



## **Public Financial Management Reform Project**

*under the Multi-Donor Trust Fund Grant Agreement No. TF054547-KH and No. H241-KH between the Government of the Kingdom of Cambodia and the International Development Association (IDA)*

*Audited financial statements  
as at and for the year ended 31 December 2007*

Ernst & Young

## **Public Financial Management Reform Project**

*under the Multi-Donor Trust Fund Grant Agreement No. TF054547-  
KH and No. H241-KH between the Government of the Kingdom of  
Cambodia and the International Development Association (IDA)*

*Audited financial statements  
as at and for the year ended 31 December 2007*

# Public Financial Management Reform Project

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# Public Financial Management Reform Project

## Statement of management's responsibility over financial statements

### Statement of management's responsibility in respect of the financial statements

The management of the Public Financial Management Reform Project ("the Project") is responsible for its financial statements as at and for the year ended 31 December 2007 which give a true and fair view of:

- the financial position of the Project;
- the funds received and expended for the period;
- the activities of the designed account for the period and the balance of the account as at 31 December 2007; and,
- the funds withdrawn for the period.

In preparing these financial statements, management is required to:

- select suitable accounting policies and then apply them consistently in accordance with the International Public Sector Accounting Standards and the term of the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No. H241-KH between the Government of the Kingdom of Cambodia and the International Development Association and,
- make judgements and estimates that are reasonable and prudent.

Management confirms that they have complied with the above requirements in preparing the financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Project and to ensure that the accounting records comply with the applicable accounting system. They are also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Approval of the financial statements

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Project as at 31 December 2007, the funds received and expended, the activities of the Designed Account and the funds withdrawn for the period then ended, in accordance with the accounting policies described in Note 2 and comply with the related financing agreements.

On behalf of the Project's management:



H. E. Aun Porn Moniroth  
Secretary of State  
Chairman of Reform Committee



Dr. Sok Saravuth  
Reform Committee Secretariat Manager



Mr Um Youthy  
Office Manager

Phnom Penh City, Kingdom of Cambodia

30 August 2008

Reference: 11461/11107

## Auditors' report

on the financial statements of the Public Financial Management Reform Project  
as at 31 December 2007 and for the year then ended  
(under the Multi-Donor Trust Fund Grant Agreement  
No. TF054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of  
Cambodia and the International Development Association)

### To the Reform Committee Secretariat

We have audited the accompanying financial statements of the Public Financial Management Reform Project ("the Project"), which comprise the balance sheet as at 31 December 2007, and the related statements of sources of funds and expenditures and designed accounts for the year then ended, and a summary of significant accounting policies as set out on pages 3 to 16.

### Management's responsibility for the financial statements

The management of the Project is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies set out in Note 2. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Project as at 31 December 2007, and of the funds received and expended and the activities of the designed accounts for the year then ended, in conformity with the accounting policies set out in Note 2 and comply with the related financing agreements.



Phnom Penh, Kingdom of Cambodia  
30 August 2008



# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Balance sheet

As at 31 December 2007

US\$

	Notes	Ending balance	Beginning balance
<b>Assets</b>			
<b>Cash</b>			
Multi – donor trust fund	3, 8.1	97,231	158,217
International Development Association fund	3, 8.1	639,377	-
Others	3	2,899	100
		<u>739,507</u>	<u>158,317</u>
Advances	4	<u>21,920</u>	<u>6,577</u>
<b>Total assets</b>		<u><b>761,427</b></u>	<u><b>164,894</b></u>
<b>Liability and excess of sources of funds over expenditures</b>			
<b>Liability</b>			
Other payable		-	100
<b>Excess of sources of funds over expenditures</b>		<u>761,427</u>	<u>164,794</u>
<b>Liability and excess of sources of funds over expenditures</b>		<u><b>761,427</b></u>	<u><b>164,894</b></u>

