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MEETING OF A GROUP OF EXPERTS
ON STANDARDIZING INDUSTRIAL ACCOUNTING
IN THE DEVELOPING COUNTRIES:
DEVELOPMENT OF SYSTEMS AND TRAINING OF PERSONNEL*.

Organized by UNIDO
and the Government of the Popular Republic of Benin
at Cotonou, 9 to 14 April 1979

GENERAL REPORT

600133

* This document has been translated from an unedited original.

INTRODUCTION

The meeting of a group of experts on the standardization of industrial accounting in the developing countries, organized jointly by the Government of the Popular Republic of Benin and the United Nations Organization for Industrial Development (UNIDO) was held at Cotonou from 9 to 14 April 1979.

It was attended by sixteen delegates from countries, African inter-regional organizations and specialized agencies of the United Nations, together with numerous observers from Benin.

The object of this meeting was to survey the various problems which faced countries in the application in their industrial enterprises of a national accounting system based on the OCAM accounting plan. It had been prepared in detail by consultations with countries (document IOC.147, dated 27 January 1977, translated into French, English and Spanish, and circulated to all those developing countries which had expressed their views and had shown considerable interest in a subject regarded as central in management at all levels and in all fields), and by drafting legislative and regulatory texts on finance and accounting.

Numerous discussions took place, covering various problems relating to the development of systems and the training of personnel. Each country and organization presented a paper, describing the position regarding the accounting plan and its application. (All these papers are given in an annex). Experiences in applying the OCAM accounting plan in the countries of the Union Douanière et Economique de l'Afrique Centrale (UDEAC) and in the Société Nationale d'Irrigation et d'Aménagement Hydroagricole (SONIAH) were used to illustrate the discussions and show the ways and means which were necessary. Experience in using an audio-visual teaching system, using simple equipment at a reasonable cost, was also of great interest.

The importance of this subject, in the process of development of the younger States, has been such that the experts felt that it would be of value to make certain recommendations which are set out in the annex to the present report (pages 25 to 30).

In the light of the considerable interest aroused by this problem in all the countries UNIDO envisages the subsequent organization of a meeting similar to that at Cotonou, for countries using English, Spanish and Arabic, within the limits of the available resources.

The main lesson to be learnt from the Cotonou meeting is the need to make available, to all those countries that are interested, the means for acquiring the most advanced accounting techniques and systems, with a view to improving the management of their industrial enterprises.

In order to do this it is necessary to undertake ongoing and continuous initial and further training so as to make the personnel more competent and confident, and so capable of ensuring that their industrial enterprises are profitable.

SUMMARY OF THE RECOMMENDATIONS

The Committee of Experts on Standardization of Accounting in Industrial Enterprises, which met at Cotonou from 9 to 14 April 1979, recommends:

- I. The implementation of legislative and regulatory texts as follows:
 1. A text making the application of a National Accounting Plan based on the General OCAM Accounting Plan compulsory, and ensuring this by means of tax constraints.
- II. The implementation of the Plan by:
 - a) drawing up a National Accounting Plan comprising:
 1. A general accounting framework of 2 or 3 digits, supplemented by rules for evaluation and rules for recording.
 2. A range of nomenclatures capable of relaxing accounts according to the needs of National Accounting.
 - b) Assistance to enterprises in drawing up a company accounting plan, resulting from judicious association of the general framework and the nomenclatures.
 - c) The choice of a restricted number of pilot enterprises to which the experts would give assistance as a matter of priority.
- III. Initial and subsequent training by:
 1. Awakening of awareness of both the political and administrative authorities, heads of enterprises, data processors, taxation specialists and statisticians, so as to convince them of the merits of the OCAM plan;
 2. Accounting training to be modified at the base, using seminars organized for teachers in the technical and higher schools;

3. Ongoing training activities which will be organized at various levels of accounting personnel (assistants, accountants, chief accountants) so as to familiarize them with the options of the Plan, the modifications which they involve, and the new methods of processing which they allow.
- IV. At UNIDO to finance the creation, in collaboration with the competent sub-regional organizations, of a pilot regional centre for the subsequent training of accounting personnel, equipped with the necessary technical and teaching equipment.

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R E P O R T
on the Meeting of a Group of Experts
on the Standardization of Accounting
for Industrial Enterprises in the
Developing Countries

COTONOU 9 - 14 April 1979

Morning session, Monday 9 April

The first Meeting of a Group of Experts on the Standardization of Accounting in Industrial Enterprises in the Developing Countries was inaugurated by the Comrade Minister responsible to the President of the Republic for Planning, Statistics and Technical Cooperation, Commandant François DOSSOU, and the Comrade Minister for Finance, Lieutenant-Colonel Isidore AMOUSSOU.

In his opening address the Comrade Minister welcomed the delegates and thanked the United Nations Organization for Industrial Development for having chosen Cotonou as the venue for the meeting. He emphasized the importance of standardizing accounting, and the necessity to adapt it to the realities in the developing countries. He warned the delegates against spurious standardization which would instead serve the interests of the developed countries.

The temporary Resident Representative of the United Nations Development Programme, Mr. SOLOMATIM, analysed the reasons which had led UNIDO, the specialized United Nations organization, to become interested in the standardization of accounting. He associated himself with the statements of the Comrade Minister of the Popular Republic of Benin on the normative value of the OCAM General Accounting Plan, and expressed his hopes for the fruitful activity of the Commission.

After a temporary suspension of the sitting, which allowed the authorities to withdraw, M. LOGOSSOU, Director of the Bureau Central des Projets, invited the delegates to present themselves, and then to establish the committee of the Commission. This was established, by acclamation, as follows:

- Chairman : M. O'LATOUNDJI, Head of the Benin delegation
- First Vice-Chairman : M. BOCKOR, delegate from the Joint African and Mauritius Organization
- Second Vice-Chairman : M. Jean Marc OYONO, delegate from the United Republic of Cameroun
- First Correspondent : M. Paul Maurice HUMMEL, delegate from the Union Douanière et Economique de l'Afrique Centrale
- Second Correspondent : M. Dev MANRAJ, delegate from Mauritius

The executive committee formed in this way took over its functions and submitted the agenda prepared by the UNIDO experts to the meeting. This agenda was adopted, with the following modifications:

- At the request of the delegate from Volta the papers from the States, timetabled for the first day, were put back 24 hours so as to allow the participation of those delegates who had not been able to arrive at Cotonou for the opening of the meeting.
- On the proposal of the delegate from UDEAC, and as requested by the UNIDO experts, the agenda was supplemented by two communications. one on the sectorial adaptation of the General Plan for Public Administrations and then to Banks (added to the examination of point 10), the other on experience with a Single Tax, as a factor for industrialization (added to the programme for Wednesday morning).
- The Commission did not, however, accept two other proposals: one intended to terminate work on Friday evening, the other requesting the transfer of the visit to the Abomey museum from Thursday to Friday in order to facilitate the work of the correspondents.

M. ACOGNY, a senior UNIDO official, also asked M. PAUL, the Advisor representing the French Ministry for Cooperation, to make a statement on

his extensive experience of data processing matters.

The new Agenda forms Annex 2 of this report.

The session was closed at noon.

Monday afternoon session

The session was opened at 15.15 hours. At the invitation of the Chairman the UNIDO consultant expert, M. MLIANGOUILA, spoke on point 1 of the "Structures" Sub-File and proposed a discussion on the proposals which were put forward. M. ACOGNY emphasized the necessity for structures in order to arrive at standardization.

The Togo delegate agreed that there were many legislative texts to be adopted, but wished to know how States were to apply them.

The representative of the French Ministry for Cooperation drew the attention of the Commission to the terminology used. It was possible to recommend that States adopt a National Plan based on the OCAM Plan, but not adopt the Plan of an Organization of which they did not form part. He also insisted on the downstream work which would result from the application of the Plan, and in particular the collection of taxation data.

After a general survey the Benin delegate recalled that African society has an oral tradition. However the heritage of colonization had caused it to adopt a written tradition. In the latter it is not possible to legislate without texts. He therefore asked those States which had already promulgated such texts to describe their experiences.

The UDEAC delegate then spoke of two very different experiences, showing on the one hand the necessity for the progressive introduction of the Plan and on the other that of associating in texts and activities the taxation authority, the constraining power of which is the only effective one where enterprises are concerned.

The delegate from the Republic of the Ivory Coast was not of this opinion. On the basis of experience in his country he felt that the Accounting Plan should reflect the economic reality of the enterprise, and that it could not as a consequence be encumbered with tax considerations which often falsify accounting. Briefly sketching the history of the Ivory Coast Accounting Plan he recalled that this plan had only a distant relationship with the OCAM Plan, not that of a derivative. He emphasized that when a meeting was based primarily on the OCAM Plan his country could only assist as an observer.

The UNIDO consultant expert recalled that his Organization had cited the OCAM Plan as a reference basis, its normative value being undoubted, but each country remains sovereign in the adoption of its own Plan, and UNIDO assistance remains assured, provided that the Plan allows aggregation at regional and international levels. He felt, however, that the Ivory Coast Plan fell within the philosophy of the OCAM Plan.

The delegate from the Communauté Economique des Pays des Grands Lacs (Economic Community of the Countries of the Great Lakes) felt that it was not a question of studying the respective merits of the different plans, but of studying methods for harmonization. He confirmed the necessity for a progressive introduction of the Plan, and drew the attention of the Commission to the problems of further training.

After a break in the meeting the Chairman submitted recommendation No. 1 (see annex) to the experts by way of synthesis. This recommendation was finally adopted after the addition of the phrase "study of the National Plan" preceding that of implementation, as a result of an intervention from the representative of the ILO.

The UNIDO consultant expert then dealt with point 2 on the "National Committee for the Accounting Plan" Sub-File, and proposed the creation of this organization, the functions to be entrusted to it, and the nomination of a Secretary General of the Committee.

The CEPGL delegate questioned the opportuneness of the passage concerning permanent contact with the OCAM General Secretariat in the case of those countries which were not members of this organization.

The Ivory Coast delegate pointed out that his country did not have an inter-administrative organization but that the Data Bank, responsible for the Accounting Plan operation and processing, is a department of the Ministry of Finance.

The UDEAC delegate referred to the advantages which the States of the Union had drawn from the National Committees, as a court of appeal for the permanent secretaries. He agreed with the concept of the Committee and the Secretariat but found the epithet "general" for the secretary unsuitable, requesting the enlargement of the Committee to those responsible for public accounting.

The CEPGI delegate reminded the assembly that he had not questioned the utility of the Committee, but merely some of its proposed functions.

After further discussion it was agreed:

- to include the functions of the National Committee in Recommendation 1, paragraph 3, relative to the national organization capable of
- to recommend to States which create this organization to define the functions after consulting the texts drawn up by those States which had shown most activity in this matter. Nothing then prevented a non-member State from requesting technical advice from a sub-regional or international organization which had accumulated experience in this matter.

The session was closed at 18.45 hours.

Morning session, Tuesday, 10 April

The session was opened at 8.30 hours.

At the invitation of the Chairman the UNIDO consultant expert, M. MIANGOUILA, described the philosophy of the OCAM Accounting Plan. The plan is essentially a management tool, and each country should harmonize company accounting with national accounting. In order to draw up a national accounting plan UNIDO proposes the use of those documents which have already been published.

M. ACOGNY added that the accounting plan forms part of a general system which respects the sovereignty of States. Citing Article 45 of the draft law relating to the finance laws of the Islamic Republic of Mauritania he said that finance laws should make provision for regulating public accounting. M. SOLIGNAC described the experience of two countries in implementing the national accounting plan where an enlarged committee had not produced concrete results. By contrast a small team of four persons, in liaison with nationals and with outside assistance, had succeeded in producing a preliminary draft. This preliminary draft had then been submitted to a larger committee consisting of more than fifty persons. Certain recommendations were amended and then promulgated; the whole operation took a period of two years, and implementation was possible after a further year's work.

The representative of France proposed the creation of an organization responsible for documentation on national accounting plans and the OCAM General Plan. Each country would send its publications for computer recording, and in this way it would be possible to exchange services on an international basis.

In this respect the UNIDO representative pointed out that his organization had already envisaged a data bank at Vienna, not only for the accounting plan but covering all industrial enterprises. The Industrial Information Section had an office and all the necessary documentation. Private

entrepreneurs could obtain information, provided that their approach was made through their respective governments or Consular Chamber.

The ILO representative pointed out that his organization had a documentation centre covering all teaching material. He warned delegates against the wastage which could result on each occasion that a new examination of the problem was carried out if it did not take into account previous studies. He had already suggested that each country should present its achievements, and any problems which arose in the form of a case study capable of being studied in universities or other institutes.

The UDEAC representative then set out the philosophy of the General Accounting Plan and Nomenclatures. He distinguished three levels of codification. Firstly the General Plan was limited to principal accounts with two digits, with sectorial adaptation at a level of three digits if necessary. Secondly the nomenclature of 2 to 4 digits, represent the minimal relaxations necessary for National Accounting. Thirdly there is the detailed plan drawn up by each enterprise by judicious combination of the General Plan and the Nomenclatures. This would comprise 4 to 8 digits (or more) and would permit detailed analysis at enterprise level, together with the establishment of a list of accounts appropriate to its activity.

The UNIDO representative was of the opinion that codification at General Plan level (2 digits) and nomenclatures (2 to 4 digits) should figure in the National Accounting Plan. M. ACOGNY felt that the degree of data processing in Africa depends largely on the financial and technical resources available in each State. However by its normative character a National Accounting Plan would in the long term favour data processing measures.

The delegates listened with attention to the Ivory Coast experience of using data collected by using the Ivory Coast Accounting Plan. This country has a Data Bank which employs 12 persons for the acquisition of information from 2,000 Ivory Coast companies. The final result is the publication of a "Central Balance Sheet", an exhaustive document on the financial statements aggregated at national and sector level. The

representative of the Ivory Coast invited the delegates to examine the work already accomplished in the Ivory Coast, or to put forward a request so that the representative of the country could come and see the progress which had been accomplished.

The representative of France then dealt with recent developments in the field of data processing and the costs of automating data processing in the African States. A long debate on automation and the problems of under-employment in the developing countries then followed. The UNIDO representative hoped that the technical development would above all serve man, and so enrich human life.

After examination of point 10 of the sub-file the Chairman invited the delegate from the Union Douanière et Economique de l'Afrique Centrale to describe two cases of sectorial adaptation of the General Accounting Plan.

The first concerns the Public Administrations sector. Because of legislative constraints on Public Accounting the operations are firstly recorded in the income and expenditure budget accounts (90), then secondly, and at central level only, in the management accounts (classes 7 and 6) and with the 91 accounts, the budgetary reflection accounts, as counterpart. The classification of management accounts is also modified, as compared with that in the General Plan. For example account 61 covers all consumptions of goods and services, subdivided into intermediate and final consumptions, and account 71 includes all possible operations of production of an administrative unit (accounts 71, 72 and 73) of the General Plan. To the three normal Consolidated Statements is added a Financial Situation and a Budget Execution Situation. Finally the introduction of the Plan is modified in space, commencing with Treasury Administration, and in time by the successive application of five modules, only the last of which results in a complete capital accounting.

The second example concerns the Banks and Financial Establishments sector. In these enterprises class 3 will be reserved for operations carried out

with the clientele, since the commercial activity of the bank consists of granting credits and receiving deposits. Office and other supplies are regarded as consumed as from the time of their purchase and entered under 61, without prejudice to regularization at the end of the period by "Charges paid in advance". Furthermore in the criterion of the term ceded, in the distinction between classes of accounts, the first place has that of a permanent or intermittent character of resources and employments. It is in this way that classes 3, 4 and 5 can include the long and medium term operations which interest the clientele of the bank. These operations do, however, remain isolated at main account level, so that the national accounting can reclassify them. A third difference concerns the use of accounts 60 and 70 for interests and commissions presenting the character of an increase in the rate of interest, and account 80 which shows, similar to the commercial gross margin, the margin on the banking activity. Finally the results of operation are isolated at two levels before allocations to amortization and provisions (gross result) and after these allocations (net result).

