. It is our responsibility to express an opinion thereon, based on our audit. We conducted our audit examination in accordance with generally accepted auditing standards and the U.S. Comptroller General's "Standards for Audit of Governmental Organisations, Programs, Activities and Functions" (1988 Revision). Accordingly, our review included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, and in conformity with the audit Objectives and Scope (Part I). This we believe provided us a reasonable basis for our opinion.

Our examination was made primarily for the purpose of expressing an opinion on the statement of costs claimed as summarized on Appendix I.

Our examination identified disallowed costs amounting to CFA 1 336 279 (US\$ 4 454.26) and questioned costs amounting to CFA 367 982 (US\$ 1 226.60) which are discussed in the detailed Findings and Recommendations. As stated in the Findings and Recommendations there were deficiencies in the internal control and compliance identified in the project expenditure and accountability between January 1, 1989 and July 31, 1989 and the effect of such deficiencies on the statement of Cost claimed for the period January 1, 1989 to December 31, 1989 could not be determined by us.

In our opinion, subject to the effects which the deficiencies in accounting for expenditure could have on the statement of Expenditure, the resolution of the questioned costs and except for the disallowed costs, Appendix IV gives a true and fair representation of the local currency expenditure incurred in relation to the project for the period from January 1, 1989 to December 31, 1989.

This report is intended solely for the use of United States Agency for International Development, Senegal. This restriction is not intended to limit distribution of this report which, upon acceptance by the office of the Regional Inspector General for Audit, Dakar, is a matter of public record.

Akintola Williams & Co.

AKINTOLA WILLIAMS & CO
(DELOITTE ROSS TOHMATSU)
CHARTERED ACCOUNTANTS

Abidjan - Côte d'Ivoire
31, October 1990

NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

FINDINGS AND RECOMMENDATIONS

A. Project Expenditure and Accountability

Our examination of the vouchers and records for expenses disbursed during the period covered by our audit indicated that proper documentations were lacking and acceptable internal control procedures were not in place during January through July 1989. These conditions occurred because NTF did not establish a proper internal control procedure until about August 1989. As a result, improper expenditures were seldom reported, and information used for official reports to NTF Washington did not always reflect acceptable expenditure. This resulted in questioned costs totalling CFA 367 982 (US\$ 1 226.60) and disallowed costs totalling CFA 1 336 279 (US\$ 4 454.26) listed in Appendix II to this report.

NTF was responsible for ensuring that all project expenditure were justifiable, reasonable, project related and accurately reflected project operation costs. These responsibilities were not adequately fulfilled.

The underlisted observations indicate serious internal control and compliance deficiencies, especially when viewed in their totality.

Project Expenditure

A sample of 85% of total project expenditure were examined. The result of our examination indicated that the Chief of Party had absolute powers of initiating, authorising and paying for project expenditure. This is evidenced in some of the expenditure tested which have been questioned or disallowed.

FINDING N°1

Consultancy Expenses

The Chief of Party (COP) contracted out a consultancy assignment for a market study of the credit needs by small enterprises in Thies, Mbour and Djourbel.

The work agreement/Terms of reference for this assignment did not indicate that the project would be responsible for lunches and hotel expenses of the data collection team neither did it state that the project would provide funds for transportation in addition to the provision of project vehicles for the assignment.

Our examination revealed that an advance of CFA 75 000 was paid by the project to cover transport cost in addition to providing project car, driver and gasoline to assist in the execution of the assignment.

Also payment were made to cover the following expenses contrary to the work agreement.

	FCFA
Lunches in hotels	71 380
Night stay in hotel at Dakar	24 200

	95 580
	=====

NTF COMMENTS

The work agreement between the project and the consultant stipulated that the project would be responsible for transportation and per diem, and a project vehicle was provided for the execution of the assignment. However, the vehicle by the project merely transported the team to the survey sites (Thies, Mbour, Djourbel). The members of the data collection team needed to also circulate through their assigned territory, and it was obvious that one vehicle could not do the job. The request for transportation funds was to cover the expenses of buses and taxis for the data collection team members for their transportation within their survey zone.

Although the work agreement did not allow for lunches and night stays in hotels, commuting would need to have been recovered by extending the duration of the survey, added to this cost of transportation between Thies, Mbour and Kaolack. It was an error not to have included hotel and lunch costs, but they were justifiable expenses. These expenses are documented with proper receipts for hotels, restaurants and from data collection team members. These receipts were presented for inspection during the audit.

AUDITORS COMMENTS

Since the work agreement specifically stipulated that the project would be responsible for transportation and per diem; and project vehicle was provided for the execution of the assignment, the advance of CFA 75 000 (US\$ 250) for transport cost is considered a double charge to project cost. Also work agreement did not allow for lunches and night stay in hotels. No vouchers or invoices were produced to justify these expenses.

RECOMMENDATION

We recommend that the advance given for transportation of CFA 75 000, the cost of lunches in hotels of CFA 71 380 and the night stay in Dakar of CFA 24 200 i.e. a total sum of CFA 170 580 be reimbursed by NTF to A.I.D.