  
 Mr. Um Youthy  
 Office Manager

  
 Dr. Sok Saravuth  
 Reform Committee Secretariat Manager

30 August 2008



# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Statement of sources of funds and expenditures

for the year ended 31 December 2007

US\$

	Notes	Actual 2007	Actual cumulative	Budget (Note 2)	Variance
<b>Sources of funds</b>					
Multi-donor trust fund	8.3	1,016,516	2,857,078	N/A	N/A
Counterpart fund account	5	150,097	185,249	N/A	N/A
International Development Association fund		940,509	940,509	N/A	N/A
Policy and human resource development grant		-	24,069	N/A	N/A
Others		2,899	2,899	N/A	N/A
<b>Total sources of funds</b>		<b>2,110,021</b>	<b>4,009,804</b>	<b>N/A</b>	<b>N/A</b>
<b>Expenditures by cost category</b>					
	6				
Goods		31,634	238,305	1,659,318	(1,421,013)
Consulting fees and expenses		497,009	728,486	1,329,103	(600,617)
Training/ workshops		188,395	355,361	917,664	(562,303)
Incremental operating costs		30,051	48,131	59,518	(11,387)
Merit-based payment initiative		666,299	1,778,094	2,461,796	(683,702)
International procurement agent		100,000	100,000	100,000	-
<b>Total expenditures by category</b>		<b>1,513,388</b>	<b>3,248,377</b>	<b>6,527,399</b>	<b>(3,279,022)</b>
<b>Excess of sources of funds over expenditures</b>		<b>596,633</b>	<b>761,427</b>	<b>N/A</b>	<b>N/A</b>
<b>Expenditures by component</b>					
	6, 7				
<b>Budget strengthening component</b>					
Budget formulation		202,379	301,835	380,480	(78,645)
Budget execution		34,871	303,199	1,844,505	(1,541,306)
Revenue management		-	-	98,600	(98,600)
Capacity development		609,839	865,249	1,742,018	(876,769)
		<b>847,089</b>	<b>1,470,283</b>	<b>4,065,603</b>	<b>(2,595,320)</b>
<b>Merit-based payment initiative</b>		<b>666,299</b>	<b>1,778,094</b>	<b>2,461,796</b>	<b>(683,702)</b>
<b>Operating expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures by component</b>		<b>1,513,388</b>	<b>3,248,377</b>	<b>6,527,399</b>	<b>(3,279,022)</b>

  
Mr. Um Youthy  
Office Manager

  
Dr. Sok Saravuth  
Reform Committee Secretariat Manager

30 August 2008

# Public Financial Management Reform Project


Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Statement of designed account - MDTF

for the year ended 31 December 2007

US\$

Assets	Notes	Actual 2007	Actual 2006
<b>A. Sources of funds</b>		<b>1,181,310</b>	<b>1,840,562</b>
Designed account during the year	8.3	1,016,516	1,840,562
Unused funds from the previous period		164,794	-
<b>B. Uses of funds</b>	<b>6</b>	<b>1,073,338</b>	<b>1,675,768</b>
Goods		29,717	206,671
Consulting fees and expenses		494,408	231,477
Training		162,559	142,897
Incremental operating costs		19,318	18,080
Merit-based payment initiative		367,336	1,076,643
<b>Surplus of funds</b>		<b>107,972</b>	<b>164,794</b>
<i>Represented by:</i>			
Advances	4	10,741	6,577
Petty cash	3	83	52
Designed account	3	97,148	158,165
		<b>107,972</b>	<b>164,794</b>

  
 Mr. Um Youthy  
 Office Manager

  
 Dr. Sok Saravuth  
 Reform Committee Secretariat Manager

30 August 2008



# Public Financial Management Reform Project


Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Statement of designed account - IDA

for the year ended 31 December 2007

US\$

Assets	Notes	Actual 2007	Actual 2006
<b>A. Sources of funds</b>		<b>940,509</b>	-
Designed account	8.3	840,509	-
Direct payment		100,000	-
<b>B. Uses of funds</b>	<b>6</b>	<b>289,953</b>	-
Goods		1,917	-
Consultant's service		2,601	-
Training/workshops		25,836	-
Incremental operating costs		10,733	-
Merit-based payment initiative		148,866	-
International procurement agent		100,000	-
<b>Surplus of funds</b>		<b>650,556</b>	-
<i>Represented by:</i>			
Advances	4	11,179	-
Petty cash	3	86	-
Designed account	3	639,291	-
		<b>650,556</b>	-

