添付資料

ロット A:　　　IFMS エンドユーザ研修 / SSU ユーザサポート研修

ロット B:　　　SDU 分析能力研修

ロット C:　　　SDU 会計知識研修

ロット D:　　　初級内部監査研修

ロット E:　　　中級内部監査研修

ロット F:　　　情報セキュリティ研修 / 情報活用技術研修 / 上級内部監査研修

添付資料

Final Report

JICA Development Study's Support Activities

Lot A Training Programmes

1. Training of Local Government Staff (IFMS End User Training)

2. Training of staff of Systems Support Unit (User Support Skills)

3. Follow up training of staff of Systems Support Unit (User Support Skills)

Lot B Training Programmes

1. Training of system support staff of the Accountant General's Department (Analytical Skills)

LearnIT

February 2007

Table of Contents

Background

A contract was signed in June, 2006 between JICA Consultant Team and Learn IT, a subsidiary company of Soft-Tech Consultants Ltd, for provision of Training Services under Lot A and Lot B with respect to the Development Study for Component 4 of Public Financial Management Reform Programme. Learn IT was commissioned to provide the following training:

> ### Lot A
> 1. Training of Local Government staff (IFMS end User Training)
> 2. Training of staff of Systems Support Unit (User support Skills)
> 3. Follow up training of staff of Systems Support Unit (User Support Skills)
>
> ### Lot B
> 1. Training of System Support Staff (Analytical Skills) from the Accountant General's Department.

Following signing of Contract, discussions were held with the Accountant General's department with respect to training objectives, approach and participant selection and availability. The training objectives were defined so as to complement the ongoing / planned IFMS activities. Tutors / practitioners from the Soft-Tech Group of Companies were identified so as to deliver a combination of concept and practical sessions.

This Final Report presents for each course, the

- Training Approach and methodology
- Training contents and time tables (Please refer to Appendix 1 for the detailed time table)
- Facilities and training materials
- Training participants
- Key personnel to be assigned for the services (Please refer to Appendix 2 for the CVs)

Training of Local Government staff (IFMS End User Training)

Training Approach and methodology

Hands on training was conducted in a fully equipped computer laboratory at Learn IT premises for a total of 15 participants with Accounting background and experience of working in Accounts Section of Local Authorities. The training focused on:

- Computer literacy

- Epicor Product Functionalities

- IFMS procedures and Controls based on Local Authority model.

Training contents and time tables

Computer literacy

This module was based on ICDL (International Computer Driver's License) modules listed below:

- Basic Concepts of Information Technology

- Using Computers and Managing Files

- Spreadsheets

All Participants have appeared for the ICDL certification examinations.

Epicor Product Functionalities

Participants were trained on the following modules using demonstration data:

- General Ledger

- Accounts Receivable

- Accounts Payable

- Cash Management

- Purchasing

IFMS Procedures and Controls based on Local Authority Model

- Critical setup parameters

- Chart of accounts classification and set up

- Payment processes

- Supply of Goods and services

- Imprest Management

- Salary accounting

- Bank account management

- Period end procedures

- Reports and inquiry tools

This training was conducted for a total of 36 days from 2nd October – 13th November 2006. Sessions were conducted from Monday – Friday from 9.00 am – 1.00 pm and 2.00 – 5.00 pm and on Saturdays from 9.00 am – 1.00 pm. Assessments were carried out on a regular basis.

Detailed training schedule inclusive of the assessment schedule is presented in Appendix 1-A

Facilities and training materials

Training was conducted in fully equipped computer laboratories at Learn IT premises.

Training materials used were:

- ICDL Course materials

LearnIT

- Epicor training manuals for each module listed under Product functionalities

- Accounting Procedure manual for Local Authority

Training participants

The participants were selected by the Accountant General's Department. Presented below

is the list of participants.

No	Name	Local Authority
1	Mariam Nkala	Mbeya City Council
2	Adeline Msuva	Iringa Municipal Council
3	Mfalme Uledi	Kondoa District Council
4	Macrina Mapunda	Mtwara mikindani District Council
5	Mwajuma Kilua	Dodoma Municipal Council
6	Elems Salvatory (Instead of Godwin Kashaga)	Songea Municipal Council
7	Zawadi Zuberi	Dodoma Municipal Council
8	Ibrahim Msura	Kahama District Council
9	Flora Mwakasitu	Morogoro Municipal Council
10	Azimio Machibya	Bukombe District Council
11	Cornello Sima	Mwanza District Council
12	Abdul Dachi (Instead of Abdallah Mkali)	Morogoro District Council
13	Bernadetha Mango	DSM City Council
14	Elizabeth Sisa	Temeke Municipal Council
15	Markdonald Mori	Temeke Municipal Council

Cumulative Attendance – End User Training

Presented below is the cumulative attendance for the End User training participants.

S/N	Name	Site	Total No. Of Days	No. Of days attended						Cumulative Attendance %
				Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	
1	Ms Mariam R. Nkalla	Mbeya City Council	36	3	6	6	6	6	4	31	86
2	Miss Adelina E. Msuva	Iringa Municipal Council	36	6	6	6	6	6	6	36	100
3	Mr. Mfaume U. Mfaume	Kondoa District Council	36	6	6	6	6	6	6	36	100

S/N	Name	Site	Total No. Of Days	No. Of days attended						Cumulative Attendance %	
				Week 1	Week 2	Week 3	Week 4	Week 5	Week 6		
4	Miss Macrina H. Mapunda	Mtwara mikindani DC	36	6	6	6	6	6	6	36	100
5	Mrs. Mwajuma M. Kitua	Dodoma Municipal Council	36	6	6	6	6	6	6	36	100
6	Mr. Elems Salvatory	Songea District Council	36	6	6	6	6	6	6	36	100
7	Mr. Zuberi H. Kassimu	Dodoma Municipal Council	36	6	6	6	6	6	6	36	100
8	Mr. Ibrahim M. Massanja	Kahama District Council	36	6	6	6	6	6	6	36	100
9	Mrs. Flora Mwakasitu	Morogoro Munipal Council	36	6	6	6	6	6	6	36	100
10	Mr. Azimio Machibya	Bukombe District Council	36	4	6	6	6	6	6	34	95
11	Mr. Cornery C. Sima	Mwanza City Council	36	6	6	6	6	6	6	36	100
12	Mr. Abdul R. Dachi	Morogoro District Council	36	6	6	6	6	6	6	36	100
13	Mrs. Bernadetha B. Maungo	Dar es Salaam City Council	36	6	6	6	6	6	6	36	100
14	Mrs. Elizabeth P. Sisa	Temeke Municipal Council	36	6	6	6	6	6	6	36	100
15	Mr. Mcdonald E. Mori	Temeke Municipal Council	36	6	6	6	6	6	6	36	100

A total of 15 participants attended the sessions
- 12 participants showed 100% attendance
- 1 participant showed 95% attendance
- 1 participant showed 86% attendance

Cumulative Assessment – End User Training

Presented below is the cumulative assessment for the End User Training participants

S/N	Name	Site	Assessment I		Assessment II		Assessment III		Assessment IV		Cumulative	
			Marks%	Grade	Marks%	Grade	Marks%	Grade	Marks%	Grade	Marks%	Grade
1	Ms Mariam R. Nkalla	Mbeya City Council	65	C	70	C	71	A	69	C	69	C
2	Miss Adelina E. Msuva	Iringa Municipal Council	79	B	74	B	72	B	70	C	74	B
3	Mr. Mfaume U. Mfaume	Kondoa District Council	70	C	81	A	89	A	68	C	77	B
4	Miss Macrina H. Mapunda	Mtwara mikindani DC	76	B	81	A	83	A	91	A	83	A
5	Mrs. Mwajuma M. Kitua	Dodoma Municipal Council	73	B	82	A	92	A	69	C	79	B
6	Mr. Elems Salvatory	Songea District Council	81	A	85	A	78	B	73	B	79	B
7	Mr. Zuberi H. Kassimu	Dodoma Municipal Council	88	A	69	C	78	B	90	A	81	A
8	Mr. Ibrahim M. Massanja	Kahama District Council	65	C	68	C	78	B	80	B	73	B
9	Mrs. Flora Mwakasitu	Morogoro Munipal Council	90	A	83	A	73	B	76	B	81	A
10	Mr. Azimio Machibya	Bukombe District Council	87	A	83	A	92	A	90	A	88	A
11	Mr. Cornery C. Sima	Mwanza City Council	80	B	87	A	90	A	91	A	87	A
12	Mr. Abdul R. Dachi	Morogoro District Council	78	B	76	B	70	C	66	C	73	B
13	Mrs. Bernadetha B. Maungo	Dar es Salaam City Council	69	C	79	B	81	A	80	B	77	B
14	Mrs. Elizabeth P. Sisa	Temeke Municipal Council	72	B	74	B	84	A	90	A	80	B
15	Mr. Mcdonald E. Mori	Temeke Municipal Council	90	A	82	A	79	B	89	A	85	A

15 participants took all the 4 assessments of which
- 6 participants were rated – Grade A
- 8 participants were rated – Grade B
- 1 participants were rated – Grade C

Participant Feedback

Participants were requested to complete the course evaluation form focusing on criteria such as Training objective, Training Delivery and Comments.

- All the 15 participants rated Training Objectives as "met".
- All the 15 participants rated Training Delivery as "satisfactory"

Participant Comments

- All the participants remarked that the overall approach to the training was good and the training delivery by the tutors was excellent.

- All the participants found the tutors to be hardworking & adept. They further commented that the tutors tried their best to make sure that each one of them had understood the concepts.

Key personnel

This Training was conducted by Mr. David Kagoro.

Training of staff of Systems Support Unit (User support Skills)

Training Approach and methodology

The System Support Unit (SSU) for Local Authorities consists of both Application Team and Technical Team stationed in 5 Regions. The 20 participants were in Dar es Salaam for participating in 10 days of briefing sessions conducted by Soft-Tech for the purposes of preparing the SSU for provision of support with respect to planned roll out of commitment accounting to both Phase 1 and Phase 2 Councils. Training on User Support Skills was delivered as a logical continuation of these planned briefing sessions.

Since the Accountant General's Department has already purchased Epicor based ITSM (IT Service Management) software licenses for Help Desk operations at the Regional Centers. This training therefore focused on

- Basic set of Soft skills required for provision of support

- Help Desk software

Training contents and time tables

The briefing sessions, while outside the scope of this assignment, were included in the schedule due to the logical transition into training on Support skills. The training duration was therefore 10 days for briefing sessions and 6 days for support skills. The modules for the 6 days training were:

- Basic soft skills

- Change management

- User Training

- Help Desk – IT Service Management

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The briefing sessions was scheduled from 2nd -16th October 2006; whereas, the training on Support Skills was scheduled from 17th – 19th October 2006.

Training was conducted from Monday – Friday, 9.00 am – 1.00 pm and 2.00 – 4.00 pm and on Saturdays from 9.00 am – 1.00 pm.

Detailed Course outline including assessment is presented in Appendix 1-B

Facilities and training materials

Concept sessions were conducted in theory rooms, whereas, the hands on training on Help Desk software were conducted in fully equipped Computer laboratories at Learn IT premises. Participants were divided in Application team and Technical team for the hands on training.

Training materials consist of:

- Presentations, notes and case studies on Basic Soft Skills

- Epicor ITSM Manual

Training participants

No	Name	Location	Support Type
1	Zawadi Yusuph	Arusha	Application
2	Elinawinga Massawe	Arusha	Application
3	Nicholaus J. Bukumbi	Dodoma	Application
4	Elisa Rwamiago	Dodoma	Application
5	Mmaka Mwinyaka	Mbeya	Application
6	Augustino Mmanda	Mbeya	Application
7	Mbwana Msangi	Mwanza	Application
8	Gonda Emmanuel	Mwanza	Application
9	Nicholaus Nlinika	Dar es Salaam	Application
10	Ndrile Kimoi	Dar es Salaam	Application
11	Charles Nyahende	Dar es Salaam	Application
12	Pembe Athumani	Arusha	Technical
13	Ireneus Kagashe	Arusha	Technical
14	Sutte R. Masuha	Dodoma	Technical
15	Archibold Kundesai	Dodoma	Technical
16	Onesmo Lyimo	Mbeya	Technical
17	Deodatus Kayombo	Mbeya	Technical

18	Emmanuel Budigira	Mwanza	Technical
19	Jonas Kilima	Mwanza	Technical
20	Juma s.Maganga *(instead of Siverian Katarama of DSM)*	Mwanza	Technical

SSU – User Support Skills Training

Cumulative Attendance – Application Team

Presented below is the cumulative attendance of the SSU – Application and Technical Team participants.

S/N	Name	Site	Total No. of Days	No. of days attended		Cumulative
				Week 1	Week 2	Attendance %
1	Ms Zawadi I. Yusuf	Arusha	6	2	4	6	100
2	Mr. Elinawinga Massawe	Arusha	6	2	4	6	100
3	Mr. Nicholaus J. Bukumbi	Dodoma	6	2	4	6	100
4	Me Elisa J. Rwamiago	Dodoma	6	2	4	6	100
5	Mr. Mmaka R. Mwinjaka	Mbeya	6	2	4	6	100
6	Mr. Augustino S. Manda	Mbeya	6	2	4	6	100
7	Mr. Mbwana J.K. Msangi	Mwanza	6	2	4	6	100
8	Mr. Emmanuel W. Gonda	Mwanza	6	2	4	6	100
9	Mr. Nicholaus L. Ntinika	DSM	6	2	4	6	100
10	Mr. Nndrille Kimoi	DSM	6	2	4	6	100
11	Mr. Charles Nyahende	DSM	6	2	4	6	100
12	Mr. Juma S. Maganga	Mwanza	6	2	4	6	100

A total of 12 participants have attended the sessions
- All 12 participants showed 100% attendance

Cumulative Attendance – Technical Team

S/N	Name	Site	Total No. of Days	No. of days attended		Cumulative
				Week 1	Week 2	Attendance %

1	Mr. Mzee A. Pemba	Arusha	6	2	4	6	100
2	Mr. Ireneus Kagashe	Arusha	6	2	4	6	100
3	Mr. Sutte R. Masuha	Dodoma	6	2	4	6	100
4	Mr. Archibold Kundesai	Dodoma	6	2	4	6	100
5	Mr. Onesmo Lyimo	Mbeya	6	2	4	6	100
6	Mr. Deodatus Kayombo	Mbeya	6	2	4	6	100
7	Mr. Emmanuel Y. Budigila	Mwanza	6	2	4	6	100
8	Mr. Jonas C. Kilima	Mwanza	6	2	4	6	100

A total of 8 participants have attended the sessions
- All 8 participants showed 100% attendance

Participant Feedback

Participants were requested to complete the course evaluation form focusing on criteria such as Training objective, Training Delivery and Comments.

Application Team:
- All the 12 participants rated Training Objectives as "met".
- All the 12 participants rated Training Delivery as "satisfactory"

Technical Team:
- All the 8 participants rated Training Objectives as "met".
- All the 8 participants rated Training Delivery as "satisfactory"

Participant Comments

- All the participants remarked that the overall approach to the training was good and the training delivery by the tutors was excellent.

- All the participants found the tutors to be hardworking & adept. They further commented that the tutors tried their best to make sure that each one of them had understood the concepts.

Key personnel

- Soft Skills Training
  - Mr. Osman Mdee – Academic Head, LearnIT

- Hands on ITSM Training –
  - Technical team – Mr. Stephen Jutta – Assistant Manager, SATCOM Call Center

- o Application Team – Mr Erasto Kivuyo – Epicor Consultant, Soft-Tech Consultants Ltd

Follow up training of staff of Systems Support Unit (User Support Skills)

Training Approach and methodology

The Support visit was initially proposed towards end January, 2007, based on the assumption that installation of the national IFMS Network will be completed. However, this particular project has been delayed upto April 2007 and therefore the Support visits were carried out during the first week of February, following consultation with the Accountant General's Department on the change in objectives and approach..

Training contents and time tables

The course was delivered in a practical and involving manner. The blend of methods used included:-
- Meeting with the Management
- Introduction and objectives of Support Desk
- Incidence Recording and Resolution
- Help Desk Support Cycle, support mechanism & call escalation
- Problem solving Technique, Decision making & Training needs
- System support services, Do's for the support team and prohibited actions.
- Preparation of Monthly Report
- LGRP / RAS contact directory
- Review and Recap

Facilities and training materials

A total of 5 training Sessions were held at the 5 Regional offices
Training material used was::

- LGRP Help Desk Support Training – Systems Support Unit Procedures

Training participants

S/N	Name	Designation	Region
1	Ms Zawadi I Yusuf	Application Specialist	Arusha
2	Mr. Massawe Elinawinga	Application Specialist	Arusha
3	Mr. Kagashe Ireneus	Technical Specialist	Arusha
4	Mr. Archibold Kundasai	Technical Specialist	Dodoma
5	Mr. Nicholaus James	Application Specialist	Dodoma
6	Mr. Elisa J Rwamiago	Application Specialist	Dodoma
7	Mr. Charles Nyahende	Application Specialist	Dar es Salaam

S/N	Name	Designation	Region
8	Mr. Nicholaus Lucas Ntinika	Application Specialist	Dar es Salaam
9	Mr. Nndrille Kimoi	Application Specialist	Dar es Salaam
10	Mr. Augustino S Manda	Application Specialist	Mbeya
11	Mr. Deodatus Kayombo	Technical Specialist	Mbeya
12	Mr. Mmaka Ramadhani Mwinjaka	Application Specialist	Mbeya
13	Mr. Juma Maganga	Application Specialist	Mwanza
14	Mr. Emmanuel W Gonda	Application Specialist	Mwanza
15	Mbwana Msangi	Application Specialist	Mwanza

Cumulative Attendance

Presented below is the cumulative attendance of the SSU for the User Support Skills

S/N	Name	Designation	Zonal Reform	No. of days attended Week 1	Cumulative Attendance %	
1	Ms Zawadi I Yusuf	Application Specialist	Arusha	5	5	100
2	Mr. Massawe Elinawinga	Application Specialist	Arusha	5	5	100
3	Mr. Kagashe Ireneus	Technical Specialist	Arusha	5	5	100
4	Mr. Archibold Kundasai	Technical Specialist	Dodoma	5	5	100
5	Mr. Nicholaus James	Application Specialist	Dodoma	5	5	100
6	Mr. Elisa J Rwamiago	Application Specialist	Dodoma	5	5	100
7	Mr. Charles Nyahende	Application Specialist	Dar Es Salaam	5	5	100
8	Mr. Nicholaus Lucas Ntinika	Application Specialist	Dar Es Salaam	5	5	100
9	Mr. Nndrille Kimoi	Application Specialist	Dar Es Salaam	5	5	100
10	Mr. Augustino S Manda	Application Specialist	Mbeya	5	5	100
11	Mr. Deodatus Kayombo	Technical Specialist	Mbeya	5	5	100
12	Mr. Mmaka Ramadhani Mwinjaka	Application Specialist	Mbeya	5	5	100
13	Mr. Juma Maganga	Application Specialist	Mwanza	5	5	100
14	Mr. Emmanuel W Gonda	Application Specialist	Mwanza	5	5	100
15	Mbwana Msangi	Application Specialist	Mwanza	5	5	100

A total of 15 participants attended the sessions; out of them

- All 15 participants showed 100% attendance

Participant Feedback

- The Training was very satisfactory, as it will help to support more sites at a time.
- All the participants remarked that the training was very good and the system is very useful.

General Comments

For all sites visited the participants raised the following concerns:

- Lack of test environment required for diagnosis and troubleshooting.
- Lack of administrative support required to oversee problem registration and reporting.
- Lack of documentation registers for registering Incidence calls and solutions provided.
- End users do not have the required skills to present a problem adequately, thus making provision of support difficult.

Individual site Comments

- Dodoma site –Lack of a proper office
- Arusha site -They have an office with enough computers but do not have test environment for problem diagnosis and troubleshooting.
- Dar es Salaam site - full equipped, air-conditioned environment with training room, and security camera. They also benefit from in-house training
- Mwanza site- They have an office with enough computers but do not have test environment for problem diagnosis and troubleshooting.

Key personnel

■	Emmanuel Mark	Mbeya
■	Emmanuel Olotu	Mwanza
■	Salma Pamui	Arusha
■	James Kabagile	Dodoma
■	Deogratius Sway	Dar es salaam

Training of System Support Staff (Analytical Skills)

Training Approach and methodology

The objective of this training was to equip the System Development Unit (SDU) of the Accountant General's Department with a systematic approach of analyzing emerging requirements with respect to IFMS functionalities and reports and to enable them to document these requirements.

The training focused on

- Techniques of analyzing requirements

- Documenting requirements by use of diagrams and flow charts.

- Preparation of test plans

- Preparation for user acceptance testing

Practical assignments with respect to IFMS sites such as Local Authorities, Tanzania Revenue Authority, Central Government systems, were provided, whereby participants applied the concepts learnt to the production systems.

Training contents and time tables

Training was conducted in 2 batches of 8 and 7 participants in the morning and afternoon respectively. This arrangement was made on request from the Assistant Accountant General who was concerned about continuity of IFMS support to the MDAs.

Sessions were conducted from Monday – Friday from 9.00 am – 1.00 PM for Batch 1 and from 2.00 – 6.00 pm for Batch 2

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The duration of this training was18 days from 18th October – 14th November 2006. (There were no additional cost implications with the exception of daily allowances for the participants for additional 6 days)

Detailed schedule is presented in Appendix 1-C.

Facilities and training materials

Training materials consist of presentations and notes. In addition, trial UML (Unified Modeling Language) software was provided to the participants for purposes of flow-charting.

Training participants

	Batch 1	
No	**NAME**	**DESIGNATION**
1	Victus Paul (Instead ofDora Kiama)	SDU -Application
2	Anthony Mfaume	SDU -Application
3	Christina Ngonyani	SDU -Application
4	Hassan Mbegalo	SDU -Application
5	Fundi Makama	SDU -Application
6	Siverian Katarama (Instead of Stanley Mlula)	SDU -Technical
7	Victor Bwemero	SDU -Technical
8	Maarifa Sheria	SDU -Technical
	Batch 2	
No	**NAME**	**DESIGNATION**
1	Neema Mpembe	SDU -Technical
2	Adam Mshangama	SDU -Technical
3	Jones Kabwoto	SDU -Technical
4	Vicky Jengo	SDU -Application
5	Mariana Lamosai (Instead ofPeter Kajiru)	SDU -Application
6	Veronica Kishale	SDU -Application
7	Nchambi E. Ng'hwani (Instead ofCharles Ngesi)	SDU -Application

Cumulative Attendance – Analytical Skills Training Batch 1

Presented below is the cumulative attendance for the Analytical Skills Training.

LearnIT

S/N	Name	Designation	Total No. Of Days	No. Of days attended					Cumulative Attendance %	
				Week 1	Week 2	Week 3	Week 4	Week 5		
1	Victor Bwemero	SDU - T	18	3	3	5	5	2	18	100
2	Sheria Maarifa	SDU - T	18	3	3	5	5	2	18	100
3	Siverian Katarama	SDU - T	18	3	3	5	5	2	18	100
4	Fundi Makama	SDU - A	18	3	3	5	5	2	18	100
5	Victus Paul	SDU - A	18	3	3	5	5	2	18	100
6	Anthony Mfaume	SDU - A	18	3	3	5	5	2	18	100
7	Christina Ngonyani	SDU - A	18	3	3	5	5	2	18	100
8	Hassan Mbegalo	SDU - A	18	3	3	5	5	2	18	100

A total of 8 participants attended the sessions
- All participants showed 100% attendance

Cumulative Attendance – Analytical Skills Training Batch 2

S/N	Name	Designation	Total No. Of Days	No. Of days attended					Cumulative Attendance %	
				Week 1	Week 2	Week 3	Week 4	Week 5		
1	Neema Mpembe	SDU-T	18	3	3	5	5	2	18	100
2	Adam Mshangama	SDU-T	18	3	3	5	5	2	18	100
3	Jones Kabwoto	SDU-T	18	3	3	5	5	2	18	100
4	Vicky Jengo	SDU – A	18	3	3	4	5	2	17	94
5	Mariana Lamosai	SDU – A	18	3	3	5	5	2	18	100
6	Veronica Kishala	SDU – A	18	0	2	4	4	1	11	61
7	Nchambi E. Ng'hwani	SDU – A	18	3	3	5	5	2	18	100

A total of 7 participants have attended the sessions
- 5 participants showed 100% attendance
- 1 participant showed 94% attendance
- 1 participant showed 61% attendance

Participant Feedback
Participants were requested to complete the course evaluation form focusing on criteria such as Training objective, Training Delivery and Comments.

Batch 1

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- All the 8 participants rated Training Objectives as "met".
- All the 8 participants rated Training Delivery as "satisfactory"

Batch 2

- All the 7 participants rated Training Objectives as "met".
- All the 7 participants rated Training Delivery as "satisfactory"

Participant Comments

- All the participants remarked that the overall approach to the training was very good and the training delivery by the tutors was excellent.

Key personnel

Concept sessions were conducted by Osman Mdee, Academic Head, Learn IT

Practical sessions were conducted by Ulka Shah, Assistant Manager, Software Development, Soft-Tech Consultants Ltd.