NON-FEDERAL AUDIT OF THE COMMUNITY
AND ENTERPRISE DEVELOPMENT PROJECT

FINDING N°2

Unauthorised Withdrawal of Project Fund

In April 1989, the COP withdrew the sum of CFA 741 550 purportedly required for the purchase of an air ticket. To justify the withdrawal, the COP obtained proforma invoices from two Airline Agents - SOCOPAO and Express Sun Travel - for Dakar-Paris-Washington-Paris-Dakar and attached an undated note to the Administrative Officer - requesting for cash withdrawal of CFA 741 550 to meet the cost. Cash was withdrawn without the normal procedure of obtaining an original invoice and approving same for the preparation of a bon-de-commande necessary for the preparation of a Cheque in the name of the Airline Agent. The COP only signed his undated note to the AO acknowledging receipt of the Fund.

In August 1989, the NTF controller disallowed this unauthorised charge to the project and instructed that it should be treated as an advance to the COP contrary to the cooperation agreement which disallows advances to staff from project funds. To account for the sum withdrawn the COP presented a used Air Afrique ticket stub N°092.4462177536 dated May 18, 1989 for Dakar-New York-Washington DC-Miami-Port au Prince which was a different routing from the above routing upon which the money was withdrawn. However, the amount was repaid by the COP in two instalments of CFA 547 350 on September 8, 1989 and CFA 194 200 on November 30, 1989 and these payments were checked to the Project cash book.

NTF COMMENTS

The charge that there was an attempt to defraud is extremely serious, and it is important that all evidence be presented. The auditor's version gives the impression that no ticket was ever purchased, when in fact a ticket had been purchased. The sequence of events that took place is critically different from what is being advanced by the audit team. A legitimate quotation was presented for 741 550 FCFA. Instead of paying the airline agent directly, the COP took cash to pay for ticket, and a ticket was purchased for 547 350 FCFA. In August 1989, the NTF Controller disallowed this expense because the trip was not judged necessary. Once the trip was disallowed, the airline was requested to reimburse the ticket purchase of 547 350 FCFA and this was done. The COP also refunded the difference between the cash advanced and the price of the ticket (194 200 FCFA). The proformas, the tickets and all correspondence related to the purchase and request for reimbursement were submitted to the auditors for examination.

The MU can be faulted for not having made out the check directly to the travel agency, and the COP can be faulted for the delay in reimbursing the 194 200 FCFA which was the difference between the cash advanced and the final price of the ticket.

AUDITORS COMMENT

We consider that the events recounted above could be interpreted as an attempt to defraud the project which should have been reported to the USAID mission since the attempt was discovered by NTF. The presentation of a ticket which routing was different from the routing upon which the funds were withdrawn and the retention of an amount over and above the amount required for the purchased ticket for eight months gives credence to this suspicion. Furthermore, the refund of CFA 547 350 on September 8 1989 was made by the Chief of Party to the project and not by the Airline agent as NTF claims; and he was issued a cash receipt N°000035 on same date. It is our considered opinion that project funds were withdrawn for personal use by the Chief of Party which could have affected the project cash flow.

Recommendation

We recommend that the sum of CFA 57 205 be refunded to USAID being local bank interest rate of 16% on the amount withdrawn from the project over the period. This is made up as follows:

	FCFA
CFA 741 550 at 16% for 5 months	49 437
CFA 194 200 at 16% for 3 months	7 768

	57 205
	=====

FINDING N°3

Other Disallowed Expenditure

In the course of the audit, it was noted that the best possible prices were not obtained for certain expenditure. We also observed instances where payments were made on piece of papers just authorised by the COP, and for expenses not approved by the project Cooperative Agreement.

Some of such expenditure are as follows:

Description of Expense	Voucher Date	Amount Disallowed FCFA
i. Translation Expenses	2/14/89	33 000
ii. " "	2/15/89	11 000
iii. Per diem payment to consultant	2/15/89	160 000
iv. Repair expenses to John Mckenny's Residence	July 1989	6 750
v. Repair expenses to John Mckenney's residence	July 1989	5 000
vi. Electricity and Water bills for John Mckenney's residence	July 1989	54 290

		270 040
		=====

These expenses have been disallowed for the following reasons:

- (i & ii) In accordance with the agreement with translators, the agreed prices for the translation of documents was CFA 2 000 per page of narratives and CFA 1 000 per page of diagrams.

On February 14, 1989 NTF paid CFA 2 000 per page of diagrams for a document that had 33 pages of diagrams resulting in an over-charge of CFA 33 000 to the project. Also on February 15, 1989, NTF paid CFA 2 500 per page of narratives for a 22 page document resulting in an over-charge of CFA 11 000. These two over-charges are therefore disallowed

- (iii) Contrary to internal control procedure requiring proper documentation as back-up for all payment, the sum of CFA 160 000 was paid to a staff of Price Waterhouse on a piece of paper approved by the COP on February 15, 1989 and described as per diem payment. The contract to which this per diem relates could not be provided by NTF and no voucher or invoice backed up the payment.

- (iv,v,vi) The terms of employment of John Mckenny do not provide for the project to pay for repairs to his residence and utilities expenses. John Mckenny, at the time of payment, was a local employee and not an expatriate employee.

NTF Comments

- (i & ii) Translations of reports are made because our donor (USAID) requests English versions of our reports and the GOS requests French versions. We do not have totally bilingual staff and even if we did we do not think that it is efficient to use executive staff for translations.
- (iii) Subsequent to the current audit, we have billed Price Waterhouse for this charge of CFA 160 000 which arose from the previous audit.
- (iv & v) Repairs to the Mckenney house: Mr. Mckenny has reimbursed the project for the repair expenses to his residence subsequent to the audit (August 1990 payroll deduction).