In the discussion the representative of the French Ministry for Cooperation criticized the second plan for having remained too near that of the French banks; this prevented it from approaching the OCAM General Accounting Plan more closely. He criticized it for having confused the criteria of cost accounting, inherent in management, with that of the nature of operations which constitutes the basis of the General Plan.

The Benin delegation noted the objective explanations provided in the statement, but asked if the consequences of this "distortion" of the General Plan had been measured. The head of the UNIDO delegation asked for additional explanations on the procedure for drawing up the Sectorial Plan for Banks and Financial Establishments.

The UDEAC delegate recalled how the Plan had been drawn up, tested by professionals, and under what conditions it was to be submitted to the higher councils of the Union in the very near future. He emphasized the fact that the divergences, which were clearly shown in the presentation, in particular in regard to numbering, did not result in any analytical difficulties for national accounting and did not have any taxation

implications. In reply to the first question he felt that UDEAC had not criticized the underlying philosophy of the OCAM General Plan, and considered that this had been sufficiently explained in dealing with the question.

The session was closed at 12.50 hours.

Afternoon session, Tuesday, 10 April

The session was opened at 15.15 hours.

At the invitation of the Chairman the delegates of the States and of international and sub-regional organisations which were represented presented their respective papers in alphabetical order. These papers are given in the annex to the present report. The ILO representative described the experience of his organization in training company personnel.

In his contribution the representative of the French Ministry for Cooperation reminded the delegates that no text had ever made the application of the French accounting plan of 1947/57 obligatory in enterprises established in the territory of the existing African States.

The delegate from Cameroun questioned the ILO representative on the forms of assistance proposed by the latter.

The CEPGL representative returned to the Ivory Coast Accounting Plan, and asked if this country had made the necessary contacts with OCAM during the drawing up of this plan. The Ivory Coast delegate recalled his previous explanations.

In conclusion the head of the UNIDO delegation reminded the participants that he felt that it was normal for each country to have its own National Plan; but when he had signed the agreements for participation of an organization he took into account the decision taken by that organization.

Morning session, Wednesday, 11 April

The session began at 9.15 hours.

M. Placide D'OLIVIERA, Financial Director of the Société Nationale d'Irrigation et d'Aménagement hydroagricole (SONIAH), and a member of the Benin delegation, described the accounting organization of this company. After having summarized the history and objectives of this enterprise he analysed its accounting structures, the procedures followed and the accounting framework which was utilized. The complete study was available to the delegates.

The Head of the UNIDO delegation was pleased to hear of these Benin activities, and drew the lessons from this careful implementation. He concluded in favour of a rapprochement between the countries and of their cooperation.

The delegates from the Cameroun, Central Africa, Nigeria and Togo, together with the UDEAC representative, would like to have the complete accounting plan of the enterprise. This request would be met before the completion of the work.

The ILO representative asked for additional information on the primary collection of products, the maintenance of accounting by cooperatives, and the distribution of indirect costs.

The CEPGL representative had followed this statement with considerable interest, since the objectives of SONIAH were similar to those which had been fixed for the projects for developing the Ruzizi and Kagera valleys.

The representative of the French Ministry for Cooperation saw in the accounting plan which had been described a system which could become the agricultural sector accounting plan. He questioned the speaker on the calculation of stock increases, on the place of the "Administration" section in the principal sections, and on the liaison which would be provided between the results of the cost accounting and the management responsibilities of the executives.

The Cameroun delegate asked how the effective take-over from expatriate executives was to be effected. He would like to have further information on the structures for marketing products.

The UDEAC representative asked for further information on the use of account 32. He was also surprized that the consolidated statements, presented by the enterprise in accordance with the OCAM Plan and as recommended by a Presidential circular, could have been rejected by certain administrations. The speaker gave the information which was required, and the Chairman thanked him warmly for his brilliant paper.

The Chairman then called on M. DE CAMPOS, the Benin accounting expert established at Cotonou, and invited him to speak.

M. D. CAMPOS thanked the Chairman for having invited him. He pointed out that he had been responsible, since 1973, for all accounting according to the OCAM Plan, and that his consolidated statements had not been rejected. He did, however, deplore the fact that the Plan had not been implemented in Benin. He felt that the Minister for Finance was best placed to relaunch this problem.

In conclusion the Chairman pointed out that all the States of UDEAC, and five out of nine countries belonging to OCAM, were already applying the Plan. Efforts should be made by the other four States, together with the ACP countries. The head of the UNIDO delegation invited the governments to promulgate the Plan rapidly, and promised to intervene personally with the President of the Popular Republic of Benin.

Under the heading "A Single Tax, a factor for industrialization in UDEAC", the representative of this organization then described the experience of the privileged taxation system of the Single Tax, which was granted in the countries of the Union to industrial enterprises which were able to distribute their production throughout the four

States. After having analysed the principle of this tax, and the approval procedure which had been followed, he attempted to evaluate the results obtained over 14 years: about 125 enterprises (out of an approximate total of 2,000 liable for Statistical and Tax Declarations) had a turnover of 80 billion, excluding taxes; definite results had been obtained in the industrialization of States, in particular the United Republic of Cameroun; there was little progress, by contrast, in the development of intra-community trading, the proportion of products subject to the Single Tax and exported to the neighbouring countries had in fact fallen from 25% to about 10%; some accounting constraints still existed, since packages had to be considered as raw materials and the Single Tax had the character of a customs duty, implying accounting of sales including tax, and a tax on the market price in the case of sales at low prices to personnel.

In the exchange of views which followed this paper the Volta delegate asked why trading had not been stimulated more, and whether this tax was the subject of a discount at UDEAC level, similar to the Regional Cooperation Tax in which his country participated.

The UNIDO representative then made an extensive plea in favour of better regional and international cooperation for the purpose of harmonizing industrialization in the developing countries.

The session was closed at 12.50 hours.

Afternoon session, Wednesday, 11 April

The session was opened at 15.10 hours.

At the invitation of the Chairman the consultant expert from UNIDO described points 3 and 4 of the sub-file, relating to initial and further training activities. He invited the assembly to examine the draft programmes contained in document 147 and to consider the problem of manuals.

The Togo delegate felt that it was necessary to give further training to heads of enterprises before the chief accountants, since they had the authority. He also recommended that ministers should be made aware of the situation, by presentation of the Plan in Council, and to the directors of the cabinet during a study day.

The Ivory Coast delegate stated that training activities should be carried out in an on-going manner, since such training could never be regarded as completed. As far as the administrative executives and heads of enterprise were concerned he was often invited to discussion circles or training activities, during which he described the problems related to the accounting plan and the central balance sheets. Courses were also organised for chief accountants. By contrast the further training of teachers remained to be studied.

The Togo delegate was of the opinion that it was necessary to institutionalize the exchange of teachers with practitioners for a period, so as to improve collaboration between industrial enterprises and teaching institutions.

For this reason it would be advisable to change from teaching manuals which were directed towards the French Plan to those dealing with the OCAM Accounting Plan.

The UDEAC representative described the manuals which already exist or which were now being published. He also described the reform of the

programmes and examinations used in the States of the Union. He then drew conclusions from the 76 seminars which have been organised since December 1970.

The Mauritius delegate felt that it would be desirable to introduce the case study method, currently being used in modern universities and schools of management, as a teaching technique. This recent technique had had positive results and could be applied in teaching the National Accounting Plan, particularly when it was based on the extensive experience of countries which had already applied their Plan over the last ten years.

After a pause work continued with the examination of points 5 and 6 of the sub-file. The UNIDO consultant explained how an expert should proceed in carrying out his task in the enterprises.

In the course of the discussion the Central African Empire representative deplored the lack of national experts in his country and called on the technical assistance of UNIDO in the field of accounting, in particular for training executives.

The Nigerian representative followed the same line, and added that the international experts had too much material to handle simultaneously, and this reduced the efficiency of their work.

The ILO representative drew attention to the fact that, in order to obtain the confidence and collaboration of enterprises, experts should be responsible solely for assistance, excluding any control function.

The Cameroun delegate also insisted on a wider outlook and a sense of dialogue which was essential in a foreign expert wishing to assist a country in its own context.

The session was closed at 18.40 hours.

Morning session, Friday, 13 April

The Chairman opened the session at 9.20 hours and asked the expert consultant of UNIDO, responsible for dealing with points 7 and 8 of the Sub-file, to speak. The latter insisted (point 7) on the necessity of finding national experts capable of taking over from the international experts, with sufficient motivation and hence of adequate status since, he pointed out, "we should not abandon the chase to follow after the shadow". He then proposed (point 8) the establishment, in each State, of a pilot centre.

The chief of the UNIDO delegation and the expert from the Benin Central Office for Projects completed this contribution by recalling the basis of long personal experience and the essentially training role of the international expert, who could only be satisfied when the system which had been implemented operated normally after his departure. The former also dealt with the possibility for UNIDO providing supplementary remuneration to a counterpart belonging to the national civil service.

The Chairman thanked the head of the delegation for having raised this subject, and asked the delegates of the States and other organizations which were represented to speak.

The ILO representative felt that it was also necessary to recruit international experts from amongst African nationals, but pointed out the fact that one sometimes met with reticence on the part of governments.

After a contribution from the representative of the French Ministry for Cooperation on the subject of the concept of expert the head of the UNIDO delegation showed how the two points of view which had been put forward were, in fact, complementary.

The Ivory Coast delegate commented on the difficulties which he had experienced when finding counterparts in the Central Balance Sheets Office. The necessary specialists did not exist in the Civil Service, and could not be attracted from the private sector in the absence of satisfactory remuneration. The attempt to train young persons on the job had failed,

since once they had been trained they had deserted the public sector. The only solution he saw was the possibility of converting the Central Balance Sheets Office into a Governmental Establishment, capable of offering the major advantages of joint status.

The delegates from Volta and Niger attempted to identify the conditions for efficient collaboration between national and international experts. As the executive responsible for an assistance project the Togo delegate recalled that the recruitment of counterparts was also limited by budgetary constraints, unless the remuneration could be accepted by the assistance organization. He also pointed out the preference of pupils for non-national instructors.

The acting representative for the EEC stated that he had followed the discussions for this session with considerable interest, this having been the first for him. He asked whether it was not convenient to think also of training many junior accountants.

In his second contribution the ILO representative pointed out that counterparts were normally the responsibility of the government. It had however been possible to envisage, in special cases, additional encouragement in the form of bursaries for domestic training during the duration of a project.

The CEPGL representative questioned the way in which the problems had been presented up to the present time. He deplored the prejudice of certain governmental authorities, who felt that only an international official was credible, and recalled that, during the time when he was a professor in France, the black students annoyed him most. He connected the problem with the conditions of life and deplored starvation wages and the absence of means of transport for the national experts, although it was rather the nationals who train the international experts.

The representative of the French Ministry for Cooperation recalled that projects succeed where a motivated national official "made it his own business". It was the responsibility of nationals to accept their responsibilities and to coordinate the means of assistance which were available.

The OCAM representative asked UNIDO if that organization could not finance missions capable of examining the problems in its member States.

The Cameroun delegate felt that difficulties often arise from the fact that national personnel nominated were not specialized in the field concerned. He raised the question of certain experts who were content to sign the study documents which they had only followed at a distance, so as to justify their presence.

The Mauritius delegate asked the assistance organizations how they evaluated projects and the non-application of the recommendations which were formulated.

The UDEAC representative related the experience of his organization in regard to the organization of the accounting profession. He insisted on the necessity for distinguishing the function of accounting from that of control. On the problem of counterparts he considered, from his personal point of view, that the creation of a Public Establishment constitutes a solution, but one which should not be generalized, that supplementary remuneration provided by the external organization to the nationals beyond the end of the project would favour motivation, but that the problems of security and freedom of action which were difficult to resolve often handicapped the nationals.

The Togo delegate supplemented his previous contribution by recalling that authorities often preferred to submit their problems to foreigners who they felt were less implicated in the sociological context of the country.

In reply to these interventions concerning supplementary remuneration the head of the UNIDO delegation recalled the ruling of international law. He felt that a resolution presented by a country to the General Assembly of the International Organization was capable of modifying the existing policy.

The representative of the French Ministry for Cooperation recalled, however, the principle whereby, out of respect for the independence of the sovereign State, an external organization could not remunerate an official of that State.

At the conclusion of this discussion the Chairman presented and accepted an addition to Recommendation No. 2, taking the place of the draft recommendation prepared as a result of the Wednesday afternoon session. He then suspended the session.

Work was resumed at 12.20 hours. The consultant expert from UNIDO introduced point 9 in the sub-file, relating to the evaluation of pilot centres.

The ILO representative pointed out that a team of experts could not evaluate itself.

The representative of the French Ministry for Cooperation distinguished between evaluation of the work carried out, which could be carried out effectively by a third party, and evaluation of the possibilities of improvement, in which the experts on the site had their part to play.

The Cameroun delegate raised the problem of delays in evaluation, often too long and hence very costly.

The head of the UNIDO delegation concluded the brief discussion by insisting on the joint character of all projects and on the necessity for a government to coordinate those sources of assistance which are offered to him.

The session was closed at 12.45 hours.

Afternoon session, Friday, 13 April

The session began with a presentation of the teaching equipment produced by a UNIDO expert attached to the Central Projects Bureau of the Popular Republic of Benin. This was an audio-visual aid of 60 slides, supported by a tape, setting out for the pupils of assistant accountant level the technique of bank reconciliation on the basis of a simplified example.

In the course of the exchange of views which followed the experts who had produced the aid indicated the modest cost of such production, capable of serving as a prototype.

The Ivory Coast delegate approved this type of production but felt that a direct commentary from the instructor was preferable to a tape recording. The expert pointed out that such aids were intended to be used after the producer had left.

The representative of the French Ministry for Cooperation found the experience interesting, and distinguished the problem of "hardware" from that of "software". As far as the first was concerned he felt that the contributions made by the supply of equipment, by the producer and by the material taught had not been fully mastered up to the present time. On the second he found the example probably too theoretical for immediate application.

The expert recalled that the slides and tapes could only be considered as teaching supports.

The ILO representative pointed out that his Organization had considerable experience in this field. He felt that the quality of the trainer counted most in the field.

In his concluding statement the head of the UNIDO delegation thanked the participants for their fruitful collaboration and congratulated them on the satisfactory commencement of work relating to accounting standardization.

He intended to base himself on this work to achieve this objective and called, where necessary, for the collaboration of the participants.

The Chairman thanked the speaker for his comments and closed the session at 16.30 hours.

Saturday session, 14 April 1979

The last working session of the Commission was devoted to adoption of the draft report prepared by the correspondents, together with the drafting of the Recommendations which had been formulated.

The session was closed at 11.00 hours by Comrade Isidore AMOUSSOU, Minister of Finance, who gave the closing address in the presence of the Comrade Minister responsible to the President of the Republic for Planning, Statistics and Technical Cooperation, and the temporary Resident Representative of the United Nations Development Programme.

The report is supplemented in the annex by the complete text of the papers presented by the delegates of the States and the representatives of the Organizations which had been invited, and also of the opening and closing addresses.

ANNEXES

- RECOMMENDATION No. 1 relating to legislative and regulatory texts
- RECOMMENDATION No. 2 relating to implementation of the Plan
- RECOMMENDATION No. 3 relating to national initial and further training activities
- RECOMMENDATION No. 4 relating to a Regional Centre for Further Training
- DRAFT AGENDA
- ADDRESS BY THE MINISTER responsible to the President of the Republic for Planning, Statistics and Technical Cooperation
- ADDRESS BY THE RESIDENT REPRESENTATIVE OF THE UNDP AT COTONOU
- CLOSING ADDRESS by the Minister of Finance
- LIST OF PARTICIPANTS
- PRODUCTION OF TEACHING MATERIAL
- Paper by SONIAH on the experience of a Benin public enterprise
- PAPER FROM THE POPULAR REPUBLIC OF BENIN
- PAPER FROM THE UNITED REPUBLIC OF CAMEROUN
- PAPER FROM THE CENTRAL AFRICAN EMPIRE
- PAPER FROM THE REPUBLIC OF THE IVORY COAST
- PAPER FROM THE REPUBLIC OF UPPER VOLTA
- PAPER FROM THE DELEGATION FROM MAURITIUS
- PAPER FROM THE REPUBLIC OF NIGER
- PAPER FROM THE REPUBLIC OF TOGO
- PAPER FROM THE GENERAL SECRETARIATS OF OCAM AND UDEAC

RECOMMENDATION No. 1

Relating to legislative and regulatory texts

The Commission of Experts on Standardization of Accounting in Industrial Enterprises, meeting from 9 to 14 April 1979 at Cotonou,

- conscious of the need for the standardizing of accounting in all the States which it represents,
- recognising the normative value of the OCAM General Accounting Plan, already applied in several States,

RECOMMENDS the implementation of the following legislative and regulatory texts:

1. a text making the application of a National Accounting Plan based on the OCAM General Accounting Plan obligatory, and reinforcing this obligation by tax constraints;
2. a text relating to programmes of accounting teaching in the Technical and Senior Teaching establishments, together with the application of the Plan in official competitions and examinations;
3. a text creating a National Organization capable of associating heads of enterprises, financial organizations, private accountants, public accountants and those responsible for tax and statistical administration, and of coordinating all the operations relating to the implementation of a National Accounting Plan.