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Appendix 1 - Training schedules

A – End User Training on IFMS

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Epicor Based Integrated Financial Management System
End User Training - LGRP

ID	Task Name	Duration	Start	Finish	September	October	November	December
1	1 LGRP - End User Training	42 days	02/10/06	13/11/06				
2	1.1 Computer Basics - ICDL	13 days	02/10/06	14/10/06				
3	1.1.1 Basic Concepts of Information Technology	4 days	02/10/06	05/10/06				
4	1.1.2 Using Computer and Managing Files	3.5 days	05/10/06	09/10/06				
5	1.1.3 Spreadsheets	4 days	09/10/06	13/10/06				
6	1.1.4 Assessments - ICDL Certification	1.5 days	13/10/06	14/10/06				
7	1.2 Core Functionalities	13.5 days	14/10/06	28/10/06				
8	1.2.1 General Ledger	3 days	14/10/06	18/10/06				
9	1.2.1.1 Client/Server overview	3 days	14/10/06	18/10/06				
10	1.2.1.2 eBackOffice Interface	3 days	14/10/06	18/10/06				
11	1.2.1.3 Setting up of the General Ledger	3 days	14/10/06	18/10/06				
12	1.2.1.4 Establishing Beginning Balances	3 days	14/10/06	18/10/06				
13	1.2.1.5 Daily Transaction Processing	3 days	14/10/06	18/10/06				
14	1.2.1.6 Periodic Processing	3 days	14/10/06	18/10/06				
15	1.2.1.7 General Ledger Standard Reports & Intelligence Explorer	3 days	14/10/06	18/10/06				
16	1.2.2 Accounts Payable	3 days	18/10/06	20/10/06				
17	1.2.2.1 Setting up Accounts Payable	3 days	18/10/06	20/10/06				
18	1.2.2.2 Creating Vendors & Processing Vouchers	3 days	18/10/06	20/10/06				
19	1.2.2.3 Processing Payments	3 days	18/10/06	20/10/06				
20	1.2.2.4 Voucher Adjustments, Debit Memo & Payment Adjustments	3 days	18/10/06	20/10/06				
21	1.2.2.5 Reconciling Accounts Payable to the General Ledger	3 days	18/10/06	20/10/06				
22	1.2.2.6 Accounts Payable Reports & Intelligence Explorer	3 days	18/10/06	20/10/06				
23	1.2.3 Accounts Receivable	2.5 days	20/10/06	23/10/06				
24	1.2.3.1 Setting up Accounts Receivable	2.5 days	20/10/06	23/10/06				
25	1.2.3.2 Creating Customers	2.5 days	20/10/06	23/10/06				
26	1.2.3.3 Processing Invoices	2.5 days	20/10/06	23/10/06				
27	1.2.3.4 Processing cash Receipts/Adjustments	2.5 days	20/10/06	23/10/06				
28	1.2.3.5 Processing Credit Memos	2.5 days	20/10/06	23/10/06				
29	1.2.3.6 Reconciling Accounts Receivable to the General Ledger	2.5 days	20/10/06	23/10/06				
30	1.2.3.7 Accounts Receivable Case Study	2.5 days	20/10/06	23/10/06				
31	1.2.3.8 Assessment III Cash Management and Accounts Receivable Functions	2.5 days	20/10/06	23/10/06				
32	1.2.4 Cash Management	2 days	23/10/06	25/10/06				

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Epicor Based Integrated Financial Management System
End User Training - LGRP

ID	Task Name	Duration	Start	Finish	September	October	November	December
33	1.2.4.1 Setting up Cash Management	2 days	23/10/06	25/10/06				
34	1.2.4.2 Process Manual Transaction	2 days	23/10/06	25/10/06				
35	1.2.4.3 Bank Reconciliation	2 days	23/10/06	25/10/06				
36	1.2.5 Purchasing	3 days	25/10/06	28/10/06				
37	1.2.5.1 Setting up Purchasing & Receiving	3 days	25/10/06	28/10/06				
38	1.2.5.2 Create Purchase Order	3 days	25/10/06	28/10/06				
39	1.2.5.3 Receiving	3 days	25/10/06	28/10/06				
40	1.2.5.4 Matching & Payments	3 days	25/10/06	28/10/06				
41	1.2.5.5 Reports	3 days	25/10/06	28/10/06				
42	1.2.5.6 Purchasing Case Study	3 days	25/10/06	28/10/06				
43	1.3 LGRP Procedures & Controls	11 days	28/10/06	08/11/06				
44	1.3.1 LGRP Database basic system setup	1 day	28/10/06	30/10/06				
45	1.3.2 Chart of Accounts Classification	1 day	30/10/06	31/10/06				
46	1.3.3 Payment Processes	2 days	31/10/06	01/11/06				
47	1.3.4 Supply of Goods and Services	2 days	01/11/06	03/11/06				
48	1.3.5 Assessment IV - Payment & Purchasing	0.5 days	03/11/06	03/11/06				
49	1.3.6 Management of Imprest	1 day	04/11/06	04/11/06				
50	1.3.7 Accounting for Salaries	1 day	04/11/06	06/11/06				
51	1.3.8 Bank Account Management	1 day	06/11/06	07/11/06				
52	1.3.9 Period End Procedures	1.5 days	07/11/06	08/11/06				
53	1.4 Reports	3 days	08/11/06	11/11/06				
54	1.4.1 FRx Reports and Native reports	1.5 days	08/11/06	10/11/06				
55	1.4.2 Intelligence Explorer and Crystal Reports	1 day	10/11/06	11/11/06				
56	1.4.3 Assessment V - Bank Reconciliation & Imprest Management	0.5 days	11/11/06	11/11/06				
57	1.5 Practical Session & Evaluation	1.5 days	11/11/06	13/11/06				
58	1.5.1 Revision & Recap	1 day	11/11/06	13/11/06				
59	1.5.2 Implementation preparation requirements	0.5 days	13/11/06	13/11/06				

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B – Training on User Support Skills

Eocor Based Integrated Financial Management System
Training on User Support Skills
System Support Unit - LGRP

ID	Task Name	Duration	Start	Finish
1	1 LGRP - SSU Training	16 days	02/10/06	19/10/06
2	1.1 Briefing Sessions (iFMS Roll-Out)	10 days	02/10/06	12/10/06
3	1.2 User Support Skills	6 days	13/10/06	19/10/06
4	1.2.1 Basic Skills	1 day	13/10/06	13/10/06
5	1.2.1.1 Time management	1 day	13/10/06	13/10/06
6	1.2.1.2 Assertiveness	1 day	13/10/06	13/10/06
7	1.2.1.3 Problem Solving	1 day	13/10/06	13/10/06
8	1.2.1.4 Decision making	1 day	13/10/06	13/10/06
9	1.2.1.5 Case Study - Problem Solving	1 day	13/10/06	13/10/06
10	1.2.2 Change Management	1 day	14/10/06	14/10/06
11	1.2.2.1 Change drivers	1 day	14/10/06	14/10/06
12	1.2.2.2 The Change Process	1 day	14/10/06	14/10/06
13	1.2.2.3 Managing change	1 day	14/10/06	14/10/06
14	1.2.2.4 Case Study - Managing Change	1 day	14/10/06	14/10/06
15	1.2.3 User Training	1 day	16/10/06	16/10/06
16	1.2.3.1 Training needs assessment	1 day	16/10/06	16/10/06
17	1.2.3.2 Training techniques and methods	1 day	16/10/06	16/10/06
18	1.2.3.3 Adult Learning	1 day	16/10/06	16/10/06
19	1.2.3.4 Case Study - Training Techniques and Methods	1 day	16/10/06	16/10/06
20	1.2.4 Help Desk - IT Service Management	3 days	17/10/06	19/10/06
21	1.2.4.1 Incident and Problem Management	1 day	17/10/06	17/10/06
22	1.2.4.1.1 Incident and Problem Management Overview	1 day	17/10/06	17/10/06
23	1.2.4.1.2 Incident Management Activities	1 day	17/10/06	17/10/06
24	1.2.4.1.3 Acceptance and Registration of Incidents / Service Re	1 day	17/10/06	17/10/06
25	1.2.4.1.4 Classification of incidents and initial support	1 day	17/10/06	17/10/06
26	1.2.4.1.5 Service Request	1 day	17/10/06	17/10/06
27	1.2.4.1.6 Incident Matching	1 day	17/10/06	17/10/06
28	1.2.4.1.7 Analysis and Diagnosis	1 day	17/10/06	17/10/06
29	1.2.4.1.8 Solution and Restoration	1 day	17/10/06	17/10/06
30	1.2.4.1.9 Incident Closure	1 day	17/10/06	17/10/06
31	1.2.4.1.10 Progress monitoring	1 day	17/10/06	17/10/06
32	1.2.4.1.11 Problem Control - Identification and Registration	1 day	17/10/06	17/10/06
33	1.2.4.1.12 Error Control - Error Registration and Evaluation	1 day	17/10/06	17/10/06

Final Report

ID		Task Name	Duration	Start	Finish	01 Oct '06 / 08 Oct '06 / 15 Oct '06
34		1.2.4.2 Change Management	1 day	18/10/06	18/10/06	
35		1.2.4.2.1 Change Management Overview	1 day	18/10/06	18/10/06	
36		1.2.4.2.2 Change Submission and Registration	1 day	18/10/06	18/10/06	
37		1.2.4.2.3 Change Approval and Classification	1 day	18/10/06	18/10/06	
38		1.2.4.2.4 Change Planning and Coordination	1 day	18/10/06	18/10/06	
39		1.2.4.2.5 Change Evaluation	1 day	18/10/06	18/10/06	
40		1.2.4.3 Configuration Management	1 day	19/10/06	19/10/06	
41		1.2.4.3.1 Configuration Management Overview	1 day	19/10/06	19/10/06	
42		1.2.4.3.2 Configuration Planning and Identification	1 day	19/10/06	19/10/06	
43		1.2.4.3.3 Configuration Checking and Status Monitoring	1 day	19/10/06	19/10/06	
44		1.2.4.3.4 Configuration Verification and Audit	1 day	19/10/06	19/10/06	
45		1.2.4.3.5 Review and Assessment	1 day	19/10/06	19/10/06	

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Final Report

C – Training on Analytical Skills

Final Report

Epicor Based Integrated Financial Management System:
Training on Analytical Skills
Systems Development Unit - Accountant General's Department

ID	@	Task Name	Duration	Start	Finish
1		1 Analytical Skills	18 days	18/10/06	10/11/06
2		1.1 Summarizing business goals	0.75 days	18/10/06	18/10/06
3		1.1.1 Importance of a project proposal	1 hr	18/10/06	18/10/06
4		1.1.2 Prince II	2 hrs	18/10/06	18/10/06
5		1.2 Getting functional specifications	1.5 days	18/10/06	20/10/06
6		1.2.1 Techniques for getting requirements - interviewing, shadowing, focus .	3 hrs	18/10/06	19/10/06
7		1.2.2 Requirements - SMART (Specific, Measurable, Attainable, Realistic, T	3 hrs	19/10/06	20/10/06
8		1.3 Customer Requirements Specification	1.5 days	20/10/06	23/10/06
9		1.3.1 Customers Requirements Specification	2 hrs	20/10/06	20/10/06
10		1.3.2 Template for Customers Requirements Specification	1 hr	20/10/06	23/10/06
11		1.3.3 Tips for writing effective Customers Requirements Specification	1 hr	23/10/06	23/10/06
12		1.3.4 Exercise: Prepare CRS (Reports)	2 hrs	23/10/06	23/10/06
13		1.4 Techniques for requirements modeling and analysis	9 days	23/10/06	03/11/06
14		1.4.1 Introduction to UML	3 hrs	23/10/06	24/10/06
15		1.4.2 Use cases	6 hrs	24/10/06	25/10/06
16		1.4.3 Sequence diagrams	3 hrs	26/10/06	26/10/06
17		1.4.4 Collaboration diagrams	3 hrs	26/10/06	27/10/06
18		1.4.5 Activity diagrams	3 hrs	27/10/06	30/10/06
19		1.4.6 State chart diagram	1.5 hrs	30/10/06	30/10/06
20		1.4.7 Deployment diagram	1.5 hrs	30/10/06	30/10/06
21		1.4.8 Component diagram	1.5 hrs	31/10/06	31/10/06
22		1.4.9 Class diagram	1.5 hrs	31/10/06	31/10/06
23		1.4.10 ER - Diagram	3 hrs	31/10/06	01/11/06
24		1.4.11 Dataflow Diagrams	3 hrs	01/11/06	02/11/06
25		1.4.12 Systems Development - RUP approach	4 hrs	02/11/06	03/11/06
26		1.4.13 Exercise: Prepare CRS (System)	2 hrs	03/11/06	03/11/06
27		1.5 Preparing System Requirements Document	3 days	03/11/06	08/11/06
28		1.5.1 Role of SRS	2 hrs	03/11/06	06/11/06
29		1.5.2 Problem Analysis	1 hr	06/11/06	06/11/06
30		1.5.3 UML as a tool for Requirements Analysis	1 hr	06/11/06	06/11/06
31		1.5.4 Other tools/methods for Analysis	1 hr	06/11/06	06/11/06
32		1.5.5 Requirements specification	1 hr	07/11/06	07/11/06
33		1.5.6 Validation	0.5 hrs	07/11/06	07/11/06
34		1.5.7 Metrics	0.5 hrs	07/11/06	07/11/06

Final Report

Epicor Based Integrated Financial Management System
Training on Analytical Skills
Systems Development Unit - Accountant General's Department

ID	O	Task Name	Duration	Start	Finish
35		1.5.8 Risk assessment and Management	1 hr	07/11/06	07/11/06
36		1.5.9 Planning and Monitoring	1 hr	07/11/06	08/11/06
37		1.5.10 Template for SRS	1 hr	08/11/06	08/11/06
38		1.5.11 Exercise:Prepare SRS (System)	2 hrs	08/11/06	10/11/06
39		1.6 Quality assurance - Requirements Analysis	1.5 days	08/11/06	08/11/06
40		1.6.1 Setting up Testing Strategy	1 hr	08/11/06	08/11/06
41		1.6.2 Preparation of test categories	1 hr	09/11/06	09/11/06
42		1.6.3 Preparation of test plans	1 hr	09/11/06	09/11/06
43		1.6.4 Preparation of test cases	1 hr	09/11/06	09/11/06
44		1.6.5 Exercise:Prepare Testcases and Testplan (System)	2 hrs	09/11/06	10/11/06
45		1.7 Preparing for Users Acceptance Testing	0.75 days	10/11/06	10/11/06
46		1.7.1 Preparation of test categories	0.5 hrs	10/11/06	10/11/06
47		1.7.2 Conducting a Users Acceptance Testing	0.5 hrs	10/11/06	10/11/06
48		1.7.3 Reviewing results from Users Acceptance Testing and feedback	0.5 hrs	10/11/06	10/11/06
49		1.7.4 Templates for Users Acceptance Testing	0.5 hrs	10/11/06	10/11/06
50		1.7.5 Exercise:Prepare UAT document	1 hr	10/11/06	10/11/06
51		1.8 Training complete	0 hrs	10/11/06	10/11/06

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Final Report

Follow up Training – User Support Skills

Final Report

Epicor Based Integrated Financial Management System
Help Desk Support Training

ID	Task Name	Duration	Start	Finish
1	1 Support Skills	5 days	05/02/07	09/02/07
2	1.1 DAY 1	1 day	05/02/07	05/02/07
3	1.1.1 Meeting with the Management	0.25 days	05/02/07	05/02/07
4	1.1.2 Introduction - Help desk Support	0.25 days	05/02/07	05/02/07
5	1.1.3 Objective of Help Desk Support	0.25 days	05/02/07	05/02/07
6	1.1.4 Case Study and Discussion	0.25 days	05/02/07	05/02/07
7	1.2 DAY 2	1 day	06/02/07	06/02/07
8	1.2.1 Incidence Recording and Resolution	0.2 days	06/02/07	06/02/07
9	1.2.2 Help Desk Support Cycle	0.2 days	06/02/07	06/02/07
10	1.2.3 Support Mechanism	0.2 days	06/02/07	06/02/07
11	1.2.4 Call Escalation	0.2 days	06/02/07	06/02/07
12	1.2.5 Case Study and discussion	0.2 days	06/02/07	06/02/07
13	1.3 DAY 3	1 day	07/02/07	07/02/07
14	1.3.1 Problem Solving Technique	0.25 days	07/02/07	07/02/07
15	1.3.2 Decision Making	0.25 days	07/02/07	07/02/07
16	1.3.3 Training Needs	0.25 days	07/02/07	07/02/07
17	1.3.4 Case Study and Discussion	0.25 days	07/02/07	07/02/07
18	1.4 DAY 4	1 day	08/02/07	08/02/07
19	1.4.1 System Support Services	0.25 days	08/02/07	08/02/07
20	1.4.2 Do's for the support team	0.25 days	08/02/07	08/02/07
21	1.4.3 Actions Prohibited to the supporter	0.25 days	08/02/07	08/02/07
22	1.4.4 Case Study and discussion	0.25 days	08/02/07	08/02/07
23	1.5 DAY 5	1 day	09/02/07	09/02/07
24	1.5.1 Monthly Report	0.25 days	09/02/07	09/02/07
25	1.5.2 LGRP/RAS Contacts	0.25 days	09/02/07	09/02/07
26	1.5.3 Review and Recap	0.25 days	09/02/07	09/02/07
27	1.5.4 Case study and discussion	0.25 days	09/02/07	09/02/07

REPORT ON JICA DEVELOPMENT STUDY'S SUPPORT ACTIVITIES FOR PFMRP COMPONENT 4 – LOT C TRAINING ON ACCOUNTING SKIILS

1.   Introduction

The Japan International Cooperation Agency (JICA) embarked upon a two-year Development study in July 2005. In the financial 2006/2007 various training programmes have been conducted under the sponsorship of JICA for capacity building of staff of the Tanzania Accountant General's Department as well as other Central and Local Government Departments.

The Accountant General's Department is responsible for smooth operations of the Integrated Financial Management System (IFMS) and provides systems support to end users of the Central and Local Government Departments. The planned expansion of the modules and roll out of the IFMS make the role of the system support staff more important.

In order to provide the quality systems support to the end users, the systems support staff of the Accountant General's Department needed sufficient knowledge and skills on both information systems and accounting. As for the skills on the accounting, as it was pointed out, the systems support staff who have the computer qualifications needed to have more knowledge on the accounting for more appropriate understanding of the needs and problems of the end users. The improvement of the accounting knowledge of the systems support staff will facilitate the user-friendly systems support, hence the need for the training on accounting skills.

2.   Training on System Support Staff

On 23rd June 2006, the National Board pf Accountants and Auditors (NBAA) entered into a contract for services with the Japan International Cooperation Agency (JICA) Consultant Team to provide training on accounting skills to 15 staff from the Accountant General's Department. The training for the System Support Staff for the Local Government Authorities was conducted in Dar es Salaam at NBAA Mhasibu House from 18th to 22nd December 2006.

3.   Training Objectives

This training had the following objectives:
(i)   To impart participants with the knowledge, skill and understanding of the audit function.

(ii)   To help develop capacity of the System Support Staff to enhance public accountability, internal controls and good governance in financial matters.

(iii) To provide members of the System Staff with the opportunity to read understand and discuss on the provision of the financial legislations (the Local Government Authority Financial Memorandum, Act and the Public Finance Act 2001) including their regulations plus sharing experiences.

(iv) Exchange views on the requirements of best practices and reveal operational weaknesses that need to be improved to comply with these laws.

(v) Institutionalize the use of the Audit Committees, Tender Board Committee as management tools and not as merely instruments of replying queries.

(vi) Enable members of the System Support staff understand and apply the principles of good governance in their daily operations.

(vii) To enable the System Support Staff to have knowledge and skills on the Integrated Financial Management System in the LGAs.

(viii) To give more exposure on how to manage electronic records and IT control and security programs.

(ix) To give clear interpretations and applications of auditing standards.

(x) To exchange views on the requirements on the best practice and reveal operational weaknesses that need to be improved to comply with the law.

4. Methodology

The Training was conducted under a participatory method which included the following activities:

- Clarifying of important terms and explaining on areas of emphasis by facilitators;

- Group exercises which included answering of questions after every session.

5. Participants

The training registered 15 participants, which is 100 percent of the expected participants. A list of participants giving their names is shown hereunder.

LIST OF PARTICIPANTS TO THE ACCOUNTING SKILLS TRAINING HELD AT MHASIBU HOUSE IN DAR ES SALAAM ON 18TH TO 22ND DECEMBER 2006

S/N	NAME
1	Ms Neema Mpembe
2	Mr. Adam Mshangama
3	Mr. Siverian Katarama

4	Mr. Jones Kabwoto
5	Ms. Vicky Jengo
6	Ms. Stella Nguma
7	Mr. Fundi Makama
8	Ms. Dora Kiama
9	Mr. Victor Bwemero
10	Mr. Maarifa Sheria
11	Mr. Stanley Mlula
12	Mr. Nndrille Kimoi
13	Mr. Jirabi Masige
14	Mr. Ntambo L. Mahinya
15	Ms Tatu Mikidari

6. Facilitators

Facilitators for this training were:

Mr Ludovick S.L. Utouh
Mr. Pius Maneno
Mrs Laurencia Ndali

7. Workshop Coverage

The training process was guided by the talking notes and the power point presentations prepared by the facilitators. Each participant was supplied with a copy of the presentation notes.

Major topics which were covered during the training were as follows:-

Training on Accounting Skills

- Introduction to Local Government Accounting and Finance

- Introduction of epicor based Financial Management and Accounting System in LGAs

- Cash management in the LGAs

- Bank account and imprest management in LGAs

- Accounting for salaries, staff loans & advances

- The procurement and stores management in Local Government Authorities

- Procedures for closing books of account

-          Financial statements for Local Government Authorities

-          Local Government Capital Development Grant System (LGCDG)

-          The role of internal audit in LGAs

8.   Assessment of the Training

In accordance with the evaluation of the training by the participants, the training was found to be:

-    Very useful and relevant to the System Support staff.

-    Very educative as it covered a wide range of issues pertinent to System Support staff.

-    The time allocated for the training was too short.

9.   Cost Analysis on reimbursable
The Training had a total financial costs of USD 31,117 As shown in Appendix "B".

10.   Conclusion

We would like to extend our appreciation to JICA, Accountant General's Staff and you personally for the cooperation shown and trust in giving us such a noble assignment which gave us opportunity to participate in the National Building process through imparting knowledge.

SUBMITTED

SESSION ONE

INTRODUCTION TO LOCAL GOVERNMENT ACCOUNTING AND FINANCE

.

Legal Aspects and General Overview of Financial Management

.
Local Government Finance Act No. 9 of 1982, provides for revenues and the management of funds and resources of LGA.

Section 40 (1) of the Act requires LGAs proper books of accounts to record the following: -

*   the receipt and expenditure of moneys by the LGA
*   the assets and liabilities of the LGA.

General Overview of Financial Management

*   Financial management comprises of processes and actions taken by political and administrative leaders of a LGA
*   Allocation of Finance.
*   Controlling resources.
*   Financing decisions.

Features of a Good Financial Management System in the LGA

*   *Accountability and value for money.*
*   Adequate, timely, and relevant financial information
*   *Planning and Budgeting.*
*   *Mobilization of Revenue.*
*   Financial and non-financial performance measurements
*   Strong systems, controls and audit processes.

Ways and Means for Accomplishing Financial Management Activities

- Management methods.
- Accounting.
- Budget methods
- Financial analysis
- Management Information Systems;
- Auditing.

7

Introduction to Accounting, Fundamental Accounting Principles and Policies

- Accounting is the process of analyzing, recording, classifying, reporting and interpreting the financial data of a LGA.

8

The Accounting Process

- **Recording**
- **Classifying**
- **Summarizing**
- **Interpreting**
- **Communicating /Reporting**

9

Branches of Accounting

- **Financial Accounting**
- **Management Accounting**
- **Taxation**
- **Auditing**
- **Financial Management**

10

Role of Accounting to the LGA

- To manage the approved organizational and financial systems framework.
- To assist the LGA to formulate a realistic medium term financial plan and annual budget.
- To provide prudent, professional and impartial financial advice.

11

Accounting Principles

- **Business Entity:**
- **Going Concern**:
- **The Money Measurement:**
- **The Consistency Principle**:
- **The Accrual Principle:**
- **The Conservatism /Prudence Principle**:
- **Objectivity (cost)**:

12

Accounting Policies

- The basic purposes in the disclosure of accounting policies are mainly two:-
- To explain to the final accounts reader, the basis of preparation of authority accounts, and
- To explain the particular policy followed where there are several options available.

Important issues in accounting policies

- **Content**
- **Capital Receipts**
- **Basis of Capitalization**
- **Treatment of Grants**
- **Depreciation Methods**
- **Basis of Valuation of Other Assets**
- **Debt redemption**
- **Pensions**
- **Loan /Debt Interest**

International Accounting Standards (IASs) & their application to LGAs

- 1.IAS No. 1,IAS No. 2, IAS No. 7, IAS No. 8, IAS No. 10, IAS No. 16, IAS No. 17, IAS No. 18. IAS No. 19, IAS No. 20, IAS No. 23, IAS No. 24, IAS No. 34, IAS No. 36, IAS No. 37, IAS No. 40,

Thank you for listening!

SESSION TWO

**INTRODUCTION OF EPICOR BASED
FINANCIAL
MANAGEMENT AND ACCOUNTING
SYSTEM IN
LGAs**

GLOSSARY OF TERMS

ACCRUAL ACCOUNTING BASIS

Accrual basis recognizes transactions and events when they occur rather than when cash is paid or received. Assets, Liabilities, Revenues, Expenditure & Net Worth are recognized

---

Modified Accrual Basis

• Similar to accrual accounting except that
only financial assets are recognized. This excludes the cost of asset acquisition and consumption

---

Accounts Payable

Amounts approved for payment but cheques/cash not yet issued

Accounts Receivable

Amounts receivable from third parties but cash/cheques not yet received.

Activity

A related group of tasks usually consistent with a budget line.

