



**USAID**  
FROM THE AMERICAN PEOPLE



Volunteer Name: Patrice R. Harris

Country: Uganda

Country project: Oil Seed Crops County Project

Host: Loro- Oyam SACCO

Venue: SACCO Office, Oyam District

Audience: SACCO staff , board members,  
VSLAs and Institutions

Number of people : 30

Date: August 17<sup>th</sup> – 29<sup>th</sup> , 2015



# 1. Assignment Objectives as in SOW

1.1 To empower Loro-Oyam SACCO staff and management in developing accounting policies and procedures in credit managements, budget preparation, and financial reporting.

# 1. Assignment Objectives as in SOW

- 1.2.1 Objective 1 in your SOW: Review the financial records used by the organization and savings groups and propose suggestions for improvement.

# 1. Assignment Objectives as in SOW

- a) Progress with the objective: Reviewed the financial records used by Loro-Oyam SACCO, VSLA I and VSLA III, Modern Vocational Trading Center and Charity Nursery and Primary school and made recommendations for improvement. Provided training to Manager and Cashier of Loro-Oyam SACCO on detail methods of record keeping and preparing financial reports. Made presentation to Board members of Loro-Oyam SACCO on weaknesses in internal controls regarding financial records and policies and procedures and provided training to Manager, Cashier and Board members on how to interpret the audited financial statements.

# 1. Assignment Objectives as in SOW

- b) Expected impacts/results : That Loro-Oyam SACCO use Generally Accepted Accounting Procedures (GAAP) to calculate interest on loans and dividends. That Loro-Oyam maintain all documentation for expenditures, loans and savings. That Loro-Oyam use preprinted numerical sequence forms and keep all forms, including voided forms, and keep them in numerical sequence. That Loro-Oyam review the voided forms periodically. That Loro-Oyam create separate ledgers for expenditures, loans, and savings. That the ledgers show the information in categories. For example the expenditure ledger should have categories of Office Supplies, Printing, Food, Travel/Transportation, etc. That the ledger show totals for each category.

# 1. Assignment Objectives as in SOW

- c) Recommendations : Recommended that Loro-Oyam SACCO use Generally Accepted Accounting Principles (GAAP) to calculate loan interest and interest dividends to member of Loro-Oyam SACCO. Recommended that SACCO inform the VSLA of the issue regarding the calculation of interest. Recommended that Loro-Oyam create separate ledgers for expenditures, loans and savings. Recommended that the ledgers show the information by categories. For the Administrative Cost Expenditure ledger all administrative cost categories should be listed in the Administrative Cost ledger. Recommended that each category show a total.

# 1. Assignment Objectives as in SOW cont.

- Recommended that all forms, including void forms, should be maintained. All forms should be in numerical sequence. Forms that were previously destroyed should be kept with the good forms and noted in the record that the form was not used. All forms have preprinted numbers in numerical sequence. Store used forms in numerical sequence. Explained the risks involved when adequate supporting documentation is not maintained. Management should periodically check to see if any forms are missing. Forms that are not used should be present. The recording ledger should have a notation that the void form was not used. All forms that are shown in the recording ledger as void should be verified by the Board.

# 1. Assignment Objectives as in SOW

- 1.2.2 Objective 2 in your SOW: Reviewed book keeping for the VSLA groups.
- a) Progress with the objective: Reviewed the financial records maintained by VSLA I and III and made recommendations for improvement. Progress with the objective: Provided training to VSLA I and III on bookkeeping
- b) Expected impacts/results: That the VSLAs create separate ledges for savings and expenditures and show expenditures by category.



# . Assignment Objectives as in SOW

- c) Recommendations: The recommendation is that the VSLA maintain separate ledgers for savings, loans and expenditures and that the ledgers show information by categories.

# 1. Assignment Objectives as in SOW

- 1.2.3 Objective 3 in your SOW: Review budget preparation and financial reporting for SACCO and education institutions.
- a) Progress with the objective: Trained SACCO Manager and Board on how to prepare more reasonable budget estimates for upcoming fiscal year and for later years. Trained Manager on how to produce financial reports. Compared information recorded in SACCO ledger and supporting documentation for Modern Vocational Training Center and Charity Nursery and Primary with the information recorded in the institutions records.

# 1. Assignment Objectives as in SOW

- b) Expected impacts/results: Staff will improve on preparing budget estimates that more realistically project income and expenditures and also prepare enhanced financial reports. Staff will maintain schedules that support the summary page. Not treat saving as income and not treating dividends as expenditures.
- C) Recommendations: The recommendation is that the Manager will use prior years actuals to project future year budget.

# . Assignment Objectives as in SOW

- 1.2.4 Objective 3 in your SOW: Create an awareness about the importance of building a group fund for VSLAs.
- a) Progress with the objective: Discussed with Loro-Oyam SACCO board and VSLA members the importance of saving for a goal. Suggested that they do not refund all savings in December for the Christmas holidays. Informed them of the importance of saving for emergencies, education of their children and grandchildren, and retirement.

## 6. Assignment Objectives as in SOW

- B) Expected impacts/results: SACCO and VSLA members would save more money over the years because they would not be drawing the money out at Christmas time.
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- C) Recommendations: That VSLA groups do not withdraw all their savings in December at Christmas time.

# Action plan for host recommendations

Recommendation	Specific Action	Responsible person	By when
1. Use Generally Accepted Accounting Principles (GAAP) to calculate loan interest and interest dividends to member of Loro-Oyam SACCO.	Discuss with lawyer and Centenary Bank Loan Credit Services representative on the proper method of calculating loan interest and interest dividends to members of Loro-Oyam SACCO	Loro-Oyam board members.	As soon as possible.

# Action Plan

Recommendation	Specific Action	Responsible person	By when
.2. Ensure a safe environment for the shillings to be transferred to bank.	Hire an armored motor vehicle company to transfer the schillings to bank.	Loro-Oyam board members.	As soon as possible.

# Action Plan

Recommendation	Specific Action	Responsible person	By when
3. Maintain adequate documentation for all expenditures.	When vendor is unable to provide a receipt take a blanket sheet of paper and have the vendor record the vendor name, date, amount, description of purchase and have the vendor and Loro-Oyam SACCO manager sign the piece of paper.	Loro-Oyam SACCO manager.	Immediately.



# Action Plan

Recommendation	Specific Action	Responsible person	By when
4. All forms should be pre-numbered, used and maintained in numerical sequence.	Do not destroy any forms. Forms that were previously destroyed should be kept with the used forms and noted on the form that it is VOID and note in ledger that the form is VOID.	Loro-Oyam SACCO manager.	Immediately.

# Action plan

Recommendation	Specific Action	Responsible person	By when
5. Financial summaries by category were not available. All expenditures and revenues and deposits were maintained in the same ledger.	Ledgers by categories should be prepared	Loro-Oyam SACCO manager.	Immediately.

# Action Plan

Recommendation	Specific Action	Responsible person	By when
6.Periodically review policies and make changes as needed.	Policies be applied equally to all members.	Loro-Oyam SACCO Board Members.	Immediately.

## 7. How can CRS improve future volunteer experience

- Include an assistant for the Accountant.
- The accountant needs to be a Certified Public Accountant because of the complexity of the issues. I am a certified public accountant.
- The assignment needs to be for 3 week or break up the assignment to handle SACCO in one assignment and VSLAs and Institutions in another assignment.

***Thank You!***