

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT

**AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2015**

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT
*Under the Multi-Donor Trust Fund Grant Agreement Number TF015434 between the Royal
Government of Cambodia and the International Development Association*

PROJECT INFORMATION

PROJECT MANAGEMENT: H.E. Ros Seilava,
Chairman of Public Financial Management Reform
Steering Committee ("PFMRSC")

Mr. Um Youthy,
Head of Admin and Finance

Ms. Tep Borita,
Accountant

IMPLEMENTING AGENCY: General Secretariat, Steering Committee of the Public
Financial Management Reform "GSC"
Ministry of Economy and Finance

PRINCIPAL BANKER: National Bank of Cambodia

AUDITORS: BDO (Cambodia) Limited

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT
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PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT

Under the Multi-Donor Trust Fund Grant Agreement Number TF015434 between the Royal Government of Cambodia and the International Development Association

PROJECT MANAGEMENT'S REPORT

The Project Management hereby submits the report together with the audited financial statements of Public Financial Management Modernisation Project ("the Project") under the Public Financial Management Reform Program of the Ministry of Economy and Finance ("MEF") for the financial year ended 31 December 2015.

Responsibility of the Project Management in respect of the financial statements

The Project Management is responsible to ascertain that the financial statements of the Project for the financial year ended 31 December 2015 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements. In preparing these financial statements, the Project Management is required to select suitable accounting policies and then apply them consistently.

The Project Management is responsible for ensuring that proper accounting records are kept which enable the financial statements to be prepared in compliance with accounting policies set out in Note 2 to the financial statements as well as in accordance with the terms of the financing agreement for the Multi-Donor Trust Fund Grant Agreement Number TF015434 between the Royal Government of Cambodia ("RGC") and the International Development Association ("IDA"). The Project Management is 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.

The Project Management assumes the responsibility to provide, and has provided, the auditors with all accounting records, supporting and other documents, minutes, and any other pertinent information and explanations, either orally or in writing, necessary for the audit.

Statement by the Project Management

In the opinion of the Project Management, the financial statements set out on pages 4 to 19 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies described in Note 2 to the financial statements and the related financing agreements.

Signed on behalf of the Project Management, 



H.E. Ros Seilava
Secretary General, GSC
Ministry of Economy and Finance



Mr. Um Youthy
Head of Admin and
Finance, GSC



Mrs. Tep Borita
Accountant, GSC

Phnom Penh, Cambodia

Date: 27 JUN 2016

INDEPENDENT AUDITORS' REPORT TO THE PROJECT MANAGEMENT OF PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT

Report on the Financial Statements

We have audited the accompanying financial statements of Public Financial Management Modernisation Project ("the Project") under the Public Financial Management Reform Program of the Ministry of Economy and Finance ("MEF"), which comprise statement of financial position as at 31 December 2015, statement of sources of funds and expenditures, and statement of designated accounts for the financial year ended 31 December 2015 and a summary of significant accounting policies and other explanatory explanation, as set out on pages 4 to 19.

The financial statements of the Project on accumulative basis to 31 December 2015 were not audited.

Project Management's Responsibility for the Financial Statements

The Project Management is responsible for the preparation of the financial statements in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements, and for such internal controls as the Project Management determines are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Cambodian 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 from 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 our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Project's preparation 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 effectiveness of the Project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Project 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.

**INDEPENDENT AUDITORS' REPORT TO THE PROJECT MANAGEMENT OF
PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT (continued)****Report on the Financial Statements (continued)***Opinion*

In our opinion, the financial statements of the Project for the financial year ended 31 December 2015 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of preparation and accounting policies adopted by the Project. The financial statements are prepared to assist the Project to meet its financial reporting requirements. As a result, the financial statements may not be suitable for another purpose.