7

Amortization

Repayments of principal

8

Asset

A resource controlled by the **LGA** as a result of past events from which future economic benefits are expected to flow

9

Capital Expenditure

All payments made towards the purchase or creation of capital assets

10

Capital Revenue includes:

All unrequited, non-repayable, non-compulsory transfers for capital purposes from government, non-government and individual sources.

11

Loans & Grants for Capital Purposes:

Includes proceeds from sale of capital assets.

12

Chapter (GFS)

GFS has nine chapters defining type of transaction and treatment for GFS purposes, Derived from Sub-Chapter.

13

Chart of Accounts

List of budget/accounting classification codes to be applied to every transaction.

14

Commitment

Procurement Decision which bind the Local Authority to make a Payment (Purchase Order, Contract, Lease etc).

15

Conditional Grants

A grant which has specific requirements as to how and on what the money may be spent.

16

Cost Centre

A group of related activities under the control of one Manager for which it is possible to define a budget.

17

Current Revenue

All non-repayable, requited and unrequited, from compulsory contributions (e.g. Tax) and all non-repayable requited receipts from fees and charges.

18

Deposits

Cash/Cheque, which are received by a Local Authority for safe keeping but belong to a third party.

19

Development Financing

Capital or Recurrent Financing aimed at supporting activities designed to increase socio-economic welfare.

20

Donor

External Financing Institution

21

Expense Account

An account for recording Capital & Recurrent Expenditure Transactions

22

General Ledger

A balanced database holding the balances on all accounts

23

Government Finance Statistics (GFS)

An classification and reporting system designed to show the impact of government operations on the rest of the economy.

24

Grants

All unrequited, non-repayable, non-compulsory receipts from government, other governments and international organizations for current or capital purposes.

Imprest

An accountable advance

Item (GFS)

GFS Economic Classification of transactions

Liability

An obligation arising from past events the settlement of which is expected to result in an outflow of economic benefits.

Performance Budgeting

A budgeting methodology which requires each manager to relate the objectives to achieved in terms of outputs to the inputs required to achieve the required outputs.

Programme

A high level aggregation of related activities/projects.

Project

A Project is a temporary umbrella description for a number of distinct but inter-related activities.

Recurrent Expenditure

towards the upkeep, operation and running costs of Local authority services.

Retirement (of imprest)

Repayment of an accountable Advance by return of advance or production of receipts.

Sub-Activity

A specific task, which is considered worth accounting for separately, within an activity.

Sub-Chapter (GFS)

Principal group of inflows and outflows, useful for economic/financial analysis between the Government and the rest of the economy.

Sub-Item (GFS)

A further breakdown of items.

SYSTEM OVERVIEW

Finance Function – Tasks

- The primary tasks of the finance function of a Local Authority are to:
  - Ensure proper management of the authorities financial affairs. Assist the Local Authority to formulate realistic Financial Plan.
  - Provide prudent, professional, and impartial financial advice
  - Provide accurate, complete, timely, consistent and transparent periodic financial accounts.

Finance Function – Tasks-ctd

- Bring to the notice of the appropriate authorities any pecuniary loss.
- Provide annual statutory accounts for submission to the members, taxpayers and donors .

Accounting Principles

Epicor will facilitate moving in a stepwise fashion from the current primarily cash based accounting. Modules of Epicor:

Accounting Principles

Epicor will facilitate moving in a stepwise fashion from the current primarily cash based accounting system towards an accrual bases system.

Epicor – An Introduction

- System Manager
- Accounts Payable
- Accounts Receivable
- Cash Management
- General Ledger
- Report Writers FRx & Crystal Reports

Security

Extensive security procedures are built into the system to prevent unauthorized voucher entry, voucher authorization and/or production of cheques.

User Identity and Passwords

Operator and Manager Identity will take a standard form however administrator identities will take non standard form.

Scope of Procedural Changes

There will be a shift in emphasis from maintaining a multitude of manual books to one where the system handles mundane work.

Roles of Key Actors

- System Administrator
- Authorising Staff
- Operators (Accounts Staff)
- Certifying Officers (Managers)
- Cheques Signatories
- The Systems Manager

THANK YOU FOR LISTENING!

SESSION THREE

CASH MANAGEMENT
IN THE LGAs

1

THE IMPORTANCE OF ASSET MANAGEMENT

- WHAT ARE ASSETS
- TYPES OF ASSETS
  - FIXED
  - INVESTMENTS
  - CURRENT
    - INVENTORIES (STOCKS)
    - DEBTORS (ACCOUNTS RECEIVABLE)
    - SHORT TERM INVESTMENTS
    - CASH AND CASH EQUIVALENTS

2

ASSET MANAGEMENT

- WHY THE NEED FOR ASSET MANAGEMENT
  - LOOKING FOR EFFICIENT AND EFFECTIVE USE OF THE LGA ASSETS
  - ESTABLISHING VALUE FOR MONEY FOR THE USE OF LGA ASSETS
  - SAFE UPKEEP OF THE LGA ASSETS INCLUDING THE RIGHT OWNERSHIP

3

WHY ASSET MANAGEMENT?

- Assets are normally high value items
- Assets useful life extends beyond one financial year
- Assets are used to generate the entity's revenue over a period of time
- Assets are highly susceptible to theft, mis-appropriation and outright theft

4

CASH PLANNING

- WHY THE NEED FOR CASH PLANNING
  - Cash is a scarce resource
  - Need therefore to maximize its use
  - The use of cash in LGAs must add value to the concerned LGAs (the three Es)
  - Cash is the most liquid asset in the LGAs, hence its susceptibility to mis-use.

5

CASH PLANNING -CTD

- CASH PLANNING BASED ON APPROVED BUDGET
  - Cash planning should be based on approved revenues and expenditure estimates budget
  - Appropriate budgets must have the necessary approvals
  - Cash planning facilitates the smooth implementation of the approved budget
  - Cash planning for the year to be broken down into shorter periods of time say 1 or 3 months rolled into the 12 month period

6

CASH PLANNING - CTD

- ANNUAL CASH FLOW PLANS
  - A break down of the approved budget prepared for the full year following the budget approval, setting out projected cash inflows and cash outflows month by month
  - The purpose of the annual cash plan is to assist in the delivery, or execution, of the approved budget

7

CASH PLANNING - CTD

- The annual cash flow plan should reflect all known information about planned revenues and expenditures (factors such as irregular capital expenditure patterns, variations in the timing of donor grant receipts, and the precise timing of new borrowing are likely to mean variation in the monthly patterns of cash inflows and outflows from year to year)

8

CASH PLANNING - CTD

- For the annual cash plan to serve its purpose, it is critical that it should be comprehensive in coverage, i.e. that all revenues and expenditures should be included and that it should reflect the approved budget

9

PARTICIPANTS TO CASH PLANNING IN LGAs

- The consolidated annual cash plan should be based on inputs from the following:-
  - The full Council
  - The Finance and Administration Committee
  - The Council Management
  - The council's Budget Committee

10

PARTICIPANTS TO CASH PLANNING IN LGAs - ctd

  - The Ministry of Finance
  - The Ministry responsible for Local Governments
  - The Regional Administrative Secretaries
  - Donors
  - Tax authorities
  - The electorate

11

PAST TRENDS IN CASH PLANNING

- Past patterns can help establish likely month to month inflows of tax and non-tax revenue receipts
- These should be adjusted for any economic and regulatory changes and recent trends
- Likely to be predictable receipts, significant amounts and highly variable throughout the year

12

TREATMENT OF GRANTS AND LOANS

- External grants and loan receipts are partly known in advance
- Due dates for payment of interest and principal amounts on external loans are known at the time of borrowing and should be reported accordingly

TREATMENT OF GRANTS AND LOANS - ctd

- Amounts should be projected in local currency equivalent and supported by a full breakdown of the currency and interest basis (fixed or floating) of each payment (to allow the Cash Management unit to update the annual cash plan for exchange and interest rate movements)

CASH PLANNING AT TWO LEVELS

- CASH PLANNING TAKES PLACE AT TWO LEVELS AS FOLLOWS:-
  - Macro or "top down" approach by the MOF in the light of country's revenue, expenditure and borrowing developments
  - Micro or "bottom up" approach by the LGA's based on their up-coming commitments and consequent cash requirements

  It is the harmonization of the two that brings about an effective cash planning and management system.

CASH MANAGEMENT

- Cash management is concerned with having adequate liquidity to pay bills as they become due
- Involves monetary liquidity planning linking the key players i.e MOF, CB, MDA, LGAs, RAs etc
- Cash management attempts to minimize the amount of cash and cash equivalents held by an entity without adversely affecting its activities

CASH MANAGEMENT - ctd

- Three factors account for the growth of cash management in both the public as well as private sectors, namely:-
  - Scarcity of cash
  - Economic growth
  - High interest rates

FUNCTIONS OF CASH MANAGEMENT

- Cash management results into the following functions:-
  - Speeding up of receipt processing
  - Management of payment float
  - Timing purchases to obtain better values
  - Provides accurate internal and external information for control purposes
  - Maximizes the yield on short term investments within an acceptable level of risk.

FUNCTIONS OF CASH MANAGEMENT - ctd

- Helps in forecasting and monitoring cash flows i.e.
  - LGAs are required to prepare cash flow forecasts for their respective Councils
  - These cash forecasts are required to be prepared in compliance to the International Public Sector Accounting Standards (IPSASs) and the Epicor Based financial Management & Accounting System into Local Authorities Accounting Procedures Manual of December 2004

19

REVENUE ACCOUNTING IN LGAs

- The LAFM requires that:-
  - Each RC shall maintain a RCCB recording serially amounts collected and name of payee
  - Collectors of revenue---------Cashier-------Bank
  - Preparation of debtors (Accounts Receivables) by type and age analysis
  - Revenue registers to be kept for cash and debtor income

Collector   Cashier

bank
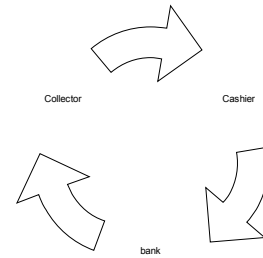
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REVENUE ACCOUNTING IN LGAs - ctd

- Ensure that all income for the LGA is recorded
- All recorded income is properly coded in accordance with the new Chart of Accounts for Epicor
- Maintain records for sundry debtors eg. Rents
- Record business licence reference nunbers
- Maintain registers for different revenue sources eg rents, market rents etc
- Maintain a register of property tax payers

21

NEED FOR PROPER RECEIPTING AND ACCOUNTING

- The capacity of LGAs to deliver services is dependent on their ability to raise and secure revenues
- Fundamental to the efficient collection of revenue is a proper receipting and accounting system of the revenues collected
- Such system ensures that all LGA revenues are collected, received and promptly banked
- Compares collections against budget
- Maintenance of an adequate cash flow from revenue is also essential to ensure liquidity.

22

OBJECTIVES OF THE REVENUE ACCOUNTING PROCESS

- Issuance of a valid receipt for all LGA revenue
- Correct classification of LGA revenues
- All LGA revenue is promptly banked in the appropriate bank accounts
- Monitor collection against budgets
- Maintaining of an audit trail of all LGA revenue transactions
- System is secure with adequate safeguards and levels of internal check

23

LGA REVENUE SYSTEMS

- There are three types of revenue systems in LGAs as follows:-
  - Billed revenues
  - Monitored revenues
  - Cash revenues

24

BILLED REVENUES

- Examples of billed revenues in LGAs are as follows:-
  - Property tax, a Dr is raised in the property tax system and tax payers are advised of amount due, where need arises penalties and interest will be raised
  - Income from property tax is recognized immediately a debit is raised as the value is known and fixed
  - Outstanding liabilities at year end to be accrued in the B/S as debtors, making provision for bad debts where necessary
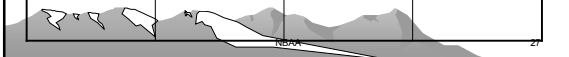
BILLED REVENUES - ctd

Posting a Dr	Account	Debit	Credit
Property Taxpayer.s Account	xxxxxxx	25,000	
Property Tax control Account	801010		25,000

BILLED REVENUES - ctd

Posting a Dr	GFS A/C	Debit	Credit
Property Tax debtors	801010	25,000	
Land Tax Revenues	049101		25,000

MONITORED REVENUES

- The monitored revenue system is applicable where the taxpayer is known but the amount receivable is uncertain eg. Development levy, business licences etc
- Taxpayer details are maintained in accounts Receivable but only a reminder is sent out instead of a demand note; no specific amount is specified and no debit note is raised.

MONITORED REVENUES - ctd

- Monitored revenues are treated as cash income items with recognition at the time of receipt of cash – Ref to chapter 3 for the relevant accounting treatment
- Taxpayers who are in arrears at year end will be identified but the value will not be known. Amounts will only be known with actual payments

CASH REVENUES

- All other revenues of LGAs for the time being shall be treated as cash income items with recognition at the time of receipt of cash
- In due course, other income sources like housing rental, stall rental etc may become billed revenues or monitored revenues within the Epicor system

COLLECTION, RECEIPTING AND BANKING

- Revenue collection is currently a manual process and is the responsibility of revenue collectors who are required to:-
  - Collect revenue and issue numbered receipts
  - On a daily basis analyse the collection and transcribe to a revenue collectors Cash Book (RCCB)
  - The revenue collectors cash book will list all receipts issued, analyse them by classification types of payments and amounts, and record the total value of the cash/cheques
  - Hand over all revenue collected for the period to the Finance Dept cashier together with the receipts and a signed copy of the RCCB

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COLLECTION, RECEIPTING AND BANKING – ctd.

- At the end of each day, the Cashier should:-
  - Summarise the RCCB's ensuing amounts are consolidated by classification codes correctly and complete in duplicate a Bank pay in slip showing the total revenue collected.
  - Ensure the cash/cheques are equal to the value shown on the summary RCCB.
  - Any shorts/overs should be reflected in the RCCB
  - Deposit all monies collected after reconciliation, retaining one copy of the bank pay in slip for attachment to the summary RCCB.
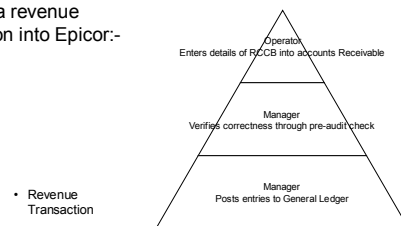
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COLLECTION, RECEIPTING AND BANKING – ctd.

- On completion of the reconciliation and banking process:-
  - Individual receipts should be immediately posted to the relevant manual debtor records
  - The summary RCCB and bank pay in slip should be sent immediately to the Epicor Operator for processing in the Accounts Receivable Module of Epicor in Batch Mode
  - In Epicor, a general receipt debtor has been established to facilitate this process

33

COLLECTION, RECEIPTING AND BANKING – ctd.

- Process involved in entering a revenue transaction into Epicor:-

- Revenue Transaction

Operator
Enters details of RCCB into accounts Receivable

Manager
Verifies correctness through pre-audit check

Manager
Posts entries to General Ledger

34

COLLECTION, RECEIPTING AND BANKING – ctd.

- On receiving the summary RCCB and bank pay in slip, the Operator will log on to the Accounts Receivable module of Epicor and enter the details of each revenue item from the summary RCCB. This will involve the following:-
  - Entering and saving the Receipt Data – Operator
  - Running the transaction edit list - operator

35

COLLECTION, RECEIPTING AND BANKING – ctd.

- Operator should pay particular attention to:-
  - Ensuring the correct revenue codes and cash accounts are used
  - That no posting backlog is allowed ie. All summary RCCB's should be entered within one day of receipt

36

COLLECTION, RECEIPTING AND BANKING – ctd.

- Manager's Responsibility are:-
- Once the Operator has completed entry of the summary RCCB, the Manager should log on to the system and:-
  - Verify correctness of the receipt data entry
  - Post the transactions to the General Ledger

COLLECTION, RECEIPTING AND BANKING – ctd.

- Once posted, the GL will be updated as shown below:-

Posting a Receipt	GFS Account	Dr.	Cr.
Revenue A/C	050811		25,000
Revenue Cash A/C	2308xx	25,000	

MUNICIPAL AND CITY COUNCILS

- Front Office Cashiers are responsible for collection of revenues who are required to:-
  - Collect monies from the public for billed, monitored, unbilled and dues from revenue collectors
  - Billed dues could be property taxes, monitored dues could be development levies, business licences, city service levies etc, unbilled dues relate to all other revenues paid by the public while revenues due from revenue collectors can be any of the above three

MUNICIPAL AND CITY COUNCILS - ctd

- Billed Dues
- On cash payment, the FOC will access the property tax database to review the current status of the personal account of the taxpayer
- System will establish whether additional penalties or interest on arrears need to be calculated
- The FOC record the receipt against the taxpayer's personal account and print out a receipt

MUNICIPAL AND CITY COUNCILS - ctd

- Accounts Receivable

Posting a Receipt	Account	Debit	Credit
Property Tax Control Account	801010	25,000	
Property Taxpayer's Account	xxxxxx		25,000
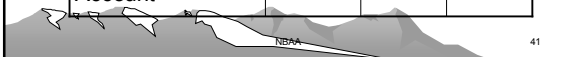
MUNICIPAL AND CITY COUNCILS - ctd

- General Ledger

Posting a Receipt	GFS A/C		
Revenue Cash A/C	2308xx	25,000	
Proprty Tax Debtors	801010		25,000

MUNICIPAL AND CITY COUNCILS - ctd

- Monitored Dues
- On tendering of cash by the public for settlement of a monitored due, the FOC will access the relevant database to review the current status of the personal account of the taxpayer.
- System will indicate whether additional penalties or interest on arrears need to be calculated
- The FOC will record the receipt of the offered sum against the taxpayer's personal account indicating period, creating an invoice and printing out a receipt

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MUNICIPAL AND CITY COUNCILS - ctd

- On creation of the Invoice
- Accounts Receivable

Posting a Liability	Account	Dr	Cr
Payer's Personal A/C	801010	25,000	
Levy/Licence Control A/C	xxxxxx		25,000

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MUNICIPAL AND CITY COUNCILS - ctd

- General Ledger

Posting a Liability	Account	Dr	Cr
Levy/Licence Debtors	801010	25,000	
Licence or Levy Revenues	05xxxxx or 07xxxxx		25,000

45

MUNICIPAL AND CITY COUNCILS - ctd

- On Settlement of the Invoice
- Accounts Receivable

Posting a Receipt	Account	Dr.	Cr.
Levy/Licence Control A/C	xxxxxx	25,000	
Payer's Personal A/C	801010		25,000
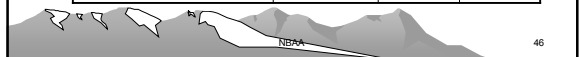
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MUNICIPAL AND CITY COUNCILS - ctd

- General Ledger

Posting a Receipt	GFS A/C	Dr.	Cr.
Revenue cash A/C	2308xx	25,000	
Levy/Licence Debtors	801010		25,000

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MUNICIPAL AND CITY COUNCILS - ctd

- Unbilled Dues
- The FOC will record a non Accounts Receivable receipt for all non billed or monitored received cash
- General Ledger

Posting a Receipt	GFSA/C	Dr	Cr
Revenue Cash Account	2308xx	25,000	
Income Type	0xxxxx		25,000

MUNICIPAL AND CITY COUNCILS - ctd

- Collectors: Collection & Receipting
- Collection of revenues outside of the City & Municipal offices lies with Revenue Collectors whose functions are similar to the FOC except that the RC will hand over collected revenue to the Finance Department Front Office Cashier
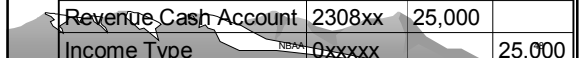
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MUNICIPAL AND CITY COUNCILS - ctd

- The posting will be as follows:-

Posting a Receipt	GFS A/C	Dr	Cr
Revenue Cash Account	2308xx	25,000	
Collector (Name) Control A/C	xxxxxx		25,000

50

END OF BUSINESS

- At the end of business each day , the FOC shall extract a system report which details revenue collected on the day.
- Report shows revenue collected from the public and lists totals collected from each collector and a grand total
- The FOC shall reconcile cash in till with this report and submit the cash, system report and all collectors RCCBs and attach 2nd copy receipts to the Back Office Cashier (BOC)

51

END OF BUSINESS - ctd

- The BOC shall:-
  - Ensure that the cash tendered equals the total of the system report
  - Ensure that all RCCBs listed on the report are attached
  - Ensure that all 2nd copy receipts are attached
  - The BOC shall complete the bank pay in slips for the cash and cheques and deposit the same into the bank

52

END OF BUSINESS - ctd

- The BOC on return from the bank, shall attach copies of the pay in slips to the report, RCCBs and the 2nd copy receipts and everything to the Revenues Accountant (RA)

53

REVENUE SECTION ACTIVITIES

- The duties of the Revenue Section includes the following:-
  - To clear out each collector's personal control accounts of the previous day to the appropriate destination codes
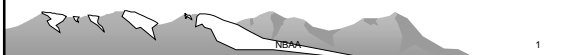
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OTHER SOURCES OF FUNDING TO LGAs

- The manual deals with the treatment of other sources of funding for LGAs as follows:-
  - Conditional & unconditional Grant receipts
  - Development Project receipts
  - Basket Funding

NBAA

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SESSION 4

BANK ACCOUNT AND
IMPREST MANAGEMENT
IN LGAs

BANK ACCOUNT MANAGEMENT COVERAGE

- Objectives of bank account management
- Relationship of LGA bank accounts with the Epicor system
- Bank Reconciliation
- Bank Charges/overdrafts/Deposit Interest
- Development Project Bank accounts


OBJECTIVES OF BANK ACCOUNT MANAGEMENT

- LGA are concerned that the use of funds that have been earmarked for specific purposes are properly protected so that they may only be used for those purposes
- This is normally the case with conditional grants, donor funds and deposits held on behalf of 3rd parties
- Traditionally, the means of achieving this has been through the creation and management of a number of bank accounts sometimes up to over 500

RELATIONSHIP OF LGA BANK ACCOUNTS WITH THE EPICOR SYSTEM

- Separate bank accounts of necessity necessitates the maintenance of separate cheque books, vouchers filing systems, authorising signatures and the preparation of separate monthly bank statements.
- The maintenance of multiple bank accounts creates the following problems:-
  - Creates extra work
  - Exacerbates liquidity problems
  - Increases the opportunity for mis-use of funds
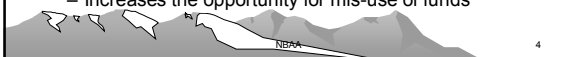
RELATIONSHIP OF LGA BANK ACCOUNTS WITH THE EPICOR SYSTEM - ctd

- Instead of improving controls and accountability in the LGAs, a large number of the operational bank accounts has the reverse effect
- In making HoD signatories for the bank accounts maintained specifically for their services which emphasises their fiscal responsibilities, it ends up removing some of the valuable internal checks

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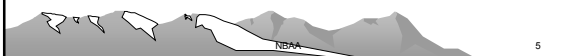
RELATIONSHIP OF LGA BANK ACCOUNTS WITH THE EPICOR SYSTEM - ctd

- Epicor is capable of handling numerous bank accounts
- However, it also employees a number of controls that obviate the need for separate bank accounts and negates many of the previous arguments, notably:-
  - Groups of classification can be defined at various levels such that payments against those codes may only proceed if sufficient revenues have been recorded for the defined group

---

RELATIONSHIP OF LGA BANK ACCOUNTS WITH THE EPICOR SYSTEM - ctd

- Multiple cash accounts within a bank account, whereby payments against defined ranges of Section Codes or projects could be controlled according to individual cash book balances. All cheques would be drawn against a single bank account. Bank reconciliation exercises would consolidate the data from all cash books within this single bank account.
- In regard to development projects, project managers would be designated as the "supervisor" , such that they would need to sign on to Epicor and authorise payment of vouchers. No payment against the project code would proceed without that authorisation.

7

RELATIONSHIP OF LGA BANK ACCOUNTS WITH THE EPICOR SYSTEM - ctd

- Epicor validates all payments to ensure that:-
  - Payments will only be effected where uncommitted budget is greater than payments
  - Payments will only be effected where available cash in the cash book is equal to or greater than the payments to be made
  - It is only when there is sufficient liquidity that posting to Accounts Payable module will be done after which cheques will be generated

8

RELATIONSHIP OF LGA BANK ACCOUNTS WITH THE EPICOR SYSTEM - ctd

- The long term objective should be that transactions will be processed through one bank account
- In the long term, it is also intended that cheques be written directly from the Epicor into computerized continuous cheque stationery, which will need to be specially produced by the bank

9

RELATIONSHIP OF LGA BANK ACCOUNTS WITH THE EPICOR SYSTEM - ctd

- Epicor therefore provides an opportunity to review and rationalize the number and nature of bank accounts in LGAs
- With Epicor, the number of bank accounts should progressively be reduced to eventually include only:-
  - A single revenue account
  - A deposit account
  - A single grant account
  - A single project bank accounts

10

BANK ACCOUNTS

- For every physical bank account that an authority holds, it is necessary to setup a corresponding cash account in Epicor.
- A Cash Account form exists on the Maintenance Set up menu where details of all bank account details may be set upfor each cash account
- As far as possible LGAs should minimize the number of operational bank accounts

11

BANK RECONCILIATION

- All bank accounts should be reconciled with the corresponding Epicor cash accounts on a periodic basis and at least monthly
- It is recommended that there should be a continuous reconciliation in order to ensure smooth reconciliation
- Banks should provide regular bank statements preferably daily

12

BANK RECONCILIATION - ctd

- Reconciliation would be done in the Cash Management module of Epicor
- At this first stage of implementation, it is recommended that the reconciliation be undertaken by manually entering reconciliation data.
- Where and when banks can provide reconciliation data on computer diskettes, then consideration may be given to moving to more efficient forms of data entry

13

BANK RECONCILIATION - ctd

- Epicor facilitates reconciliation by:-
  - Facilitating the matching of all the debit and credit entries in the Cash Accounts with those in the Bank Accounts and
  - Generating mismatch reports of those transactions not matched

14

BANK RECONCILIATION - ctd

- Epicor then prepares a reconciliation statement showing the following:-
  - Bank Account balance
  - Un-presented cheques
  - Un-credited revenue
  - Bank Adjustments
  - Cash Account balance

15

BANK RECONCILIATION - ctd

- The principal steps in reconciliation are as follows:-
- Enter the Cash Management module and select the Cash Account associated with the bank account being reconciled
- Select:-
  - Un-reconciled transactions
  - The type of transactions you wish to reconcile
  - the period to be reconciled
  - The sequence in which you wish to reconcile by date or by document

16

BANK RECONCILIATION - ctd

- Any debits/credits which appear on the bank statement which are not identifiable as un-presented cheques, recognised un-cleared receipts or valid bank charges should immediately be followed up with the bank
- Failure to follow up on discrepancies undermines the entire purpose of bank reconciliation.

