

**EMPOWERMENT OF CIVIL SOCIETY IN ODDAR MEANCHEY (CISOM)  
(IMPLEMENTED IN CAMBODIA)**

**STATEMENT OF RECEIPTS, EXPENDITURES AND FUND BALANCES  
AND REPORT OF FACTUAL FINDINGS  
31 DECEMBER 2013**

**UNDERTAKEN BY AGRICULTURAL DEVELOPMENT DENMARK ASIA (ADDA),  
RURAL ECONOMICS AND AGRICULTURAL DEVELOPMENT AGENCY (READA),  
COMMUNITY-BASED INTEGRATE DEVELOPMENT ORGANISATION (CIDO),  
RURAL COMMUNITY AND ENVIRONMENTAL DEVELOPMENT ORGANISATION  
(RCEDO), KHMER BUDDHIST ASSOCIATION (KBA)**

**FUNDED BY DANIDA/CIVIL SOCIETY IN DEVELOPMENT FUND**



## **EMPOWERMENT OF CIVIL SOCIETY IN ODDAR MEANCHEY (CISOM)**

Undertaken by Agricultural Development Denmark Asia (ADDA)

Countered by Rural Economics and Agricultural Development Agency (READA), Community-based Integrated Development Organisation (CIDO), Rural Community and Environment Development Organisation (RCEDO), Khmer Buddhist Association (KBA)

### **PROJECT INFORMATION**

#### **PROJECT MANAGEMENT:**

Kjeld Vodder Nielsen, ADDA Country Coordinator  
Pich Sophin, ADDA Deputy Country Coordinator

#### **REGISTERED OFFICE:**

Salakamraek Village  
ADDA Road  
P.O Box 932 333  
Siem Reap Province  
Kingdom of Cambodia

#### **PRINCIPAL BANKERS:**

ACLEDA Bank Plc for ADDA  
No. 1-2-3-4, Sivatha Street, Mondul 2 Village  
Sangkat Svay Dangkum, Siem Reap Municipality  
Siem Reap Province  
Kingdom of Cambodia

ACLEDA Bank Plc for READA  
No. 1-2-3-4, Sivatha Street, Mondul 2 Village  
Sangkat Svay Dangkum, Siem Reap Municipality  
Siem Reap Province  
Kingdom of Cambodia

#### **AUDITORS:**

BDO (Cambodia) Limited

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**EMPOWERMENT OF CIVIL SOCIETY IN ODDAR MEANCHEY (CISOM)**

Undertaken by Agricultural Development Denmark Asia (ADDA)

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**PROJECT MANAGEMENT'S REPORT**

In the opinion of the Project Management of the Empowerment of Civil Society in Oddar Meanchey ("CISOM"), the statement of receipts, expenditures and fund balances ("the statement") for the financial year ended 31 December 2013 set out on pages 5 to 9 presents fairly, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the statement.

  
Kjeld Vodder Nielsen  
Country Coordinator  
Agricultural Development Denmark Asia  
Siem Reap Province, Kingdom of Cambodia

28 APR 2014



**INDEPENDENT AUDITORS' REPORT OF FACTUAL FINDINGS  
TO THE PROJECT MANAGEMENT OF AGRICULTURAL DEVELOPMENT DENMARK ASIA**

We have performed the agreed upon procedures enumerated below with respect to the Empowerment of Civil Society in Oddar Meanchey ("the Project") implemented by Agricultural Development Denmark Asia (ADDA), Rural Economics and Agricultural Development Agency (READA), Community-Based Integrate Development Organisation (CIDO), Rural Community and Environmental Development Organisation (RCEDO) and Khmer Buddhist Association (KBA) as a counterpart to implement the Project for the financial year ended 31 December 2013 under the Grant Aid from DANIDA/Civil Society in Development Fund.

Our engagement was undertaken in accordance with International Standard on Related Services 4400 (ISRS4400) - Engagements to perform Agreed-Upon Procedures regarding financial information. The procedures were performed solely to confirm the appropriateness of the usage of the grant funds provided by DANIDA/Civil Society in Development Fund for the financial year ended 31 December 2013 and are summarised as follows:

- (i) We conducted interviews with the Deputy Coordinator and Accountants, who are in charge of financial management of the Project, to obtain an understanding of ADDA's, READA's, CIDO's, RCEDO's and KBA's accounting.

We obtained financial records including the cash books, bank accounts and details of expenses.

- (ii) We performed the following for payroll disbursement:
- Reviewed personnel files to ensure that the payees are employees of ADDA, READA, CIDO, RCEDO and KBA.
  - Obtained justification for any unusual compensation.
- (iii) We compared disbursements recorded with supporting documents (photocopied version) and agreed the disbursements to the general ledger.
- (iv) We agreed bank balances as per the general ledger to copies of bank statement and passbook as at 31 December 2013.
- (v) We submitted a copy of our report of factual findings to the ADDA.