RECOMMENDATION No. 2.

Relating to implementation of the Plan

The Commission of Experts on Standardization of Accounting in Industrial Enterprises, meeting from 9 to 14 April 1979 at Cotonou,

- conscious of the necessity for the standardization of accounting in all the States which it represents,
- recognizing the normative value of the OCAM General Accounting Plan, already applied in several States,

RECOMMENDS THAT STATES

a) draw up a National Plan comprising:

1. a general accounting framework of 2 or 3 digits, provided with rules for evaluation and rules for recording,
2. a range of nomenclatures capable of establishing accounts according to the needs of the National Accounting;

b) assist enterprises in the drafting of their company accounting plan resulting from the judicious conjunction of the general framework and the nomenclatures.

c) choose a restricted number of pilot enterprises to which the experts would give their assistance as a matter of priority.

TAKES NOTE

a) of the offer of the United Nations Organization for Industrial Development

1. to place at the disposal of States and sub-regional organizations experts capable of giving this assistance,
2. to make available to States and sub-regional organizations the documents collected by its Documentation Centre,
3. to finance, at their request, study trips to assist them in the realization of their programme, within the limit of the available resources.

- b) of the offer by the representative of the French Ministry for Cooperation to study, with those States and Organizations so requesting, the possibilities for data processing of accounting data on the basis of the most recent technology, at a reasonable cost, and in particular adapted to the structures of the enterprises concerned.
- c) of the offer by the representative of the International Labour Office to provide, subject to the agreement of its head office, the assistance and experience of this organization, more particularly in respect of initial and subsequent training of personnel concerned with the introduction of the Plan.

ASKS however that these experts

- a) should be chosen on criteria of an open mind, of a sense of dialogue and of adaptation to local realities, as well as on criteria of technical competence;
- b) should be placed under the authority of the national organization envisaged in Recommendation No. 1, as soon as this is created;
- c) are limited in enterprises to the functions of advice and assistance, excluding direct work which is the responsibility of the liberal professions, together with missions of control of an economic or fiscal order;
- d) should be provided as soon as possible with national counterparts, nominated by the government, having an adequate basic training, and granted satisfactory status, capable of replacing them as soon as possible.

RECOMMENDATION No. 3

Relating to national initial and further
training activities

The Commission of Experts on Standardization of Accounting in Industrial Enterprises, meeting from 9 to 14 April 1979 at Cotonou,

- conscious of the necessity for the standardization of accounting in all the States which it represents,
- recognizing the normative value of the OCAM General Accounting Plan, already applied in several States,
- conscious of the fact that the application of a new accounting plan is largely conditioned by the adequate training of personnel,

RECOMMENDS

1. that action be initiated in regard to the political and administrative authorities, heads of enterprises, data processing personnel, taxation experts and statisticians, so as to convince them of the advantages which they could draw from application of the OCAM Plan;
2. that accounting training should be modified basically, using seminars organized for teachers in technical and higher teaching establishments;
3. that activities in regard to ongoing training should be organized at various levels of accounting personnel (assistant accountants, accountants, chief accountants) in order to familiarize them with the options of the Plan, the modifications which they involve and the new methods of data processing which they allow;

It leaves, however, the experts and instructors in the training cycles and seminars to draw up programmes suitable to their special needs.

REQUESTS

UNIDO to examine, with the other competent multilateral and bilateral assistance organizations, the ways and means needed to provide adequate teaching manuals for those countries which apply or will be applying a National Accounting Plan, based on the OCAM General Accounting Plan.

RECOMMENDATION No. 4

Relating to a Regional Centre for Further Training

The Commission of Experts on Standardization of Accounting in Industrial Enterprises, meeting from 9 to 14 April 1979 at Cotonou,

- after having studied all the problems relating to the standardization of accounting in industrial enterprises in the developing countries;
- conscious of the fact that the actions of the States merit being sustained by action at sub-regional level;

RECOMMENDS UNIDO

to finance the creation, in collaboration with the competent sub-regional organizations, of a regional pilot centre for further training of accounting personnel, provided with the necessary teaching and technical equipment.

DRAFT AGENDA

Monday 9 April

- 9.00 h Opening address by his Excellency the Minister responsible
to the President of the Republic for Planning, Statistics
and Technical Cooperation
- 10.00 h Presentation of the delegations by a UNIDO official
- 10.30 h Establishment of the secretariat
- 11.00 h Adoption of the Agenda
- 15.00 - 18.00 h Papers from the delegations

Tuesday 10 April

- 8.00 - 12.00 h Examination of the sub-file
 Point No. 1 Structures
 . Legal texts
 . National Accounting Plan Committee
- 15.00 - 18.00 h Examination of the sub-file (continued)
 Point No. 10 Establishing a national accounting
 framework

Wednesday 11 April

- 9.00 - 10.00 h The experience of the Benin enterprise : SONIAH
- 10.00 - 11.00 h Discussions.

11.00 - 12.00 h Examination of sub-file (continued)

Point No. 3 Field of action

15.00 - 19.00 h Examination of sub-file (continued)

Point No. 4 Training programmes (field of action -
continued)

Point No. 5 Contribution from experts in enterprises

Point No. 6 Functional relationships in the team of
experts

Thursday 12 April Excursion: visit to the Abomey museum

9.00 h Depart

16.00 h Return

Friday 13 April Examination of sub-file (conclusion)

9.00 - 12.00 h Point No. 7 Composition of the team of experts

Point No. 8 Procedure

Point No. 9 Evaluation of actions carried out in
pilot enterprises

15.00 - 15.30 h Production of teaching material

15.30 - 17.00 h Statement by a UNIDO official

Saturday 14 April

9.00 h Adoption of the report

11.00 h Closing address by His Excellency the Minister responsible
to the President of the Republic for Planning, Statistics
and Technical Cooperation.

N.B. Midday meals may be taken together in the INFCSEC cafeteria, at the
same place as the meeting. This will allow further contact to be
made, in addition to the points in the agenda.

ADDRESS BY THE MINISTER RESPONSIBLE TO THE PRESIDENT OF THE REPUBLIC
FOR PLANNING, STATISTICS AND TECHNICAL COOPERATION

- COMRADE MEMBERS OF THE CENTRAL COMMITTEE,
- COMRADE MINISTERS,
- EXCELLENCIES,
- LADIES,
- GENTLEMEN,
- MILITANT COMRADES,

It is a pleasure for me, at the opening of this important meeting, to extend, in the name of the Benin people, in the name of its Party, the Party of the Popular Revolution of Benin, of its President, our great Comrade in the struggle Mathieu KEREKOU, of the Military Revolutionary Government and in my personal name, the sincere militant and cordial greetings of welcome to COTONOU to the Governmental delegations, to the representatives of the International and National Organizations and to all participants in the meeting of the group of experts on the Standardization of Industrial Accounting at COTONOU.

I must sincerely thank those at UNIDO who have been good enough to choose COTONOU as the place for this meeting. Certainly other capitals could have offered you greater material comforts. However we can assure you that you will find here a human warmth and welcome at the highest level of our feelings of African fraternity and of interest, as shown by our Party and our People in the fruits of your work.

You will know, undoubtedly better than I, that accounting is a technique of recording flows and recording the operations carried out by an enterprise during a given period. In modern economy the role of accounting has gone far beyond that of a simple management tool in the enterprise, although that was of great value, to become one of the foundations of modern techniques for data processing at the level of the national economy.

- 24 -

This is why the developing countries must regard as opportune and beneficial to our economies the initiative of UNIDO towards concerted action on the standardization of accounting methods. We must be convinced of the importance of this standardization, an instrument which is essential and which is offered to us through the GENERAL ACCOUNTING PLAN, the so-called "OCAM PLAN"; this valuable tool has already proved itself and its application is necessary to extend much more widely than to the States which signed the YAOUNDE Convention in 1970, since it is now recommended by much wider international agreements.

It is true that accounting standardization seems at first glance a contradictory requirement in the sense that the same micro- or macro-economic fact is perceived in a different manner according to whether one is the accountant of an enterprise, a statistician or taxation expert, an economist, or even quite simply a sociologist. In fact it is not at all evident that the concepts of stock and investment cover the same realities for the economist who has his purely theoretical requirements, for the company accountant with his management requirements or for the statistician for whom the need to produce quantitative measurements may represent a distortion of the real acquisition of an economic fact.

This is one of the reasons why standardization of industrial accounting must:

- Firstly be perceived as an integral part of general accounting standardization, and treated as such.
- Secondly accounting standardization must involve the participation of all the technicians, since it involves understanding correctly the illumination of all, so that the said standardization does not operate to the detriment of other economic agents.

Finally it is a question of obtaining total understanding so that each may draw the greatest advantage from the general framework which is established in this way.

- Thirdly it is to be conceived as a framework which records the largest possible number of items of information.

It seems certain to us that we are moving towards an obvious halt if standardization does not imply, reinforce and make more widespread the practice of cost accounting.

During this week of work you will be devoting yourselves to this problem and to the development of accounting systems, to seeking together the ways and means which will allow those States which have not already done so to establish a NATIONAL ACCOUNTING PLAN. This is not simply a matter of reproducing the framework defined by the OCAM plan but of developing and adapting it to the realities of each country. In this way all the enterprises in the same country can speak the same language for the greater good of the national economy and of planning.

Comrades and representatives, allow me to draw your attention to a double trap which must necessarily be avoided.

In practice, no-one ignores the concrete conditions of our developing economies.

No-one is unaware that the informal sector is largely predominant as a result of the almost non-existent development of industry. The question therefore arises of knowing whether standardization of industrial accounting, the object of the present meeting, is to be conceived to serve the developed economies ? Or is it necessary to design a standardization adapted to our structure ?

It seems to me to be of the greatest importance to have, as an objective, our own realities in the search for solutions to this problem, whilst taking sufficient account of the dynamic character of the said economies.

It will be of no value to sketch out a standardization for industrial economies if it is not possible to apply them.

Neither will it be of any value to design a standardization which closes the door to international comparisons.

It is, as a result, precisely on a regional or international level that the use of an accounting framework on a common basis will allow international comparisons of certain aggregates and data. In this way it can become an instrument in the service of a policy of cooperation between States.

Representatives and militant comrades, you have embarked on a long and arduous task. It will necessarily imply obligations including that of ensuring appropriate training.

I am convinced that, with the collaboration of the experts from the International Organizations and with the cooperation of all our States each of our countries can succeed in its heavy task for the greater good of our people.

On this note of hope I declare open the meeting of the Group on the Standardization of Accounting.

LONG LIVE International Cooperation !

LONG LIVE Inter-African Cooperation !

READY FOR THE REVOLUTION !

THE FIGHT GOES ON !

CLOSING ADDRESS BY THE MINISTER FOR FINANCE

Comrade Ministers,
Excellencies,
Ladies,
Gentlemen,
Militant Comrades,

After a week of mature reflection and fruitful exchanges of view on the standardization of accounting in the developing countries and on the application of the OCAM Accounting Plan you have now arrived at the end of your work.

It is an honour and a real pleasure for me to close the meeting on this day of Saturday 14 April 1979.

There is no doubt that your discussions have been most serious and that your research has been carried out with the permanent desire to add a new stone to the building of our beautiful, great and rich continent, Africa.

I would therefore like to permit myself to thank each one of you and to express the importance which our country, the Popular Republic of Benin, attaches to the conclusions which will result from your sessions. In fact it will be of no value to elaborate principles and plans to show the necessity for accounting and its standardization in the developing countries if your conclusions only serve to fill the drawers in offices or to decorate the shelves in the libraries in our countries.

For my part I am happy to see that, during your work, you have in particular studied the means which would make it possible to follow up the management of our enterprises, these means relating to the

introduction of budget systems, valuable instruments of forecasting and cost accounting, and the no less valuable instruments of checking the achievement of these budgets.

Since by their very structure budgets and accounting facilitate comparisons, which are the subject of management control, and which demonstrate certain divergencies, locate responsibilities and suggest as a result the appropriate corrective measures.

This is why the results of the work of you, the experts, will I am sure make it possible for the Directors in our countries to take adequate measures for putting the OCAM Accounting Plan into practice.

Meanwhile I would assure you that as far as the Popular Republic of Benin is concerned the necessary steps will be taken from the point of view of the effective application of the OCAM Accounting Plan in all our production units.

I cannot close my remarks without addressing my very sincere thanks to the Resident Representative of the United Nations and, particularly, to the United Nations Organisation for Industrial Development which had the happy initiative to organise and direct the present meeting at Cotonou with a view to the implementation of better basic techniques in the service of the industrial development of our region.

I also thank all those near and far who have contributed to the success of your meetings.

In addition to UNIDO it is all the other specialised organizations of the United Nations, all the international and regional organizations for technical cooperation which I would thank, hoping that their bilateral and multilateral assistance will not be lacking in the search for the ways and means to ensure the harmonious industrial development of our countries.

Finally, therefore, and whilst wishing you all a safe return to your respective countries, I declare the meeting of the group of experts responsible for the Standardization of Accounting in the Developing Countries closed.

LONG LIVE INTERNATIONAL COOPERATION !

LONG LIVE AFRICAN UNITY !

LONG LIVE THE POPULAR REPUBLIC OF BENIN !

READY FOR THE REVOLUTION !

READY FOR PRODUCTION !

THE FIGHT GOES ON.

U N I D O

Popular Republic of BENIN

Meeting of experts on the Standardization of Industrial Accounting

C O T O N O U 9 to 14 April 1979

Name and forenames	Country or organization	Position	Address
O'LATOUNIJI, Mouritalabi	P.R. BENIN	Professor, U N B	BP 1140 COTONOU
AMINOU, Taofiki	P.R. BENIN	Inspector of Taxes	BP 369 COTONOU
d'OLIVEIRA, E. Placide	P.R. BENIN	Financial Director, SONIAH	BP 312 PORTO-NOVO
OYONO, Jean-Marc	CAMEROUN	Statistician, Directorate of National Accounting and Statistics	Directorate of Statistics MINEP YAOUNDE
NGAINDIRO, Célestin	CENTRAL AFRICAN EMPIRE	Accountant statistician, responsible for industrial surveys	BP 732 BANGUI

Name and forenames	Country or organization	Position	Address
CHAPDELAINÉ, Louis	IVORY COAST	In charge of Data Bank and Accounting Plan	BP V 202 ABIDJAN
SANWIDI, Ignace	UPPER VOLTA	Advisor on Economic Affairs	BP 517 OUAGADOUGOU
MANRAJ, Dev	MAURITIUS	Accountant - Ministry of Finance	20 John Kennedy Avenue
ABASSE, Adam	NIGER	Accountant, Directorate for the Control of Mixed Economy Companies	MAE/CI BP 480 NIAMEY
AKPAKI, K. Ayefouni	TOGO	Administrative and Financial Director. National Centre for the Promotion of Small and Medium-Sized companies (CNPME)	BP 1086 LOME
KIRILOFF, Michel	I.L.O.	Regional Counsellor, I.L.O.	BP 414 DAKAR Senegal
KALALA, Mwambi	C E P G L	Professor, Head of Division responsible for Planning of Industry, Agriculture and Natural Resources	BP 58 GISENYI Republic of Rwanda

Name and forenames	Country or organization	Position	Address
PAUL, Jean	FRANCE	Head of Mission at the Directorate for forecasting. Advisor to the Director of Electronic and Data Processing Industries (Data Processing Cooperative Group)	120 rue du Cherche Midi PARIS
BOCKOR, Kofi-Kume	OCAM	Head of Statistical Department	BP 965 BANGUI E.C.A.
HUMMEL, Paul	UDEAC	Head of Accounting and Management Training Department	BP 969 BANGUI E.C.A.
ACOGNY, Togoun Servais	UNIDO	Administrator of Industrial Development, responsible for the meeting of 9 - 14 April 1979	BP 707 A 1011 VIENNA, Austria
MIANGOUILA, Gilbert	UNIDO	Professor of Accounting, Consultant	BP 465 BRAZZAVILLE P.R. of the Congo
SOLIGNAC, Pierre	UNIDO	Experts at the BCP (Bureau Central des Projets, COTONOU).	U N D P BP 506 COTONOU P.R. of Benin

PRODUCTION OF TEACHING MATERIALS

The material which is presented to you obviously does not claim to offer any technical knowledge whatsoever to you.

