



Date: June 23, 2008

To: James R. Hambric, Component Lead

From: Jimmy Mohler, Advisor

Subj: TAPR II Component B – Chart of Accounts Project – Trip Report – May 25 – June 25, 2008

Scope of Work

The major objectives of the trip were part of a larger Scope of Work for a chart of accounts revision for the Central Bank of Egypt. This was the 4th trip since December based upon a work flow table shared and regularly updated with CBE management and USAID. The steps agreed upon for this trip:

- to meet with several CBE leaders and accounting staff about the COA project.
- to update the proposed framework based on those meetings and other data provided by CBE staff, creating a distribution draft COA listing for management and accounting specialists of CBE to review.

This report describes the accomplishments related to the scope of work and other activities performed during the trip.

Work accomplished on the trip versus stated objectives

The primary objective of this trip was to continue the process of building an integrated chart of accounts for the Central Bank of Egypt, targeting particularly step 2.j. from the SOW for a new CBE COA. The work accomplished that objective.

Prepare a proposed core financial COA including appropriate subledger accounts and distribute it to the appropriate department heads for review, comment and concurrence.

Advisor Mohler's discussions with CBE staff this trip focused on persons at the Alexandria Branch, Home Office Finance Department Manager Ahmed El Sayed, Human Resources Officer Miral Saaban, and the two persons CFO Fouda has assigned specifically to the COA project: Mohamed Salem and Mohamed El Zawawy. A list of outstanding requests and deadlines was updated and left with management.

These discussions, and considerable work in May by Mohamed Salem, allowed Advisor Mohler and Mohamed Salem to develop a proposed core financial COA with a hierarchy of 5 financial reporting levels. After distribution, receipt of comments and appropriate responses/amendments, this list of 5 levels can be supplemented by a 6th and lowest level of accounts by each unit of CBE that has responsibility for debits and credits.

Additional accomplishments in concert with the development of the distribution draft COA:

- Prepared a draft cover document to accompany the distribution draft. That document includes the chart of financial and non-financial segments and levels proposed for the integrated system.
- Explained in all our discussions with CBE staff the benefits that this integration and automation can bring to all levels of CBE.
- Mapped many of CBE's old accounts, and participated in meetings about account coding. This coding and mapping pave the way for others to continue, since clearly the mapping and coding cannot be finalized until feedback is received and incorporated into the integrated COA draft.
- Received from the responding units and branches their lists of current reports and reports they would like to have from an integrated system. Developed summary matrices of that reports information in both English and Arabic for three CBE branches.
- Developed the first draft of a glossary to serve as a description guide for the more complex accounts.

Impediments

CFO Fouda rejected Advisor Mohler's suggestion that his appointed CBE lead for the COA project (Mohamed El Zawawy) be relieved of that responsibility. The advisor, after weeks of work with Mr. El Zawawy, found him to be too inexperienced in the accounting of the CBE to have him in a leading role for the COA project. His work products are incomplete, without the accuracy needed for a product this detailed. The project requires strong CBE leadership for the reasons cited, but also because so many accounting managers at CBE are poorly equipped for the changes integrated financial recordkeeping and reporting will require. The COA project leader(s) will need to work with many at CBE to finalize mapping, coding and implementation. Advisor Mohler continues communicate to the CFO the virtues of Mohamed Salem and Miral Shaaban for this purpose. Those two have the skills and knowledge to work with others to complete the process.

The draft distribution COA list does not include the investments COA, as that is still being finalized by the investment accounting team after several meetings with and comments from Advisor Mohler and others since December. Component lead Hambric reports that advisors are being brought in to finalize investment accounting for this and CBE's Sungard conversion. Advisor Mohler encouraged the CFO to distribute the COA draft for comment without investments, since others in CBE can easily review their respective accounts.

Actions to be taken

CFO Fouda is to send distribution draft with cover memo to CBE managers and accounting specialists. He understands the steps to follow, as outlined in Advisor Mohler's exit memo to him and in the Statement of Work. He reported in his exit conference with Advisor Mohler 22 June that CBE staff can conclude the COA project.

Recommended Next Steps

The recommended action steps to be taken by BearingPoint in conjunction with CBE are:

Component lead Hambric can monitor COA progress in his discussions with CFO Fouda on other TAPR II projects at CBE. CFO Fouda plans to complete the project with CBE staff.