We report our findings as below:

1. With respect to item (i) above, we noted the following:
  - 1.1 Monthly cash counts were not performed for ADDA.
  - 1.2 Monthly bank reconciliations were not prepared for ADDA.

**INDEPENDENT AUDITORS' REPORT OF FACTUAL FINDINGS  
TO THE PROJECT MANAGEMENT OF AGRICULTURAL DEVELOPMENT DENMARK ASIA  
(continued)**

We report our findings as below (continued):

2. With respect to item (ii) above, we noted the following:
  - 2.1 RCEDO's employment contract did not state the proportionate payroll expenses to the Project. However, the payroll expenses were allocated within the budget line.
  - 2.2 No monthly tax on salary was withheld and declared to the tax authority for RCEDO and KBA.
3. With respect to item (iii) above, we noted the following:
  - 3.1 Inconsistency in recording transactions reference number in the accounting system with the reference number of payment vouchers ("PV") of ADDA and KBA.
  - 3.2 There were also some cash payment vouchers for CIDO and RCEDO without reference numbers.
  - 3.3 Certain transactions of CIDO were made without PV.
  - 3.4 No "PAID" stamp on PV.
4. With respect to item (iv) above, we noted the following:
  - 4.1 The bank interest income of US\$2 for the year ended 31 December 2013 was not accounted for in RCEDO.
5. With respect to item (v) above, we have submitted a copy of our report on factual findings to ADDA.

As the above procedures do not constitute either an audit or a review made in accordance with the International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the statement of the Project for the financial year ended 31 December 2013.

Had we performed additional procedures or had we performed an audit or review of the statement in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

**INDEPENDENT AUDITORS' REPORT OF FACTUAL FINDINGS  
TO THE PROJECT MANAGEMENT OF AGRICULTURAL DEVELOPMENT DENMARK ASIA  
(continued)**

Our report is solely for the purpose set forth in the first paragraph of this report and for your information only and is not to be used for any other purposes or to be distributed to any other parties.

  
BDO (Cambodia) Limited

Phnom Penh, Cambodia  
28 April 2014



**EMPOWERMENT OF CIVIL SOCIETY IN ODDAR MEANCHEY (CISOM)**

Undertaken by Agricultural Development Denmark Asia (ADDA)

Countered by Rural Economics and Agricultural Development Agency (READA), Community-based Integrated Development Organisation (CIDO), Rural Community and Environment Development Organisation (RCEDO), Khmer Buddhist Association (KBA)

**STATEMENT OF RECEIPTS, EXPENDITURES AND FUND BALANCES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 US\$
<b>RECEIPTS</b>		
Grant from DANIDA/ Civil Society in Development Fund	3	239,300
Bank interest income		192
<b>TOTAL RECEIPTS</b>		<u>239,492</u>
<b>EXPENDITURES</b>		
Activities expenses	4	96,241
Investments	5	18,706
Local staff expenses	6	29,154
Local administration expenses	7	20,752
<b>TOTAL EXPENDITURES</b>		<u>164,853</u>
<b>FUND BALANCES AT THE END OF YEAR</b>	8	<u><u>74,639</u></u>
<b>REPRESENTED BY:</b>		
Cash in bank		66,213
Cash on hand		8,426
		<u><u>74,639</u></u>

*The accompanying notes form an integral part of this statement.*



## **EMPOWERMENT OF CIVIL SOCIETY IN ODDAR MEANCHEY (CISOM)**

Undertaken by Agricultural Development Denmark Asia (ADDA)

Countered by Rural Economics and Agricultural Development Agency (READA), Community-based Integrated Development Organisation (CIDO), Rural Community and Environment Development Organisation (RCEDO), Khmer Buddhist Association (KBA)

## **NOTES TO THE STATEMENT OF RECEIPTS, EXPENDITURES AND FUND BALANCES**

### **1. GENERAL**

The activities of the Empowerment of Civil Society in Oddar Meanchey (CISOM) ("the Project") were targeted to 54 villages over communes in 5 districts in Oddar Meanchey Province and the overall objectives are as follows:

#### **Development objectives**

The overall development objective in CISOM is to efficiently advocate on behalf of poor people to defeat poverty and hunger especially among rural women and women-headed households in five districts in Oddar Meanchey Province. The Project's contributions to this development are:

- Building personal and social sustainable capital among women by supporting the development of local self-help groups.
- To enable women to increase their household income by using knowledge of improved agricultural practices to increase the value of their agricultural products using local marketing and through agribusiness activities.
- To strengthen the position of women and encourage them to take leadership within many different functions in their communities.
- The agricultural teaching is based on the participatory training method "Farmer Field School" (FFS).

The Project has been undertaken by Agricultural Development Denmark Asia (ADDA) and counted by Rural Economic and Agricultural Development Agency (READA), and implemented by Community-based Integrated Development Organisation (CIDO), Rural Community and Environmental Development Organisation (RCEDO) and Khmer Buddhist Association (KBA).