- (vi) Utility bills: Mr. Mckenny's contract, established July 1, 1989, states that utilities will be paid by the project up to US\$ 2 400 per year. The utility bills incurred prior to that date have been reimbursed by Mr. Mckenney subsequent to the audit (August 1990 payroll deduction).

AUDITORS COMMENTS

The Cooperative Agreement provides that NTF is to ensure that the project funds are efficiently managed, and only expenditure expressly authorised by the Cooperative Agreement between USAID and NTF should be paid out of project funds.

Recommendation

Subject to the confirmation by USAID of the recoveries and the billings as stated in NTF comments, we recommend that the total amount of CFA 270 040 (US\$ 900.13) be reimbursed by NTF to the project.

FINDING N°4

Telephone bills

Two folders were maintained during the year containing bills and other vouchers relating to billings of staff and repayments by staff. The first folder contained bills and vouchers from January to July 1989 while the second folder contained bills and vouchers from August to December 1989.

All personal international telephone calls are required to be recorded in a register maintained for that purpose. On receipt of the project invoices from SONATEL all personal calls are extracted from the register and the numbers compared with those invoiced by SONATEL. Numbers and amounts relating to personal calls are billed to the callers. Although the total amount on the SONATEL invoice is paid by the project, only the repayments by staff are adjusted against project expenditure. Unpaid personal calls are not adjusted until paid. The above procedure was not strictly adhered to by NTF, consequently, some personal international calls were made and not registered while some calls registered were not billed to staff because the names of the staff were not stated in the register.

An examination of all telephone bills relating to the period of our audit disclosed the following, details of which are stated in Appendix V.

	FCFA	US\$
- Private calls made between February and July 1989 which were not registered, the numbers not related to those associated with the project and no evidence of billing and recovery from staff amounted to..	675 219	2 251
- Private calls made between Aug and Dec 1989 registered but not billed as the names of the callers were not stated in the register..	163 235	544
	-----	-----
	838 454	2 795
	=====	=====

Further examination of the records revealed that the register is not signed by the callers acknowledging that they made the call neither is there a form to be completed by staff wishing to make personal international calls. Billings are therefore sometimes based on assumptions that calls to specific countries must have been made by specific staff members.

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NTF COMMENTS

We are currently making an attempt to locate the missing billing register that seems to have been misplaced during the move of the Management Unit in January 1990. At the same time, we are reviewing our records to ascertain whether reimbursement of the FCFA 838 454 telephone costs stated in Appendix V by the responsible individuals has been made.

Recommendation

We recommend that the total sum of FCFA 838 454 or US\$ 2 795 be recovered from project staff responsible for the calls, failing which, NTF should reimburse the project.

QUESTIONED COSTS

FINDING N°5

House repairs

Reasonable House Maintenance expenses are project related and payable from project funds. However, the underlisted expenses were not adequately supported by appropriate documentary evidences. In addition, the frequency of septic evacuation and plumbing appear abnormal.

Date	Description	FCFA
Feb. 1989	Plumbing and septic evacuation	45 000
April 1989	Plumbing septic evacuation and carpentry work	71 505
May 1989	Carpentry work	16 056
June 1989	Plumbing	22 715
July 1989	Plumbing	28 620

		183 896
		=====

Some of the invoices for these expenses were not legible. Repair works were contracted out to illiterate workers who could not properly document their material requests and expenses. Those accepted and not included above have been properly scrutinised and the documentations found satisfactory. The COP authorised the work and approved the payments contrary to laid down control procedures.

NTF COMMENTS

Plumbing fixtures at the COP house were not in good running order and needed a lot of work. The landlord refused to have the work done at his expenses. The cost of relocating the COP and his family would have been substantially higher than the cost of repairing the plumbing and besides the housing shortage in Kaolack made any other choice but to repair the plumbing impractical.

Specifically, the amounts cited concern the following actions:

February 1989, FCFA 45 000 for plumbing and septic evacuation. Septic tank evacuation is an expense normally incurred by the lessee. The septic tanks in Senegal are fully sealed and usually small, which means frequent evacuation if the family is large. The cost of septic tank evacuation is a standard CFA 7 000 per trip. Of the CFA 45 000 cited, CFA 35 000 is for evacuation.

The CFA 10 000 difference was costs incurred for plumbing repairs in the office rather than COP house.

In April 1989, CFA 71 505 for plumbing, septic evacuation and carpentry amounts break down as follows:

Carpentry - CFA 10 165 for shelves (this is properly documented and legible).

Electrical work - CFA 8 540 (properly documented).

Repairs on servants quarters - CFA 22 050 (properly documented)

Repairs on toilet flushing mechanism - CFA 6 250 (properly documented)

Three trips for septic tank evacuation - CFA 21 000 (properly documented).

Repairs on water supply (replacement of a pipe and faucet) - CFA 3 500 (properly documented).

May 1989 - Carpentry work: CFA 16 056 are labor charges on previously mentioned repairs (shelving CFA 3 556 and servant's quarters CFA 12 500) are all properly documented.