17

BANK RECONCILIATION - ctd

- It is recommended that the TR submit a bank reconciliation report for all bank accounts within 14 days of the end of the month

18

TREATMENT OF BANK CHARGES & OVERDRAFT/DEPOSIT INTEREST

- Bank charges are charges made by the provision of its services
- Overdraft interest occurs where an authority runs a negative balance on its current account
- Bank deposit account interest arises where the Bank has agreed to pay interest on credit account balances

19

## TREATMENT OF BANK CHARGES & OVERDRAFT/DEPOSIT INTEREST - ctd

- Actual charges for bank charges and interest or receipts will usually first be recognised from the bank statement and the attached debit/credit notes
- Prior to entry of the transactions into the Epicor, calculations should be performed to verify their correctness
- Accounting entries for these transactions are as follows:-

20

TREATMENT OF BANK CHARGES & OVERDRAFT/DEPOSIT INTEREST - ctd

Cash Management Module	Chart of Accounts	Debit	Credit
Bank Charges			
Bank Charges Account	261129	5,000	
Respective Cash Account	23xxxx		5,000
Bank O/D Interest charges			
Interest Paid	26xxxx	25,000	
Respective Cash account	23xxxx		25,000
Deposit Account Interest			
Interest Received	1xxxxx		30,000
Respective Cash account	23xxxx	30,000	
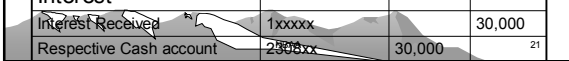
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DEVELOPMENT PROJECT BANK ACCOUNTS

- The principles for opening of development project grant remain the same as above
- In the case of a project bank account, the project code will identify clearly the cash account (bank account) and all revenue and expenditure passing through the account. The accounting entries will be as follows:-

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DEVELOPMENT PROJECT BANK ACCOUNTS - ctd

	Costs Centre	GFS/Account
Project grant Cash account	A99xxxA9999A	23xxxx
Project Grant Account (Revenue)	A99xxxA9999A	17XXXX
Project Expense Account (Expenditure)	A99xxxA9999A	25XXXX
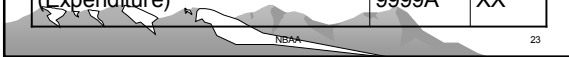
23

DEVELOPMENT PROJECT BANK ACCOUNTS - ctd

- Attaching the project reference in this manner will facilitate:-
  - Accounting for receipt of the grant and it's deposit in the specific bank account
  - Control of the utilisation of the grant against the bank account

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4

MANAGEMENT OF IMPRESTS COVERAGE

- Objectives of the Imprest system
- Process
- Imprest
- Repleshment
- Cash Retirement of an Imprest

OBJECTIVES OF THE IMPREST SYSTEM

- Facilitate small value cash payments
- Record, control and account for the issue of an imprest
- Provide for a mechanism of retirement of imprests

PROCESS

- Council Directors may approve the issue of imprests to staff for intended purposes and within limits agreed by the Councils.
- Need to have an efficient payment and recovery mechanism in place
- Accurate record keeping
- Imprests to staff shall be treated in the same manner as an advance except that rather than charging the initial advance to an Advance Holding account, an Imprest Holding Account shall be charged.

IMPREST

- Payment of imprest shall be made through the Accounts Payable module
- Need setting up a vendor reference in the name of the Director or Employee
- Authority is dependent on the SO confirming that a debtor has been set up in Accounts Receivable.
- A summary example of the accounting entries involved are as follows:-

IMPREST - ctd

Imprest- Invoice AR	Account Code	DR	CR
Staff Imprest Control	801040	100,000	
Staff Imprest Clearance	504040		100,000
Imprest Issue	Account Code	DR	CR
Staff Imprest Clearance	504040	100,000	
Staff Accounts Payable	504010		100,000
On cheque production			
Staff Account Payable	504010	100,000	
Cashbook Account	23xxxx		100,000
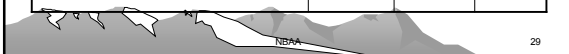
REPLENISHMENT OF A STANDING IMPREST

- Replenishment to be supported by a PV and supporting documents
- Details of payments made to be entered into the AP module and a cheque produced restoring the value of the imprest

CASH RETIREMENT OF AN IMPREST

- Retirement whether in full or in part will affect the value of the outstanding imprest balance
- Cash repayment through cashier, cashier issues a receipt; the receipt voucher posted to the AR module to the credit of the Employees Imprest account as with an advance
- The following accounting entry will result:-

CASH RETIREMENT OF AN IMPREST

Cash Repayment – Receipt Voucher	Account Codes	Debit	Credit
Imprest Control Account	801040		92,000
Cash Book Account	23xxxx	92,000	
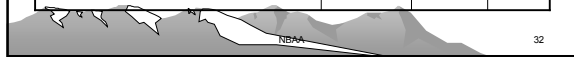
ARREARS MONITORING AND RECOVERY

- Imprests should be subject to the same level of control as loans and advances
- In addition all outstanding imprests should be retired prior to the year end.

SESSION 5

ACCOUNTING FOR
SALARIES, STAFF
LOANS & ADVANCES

• ACCOUNTING FOR SALARIES

COVERAGE

• Main Epicor Related objectives in accounting for salaries and deductions
• Monthly payroll
• Salaries Voucher
• Accounting for PAYE
• Payment Vouchers
• Unclaimed Salaries
• Checks and validations

MAIN EPICOR – RELATED OBJECTIVES IN ACCOUNTING FOR SALARIES

• Ensure that all personal emoluments are brought into account on a gross basis,
• Ensure that all statutory and non-statutory deductions and their remittances are fully accounted for and
• Ensure that any outstanding loans, advances or imprests are deducted from terminal benefits

---

MONTHLY PAYROLL

• Each month, Treasury prepares a number of computerized schedules analysing a local authority's payroll:-
  – According to section
  – According to pay stations within a section,
  – As listings of deductions, payable to third parties; and
  – As individual pay advice slips

MONTHLY PAYROLL - ctd

• Make up of a payroll can be viewed as being comprised of four main elements:-
  – Gross pay
  – Statutory deductions
  – Non-statutory deductions
  – Employer's contributions

SALARIES VOUCHER

- The payroll schedules show the computation of gross pay, amounts of statutory and non-statutory deductions and hence the determination of the net pay figure
- On receipt of the Section-wise summary payroll schedules from the Treasury, Payroll Accountants should prepare and enter Salary Vouchers into the GL using the appropriate Functional Code together with the relevant Accounts/GFS codes.

SALARIES VOUCHER - ctd

- One Salary Voucher should be prepared for each Section
- This Salary Voucher provides the financing for vouchers to be passed in Accounts Payable module for payment of salaries
- An example is shown below to illustrate possible entries

SALARIES VOUCHER - ctd

Salary Voucher	Accounts/GFS codes	DR	CR
Personnel Emoluments – Basic Pay	250101	320,000	
Personnel Emoluments – Salary Adjustments	250107	30,000	
Allowances – Medical Expenses	250307	30,000	
Allowances- Transport	250317	20,000	
Net Salary Expenses	2305xx		300,000
Contribution to Insurance Schemes	2305xx		20,000
Income Tax – PAYE	2305xx		25,000
Contribution to LGPF	2305xx		10,000
Union Contributions	2305xx		15,000

SALARIES VOUCHER - ctd

Salary Advances Deductions	2305xx		12,000
Imprest Recovery	2305xx		8,000
Other salary Deduction	2305xx		10,000

SALARIES VOUCHER - ctd

- The Salary Voucher will have the effect of:-
  - Creating a commitment and accounting for the gross salaries and allowances that are payable, against the correct expense accounts
  - Funding the net salary and various statutory deduction personal accounts; against which the liability for deductions may be created and payment vouchers may be processed
  - The following entry will be done:-

ACCOUNTING FOR PAYE

- This will require additional entries to account for PAYE since the amount of grant received from Treasury is net of calculated taxes which are withheld by Treasury for onward remittance to the appropriate recipients
- The salary adjustment will have the effect of increasing the size of the grant and offsetting the amount that had been credited to the PAYE account via the Salary Voucher

ACCOUNTING FOR PAYE - ctd

Salary Voucher	Account Code	DR	CR
Grants received	180xxx		25,000
Income Tax- PAYE	230522	25,000	

PAYMENT VOUCHERS

- After the the processing of the Salary Vouchers, PVs may be prepared through Accounts Payable
- Dr the respective net pay or deduction account and Cr. The LGA's liability
- The accounting transactions will be as follows:-

PAYMENT VOUCHERS - ctd

Net Salary Voucher	Account Code	Debit	Credit
Net salary Expenses	2305xx	300,000	
Staff Accounts Payable	504010		300,000
Net Salary Payment			
Staff accounts Payable	504010	300,000	
Cash	2308xx		300,000

PAYMENT VOUCHERS - ctd

External Deduction Voucher	Account Code	DR	CR
Contribution to Insurance schemes	2305xx	20,000	
Contribution to LGPF		10,000	
Union Contributions		15,000	
Other Salary Deductions		10,000	
Salary Deductions Payable			55,00
External Deduction Payment			
Salary Deductions Payable		55,000	
Cash			55,000

PAYMENT VOUCHERS - ctd

- Separate net salary cheques will be prepared in favour of each pay station within a Section
- The total of all net salary cheques must not exceed the amount credited to the Net Salary Control Account through the Salary Voucher
- Credit Memos may also be prepared in respect of internal transfers, to update the repayment records of the staff involved
- Where the LGA adds to the amounts deducted from employees eg. In case of contributions to LAPF, the PV will debit the LAPF Personal Account with the cumulative deductions

PAYMENT VOUCHERS - ctd

- An additional line will be added to the Voucher, debiting the expense item in the recurrent budget with the LGA's contribution
- In such a situation, the following entries will be made:-

PAYMENT VOUCHERS - ctd

LAPF Payment Voucher	Account Code	Dr	Cr
Deductions from Employees	230523	10,000	
Council's Contribution	25xxxx	10,000	
Accounts Payable- Payee Account	5040xx		20,000
On Cheque Production			
Accounts Payable- Payee Account	5040xx	20,000	
Cashbook Account	2308xx		20,000

UNCLAIMED SALARIES

- Salaries remaining unclaimed after 10 days should be re-banked
- Paying Officer should return the un-claimed salary to Cashier and receive a Receipt Voucher, indicating the employees name, cheque no., section. The amount and period to which the salary relates.
- Where separate bank accounts have been established for third –party deposits, any unclaimed salaries should be deposited to that bank account

UNCLAIMED SALARIES - ctd

- If a separate bank account has not been established, unclaimed salaries may be deposited to the General Ledger Account. The entries that shall arise will be as follows:-

Receipt Voucher	Account Code	Dr	Cr
Unclaimed Salaries Holding Account	2305xx		47,000
Cashbook – Deposit Bank Account	2308xx	47,000	

WRITE-BACK OF UNCLAIMED SALARIES

- If it is established that unclaimed salaries will not be claimed for whatever reason, then they should be re-credited to the Salaries Expense Accounts
- In any event, unclaimed salaries should be re-credited to the Section's salary account after a reasonable (as shall be defined by Treasury) period has lapsed. Where a separate "deposit" bank account is employed, the transfer will entail drawing a cheque from one Council bank account for depositing in another. The accounting entries will be as follows:-

WRITE-BACK OF UNCLAIMED SALARIES

Payment Voucher Holding Account	Account Code	Dr	Cr
Unclaimed Salaries Holding Account	2305xx	47,000	
Accounts Payable- Payee Account	594010		47,000
On Cheque Production			
Accounts Payable	504010	47,000	
Cashbook – Deposits Bank Account	2308xx		47,000
Receipt Voucher			
Section's Salary Expense Account	25xxxx		47,000
Cashbook – General Fund	2308xx	47,000	

CHECKS AND VALIDATIONS

- Epicor will accept input only where a valid Chart of Account codes exists.
- Epicor exercises budgetary, funding and liquidity checks eg.
  - It will not pay where insufficient budget exists
  - It will not pay where insufficient funds exists

ACCOUNTING TREATMENT OF STAFF LOANS AND ADVANCES

- A PAPER PRESENTED TO SYSTEM SUPPORT STAFF OF LGAs IN A TRAINING CONDUCTED BY THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA) FROM 18TH TO 22ND DECEMBER, 2006 AT THE NBAA BOARDROOM

COVERAGE:-

- Purpose and scope
- Creation of Debtor Record
- Payment of Advance/Loan
- Repayment of an Advance/Loan by Payroll deductions
- Interest charges
- Write-off of Irrecoverable Advances
- Checks, Balances and Controls

PURPOSE & SCOPE

- Ensure that advances are paid in compliance with the approved scheme and are within the set limits
- Ensures that employee debts are accurately recorded and debt recovery properly instituted
- To facilitate the availability of accurate and up-to-date information on balances of advances owed by individual staff members, in order that:-

PURPOSE & SCOPE - ctd

- When staff leave the LGA services, balances can be identified and recovered from their terminal benefits
- List of outstanding staff debtors can easily be compiled for decision making purposes
- Fresh advances to employees who have outstanding advances can be blocked

Using the Epicor system, the generation of new loans and salary advances will involve the co-ordination of three separate but inter-dependent activities as explained in the below paras

CREATION OF DEBTOR RECORD

- Prior to making an advance or a loan, staff will need to be set up in the Accounts Receivable module as Debtors using the staff cheque number as the "customer" reference
- The date by which the debt should be fully cleared must be entered to enable ageing analysis and assist with arrears monitoring and recovery.

CREATION OF DEBTOR RECORD - ctd

- The accounting entries are as shown below:-

Advance - Invoice	A/C code	Staff Check	DR	CR
Staff Advance Clearance Account (Liability)	501030	-		100,000
Staff Advances Control Account (Assets)	801030	123456	100,000	

CREATION OF DEBTOR RECORD - ctd

- In the case of staff loans the account codes Staff Loans Clearance Account (501020) and Staff loans Control Account (801020) shall be used.
- In Accounts Receivable, the following processes takes place:-
- Receive authorized application-----Create Staff as a Debtor in Accounts Receivable------Enter Invoice for the amount of advance---------Print Invoice---------Post the Invoice eg.
  - DR Staff Advance
  - CR Advance Clearance

PAYMENT OF ADVANCE/LOAN

- Payment of the advance or loan will be made through the Accounts Payable module
- It will require q vendor reference ; the staff cheque number
- Authorization for printing of chwques dependent on SO confirming that a Debtor has been set up in Accounts Receivable, invoice generated, salary amendment form generated & salary register updated.

PAYMENT OF ADVANCE/LOAN - ctd

- An example of the accounting entries involved for Advances and the Epicor related steps are as follows:-

Advance- Payment Voucher	Account Code	DR	Cr
Staff Advance Clearance A/C	501030	100,000	
Staff Accounts Payable	504010		100,000

PAYMENT OF ADVANCE/LOAN - ctd

On Cheque Production	Account Code	Dr	CR
Staff Accounts Payable	504010	100,000	
Cash Book Account	2308xx		100,000

PAYMENT OF ADVANCE/LOAN - ctd

- In Accounts Payable , the following processes takes place:-
  - Enter standard voucher-----Match Voucher with Invoice----Approve Voucher----Post Voucher---Generation of Epicor Payment-----Approval of Payment-----generate Payment by Dr. Advances holding Account and Cr. Payee A/C-------Print Unposted Payment list----Print cheque-----Post the Payment by Dr. Payee A/C and Cr. Cash Book A/C
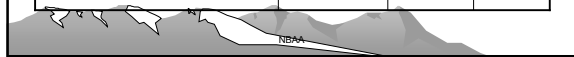
REPAYMENT BY PAYROLL DEDUCTION

- No procedural changes are necessitated by the introduction of Epicor, to the way in which deductions from salaries are initiated
- A salary journal will be passed in General Ledger charging the salary expense account with the gross pay and funding the net salary and salary deduction accounts as explained below:-

REPAYMENT BY PAYROLL DEDUCTION - ctd

Fund Net & Deduction Accounts	Account Code	DR	CR
Gross Pay Expense Account	25xxx	200,000	
Salary Deduction Personal Accounts	2305xx		20,000
Salary Advance Deductions Clearance Account	2305xx		30,000
Net Salary Expense	2305xx		150,000

REPAYMENT BY PAYROLL DEDUCTION - ctd

- Salaries and amounts due to external creditors will then be paid through Accounts Payable module as follows:-

Advance-Payment Voucher	Account Code	Dr	Cr
Net Salary Expenses	2305xx	150,000	
Staff Accounts Payable	504010		150,000

REPAYMENT BY PAYROLL DEDUCTION - ctd

- On cheque production, the following journal entry will be passed:-

	Account Code	Dr	Cr
Staff Accounts Payable	504010	100,000	
Cash Book Account	2308xx		100,000

REPAYMENT BY PAYROLL DEDUCTION - ctd

- The net salary payment will have the following entry:-

Net Salary Payment	Account Code	Dr	Cr
Staff Account Payable	504010	150,000	
Cash Account	2308xx		150,000

REPAYMENT BY PAYROLL DEDUCTION - ctd

External Deduction Voucher	Account Code	Dr	Cr
Salary Deduction Clearance Accounts	2305xx	20,000	
Salary Deduction Payable	50405x		20,000
External Deduction Payment			
Salary Advance Deductions Clearance Accounts	50405x	20,000	
Cash Account	2308xx		20,000
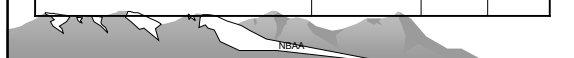
REPAYMENT BY PAYROLL DEDUCTION - ctd

- A credit memo will then be entered repaying the amount deducted for repayment of the advance/loan as follows:-

Repayment of Advance			
Staff Advance Deductions Clearance A/C	2305xx	30,000	
Salary Advance Control	801030		30,000

REPAYMENT BY PAYROLL DEDUCTION - ctd

- The process taking place shall be as follows:-
- Salary Deduction amount----Prepare Salary Voucher by, Dr. Gross Pay and Cr. Advance deduct Holding A/C-------Post Salary voucher-----Prepare Credit Memo in Accounts Receivable-----Post Credit Memo by Dr. advance Deduct hold A/C and Cr. Staff advance A/C

REPAYMENT BY PAYROLL DEDUCTION – Cash Payments

Cash Repayment – Receipt Voucher	Account Code	Staff Cheque	DR	Cr
Salary Advance Account	801030	123456		92,000
Cash Book Account	23xxxx	-	92,000	

INTEREST CHARGES

- Councils may charge interest on advances as penalties for defaulting on agreed repayment schedules

Interest Charge- Invoice	Account Code	Staff Check	Dr	Cr
Salary Advance Control Account	801030	123456	6,500	
Finance Dept- Interest received Account	29xxxx			6,500

WRITE-OFF OF IRRECOVERABLE ADVANCES

- Debts which are deemed irrecoverable and have formally been approved for write off need to be cancelled in the Accounts Receivable module.
- The accounting entries will be generated through a Credit memo as follows:-

WRITE-OFF OF IRRECOVERABLE ADVANCES - ctd

Advance Write-off- credit memo	Account code	Staff Cheque	Dr	Cr
Salary Advance Control Account	801030	123456		23,000
Finance Dept – write-off expense Account	29xxx		23,000	

CHECKS, BALANCES AND CONTROLS

- A number of checks must be carried out regularly to ensure that the system is being properly operated and maintained eg
  - Salary Holding accounts – balance should be zero
  - Advance Holding Accounts – balance should also be zero
  - Advance Control Account – balance in the GL must agree with the total of all individual "advance debtors" from the Accounts Receivable module.

NBAA

SESSION SIX

THE PROCUREMENT AND STORES MANAGEMENT IN LOCAL GOVERNMENT AUTHORITIES

THE PROCUREMENT LEGAL FRAMEWORK IN TANZANIA

- Constitution of URT ArticLes,27,145,146
- The Local Government Finances Act no.9 of 1982-(S.65)
- The Public Procurement Act no.21 of 2004-(S.28)
- Local Government Procurement Regulations ,2002

Planning the Procurement

- All procurement of consultancy, goods and services should be derived from the LGA Procurement Plan and Budget.

Council Tender Board

- Composition (R5-LGPGWR 2002)
  - Chairman-Council Director
  - Council treasurer
  - HOD –Dept which is doing procurement
  - District Administrative Secretary
  - Other two HoDs appointed by CD

METHODS OF PROCUREMENT

- International competitive tendering
- National competitive tendering
- Restricted tendering
- International/ national shopping
- Single source procurement

Purchasing (ordering)

- Receive quotations
- Prepare LPO
- CA approves and prints LPO
- Return LPO to SO
- Send LPO to Supplier
- Receive goods

STORES

- Receipt of stores
  - Procedures
  - Examination
  - recording
- Stores accounting
  - Stores vouchers
  - Stores ledger

NBAA 7

PAYMENTS FOR GOODS AND SERVICES

- All payment through bank account
- Separate cash book mirrors for each bank account
- No payment without proper supporting documents

NBAA 8

Payment Voucher

- Name and address
- Details of goods/services
- Quantities, rates, etc
- LPO reference
- Invoice number
- Total amount due to supplier

- Authority for expenditure
- Confirmation of funds availability
- Coding, chart of accounts,
- Authorization
- Other supporting docs

NBAA 9

Setting up Vendor Records

- Does vendor record exist of this supplies?
  - Yes –Re-use Reference number
  - No-Create new vendor reference
  Types of suppliers
  - Employees
  - Supplies
  - Utilities & services
  - Other

NBAA 10

Payment process

- Enter payment voucher in AP
- Verification (pre-audit) & approval by Manager
- Generate payment
- Approve payment
- Print cheques
- Sign cheques
- Post
- Document retention

NBAA 11

THE END

THANK YOU!

NBAA 12

SESSION SEVEN

PROCEDURES FOR CLOSING BOOKS OF ACCOUNT

LOCAL AUTHORITY FINANCIAL MEMORANDUM

- Accounts shall be prepared on the basis of accruals principle
- Accounts to be prepared within 3 months of financial year-end.
- Financial statements stated
- Supporting schedules to be made available

PROCEDURES

- Financial year ends 30th June
- Rectify any imbalances and coding errors
- Reconcile all cash books
- Reconcile Subsidiary Ledgers with General Ledger
- Make final adjustments journal entries

Stock Taking and Fixed Assets verification.

- documents should be prepared
- briefings for personnel who will participate
- Stores should be prepared
- Update inventory and fixed assets registers

Close payroll & Pass the final journal

- Prepare payroll returns
- Post the payroll journal to GL

Closing activities

- Stocks of postage and revenue stamps are verified.
- Petty cash and imprest surrendered to the cashier, receipted and banked
- Obtain bank statements
- Bank Balance confirmation
- Post and close all cashbooks
- Prepare bank reconciliation

Closing activities

- Close the subsidiary ledgers and extract schedules
- . Pass journal entries to reflect accruals, adjustments and provisions.
- finalise trial Balances for all cost centres.
- Reconcile schedules of subsidiary Ledgers with GL control account
- Compute annual depreciation

7

Closing activities

- Ascertain – possible contingencies
- Review final adjustment journal entries.
- Post final journal entries to the GL
- Close the GL and extract a Trial Balance.

8

Prepare draft financial statements.

- Ascertain that all schedules are prepared, adequately reconciled, and support the draft financial statements.
- Submit draft accounts to Management for review and comments.
- All supporting schedules and explanatory notes are re-checked and verified.
- Consider events subsequent to Balance sheet date.
- Review final draft financial statements and incorporate management comments and events subsequent to Balance sheet date.

9

AUDITING

- Send draft financial statement to External Auditors and invite them to start the audit.
- Ensure that all documents required for audit are ready

10

The end!

Thank you!

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SESSION EIGHT

FINANCIAL STATEMENTS FOR LOCAL GOVERNMENT AUTHORITIES

Objectives

- Give stakeholders clear information about the authority's activities.
- Make it easier for stakeholders to make comparisons of and judgements on the performance of their authorities.
- Help elected members form judgements about the performance of their authorities.