Lim Seng Siew
Partner



BDO (Cambodia) Limited
Certified Public Accountants

Phnom Penh, Cambodia
Date: 27 JUN 2016

	Note	Year ended 31 Dec 2015			Year ended 31 Dec 2014		
		MDTF US\$	Counterpart fund US\$	Total US\$	MDTF US\$	Counterpart fund US\$	Total US\$
ASSETS							
Cash and bank balances	3	180,057	255,556	453,400	19,717	130,717	150,434
Advances	4	48,238	-	48,238	-	-	-
TOTAL ASSETS		<u>228,295</u>	<u>255,556</u>	<u>483,851</u>	<u>19,717</u>	<u>130,717</u>	<u>150,434</u>
FUND BALANCE		<u>228,295</u>	<u>255,556</u>	<u>483,851</u>	<u>19,717</u>	<u>130,717</u>	<u>150,434</u>

The accompanying notes form an integral part of the financial statements.

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT
Under the Multi-Donor Trust Fund Grant Agreement Number TF015434 between the Royal Government of Cambodia and the International Development Association

**STATEMENT OF SOURCES OF FUNDS AND EXPENDITURES
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	1 Jan 2015 to 31 Dec 2015 US\$	7 Nov 2013 to 31 Dec 2014 US\$	Cumulative to 31 Dec 2015 US\$ (Unaudited)
SOURCES OF FUNDS				
Multi-donor trust fund ("MDTF")		3,358,184	2,747,368	6,105,552
Counterpart fund	5	396,984	209,010	884,086
		<u>3,755,168</u>	<u>2,956,378</u>	<u>6,989,638</u>
EXPENDITURES BY CATEGORIES				
Goods	6	92,344	2,118	103,772
Consultancy services	8	1,092,191	575,252	1,672,333
Training and workshops	9	1,152,853	120,718	1,403,155
Incremental operating costs	10	119,058	125,448	247,855
Supplement allowance/priority operating costs		202,351	155,107	357,458
Financial Management Information Systems Treasury System ("FMIS")		762,954	1,958,260	2,721,214
		<u>3,421,751</u>	<u>2,936,903</u>	<u>6,505,787</u>
Excess of sources of funds over expenditures		333,417	19,475	483,851
Fund balance at beginning of year/period		150,434	130,959	-
Fund balance at end of financial year/period		<u>483,851</u>	<u>150,434</u>	<u>483,851</u>
EXPENDITURES BY COMPONENTS				
Mobilisation of revenue and MEF Steering Committee Secretariat Operations Support ("SCS")	7			
Mobilisation of revenue strategy support		400,103	51,117	451,221
SCS implementation support		774,820	336,661	1,258,614
Improving budget execution processes				
Budget execution process		762,954	1,958,260	2,721,214
FMIS implementation support		1,483,874	590,865	2,074,738
		<u>3,421,751</u>	<u>2,936,903</u>	<u>6,505,787</u>

The accompanying notes form an integral part of the financial statements.

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT
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STATEMENT OF DESIGNATED ACCOUNTS – MDTF
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	1 Jan 2015 to 31 Dec 2015 US\$	7 Nov 2013 to 31 Dec 2014 US\$	Cumulative to 31 Dec 2015 US\$ (Unaudited)
SOURCES OF FUNDS				
Multi-donor trust fund				
Replenishment		1,850,856	382,748	2,233,604
Direct payment		<u>1,507,328</u>	<u>2,364,620</u>	<u>3,871,948</u>
		<u>3,358,184</u>	<u>2,747,368</u>	<u>6,105,552</u>
EXPENDITURES BY CATEGORIES				
	6			
Goods		44,518	-	44,518
Consultancy services		1,092,191	549,094	1,641,285
Training and workshops		1,130,885	115,117	1,246,002
Incremental operating costs		119,058	105,180	224,238
FMIS		<u>762,954</u>	<u>1,958,260</u>	<u>2,721,214</u>
		<u>3,149,606</u>	<u>2,727,651</u>	<u>5,877,257</u>
Excess of sources of funds over expenditures		208,578	19,717	228,295
Fund balance at beginning of year/period		<u>19,717</u>	<u>-</u>	<u>-</u>
Fund balance at end of financial year/period		<u>228,295</u>	<u>19,717</u>	<u>228,295</u>
REPRESENTED BY:				
Cash and bank balances	3	180,057	19,717	180,057
Advances	4	<u>48,238</u>	<u>-</u>	<u>48,238</u>
		<u>228,295</u>	<u>19,717</u>	<u>228,295</u>

The accompanying notes form an integral part of the financial statements.