June 1989 - Plumbing: CFA 22 715 are plumbing charges consisting of changing rotted pipes, unclogging drains and repair of pipes leading to septic tanks. This is all properly documented.

July 1989 - Plumbing: CFA 28 620 are costs not related to plumbing. The breakdown is as follows:

Change of locks in COP house - CFA 21 620 (properly documented)

Repairs of garage door and exterior lighting system - CFA 7 000 (properly documented).

As for the literacy level of workers engaged: 1) all receipts are legible and thus this section of the finding is unwarranted; 2) any issue of worker's literacy should be put in context of general literacy rates prevailing in Senegal; 3) literacy and work competence are totally unrelated.

AUDITORS COMMENTS

We are not satisfied with the documentation of the items listed above. Some other plumbing repairs not listed were handled by semi-literate workers and, although the expense did not follow the approved payment procedures, they were accepted because of their legibility and proper documentation.

RECOMMENDATION

We recommend that the total amount of CFA 183 896 (US\$ 612.98) be questioned pending proper documentation of the expenses.

FINDING N°6

Local Taxes

TVA and TPS local taxes are project exempted as per project implementation letter dated June 27, 1986 and signed by both the USAID and GOS. NTF has not obtained an exemption letter from the Ministry of Finance putting into force the Cooperative Agreement. As a result, the sum of CFA 184 086 TPS taxes was paid by the project on bank charges during the period.

NTF COMMENTS

No letter of exemption is necessary. According to GOS (Ministry of Finance), the PIL N°0260-02 is sufficient. The need for such a letter was pointed out in the previous audit and this was erroneous. This erroneous recommendation is merely being repeated. Neither the previous auditors nor the actual auditors have shown any proof that such a letter is needed when a PIL for this purpose already exists. It would be useful if auditors can give a base for this assertion.

AUDITORS COMMENTS

Project funds would have been saved if steps had been taken to obtain the required exemption letter from the Ministry of Finance of GOS. No documentary evidences could be produced to indicate that necessary contacts have been made with GOS to effect the agreement entered into or to indicate that the PIL N°0260-02 is sufficient.

RECOMMENDATION

We recommend that NTF make every effort to obtain the necessary exemption letter from GOS and also recover the total amount of CFA 184 086 (US\$ 613.62).

NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

REPORT ON INTERNAL ACCOUNTING CONTROLS
PART III

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Chartered Accountants

PART III: REPORT ON INTERNAL ACCOUNTING CONTROL

A. AUDITOR'S OPINION

We have performed a financial and compliance audit of the Cooperative Agreement between USAID and the New Transcentury Foundation (NTF) under the Community and Enterprise Development Project N°685-0260 for the period from January 1, 1989 to December 31, 1989.

As part of our examination, we made a study and evaluation of the Project's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits for Audit of Governmental Organizations, Programs, Activities and Functions (1988 Revision). The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the fund accountability statement of the project. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control of the project taken as a whole.

NTF is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by the contractor are required to assess the expected benefits and related costs of control procedures. The objectives of a control system are to provide the management with reasonable but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of the inherent limitation in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Based on our study and evaluation referred to in the first paragraph of this report and taking into account weaknesses in the accompanying observations, it is our opinion that the project's internal accounting control system showed commendable improvement from August 1989, as opposed to the prior period of January 1st 1989 to July 1989, and is presently adequate for safeguarding the assets and funds of the project from material irregularities.

Akintola Williams & Co

**AKINTOLA WILLIAMS & CO
(DELOITTE ROSS TOHMATSU)
CHARTERED ACCOUNTANTS**

Abidjan, Côte d'Ivoire
31 October 1990

B. INTERNAL CONTROLS EVALUATION
FINDINGS AND RECOMMENDATIONS

FINDING N°1 SEGREGATION OF DUTIES: LOAN ANALYSIS
FOLLOW UP AND COLLECTION PROCEDURES

Branch Managers located outside the Kaolack centre are responsible to analyse loan requests, and to follow-up and collect loan instalmental repayments which are later paid over to the central cashier in Kaolack. These concentration of duties in one individual without check could lead to misappropriation of loan repayment proceeds by the SSE field staff. Repayments could also be utilised for personal transactions before being remitted to the Central Cashier in Kaolack.

NTF COMMENT

The auditors have no grounds to assert that there exists concentration of duties in one individual "without check". In August 1989, procedures were put in place to provide adequate controls on all phases of credit operations including loan recoveries. These procedures were reviewed and approved by USAID's Controller. These procedures have been in effect since August 1989 and have been followed. The present audit team reviewed the procedures and conducted tests on over 80 client accounts and no irregularities were found and no recommendations to alter the procedures manual are being made in this report. It is contradictory and unwarranted to assert that branch managers are conducting business "without check".

As for the auditor's recommendation that: "Systematic confirmations of the balances must be carried out regularly by NTF employees not involved in the loan analysis, follow up and collection processes. This exercise should involve not only agreeing balances but comparing date(s) loan repayment(s) were paid into the bank with the date on the client's receipt copy".

This is being done. An audit of all client accounts was conducted by Regional Managers in April 1989, and the results were seen by the auditors. Such audits are conducted by Regional Managers (who do not have any role in loan collection). The trail of client reimbursements all the way to deposits into the bank is controlled regularly and the procedures for this control are spelled out in the procedures manual. Again, the auditors reviewed client reimbursements and bank deposits of these reimbursements and no irregularities were found. In our view, these comments are unwarranted.