Consolidated Recurrent Account (FS)

- Total corporate receipts by main type.
- Net recurrent expenditure of main services
- Total net recurrent expenditure
- Surplus or deficit

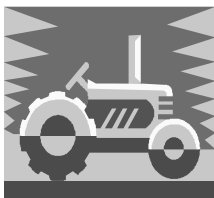# Consolidated Balance Sheet

- Fixed assets
- Current assets/current liabilities
- Other assets/liabilities
- Authority net worth
- Fund balances

Capital Expenditure

- **Amounts of major individual projects**

ACCOUNTING POLICIES

- Corporate receipts, customer and client receipts
- Employee costs
- Unremitted Statutory and Other Deductions
- Supplies and Services

ACCOUNTING POLICIES CTD

- Interest
- Contingencies
- Adjustments
- Fixed Assets
- Revaluations
- Disposals
- Transfers of Assets
- Charges to Revenue

7

ACCOUNTING POLICIES CTD

- Government and donor Grants
- Investments
- Overheads
- Pension Costs
- Post Balance sheet Events
- Reserves and Provisions
- Provisions for Bad and Doubtful Debts

8

THE STATEMENT OF ACCOUNTS

- The Treasurer's Report

- The Accounting statements

- Notes to the Accounts

9

Accounting statements

- The Consolidated Recurrent Account
- Fund summary Recurrent accounts
- Service and Responsibility Centre Recurrent accounts
- The Consolidated Balance sheet
- Fund Balance sheets
- Cash Flow Statements

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Consolidated Recurrent Account (1)

- **Corporate Receipts**
- Receipts in respect of land taxes, development levy, city services levy, business licences, general central government transfers and other receipts not directly attributable to the operation of a service.
- Percentage of total corporate receipts each source represents.
- Sub-total of corporate receipts

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Consolidated Recurrent Account (2)

Service Financial Data
- Gross expenditure (including provisions and exceptional items, if any) of each service/department with personnel, operations and repairs, alterations and maintenance costs separately identified.
- Percentage of total authority gross expenditure allocated to personnel, operations and repairs, alterations and maintenance.
- User charge and other service related receipts for each service/department.
- Surplus or deficit of each service/department
- Level of self financing for each service/department in percentage terms
- Sub-total of net cost of services/departments

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Consolidated Recurrent Account (3)

Corporate Adjustments
- Net current surplus or deficit
- Surplus or deficit on trading undertakings, including dividends from companies where not included above
- Interest earned and interest paid
- Extraordinary items/prior year adjustments
- Net corporate surplus/deficit

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Consolidated Recurrent Account (4)

- **Fund Status**
- Total of fund balances brought forward
- Contributions to and from reserves (optional)
- Total of fund balances carried forward. Exp

14

Fund Summary Recurrent Accounts

- Summary recurrent accounts are similar in format to the consolidated recurrent account but present the financial position of a single fund rather than the whole local authority.

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Responsibility Centre and Service/Department Recurrent Accounts

It should follow the standard GFS form of accounts and show:
- The Mission Statement
- For each vote head
- Prior year actual receipts or expenditure
- Accounting year approved budget
- Accounting year actual receipts or expenditure
- Sub-totals and percentage of total gross expenditure for
- Service receipts
- Employees expenditure
- Premises related expenditure
- Goods and services
- Recurrent maintenance
- Transfers
- Net surplus or deficit
- Percentage variance between actual and budget

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Consolidated Balance Sheet- disclosures

- Fixed assets
- Long term investments
- Current assets
- Short term investments
- Cash at bank and in hand
- Current liabilities
- Creditors
- Capital Discharged
- Fund balances
- Reserves
- General fund balances

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Cash Flow Statements

- **Recurrent Activities**
- **Service of Finance**
- **Capital Activities**
- **Financing**

18

3

PRODUCTION OF FINANCIAL REPORTS

- Monthly Report
- Quarterly Report
- Annual Accounts and Report

The end!

Thank you!

SESSION NINE

LOCAL GOVERNMENT CAPITAL DEVELOPMENT GRANT SYSTEM (LGCDG)

COVERAGE

- Rationale
- The Capacity Building Grant
- The Capital Development Grant
- Implementing the LGCDG System
- Oversight Mechanism
- Flow of funds
- The LGCDG Cycle

Rationale

The ultimate objective of the LGCDG system is to contribute to the goals and objectives laid down in the 2025 Development vision, the MKUKUTA and the decentralization policy:

It is expected that the introduction and eventual nationwide consolidation of the system will enable LGAs to delivering improved infrastructure and services relevant to its citizens.

The LGCG system has been designed to provide for a transparent and performance based system for allocation of development grants to local government authorities in Tanzania.

The system introduces two separate grant mechanisms: the Capacity building Grant (CBG) and the Capital Development Grant (CDG).

The two grant programmes are mutually supportive as activities financed under the CBG ultimately will enable the LGAs to better meet the Minimum Conditions controlling access to the CDG.

The system is innovative as it unifies and consolidates a number of parallel funding channels for local government development grants.

All Local Government Authorities are in principle eligible for CBGs and CDG s.

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The Capacity Building Grant (CBG)

Investment Menu
- The CBG is designed to support training and capacity building activities targeting LGA leaders and administrative staff throughout Tanzania.

8

Training courses are currently being developed under the responsibility of PO-RALG to meet the immediate training needs of LGAs faced with the task of implementing the LGCDG system. These courses are expected to cover the following areas:

9

- LGA legislation, Roles and Responsibilities;
- Management and Leadership Skills in LGA
- LGA Budgeting and budget Management
- LGA Financial Management and Control;
- Procurement and Contract Management;
- LGA Revenue Mobilization and O & M Budgeting;

10

- LGA Development Planning and Strategic Planning;
- Project Preparation, Investment, Appraisal, and safeguard policies;
- Project Monitoring and Evaluation;
- Data Collection, Information Management and Record Keeping; and
- Human Resource Management in LGAs;

11

It is expected that the training needs of the LGAs will change as the LGAs draw experiences from implementing the LGCDG system. Accordingly, the training menu will become increasingly demand-led throughout the 3-year implementation period.

12

2

Grant Access Criteria

In order to qualify for the Capacity Building Grant, LGAs must provide:

1. A Capacity Building Plan; and
2. Timely submitted reports on utilization of any previously received CBGs

(applicable from year two earliest).

13

Resources

The LGCDG system is funded through the Government Budget, a World Bank loan (LGSP), and through earmarked funds from a number of bilateral DPs channeled through the LGRP CBF.

The CBG will be allocated horizontally between the eligible LGAs according to the approved determinants:

14

The Capital Development Grant - Investment Menu

The CDG will enable LGAs to finance infrastructure construction and rehabilitation in accordance with a centrally established investment menu.

15

Councils are requested to spend 80% of the grant within key poverty reduction areas, as defined in the MKUKUTA. This ensures clear link between the LGCDG system and the general policy strategy and framework.

16

Examples of projects financed at HLG level include, by sector:
- Water supply: Solar and wind-powered pumps;
- Sanitation: Septic tanks;
- Education: Classrooms;
- Health: Health centres;
- Roads: District road bridges; and
- Administration: Ward offices.

17

Examples of projects financed at LLG level include, by sector:
- Water supply: Small water storage schemes;
- Sanitation: Septic tanks;
- Education: Classrooms;
- Health: Maternity houses for single parents;
- Roads: Rehabilitation of rural access roads; and
- Administration: Market places.

18

Finally, LGAs should take note that the CDG cannot be used for any of the following expenditure categories:

- Salaries and recurrent costs;
- Micro-credit;
- Land purchase; and
- Transport costs (only under certain conditions).

19

Minimum Conditions

In order to qualify for the CDG, LGAs will further have to satisfy a number of Minimum Conditions (MCs). The MCs are easily verifiable and concern LGA capacities and standards with regard to:

20

A. Financial management
B. Fiscal management
C. Planning and budgeting;
D. Procurement;
E. Council's functional   processes; and
F. Project implementation, monitoring, and evaluation capacity.

21

The principle behind the MCs is to ensure that funds are properly used and in compliance with GoT requirements, as derived from laws, regulations, and guidelines.

22

Resources

The total CDG pool is calculated as the total population of the LGAs that have passed the Minimum Conditions multiplied by USD1.50. Consequently, the size of the CDG for each qualified LGA will on average correspond to the size of their population multiplied by USD1.5.

23

The participating LGAs are required to provide co-financing corresponding to minimum 5% of the CDG amount from year 2 onwards. The requirement is introduced on the following grounds:

24

- To promote LGA ownership and commitment to the investments;
- To establish clear linkage between costs and benefits of LGA services;
- To ensure long-term sustainability of the investments;
- To strengthen incentives for raising revenue collection; and
- To direct the attention of LGAs towards development investments.

25

Implementing the LGCDG System PO-RALG

PO-RALG is responsible for implementing the LGCDG system. The responsibility rests specifically with the Director for LG.

The Director's responsibilities include:

26

- Coordination of the overall implementation;
- Preparation and implementation of work plans, preparation of budgets and semi-annual progress reports;
- Timely disbursement of funds;
- Financial management and reporting;
- Procurement;

27

- Audit follow-up where required;
- Monitoring and evaluation; and
- Management of environmental and social impacts in coordination with NEMC. RSs will, as part of its existing duties, support PO-RALG in monitoring and advising LGAs as appropriate.

28

District and sub-district level

Implementation structures at district and sub-district level follow standard GoT procedures.

29

Participation Agreement

The implementation of the system is for each Council subject to signature of a Participation Agreement.

Two separate agreements have been developed: One for all Councils other than those that are part of the LGSP Universe.

The second agreement applies exclusively to Councils that are part of the LGSP Universe.

30

The Agreement stipulates the main definitions and grant conditions as described above. The Agreements also set out the specific obligations of the two parties and the government's rights and remedies.

Oversight Mechanism

The following oversight bodies are in place at central level: the LGCDG Steering Committee, the LGCDG Technical Committee, and the LG Capacity Building Consultative Group.

LGCDG Steering Committee

The LGCDG Steering Committee meets at least quarterly an is comprised of the following members:
- PS PMO, chair; PS PO-PP; PS MoF;
- PSs of five sector ministries (i.e. MoWLD, MoH, MoEC,
- PS MoLHS; MoW, MoAFS);
- PS of any other Ministry if deemed necessary; and
- PS PO-RALG (Secretariat).

The Steering Committee takes decisions following established GoT practice and is responsible for:
- Discussing and approving changes in allocation formulae and procedures;
- Approving assessment reports and identifying LGAs meeting grant access criteria;
- Making final administrative decisions on appeal;
- Approving LGA grant allocations;
- Approving changes to the Assessment Manual.

LGCDG Technical Committee

The LGCDG Technical Committee meets at least quarterly and is comprised of the following members:
- DPS PO-RALG (chair)
- Director of LG (secretariat),
- Heads of Department from MoF, PO-Planning and Privatisation, the 5 sector ministries (i.e. MoWLD, MoH, MoEC, MoW, MoAFS) and MLHSD;

- Management team PO-RALG, LGRP Programme Manager and relevant Outcome managers;
- ALAT;
- NEMC;
- Selected LGA representatives; and
- Contributing DP representatives.

The Technical Committee will have meetings with a broad representation of members and strive to reach consensus regarding the recommendations to be made to the PS, PO-RALG. The TC will perform the following functions:

Share experiences on the LGCDG system design and make relevant recommendations on the Assessment Manual, the assessment process, allocation formulae etc. to the PS, PO-RALG or through the PS, PO-RALG to the Steering Committee as appropriate;

- Review work plans, budgets and progress reports for the LGCDG system (including the CBG and CDG) as well as annual assessment reports, and make recommendations on the basis of the benchmarks to the PS, PO-RALG or through the PS PO-RALG to the SC and interested Development Partners.

Local Government Capacity Building Consultative Group

The LG Capacity Building Consultative Group, which includes major CG and LG stakeholders, has been established to discuss :
- LGA Capacity needs;
- Standardization of training materials;
- Mechanisms of quality assurance; and
- Coordination.

Flow of funds

The LGCG system allocates development grants to LGAs.

Funds are provided to LGCDG from different sources through different funding modalities, all resources are channeled into one funding pool, the Consolidated Fund of the government of Tanzania.

DPs will release funds to the Consolidated Fund according to their specific financial agreements with the Government of Tanzania.

The LGCDG Steering Committee approves release of funds from the Consolidated Fund to the LGAs. Fund release is for the initial transfer subject to LGA submission of satisfactory Development Plan and budget and ability to meet the grant access minimum conditions and, for subsequent transfers, also subject to satisfactorily financial and physical progress reporting.

43

Technically, funds will be released from the Consolodated Fund following PO-RALG requests to the Ministry of Finance/Treasury.

The flow of funds is depicted overleaf:

44

Figure 2 LGCDG SYSTEM: Flow of Funds

45
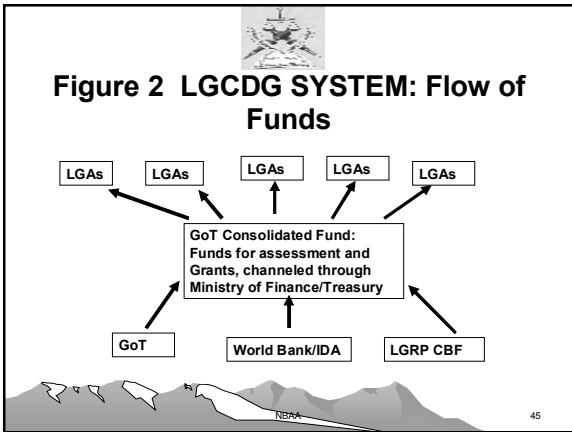
The LGCDG Cycle

The LGCDG cycle, depicted in Figure 3 overleaf, describes the steps to be followed for implementing the Capacity Building and Capital Development Grants under the LGCDG system.

46

- *Assessment*
- *Planning and budgeting*
- Implementation of the Capacity Building Plan
- Reporting
- Audit
- Evaluation and impact assessment

47

The LGCDG Cycle

48
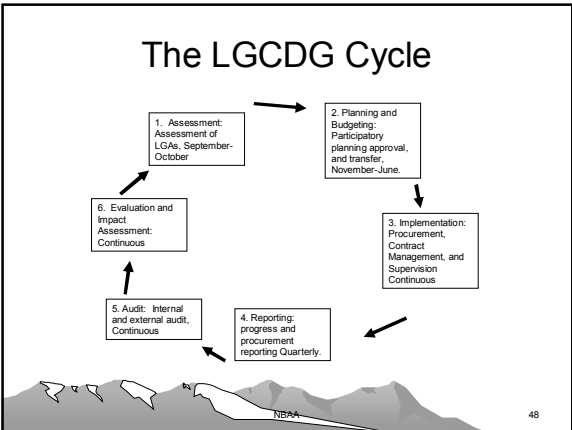
THANK YOU FOR LISTENING!

**SESSION 10
THE ROLE OF INTERNAL
AUDIT IN LGAs**

Coverage

- **Internal Auditing Theory and Role**
- **Internal Control Systems In LGAs**
- **Internal Audit Planning and Quality Control**
- **Value for Money Audit**
- **Fraud Investigations**

Internal Auditing Theory and Role

What is Internal Auditing

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach in evaluating and improving the effectiveness of risk management, control, and governance processes.

The definition points out issues on Internal Audit Function:

- It is an *objective activity*- i.e. it can be provided in-house or be outsourced.
- It is an a*ssurance and consulting activity*
- Its scope is not just financial but it is concerned with key issues in *control, risk management, and governance*.

Legal Basis and Need for IAF in LGAs in Tanzania

- Section 45(1) of the Local Authority Finance Act No. 9 of 1982
- Local Authority Financial memorandum- Revised edition June 2004
- The Public Finance Regulations 2001: Regulation 28.

Roles and Functions of Internal Auditors in LGAs

- Review and report on the controls over revenues, custody of receipts, and utilization of financial resources

- Review the reliability and integrity of financial and operating data
- Assess the conformity with financial and operational policies and procedures
- Review and report the system in place for the safeguard of assets and their existence

- Review and report on operations and programmes of the LGA compared with budgets.
- Review and report of actions by Heads of Departments (HoDs) on audit reports
- Review and report on controls over computerised operations.

Internal Control Systems In LGAs

What is Internal Control System

The internal control system is defined as methods both financial and otherwise, which are established by LGA management to:

- Safeguard its assets
- Ensure reliability of records
- Promote operational efficiency; and
- Monitor adherence to policies and directives

Why Internal Controls are of Interest to the Internal Auditor

Internal audit's objective is to review the organization's system of internal control, provide assurance to the Finance, Administration, Planning Committee and Management.

i.e the IAF has to check:
- That controls in place are *adequate to guard against risks* identified

- That the controls are *operating effectively*

13

Categories and Types of Internal Controls

- Preventive controls: prevents risks from occurring (e.g. authorization)
- Detective controls: (detect if any problem have occurred e.g. reconciliations)
- Corrective controls: (address any problem that have occurred e.g. follow-up procedures).

14

• Characteristics of an Effective Internal Control System

- Honest, capable employees in place
- A clearly defined, formal plan of operation
- Separation or segregation of operations
- An appropriate system of authorization

15

- Sound accounting practices
- Adequate physical controls over assets and records
- Independent checks on performance.

16

Limitations on the Effectiveness of Controls

- Management see that the cost of implementing a control is far greater the benefits (*cost versus benefits*)
- There is a *collusion* between staff operating separate control functions
- There is human error or carelessness.

17

Ascertaining and Recording the System

- Ascertain using:
- Statues and regulations
- Interviews, observations and discussion
- Inspection and Internal Control Questionnaires (ICQs)

18

Record the system by:

- Narrative description
- Flowcharts
- Combination of notes and flowcharts

19

Evaluation of Controls

Evaluate the system by reference to control objectives:
- Completeness-is everything there?
- Existence/ occurrence - is it real?
- Valuation/ measurement – is it properly valued?
- Title – does it relate to the LGA?
- Disclosure – is it properly described?

20

Performing Compliance Tests

Compliance tests provide audit evidence that internal control procedures are being applied as prescribed:

•Look and inspect signatures. (Authorization).
•Observe and discuss the procedures.
•Make a critical assessment of reconciliations
•Check the documents within a sequence if they are actually with no omissions or duplications.

21

Internal Control Questionnaires

- ICQ is a compliance testing tool and seek direct and precise answers about *compliance* with expected procedures.
- Usually being answered YES/NO
- It is used as a checklist.
- Answers indicate a control weakness or strength.

22

Performing Substantive Tests

Also known as *weakness tests, they* are tests which usually are done after the compliance tests. They fall into two categories:

•Test of transactions and balances and
•Analytical reviews.

23

Internal Audit Planning and Quality Control

- Annual Audit Planning
- Planning for Individual Engagements
- Preliminary Survey
- Audit Programs
- Sampling Techniques
- Random Sampling

24

- Interval Sampling
- Cluster Sampling
- Collecting Good Audit Evidence
- Working Papers
- Quality Assurance of Audit Assignments

25

Audit **Procedures** in Key Systems in LGAs

Need for Preliminary Survey and Planning

Audit of specific systems and operations in the LGA should be preceded by the following issues:

26

- Preliminary survey for familiarization
- Annual/ Engagement Planning
- Specific audit programs and
- Establishment of quality control measures

27

Generic Systems in LGAs

- Purchase systems
- Income systems
- Wages and salaries systems
- Cash systems
- Fixed (non-current) Assets systems
- Stocks and stores systems

28

Cash Systems

- *Cash Receipts*
- *Cash Payment*
- *Bank Reconciliations*
- *Petty Cash*
- *Wages and Salaries Systems*
- **Fixed Assets**
- **Stores and Stocks**

29

Value for Money Audit

Meaning of VFM
- It seeks the balance between inputs consumed and the outputs produced.
- It is defined as the method of achieving a specified level of output at the most economical cost to maximize the benefits available at the lowest cost.

30

- LGAs use their funds to procure inputs (e.g. Staff time, and other resources),
- How the inputs are used to produce outputs (goods & services), and
- How the outputs produce outcomes (effects on users).

31

The 3Es

Economy
- Economy is related with the acquisition of resources on the best possible terms.
- Auditors try to determine whether the resources have been acquired:
  - in the right amount,
  - at the right place, and the right time,
  - of right kind and
  - At the right cost.

32

Efficiency

- It is the use of resources to achieve a given level of output.
- It is concerned with the relationship between inputs and outputs.
- The consideration is on both quality and quantity of both input and output.

33

Effectiveness

- Efficiency is concerned with the match between intents and outcomes.
- Effectiveness is asking as to whether the LGA is achieving its objectives

34

VFM Audits Scope and Areas for Audit

- VFM audits are suitable for areas like:
- The internal audit department
- Management services

35

- Data processing
- Manpower management
- Asset management
- Ordering and tendering procedures

36

6

Steps in VFM Audit

- *Planning*
- *Controls*
- *Documenting*
- *Testing*
- *Efficiency*
- *Effectiveness*
- *Investigation*

37

VFM Reporting

- Review results of interviews and data collection to identify any missing factors
- Divide conclusions into factual matters and those resting on opinion

38

- Ensure there is no error of facts as the higher the strategic value of the report the greater is the probability that political capital will be made to embarrass the auditor
- Base recommendations on content of the report

39

Fraud Investigations

- Fraud and Irregularities
- Reasons for Fraud
- Common Types of Frauds
- Internal Auditor's Responsibility in Detecting Fraud
- Techniques for Fraud Detection
- *Determining Risk of Fraud*

40

- *Understanding the Symptoms of Fraud*
- *Being Alert to the Symptoms of Fraud*
- *Investigating of a Fraud*
- *Important Precautions when Investigating Fraud*
- **Fraud Deterrence Measures**
- **Reporting Fraud**

41

The Five-Attributes Approach

The IIA International requires that the report should indicate:
- the engagement's objective,
- scope,
- applicable conclusions,
- recommendations,.

42

Reporting *specific audit units* the report may use the *5 attributes format* showing:

For example:
- Criteria, Condition,
- Cause Effect/ Risk Exposure
- Recommendation

THANK YOU FOR LISTENING !

THE UNITED REPUBLIC OF TANZANIA
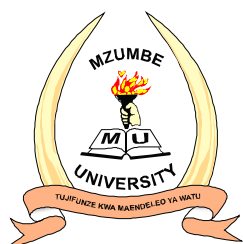
ACCOUNTANT GENERAL'S DEPARTMENT

Accountant General's Department- JICA Development Study Programme

Final Report on

INTRODUCTORY INTERNAL AUDIT TRAINING PROGRAMME

For Internal Auditors of Ministries, Independent Departments and Local Government Authorities.

MZUMBE UNIVERSITY

January, 2007

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ACKNOWLEDGEMENT

Many people/ organisations participated and helped in both the preparation and the implementation this programme on Introductory Internal Audit Course. Their contributions did not only result into the realization of the training programme objectives but also have greatly assisted in the preparation and production of this report.

In the first place, we are grateful to the JICA Development Study Programme and Ministry of Finance- Accountant General's Department for organizing the training programme and choosing Mzumbe University in particular to run this programme

We are also grateful to a number of officials Mr Nakagome and Victor (JICA Consultants); Ms Blandina Nyoni (Accountant General); Mr Aziz Kifile Assistant Accountant General- Financial Management Systems and Audit for their remarkable and valuable assistance in the entire process of planning and effecting the training programme let alone the preparation of this report.

Our sincere thanks also are accorded to all participants of the training programme for their cooperation through sharing of experiences in the sessions that lead to the successful delivery and accomplishment of the training objectives. Also all Accounting Officers of MDAs and LGAs for their warm welcome during the follow-up training of internal auditors.

The limited time and pages will not give us the opportunity to mention each and everyone who in one way or another has helped to the success of the programme. However, we appreciate every effort invested in this work.

LIST OF ABBREVIATIONS

CEO	-	Chief Executive Officer
IA	-	Internal Audit
IIA	-	Institute of Internal Auditors
JICA	-	Japan International Cooperation Agency
LGA	-	Local Government Authority
MDA	-	Ministry, Department and Agency
NBAA	-	National Board of Accountants and Auditor

EXECUTIVE SUMMARY

1.1 Introduction and training of internal auditors

This is a report on consultancy assignment on training of sixty (60) unexperienced or untrained government internal auditors focusing contents on the basic knowledge and skills required for government internal audit. The assignment was contracted by JICA/ Ministry of Finance to a team of consultants from Mzumbe University. The assignment was undertaken in Morogoro Town between September and October 2006. The training was attended by 49 participants i.e 24 participants from batch 1 and 25 participants from batch 2.

Generally all participants (100%) appreciated the course as good and very useful to them. Participants confirmed that the course will assist them to improve on internal audit practices in their work places.

1.2 Status of Internal Audit in the Government of Tanzania

During the training, an internal audit questionnaire survey for MDAs/LGAs was given to participants with a view to establish a rough picture of the status of internal audit function in the Government of Tanzania.

The general summary from the analysis of the questionnaire is:
o Internal audit departments in MDAs/LGAs are now starting (*though at very infant stage*) to function properly as majority of MDAs/LGAs have at least 2 auditors; prepare audit plans; prepare and submit both quarterly and annual reports to Accounting Officers; have plans to employ additional internal auditors;
o Positions held by internal auditors in the MDAs/LGAs range from Internal Auditor to Principal Internal Auditor. However majority are Internal Auditors Grade II and I;
o Majority of MDAs (68%) have established audit committees. However, none (0%) in all LGAs.
o Audit manual is followed to a 57.4% level
o Very little (19%) interaction amongst internal auditors of MDAs/LGAs
o Great need for additional training for internal audit to improve internal audit operations especially in the following priority areas:
  ➢ Auditing in computerized environment including epicor system of computerized accounting (*more than 95%*)
  ➢ Value for Money Audit
  ➢ International Audit Standards and Procurement
  ➢ Regular skills enhancement courses on contemporary internal audit issues building on other courses that have been offered
  ➢ Awareness training to Accounting Officers on contemporary issues of internal audit

1.3 Follow-Up Training to Government Internal Auditors

The follow-up training was carried out for 29 MDAS/LGAs (19 MDAs and 10 LGAs) for 2 days in each MDA/LGA starting from 30th November, 2006 to 17th January 2007. The MDAs/LGAs were selected based on distance and combinations of MDAs and LGAs. Five (5) consultants were involved in the follow-up training.