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT
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NOTES TO THE FINANCIAL STATEMENTS

1. PROJECT INFORMATION

The Public Financial Management Modernisation Project (“the Project”) was established under the Multi-Donor Trust Fund (“MDTF”) Grant Agreement Number TF015434 signed on 7 November 2013 between the Royal Government of Cambodia (“RGC”) represented by the Ministry of Economy and Finance (“MEF”) and the International Development Association (“IDA”) of the World Bank. The agreement became effective for implementation from 7 November 2013. The amount of funding under the financing agreement to be provided to the Project is US\$5,903,013. On 21 April 2015, the grant agreement was amended and restated to increase the grant amount to US\$13,503,013 which details as follows:

Category	Amount of the grant allocated US\$	% of expenditures to be financed (inclusive of taxes)
(1) Consultants’ services, Goods, Training and Workshops, And Incremental Operating Costs under the Project	13,503,013	100%
Total amount	13,503,013	

The Project started with the objective to enhance public financial management by strengthening:

- (i) revenue mobilisation and
- (ii) the budget execution processes through the implementation of the Financial Management Information System.

The Project consists of the following parts:

Part 1. Mobilisation of Revenue and MEF Steering Committee Secretariat Operations Support

- A. Support the Recipient in the preparation of a revenue mobilization strategy
- B. Support the SCS in the management of the Project

Part 2. Improvement of Budget Execution Processes

- A. Strengthen the Recipient’s budget execution processes through:
 - (a) the deployment of an automated FMIS to computerise the financial operations of budget and treasury units at the MEF, General Department of the National Treasury (“GDNT”), and provincial treasuries; and
 - (b) the implementation of the uniform account code structure and the fulfillment of the requirements of cash basis International Public Sector Accounting Standards in MEF, line ministries, and all governmental budget entities.
- B. Provision of implementation support for the FMIS including, *inter alia*:
 - (a) building the capacity of the GDNT and the FMIS Project Management Working Group to oversee and monitor the FMIS implementation; and
 - (b) strengthening the capacities of the Ministry of Economy and Finance and providing support to staff to facilitate the transition to and be able to operate effectively in an automated environment.

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT
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2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The following table significant accounting policies have been adopted by the Project in the preparation of the financial statements.

2.1 Basis of preparation

The financial statements of the Project, which are expressed in United States Dollar (“US\$”), have been prepared in accordance with modified cash basis of accounting. Under this basis of accounting, fund received is recognised when received rather than when the right to receive it arises, and expenditure is recognised when it is paid rather than when incurred, except for the advance payments which are initially recognised as receivables and only recognised as expenditures when they have been liquidated by invoices supporting the related expenditures.

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 designated account together with the corresponding counterpart funds as specified under the Multi-Donor Trust Fund Grant Agreement No.TF015434 between the MEF of RGC and the IDA of World Bank.

2.2 Source of funds

Sources of funds consist of grants received from the MDTF through the IDA transferred directly to the Project’s designated account held at the National Bank of Cambodia. Funds received also comprise direct cash disbursements made by the IDA as well as counterpart funds from the RGC. These funds are accounted for when received.

2.3 Cash

Cash consists of cash and bank balances with insignificant risk of changes in values.

The Project maintains a designated bank account with the National Bank of Cambodia in a US\$ denominated account. A petty cash float is also maintained in US\$.

2.4 Advances

Outstanding cash advances are recorded as receivables in the statement of financial position and recognised as expenditures in the statement of sources of funds and expenditures upon liquidation.

2.5 Funds from IDA

Funds from IDA is recognised as a source when cash is transferred to the Project’s designated account and when direct cash disbursements are made by the IDA. This fund is accounted for when received.

2.6 Counterpart fund

Counterpart fund is recognised as a source when cash is withdrawn from the National Treasury or when a payment is transferred directly from the National Treasury to the Project’s national bank account. Direct payment is recognised as a source when a payment is transferred directly from National Treasury to contractors.