Having client accounts audited by staff completely isolated from the entire credit process (as the auditors would like), would be extremely costly since it would necessitate the creation of a fully staffed audit unit. In our view, it is sufficient that audits be conducted by staff not involved in loan recovery. SSE expects to appoint an internal auditor, but he will only be able to supervise the audits, a good deal of the actual balance confirmations will continue to be done by Regional Managers (who have no role in loan collection).

AUDITORS COMMENTS

We think it is less than honest for NTF to state that:

"The auditors have no grounds to assert that there exists concentration of duties in one individual "without check" and to say that our recommendation was being done." Also, the fact that the procedures manual did not allow for an independent verification of balances and no irregularities were found on the audit tests conducted does not make the manual fraud proof. Our recommendation is made to improve the manual of procedure. The audit of clients accounts by Regional Managers in April 1989 did not include the comparison of loan repayment dates in Branch Manager accounts with those on clients receipts. Even if this had been done, it is ridiculous to imagine that such an exercise is sufficient to cover the period to July 1990 when our audit exercise took place.

We consider our comments very relevant unless there is an intention to capitalise on this control weakness to defraud the project.

RECOMMENDATION

We recommend an independent verification and a systematic confirmation of client balances to be carried out regularly by NTF employees not involved in the loan analysis, follow-up and collection processes. This exercise should involve not only agreeing balances but comparing the date(s) loan repayment(s) were paid into the bank with the date on clients' copy receipts.

FINDING N°2:

NEW DATA PROCESSING SYSTEM FOR MONITORING SSE LOAN OPERATIONS NOT YET IN PLACE

NTF presently maintains loan repayment schedules which is produced using a computer program with the following deficiencies:-

- the program could not produce loan balances at a given date; information on loan balances at January 1st 1989 and December 31st, 1989 have to be roughly determined by use of the repayment schedules some of which even showed credit balances.
- Timely reports produced by the computer system which are in agreement with the accounting records are not readily obtainable.

Our audit examination revealed that loan schedules had credit balances (i.e. over-payments by clients) amounting to FCFA 2 172 205. Also we determined that the new computerized data processing and loan tracking system said to have been introduced in April 1989, had not been so introduced. Rather, a manual system is now in use and loans are age-analysed every 10th day of the month; the new computerized system will be introduced only when SSE Head Office moves to Dakar.

RECOMMENDATION

We recommend that excess payments obtained from clients should be promptly investigated and paid over to them. In order that adequate and timely information on loans for decision making is obtained, NTF should consider the implementation of the new computer software (which we have not examined) as a matter of top priority.

NTF COMMENT

NTF management is aware of these problems and has got a new program that will produce account balances at month ends and also age-analyse the loans. Timely reconciliation of computer reports and accounting records will be facilitated as soon as this program is put into operation.

FINDING N°3 REPAIRS AND MAINTENANCE OF FIXED ASSETS

NTF did not, at the beginning of the project, draw up and submit to USAID for approval, a program of fixed assets maintenance, repair, protection and preservation, in line with AID document 1420-540 (1-85) relating to fixed assets. Maintenance and custody are inadequate. Cars are left in a state of disrepair and items are jumbled up in the store. No documented program exists for preventive maintenance of project assets.

A physical check indicated that motor car N°2705 TT B1 (carte grise N°7.740.832) has been in a state of disrepair for over 6 months. A prompt repair work done on the vehicle or even a disposal may prove to be cheaper than letting the car rot. We also noticed that adding machines were not being promptly repaired when they are broken down and that items in the store were not being neatly stacked.

RECOMMENDATION

We recommend that NTF draws up a fixed assets program of maintenance, repair, protection and preservation in line with AID document 1420-540(1-85) and this program should be approved by USAID-Senegal.

Procedures should also be put in place to repair or even dispose of certain items in a state of disrepair provided it is considered more profitable to do so. Also, items in the store should be well stacked and tag numbers clearly displayed.

NTF COMMENT

We will make the necessary effort to apply USAID document 1420-540 recommended.

FINDING N°4 NO FIXED ASSETS REGISTER EXISTS

The fixed assets management procedure being applied by NTF does not provide for a fixed assets register/master list.

A review of the fixed asset cards indicated the following shortcomings: no serial numbers, item number, description, location, repairs carried out to date, and cost of fixed assets acquired. Also, if a card is lost, no other record exists to identify the asset it carries. NTF does not know the total cost of the assets they have nor can they place cost values on damaged assets.

RECOMMENDATION

We recommend that a fixed asset register should be maintained showing: description, date of acquisition, cost, manufacturer, serial number, location and the repairs carried out to date. This register should be kept by the project director. The fixed assets cards in use should be properly completed.

NTF COMMENT

Many items which are locally manufactured do not have serial numbers. Most cards do have the information required by the auditors.

FINDING N°5 SEGRETATION OF DUTIES - FIXED ASSETS

A Toshiba computer belonging to the project and worth US\$ 1 200 has been removed to Washington for repairs by the project controller for over 6 months. Sensitive items such as computers should not be taken from project locations without USAID consent.

RECOMMENDATION

We recommend that transfer of project assets from one country to the other should always be notified to USAID so that their view and/or instructions are taken into account before the transfer is effected.