Nor does it attempt to demonstrate the value of audio-visual aids in our tasks of initial and subsequent training; you have been convinced of this for many years.

Whilst you are convinced of this interest many of you feel that such aids are very expensive and that, their production being the responsibility of large (foreign) publishing houses, only some general problems of a high technical level can be the subject of the use of the series of slides, with or without a recorded commentary. The use of an overhead projector makes it possible to produce more modest or more personalized material in certain cases. It is not, however, possible to write a long text during one address, and the preliminary preparation of transparencies involves manipulation during the session which is much less flexible than that of a slide projector.

We wished to deal, with the bank reconciliation statement, with a case which does not pose any high level problems of accounting technique, but which is often neglected in enterprises, as our experience has confirmed. The subject could be even more personalized by using real documents. If we have not done this it was for the purpose of seeking simplicity in the first production made by our team. This character of novelty explains the mediocre quality of the photographic or sound documents which are presented; we are sure that we will be able to improve them when producing a new series.

What we wish to bring to your consideration is that this is not special teaching material which should be judged solely on criteria of intrinsic quality. We hope that we can continue together to follow research work into teaching aids which, if they have a certain degree of originality, are still within the reach of all.

Our team worked with the following equipment:

. For the photography:

- KONICA Autoreflex TC camera, HEXANON 50 mm f 1.7 lens
- GITZO tripod with geared centre column and panning head
- PHILIPS 23BC electronic flash
- flexible cable release

This amateur equipment of a widely used type is the property of an expert in the team and therefore did not necessitate any investment.

. For the projection we use:

- Kodak Carousel SAX 1000 Type GA09710 projector, acquired by the Bureau Central des Projets for 90,000 CFA Francs, excluding tax
- SONY Executive BM 35 dictaphone: this unit, fairly costly, was used because it was already in our possession but it could, with advantage, be replaced by any mini-cassette unit.

. The cost of the supplies was as follows:

- 2 KODAK Plus-X Pan films (125 ASA) at 595	1190
- Development of 2 films	250 500
- 64 positive slide prints	60 3840
- 1 box of 100 mounting frames	1815 1815
- 1 set of batteries for flash units	840 840
Total	<u>3185</u>

or 128 Francs per slide

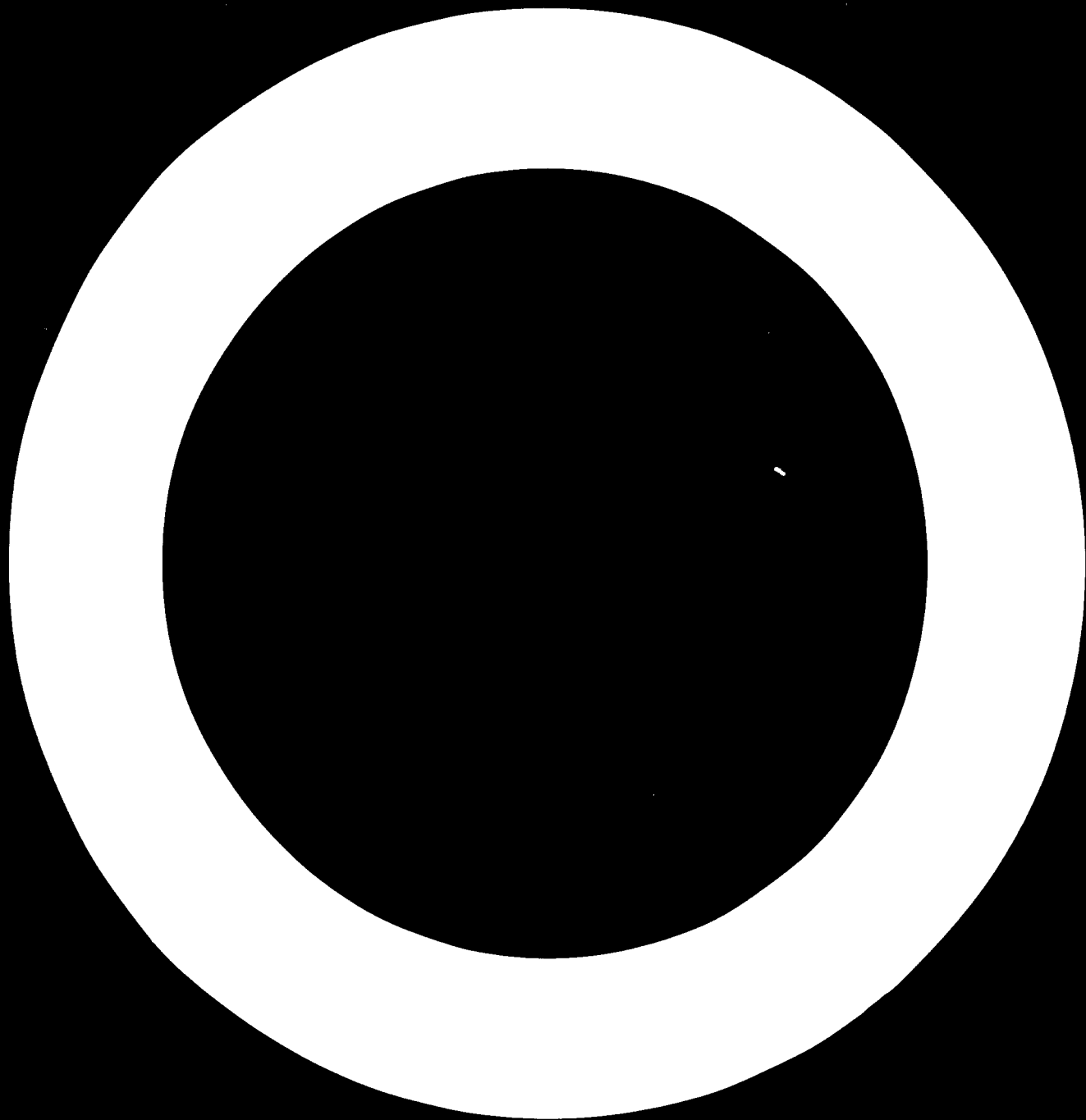
The documents which were photographed were drawn, typed, hand-written or photocopies produced in the departments of the BCP, and represent only a minimal working time; as to the photography or mounting of the slides and the recording of the commentary, the members of the team produced this work as part of their hobby during evenings or weekends.

MEETING OF 9/4/79 TO 14/4/79
ON THE STANDARDIZATION OF THE OCAM PLAN
IN THE DEVELOPING COUNTRIES

PRESENTATION OF THE
EXPERIENCE OF A BENIN PUBLIC ENTERPRISE

BY SONIAH

PORTC-NCVC



CONTENTS

- I - HISTORICAL SURVEY

- II - REFORMING THE ACCOUNTING METHODS
 - a) Accounting methods before Reform
 - b) The Reform itself

- III - THE FOLLOW-UP OF THE REFORM
 - a) Structure of the Accounting Department
 - b) Working method
 - 1) Accounting Plans
 - 2) Accountancy Support
 - 3) General Accounting
 - 4) Cost Accounting

- IV - DIFFICULTIES

- V - CONCLUSIONS

Translator's note

Page 46 consists of errata which have been incorporated in the translation

I - HISTORICAL SURVEY

SONIAH, the Société Nationale d'Irrigation et d'Aménagement Hydroagricole (National Company for Irrigation and Hydroagricultural Management) is a State Company with a capital of 350 million Francs created by Decree No. 75-27 of 23 April 1975 with its head office at 6 Avenue BELLAMY, PORTO-NOVO. It is responsible for:

- Defining and carrying out programmes of utilizing areas both in respect of hydro-agricultural management and irrigation over the whole of the National Territory.
- Managing certain hydro-agricultural areas belonging to the State for the wider implementation of rice-growing techniques in the Popular Republic of Benin.
- Fulfilling the functions of marketing of the products for those areas placed under its responsibility and also, within the framework of the New Policy of Economic Independence, developing the cultivation of various cereals together with the breeding of various animals, particularly pigs, cows, poultry and rabbits.

However defined in this way SONIAH represents the third stage in the development of a process of which a brief historical survey should be given.

We need to go back to the year 1965 when, with a view to achieving the objects of the 1966-70 Plan (objectives which included the development of agriculture in general and that of cereal cultivation in particular), our Government requested aid from the Special Funds of the United Nations. These funds were to assist the State in a project relating to a pilot hydro-agricultural management scheme in the Ouémé Valley. This project, called PAHVO, was declared operational in January 1968 and had as its objectives:

- * to assist the Government in producing in the Ouémé Valley two series of management areas, namely:
 - a) in the first phase: the management of 1,800 ha on the Left Bank, 600 ha being irrigated ricefields and 1,200 ha drained cultivation.
 - b) in the second phase: the management of 1,200 ha on the Right Bank, including 400 ha of irrigated rice cultivation and 800 ha of drained crops.
- * to carry out hydraulic studies required by the rice growing projects and to assist the Government in implementing a national organization

responsible for carrying out the PAHVO project.

- * To install on the Left Bank of the Ouémé Valley an industrial rice plant (complex for husk removal and silos for storage of the rice).
- * To install, again on the Left Bank, a centre responsible both for experiments on varieties of seeds and also for the training and technical advancement of peasants in the region with a view to starting a cooperative movement.

The above operations were continuing normally when in July 1972 SADEVO, the Société Nationale d'Aménagement et de Développement de la Vallée de l'Ouémé (National Company for the Management and Development of the Ouémé Valley) was formed, by application of the second point of the PAHVO objectives, by Decree no. 72-157 of 9/6/72, this being a mixed economy company with a capital of 150 million CFA Francs divided up between:

- the State	51%
- village cooperatives	25%
- the Province of Ouémé	24%

SADEVO pursued the objectives of PAHVO up to 23 April 1975 when it passed under the control of SONIAH. This latter had been created with a more national than provincial objective, as emphasized above.

But how was the Accounting of these various organizations to be carried out ? This led to a necessary reform.

II - REFORMING THE ACCOUNTING METHODS

a) Presentation of Accounting methods before the reform

It was within the framework of the study of structures to be implemented that the Political and Administrative Authorities of the second production unit of SADEVO requested the assistance of the FAC.

For this reason the United Nations Food and Agriculture Organization, acting as Agency for the United Nations Development Programme, delegated a Consultant from SEDAGRI (Société d'Etudes et de Développement Agricole), a French company comprising the following group of companies:

B D P A	=	Bureau pour le Développement de la Production Agricole,
S A T E C	=	Société d'Aide Technique et de Coopération,

I R A T = Institut de Recherche Agronomique Tropicale et de
Cultures Vivrières,
O R S T O M = Office de la Recherche Scientifique et Technique
d'Outre Mer.

Mr. Henri DREVETON was nominated to carry out the work under the following terms of reference:

- To examine the accounting system of SADEVO,
- To draw up a framework of cost management suited to the present and future activities of SADEVO and the cooperatives in its zone, in particular making it possible to establish a policy of farm prices,
- To train the accounting personnel of SADEVO in the use of this new management tool, etc.

In the field of accounting the expert studied the accounts of the Benin part (formerly Dahomey) since the creation of the project in 1967 by work on implementing the Accountability of the Project; this work comprised, in addition to implementing the accounting from 1967 to 1970, the implementation of a two-part General Accounting System as from 1971, directly inspired by the 1957 Plan.

This accounting system had, as its basis, the consolidation system which made it possible to establish statements at the end of the period by means of:

- the General Operating account
- the Profit and Loss account
- the Balance Sheet and ancillary documents
 - . Detailed suppliers' account
 - . Detailed clients' account
 - . Statement of amortization
 - . Statement of charges and products

It should be noted here that all the accounting of PAHVO was exclusively maintained by the experts of the FAO and the UNDP which, to be followed up, made possible the acceptance by the New Organization which had been created.

In its broader lines the proposed organigram drawn up by the SEDAGRI Consultant in 1971 had been followed; this organigram took into account the organization of the "Hydro-agricultural project for the Ouémé" and suggestions made by an FAO expert, Mr. LAZAREV. For this purpose the implementation of administrative, accounting and financial management was felt to be essential as from the moment when the new organigram had been created: this management should make it possible for the General Directorate to regulate - or to regularize - the expenditure as a function of various imperatives.

b) The Reform itself

Presidential Circular No. 453/PR/CAB of 8 March 1973 had required State organizations to adopt the OCAM Accounting Plan with the aim of standardizing accounts, so it was therefore desirable that SADEVO should have its own plan as from that time if only because of the diversity of its own activities.

The advantage of the OCAM Plan being defined in this way it was necessary to make the executives aware of the necessity for its application in the signatory companies.

The advantage is that it only requires main accounts of two digits, which the experts have proposed supplementing, for the sub-accounts and the divisional accounts, by those laid down in the Accounting Plan for Agricultural Enterprises, the said OCAM Plan in this way giving the possibility of doing this without, however, adapting it exclusively to agricultural enterprises.

By combining the two systems we therefore have a realistic plan, covering all the activities of the Company, and easily adaptable in the case of development of these activities, since these will always be of an agricultural or agro-industrial order, and whilst respecting the instructions received.

At a practical level some adjustments will be necessary, but this does not present any major problem: the application guide for the OCAM Accounting Plan in fact gives a table of correspondences between the accounts in this Plan and those of the 1957 Accounting Plan, from which the plan for agricultural enterprises was derived. It will therefore be possible at any time to open up new accounts - if necessary - by referring to these correspondences.

The Consultant participated in the organization of the buying campaign, particularly in implementing a system of control of movements of cash and products. The research work carried out by him during the last weeks made it possible to confirm that many accounting repetitions were in principle necessary.

With the aim of clarification and rationalization it would therefore be simpler to recommence the SADEVO accounting entirely as from the time of its formation. The advantages of this procedure are numerous.

- Reconstitution of the initial balance sheet, with formal justification of the balances shown there
- The possible adoption, as from the start, of the new accounting plan, adapted from the OCAM plan
- A practical and constructive exercise for training the accounting team in using the new plan.

- The possibility of establishing for YEAR I (1972-73) and YEAR II (1973-74) of SADEVO cost accounting which, in its turn, would allow:
- a) analysis of the management of the Company from its start-up
 - b) isolation of expenditure other than operation (Right Bank and management of Left Bank) or that with a special character (stock-raising farm)
 - c) standardizing the administrative, accounting and financial procedures by identifying any stumbling blocks
 - d) training the personnel in using this management instrument
 - e) informing the General Directorate on the possibilities offered by this instrument in the management of the Company by means of concrete facts.

As a result of this work the general and cost accounting plans with commentaries were drawn up, and the accountants were trained to use them correctly.

Training: the accountants, five in number, were trained on the basis of practical and constructive exercises in this management instrument over a period of at least 90 days: this was done at the Head Office of the Company where, by studying the new accounts, supplementary training was given to them with a view to adopting the new accounting plan, designed in this way, as from the beginning.

We should emphasize that the system of Operating Accounting which is implemented may suffice of itself, by abstracting accounting documents: the sheets of costs and cost prices which have been prepared are calculation sheets; these can be used in an extra-accounting manner.