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2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Expenditures

Expenditures are recognised when payment is made rather than when it is incurred, except for advance payments to staffs, suppliers and contractors which are initially recognised as advances and recognised as expenditure when they are liquidated by presentation of supporting invoices.

2.8 Direct payments

Direct payments represent payments made by the IDA directly to third party suppliers on behalf of the Project.

2.9 Equipment

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

An asset register is maintained to track equipment for control purposes.

2.10 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 in to US\$ for reporting purposes at the closing exchange rate prevailing at the reporting date.

2.11 Commitment and service charges

Commitment and service charges relating to the IDA are paid directly by the MEF and are not accounted for in the statement of sources of funds and expenditures and the statement of designated accounts.

3. CASH AND BANK BALANCES

	Year ended 31 Dec 2015			Year ended 31 Dec 2014		
	Counterpart			Counterpart		
	MDTF US\$	fund US\$	Total US\$	MDTF US\$	fund US\$	Total US\$
Cash on hand	213	-	213	1,000	-	1,000
Cash at bank	179,844	255,556	435,400	18,717	130,717	149,434
	180,057	255,556	435,613	19,717	130,717	150,434

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4. ADVANCES

	Year ended 31 Dec 2015			Year ended 31 Dec 2014		
	Counterpart			Counterpart		
	MDTF	fund	Total	MDTF	fund	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Advances for training and workshops	48,238	-	48,238	-	-	-

5. COUNTERPART FUND

	1 Jan 2015 to 31 Dec 2015 US\$	7 Nov 2013 to 31 Dec 2014 US\$	Cumulative to 31 Dec 2015 US\$ (Unaudited)
Unused funds from previous period	130,717	130,959	-
Funds received	396,984	209,010	884,086
Expense paid	(272,145)	(209,252)	(628,530)
Fund balance at year/period	<u>255,556</u>	<u>130,717</u>	<u>255,556</u>

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7. EXPENDITURES BY COMPONENTS

	1 Jan 2015 to 31 Dec 2015		7 Nov 2013 to 31 Dec 2014		Cumulative to 31 Dec 2015	
	MDTF US\$	Counterpart fund US\$	Total US\$	MDTF US\$	Counterpart fund US\$	Total US\$ (Unaudited)
Mobilisation of revenue and MEF Steering Committee Secretariat Operations Support ("SCS")	400,103	-	400,103	51,117	-	451,221
Mobilisation of revenue strategy support SCS implementation support	502,675	272,145	774,820	132,325	204,336	623,614
Improving budget execution processes	762,954	-	762,954	1,958,260	-	2,721,214
Budget execution process FMIS implementation support	1,483,874	-	1,483,874	585,949	4,916	2,069,822
	3,149,606	272,145	3,421,751	2,727,651	209,252	5,877,257
					628,530	6,505,787

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8. CONSULTANCY SERVICES

	1 Jan 2015 to 31 Dec 2015 US\$	7 Nov 2013 to 31 Dec 2014 US\$	Cumulative to 31 Dec 2015 US\$ (Unaudited)
National consultants	184,534	92,734	282,158
International consultants	907,657	482,518	1,390,175
	<u>1,092,191</u>	<u>575,252</u>	<u>1,672,333</u>

9. TRAININGS AND WORKSHOPS

	1 Jan 2015 to 31 Dec 2015 US\$	7 Nov 2013 to 31 Dec 2014 US\$	Cumulative to 31 Dec 2015 US\$ (Unaudited)
Local and foreign training fees	342,366	1,372	473,322
Meeting and conference fees/Workshops	362,991	88,921	451,912
Transportation fees/Workshops	138,252	6,154	144,406
Mission fees/Workshops	138,324	11,076	149,400
Food and housing per diem/Workshops	170,920	13,195	184,115
	<u>1,152,853</u>	<u>120,718</u>	<u>1,403,155</u>