NTF COMMENT

Agreed with recommendation.

FINDING N°6

Internal control procedures for controlling the issue of gasoline bons is inadequate.

We noted that it was common for project employees who temporarily run out of their own personal gas bons to "borrow" project bons with the promise of replacing them with their personal bons. The Administrative Officer, on 4/5/89, took 50 litres worth of bons for his car N°3292 TTBl with the promise to return them in the form of ESSO bons. Although we have no reason to doubt his assurances that he indeed returned them, the internal control system does not make for independent confirmation. Records are not maintained to monitor receipt and refund of gas bons by employees.

RECOMMENDATION

Considering the excessive record keeping that will need to be put in place to monitor this kind of transaction and the executive time spent in doing something that does not contribute directly to the execution of the project, we recommend that the exchange of bons be discontinued.

NTF COMMENT

Agreed with recommendation.

FINDING N°7

Project vehicles used for personal purposes.

A review of the vehicle logs and the "fiche de livraison de bon d'essence" indicated that project vehicles were sometimes used for personal purposes. For instance, Mr. Ibrahima Dieng, on 20/07/89, was authorized by the Administrative Officer to collect 40 litres of petrol for vehicle N°2704 TTBI to be used on a personal trip to Keur Mody.

Except for the recording in the log book which does not indicate whether a vehicle has been used for personal or official purposes, no other record is kept to indicate personal use of vehicles.

RECOMMENDATION

In order to restrict the use of project vehicles and still enable the component heads to perform their duties normally, we recommend that personal use of project vehicles outside conveying component heads to and from their homes should be discontinued. Once, however, the component heads are taken to or from home, the vehicles should be immediately returned to the parking area to be looked after by the guards.

NTF COMMENT

Agreed. Persons mentioned in this recommendation will be billed for personal use.

FINDING N°8

The method of calculating reimbursement claims for gasoline purchased by employee's on field trip with project vehicles is incorrect.

We observed that when employees of the project on field trips run out of gasoline allocated to them, they buy gasoline at CFA 350 per litre which is CFA 100 over the normal tax-free price payable by the project. The request for reimbursement is made on the reimbursement claim form, and the calculation of the amount of the claim is based on the excess of gasoline purchased over the quantity allocated with no reference made to the log book to ensure that the quantity was infact used. Reimbursement is made at the tax-free price to the employees.

RECOMMENDATION

As the reimbursement policy penalises the employee who does not receive the total amount he/she actually spent, there is the possibility for an over-claim being made. We recommend therefore that claims requests should always be matched to the actual consumption on the log book.

NTF COMMENT

They agreed with the observation.

FINDING N°9

Payroll accounting and related personnel procedures need improvement.

Our review of employees' personnel files revealed that some employee contract documents were not registered with the relevant authorities. For example:

NAME	REMARKS
Sieke M'BODJI	For the period under review, his contract was not registered according to the labour laws in force in Senegal.
Ibrahim BASSE	Contract not registered
Mayoro LOUM	No job contract available; we understand however, that he has a letter of appointment.
Moustapha GAYE	Contract not registered.

As long as steps are not taken to obtain, sign and register all necessary documents, NTF will be exposed to possible damages in the event of a conflict with any employee.

RECOMMENDATION

We recommend that appropriate steps be taken to register all contracts with employees to avoid any possible damages in the event of any future conflict with an employee.

NTF COMMENT

Agreed. This short-coming will be rectified.

NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

REPORT ON COMPLIANCE WITH AGREEMENT TERMS
AND APPLICABLE LAWS AND REGULATIONS

PART IV

**REPORT ON COMPLIANCE WITH AGREEMENT TERMS
AND APPLICABLE LAWS AND REGULATIONS**

A. AUDITORS OPINION

We have performed a Financial and Compliance audit of the statement of expenditure of the Cooperative Agreement between USAID and the New Transcentury Foundation under the Community and Enterprise Development Project N°685-0260 for the period from January 1, 1989 to December 31, 1989, and we have issued our report dated October 31, 1990.

Our examination was made in accordance with generally accepted auditing standards and the U.S Comptroller General's Standards for Audit of Governmental Organisations, Programs, Activities and Functions (1988 Revision), which includes additional standards and requirements for the review of compliance with agreement terms and applicable laws and regulations.

We tested transactions and records for the period from January 1, 1989 to December 31, 1989 which included cash disbursements and reporting to determine the projects compliance with applicable laws, regulations and terms of the Cooperative Agreement between USAID and NTF.

The results of our study indicated that for items tested, the Project complied with agreement terms and applicable laws and regulations, except as described in the accompanying finding. Otherwise, nothing came to our attention that caused us to believe that untested items were not in compliance with agreement terms and applicable laws and regulations.

Akintola Williams & Co
AKINTOLA WILLIAMS & CO
(DELOITTE ROSS TOHMATSU)
CHARTERED ACCOUNTANTS

Abidjan - Côte d'Ivoire
31 October 1990

REPORT ON COMPLIANCE WITH AGREEMENT TERMS
AND APPLICABLE LAWS AND REGULATIONS

B. FINDING

NTF did not draw up and submit to USAID for approval, a program of fixed assets maintenance, repair, protection and preservation in accordance with AID documents 1420-540 (1-85). Fixed assets management did not thus comply with the terms of the agreement.