This system has also been supplemented by a cost accounting plan drawn up from the new general accounting plan of the Company, this being adapted from the OCAM Accounting Plan in accordance with the instructions received by State organizations; it is specified that the use of the cost accounting plan is not a legal obligation, provided the Company can justify the breakdown of its accounts.

III - THE FOLLOW-UP OF THE REFORM

SONIAH has a well-defined mission, to which an instrument of effective management should be adapted. In this way for adequate follow-up of the evolution

of its land areas various branches were opened in each of the Valleys concerned.

In this way we find:

- a) In the Ouémé Valley:
 - on the Left Bank = the Mitro unit
 - on the Right Bank = the Zinvié unit
- b) In the Zou Valley = the Sagbovi-Domè unit
- c) In the Mono Valley = the Kpinnou unit
- d) In the Niger Valley = the Malanville unit

However, although each of these units enjoys its own financial and administrative autonomy, their activities and even their documents are centralized at the PORTO-NOVO Head Office where there is a General Directorate which is also assisted by the Office of Experts of the FAO and the UNDP.

- A Central Administrative Directorate
- A Central Production Directorate
- A Central Technical Directorate
- A Central Sales Directorate
- A Central Financial Directorate with
 - * its Buying Department
 - * its Financial Department
 - * its Accounting Department.

Since accounting is the central theme of our session we feel that we should spend a little time on the Accounting Department of SONIAH in order to understand:

- * its structure
- * the new working method.

a) Structure

Accounting is carried out by officers working in the following sections:

- General Accounting
- Cost Accounting
- Balances (Wages - Statements)
- Invoicing - Clients
- Cover - Credits

b) Working method

In the development of this chapter we have recalled briefly the various accounting plans which have been in force in SONIAH before giving you a survey of the way in which the accounting tasks have developed in our production unit.

1. Accounting plans

Before 30 June 1974, as we have pointed out, the accounting of the Company was carried out according to the French Plan of 1957. But with the results of the work of the expert Mr Henri DREVETON (of SEDAGRI) it naturally follows that the dominant feature of the SONIAH Plan should be the OCAM Plan with the different accounts as follows :

Management : - Operating expenses (60 to 68)
- Expenses other than operating (060 to 068)
- Operating incomes (70 to 78)
- Incomes other than operating (070 to 078)

Balance sheet - Situation accounts (01, 02, 03, 04, 05, 08)
- Movement accounts (1, 2, 3, 4, 5, 8)

and the various study documents prescribed by the said Plan which are termed :

- the statement of financial data necessary for management,
with determination of the results for the financial year by successive steps :

- * Gross margin
- * Added value
- * Operating results
- * Results other than operating
- * Results from transfer of fixed assets
- * Net results before tax
- * Tax on results
- * Net results to be allocated

- the statement of changes in capital accounts
- the six-column balance sheet
- the balance sheet and its annexes.

Whilst remaining faithful to the OCAM Accounting Plan the system of codification adopted by SONIAH makes possible the use of sub-accounts specific to the nature of the activities carried out by the Company. As an example we can cite :

a) At fixed asset level

2101 Building land

- 2102 Land for agricultural working
- 221 Non-residential buildings
- 2211 Industrial rice plant
- 224 Work for land valorization
- 2241 Ouémé Right Bank management
- 22411 Gravity management
- 22412 Management by pumping

- b) At raw materials and consumables level
 - 311 Grain seeds and plants
 - 3110 Seed rice
 - 3111 Seed maize
 - 32 Supplies
 - 321 Workshop supplies
 - 322 Stores supplies
 - 3222 Office supplies
 - 3223 Drawing office supplies
 - 3224 Pharmaceutical products

- c) At financial account level (short term)
 - 500 Loan contracted with the State
 - 501 Loan guaranteed by the State
 - 5030 Loan contracted with agricultural organizations
 - 5031 Loan contracted with Banks
 - 510 Campaign loans
 - 58 Advance management accounts

- d) At stocks sold level
 - 601 Rice
 - 602 Maize
 - 603 Seed

- e) At product level
 - 70 Sales of goods
 - 710 Production sold
 - 714 Machine hiring and work

With the possibility of opening new accounts or where necessary creating new items if the development of the Company so requires; we could, as an example, cite:

2262	Other equipment goods
345	Other animals
575	Small receipts or small disbursements
635	Other services extended to private persons
7165	Other services rendered

2. Accountancy support

Whilst it is true that SONIAH has an objective which covers the whole of the extent of the Benin territory it is also true that its accounting work is not yet mechanized. Using OBBO material (account sheets - rules - packs - carbons and auxiliary journals) the recording is carried out simultaneously in the main ledger and in the day book using a system of multiple-entry accounting which we have adopted. How does one arrive at the recording pack ? To answer this question is to explain the path of accounting documents from their arrival at SONIAH to the end of their processing, the insertion of their total sum in the valorization of the management carried out, or in that of the finished or current agricultural products.

As an example we will describe four cases, two of general accounting and two of cost accounting.

3. General accounting

CASE 1

. A supplier's invoice which arrives at SONIAH is passed to the Secretariat to be initialled by the Director General. It is then sent to the Financial Directorate, which passes it to the Supplies Department for certification (agreement or not between the delivery made by the supplier and the order form); it then goes to the accountancy department for allocation:

- * Date of arrival in accounting
- * Order number in the SONIAH books
- * Month of entry
- * Accounting year concerned
- * True accounting allocation: if the invoice relates to a fixed asset it is recorded once under general accounting. However if it concerns consumables, or in any case an expenditure, general accounting records the amount. For the definitive use of this account a record is also made in the cost account:
 - * allocation code
 - * breakdown into the section or sections concerned.

Determination of the section or sections is facilitated by the information shown on the Order Form or the Purchase Order (cf. verification sheet for suppliers' invoices). Invoices allocated in this way are recorded, according to their order number, in a book termed the "Suppliers' book", and this book is copied into the day-book. The latter is then definitively transferred to the accounting sheets which, updated monthly, are summarized before being recorded by the double entry system. The summary of the principal journal gives rise to the establishment of the monthly balances of cash movements.

CASE No. 2

Apart from the CARDER suppliers, clients, financial and State institutions SONIAH has important relationships with the village cooperatives. For this reason it gives advance finance for the campaigns by:

- . granting campaign credits
- . leasing agricultural implements
- . selling seed grain and fertilizers
- . also leasing land to certain persons.

It then purchases back the rice which they produce, paying them the net value, that is to say the value of the declared tonnage reduced by the advance finance figure, plus interest. This is a fairly detailed operation whereby the training and information of the peasants is improved, in this way allowing them to promote more efficiently the development of rice growing in the Popular Republic of Benin. In order to identify all the aspects of the operations involved SONIAH has adopted a "Cooperatives Accounting section", the work of which is facilitated by the following forms:

No. G O 001/5/74/E.H.D.

No. G O 002/6/74/E.H.D.

We will limit ourselves to these two examples of General Accounting before looking at examples of Cost Accounting.

4. Cost Accounting

As we indicated above in the objectives of SONIAH, and particularly in defining the relationships of SONIAH with third parties, our production unit is responsible:

- for the production of rice by direct management
- by purchasing rice from cooperatives and the Centre d'Action Régionale pour le Développement Rural (Centre for Regional Action in Rural Development) (CARDER).

It can be seen from this that not all the rice processed or stored in the silos will have the same value. We can examine this through our examples which will be limited to the output from the silos.

CASE No. 3

CARDER rice

Here most of the factors entering into the determination of the cost price of the rice are known, being as follows:

- . Buying price
- . Contract costs
- . Inspection tax
- . Repacking
- . Supervision
- . Commission to buyer
- . Transport CARDER P.N.
- . Transport P/N, Mitro
- . Packages used
- . Total bank charges
- . Amortization on silos

CASE No. 4

SONIAH rice

All the SONIAH activities result in two actions, namely:

- The management of land to be invoiced to third persons
- The management of plots which serve as the basis for the extension of rice growing in the Popular Republic of Benin (management of certain areas of land). It is therefore necessary to have a correct appreciation of each operation, imputing to it all the charges for which it is responsible. For this purpose SONIAH is divided into sections as follows:

<u>Shared sections</u>		<u>Cost Accounting Codes</u>
S C 1	Equipment	9111
S C 2	Energy	9112
S C 3	Converting - Marketing	9113
<u>Auxiliary sections</u>		<u>Cost Accounting Codes</u>
S A 1	Garage - Workshop	9121
S A 2	Transport	9122
S A 3	Civil engineering and agricultural plant	9123
S A 4	Management	9124
S A 5	Storage	9125
S A 6	Converting	9126
S A 7	Sales	9127

<u>Principal sections</u>	<u>Cost Accounting Codes</u>
S P 1 Administration	9211
S P 2 Studies and work	9212
S P 3 Rice production	9213
S P 4 Houèda Experimental Station	9214
S P 5 Stock raising	9215

It should be pointed out that this division dates from the time of SADEVO. With the creation of SONIAH and the opening of branches in the interior of the country the auxiliary sections have been broken down as follows

S D For Sagbovi-Domè
R D For the Right Bank
M P For the Melanville unit
M For Mono

The former denominations have been maintained for the Left Bank.

Invoices are imputed on this basis.

A particular case: The purchase of spares for the silos is recorded as follows:

As General Accounting

- Account to be debited: 61227 Miscellaneous spares
- Account to be credited: 400 Suppliers

As Cost Accounting

If we take the case of the Mitro silo, on the Left Bank of the Ouémé Valley, we complete the cost accounting part of our invoice verification sheet as follows:

. under code 9125
. under account 61 Materials and supplies consumed
(2 first digits of companies)
. sub-sections S A 5

whilst as far as the sum is concerned, since the same invoice may cover the consumption of several departments, the total figure is broken down by sections.

This information is entered in the day-book. As we have already mentioned these entries are then recopied on the accounting sheets which are maintained in triplicate.

- white - for General Accounting
- green - for Control
- pink - for Cost Accounting

At the time of transferring to the accounting sheets sufficient lines are left for the breakdown of the charges concerned. Each line is then marked

C.A. indicating Cost Accounting. The breakdown is then made on the pink sheets, which are now broken down by sections and by accounts onto sheets designed for this purpose, termed the "Cost Accounting Breakdown Sheet"; the summary of these sheets therefore gives us an idea of the primary breakdown of the charges. Then follow the secondary and tertiary breakdowns, etc. In order to cost our rice produced under direct management we sum the consumptions shown in the following sections:

- S A 4 Management
- S A 5 Storage
- S P 3 Rice production
- S P 4 Houèda Experimental Station

These various consumptions constitute the factors allowing determination of the following costs:

RICE FIELD PRODUCTION COSTS

- Direct costs

- . Consumption of seed
- . Consumption of fertilizers
- . Consumption of herbicides and insecticides
- . Consumption of fuel for pumping engines
- . Consumption of fuel
- . Repayment for management and Houèda
- . Wages and ancillary charges for executives

- Indirect costs

- . Fuel consumption of agricultural equipment
- . Consumption of various supplies
- . Maintenance of plant and equipment
- . Contribution to wages of direction and production executives
- . Bank charges on marketing accounts
- . Amortization, management, sites
- . Amortization, agricultural equipment and tools
- . Amortization on Houèda buildings

COST OF STORAGE

- Direct costs

- . Cost of rice production
- . Consumption of harvesters
- . Consumption of threshers
- . Consumption of energy for silos

- . Maintenance of silos, harvesters, threshers
- . Wage charges for harvesters, threshers
- . Wages for stock management agents - rice collection
- . Bagging - string
- . Amortization of silos.
- Indirect costs
 - . Consumption of energy, Mitro group
 - . Consumption of various suppliers
 - . Cost of the garage-workshop portion
 - . Amortization of transport trucks
 - . Amortization of threshing and drying area
 - . Amortization of weighbridges
 - . Wages of agents responsible for weighing
 - . Wages of truck drivers
 - . Portion of administrative costs
 - . Maintenance of weighbridges
 - . Fuel consumption, transport trucks.

The sum of these various elements gives us the value of the rice on leaving. We have not continued to the point of arriving at the cost price of polished rice, but we can provide the components of this price if those present so wish. This is, briefly presented, the experience which SONIAH has had since 1974. We present it to you today with a hope that, once on the road to standardization of the OCAM Plan in all the Benin enterprises, we can then deal with the practical questions, since not all this has been easy. In fact after all the studies and training we must emphasize that the effective reorganization according to the new accounting plan of the company adapted from the OCAM Plan only took place in 1974, and the first financial year to be presented according to the standards of this Plan was that for 1975, and this was not achieved without raising some difficulties not only amongst our partners, who had to carry out the instructions received at the same time as we did, but also at the level of the group responsible for studying the statements which were presented.

IV - DIFFICULTIES

For the application of the SONIAH Plan the officers in the Accounting Department were not seriously disturbed, most of them being young and only

just at the end of their school training. For them the period of transition has simply been a period of further training which was not very exhausting, the more so since certain of them had received during their studies a theoretical course on the OCAM Plan. Furthermore the application began with the new financial year which ran from 1 July 1974 to 30 July 1975. This does not however mean that everything went smoothly with the new working system.

The first problems related to errors in allocation, since certain operations which, some months earlier, were recorded under account 66, Miscellaneous Management Charges (1957 Plan), were then transferred to 61, Materials and Supplies Consumed. Time was necessary therefore for these employees to master this Plan and to understand the notes on accounts. Another aspect of the problem was the magnitude of the double-entry work, with the necessary completion of the day-books and other printed forms which we are using. It would seem to be a suitable time to emphasize here that the integral application of this new accounting framework, particularly in the cost accounting field, is only possible if there is a precise organigram in existence, and in particular continuous, honest and accurate information between the accounting department and the other divisions and sub-divisions of the Company. However whilst these difficulties, which we regard as internal, are now disappearing the major difficulty still remains, and we hope that a solution will soon be found.

This is largely concerned with the lag experienced by third parties responsible for operating and using our end of financial year documents, such as the financial institutions, inland revenue, budget, etc. Because of them we are obliged to use the accounts nomenclature as defined by the new plan, but to present, instead of the statement of financial data necessary for management the traditional accounts of:

- . General Operation
- . Profit and Loss.

V - CONCLUSION

Rather than present in detail the OCAM Plan, as it has been adapted to our production unit, we are at the entire service of those experts who are to assist our country in the standardization of the said plan, as soon as they come to our Company, so that this experience which we have already lived through can be continued and consolidated, thus allowing our sister companies to hasten its application. This will have the definite advantage of making uniform the data to be supplied to the financial institutions and to the State Organizations (Revenue, etc.) with a view to the rational processing of the data involved.

For this reason we feel that this meeting will make us more aware of the necessity for this standardization, and will give more weight to the idea of a true National Plan (adapted from the OCAM Plan), the widespread use of which can only reinforce our determination to cooperate with all the African, Mauritius and Malagasy States, so as to be able to speak a true accounting language adapted to our realities, and certainly for more intensive economic integration between our brother countries.

I N V O I C E V E R I F I C A T I O N S H E E T

A C C O U N T I N G

VERIFICATION OF SUPPLIERS' INVOICES

ESTABLISHMENT

Invoice No.

Credit No.

Total

Received
Order No.
Month of entry
Accounting year

ALLOCATION FOR ACCOUNTING

Dated

Order No.
Recipient

Production unit
Directorate
Department
Section

Sub-Account No.

V A L U E

Foreign currency CFA

RECEIVED IN STORES

OBSERVATIONS

INITIALS

COST ACCOUNTING BREAKDOWN

C O D E

A C C O U N T

S E C T I O N

T O T A L

PAYMENT DATE

CLEARED FOR PAYMENT

User Dept.

General Directorate

Financial Directorate

Observations

Document number

Dated

TOTAL SUMS

PART PAYMENT

BALANCE

Observations

Cash

Cheques

Transfer

Doc. credit.

S.O.N.I.A.H.									
							Financial year		
DAY-BOOK for							Month		
ACCOUNTING CODE									
Line	Entry No.	I T E M	SUM		BALANCE		ALLOCATION		COST ACCOUNTING
			Debits	Credits	D	C	D	C	
T O T A L S									

ORIGINAL 1
No.