Generally across the board most of the key internal audit functional areas were found at the state where are being put for proper functioning after training and/or not yet started at all. So training was continued in all those areas at the respective MDAs/ LGAs.

On the positive side there is now greater recognition and appreciation (90%) of the internal audit function in the majority of MDAs/ LGAs. Internal Audits are now Directorates in the MDAs; copies of audit manual are available, some adequate working environment, preparation of audit programmes, reports and establishment of audit committees (though not functioning properly).

1.4 Conclusion and Recommendations

The Introductory Internal Audit training programme has broken a key milestone towards realization of the broad goal of internal audit reforms in the Government of Tanzania-improvement in the quality of government internal audit through equipping internal auditors with skills that will enable them carry out timely and quality internal audit and reporting

A number of issues have been identified which if properly addressed will contribute to that goal. While the identified strengths in internal audit functional areas in MDAs/ LGAs need to be noted for continuity, a key attention however, should be made on the issues that require improvement (areas of weaknesses). These issues also require support both from within and outside the MDAs/LGAs

The participants who have been exposed to the practical training on basic and new issues of contemporary internal audit should act as a catalyst towards improvement of internal audit operations in MDAs/LGAs and hence improved quality of internal audit operations in the country.

 Based on the above conclusion, it is recommended that:

- Training on Introductory/Intermediate Internal Audit to all government Internal Auditors is important. As the number of newly employed government internal auditors is large, a practical strategy/ methodology can be worked out between the office of the Accountant General and the training institution;
- Organise awareness workshop on contemporary issues of internal audit to Chief Executive Officers of MDAs/LGAs and selected Heads of Department (eg Finance; Administration, Information Technology). This will also help to sensitize more the

CEOs/ top management of MDAs/LGAs to provide office space for internal audit; allocate more resources to IA departments etc;

- Training in auditing through the computerized accounting system (epicor) to all internal auditors of MDAs/ LGAs is crucial;

- The functionality of Audit Committees in the MDAs/LGAs needs to be worked out so as make Internal Audit departments perform their duties efficiently and effectively.

1.0 BACKGROUND AND GENERAL INTRODUCTION TO THE ASSIGNMENT

The reform process of intrenal audit functions in the Government of Tanzania has resulted into a recategorasation of internal auditors in the Ministry, Department and Agencies (MDAs) and Local Government Authorities (LGAs) as well as recruiting hundreds of new internal auditors in the MDAs and LGAs at the beginning of 2006/07 financial year.

To that end, the Japan International Cooperation Agency (JICA) embarked upon two-years Development Study in July 2005. The Development Study includes sponsorship of various training programmes to be conducted in the 2006/07 financial year.

The newly recruited (unexperienced or untrained government internal auditors) require introductory training in line with the internal audit manual produced in 2005 while the experienced/ trained government internal auditors require, among other things, "soft -skills" such as presentation and report writing so as to make effective use of the internal audit for the improvement of the operations of the government (MDAs and LGAs).

The Accountant General's Department which is responsible for supervising the government internal audit launched the introductory and intermediate internal audit courses for internal auditors of the MDAs and LGAs in 2005/06. Similarly, in accordance with massive employment of government internal auditors in the 2006/07 financial year, there is need to conduct more introductory internal audit courses.

2.0 TERMS OF REFERENCE /OBJECTIVES OF THE ASSIGNMENT

The Terms of Reference of the Assignment were as follows:
- Carry out training of sixty (60) unexperienced or untrained government internal auditors focusing contents on the basic knowledge and skills required for government internal audit;
- Undertake administrative work i.e process the payment for perdiems and transport costs to the trainee as well as collecting questionnaires from the trainees after completing training;
- Carry out follow-up training of government internal auditors;
- Prepare reports- inception report; progress report and final report.

The expected overall objective to be achieved is improvement in the quality of government internal audit through equipping internal auditors with the skills that will enable them carry out timely and quality internal audit and reporting.

3.0 THE INTRODUCTORY INTERNAL AUDIT TRAINING-PROCESS, METHODOLOGY AND ISSUES

3.1 Training Facilitation, Dates and Venue

The training was conducted by Mzumbe University and it was carried out in Morogoro Town at Muslim University Executive Hall. It consisted of two batches each lasting for two weeks starting from 11th September to 6th October, 2006. The first batch started from 11th to 22nd September, 2006 and it was attended by 24 participants while the second batch started from 25th September to 6th October, 2006 and was attended by 25 participants (*See also Appendix for the detailed training report*)

The training was facilitated by five (5) consultants i.e messrs Peter Mbughuni, Alloyce Maziku, Ernest Mwasalwiba, Davis Meela and Gabriel Komba from Mzumbe University in collaboration with the Accountant General's Department. Invitation of participants to the training venue was done by the Accountant General's Department while the training and course administration was undertaken by Mzumbe University. This included organizing the training venue, participants' stationeries & training materials; delivery of training; lunch and refreshments and payment of participants' perdiems and transport costs.

3.2 Training Methodology

The training methodology emphasized on the acquisition of practical skills by participants. Where applicable, participants' entry knowledge and field skills were highly utilized. The theoretical content was kept at minimum and was used to provoke constructive discussions and experience sharing among the participants and trainers.

Thus, the main training methodology used were brief lectures, brainstorming/ questions and experience sharing through case studies, group discussions and mini- presentations.

3.3 Training contents and evaluation

Training contents for the two weeks course included the following:
Internal Auditing Overview and Contemporary Issues; Professional Standards and Ethics (local and International from the IIA) and legal basis in Tanzania; The Assurance and Consulting Services and related issues on independence; Interviewing Skills; Work Paper Documentation; Internal Controls nature, types and testing; Conduct of audit field work and Developing Audit Findings; Audit planning, risk assessment and programs; Audit of specialized transactions; Fraud investigations; Value for Money Audit; Procurement and Contract audit; Audit of computerized

accounts and basics of IT- audit; Report writing, Exit conferences and Presentation Skills

At the end of the course participants were given opportunity to evaluate the training effort. A total of twenty four (24) participants from the 1st batch attended the course while twenty five (25) from the 2nd batch attended the course. Out of 24 participants who attended the 1st batch course, 20 filled the evaluation forms. For the 2nd batch, 24 out of 25 filled the evaluation forms. 5 participants in total for both batches who didn't fill the evaluation forms had some official issues and/ or medical matters to attend at the time when the course evaluation was done.

Generally all participants (100%) appreciated the course as good and very useful to them. Participants confirmed that the course will assist them to improve on internal audit practices in their work places.

A summary of the participants' responses is shown herebelow:

Q No	Question	Batch	RESPONSES		
			Very Good/ Very Relevant/ Very Long	Good/ Relevant/ About Right	Not Good/ Not Relevant/ Too Short
1	Course Content	Batch 1	16 (80%)	4 (20%)	
		Batch 2	22 (92%)	2 (8 %)	
		Total	**38 (86%)**	**6 (14%)**	
2	Training Methodology	Batch 1	15 (75%)	5 (25%)	
		Batch 2	14 (58%)	10 (42%)	
		Total	**29 (66%)**	**15 (34%)**	
5	Course Professionalism	Batch 1	20 (100%)		
		Batch 2	18 (75%)	6 (25%)	
		Total	**38 (86%)**	**6 (14%)**	
8	Facilitators'/ Trainers' Effectiveness	Batch 1	14 (70%)	6 (30%)	
		Batch 2	18 (75%)	6 (25%)	
		Total	**32 (73%)**	**12 (27%)**	
9	Course Duration	Batch 1		8 (40%)	12 (60%)
		Batch 2		16 (67%)	8 (33%)
		Total		**24 (55%)**	**20 (45%)**
10	Course Administration	Batch 1	14 (70%)	6 (30%)	
		Batch 2	17 (71%)	7 (29%)	
		Total	**31 (71%)**	**13 (39%)**	

Generally other main issues regarding evaluation of training by both participants and trainers are as follows:

3.3.1 From Participants
o A well organized course
o There is need to have regular courses of this kind preferably twice a year
o Arrange also Intermediate/ Advanced Course for continuation
o Extend the course, especially contemporary practice of Internal Audit to Chief Executive Officers and other Directors/ Heads of Departments
o Implementation of issues discussed need support of senior staff/ top management
o Internal Audit computer software is also recommended
o Audit manuals should be provided to each internal auditor in their respective offices

3.3.2 From Trainers
o The participants were very serious and eager to learn on various internal audit issues. They participated well especially through questions and group discussions and as such it is expected that they gained much in terms of practical aspects surrounding internal audit operations in MDAs/ LGAs;
o Awareness Internal Audit Workshop (*Contemporary Practice and its Role to Achievement of Organisational Objectives and Governance*) to Chief Executive Officers, Directors/ Heads of Department is important. This workshop should be conducted immediately to go hand in hand with the training that has been provided to the technical staff. 2 to 3 days is proposed;
o The issues that have been raised by participants need also to be worked out for more improvement of internal audit operations.

4.0 STATUS OF INTERNAL AUDIT FUNCTION IN THE GOVERNMENT OF TANZANIA

4.1 Summary of Questionnaire Analysis
During the training, an internal audit questionnaire survey for MDAs/LGAs was given to participants. The objectives of the questionnaire were to:
o get input from MDAs and LGAs into development of the Government Internal Audit Training Programme and
o establish a rough picture of the status of internal audit function in the Government of Tanzania

The general summary from the analysis of the questionnaire is:
o Internal audit departments in MDAs/LGAs are now starting (*though at very infant stage*) to function properly as majority of MDAs/LGAs have at least 2 auditors; prepare audit plans; prepare and submit both

quarterly and annual reports to Accounting Officers; have plans to employ additional internal auditors;
o Positions held by internal auditors in the MDAs/LGAs range from Internal Auditor to Principal Internal Auditor. However majority are Internal Auditors Grade II and I;
o Majority of MDAs (68%) have established audit committees. However, none (0%) in all LGAs.
o Audit manual is followed to a 57.4% level
o Very little (19%) interaction amongst internal auditors of MDAs/LGAs
o Great need for additional training for internal audit to improve internal audit operations especially in the following priority areas:
  ➢ Auditing in computerized environment including epicor system of computerized accounting (*more than 95%)*
  ➢ Value for Money Audit
  ➢ International Audit Standards and Procurement
  ➢ Regular skills enhancement courses on contemporary internal audit issues building on other courses that have been offered
  ➢ Awareness training to Accounting Officers on contemporary issues of internal audit

4.1   Detailed Questionnaire Analysis

A total of fourty seven (47) participants from both introductory and intermediate internal audit courses filled in the questionnaire i.e 33 MDAs and 14 LGAs. The quantitative and qualitative analysis is as follows

(a)   Position held by the Participant in the MDA/LGA

Position Held	Number	%ge
Internal Auditors	30	64
Internal Auditors I	4	9
Internal Auditors II	5	10
Senior Internal Auditors	1	2
Principal Internal Auditors	1	2
Head- Internal Audit Department (LGAs)	4	9
Zonal Internal Auditor	1	2
Accountant III	1	2
Total	**47**	**100%**

(b) **Number of Internal Auditors Currently employed in MDA/LGA**

Response (Number of Auditors)	Number of MDAs/ LGAs	%ge
Do not know	1	2
1	5	11
2- 5	24	51
6-19	15	32
Above 10	3	4
Total	**47**	**100**

(c) **Plans to employ additional Internal Auditors**

Response	Expected No Of Auditors	Frequency (MDAs/LGAs)	%ge
This Year	1-2	3	6
Next Year	2-4	8	17
Do not know		36	77
Total		**47**	**100%**

(d) **When your Internal Audit Function was established**

Response (Years)	Number of MDAs/ LGAs	%ge
Do not know	34	72
Before 2000	6	13
After 2000	7	15
Total	**47**	**100%**

(e) **Is there an Audit Committee**

Regarding this question, 32 (68%) MDAs said YES; 11 (23%) MDAs and LGAs said NO and 4 (9%) MDAs and LGAs said DO NOT KNOW.

(f) **Internal Audit Plans Prepared in MDA/LGA**

Regarding this question, 45 (96%) MDAs and LGAs said YES and 2 (4%) MDAs said DO NOT KNOW.

(g)   How Often the Internal Audit Report is Submitted in the MDA/LGA

Response (time period)	Number of MDAs/ LGAs	%ge
Quarterly	40	85
Annually	6	13
Do Not Know	7	2
Total	**47**	**100%**

The reports are submitted to the Accounting Officers.

(h)   Internal Audit Manual Followed in the MDA/LGA when conducting audits

Response	Number of MDAs/ LGAs	%ge
Always	27	57
Sometimes	20	43
Total	**47**	**100%**

(i)   Do you Interact with Internal Auditors of Other MDAs or LGAs

Response	Number of MDAs/ LGAs	%ge
Yes	9	19
No	34	72
Do Not Know	4	9
Total	**47**	**100%**

For those who responded YES, area in which interact are through meetings, inviting themselves as observers during audit committees sessions and on interpreting complicated issues.

(j)   Have you ever been trained in the IA

Response	Number of MDAs/ LGAs	%ge
Yes	10	21
No	37	79
Total	**47**	**100%**

Those who said YES, they mentioned the previous training obtained like Course on Audit Manual by Local Government Reform Programme (2005); Foundation in Internal Auditing; Induction Course in Building Internal Audit Manual and NBAA Courses.

(k)   Do you think your MDA/LGA needs an additional training?

Response	Number of MDAs/ LGAs	%ge
Yes	45	96
No	1	2
Do Not Know	1	2
Total	**47**	**100%**

MDAs/ LGAs which said YES, indicated the following areas of training:
o Auditing in computerized environment including epicor system of computerized accounting (*more than 95%);*
o Value for Money Audit;
o International Audit Standards and Procurement;
o Regular skills enhancement courses on contemporary internal audit issues building on other courses that have been offered;
o Awareness training to Accounting Officers on contemporary issues of internal audit.

5.0   FOLLOW-UP   TRAINING   OF   GOVERNMENT   INTERNAL AUDITORS

5.1   Introduction

The programme on training on Introductory Internal Audit also provided for the follow-up training to government internal auditors two (2) to three (3) months after training. The overall objective of the follow-up training was to identify and analyse the effects of introductory and intermediate internal audit trainings that have been provided to government internal auditors (MDAs/ LGAs). Also on the basis of the identified problems and shortcomings, to assist the MDAs/ LGAs in rectifying problems and shortcomings and thus improve their capacity in ensuring quality internal audit functions/ operations. Areas that required assistance/ attention external to the MDAs/ LGAs were noted for recommendations.

5.2   MDAs/ LGAs Covered in the Follow-Up Training

The follow-up training was carried out for 29 MDAS/LGAs (19 MDAs and 10 LGAs) for 2 days in each MDA/LGA starting from 30th November, 2006 to 17th January 2007. The MDAs/LGAs were selected based on distance and

combinations of MDAs and LGAs. Five (5) consultants were involved in the follow-up training as follows:

S/N	MDA/ LGA	NAME OF CONSULTANT(S)	DATES
1	Ministry of Finance/ Accountant General	A. Maziku, P. Mbughuni, E. Mwasalwiba, D. Meela and G. Komba	30th Nov- 1st Dec 2006
2	Arusha City Council		4- 5th Dec 2006
3	Ministry of Foreign Affairs	Alloyce Maziku	20th Dec 06/ 9th Jan 07
4	Ministry of Health		22nd Dec 06
5	Tanga City Council		27th Dec 2006
6	Moshi Municipal Council		28th – 29th Dec 06
7	Ministry of Education and Vocational Training		19th – 20th Dec 06
8	PEDP- Dar-es- Salaam		21st Dec 06
9	High Court	Peter Mbughuni	22nd Dec 06
10	Ministry of Justice		27th Dec 06
11	Ministry of Defence Forces		28th – 29th Dec 06
12	Morogoro Municipal Council		
13	Kilosa District Council		19th Dec 06
14	Dodoma Municipal Council	Ernest Mwasalwiba	20th -21st Dec 06
15	Ministry of Natural Resources and Tourism		22nd and 27th Dec 06
16	Ministry of Energy		27th – 28th Dec 06
17	Ministry of Home Affairs		28th – 29th Dec 06
18	Ministries of Industries and Trade		
19	National Electoral Commission		19th Dec 06
20	Ministry of Water	Davis Meela	20th -21st Dec 06
21	Dar-es- Salaam City Council		22nd Dec 06
22	Ministry of Community Development		27th -28th Dec 06
23	Ministry of Lands		28th – 29th Dec 06
24	Ministry of Agriculture		19th – 20th Dec 06
25	Temeke Municipal Council		21st Dec 06
27	Law Reform Commission of Tanzania	Gabriel Komba	22nd Dec 06
28	Ministry of Science,Technology and Higher Educ		27th – 28th Dec06
29	Bagamoyo District Council		29th Dec 06
	Courtesy Call to National Audit Office	A. Maziku, P. Mbughuni, E. Mwasalwiba,	11/1/2007

5.3   Follow-up Training Process, Findings and Recommendations

5.3.1   Follow-Up Training Process
The follow-up training process started first with the introductions and briefing about the exercise at the office of the Chief Executive Officer.

The key methodology involved joint review of internal audit documents (eg internal audit plans, reports, files etc); demonstrations; and group discussions/ meetings.

The follow-up training process was guided the already prepared tool that summarized the internal audit functional areas. During the visit, the observed problems and/ or weaknesses (that required training) were discussed jointly with the relevant staff on how to go about rectifying them thus improve internal audit operations. The CEO was also briefed on the major key observations and recommendations.

5.3.2   Key Findings

(a) General on Organisational/ Logistics

- The planned programme of follow-up training was delayed for about 1.5 weeks due to some logistical problems especially late distribution of letters
- Also availability of trained participants was not that much smooth due to the fact that some were away on official duties and/ or on holidays.

Apart from the above challenges, the follow-up training at the MDAs/LGAs was generally good. All consultants received warm welcome and good cooperation and/or assistance required for the activity.

(b) Specific on Internal Audit Functional Areas

Generally across the board most of the key internal audit functional areas were found at the state where are being put for proper functioning after training and/or not yet started at all. So training was continued in all those areas (*indicated in weaknesses section below*) at the respective MDAs/ LGAs.

On the positive side there is now greater recognition and appreciation (90%) of the internal audit function in the majority of MDAs/ LGAs. Internal Audits are now Directorates in the MDAs; copies of audit manual are available, some adequate working environment, preparation of audit programmes, reports and establishment of audit committees.

The detailed strengths observed and weaknesses (areas trained) are summarized below:

Strengths

- Majority (more than 75%) of the MDAs/LGAs have one copy of internal audit manual;
- Adequate office space for internal audit department in some (50%) MDAs/ LGAs;
- Preparation of Annual/ Quarterly Internal Audit Plans in almost all MDAs/LGAs;
- Preparation of quarterly audit reports and submitted to the appropriate organs in majority of MDAs/ LGAs;
- Audit Committees have already been established in majority of MDAs;
- Arrangements for carrying out Value for Money Audit (eg procurement, roads etc) for some MDAs/ LGAs;
- Some specialized audits for recurrent expenditure, income and cash systems are carried out.

Weaknesses (Areas Trained/ Discussed for improvement of Internal Audit Functions)

- Lack of Organisation Structure/ Job descriptions for the Internal Audit Department for almost all MDAs/LGAs
- Audit committee not yet established in all LGAs;
- Established audit committee in all MDAs do not function properly;
- Internal Audit Guidelines (covering dressing manners, reporting to office, code of conducts etc) not yet prepared in majority of MDAs/LGAs;
- Inadequate work tools especially computer and manual (i.e need to produce more copies for each staff) in majority of MDAs/ LGAs;
- Audit working papers, internal control evaluation questionnaires not filed and/or performed in majority of MDAs/ LGAs;
- New role of internal audit not yet started in majority of MDAs/ LGAs (about 85%). Majority of other internal audit staff had never attended any skills enhancement internal audit training;
- Quarterly/annual internal audit reports have no requisite details in some MDAs/ LGAs;
- Procurement and contract audit not done in majority of MDAs/ LGAs
- Specialised audits for sensitive areas like wages and salaries; assets not done
- Meetings are done only when there is a special matter to address and minutes are not taken. No regular /periodical meetings;.
- Inadequate office space for internal audit department in some (50%) MDAs/ LGAs;
- Inadequate staffing for majority of MDAs/LGAs in respect of size and functions;
- Other internal audit staff not assigned duties to perform by their supervisors (in a few MDAs – 6%) i.e generally lack of managerial skills;

- A follow-up of recommendations made in previous reports is not reported in subsequent audit reports (in a few MDAs);
- Documents like the Public Procurement Act or Public Finance Act are not readily available to the auditors (in some MDAs).

5.3.3 Any Other Observations Noted/ General Comments from Participants

Other observations noted were:
- Availability of skilled and energetic internal audit staff at the MDAs/LGAs;
- The internal audit function is at least being recognized and appreciated in almost all MDAs/ LGAs;
- Majority of the auditors in almost all MDAs/LGAs have limited knowledge on auditing through the computerized accounting system (epicor).

General comments raised by internal audit staff:
- Awareness of contemporary issues of internal audit to Accounting Officers, all Internal Audit Staff and Heads of Department is crucial for creating good working environment in the MDAs/LGAs.

5.3.4 Recommendations
Based on the discussions and training during the visit, it is recommended that:
- Organise awareness workshop on contemporary issues of internal audit to Chief Executive Officers of MDAs/LGAs and selected Heads of Department (eg Finance; Administration, Information Technology).

- Train all internal auditors on epicor system so that they can audit through the system.

6.0 CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

The Introductory Internal Audit training programme has broken a key milestone towards realization of the broad goal of internal audit reforms in the Government of Tanzania- improvement in the quality of government internal audit through equipping internal auditors with skills that will enable them carry out timely and quality internal audit and reporting

A number of issues have been identified which if properly addressed will contribute to that goal. While the identified strengths in internal audit functional areas in MDAs/ LGAs need to be noted for continuity, a key attention however, should be made on the issues that require improvement (areas of weaknesses).

These issues also require support both from within and outside the MDAs/LGAs

The participants who have been exposed to the practical training on basic and new issue of contemporary internal audit should act as a catalyst towards improvement of internal audit operations in MDAs/LGAs and hence improved quality of internal audit operations in the country.

6.2 Recommendations

Based on the above conclusion, it is recommended that:
- Training on Introductory/Intermediate Internal Audit to all government Internal Auditors is important. As the number of newly employed government internal auditors is large, a practical strategy/ methodology can be worked out between the office of the Accountant General and the training institution;
- Organise awareness workshop on contemporary issues of internal audit to Chief Executive Officers of MDAs/LGAs and selected Heads of Department (eg Finance; Administration, Information Technology). This will also help to sensitize more the CEOs/ top management of MDAs/LGAs to provide office space for internal audit; allocate more resources to IA departments etc;
- Training in auditing through the computerized accounting system (epicor) to all internal auditors of MDAs/ LGAs is crucial;
- The functionality of Audit Committees in the MDAs/ LGAs needs to be worked out so as to make Internal Audit departments perform their duties efficiently and effectively.

THE UNITED REPUBLIC OF TANZANIA

ACCOUNTANT GENERAL'S DEPARTMENT

Accountant General's Department- JICA Development Study Programme

Final Report on

INTERMEDIATE INTERNAL AUDIT TRAINING PROGRAMME

For Internal Auditors of Ministries, Independent Departments and Local Government Authorities.

MZUMBE UNIVERSITY

January, 2007

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LIST OF ABBREVIATIONS

CEO	-	Chief Executive Officer
IA	-	Internal Audit
IIA	-	Institute of Internal Auditors
JICA	-	Japan International Cooperation Agency
LGA	-	Local Government Authority
MDA	-	Ministry, Department and Agency
NBAA	-	National Board of Accountants and Auditors

ACKNOWLEDGEMENT

EXECUTIVE SUMMARY

1.1 Introduction and training of internal auditors

This is a report on consultancy assignment on training of thirty (30) experienced or trained government internal auditors focusing contents, among other things, on the "soft skills" with regards to presentations, report writing, time management and leadership. The assignment was contracted by JICA/ Ministry of Finance to a team of consultants from Mzumbe University. The assignment was undertaken in Morogoro Town from 24th to 28th October 2006. The training was attended by 12 participants out of expected 30 participants. This was due to some logistical problems because majority of the participants received invitation letters at last minutes.

Generally all participants (100%) appreciated the course as good and very useful to them. Participants confirmed that the course will assist them to improve on internal audit practices in their work places.

1.2 Status of Internal Audit in the Government of Tanzania

During the training, an internal audit questionnaire survey for MDAs/LGAs was given to participants with a view to establish a rough picture of the status of internal audit function in the Government of Tanzania.

The general summary from the analysis of the questionnaire is:
o Internal audit departments in MDAs/LGAs are now starting (*though at very infant stage*) to function properly as majority of MDAs/LGAs have at least 2 auditors; prepare audit plans; prepare and submit both quarterly and annual reports to Accounting Officers; have plans to employ additional internal auditors;
o Positions held by internal auditors in the MDAs/LGAs range from Internal Auditor to Principal Internal Auditor. However majority are Internal Auditors Grade II and I;
o Majority of MDAs (68%) have established audit committees. However, none (0%) in all LGAs.
o Audit manual is followed to a 57.4% level
o Very little (19%) interaction amongst internal auditors of MDAs/LGAs
o Great need for additional training for internal audit to improve internal audit operations especially in the following priority areas:
  ➢ Auditing in computerized environment including epicor system of computerized accounting (*more than 95%*)
  ➢ Value for Money Audit
  ➢ International Audit Standards and Procurement
  ➢ Regular skills enhancement courses on contemporary internal audit issues building on other courses that have been offered
  ➢ Awareness training to Accounting Officers on contemporary issues of internal audit

1.3 Follow-Up Training to Government Internal Auditors

The follow-up training was carried out for 29 MDAS/LGAs (19 MDAs and 10 LGAs) for 2 days in each MDA/LGA starting from 30th November, 2006 to 17th January 2007. The MDAs/LGAs were selected based on distance and combinations of MDAs and LGAs. Five (5) consultants were involved in the follow-up training.