10. INCREMENTAL OPERATING COSTS

	1 Jan 2015 to 31 Dec 2015 US\$	7 Nov 2013 to 31 Dec 2014 US\$	Cumulative to 31 Dec 2015 US\$ (Unaudited)
Advertising	12,809	6,994	19,751
Office supplies	16,510	14,107	45,339
Fuel expense	24,217	17,295	41,459
Repair and maintenance	18,630	12,032	30,662
Telecommunication	5,790	4,810	10,600
Other operating costs	41,102	70,210	100,044
	<u>119,058</u>	<u>125,448</u>	<u>247,855</u>

PUBLIC FINANCIAL MANAGEMENT MODERNISATION PROJECT
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11. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS

11.1 Statement of designated accounts

	1 Jan 2015 to 31 Dec 2015 US\$	7 Nov 2013 to 31 Dec 2014 US\$
Multi-Donor Trust Fund		
Balance as at 1 Jan 2015/7 Nov 2013	19,717	-
Add:		
Total funds received from MDTF during the financial year/period	3,358,184	2,747,368
Deduct:		
Total funds withdrawn for expenditures during the financial year/period	<u>3,149,606</u>	<u>2,727,651</u>
Balance as at 31 Dec 2015/31 Dec 2014	<u><u>228,295</u></u>	<u><u>19,717</u></u>

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11. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

11.2 Summary of withdrawal applications

Application of MDTF

Withdrawal application number	Date	Initial advance (recoveries) US\$	Amount claimed for direct payment and replenishment					Total US\$
			Goods US\$	FMIS US\$	Consultant services US\$	Trainings and workshops US\$	Incremental operating costs US\$	
2014								
Initial advance to designated account No. 1	27 February	100,000	-	-	-	-	-	100,000
Direct payment No 2	27 February	-	-	-	14,543	-	-	14,543
Direct payment No 3	20 March	-	-	880,017	-	-	-	880,017
Direct payment No 4	13 March	-	-	-	26,519	-	-	26,519
Direct payment No 5	22 May	-	-	-	41,132	-	-	41,132
Replenishment No 6	11 June	-	-	-	10,256	12,497	15,903	38,656
Direct payment No 7	8 July	-	-	-	38,419	-	-	38,419
Replenishment No 8	14 July	-	-	-	26,116	-	6,808	32,924
Direct payment No 9	4 August	-	-	61,963	-	-	-	61,963
Replenishment No 10	18 August	-	-	-	14,183	1,811	8,255	24,249
Direct payment No 11	15 September	-	-	-	47,765	-	-	47,765
Direct payment No 12	19 September	-	-	-	45,278	-	-	45,278
Replenishment No 13	7 October	-	-	-	14,770	1,097	18,260	34,127

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11. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

11.2 Summary of withdrawal applications (continued)

Application of MDTF (continued)

Withdrawal application number	Date	Initial advance (recoveries) US\$	Amount claimed for direct payment and replenishment					Total US\$
			Goods US\$	FMIS US\$	Consultant services US\$	Trainings And workshops US\$	Incremental operating costs US\$	
2014								
Direct payment No 14	14 October	-	-	-	21,550	-	-	21,550
Direct payment No 15	14 October	-	-	172,364	-	-	-	172,364
Direct payment No 16	21 October	-	-	-	39,740	-	-	39,740
Direct payment No 17	12 November	-	-	-	31,634	-	-	31,634
Replenishment No 18	13 November	-	-	-	39,259	12,052	11,874	63,185
Direct payment No 19	21 November	-	-	843,916	-	-	-	843,916
Direct payment No 20	1 December	-	-	-	31,774	-	-	31,774
Replenishment No 21	4 December	-	-	-	7,623	75,494	6,491	89,608
Direct payment No 22	8 December	-	-	-	42,449	-	-	42,449
Direct payment No 23	26 December	-	-	-	25,556	-	-	25,556
		100,000	-	1,958,260	518,566	102,951	67,591	2,747,368

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11. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

11.2 Summary of withdrawal applications (continued)

Application of MDTF (continued)