YEAR 19 - 19

Month of 19

GENERAL ACCOUNTING

A C C O U N T I N G S H E E T

S O N I A H

Société Nationale d'Irrigation et
d'Aménagement Hydro-Agricole

B.P. 312 - PORTO-NOVO

Breakdown of :

Date	Number of document	I T E M S	D E B I T		C R E D I T	
			G.A. Account	Sums	Sums	G.A. Account
1	2	3	4	5	6	7
T O T A L S						

SOCIETE NATIONALE D'IRRIGATION
ET D'AMENAGEMENT HYDROAGRICOLE
COST ACCOUNTING BREAKDOWN OF WAGES
MONTH OF

A V E R A G E C O S T S B Y C A T E G O R Y				
SECTIONS				OBSERVATIONS

SOCIETE NATIONALE D'IRRIGATION
ET D'AMENAGEMENT HYDRO-AGRICOLE

S O N I A H

B.P. 312 - B.C.B. A/c No. 32.31048
Tel: 21-24-30 - 21-24-49 - PORTO-NOVO

BUYING RECEIPT

VILLAGE GROUPING

of :

Name :

No. :

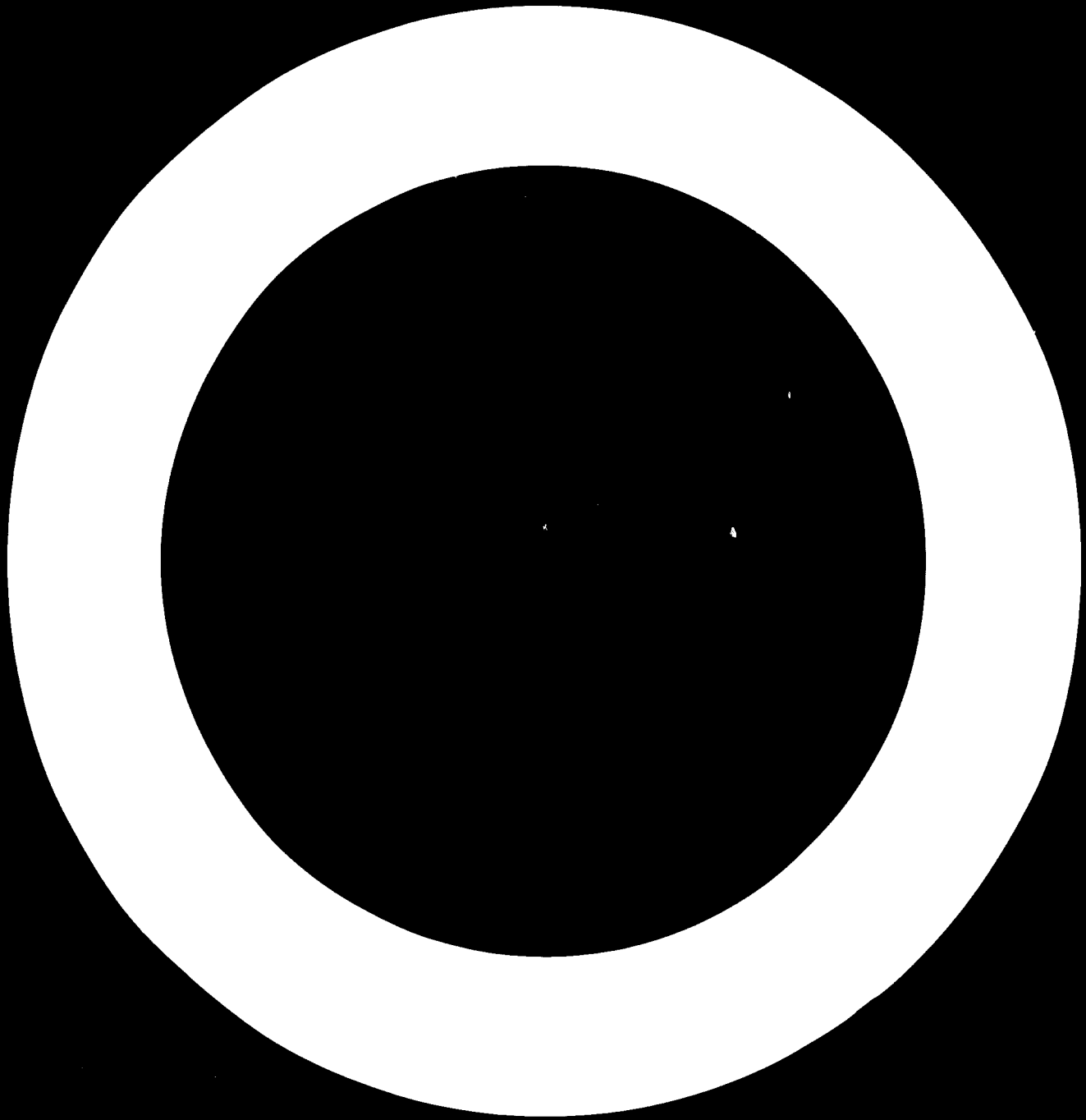
RICE	kgs
VALUE	Francs
DEBTS	Francs
<hr/>	
NET PAYMENT	Francs

Date :

Place :

Marketing Agent

Secretary or Chairman



A D D R E S S

BY

THE RESIDENT REPRESENTATIVE OF THE UNITED NATIONS

Mr. Minister,
Your Excellencies,
Ladies,
Gentlemen,

I have the agreeable task today of expressing my thanks in the name of the United Nations Organization.

Firstly to the Government of the Popular Republic of Benin which you, Mr. Minister, represent here, for having been so good not only to receive this meeting in your country but also by your collaboration with the United Nations Organization for Industrial Development and the local office of the United Nations Development Programme. In this way your Government has shown, once again, the interest which it takes in the life of the United Nations organizations, of which the Popular Republic of Benin is an active and eminent member.

I would also ask you, Mr. Minister, to pass on my thanks to all your colleagues who have worked for this meeting, in particular those from the Bureau Central des Projets.

I must then thank the international, regional and national cooperation organizations which, by their presence and their participation, demonstrate the interest which they have in the problems which preoccupy the developing countries.

Finally I must not forget to thank the governments of all the participating countries and their representatives in this hall. It is not only for them but it is also by them that the organizations of the family of the United Nations can make their contributions to development.

The questions which you are going to consider together this week are at the very heart of the problem of development. How, in fact, is it possible to achieve economic development in your States, without efficiently managed enterprises ? And how are these enterprises to be efficiently managed, if they do not have reliable and regularly updated accounting systems ? Certainly accounting does not, by itself, constitute a means for managing enterprises but, amongst the techniques which are used in management, it has an important, irreplaceable and universal role. In order to achieve the maximum reliability and regularity of updating of accounts it is necessary that there should be common rules, the subject of considerable consensus. The defining of these common rules is justly included in the very subject of your meeting on "the standardization of accounting".

I would like to associate myself with the proposal of the Minister in regard to National Accounting Plans and the OCAM Plan; each of your countries has chosen this framework of the OCAM Plan for the purpose of international agreements. Each of your countries can develop within this framework a National Plan corresponding to your needs and specific requirements. Thanks to a common framework within which your National Plans can or will be included it is possible, as at the level of national accounting for each State, to carry out any summations, aggregations and comparisons relating to the essential magnitudes, particularly those balances which are characteristic of management, for all or part of those countries which have adopted the general Plan. This opens up the door to considerable possibilities of comparisons, studies and cooperation within sub-regional, continental or international organizations.

The inclusion of the problem of training shows that you are approaching the problems which you are going to discuss with a seriousness and depth of intent which are a promise of the full success which I hope will crown your work.

I thank you for your attention.

Cotonou, 9 April 1979

C O M M U N I C A T I O N

FROM THE POPULAR REPUBLIC OF BENIN

The meeting at Cotonou from 9 to 14 April 1979, the initiative for which we owe to UNIDO (United Nations Organization for Industrial Development), has as its object:

"The standardization of accounting methods in the developing countries, including the development of accounting systems and training of the personnel concerned".

As has already been emphasized by the UNIDO expert based at Cotonou this cooperation from the United Nations is not intended to replace the bilateral cooperation which has already proved itself. Rather it envisages assisting those countries which so desire to establish and apply their National Accounting Plan inspired by the OCAM Plan.

From this point of view the meeting which opens today is very opportune. It should overcome, in practice, the difficulties which are being encountered by certain countries in Africa, the Caribbean and the Pacific in establishing and applying a National Accounting Plan.

The choice of the host country, on this occasion the Popular Republic of Benin, is even more of a stimulant since our State, although it adopted the OCAM Plan at Yaoundé in 1970 (28 to 30/1/70), is amongst the two or three States which have not yet put this Plan into operation.

However the political and administrative authorities of the Popular Republic of Benin are constantly conscious of the desire to apply the OCAM Plan, as can be seen from a certain number of concrete actions which have been taken, and of which the following are the most important:

- 1) - A Presidential Circular no. 453/PR/CAB dated 3 March 1973 required State Organizations to adopt the OCAM Plan with the aim of standardizing accounts.

- 2) - Seminars - the latest of which was held in this very hall in October 1977 - have been organized under the patronage of the Chamber of Commerce and Industry of BENIN with the assistance of the Minister for Finance and Industrialists.
- 3) - Officials from the Ministry of Finance took part in a seminar in Paris from August 1977 to January 1978, organized by the French Ministry for Cooperation.
- 4) - Finally, and above all, an ad hoc Committee was created in 1977. This Committee, chaired by the Commercial Bank of Benin (B.C.B.) will be examining a preliminary draft from a team composed of teachers from the National University of Benin and executives from the Ministry of Finance, assisted by a UNIDO expert at the Bureau Central des Projets.

From what I have already said there is no need to emphasize the considerable interest which the present meeting has for the Popular Republic of Benin. In fact the subjects which it proposes to study, namely:

"the development of systems of accounting and systems for the training of the personnel concerned"

are identical with the major problems that the Popular Republic of Benin has to solve for effective application of the OCAM Plan.

As a consequence the delegation from the Popular Republic of Benin will pay attention not only to the valuable discussions in our sessions but also to all offers of assistance as to ways and means capable of putting the solutions into effect, and any suggestions which may result from our work.

C O M M U N I C A T I O N
FROM THE UNITED REPUBLIC OF CAMEROUN

In Cameroun the concept of standardization of Industrial Accounting was born from the difficulties which our industrial statistics and national accounting departments encountered on the occasion of industrial and commercial censuses or the collection of information by surveys.

In fact the enterprises presented the statistics in their own manner, and we had to restructure them so as to give them an acceptable and usable form for National Accounting and in our statements of industrial statistics. This enormously extended the time for processing the data.

The reform of Industrial Accounting Standardization which we imposed on ourselves from 1972/73 was necessary: in order better to understand its importance it is necessary to point out the situation regarding economic information and to seek the habitual causes of defective operation of the information circuits.

An industrial and commercial census is a large and expensive operation, and can only be carried out for the purpose of information. It presents difficulties of the same order as current statistics. The reform which we have implemented is to coincide as far as possible with the general development of statistics towards structures for stable collection.

1. DEVELOPMENT OF THE STRUCTURES

1.1 SCIFE

The first structure is the Service Central d'Immatriculation et du Fichier des Entreprises (Central Company Registration and Recording Department) (SCIFE). This is a department of an interadministrative type, since it associates in its action organizations such as:

- the Directorate of Statistics and National Accounting

- the Directorate of Taxes
- the National Social Security Fund
- the Directorate of Customs.

Its functions are essentially based on the establishment and management of a single list of enterprises installed in Cameroun. It is effectively this department which issues the statistical numbers to these enterprises.

12 - SPPC

The second structure is the Permanent Secretariat of the Accounting Plan (SPPC) created by Decree no. 69/DF/73 dated 28 February 1969.

The function of this secretariat is:

- to study and develop a draft Accounting Plan in preparation at UDEAC level
- to study and to propose measures of such a nature to facilitate the effective application of this Accounting Plan to the whole of the national territory.

At this level the information which is already centralized is passed to the Industrial Statistics Department using a basic document: the Statistical and Taxation Declaration of Enterprises (DSFE).

2. THE BASIC DOCUMENT

The Statistical and Taxation Declaration of Enterprises (DSFE) was made compulsory by Decree no. 74/869 dated 22 October 1974, which in particular laid down in Articles 12 and 13 the following:

Article 12: Enterprises subject to the General Accounting Plan for Enterprises are required to produce at the end of each financial year a declaration in accordance with the General Accounting Plan for Enterprises, using a document the characteristics of which are set out in Article 13 below.

Article 13: The Declaration referred to in Article 12 of the present decree must be made using the document entitled "Statistical and Taxation Declaration of Enterprises", abbreviated to D.S.F.E., the circulation of which is in the hands of the Directorate of Taxes and the Directorate of Statistics and National Accounting. This document comprises, in addition to summary and analytical tables of the capital and management of the past financial year mentioned in Article 16 of the General Code of Taxes:

- a table of general information
- a table for determining the tax on the results
- a table of financial movements and all the analytical tables for the principal management accounts the detail of which is not required by Article 16 of the General Code on Taxes.

The DSFE is a fairly complete document, and the range of information which can be extracted from it is considerable. Its processing is carried out automatically.

3. RESULTS

Taking into account the difficulties of collection (which, however, are being reduced from year to year) and thanks to data processing, the industrial statistics provide the following information:

- A file on individual industrial enterprise statistics, by enterprise
- Industrial statistics by sectors
- Industrial statistics, aggregated at country level
- Financial data and economic ratios by sectors and aggregated at country level.

Each financial year nearly 1,200 DSFE forms are processed.

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Taking into account the clear motivation of the private enterprise sector, and particularly the results obtained since the implementation of the system of standardization, we can see that the method already has an operational character for three fundamental reasons:

- Practically all the enterprises already carry out their accounting in accordance with the OCAM Accounting Plan, and this improves the information which is collected.
- The level of non-replies is being reduced.
- The delay in obtaining replies is being reduced.

However we do feel that not everything is perfect; efforts still remain to be made within the framework of a more intense informing of heads of enterprises to provide correct information, to improve the delays in returning questionnaires, and to implement a system of checking the overall economic activity by means of ongoing economic surveys.

COMMUNICATION FROM THE CENTRAL AFRICAN EMPIRE

The Central African Empire was one of the first countries to implement the OCAM Accounting Plan. In fact the National Committee for the Accounting Plan in Enterprises was created by Presidential Decree No. 70/281 dated 30 September 1970. Subsequently a second Presidential Decree (no. 71/529 dated 22 December 1971) established the obligation for all enterprises (with the exclusion of banks and insurance companies) to apply the OCAM Accounting Plan as from 1 January 1972.

In the first months of 1971 the Directorate for the General Statistics and Economic Studies (the Director of which is Chairman of the National Committee for the Accounting Plan) organised numerous seminars for the further training of accountants exercising their activities in the Central African Empire (teachers, company accountants, experts in accountancy practices, officials, tax experts, etc.).

In the year 1971 more than 130 persons received further training in this respect.

Subsequently further education seminars were continued at a rate of about two a year under the joint encouragement of the Directorate for Statistics and the National Chamber of Commerce.

Today a total of about 200 professionals have been trained during the eight years of effort.

During this time the teaching programmes for accounting in the Central African Empire were modified and adapted to the requirements of the new Accounting Plan, as from the 1972-1973 school year.

The National Committee for the Accounting Plan continued, during these eight years, to operate through its permanent secretariat, with the V.S.N. assistance supplied by the French Ministry for Cooperation.

The fundamental task of the permanent secretariat was to assist all accountancy consultants, chief accountants and company accountants to solve their professional problems and to adapt their working methods to the requirements of the new accounting plan and our new legislation.

Although we are able to state, it would seem very fairly, that the introduction of the OCAM Accounting Plan in the economic life of the C.A.E. took place without problems, and with excellent results, we should however emphasize that we still have to face up to a number of difficulties; a certain number of these have not yet been entirely solved.

The first of these difficulties is due to the numerical inadequacy of accountants and national experts which means that some enterprises must have recourse, for their accounting, to persons who do not have adequate theoretical training.