NTF COMMENT

NTF will make necessary effort to apply USAID documents 1420-540 as recommended and stated in Section III.

NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

REVIEW OF SSE AND PVO
OPERATING PROCEDURE

PART V

**NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260**

PART V: REVIEW OF SSE AND PVO OPERATING PROCEDURES

AUDITORS' OPINION

We have reviewed the manuals containing the operating procedures for the SSE and PVO project components. In performing this work, it was not our purpose to provide assurance on the internal control structure. We identified the internal control structures of the SSE's and the PVO's as being in the following categories:

- . Cash Management System
- . Procurement Procedures
- . Payment Procedures
- . Financial Reporting Procedures.

The scope of our consideration of the internal control structure included obtaining an understanding for each control category listed above, of the control environment, the accounting system, and related control procedures. Based on this understanding and tests we made of the system, we assessed the degree of control risks that exists in the system.

We have no matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the contractor's (NTF) ability to record, process, summarize, and report financial data consistently.

However, because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

It is our opinion, subject to the inherent limitations in any internal control structure as discussed above, that these new procedures are adequate. Furthermore, we confirm that the procedures in the manuals have been implemented and being followed since April 1990.

This report is intended for the information of USAID Mission in Senegal.

This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Akintola Williams & Co

AKINTOLA WILLIAMS & CO
(DELOITTE ROSS TOHMATSU)
CHARTERED ACCOUNTANTS

Abidjan - Côte d'Ivoire
31 October 1990

REVIEW OF SSE AND PVO OPERATING PROCEDURES

In addition to the findings and recommendations to the evaluation of the internal control system, Part III, we state below a few loop-holes in the operating procedures which came into effect from April 1990.

All aspects of the operating procedures which has the COP as the authorizing agent should be replaced with the appropriate person.

CASH MANAGEMENT

The procedure as stated in the manual appears adequate and audit tests revealed that they are being satisfactorily implemented.

PROCUREMENT PROCEDURES

The request for three factures proforma from vendors each time item of 50 000 CFA or more are to be purchased appears difficult to sustain over a long period.

Over time, the project management would have been in a position to maintain a list of the various vendors who supply certain items at reasonable prices. Each time these items are required proforma invoices could be requested from each of these vendors and a combination of quality and price would be taken into consideration in selecting the vendor to supply the item.

We suggest that:

- A list of vendors be maintained by the project management which would be reviewed periodically.
- For items 15 000 CFA or more, a single facture proforma is required.
- For items 15 000 CFA or less no proforma is required

PAYMENT PROCEDURES

Check Disbursement

This is satisfactory.

Payroll

Payroll procedure assumes that all employees - Senior management and Junior staff - are paid in cash. Obviously, the expatriate staff are not paid in cash. The procedure for their payment should be reflected in the manual.

Financial Reporting Procedures

Besides the preparation of the monthly reconciliation of cash report in CFA and US dollars, we would suggest that a statement of source and use of funds should also be prepared by the Accountant on a quarterly basis. Vouchers and receipts relating to major items of expenditure should be attached to this statement, which should be sent to the USAID Mission Dakar.

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NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

PART VI: APPENDIXES

APPENDIX I

NON-FEDERAL AUDIT OF THE COMMUNITY AND
ENTERPRISE DEVELOPMENT PROJECT N°685-0260

ACCOUNT N°	DESCRIPTION	LOCAL CURRENCY EXPENDITURE REIMBURSED
JANUARY 1 TO DEC 31, 1989		
70160	Consultants	21 905 367
70160	Translation	1 447 320
70161	Direct Personel costs	81 910 578
70162	Personel Fringe Benefits	7 442 366
70202	Airline Tickets	741 550
70203	Ground Transportation	1 102 215
70208	Mileage	56 000
70212	Ship - HHE/Freight	69 380
70252	Rent & Repairs	8 811 859
70253	Utilities	3 306 812
70300	Office Equipment	170 650
70301	Equipment Maintenance	1 608 487
70303	Vehicles	4 081 950
70304	Office Furniture	9 000
70306	Microcomputers	1 602 000
70311	Vehicle Maintenance	2 562 240
70352	Telephone Costs	13 735 203
70353	Telex Costs	1 493 257
70354	Printing	1 020 710
70355	Postage	712 600
70356	Photocopy expenses	3 410 979
70402	Office Supplies	1 581 173
70405	International Courrier	544 330
70459	Gasoline	4 267 369
70460	Vehicle Insurance	1 039 628
70462	Meeting & Conference	3 520 135
70463	Miscellaneous	6 529 276
70474	Subgrants/VO Credit	33 294 880
70475	Subgrants/PVO Grant Fund	137 655 520
70476	Subgrants/SSE Credit	47 480 000
71203	Per diem	8 443 879
71204	Rent & Repairs	5 022 397
71224	Education Allowance	1 486 500
71225	Household Furnishings	120 705
71240	Utilities	2 091 122

		410 277 437
		=====

APPENDIX II

SUMMARY OF RECOMMENDED DISALLOWED AND QUESTIONED COSTS

DISALLOWED COST	FINDING N°S	FCFA	US\$
Consultancy expenses	1	170 580	568.60
Interest on unauthorised loan	2	57 205	190.68
Other disallowed Expenses	3	270 040	900.13
Private Telephone bills	4	838 454	2 794.85
		-----	-----
		1 336 279	4 454.26
		=====	=====