  
Mr. Um Youthy  
Office Manager

  
Dr. Sok Saravuth  
Reform Committee Secretariat Manager

30 August 2008

# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements

for the year ended 31 December 2007

### 1. Project background

On 11 August 2005, the Government of the Kingdom of Cambodia represented by the Ministry of Economy and Finance ("MEF") and the International Development Association ("IDA") signed a Multi-Donor Trust Fund ("MDTF") Grant Agreement (No. TF 054547) and Financing Agreement (No. H241-KH) to cooperate in financing the Public Financial Management Reform Project ("the Project").

The Project commenced in September 2005 and will run for ten years with funding coming from:

- MDTF TF054547-KH administered by the World Bank with funds being contributed by the donor partners of Great Britain and Australia in 2005 and 2006, and the European Commission ("EC") and Sweden from 2006 onwards. Other donor partners may fund the Project through the MDTF in the future.
- Royal Government of Cambodia counterpart funds for the Merit-Based Payment Incentive ("MBPI") scheme/component of the Project.
- Donor partners' direct funding of input to the Project. These funds and expenditures are managed by the donor partners and not by the MEF.

The total cost of the Programme is estimated at US\$ 7,035,000 and SDR 9,800,000, of which the MEF will provide financial contribution to the MBPI with an annual percentage contribution as follows:

2006	2007	2008	2009	2010	2011
11%	11%	15%	20%	26%	35%

The Public Financial Management Program starts with the perspective that it will provide support for activities at the Government level in financial management, aimed at establishing the framework for a professional civil service, in which officials will be able to maintain public financial management standards without depending on continuing external advice.

The Project is implemented by the MEF and is managed by the Reform Committee Secretariat ("RCS") of the MEF.

The Project's activities are divided into six main and complementary components:

- Revenue Management
- Budget Formulation
- Budget Execution
- Capacity Development
- Merit Based Pay Initiative
- Building the Oversight Capacity of the Recipient's National Audit Authority

These components are briefly discussed below:

#### *Part A: Revenue Management.*

- Support the modernization of the MEF's Tax Department by: (a) reviewing and improving its organizational structure; (b) developing and implementing a strategic management plan and capacity development program; (c) improving service delivery ; and (d) developing mechanisms to improve transparency and accountability
- Strengthen MEF's non tax revenue policy and administration
- Support transparent oil and gas revenue management by: (a) participating in the Extraction Industries Transparency Initiative (EITI); (b) developing oil fund and related taxation policy, and (c) strengthening the Recipient's staff technical and negotiations skills.
- Support the Recipient's fiscal and macroeconomic management by strengthening revenue policy, macroeconomic modeling, and forecasting.

# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH  
between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements (continued) for the year ended 31 December 2007

### 1. Project background (continued)

#### *Part B: Budget Formulation*

- Strengthen the recipient's capacity to formulate and integrate its budget, including: (a) improving budget coverage; (b) strengthening the control over expenditures formulation; (c) developing the medium term macroeconomic-fiscal framework; (d) strengthening debt forecasting, financing analysis, and payment management; (e) redesigning the budget and account classification system; (f) piloting a program - based budget structure; (g) redesigning the budget formulation process and calendar, (h) strengthening budget formulation; and (i) strengthening expenditure tracking techniques

#### *Part C: Budget Execution*

- Support the development of the recipient's financial management system and processes, including (a) establishing financial management information system; and (b) providing computer hardware and software.
- Strengthen the recipient's public procurement system by: (a) revising procurement processing arrangements; (b) developing an enhanced legal and regulatory procurement framework, including the development of a new procurement law; (c) developing and disseminating harmonized procurement procedures and documents; (d) supporting deconcentration of the public procurement system and establishment of effective oversight mechanisms; (e) developing an information and performance monitoring system in public procurement; and (f) improving public access to information, including electronically.
- Strengthen the recipient's treasury systems and procedures by: (a) streamlining budget execution processes; (b) widening the scope of payments through the banking system including payments for tax collections and to civil servants and contractors; and (c) strengthening cash management.