Another difficulty is due to the difficulty of interpretation of certain accounts, but we should emphasize that at no time has the OCAM-UDEAC Accounting Plan been questioned in respect of its primary concept.

Another difficulty lies in the fact that we have found that a large number of small enterprises involved in contract work do not have any accounting system, or only have an embryonic accounting system.

In the same way, because of the almost total absence of competent accounting personnel, public and para-public enterprises carry out practically no accounting.

For this reason the two forms of enterprises which we have mentioned above find it impossible to complete the statistical and tax declaration.

We have also found, in certain cases, that the concepts of movement accounts, of situation accounts and of the difference between operating and non-operating accounts, are not always well understood.

Finally six years after the obligatory application of the new Accounting Plan we have to state that the number of enterprises where the head office is abroad still maintain their accounting according to the French accounting plan of 1957, and therefore complete the statistical and tax declarations very inefficiently, on the basis of this accounting.

Despite this the OCAM-UDEAC Accounting Plan is now largely part of the customs of C.A.E. enterprises, and this movement is now irreversible in the Central African Empire.

I would now like to thank the General Secretariat of UNIDO for the initiative which he has taken to interest himself actively in the OCAM Accounting Plan, its difficulties and its problems of implementation.

We are very happy to receive the proposal of assistance made to us by the General Secretariat.

As far as the Central African Empire in particular is concerned we hope that UNIDO can direct its aid in the future in the following directions:

- to assist State companies or mixed economy companies in the implementation of their accounting systems,
- to elaborate, in a detailed manner, the system of cost accounting as provided for in class 9 of the Accounting Plan.

- to extend the general plan to sector level, preparing
specific plans for each of the industrial sectors.

I thank you, Comrade President and Delegates.

DECREE No. 70/281 dated 30.9.70. creating a National Committee for the Accounting Plan in the Central African Republic

In view of the constitutional acts Nos. 1 and 2 of 4 and 8 January 1966;

In view of decree No. 70/192 of 19 August 1970, establishing the composition of the Government and nominating members;

The Council of Ministers:

DECREES:

Article 1: A Committee for the Accounting Plan in the Central African Republic is created, placed under the responsibility of the Ministry for Planning and National Orientation.

Article 2: This Committee is responsible for studying and proposing solutions to all the problems presented by the implementation of the new General Accounting Plan in the Central African Republic, in particular the problems of information, training and subsequent training.

Article 3: The National Committee for the Accounting Plan is composed as follows:

- | | |
|--|----------|
| - The Director of General Statistics and Economic Studies | Chairman |
| - The Director of Taxes and Insurances | Member |
| - The Director of Technical Training | " |
| - The General Commissar to the Public Treasury or his Representative | " |
| - The Director of Financial Control | " |
| - The Head of Rural Development Inspection | " |
| - The Director for Industry | " |
| - The Director for Price Control | " |
| - A Representative of the Accounts Court | " |
| - The Chairman of the G.I.R.C.A. | " |
| - A Company Director or Chief Accountant | " |
| - An Accountancy expert | " |
| - An Auditor (Commissaire aux Comptes) | " |
| - The Chief Accountant of the B.N.D. | " |

Article 4: The present decree will be published in the Official Journal and communicated where necessary.

General Jean-Bedel BCKASSA

DECREE No. 71/521 dated 22.12.71. regarding the application of the OCAM General Accounting Plan in the Central African Republic.

The President of the Republic
President of the Government

In the light of the constitutional acts Nos. 1 and 2 of 4 and 8 January 1966;

In view of all the decrees nos. 71/410 dated 19 October 1971, 71/427 of 30 October 1971 and 71/497 of 15 December 1971, fixing the composition of the Government and nominating its members;

In view of act no. 3/70-UDEAC-113 of 27 November 1970 instituting the OCAM Accounting Plan in the UDEAC Countries;

In view of decree no. 70/281 of 30 September 1970 creating a National Committee for the Accounting Plan in the Central African Republic;

In view of the contribution of the Accounting Plan in regard to economic information;

In view of the possibilities which it offers for the rational processing of data, the standardization of accounts in enterprises and the method of determining the results;

The Council of Ministers:

DECREES

Article 1: The 1957 Accounting Plan will cease to be used, in the Central African Republic, on 1 January 1972, by all enterprises, with the exclusion of financial institutions.

Article 2: The OCAM General Accounting Plan, provided with special provisions applicable to the UDEAC countries, will come into force on 1 January 1972 in all enterprises operating in the Central African Republic, with the exclusion of Financial Institutions for which the date will be fixed subsequently.

Article 3: Within the framework of the application of the new Accounting Plan enterprises must compulsorily provide each year to the General Director of Taxes and Customs the following tables of the OCAM General Accounting Plan.

Table 1: Financial data necessary for Management;

Table 2: Statement of changes in capital accounts;

Table 3: Balance sheets (company situation) and the annexes as laid down by Article 42 of the General Code of Taxes.

The production of the statements will be obligatory in 1972 for the enterprises concerned as from the time of depositing the tax declarations for the 1971 financial year.

Article 4: Non-application of the OCAM General Accounting Plan on 1 January 1972 will be punished by penalties on companies as laid down by Heading II, Chapter II, section VI of the General Code of Taxes.

Article 5: Non-production of any documents as set out in Article 3 will also be punished by the penalties laid down by Heading II, Chapter II section VI of the General Code of Taxes.

Article 6: The tax departments of the General Directorate of Taxes and Customs will be responsible for the application of the present decree.

Article 7: The present decree will be published in the Official Journal and communicated where necessary.

General of the Army. J.B. BOKASSA

COMMUNICATION

FROM THE IVORY COAST DELEGATION

The Ivory Coast Accounting Plan, which does not fall within the scope of the OCAM Plan, was designed as being the natural extension of the French Plan in regard to everyday working, and as a complete questioning of French practice in regard to its final expression.

The Ivory Coast Accounting Plan therefore very largely adopted the French nomenclature and systems for entry, but re-examined all the end of the financial year documents, which explains why accounting assistants scarcely noticed the change which took place, because the innovations were situated at the level of the organization of accounting and the drawing up of accounts, in other words at Chief Accountant level only.

This having been said the Ivory Coast Accounting Plan has been designed as a function of the following major objectives:

- Total standardization of end of year documents so as to be able to process them systematically by computer and to produce easily a summary of the data collected,
- Harmonization of company accounting with internal and external national accounting so as to be able to utilise the former directly in establishing the National Accounts and Balance of Payments statements,
- The establishment of a strictly "economic" accounting, without tax or statistical scope, since it is intended essentially for the head of a company, but sufficiently detailed at the level of documents at the end of the year so that all the partners in the enterprise can find in it all the information which they require.

- Creation of financial documents (statements of financing and changes in working capital) so as to follow up the financial policy of the enterprise.

At the level of accounting technique the Ivory Coast Plan depends also on two principles: accounting is no longer organized in balances but in movements; the application of the double part is continued up to the production of the end of the financial year documents, which gives a very rigorous character to the documents.

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The Ivory Coast Accounting Plan comprises essentially three sets of documents:

- The balance sheet
- The Production and Results Accounts, which interpret the economic management of the enterprise,
- The statements of Financing and Changes in Working Capital, which relate to financial management.

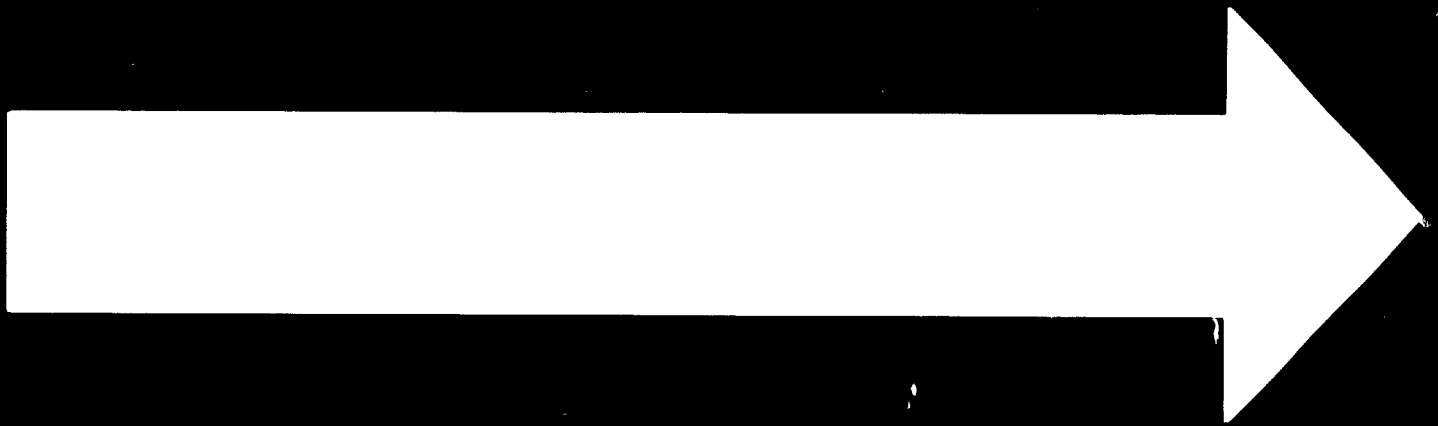
These "Accounting" documents are supplemented by a statistical document on purchases and production which detail the corresponding physical magnitudes, and by the table of amortization and the permanent inventory of assets.

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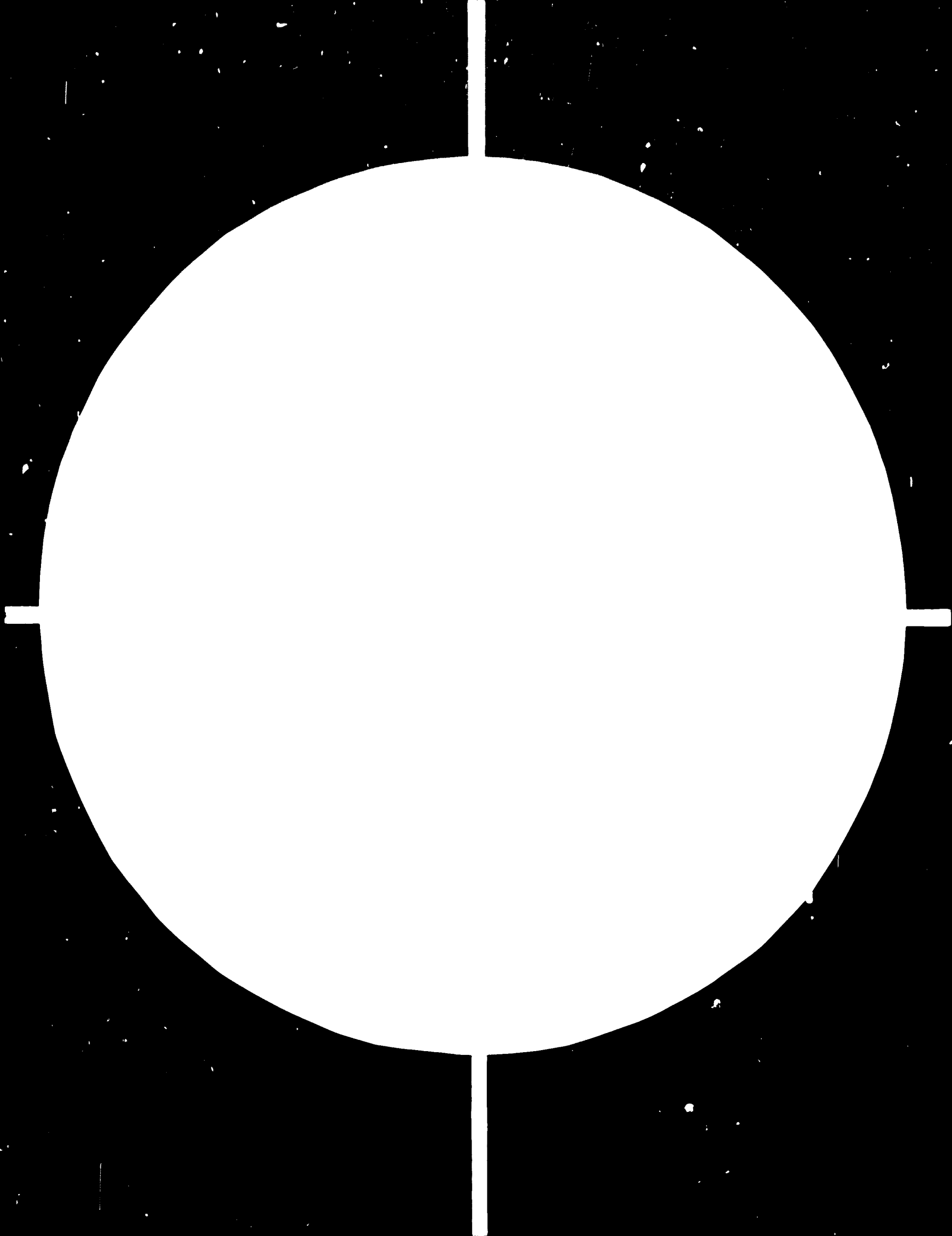
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The Ivory Coast Accounting Plan was made compulsory in 1972 in State and mixed economy companies, together with those companies benefiting from

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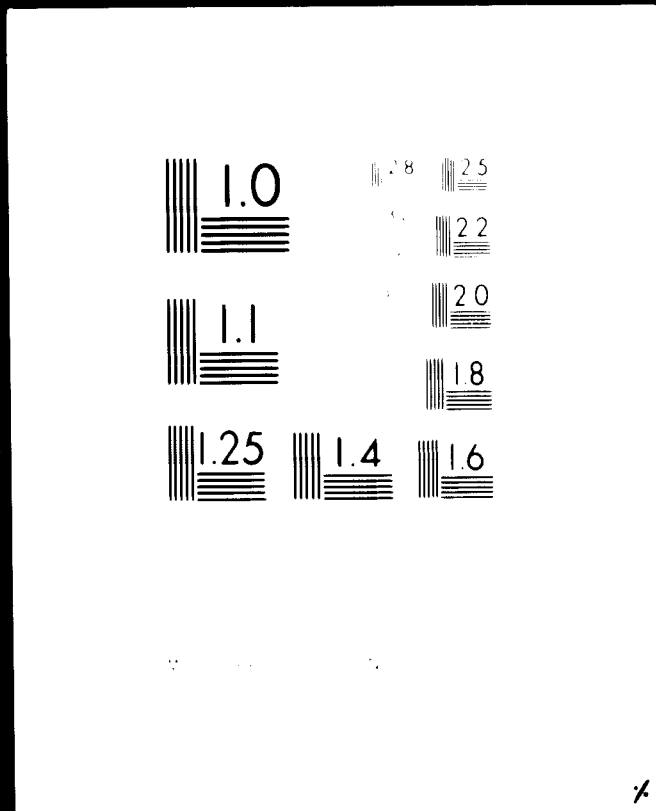
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priority approval, and in 1973 in all others. In fact the overall application of the Plan was not completed until the end of 1974.

The whole of the "Accounting Plan" has been entrusted from the beginning to a single organization termed the Financial Data Bank. The mission which was entrusted to this organization was as follows:

- to create and to implement the Ivory Coast Accounting Plan,
- to provide initial and further training for Accountants,
- to provide advice and assistance to enterprises on accounting matters,
- to receive and check documents at the end of the financial year,
- to process all the accounting documents by computer,
- finally to process the data received in this way so as to publish each year a Central Balance Sheet and to provide a reliable Data Base.

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The Central Balance Sheet, which was launched in 1973 by the Financial Data Bank, forms the natural extension of the Accounting Plan since it makes it possible to provide everyone with all the data collected. This document, which constitutes a document in the National Accounting, has been designed as a working tool intended both for the political authorities and administration officials and also for the national and international financial organizations, heads of enterprises, research workers and investors.

In order to allow each to find rapidly the information which they seek the information is presented in different forms.

The Central Balance Sheet makes it possible either to understand in a precise manner the economic and financial situation of the Ivory Coast at national level (summary documents) or for each industry (sector documents), or to examine any subject of financial, economic or statistical type (analytical documents), or to understand the development and transformation of the economy over the last four years (chronological documents), or finally to determine the importance of each business at national or industrial level (classification documents).