Generally across the board most of the key internal audit functional areas were found at the state where are being put for proper functioning after training and/or not yet started at all. So training was continued in all those areas at the respective MDAs/ LGAs.

On the positive side there is now greater recognition and appreciation (90%) of the internal audit function in the majority of MDAs/ LGAs. Internal Audits are now Directorates in the MDAs; copies of audit manual are available, some adequate working environment, preparation of audit programmes, reports and establishment of audit committees (though not functioning properly).

1.4 Conclusion and Recommendations

The Intermediate Internal Audit training programme has broken a key milestone towards realization of the broad goal of internal audit reforms in the Government of Tanzania-improvement in the quality of government internal audit through equipping internal auditors with skills that will enable them carry out timely and quality internal audit and reporting

A number of issues have been identified which if properly addressed will contribute to that goal. While the identified strengths in internal audit functional areas in MDAs/ LGAs need to be noted for continuity, a key attention however, should be made on the issues that require improvement (areas of weaknesses). These issues also require support both from within and outside the MDAs/LGAs

The participants who have been exposed to the practical training on basic and new issues of contemporary internal audit, time management and leadership should act as a catalyst towards improvement of internal audit operations in MDAs/LGAs and hence improved quality of internal audit operations in the country.

Based on the above conclusion, it is recommended that:

- Training on Introductory/Intermediate Internal Audit to all government Internal Auditors is important. As the number of newly employed government internal auditors is large, a practical strategy/ methodology can be worked out between the office of the Accountant General and the training institution;
- Organise awareness workshop on contemporary issues of internal audit to Chief Executive Officers of MDAs/LGAs and selected Heads of Department (eg Finance; Administration, Information Technology). This will also help to sensitize more the

CEOs/ top management of MDAs/LGAs to provide office space for internal audit; allocate more resources to IA departments etc;

- Training in auditing through the computerized accounting system (epicor) to all internal auditors of MDAs/ LGAs is crucial;

- The functionality of Audit Committees in the MDAs/LGAs needs to be worked out so as make Internal Audit departments perform their duties efficiently and effectively.

1.0 BACKGROUND AND GENERAL INTRODUCTION TO THE ASSIGNMENT

The reform process of intrenal audit functions in the Government of Tanzania has resulted into a recategorasation of internal auditors in the Ministry, Department and Agencies (MDAs) and Local Government Authorities (LGAs) as well as recruiting hundreds of new internal auditors in the MDAs and LGAs at the beginning of 2006/07 financial year.

To that end, the Japan International Cooperation Agency (JICA) embarked upon two-years Development Study in July 2005. The Development Study includes sponsorship of various training programmes to be conducted in the 2006/07 financial year.

The newly recruited (unexperienced or untrained government internal auditors) require introductory training in line with the internal audit manual produced in 2005 while the experienced/ trained government internal auditors require, among other things, "soft -skills" such as presentation and report writing so as to make effective use of the internal audit for the improvement of the operations of the government (MDAs and LGAs).

The Accountant General's Department which is responsible for supervising the government internal audit launched the introductory and intermediate internal audit courses for internal auditors of the MDAs and LGAs in 2005/06. Similarly, in accordance with massive employment of government internal auditors in the 2006/07 financial year, there is need to conduct more introductory internal audit courses.

2.0 TERMS OF REFERENCE /OBJECTIVES OF THE ASSIGNMENT

The Terms of Reference of the Assignment were as follows:
- Carry out training of thirty (30) experienced or trained government internal auditors focusing contents, among other things, on the "soft skills" with regards to presentations, report writing, time management and leadership;
- Undertake administrative work i.e process the payment for perdiems and transport costs to the trainee as well as collecting questionnaires from the trainees after completing training;
- Carry out follow-up training of government internal auditors;
- Prepare reports- inception report; progress report and final report.

The expected overall objective to be achieved is improvement in the quality of government internal audit through equipping internal auditors with the skills that will enable them carry out timely and quality internal audit and reporting.

3.0 THE INTERMEDIATE INTERNAL AUDIT TRAINING- PROCESS, METHODOLOGY AND ISSUES

3.1 Training Facilitation, Dates and Venue

The training was conducted by Mzumbe University and it was carried out in Morogoro Town at Muslim University Executive Hall. It was run from 24th to 28th October, 2006 and was attended by 12 participants. (*See also Appendix1 for the detailed training report*)

The training was facilitated by five (5) consultants i.e messrs Peter Mbughuni, Alloyce Maziku, Ernest Mwasalwiba, Davis Meela and Gabriel Komba from Mzumbe University in collaboration with the Accountant General's Department. Invitation of participants to the training venue was done by the Accountant General's Department while the training and course administration was undertaken by Mzumbe University. This included organizing the training venue, participants' stationeries & training materials; delivery of training; lunch and refreshments and payment of participants' perdiems and transport costs.

3.2 Training Methodology

The training methodology emphasized on the acquisition of practical skills by participants. Where applicable, participants' entry knowledge and field skills were highly utilized. The theoretical content was kept at minimum and was used to provoke constructive discussions and experience sharing among the participants and trainers.

Thus, the main training methodology used were brief lectures, brainstorming/ questions and experience sharing through case studies, group discussions and mini- presentations.

3.3 Training contents and evaluation

Training contents for the two weeks course included the following:
Contemporary practice of internal auditing, new roles and responsibilities; Assurance and consulting roles of internal auditors; Governance and risk management and role of internal audit function; Risk based audit work plans; Change management, communication and leadership role of an I/A; Internal Process Consulting skills for internal auditors; Planning, Coordinating and Managing the internal audit function, Time Management and Improving Audit Operations; Techniques of stakeholders management; Performance Auditing in the public sector; Compliance Auditing and Exposure to Rules and Regulations governing the public sector in Tanzania (Public Procurement Act, 2004) and Report Writing, Exit Conferences and Presentation Skills.

At the end of the course participants were given opportunity to evaluate the training effort. A total of twelve (12) participants attended the course. Out of 12 participants who attended course, 11 filled the evaluation forms. 1 participant who didn't fill the evaluation form had to attend medical treatment at the time when the course evaluation was done.

Generally all participants (100%) appreciated the course as good and very useful to them. Participants confirmed that the course will assist them to improve on internal audit practices in their work places.

A summary of the participants' responses is shown herebelow:

Q No	Question	RESPONSES		
		Very Good/ Very Relevant/ Very Long	Good/ Relevant/ About Right	Not Good/ Not Relevant/ Too Short
1	Course Content	4 (36%)	7 (64%)	
2	Training Methodology	4 (36%)	7 (64%)	
5	Course Professionalism	7 (64%)	4 (36%)	
8	Facilitators'/ Trainers' Effectiveness	4 (36%)	7 (64%)	
9	Course Duration		4 (36%)	7 (64%)
10	Course Administration	3 (27%)	8 (73%)	

Generally other main issues regarding evaluation of training by both participants and trainers are as follows:

3.3.1 From Participants
o A well organized course
o There is need to have regular courses of this kind preferably twice a year
o Arrange also Intermediate/ Advanced Course for continuation
o Extend the course, especially contemporary practice of Internal Audit and Change Management to Chief Executive Officers and other Directors/ Heads of Departments

3.3.2 From Trainers
o The participants were very serious and eager to learn on various internal audit issues. They participated well especially through questions and group discussions and as such it is expected that they gained much in terms of practical aspects surrounding internal audit operations in MDAs/ LGAs;
o Awareness Internal Audit Workshop (*Contemporary Practice and its Role to Achievement of Organisational Objectives and Governance*) to Chief Executive Officers, Directors/ Heads of Department is important. This workshop should be conducted immediately to go hand in hand

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with the training that has been provided to the technical staff. 2 to 3 days is proposed;

o The issues that have been raised by participants need also to be worked out for more improvement of internal audit operations.

4.0 STATUS OF INTERNAL AUDIT FUNCTION IN THE GOVERNMENT OF TANZANIA

4.1 Summary of Questionnaire Analysis

During the training, an internal audit questionnaire survey for MDAs/LGAs was given to participants. The objectives of the questionnaire were to:

o get input from MDAs and LGAs into development of the Government Internal Audit Training Programme and

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o Very little (19%) interaction amongst internal auditors of MDAs/LGAs

o Great need for additional training for internal audit to improve internal audit operations especially in the following priority areas:

> Auditing in computerized environment including epicor system of computerized accounting (*more than 95%*)

> Value for Money Audit

> International Audit Standards and Procurement

> Regular skills enhancement courses on contemporary internal audit issues building on other courses that have been offered

> Awareness training to Accounting Officers on contemporary issues of internal audit

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4.1 Detailed Questionnaire Analysis

A total of fourty seven (47) participants from both introductory and intermediate internal audit courses filled in the questionnaire i.e 33 MDAs and 14 LGAs. The quantitative and qualitative analysis is as follows

(a)   Position held by the Participant in the MDA/LGA

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(c)   Plans to employ additional Internal Auditors

Response			
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Regarding this question, 45 (96%) MDAs and LGAs said YES and 2 (4%) MDAs said DO NOT KNOW.

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Response (time period)	Number of MDAs/ LGAs	%ge
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The reports are submitted to the Accounting Officers.

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Do Not Know	4	9
Total	**47**	**100%**

For those who responded YES, area in which interact are through meetings, inviting themselves as observers during audit committees sessions and on interpreting complicated issues.

(j)   Have you ever been trained in the IA

Response	Number of MDAs/ LGAs	%ge
Yes	10	21
No	37	79
Total	**47**	**100%**

Those who said YES, they mentioned the previous training obtained like Course on Audit Manual by Local Government Reform Programme (2005); Foundation in Internal Auditing; Induction Course in Building Internal Audit Manual and NBAA Courses.

(k)   Do you think your MDA/LGA needs an additional training?

Response	Number of MDAs/ LGAs	%ge
Yes	45	96
No	1	2
Do Not Know	1	2
Total	**47**	**100%**

MDAs/ LGAs which said YES, indicated the following areas of training:
o Auditing in computerized environment including epicor system of computerized accounting (*more than 95%);*
o Value for Money Audit;
o International Audit Standards and Procurement;
o Regular skills enhancement courses on contemporary internal audit issues building on other courses that have been offered;
o Awareness training to Accounting Officers on contemporary issues of internal audit.

5.0 FOLLOW-UP TRAINING OF GOVERNMENT INTERNAL AUDITORS

5.1 Introduction

The programme on training on Intermediate Internal Audit also provided for the follow-up training to government internal auditors two (2) to three (3) months after training. The overall objective of the follow-up training was to identify and analyse the effects of introductory and intermediate internal audit trainings that have been provided to government internal auditors (MDAs/ LGAs). Also on the basis of the identified problems and shortcomings, to assist the MDAs/ LGAs in rectifying problems and shortcomings and thus improve their capacity in ensuring quality internal audit functions/ operations. Areas that required assistance/ attention external to the MDAs/ LGAs were noted for recommendations.

5.2 MDAs/ LGAs Covered in the Follow-Up Training

The follow-up training was carried out for 29 MDAS/LGAs (19 MDAs and 10 LGAs) for 2 days in each MDA/LGA starting from 30th November, 2006 to 17th January 2007. The MDAs/LGAs were selected based on distance and combinations of MDAs and LGAs. Five (5) consultants were involved in the follow-up training as follows:

S/N	MDA/ LGA	NAME OF CONSULTANT(S)	DATES
1	Ministry of Finance/ Accountant General	A. Maziku, P. Mbughuni, E. Mwasalwiba, D. Meela and G. Komba	30th Nov- 1st Dec 2006
2	Arusha City Council		4- 5th Dec 2006
3	Ministry of Foreign Affairs		20th Dec 06/ 9th Jan 07
4	Ministry of Health	Alloyce Maziku	22nd Dec 06
5	Tanga City Council		27th Dec 2006
6	Moshi Municipal Council		28th – 29th Dec 06
7	Ministry of Education and Vocational Training		19th – 20th Dec 06
8	PEDP- Dar-es- Salaam		21st Dec 06
9	High Court	Peter Mbughuni	22nd Dec 06
10	Ministry of Justice		27th Dec 06
11	Ministry of Defence Forces		28th – 29th Dec 06
12	Morogoro Municipal Council		
13	Kilosa District Council		19th Dec 06
14	Dodoma Municipal Council	Ernest Mwasalwiba	20th -21st Dec 06
15	Ministry of Natural Resources and Tourism		22nd and 27th Dec 06

16	Ministry of Energy		27th – 28th Dec 06
17	Ministry of Home Affairs		28th – 29th Dec 06
18	Ministries of Industries and Trade		
19	National Electoral Commission	Davis Meela	19th Dec 06
20	Ministry of Water		20th -21st Dec 06
21	Dar-es- Salaam City Council		22nd Dec 06
22	Ministry of Community Development		27th -28th Dec 06
23	Ministry of Lands		28th – 29th Dec 06
24	Ministry of Agriculture		19th – 20th Dec 06
25	Temeke Municipal Council	Gabriel Komba	21st Dec 06
27	Law Reform Commission of Tanzania		22nd Dec 06
28	Ministry of Science,Technology and Higher Educ		27th – 28th Dec06
29	Bagamoyo District Council		29th Dec 06
	Courtesy Call to National Audit Office	A. Maziku, P. Mbughuni, E. Mwasalwiba,	11/1/2007

5.3   Follow-up Training Process, Findings and Recommendations

5.3.1   Follow-Up Training Process

The follow-up training process started first with the introductions and briefing about the exercise at the office of the Chief Executive Officer.

The key methodology involved joint review of internal audit documents (eg internal audit plans, reports, files etc); demonstrations; and group discussions/ meetings.

The follow-up training process was guided the already prepared tool that summarized the internal audit functional areas. During the visit, the observed problems and/ or weaknesses (that required training) were discussed jointly with the relevant staff on how to go about rectifying them thus improve internal audit operations. The CEO was also briefed on the major key observations and recommendations.

5.3.2   Key Findings

(a) General on Organisational/ Logistics

- The planned programme of follow-up training was delayed for about 1.5 weeks due to some logistical problems especially late distribution of letters
- Also availability of trained participants was not that much smooth due to the fact that some were away on official duties and/ or on holidays.

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Apart from the above challenges, the follow-up training at the MDAs/LGAs was generally good. All consultants received warm welcome and good cooperation and/or assistance required for the activity.

(b) Specific on Internal Audit Functional Areas

Generally across the board most of the key internal audit functional areas were found at the state where are being put for proper functioning after training and/or not yet started at all. So training was continued in all those areas (*indicated in weaknesses section below*) at the respective MDAs/ LGAs.

On the positive side there is now greater recognition and appreciation (90%) of the internal audit function in the majority of MDAs/ LGAs. Internal Audits are now Directorates in the MDAs; copies of audit manual are available, some adequate working environment, preparation of audit programmes, reports and establishment of audit committees.

The detailed strengths observed and weaknesses (areas trained) are summarized below:

Strengths
- Majority (more than 75%) of the MDAs/LGAs have one copy of internal audit manual;
- Adequate office space for internal audit department in some (50%) MDAs/ LGAs;
- Preparation of Annual/ Quarterly Internal Audit Plans in almost all MDAs/LGAs;
- Preparation of quarterly audit reports and submitted to the appropriate organs in majority of MDAs/ LGAs;
- Audit Committees have already been established in majority of MDAs;
- Arrangements for carrying out Value for Money Audit (eg procurement, roads etc) for some MDAs/ LGAs;
- Some specialized audits for recurrent expenditure, income and cash systems are carried out.

Weaknesses (Areas Trained/ Discussed for improvement of Internal Audit Functions)
- Lack of Organisation Structure/ Job descriptions for the Internal Audit Department for almost all MDAs/LGAs
- Audit committee not yet established in all LGAs;
- Established audit committee in all MDAs do not function properly;
- Internal Audit Guidelines (covering dressing manners, reporting to office, code of conducts etc) not yet prepared in majority of MDAs/LGAs;
- Inadequate work tools especially computer and manual (i.e need to produce more copies for each staff) in majority of MDAs/ LGAs;

- Audit working papers, internal control evaluation questionnaires not filed and/or performed in majority of MDAs/ LGAs;
- New role of internal audit not yet started in majority of MDAs/ LGAs (about 85%). Majority of other internal audit staff had never attended any skills enhancement internal audit training;
- Quarterly/annual internal audit reports have no requisite details in some MDAs/ LGAs;
- Procurement and contract audit not done in majority of MDAs/ LGAs
- Specialised audits for sensitive areas like wages and salaries; assets not done
- Meetings are done only when there is a special matter to address and minutes are not taken. No regular /periodical meetings;.
- Inadequate office space for internal audit department in some (50%) MDAs/ LGAs;
- Inadequate staffing for majority of MDAs/LGAs in respect of size and functions;
- Other internal audit staff not assigned duties to perform by their supervisors (in a few MDAs – 6%) i.e generally lack of managerial skills;
- A follow-up of recommendations made in previous reports is not reported in subsequent audit reports (in a few MDAs);
- Documents like the Public Procurement Act or Public Finance Act are not readily available to the auditors (in some MDAs).

5.3.3   Any Other Observations Noted/ General Comments from Participants

Other observations noted were:
- Availability of skilled and energetic internal audit staff at the MDAs/LGAs;
- The internal audit function is at least being recognized and appreciated in almost all MDAs/ LGAs;
- Majority of the auditors in almost all MDAs/LGAs have limited knowledge on auditing through the computerized accounting system (epicor).

General comments raised by internal audit staff:
- Awareness of contemporary issues of internal audit to Accounting Officers, all Internal Audit Staff and Heads of Department is crucial for creating good working environment in the MDAs/LGAs.

5.3.4   Recommendations
Based on the discussions and training during the visit, it is recommended that:
- Organise awareness workshop on contemporary issues of internal audit to Chief Executive Officers of MDAs/LGAs and selected Heads of Department (eg Finance; Administration, Information Technology).
- Train all internal auditors on epicor system so that they can audit through the system.

6.0 CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

The Intermediate Internal Audit training programme has broken a key milestone towards realization of the broad goal of internal audit reforms in the Government of Tanzania- improvement in the quality of government internal audit through equipping internal auditors with skills that will enable them carry out timely and quality internal audit and reporting

A number of issues have been identified which if properly addressed will contribute to that goal. While the identified strengths in internal audit functional areas in MDAs/ LGAs need to be noted for continuity, a key attention however, should be made on the issues that require improvement (areas of weaknesses). These issues also require support both from within and outside the MDAs/LGAs

The participants who have been exposed to the practical training on basic and new issue of contemporary internal audit should act as a catalyst towards improvement of internal audit operations in MDAs/LGAs and hence improved quality of internal audit operations in the country.

6.2 Recommendations

Based on the above conclusion, it is recommended that:
- Training on Introductory/Intermediate Internal Audit to all government Internal Auditors is important. As the number of newly employed government internal auditors is large, a practical strategy/ methodology can be worked out between the office of the Accountant General and the training institution;
- Organise awareness workshop on contemporary issues of internal audit to Chief Executive Officers of MDAs/LGAs and selected Heads of Department (eg Finance; Administration, Information Technology). This will also help to sensitize more the CEOs/ top management of MDAs/LGAs to provide office space for internal audit; allocate more resources to IA departments etc;
- Training in auditing through the computerized accounting system (epicor) to all internal auditors of MDAs/ LGAs is crucial;
- The functionality of Audit Committees in the MDAs/ LGAs needs to be worked out so as to make Internal Audit departments perform their duties efficiently and effectively.

Appendices

Appendix 1: Detailed Training Report- Introductory Internal Audit

Appendix 2:   Internal Audit Questionnaire Survey For MDA/LGA

Appendix 3 : Follow-Up Training Tool/ Checklist Used

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THE UNITED REPUBLIC OF TANZANIA

ACCOUNTANT GENERAL'S DEPARTMENT

Accountant General's Department- JICA Development Study Programme

Report on

TRAINING ON INTERMEDIATE INTERNAL AUDIT

For Middle- Level Internal Auditors of Ministries, Independent Departments and Local Government Authorities.

DATES: 24th to 28th October, 2006

VENUE: MUM Executive Hall- Morogoro Town
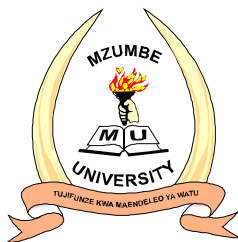
MZUMBE UNIVERSITY

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October, 2006

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TABLE OF CONTENTS

ACKNOWLEDGEMENT

Many people participated and helped in both the preparation and the implementation this course on Intermediate Internal Audit Course. Their contributions did not only result into the realization of the training programme objectives but also have greatly assisted in the preparation and production of this report.

In the first place, we are grateful to the JICA Development Study Programme and Ministry of Finance- Accountant General's Department for organizing the training programme and choosing Mzumbe University in particular to run this programme

We are also grateful to a number of officials Mr Nakagome and Victor (JICA Consultants); Ms Blandina Nyoni (Accountant General); Mr Aziz Kifile Assistant Accountant General- Financial Management Systems and Audit for their remarkable and valuable assistance in the entire process of planning and effecting the training programme let alone the preparation of this report.

Our thanks also are accorded to all participants of the training programme for their cooperation through sharing of experiences in the sessions that lead to the successful delivery and accomplishment of the training objectives.

The limited time and pages will not give us the opportunity to mention each and everyone who in one way or another has helped to the success of the course. However, we appreciate every effort invested in this work.

1.0 INTRODUCTION

1.1 General Introduction and Objectives of the Training

The reform process of intrenal audit functions in the Government of Tanzania has resulted into a recategorasation of internal auditors in the Ministry, Department and Agencies (MDAs) and Local Government Authorities (LGAs) as well as recruiting new internal auditors in the MDAs and LGAs.

Similarly, turbulent business environment and the increasing public concern about corporate citizenship and value for money has made the demand for value adding assurance and consulting services more pressing than before.

In respond, the role of internal auditors has evolved, and still widening, so as to assist management in all areas and, consequently, has eclipsed other management services to become a primary source of managements' advice on best practice.

Thus, capacity building to both inexperienced and/ or experienced/trained government internal auditors is imperative. The training, among other things exposed internal auditors to the key of internal audit in government as well as modern (contemporary) issues in internal auditing.

The expected overall objective to be achieved is improvement in the quality of government internal audit through equipping internal auditors with the skills that will enable them carry out timely and quality internal audit and reporting.

1.2 Training Facilitation, Dates, Venue, Opening/ Closing and Awards

1.2.1 Training Facilitation, Dates and Venue

The training was conducted by Mzumbe University and it was carried out in Morogoro Town at Muslim University Executive Hall. The training was conducted from 24th to 28th October, 2008 and was attended by twelve (12) participants (*See also Appendix 1 for the list of participants*).

The training was facilitated by consultants from Mzumbe University in collaboration with the Accountant General's Department. Invitation of participants to the training venue was done by the Accountant General's Department while the training and course administration was undertaken by Mzumbe University. This included organizing the training venue, participants' stationeries & training materials; delivery of training; lunch and refreshments and payment of participants' perdiems and transport costs.

1.2.2 Official Opening and Closing

Official opening to both batches was done by the Acting Deputy Vice Chancellor of Mzumbe University, Prof E. Temba. She was hosted by the Director of Institute of Continuing Education. The official closing of the course was also officiated by Mzumbe University.

1.2.3 Resource Persons and Awards

Five resource persons from Mzumbe University were involved in the course. They included Peter Mbughuni, Ernest Mwasalwiba, Davis Meela, Gabriel Komba; Ms Stella Kinemo and Alloyce Maziku. (*See also Appendix 2 for the timetable*)

The overall course management and coordination was done by *Mr. Alloyce Maziku* assisted by *Mr. Ernest Mwasalwiba*.

At the end of the course, participants were awarded Mzumbe University Certificate of Attendance.

1.3 Training Methodology

The training style emphasized on experiential learning where participants' entry knowledge and field skills were highly utilized. The theoretical content was kept at minimum and was used to provoke constructive discussions and experience sharing among the participants and trainers.

1.3.1 Brief Lectures

Brief lectures were used to highlight key issues, laws and regulations in internal auditing. The facilitator began his session by displaying to participants the session objectives and introducing the topic by relating it to their actual work situations. This approach proved useful as it opened up opportunity for the participants to be involved throughout in the sessions.

1.3.2 Brainstorming

Participants' opinion/views were sought through asking questions related to the topic covered. This approach enabled participants to air their views freely and enabled facilitators to elaborate on issues that were not clearly understood.

1.3.3 Experience Sharing through Group Discussions, Mini-Presentations and General Questions

This was the most remarkable way of training. Participants were given opportunity to share practical problems and challenges faced through pre-prepared case studies in groups, mini-presentations and general questions relating to the topic covered. Practical problems and challenges were noted which, in the

end, formed a basis for agreeing on how best to improve the internal audit operations/ functions, thus improved quality of internal audit works.

2.0 EXECUTION OF THE TRAINING

2.1 Training Structure and Content
As pointed out earlier, this training was designed with the view of equipping internal auditors with the skills that will enable them carry out timely and quality internal audit and reporting.