Withdrawal application number	Date	Amount claimed for direct payment and replenishment						Total US\$
		Initial advance (recoveries) US\$	Goods US\$	FMIS US\$	Consultant services US\$	Trainings And workshops US\$	Incremental operating costs US\$	
2015								
Replenishment No 24	14 January	-	-	-	30,178	11,948	37,589	79,715
Direct payment No 25	29 January	-	-	-	20,420	-	-	20,420
Replenishment No 26	24 February	-	-	-	13,834	2,297	17,805	33,936
Direct payment No 27	24 February	-	-	-	38,435	-	-	38,435
Direct payment No 28	24 February	-	-	61,372	-	-	-	61,372
Replenishment No 29	09 March	-	-	-	9,248	44,921	8,573	62,742
Direct payment No 30	25 March	-	-	-	75,352	-	-	75,352
Direct payment No 31	01 April	-	-	-	27,925	-	-	27,925
Replenishment No 32	08 April	-	-	-	41,802	8,883	9,390	60,075
Direct payment No 33	08 April	-	-	-	39,345	-	-	39,345
Replenishment No 34	11 May	-	-	-	11,306	19,041	7,731	38,078
Replenishment No 35	25 May	-	-	-	39,640	7,539	8,772	55,951
Direct payment No 36	29 May	-	-	-	24,699	-	-	24,699
Replenishment No 37	04 June	-	-	-	2,794	20,835	5,223	28,852
Replenishment No 38	11 June	-	-	-	3,261	34,036	1,710	39,007
Direct payment No 39	11 June	-	-	-	42,655	-	-	42,655
Direct payment No 40	25 June	-	-	496,732	-	-	-	496,732

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11. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

11.2 Summary of withdrawal applications (continued)

Application of MDTF (continued)

Withdrawal application number	Date	Amount claimed for direct payment and replenishment						Total US\$
		Initial advance (recoveries) US\$	Goods US\$	FMIS US\$	Consultant services US\$	Trainings And workshops US\$	Incremental operating costs US\$	
2015								
Direct payment No 41	30 June	-	-	-	-	29,272	-	29,272
Direct payment No 42	30 June	-	-	-	27,893	-	-	27,893
Replenishment No 43	09 July	-	-	-	849	71,536	6,958	79,343
Direct payment No 44	09 July	-	-	-	30,513	-	-	30,513
Replenishment No 45	27 July	-	-	-	10,634	86,849	2,042	99,525
Direct payment No 46	31 July	-	-	-	73,603	-	-	73,603
Direct payment No 47	31 July	-	-	-	15,722	-	-	15,722
Additional Advance No 48	13 August	400,000	-	-	-	-	-	400,000
Direct payment No 49	25 August	-	-	-	56,675	-	-	56,675
Replenishment No 50	09 September	-	-	-	79,957	89,280	30,777	200,014
Replenishment No 51	07 October	-	25,841	-	157,735	74,264	(8,341)	249,499
Replenishment No 52	12 November	-	-	-	72,046	52,834	8,319	133,199
Direct payment No 53	23 November	-	-	-	-	53,748	-	53,748
Direct payment No 54	07 December	-	-	-	-	188,118	-	188,118
Replenishment No 55	11 December	-	11,310	-	123,036	142,598	13,975	290,919
Direct payment No 56	24 December	-	-	204,850	-	-	-	204,850
		400,000	37,151	762,954	1,069,557	937,999	150,523	3,358,184

follows:

	Year ended 31 Dec 2015			Year ended 31 Dec 2014		
	Counterpart			Counterpart		
	MDTF US\$	fund US\$	Total US\$	MDTF US\$	fund US\$	Total US\$
Goods	538,603	-	538,603	-	44,500	44,500
Consultancy services	407,086	-	407,086	140,167	-	140,167
Training and workshops	48,239	-	48,239	1,584	-	1,584
Incremental operating costs	-	-	-	22,608	-	22,608
FMIS	4,798,802	-	4,798,802	7,430,629	-	7,430,629
	<u>5,792,730</u>	<u>-</u>	<u>5,792,730</u>	<u>7,594,988</u>	<u>44,500</u>	<u>7,639,488</u>

13. TAXATION CONTINGENCIES

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries. The Project Management believes that it has adequately estimated its tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.