From 1975 onwards the Data Bank undertook to convert itself into a true data base and to carry this on up to the Central Balance Sheet. As a consequence it is organized in such a way as to restructure the files and create the appropriate processing packages, so as to provide, on request, not only all immediate or appropriate information but also, and in particular, the most sophisticated studies which can be requested from it. It is also responsible for forecasting and to this end has launched, on its own initiative, several series of studies so as to meet in advance the requirements of its future partners. In 1978 it produced in this way 255 studies, either in the form of classification, analytical or monograph documents or in the form of a multi-annual study (with systematic updating of the data on samples and at constant periods).

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In the very near future the Financial Data Bank will have to undertake the following operations:

- extension of the Accounting Plan to financial organizations (Banks, insurances, capitalization organizations),
- the establishment of procedure for the legal, annual and compulsory re-evaluation of balance sheets (from a financial standpoint),
- the implementation of a legal, single and compulsory registration system for enterprises, so as to facilitate the exchange and comparison of data (in particular between computers) and to break down the barriers between the various administrations.

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The Financial Data Bank, which began to operate with a single official (at the time of launching the Accounting Plan), has been steadily expanded; it now consists of a dozen employees divided into four units:

- Accounting unit (3 employees): working either on help to enterprises, in collecting accounts, checking them and putting them on the computer;
- Data processing unit (1 project leader + 2 programmers or programmer-analysts): drawing up programs for data processing and managing the files;
- Data acquisition unit (3 employees): working either on CMC equipment (data) or on perforated cards (programs);

- Study unit (1 employee, recently recruited): has as its objective the implementation and publicization of the work of the Data Bank, (data processing studies, commentaries on these), either by publication in the local or specialized press or by undertaking special studies for the needs of the Government and the Administration.

Although the Financial Data Bank has today reached maturity and full operation it still does not have its own and appropriate status.

At the present time it is only a simple "product" of the Ministry for Economy, Finance and Planning, responsible administratively and financially to the Public Treasury. It should soon be given its own full public establishment status, and this would allow it:

- to represent itself legally at an interministerial if not national level as should be the case (all the ministers concerned by its operation, together with the consular chambers, having access to the Council of Administration),
- to recruit the personnel needed (financial analyst - data processing engineer - accountant), since it is practically impossible for us to find these within the Administration
- to become partly self-financed, since it would be able to invoice certain of its services.

By way of conclusion the Ivory Coast can only invite those States or Organizations which are interested by its experiences - at the level of the Central Balance Sheet or the Data Bank in particular - to profit from the technological acquisitions which it has made; its cooperation is open to all.

The Ivory Coast would finally like to thank the Popular Republic of Benin and UNIDO for having invited it to the present meeting and for the warm welcome given to its delegation.

COMMUNICATION
FROM THE REPUBLIC OF UPPER VOLTA
SITUATION OF THE ACCOUNTING PLAN IN UPPER VOLTA

A former prestige French Colony Upper Volta inherited an economic past which it certainly had not forged itself. From colonisation up to the time of independence the economy was largely commercial with the installation of an economy of processing or the development of certain established commercial and/or export firms, and the results of this still persist. There was only an embryonic commercial accounting system, a kind of internal bookkeeping, which was not compulsory, and which each colonial company drew up in the greatest secrecy. This accounting consisted in the recording of commercial data such as orders, arrivals, stocks, sales, profits, etc.

With independence the Upper Volta, encouraged by other countries, understood that the political liberation, which could not be an aim in itself, must arrive at the mastery of the national economy, that the true resources of a nation remain its own production and that therefore it was necessary to become industrialized. But the particular context of the Upper Volta, that is to say its inland nature and its relative poverty of natural resources, had always allowed a certain clemency and a certain caution in the drawing up of texts regulating industrial investment. By granting customs and tax exoneration spread over some years to national and foreign promoters it established an operation of encouragement in order to attract capital from all sources.

With the development of the national economy, and particularly with industrialization, there necessarily arose the problem of management; there can be no management, however rudimentary, without accounting. It was therefore necessary to draw up or at least to adopt an accounting plan so as to make it possible for the newly-born industries to record their data correctly and to be understood by the fiscal and tax administrations. Still not having any accounting experts the Volta authorities found the wisest solution, that is to say the adoption of the 1957 Accounting Plan designed by France. This was also best suited to the leading companies

at that time, since all of them had originated in the former capital.

With the adoption of the OCAM General Accounting Plan by the Conference of the Chiefs of State in January 1970 at Yaoundé the Upper Volta, always motivated by caution and in the light of the real difficulties which existed locally, established a text of optional character which left the choice to companies of managing themselves either according to the 1957 Accounting Plan, or according to the OCAM Accounting Plan, but never both at the same time.

The difficulties encountered by the application of the OCAM Plan in the Upper Volta are more or less the same as those encountered in the other countries, with the exception of the Ivory Coast, which had established its own accounting route:

- the teaching programmes always relate to the former methods, in the absence of the training staff required for reforming them;

- the companies often lack qualified accountants to produce an economically healthy accounting system;

- accountants trained in the old methods prefer to retain their intellectual acquisitions rather than to adventure into an accounting system where they feel that they lack training;

- difficulties of interpretation and of understanding of the accounting files can exist between accountants and their directors;

- most of the foreign enterprises continued to carry out their accounting in Paris, as formerly.

In the face of this amalgam of difficulties it seems to me that to draw up a text which would make compulsory the application of the OCAM Accounting Plan, or one inspired by the latter, would be equivalent to throwing good grain on uncultivated soil or at least to trying to cut water with a knife.

In my opinion it would be desirable for UNIDO, with the assistance of competent organizations, and taking into account the level of advancement of the drawing up of a national accounting plan or the adoption of the OCAM General Accounting Plan in each State, to propose a programme of progressive standardization and integration of the OCAM Accounting Plan in the management of the national economy.

The first stage would consist in training the teachers, that is to say the teachers in the Universities, technical schools and public and private schools by means of seminars organised by UNIDO and other experts.

The second stage would consist of redrafting the teaching programmes for accounting and establishing texts which would make them obligatory in schools, examinations, competitions, etc.

The third stage would consist in the further training of accountancy experts, accountants and the informing of heads of enterprises.

The fourth stage would consist in the implementation of a national committee for the accounting plan which would be composed, within the context of Upper Volta, of:

- the Minister for Finance (taxes, budgets, treasury),
- the Minister for Planning (statistics)
- the Minister for National Education (Secondary education),
- the Minister for Higher Education (E.N.A., University)
- the Minister for Industry (Directorate of Industrial Development, J.P.E.C.)

- CENATRIN
- the Chamber of Commerce and Industry
- Representatives of the Banks
- Representatives of the Industries

The National Committee would then proceed to draw up texts making adoption of the new accounting plan by enterprises compulsory, and would see to their effective application.

The Committee would be granted all the administrative prerogatives which are necessary and which would allow it to control and apply sanctions.

As you can see the Upper Volta has no special experience to give you in regard to the application of the OCAM General Accounting Plan or in the establishment of a National Accounting Plan. It came to this meeting for profit and to listen to the experiences of other countries who have already moved ahead. It is therefore very willing to receive documentation from its brother countries.

The Upper Volta is also very prepared to receive advice and to profit from the many forms of assistance given by UNIDO and the other competent organizations. We invite them therefore to come and see our real difficulties in regard to accounting, so as to assist us concretely in finding a correct result.

I would not like to close without expressing my appreciation to UNIDO and the Popular Republic of Benin, the organizers of this meeting, which will allow Upper Volta to obtain the information necessary to improve its accounting system and to begin a more rational management of its economy.

COMMUNICATION

FROM THE DELEGATION FROM MAURITIUS

In Mauritius the accounting structure of enterprises generally goes back to the Anglo-Saxon tradition. Furthermore the higher accounting teaching of Mauritius subjects has been carried out mainly in Great Britain. According to the Anglo-Saxon system enterprises have the freedom to choose the methods of accounting which seem to be most advantageous to them.

The implementation of a standardized accounting system is being considered at a time when this need is specifically being felt in Mauritius. The Mauritius Government has published a White Paper on reforms to be instituted in the laws of companies. By this the participation of the workers in the management of companies is envisaged, and for this reason the financial balance sheet of companies must be communicated to the workers' trades unions. In this context the design and implementation of an accounting plan has become an absolute necessity.

Furthermore the Government is fully conscious of the difficulties which it will find in the field of tax legislation with the former accounting methods. Standardization of accounting would make it possible for the tax officials to ask for the production of the necessary documents to support the annual declaration of income in a standard form.

For Mauritius, taking into account the volume of information to be handled, the establishment of a single information processing unit is desirable, but it does however present an important problem:

- legislation and regulations concerning statistical secrecy and, generally speaking, the exchange of information between administrations, seems to be presenting jurists with the problem of reconciling opposed imperatives: on the one hand the necessity for synthesis for planning and on the other the necessity for keeping information secret so as to safeguard individual liberty.

Amongst the work already accomplished towards standardization of industrial accounting certain examples may be cited:

a) An English version of the OCAM Accounting Plan has already been designed.

b) The necessity for knowing the costs of the sugar industry has already led industrialists in Mauritius to adopt a system of standardized costs. Legislation with regard to the Sugar Accounting Plan should, in particular, be supplemented and harmonised as a function of the provisions of a General Accounting Plan. Already the use of computers and the development of accountancy consultants is encouraging the adoption of uniform accounting systems relying on a universal nomenclature.

An ad hoc committee for the purpose of designing and implementing a National Accounting Plan will soon be established. This Committee will be composed essentially of officials of the Government and will be placed under the responsibility of the Minister for Finance. It will consult all the interested parties before drawing up a plan of action.

COMMUNICATION FROM THE REPUBLIC OF NIGER

We must first of all salute the initiative taken by UNIDO and the Government of the Popular Republic of Benin for organizing this meeting, which is so opportune, on the standardization of industrial accounting in the developing countries. In fact at the moment when it is necessary to pass from the theoretical phase to the practical one, of the creation of a legal code for the effective application of the OCAM Accounting Plan in our countries, difficulties are appearing here and there and a meeting of this type will facilitate valuable exchanges of experience for better working in the enterprises of our respective countries. In Niger the decree of 24 May 1974 created the National Council for Accounting (CNC), and its implementation has not presented any problems. By its composition and its capabilities this Council is a valuable working tool for studying all the problems presented by accounting, and it is sufficient to cite the first of these activities "the Council is to participate in the preparation of a National Accounting Plan and to follow-up its application". It was not until 1976 that the measure for standardization was taken by the decree of 15 July 1976 making a "General Accounting Plan for Enterprises" compulsory throughout the country. This decree is based on resolution number 24 AEFT taken during the conference of Chiefs of States and Governments of OCAM at Yaoundé on 28 to 30 January 1970.

The advantages which this Plan offers as compared with the former plan are appreciable, since the economic data which it supplies systematically are of value not only to the enterprise but the whole of the national economy. Whilst the interest of extending it to all our enterprises does not need to be demonstrated problems are, however, posed in regard to its effective application.

The first of these is the assimilation of this plan by our accountants, most of these having been trained to use the 1957 Accounting Plan, so that conversion presents serious problems, particularly when it is appreciated that most of them were trained on the task, particularly with a level of understanding which is generally fairly low, and this does not allow them to adapt themselves easily to the new system. Our National Administrative School and the I.L.O. are taking action in enterprises to facilitate this conversion, since those who are leaving

the new school are insufficient in number: the first year has only just left.

The introduction of the new method has shown a second problem, that of the permanent inventory, formerly the responsibility of cost accounting which many enterprises do not carry out, so that its presence poses, to certain enterprises which have to handle several products, the problem of the introduction of machines to process the information, particularly the cost, and the resources can only delay the aim which one wishes to achieve.

This is therefore a very brief statement of the situation which we are experiencing in Niger; the discussions which we will have in this meeting will undoubtedly assist the study which we are carrying out in order to understand better the OCAM Accounting Plan so as to be able to apply it more efficiently.

COMMUNICATION

FROM THE TOGO REPUBLIC

Although being one of the countries favourable to the implementing of the OCAM Accounting Plan, and in fact the Government has signed a decree for its application, the Togo Republic does not apply the plan. Despite many working meetings under the auspices of the Ministers of Planning and Economy and Finance application of the OCAM Plan is practically non-existent.

Enterprises are therefore free to apply the Plan which is of interest to them, and this makes the work of the executives in the Ministry of Economy, the Department of Statistics and Planning, very difficult in regard to the collection and processing of accounting data for the needs of national planning. However the authorities are not uninterested in the question. A project for the relaunching of the application and dissemination of the OCAM Plan is in hand. It is in order to dynamise this that the Togo delegation is present at this meeting, so as to benefit from the experience of the States and the Organizations which have already adopted and applied an OCAM or National Accounting Plan.

However it should be pointed out that, in regard to training, the OCAM Accounting Plan is being taught in Togo in the senior classes of the Technical Schools and in the fourth year of the Higher Technical School for Economics and Management (E.S.T.E.G.) of the University of Benin. After the meeting of the joint OCAM-UDEAC Commission which took place at Bangui (Central African Empire) from 6 to 10 October last several recommendations were made to the competent authorities, namely:

- to relaunch the OCAM Plan by reinforcement of the structures,
- to establish a National Committee,
- to disseminate the Plan by teaching seminars and by training activities.

- A Campaign for Mobilization and implementation of a system of follow-up to ensure the application of the Plan by all National Enterprises,

- an appeal to the international organisations in regard to assistance and financing.

Furthermore it would be desirable that similar meetings were multiplied so as to inform governments and accountants on the role of the accounting plan. I would like to take this opportunity to thank UNIDO and the Popular Republic of Benin for having organized this meeting which gives us the opportunity of exchanging our points of view and, in particular, of collecting the documents which can serve as a canvas for establishing a programme for implementing and applying a National Accounting Plan. I hope that UNIDO and the I.L.O. will combine their efforts to implement an effective programme for training and assistance in assisting the developing countries to establish and standardize their accounting systems.

COMMUNICATION FROM THE GENERAL SECRETARIATS OF THE
ORGANISATION COMMUNE AFRICAINE ET MAURICIENNE (OCAM)
AND THE UNION DOUANIERE ET ECONOMIQUE DE L'AFRIQUE
CENTRALE (UDEAC)

The General Secretariats of OCAM and UDEAC have noted with satisfaction that the OCAM General Accounting Plan, adopted by their organizations in 1970, has been recommended by the Lomé Convention to the profit of all the associated countries of Africa, the Caribbean, and the Pacific.

They are also happy to note that the United Nations Organization for Industrial Development envisages cooperating, with those countries which so desire, in the establishment of National Accounting Plans inspired by the OCAM General Accounting Plan.

They would remind the experts concerned that the 1970 plan was subsequently supplemented by the "Special Provisions" applicable to the UDEAC States, and that it will be the subject, during 1979, of an updating on the basis of the recommendations formulated in October 1978 by a mixed OCAM-UDEAC Committee.

This Committee has not, however, examined Class 9 "Operating cost accounts", the basic data for which as included in the plan were not until now the subject of strict application in the States of OCAM and UDEAC. As a consequence they expressed a wish that the experts of an organization which is highly specialized in industrial activity could develop the rules for calculating costs and cost prices adapted to the needs of the developing countries, and to develop an "Industrial Accounting System" in the historical sense of the term.

Furthermore it is intended that the General Accounting Plan should be extended by Sector Accounting Plans, drawn up to the level of divisional accounts and adapted to the various sectors and sub-sectors of economic activity. In the absence of resources their sub-regional organizations have not been able, up to the present time, to complete their studies in the industrial sector. As a consequence they hope that the accountancy experts of the industrial enterprises could extend to them their experience with a view to drawing up the sector plans, and in particular those concerning the sub-sectors of the building and public works industries, the food industries and the textile industries.

The General Secretariat of OCAM and UDEAC express their conviction that fruitful collaboration with the United Organization for Industrial Development will enable them to complete the work of accounting standardization in the various economic units, in particular of an industrial character, in accordance with the options taken by the authors of the General Accounting Plan.

They hope that the present sessions will make it possible to progress on the way to this standardization and in this way to reinforce cooperation between the States.



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