QUESTIONED COSTS

House Repairs	5	183 896	612.98
Local Taxes	6	184 086	613.62
		-----	-----
		367 982	1 226.60
		=====	=====

T O T A L FCFA 1 704 261 \$5680.86

APPENDIX III

COMMUNITY AND ENTERPRISE DEVELOPMENT PROJECT N°685-0260

CASH RECONCILIATION
(JANUARY TO DECEMBER 1989)

	FCFA
Cash on hand at December 31, 1988	14 644 670
Add:	
Tranfers from NTF Washington	406 292 719
Cash Receipts & Adjustments	19 600 566
Total Cash Available	440 537 955 =====
Expenses in Local currencies	410 277 437
Cash on Hand - December 31, 1989:	
. Petty Cash Central Office	300 000
. Citibank - 9000613558	11 679 276
. SGBS - Kaolack - 3000-42935/8	3 982 260
. Petty Cash - field cash centres	406 316
. Balances in SGBS for:	
Village Organisations	1 612 453
Subventions	12 254 252
SSE Refunds	25 961
	440 537 955 =====

APPENDIX IV

NEW TRANSCENTURY FOUNDATION
STATEMENT OF EXPENDITURE IN LOCAL CURRENCY
FROM JANUARY 1, 1989 TO DECEMBER 31, 1989

	FCFA	US\$
Cost claimed per expenditure		
Analysis Report - January 1, 1989 to December 31, 1989	410 277 437	1 302 586.33
Deduct		
Cash refunds in the fields (January 1, 1989 to December 31, 1989)	(21 201 467)	(67 580.92)
Cash Refund in Washington (May 1989)	(125 000)	(416.67)
Net Local Expenditure reimbursable	388 950 970	1 234 588.74
Deduct		
Questioned Costs	(367 982)	(1 226.60)
Disallowed Costs	(1 336 279)	(4 454.26)
TOTAL COST ACCEPTED	387 246 709	1 228 907.88

APPENDIX V
PAGE 1 OF 3

TELEPHONE BILLS

PERSONAL CALLS NOT REGISTERED AND NOT BILLED

FEBRUARY 1989 INVOICE

Date of Call	Tel N°s	Country Called	N° of Minutes	Amount
30.08.88	46 99 735	Saint Christophe	6	10 568
31.08.88	46 99 187	- do -	3	5 284
31.08.88	46 95 735	- do -	3	5 284
03.09.88	46 99 187	- do -	33	58 122
14.10.88	46 99 187	- do -	15	26 419
26.10.88	25 477	Haiti	17	29 941
07.09.88	46 99 187	Saint Christophe	5	8 806
08.09.88	46 99 187	- do -	16	28 180
27.10.88	46 99 735	- do -	15	26 419
				----- 199 023 -----

APPENDIX V
PAGE 2 OF 3

MARCH 89

Date of Call	Tel N°s	Country Called	N° of Minutes	Amount
03.11.88	99 33 049	Jamaica	11	19 374
03.11.88	46 99 187	St. Christophe	08	14 090
10.11.88	46 99 735	Caraibes	21	36 986
24.11.88	46 99 187	St. Christophe	12	21 135
30.11.88	61 267	Haiti	05	8 806
30.11.88	77 024	Haiti	06	10 568
08.12.88	21 18 39	Zambia	03	5 284
10.12.88	46 99 187	St. Christophe	25	44 032
14.12.88	46 99 187	St. Christophe	10	17 613
14.12.88	46 99 187	St. Christophe	13	22 896
20.12.88	46 99 187	St. Christophe	19	33 464
24.12.88	46 99 187	St. Christophe	16	28 180
30.12.88	61 267	Haiti	07	12 329
31.12.88	46 99 187	St. Christophe	17	29 941
31.12.88	46 99 187	St. Christophe	04	7 045
11.11.88	79 64 32	Zimbabwe	04	7 045
15.11.88	75 11 27	Grande Bretagne	03	3 000
25.11.88	25 477	Haiti	18	31 703
01.12.88	25 477	Haiti	12	21 135
10.12.88	77 024	Haiti	14	24 658
20.12.88	46 99 187	St. Christophe	08	14 090
26.12.88	509 125 477	Haiti	03	5 284
26.12.88	509 125 477	Haiti	12	21 135
				----- 440 093 -----

APPENDIX V
PAGE 3 OF 3

JULY 89

Date of Call	Tel N°s	Country Called	N° of Minutes	Amount
03.03.89	46 99 187	St. Christophe	10	17 613
25.04.89	61 267	Haiti	08	14 090
13.03.89	33 24 090	U.S.A.	03	4 400

				36 103

AUGUST 89

09.06.89	23 62 033	U.S.A.	05	7 333
10.05.89	48 47 170	U.S.A.	27	39 600
12.05.89	48 47 170	U.S.A.	18	26 400
08.05.89	51 31 05	Tchad	13	5 363

				78 696

SEPT. 89

13.08.89	46 55 133	St. Christophe	09	15 851
20.08.89	46 55 133	St. Christophe	13	22 896
27.08.89	46 55 133	St. Christophe	12	21 135
29.06.89	46 99 403	St. Christophe	13	24 657

				84 539

G R A N D T O T A L

FCFA 838 454

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