- ADDA: is a Danish NGO (Non-Governmental Organisation) founded in March 1994 in order to meet the need for development, emphasis being placed on Agricultural education in Southeast Asia (Vietnam and Cambodia).
- READA: is a Cambodian Non-Political, Non-Religious Organisation which focuses its efforts on rural community development and livelihood improvement. READA was established in 2004 and registered with the Ministry of Interior in 2005.
- CIDO: is a Khmer local NGO which works to ensure sustainable and durable support to the development processes of disadvantaged Cambodian people. CIDO was given recognition by the Ministry of Interior on 10 May 2006.
- RCEDO: is an independent Cambodian Non-Government Organisation which works to improve the lives of rural communities in north-western of Cambodia. RCEDO was founded in 1998.
- KBA: is a non-governmental organisation which works to reduce poverty through accelerating the rural development and improving the socio-economic conditions in order to enhance the rural livelihoods in North-Western provinces, Cambodia. KBA was founded on 17 November 1981.

## **EMPOWERMENT OF CIVIL SOCIETY IN ODDAR MEANCHEY (CISOM)**

Undertaken by Agricultural Development Denmark Asia (ADDA)

Countered by Rural Economics and Agricultural Development Agency (READA), Community-based Integrated Development Organisation (CIDO), Rural Community and Environment Development Organisation (RCEDO), Khmer Buddhist Association (KBA)

## **NOTES TO THE STATEMENT OF RECEIPTS, EXPENDITURES AND FUND BALANCES (continued)**

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The statement was prepared in compliance with the ADDA operation and in accordance with the following accounting principles:

#### **2.1 Basis of accounting preparation**

The statement, which is expressed in United States Dollar ("US\$"), have been prepared in accordance with the cash basis of accounting that complies with International Public Sector Accounting Standards "Financial Reporting under the Cash Basis of Accounting" issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants.

#### **2.2 Reporting currency**

The statement is prepared in United States Dollar ("US\$").

#### **2.3 Foreign currency transaction**

The Project transacts its business and maintains its books of accounts primarily in United States Dollar ("US\$"). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates. Cash balances denominated in currencies other than US\$ are translated into US\$ at the open market of exchange rate at the period ended date.

#### **2.4 Receipts and expenditures**

Fund receipts are recognised when received rather than when the right to receive them arises whereas expenses are recognised when paid rather than when the obligation to pay them arises.

#### **2.5 Cash and bank balances**

Cash and bank balances consist cash at bank and cash on hand with significant risk of change in value.

### **3. GRANT FROM DANIDA/CIVIL SOCIETY IN DEVELOPMENT FUND**

This represents the amount of fund received from DANIDA/Civil Society in Development Fund for the financial year ended 31 December 2013. The fund receipts are recorded net of bank charges.



**EMPOWERMENT OF CIVIL SOCIETY IN ODDAR MEANCHEY (CISOM)**

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**NOTES TO THE STATEMENT OF RECEIPTS, EXPENDITURES AND FUND BALANCES  
(continued)****4. ACTIVITIES EXPENSES**

	<b>2013</b>
	<b>US\$</b>
Farmer field schools (FFS)	19,977
Training of trainer community professionals (CPs)	19,587
NGO District coordinators	11,369
Project coordinator	10,292
Local facilitators	8,917
Project senior advisor/subject	8,470
Fees for CPs, FFS and SHGs	6,904
Capacity building local NGOs	2,798
Inputs/farmer field days/focus	2,324
Local consultants/staff capacity	1,709
ADDA district CP	1,440
Training materials	879
ADDA financial supervision	814
Self help group formation	761
	<hr/>
	96,241
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**5. INVESTMENTS**

	<b>2013</b>
	<b>US\$</b>
Motorcycles	14,880
Computers, printers and scanners	2,620
Bicycles	940
Minor equipment and stationary	266
	<hr/>
	18,706
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**NOTES TO THE STATEMENT OF RECEIPTS, EXPENDITURES AND FUND BALANCES  
(continued)****6. LOCAL STAFF EXPENSES**

	<b>2013</b>
	<b>US\$</b>
NGO District senior supervisor	12,069
READA Project manager	6,563
Accountants - part time	5,632
Per diem	4,817
Staff insurance	73
	<hr/>
	29,154
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**7. LOCAL ADMINISTRATION EXPENSES**

	<b>2013</b>
	<b>US\$</b>
Cars (fuel and maintenance)	6,791
Rent of local offices and electricity	5,145
Motorcycles (fuel and maintenance)	3,156
Communication, telephones and internet	2,349
Stationary and office supplies	2,752
Bank fees and local document certificates	552
Insurance	7
	<hr/>
	20,752
	<hr/> <hr/>

**8. FUND BALANCES**

Cash and bank balances represent the closing fund balances which consist of the cash at bank and cash on hand of the Project.

	<b>2013</b>
	<b>US\$</b>
Cash in bank	66,213
Cash on hand	8,426
	<hr/>
	74,639
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