#### *Part D: Capacity Development*

- Strengthen the recipient's capacity to carry out internal audit and to manage internal audit standards and reviews.
- Strengthen the MEF's overall capacity, including (a) reorganizing its institutional structure, and (b) strengthening its capacity to implement the Project, including the development and implementation of a communication strategy.
- Provide support to the Reform Committee Secretariat in managing the PFMRP.
- Carry out training, workshop and study to supports the execution of the Project.

#### *Part E: Merit - Based Payment Initiative*

- Implement the Recipient's Merit - Based Payment Initiative Program through the provision of merit - based pay initiative allowances to selected MEF staff.
- Implement reforms in the MEF's personnel management, including the establishment of merit-based selection and promotion, and performance management.



# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements (continued) for the year ended 31 December 2007

### 2. Summary of significant accounting policies

#### *Basis of accounting*

The Project's financial statements are expressed in United States dollar (US\$). These financial statements are prepared by the RCS in accordance with International Public Sector Accounting Standards in the preparation of the financial statements which are set out below. The Project maintains its accounting records in US\$.

The financial statements present sources and uses of funds, and the related financial information in relation to the IDA fund withdrawals and disbursements from the Project's Designed Account together with the corresponding counterpart funds as specified under the Multi-Donor Trust Fund Grant Agreement between the MEF and the IDA.

#### *Recognition of Funds from IDA*

Fund is recognized as a source when cash is debited to the Project's Designed Account managed by RCS rather than when committed or budgeted.

#### *Recognition of Counterpart Funds*

Fund is recognized as a source when cash is withdrawn from the State Treasury or when a payment is transferred directly from the State Treasury to the Project's National Bank Account.

#### *Recognition of expenditure*

Except for direct payment by IDA, expenditure under each component is recognized when the documents substantiating the Project's transactions are submitted and approved by the IDA.

#### *Equipment*

Equipment procured is recognized as expenditure when received or when handed-over from the contractors or suppliers upon the respective acceptance and approval by the RCS.

#### *Foreign exchange differences*

Disbursements and withdrawals in foreign currencies (other than US\$) are converted into US\$ at the prevailing exchange rates declared by the National Bank of Cambodia ruling at the date of transactions. Monetary items denominated in foreign currencies are translated into US\$ for reporting purposes at the closing exchange rate prevailing at the reporting date.

#### *Budget*

The budget for the statement of sources of funds and expenditures for the period from 1 September 2005 to 31 December 2007 is provided for comparison and reference purposes only.

### 3. Cash

	US\$			
	MDTF	IDA	Other sources	Total
Petty cash	83	86	-	169
Cash in bank	97,148	639,291	2,899	739,338
<b>Total</b>	<b>97,231</b>	<b>639,377</b>	<b>2,899</b>	<b>739,507</b>



# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements (continued) for the year ended 31 December 2007

### 4. Advances

The amount represents the outstanding advances to Project personnel in relation to their preparation and participation in overseas trainings and workshops.

### 5. Counterpart funds

	US\$
Counterpart funds budgeted and approved for the Project during the year	150,097
Less: refund of unutilised budget	-
<b>Counterpart funds recognized as income during the year</b>	<b>150,097</b>

For each fiscal year, the counterpart funds are budgeted and approved for the Project by the MEF.