Thus, the following topics were found to be relevant in achieving the intended objectives:

Course Title	Topic/ Session	Topic/ Session Contents
Intermediate Internal Audit	Overview of the Training	• Background of the Training • Rationale of the Training • Expectations and Outcomes of the Training
	Internal Auditing Overview and Contemporary Issues	• Introduction • Early demand for Internal Audit Function • Internal auditing as a separate profession • Role of private sector in shaping best practice • Expansion of scope and roles • New definition, new roles & responsibilities • Case Study
	The Assurance and Consulting Services and related issues on independence	• Introduction to new Internal Audit roles • Internal audit services and value added as a demand form customers • The assurance/ consulting continuum • Balancing Assurance and Consulting

Course Title	Topic/ Session	Topic/ Session Contents
	Governance, risk management processes, building a risk-based audit work plan and role of internal audit	- Introduction - The concept of Corporate Governance; - Corporate Governance in the public sector; - Governance and Risk Management; - Meaning of Risk and Risk Management; - The COSO Framework of ERM; - The Role of IAF in Risk Management. - What is meant by Risk- Based Internal Auditing (RBIA); - Analysis of how RBIA differs from System-Based internal auditing; - Communicating the process involved in developing a RBIA plan; - Developing a Risk- Based Work Plan.
	Change Management, Communication and Leadership and role of Internal Auditors as change agents	- Why change is needed; - Defining what changes are necessary; - How to implement changes successfully - Communication role of an Internal Auditor - Leadership role of an Internal Auditor
	Process Consulting and Internal Consulting skills for auditors Management Processes and role of IA	- Various methods of providing consultancy; - Choosing intervention skills to suit particular situations and sensitivity; - Making assessment and Analysis of Resources for a particular assignment.
	Coordination and Managing the internal audit function, time management and improving audit operations	- Planning the Audit Function; - Designing- Structure of IAF; Audit teams and IAF as management training ground; - Staffing the IAF; - Performance Measurement; - Compensation and Retention - Measuring and controlling the performance of the IAF as a whole

Course Title	Topic/ Session	Topic/ Session Contents
	Performance Auditing (Value for Money Audit)	• Significance and legal backing of Performance Audit (VFM Audit), • Scope for performance auditing; • The nature of performance auditing and how it can assist LGA's in discharging accountability obligations; • The implementation of VFM audits
	Procurement and Contract audit	• Exposure to rules and regulations governing the Public sector in Tanzania (e.g. Public Finance Act, 2001, Public Procurement Act, 2004 etc.) • Five objectives for good procurement • Procurement cycle activities • Auditing the procurement cycle • Elements of open procurement • Auditing the procurement organization structure • Procurement auditing procedures • Contract audit
	Internal audit customers and techniques of stakeholders management	• Internal Audit Customers and Stakeholders; • Customer Satisfaction; • The concept of Stakeholder Management.
	Report writing, Exit conferences and Presentation Skills	• Purpose of reporting • Types of internal audit reports • Style of Reporting • Discussion before draft report • Draft report • Discussion of the audit report • Final audit report • Confidentiality of audit report

(*See also appendix 2 which provides for the training timetable*)

2.2 Training Evaluation

At the end of the workshop participants were given opportunity to evaluate the training effort. A format of the evaluation form used is attached as *Appendix 3*. A total of twelve (12) participants attended the course. Out of 12 participants who attended the course, 11 filled the evaluation forms. 1 participant who didn't fill the evaluation forms had to attend medical treatment at the time when the course evaluation was done.

Generally all participants (100%) appreciated the course as good and very useful to them. Participants confirmed that the course will assist them to improve on internal audit practices in their work places.

A summary of the participants' responses is shown herebelow:

Q No	Question	RESPONSES		
		Very Good/ Very Relevant/ Very Long	Good/ Relevant/ About Right	Not Good/ Not Relevant/ Too Short
1	Course Content	4 (36%)	7 (64%)	
2	Training Methodology	4 (36%)	7 (64%)	
5	Course Professionalism	7 (64%)	4 (36%)	
8	Facilitators'/ Trainers' Effectiveness	4 (36%)	7 (64%)	
9	Course Duration		4 (36%)	7 (64%)
10	Course Administration	3 (27%)	8 (73%)	

Things Liked Most and Least as Cited by Participants;

	Things Liked Most	Things Liked Least
	o Presentation of materials and handouts o Course contents o Group discussions and sharing of experience o Change Management, Leadership and Communication Skills o Consultation models o Contemporary practices of Internal Audit o Practical Case Study- Consultation; managing internal audit operations, contemporary practice	o Short duration of the course

The following issues were raised by participants as requiring improvement and general remarks:

	Things to be Improved	General Remarks
	- Communication with participants (inviting) participants to the course - Increase duration of the course	- Generally a good course; - Need to have regular courses of this kind; - Extend the course, especially contemporary practice of Internal Audit and Change Management to Chief Executive Officers.

3.0 CONCLUSION AND RECOMMENDATIONS BY THE CONSULTANTS

The course evaluation indicates that the course was very useful to the participants as it has given them an opportunity to acquire some new operational skills and knowledge as well as share some practical challenges / issues regarding improving internal audit operations. It thus, the expectations that the acquired skills and knowledge will be translated into action hence improved quality of internal audit operations in the country.

Based on the general remarks by the participants, it is recommended that:

- Awareness Internal Audit Workshop (*Contemporary Practice and its Role to Achievement of Organisational Objectives and Governance*) to Chief Executive Officers, Directors/ Heads of Department is important. This workshop should be conducted immediately to go hand in hand with the training that has been provided to the technical staff. 2 to 3 days is proposed.

- The issues that have been raised by participants need also to be worked out for more improvement of internal audit operations.

List of Participants

S/NO.	NAME	POSITION	WORK STATION
1	GAUDIOSE BIRO	INTERNAL AUDITOR	MWANZA ZONE (MINISTRY OF EDUCATION)
2	TATU KAMBI	INTERNAL AUDITOR	MINISTRY OF EDUCATION
3	JUDITH MAZIWA	INTERNAL AUDITOR	TEMEKE MUNICIPAL COUNCIL
4	BLANDINA HOKORORO	INTERNAL AUDITOR	TEMEKE MUNICIPAL COUNCIL
5	PAISON MWANYASI	INTERNAL AUDITOR	MINISTRY OF FINANCE
6	ADORATH MWALUGENI	INTERNAL AUDITOR	MINISTRY OF AGRICULTURE
7	PETER CHILUMBA	INTERNAL AUDITOR	ACCOUNTANT GENERAL'S DEPARTMENT
8	CLEMENT L.N TIMOTHY	INTERNAL AUDITOR	MINISTRY OF EDUCATION
9	LAISON KILEMBE	INTERNAL AUDITOR	MONDULI DISTRICT COUNCIL
10	BENEDICT MOSHY	INTERNAL AUDITOR	MOROGORO MUNICIPAL COUNCIL
11	ABDUL A. MWINYI	INTERNAL AUDITOR	BAGAMOYO DISTRICT COUNCIL
12	MATILDA MWAKIBINGA	INTERNAL AUDITOR	MINISTRY OF NATURAL RESOURCES AND TOURISM

TIMETABLE
DAY 1: 24th October, 2006

Time (Hrs)	Activity	Responsible Person
0900 – 0930	Registration	Secretariat
0930 – 1000	Opening	ALL
1000 – 1030	**HEALTH BREAK**	**ALL**
1030 – 1200	Contemporary practice of IA, new roles and responsibilities	Ernest Mwasalwiba
1200 – 1.00	Group work/ Case study	Participants
1.00 –2.00	**LUNCH BREAK**	**ALL**
2.00 – 4.00	Presentation and Discussions	ALL

DAY 2: 25th October, 2006

Time (Hrs)	Activity	Responsible Person
0830 – 10.30	The Assurance and Consulting Service and related issues on IA Independence	Ernest Mwasalwiba
10.30 – 11.00	**HEALTH BREAK**	**ALL**
11.00 – 1.00	Governance, risk management processes, building a risk-based audit work plan and role of internal audit	Ernest Mwasalwiba
1.00 – 2.00	**LUNCH BREAK**	**ALL**
2.00 – 4.00	Group work/ Case study Participants Presentation and Discussions	ALL

DAY 3: 26th October, 2006

Time (Hrs)	Activity	Responsible Person
0830 – 10.30	Change Management, Communication and Leadership and role of Internal Auditors as change agents	Alloyce Maziku/ Ms Stella Kinemo
10.30 – 11.00	**HEALTH BREAK**	**ALL**
11.00 – 1.00	Process Consulting and Internal Consulting skills for auditors Management Processes and role of IA	Alloyce Maziku
1.00 – 2.00	**LUNCH BREAK**	**ALL**
2.00 – 4.00	Group work/ Case study Participants Presentation and Discussions	ALL

DAY 4: 27th October, 2006

Time (Hrs)	Activity	Responsible Person
0830 – 10.30	Coordination and Managing the internal audit function, time management and improving audit operations	Peter Mbughuni
10.30 – 11.00	**HEALTH BREAK**	**ALL**
11.00 – 1.00	Performance Auditing	Gabriel Komba
1.00 – 2.00	**LUNCH BREAK**	**ALL**
2.00 – 3.30	Compliance, audit and exposure to rules and regulations governing the Public sector in Tanzania eg Public Procurement Act (2004)	Gabriel Komba
3.30- 4.30	Group work/ Case study Participants Presentation and Discussions	ALL

DAY 5: 28th October, 2006

Time (Hrs)	Activity	Responsible Person
0830 – 10.30	Internal audit customers and techniques of stakeholders management	Davis Meela
10.30 – 11.00	**HEALTH BREAK**	**ALL**
11.00 – 1.00	Report writing, Exit Conference and Presentation Skills for Internal Auditors	Davis Meela
1.00 – 2.00	**LUNCH BREAK**	**ALL**
2.00 – 3.30	Group work/ Case study /Presentation and Discussions	ALL
3.30- 4.30	Course Evaluation and Official Closing	ALL

EVALUATION FORM

Course/Workshop/Seminar Title:_____
Date: _____
Number of Weeks: _____
Course Coordinator: _____

Indicate your preference against the statement then express your views about each by ticking [√] the relevant alternative.

1.   Overall, accomplishment of the course objectives was:
- Very good   [ ]
- Good   [ ]
- Not good   [ ]

2.   Overall the training methodology was:
- Very effective   [ ]
- Effective   [ ]
- Not effective   [ ]

3.   Things I liked most about the course were:
_____
_____

4.   Things I liked least about the course were:
_____
_____

5.   Professionally the course was:
- Very relevant   [ ]
- Relevant   [ ]
- Not relevant   [ ]

6.   Subjects that needed more time are:
_____
_____

7.   Subjects that needed little time are:

_____
_____

8.   Overall trainers were:
  • Very effective   [ ]
  • Effective   [ ]
  • Not effective   [ ]

9.   The course duration was:
  • Very long   [ ]
  • Just about right   [ ]
  • Too short   [ ]

10. Course administration (directorship) was:
  • Very good   [ ]
  • Good   [ ]
  • Not good   [ ]

11. Things that need to be improved are:

_____
_____

12. My general remarks are:

_____
_____
_____

Thank you for your cooperation.

INTERNAL AUDIT QUESTIONNAIRE SURVEY FOR MDA/LGA

This questionnaire survey is conducted by Japan International Cooperation Agency (JICA) to provide input from MDAs and LGAs into development of the Government Internal Audit Training Programme. Please respond to these questions openly and honestly as we will use this form solely for the stated purpose. Thank you for your time and input.

Name: _____

MDA/LGA: _____ Position: _____

Contact tel. number _____ Date: _____

1. How many internal auditors are currently employed in your MDA/LGA?	_____		☐ Do not know
2. Are there plans to employ additional internal auditors in your MDA/LGA? If yes, please tell us how many?	☐ This year ‾‾How many?‾	☐ Next year ‾‾How many?‾	☐ Do not know
3. When your Internal Audit function was established?	*200__*		☐ Do not know
4. Is there an Audit Committee established in your MDA/LGA?	☐ Yes	☐ No	☐ Do not know
5. Is an Internal Audit Plan prepared in your MDA/LGA?	☐ Yes	☐ No	☐ Do not know
6. How often the Internal Audit Report is submitted in your MDA/LGA?	☐ Quarterly	☐ Annually	☐ Do not know
7. To whom the internal audit reports are submitted in your MDA/LGA? Please specify:	_____		☐ Do not know
8. Is the Internal Audit Manual followed in your MDA/LGA when conducting the audits?	☐ Always	☐ Sometimes	☐ Do not know

9. Do you interact with the internal auditors of other LGAs or MDAs while conducting your internal audit work? If Yes, please tell us the details:

☐ Yes ☐ No ☐ Do not know

_____

_____

10. Have you ever been trained in the internal audit? If Yes, please write below details about the previous internal audit training (training provider, when, course duration, etc):

☐ Yes ☐ No

_____

11. Do you think that your MDA/LGA needs an additional training for the internal audit? If Yes, please write below your suggestions on the contents of such a course:

☐ Yes ☐ No ☐ Do not know

_____

_____

Please provide in the box below any additional comments that would assist us in improving the training programme for the internal auditors of MDAs/LGAs:

_____

Thank you for your feedback! Please return this form before completion of the course.

CHECKLIST- **FOLLOW- UP VISIT ON THE EFFECTS OF INTRODUCTORY AND INTERMEDIATE INTERNAL AUDIT TRAININGS TO GOVERNMENT INTERNAL AUDITORS (MDAs/ LGAs).**

PART 1: GENERAL INTRODUCTION

(a) Name of MDA/ LGA……………………………………………………………………..

(b) Dates of Visit…………………………………………………………………..

(c) Name of Consultant…………………………………………………………………

(d) Names and Positions of Staff Met/ Trained

S/N	1 Name of Person	Designation	Tel No/ Email
1			
2			
3			
4			
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7			
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10			

PART 2: OVERALL OBJECTIVE AND APPROACH TO THE FOLLOW- UP VISIT

2.1   Objective
The overall objective of the follow-up visit is to identify and analyse the effects of introductory and intermediate internal audit trainings that have been provided to government internal auditors (MDAs/ LGAs). Also on the basis of the identified problems and shortcomings, assist the MDAs/ LGAs in rectifying problems and shortcomings and thus improve their capacity in ensuring quality internal audit functions/ operations. Areas that require assistance/ attention external to the MDAs/ LGAs will be noted for recommendations.

2.2   Strategy/ Methodology
The follow-up visit will be carried out for two (2) days for each selected MDA/ LGA. Five (5) consultants will be involved in the assignment (*See also Appendix 1 for the selected MDAs/ LGAs and distribution amongst consultants*).

2 days will be used by <u>all consultants</u> to visit Ministry of Finance for sharing with the Accountant General of the follow-up visit mission as well as carrying out practical reviews (visit) at the Ministry. There after, consultants will disburse for their respective MDAs/ LGAs after having a common approach.

Follow-up visit methodology will include joint review of internal audit documents (eg internal audit plans, reports, files etc); demonstrations; and group discussions/ meetings.

2.2.1   CONSULTANT'S PROGRAMME AT THE MDA/ LGA

Arrival at the MDA/LGA: -Pay courtesy call to the Accounting Officer's Office i.e Permanent Secretary (PS) or Director of Administration and Personnel (DAP) for Ministries and Council Director for Local Government Authorities.

-Briefly explain the purpose of the follow-up visit and the whole programme at the MDA/LGA

-Take opportunity to highlight some key issues that were emphasized during the trainings especially the *New Contemporary Practice of Internal Audit and its Role to Achievement of Organisational Objectives and Governance*

- Also, take note to the CEO that there will be an exit meeting which will shade light of the key issues discussed, strengths, areas for improvement and recommendations.

At the Office of the C.I.A: -Explain the purpose of the follow-up visit and the whole programme at the MDA/LGA. All Chief Internal Auditors (C.I.As) received Modern Internal Audit Training, so most of the issues to be discussed are known

-Establish at the Office of the CIA the Organisation Structure of the Internal Audit Department; Job descriptions and responsibilities; Strategic Annual Internal Audit Plans

-Establish if there is an Audit Committee and its functionality.

PART 3: DETAILED FOLLOW-UP VISIT CHECKLIST – BY INTERNAL AUDIT FUNCTIONAL AREA

S/N	KEY FUNCTIONAL AREA	STRENGTHS	AREAS FOR IMPROVEMENT	TRAINING OFFERED/ AGREED COURSE OF ACTION/ RECOMMENDATIONS
		DAY ONE (1)		
1	Coordination and Managing the internal audit function, time management and improving audit operations o Internal Audit Guidelines (designed by the department)- reporting to the office, dressing manners, code of conducts/ethics etc o Internal Audit tools- regulations manuals, guidelines: available and how used by staff o Communication arrangements; meetings etc o Facilities/ Resources- Office Space; Tables/Chairs; Shelves; Computers; Fax; Internet Connectivity etc			
2	Preparation of Annual/ Quarterly Internal Audit Plan o How prepared (*obtain samples and review together*) o Adequacy?			
3	Conduct of Internal Audit Work o How done; Systems based/ Risk based?			

S/N	KEY FUNCTIONAL AREA	STRENGTHS	AREAS FOR IMPROVEMENT	TRAINING OFFERED/ AGREED COURSE OF ACTION/ RECOMMENDATIONS
	o Understanding of an effective internal control system o Filing of Audit Working Papers o Formulation of internal control evaluation questionnaires and how carried out o Interviewing o New roles- consulting; assurance etc started?			
	DAY TWO (2)			
4	Preparation of Audit Reports o How prepared (*obtain samples and review together*)? Proper wordings? o Where reported? Actions taken o Frequency of reporting			
5	Procurement an Contract Audit o Is it done? o How			
6	Value for Money Audit- is done? If not any preparations?			
7	Other Specialised Audits done? o Income; cash systems o Payments; wages and salaries o Assets; Fraud Investigation etc			

8   Other Observations and General Comments from Participants/ MDA/ LGA Staff

   (a)   Any other observations noted

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   (b)   General Comments from Participants/ MDA/ LGA Staff

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      ……………………………………………………

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      ……………………………………………………

9   Exit Meetings
   (a) *Exit Meeting with Internal Audit Staff*- stressing on the key issues
       discussed
   (b) *Exit Meeting with the Accounting Officer*- Highlighting key issues
       discussed, strengths, areas for improvement and
       recommendations. Areas that require attention and/ or support by
   Accounting Officers will be stressed.

   **&&&&&&&&&&&&&& END OF DAY TWO
   &&&&&&&&&&&&&&&&&&&&&&&&&&&**

   AFTER COMPLETING THE VISITS OF ALL MDAs/ LGAs

   All consultants will pay courtesy call to the Controller and Auditor General
   (CAG) - National Audit Office, Dar-es-Salaam. The purpose is to share
   NAO's experience in auditing of MDAs/ LGAs in Tanzania. Also, to discuss
   issues of both Regulatory Audit and Advisory Services. For instance, apart
   from identifying weaknesses, does the NAO "*emphasize on financial
   management services*" so as to remedy recurring problems that are identified
   in   their   audit?   Etc.

Selected MDAs/ LGAs for Follow-Up and Distribution Amongst Consultants

S/N	MDA/ LGA	NAME OF CONSULTANT(S)	DATES
1	Ministry of Finance	A. Maziku, P. Mbughuni, E. Mwasalwiba, D. Meela and G. Komba	30th Nov – 1st Dec 2006
2	Ministry of Foreign Affairs	Alloyce Maziku	4th – 5th Dec 06
3	Ministry of Health		6th – 7th Dec 06
4	Arusha Municipal Council		11th – 12th Dec 06
5	Monduli District Council		13th – 14th Dec 06
6	Moshi Municipal Council		15th – 18th Dec 06
7	Tanga City Council		19th – 20th Dec 06
8	Ministry of Education and Vocational Training	Peter Mbughuni	4th – 5th Dec 06
9	Ministry of Justice		6th – 7th Dec 06
10	Ministry of Defence Forces		8th -11th Dec 06
11	High Court		12th – 13th Dec 06
12	PEDP- Dar-es- Salaam		14th – 15th Dec 06
13	Ministry of Home Affairs	Ernest Mwasalwiba	4th – 5th Dec 06
14	Ministry of Energy		6th – 7th Dec 06
15	Ministry of Natural Resources and Tourism		8th -11th Dec 06
16	Morogoro Municipal Council		12th – 13th Dec 06
17	Kilosa District Council		15th – 18th Dec 06
18	Dodoma Municipal Council		19th – 20th Dec 06
19	Ministry of Lands	Davis Meela	4th – 5th Dec 06
20	Ministry of Water		6th – 7th Dec 06
21	Dar-es- Salaam City Council		8th -11th Dec 06
22	Ministry of Community Development		12th – 13th Dec 06
23	Ministry of Industries and Trade		14th – 15th Dec 06
24	National Electoral Commission		18th – 19th Dec 06
25	Ministry of Agriculture	Gabriel Komba	4th – 5th Dec 06
26	Ministry of Science,Technology and Higher Educ		6th – 7th Dec 06
27	Temeke Municipal Council		8th -11th Dec 06
28	Law Reform Commission of Tanzania		12th – 13th Dec 06
29	Bagamoyo District Council		14th – 15th Dec 06

INTRODUCTION LETTER TO THE MDA/ LGA

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE

Telegrams : "TREASURY" DAR ES SALAAM
Telephone : 2123950,
Fax: 2123950,2123748,2110040.
*(All official communications should be
addressed to the Principal Secretary
Treasury and not to individuals).*

In reply please quote:

Ref. No:

P. O. BOX 9111,

DAR ES SALAAM.

November 7, 2006

PERMANENT SECRETARY/ EXECUTIVE DIRECTOR,
XXXXXXXX,
P.O BOX…,
XXXXXX.

Dear Sir/ Madam,

**RE: INTRODUCTION LETTER ON FOLLOW-UP VISITS OF THE EFFECTS
OF INTERNAL AUDIT TRAINING**

The above heading refers.

Mzumbe University was contracted by JICA Development Study Programme/ Ministry of Finance to conduct introductory and intermediate internal audit training to internal auditors as part of the implementation of the reform process of internal audit functions in the Government of Tanzania covering Ministry, Department and Agencies (MDAs) and Local Government Authorities (LGAs). The expected results of the training is overall improvement in the quality of government internal audit. Both trainings have already been carried out at Mzumbe University in Morogoro Town.

An important component to the contract was also to carry out follow- up visits after the training. The overall objective of the follow-up visit is to identify and analyse the effects of introductory and intermediate internal audit trainings that have been provided to government internal auditors (MDAs/ LGAs). Also on the basis of the identified problems and shortcomings, to assist the MDAs/ LGAs in rectifying problems and shortcomings and thus improve their capacity in ensuring quality internal audit functions/ operations. Areas that require assistance/ attention external to the MDAs/ LGAs will be noted for recommendations.

This letter therefore, introduces Mzumbe University Consultants (Messrs Peter Mbughuni; Alloyce Maziku; Ernest Mwasalwiba; Davis Meela and Gabriel Komba) who will carry out the follow-up visit at your organization for two (2) days. The period of follow-up visit for the selected MDAs and LGAs will range from 1st to 20th December, 2006.

You are required to give the necessary cooperation and assistance to this important activity.

Wishing you all the best.

Azizi H. Kifile
For: PERMANENT SECREATARY - TREASURY

REPORT ON JICA DEVELOPMENT STUDY'S SUPPORT ACTIVITIES FOR PFMRP COMPONENT 4 – LOT F ADMINISTRATIVE SUPPORT ON TRAINING ON IT SKILLS

1. **Introduction**

The Japan International Cooperation Agency (JICA) embarked upon a two-year Development study in July 2005. In the financial 2006/2007 various training programmes have been conducted under the sponsorship of JICA for capacity building of staff of the Tanzania Accountant General's Department as well as other Central and Local Government Departments.

In the Development study, it was planned that three government staff would be dispatched to group training courses conducted by regional and /or overseas training institutes in the first or second quarter of the year.

2. **Training on Information technology Skills**

On 23rd June 2006, the National Board pf Accountants and Auditors (NBAA) entered into a contract for services with the Japan International Cooperation Agency (JICA) Consultant Team to provide administrative support for the implementation of the programme. Three officials were nominated by the Office of the Accountant General to undertaking courses in different aspects of information technology as explained hereunder

Training for System Support Staff was done as follows:

(1) Mr. Gabriel Mwero attended a course on Managing the Internal Audit Function. The Course was conducted by ESAMI in Mbabane –Swaziland from 13th November 2006 to 8th December 2006.

Managing the Internal Audit Function course covered the following:

-   What is Internal Auditing
-   International Standards for the Professional Practice of Internal Auditing
-   Internal Auditing code of Ethics and Accountability.

(2) Ms Neema Mpembe attended a course on IT Control Security. The Course was conducted by ESAMI at ESAMI HQS-Arusha Tanzania from 27th November, 2006 to 15th December 2006

The programme was structured in four major modules:
-   Threats and Crime/Fraud related problems in IT
-   IT control and Security Systems

- Planning and Management of IT Security
- Risk Management

(3) Mr. Victor Bwemero attended a course on Managing Electronics Records The course was conducted by ESAMI at ESAMI HQS-Arusha Tanzania from 27th November, 2006 to 15th December 2006

The programme was structured in the following areas:-
- Introduction of the concept of knowledge management which facilitates sharing the knowledge and experiences accumulated at an individual level with one another.
- The concept and best practice of knowledge management in regard to managing electronics records.

3. Assessment of the Training

In accordance with the Evaluation Reports submitted by the Participants **(see Appendix B$_2$)**, courses were found to be very useful, relevant and educative to them as they covered a wide range of issues pertinent to system support function.

4. Cost Analysis on reimbursable
The Training had a total financial costs of USD 32,533 as shown in Appendix "B"

5. Conclusion

We would like to extend our appreciation to JICA, Accountant General's Staff and you personally for the cooperation shown and trust in giving us such an assignment. We expect to work with you again in future.

SUBMITTED