### 6. Expenditures by cost category

	MDTF Designed Account	IDA Funds	Counterpart Funds	Total
Goods	29,717	1,917	-	31,634
Consulting fees and expenses	494,408	2,601	-	497,009
Training/ workshops	162,559	25,836	-	188,395
Incremental operating costs	19,318	10,733	-	30,051
MBPI ✓	367,336	148,866	150,097	666,299
International procurement agent	-	100,000	-	100,000
<b>Total</b>	<b>1,073,338</b>	<b>289,953</b>	<b>150,097</b>	<b>1,513,388</b> ✓



# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements (continued) for the year ended 31 December 2007

### 7. Expenditures by component

US\$

	<i>MDTF Designed Account</i>	<i>IDA Funds</i>	<i>Counterpart Funds</i>	<i>Total</i>
<b>Budget Strengthening Component</b>				
Budget formulation	202,379	-	-	202,379
Budget execution	31,304	3,567	-	34,871
Revenue management	-	-	-	-
Capacity development	472,319	137,520	-	609,839
<b>MBPI</b>	<b>367,336</b>	<b>148,866</b>	<b>150,097</b>	<b>666,299</b>
<b>Total</b>	<b>1,073,338</b>	<b>289,953</b>	<b>150,097</b>	<b>1,513,388</b>

### 8. Designed accounts and withdrawal applications

#### 8.1 Statement of designed accounts

US\$

	<i>Notes</i>	<i>MDTF</i>	<i>IDA</i>
<b>Beginning balance</b>		<b>158,217</b>	<b>-</b>
<i>Add:</i> Total amount advanced by the World Bank during the year		1,016,516	940,509
<i>Deduct:</i> Total amount withdrawn for expenditures during the year		(1,077,502)	(301,132)
<b>Ending balance as at 31 December 2007</b>	<b>3</b>	<b>97,231</b>	<b>639,377</b>

# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements (continued) for the year ended 31 December 2007

### 8. Designed accounts and withdrawal applications (continued)

#### 8.2 Reconciliation of designed accounts

		US\$	
	Notes	MDTF	IDA
<b>Initial withdrawal</b>		<b>400,000</b>	<b>800,000</b>
<i>Add:</i>			
Additional advance from World Bank in 2007		-	-
<i>Deduct:</i>			
Total amount recovered by World Bank		-	-
<b>Total amount advanced to designed accounts as at 31 December 2007</b>		<b>400,000</b>	<b>800,000</b>
<b>Ending balances of designed accounts as at 31 December 2007</b>		<b>97,231</b>	<b>639,377</b>
<i>Add:</i>			
Amount claimed but not yet credited as at 31 December 2007		292,028	149,444
Amount withdrawn but not yet claimed as at 31 December 2007		10,741	11,179
<b>Total advance from designed accounts accounted for as at 31 December 2007</b>		<b>400,000</b>	<b>800,000</b>

## Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

### Notes to the financial statements (continued) for the year ended 31 December 2007

#### 8. Designed accounts and withdrawal applications (continued)

##### 8.3 Summary of withdrawal applications

US\$

	Date	Amount claimed for replenishment					
		Goods	Trainings and workshops	Consultant services	MBPI allowance	Incremental operating cost	Others (initial grant)
<b>2005</b>	12/05/2005	-	-	-	-	-	400,000
<b>2006</b>							
Application No 1	1/12/2006	5,713	-	5,000	385,915	1,842	-
Application No 2	2/10/2006	-	-	-	9,800	698	-
Application No 3	4/7/2006	-	23,477	48,399	61,092	643	-
Application No 4	4/7/2006	-	-	14,208	-	-	-
Application No 5	4/7/2006	-	24,850	3,700	9,800	772	-
Application No 6	5/26/2006	-	-	-	164,316	3,178	-
Application No 7	7/3/2006	50,144	5,964	17,325	9,800	887	-
Application No 8	8/10/2006	5,361	42,919	-	-	542	-
Application No 9	9/6/2006	107,212	23,085	16,714	232,793	2,666	-
Application No 10	12/1/2006	2,019	17,896	51,637	87,878	2,317	-
		<b>170,449</b>	<b>138,191</b>	<b>156,983</b>	<b>961,394</b>	<b>13,545</b>	<b>-</b>
							<b>1,440,562</b>



## Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

### Notes to the financial statements (continued) for the year ended 31 December 2007

#### 8. Designed accounts and withdrawal applications (continued)

##### 8.3 Summary of withdrawal applications (continued)

US\$

	Date	Amount claimed for replenishment						Total
		Goods	Trainings and workshops	Consultant services	MBPI allowance	Incremental operating cost	Others (initial grant)	
<b>2007</b>								
Application No 11	12/22/2006	-	224	42,624	61,352	965	-	105,165
Application No 12	1/25/2007	36,226	4,480	31,870	53,898	3,567	-	130,041
Application No 13	4/1/2007	-	28,647	2,625	(23,713)	4,305	-	11,864
Application No 14	4/7/2007	3,454	6,667	124,620	50,380	551	-	185,672
Application No 15	5/23/2007	-	31,460	1,350	100,020	653	-	133,483
Application No 16	6/6/2007	6,785	33,425	37,794	50,190	1,847	-	130,041
Application No 17	7/20/2007	754	15,583	65,582	50,023	1,650	-	133,592
Application No 18	10/21/2007	15,195	27,897	72,129	67,506	3,931	-	186,658
Application No 19	12/27/2007	-	-	-	-	-	-	(*)
		<b>62,414</b>	<b>148,383</b>	<b>378,594</b>	<b>409,656</b>	<b>17,469</b>	<b>-</b>	<b>1,016,516</b>
<b>Total</b>		<b>232,863</b>	<b>286,574</b>	<b>535,577</b>	<b>1,371,050</b>	<b>31,014</b>	<b>400,000</b>	<b>2,857,078</b>

# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements (continued) for the year ended 31 December 2007

### 8. Designed accounts and withdrawal applications (continued)

#### 8.3 Summary of withdrawal applications (continued)

##### Application of IDA

US\$

	Date	Amount claimed for replenishment					
		Goods	Trainings and workshops	Consultant services	MBPI allowance	Incremental operating cost	Others (initial grant)
2007							
Application No 1	7/4/2007	-	-	-	-	-	800,000
Application No 18	10/21/2007	-	6,186	357	29,875	4,091	-
Application No 19	12/27/2007	-	-	-	-	-	-
<b>Total</b>		-	<b>6,186</b>	<b>357</b>	<b>29,875</b>	<b>4,091</b>	<b>800,000</b>
							<b>840,509</b>

(\*) Not yet replenished as of 31 December 2007

# Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

## Notes to the financial statements (continued)

for the year ended 31 December 2007

### 9. Comparison of actual expenditures for the year ended 31 December 2007 with budget

US\$

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<b>Expenditures by cost category</b>			
Goods	31,634	1,452,644	(1,421,010)
Consulting fees and expenses	497,009	1,097,626	(600,617)
Training/workshops	188,395	750,699	(562,304)
Incremental operating costs	30,051	41,442	(11,391)
MBPI	666,299	1,350,000	(683,701)
International procurement agent	100,000	100,000	-
<b>Total expenditures by category</b>	<b><u>1,513,388</u></b>	<b><u>4,792,411</u></b>	<b><u>(3,279,023)</u></b>
<b>Expenditures by component</b>			
<b>Budget Strengthening Component</b>			
Budget formulation	202,379	281,024	(78,645)
Budget execution	34,871	1,576,174	(1,541,303)
Revenue management	-	98,600	(98,600)
Capacity development	609,839	1,486,613	(876,774)
<b>MBPI</b>	<b>666,299</b>	<b>1,350,000</b>	<b>(683,701)</b>
<b>Operating expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures by component</b>	<b><u>1,513,388</u></b>	<b><u>4,792,411</u></b>	<b><u>(3,279,023)</u></b>

