



WOMEN'S MEDIA CENTRE OF CAMBODIA

**Independent Accountants' Report on Applying Agreed-Upon
Procedures to the Creation, Strengthening and Coordination of
Community Radios with Gender Perspective in Stung Treng and Kratie,
Cambodia, 11-PR1-0672**

For the period from 1 November 2011 to 31 January 2014

WOMEN'S MEDIA CENTRE OF CAMBODIA

ORGANIZATION INFORMATION

Organization name : WOMEN'S MEDIA CENTRE OF CAMBODIA

Main donor : The Spanish Agency for International Development
Cooperation ("AECID")

Partner : Asociacion Solidaria Andaluza de Desarrollo
("ASAD")

Registration date : 1 January 1995

Registered office : #30, Street 488, Sangkat Phsar Deum Thkov, Khan
Chamkar Morn, Phnom Penh, Cambodia

Current address : No. 19A, Street 564, Sangkat Boeung Kak 1, Khan
Toul Kork, Phnom Penh, Cambodia

Contact : (+855) 23 881 497

Management : Ms. Chea Sundaneth – Executive Director

Solicitors : None

Auditors : APV (Cambodia) Co., Ltd
Certified Public Accountants

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WOMEN'S MEDIA CENTRE OF CAMBODIA

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Ms. Chea Sundaneth, Executive Director
WOMEN'S MEDIA CENTRE OF CAMBODIA
No. 19A, Street 564, Sangkat Boeung Kak 1,
Khan Toul Kork, Phnom Penh, Cambodia

Independent Accountant's Report on Applying Agreed-Upon Procedures

Ms. Chea Sundaneth,

We have performed the procedures enumerated below, which were agreed to by the Women's Media Centre of Cambodia ("the Organization"), solely to assist you in verifying a set of expense justification documents of the Creation, Strengthening and Coordination of Community Radios in Stung Treng and Kratie Province ("the Project") established in the framework of the Agreement with Asociacion Solidaria Andaluza de Desarrollo ("ASAD") funded by AECID 11-PR1-0672. The donor's requirement in the Terms of Reference for External Final Audit (Appendix I) is used in verifying those expenditures for the period from 1 November 2011 to 31 January 2014. This agreed-upon procedures engagement was conducted in accordance with the International Standards on Related Services, 4400: Engagement to Perform Agreed-Upon Procedures Regarding Financial Information. The sufficiency of these procedures is solely the responsibility of those parties specified in this report and are summarized in the Term of Reference for External Final Audit (Appendix I).

The total expenditure which is the subject of this expenditure verification amounts to Euro 127,109.

The Expenditure Coverage Ratio is 68% (Appendix II). This ratio represents the total amount of expenditure verified by us expressed as a percentage of the total expenditure which has been subject of this expenditure verification.

We report our detailed current findings is pages 4 to page 5 below.

Based on the agreed-upon procedures that we performed, we found no ineligible amount of expenditure carried out by the Organization.

Because the procedures in Appendix I do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagement, we do not express any assurance on expenditure report for the period from 1 November 2011 to 31 January 2014.

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



Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified above and does not extend to any financial statements of Women's Media Centre of Cambodia, taken as a whole.



APV (Cambodia) Co., Ltd
Phnom Penh, Kingdom of Cambodia

Date:..... ២០/០៦/១៤.....

**WOMEN'S MEDIA CENTRE OF CAMBODIA
INFORMATION ABOUT THE PROJECT
FOR THE PERIOD FROM 1 NOVEMBER 2011 TO 31 JANUARY 2014**

I – Information about the Project

On March 30, 2012, Women's Media Centre of Cambodia executed a signed agreement with the Asociacion Solidaria Andaluza de Desarrollo ("ASAD") for the implementation of the "Creation, Strengthening and Coordination of Community radios with gender perspective in Stung Treng and Kratie, Cambodia" – 11-PR1-0672 ("the Project"). The implementing organisation is Women's Media Centre of Cambodia.

The objective of the Project is to improve the living conditions of Cambodian women in targeted areas through increasing accessibility to full exercise of their civil rights and freedoms. The specific objective agreed is to improve women's access to the right of communication and information through the production of community radio programs with gender perspective in the service of women.

**WOMEN'S MEDIA CENTRE OF CAMBODIA
CURRENT FINDINGS
FOR THE PERIOD FROM 1 NOVEMBER 2011 TO 31 JANUARY 2014**

II. Current Findings

We have performed the specific procedures listed in Appendix I of the terms of reference for the expenditure verification of the agreement ("ToR"). These procedures cover:

1. Objective of the Audit
2. Information on the intervention
3. Methodology and Calendar
4. Donor's requirements

We have applied the rules for selection of expenditure and the principles and criteria for verification coverage as set out in Appendix I – Methodology and Calendar of the ToR for this expenditure verification.

The total expenditure verified by us amounts to Euro 127,109 and is summarised in the table below (Annex II). The overall Expenditure Coverage Ratio is 68% (Appendix II)

We have verified the selected expenditure as shown in the above summary table and we have carried out, for each expenditure item selected, the verification procedures specified at point 5 of Appendix I of the ToR for this expenditure verification.

We report our factual findings resulting from these procedures below:

2.1 Requirements for invoices:

- Identification of the supplier (either name, stall number in a market, or phone for local transportation, address and fiscal identification)
- Identification of the customer: the Organization in most cases, except in the cases of invoices for utilities (electricity, water), which must only specify that they are for the house that is being rented as office by the Organization, independently of to whom they are made.
- Goods or services bought
- Date and place of invoice (Must be between 1 November 2011 and 31 January 2014, except the audit invoice for this procedure and the translation of the audit report, which might have a later date)
- Date and place of payment
- Price (per unit and total) with tax payment
- Signature of supplier and PAID stamp or proof of payment
- Type of payment
- Project stamp with project code number, saying "Funded by AECID", and % of the part paid by AECID.
- Each invoice will have a code number corresponding to the list of expenses.

Based on the procedures performed, we found the following matters:

2.1.1 – Withholding tax on office rental

During our review, we found that the Organization did not withhold the withholding tax on the monthly office rent and other broadcasting rent fees at Kratie and Stung Treng. The total rental expense and broadcasting rent fees during the Project period is EUR – 6,874 which is subject to 10% withholding tax (EUR 687) liable to General Department of Taxation. We recommend that the Organization should assess its exposure to tax and consider voluntary disclosure of any unpaid amount.

**WOMEN'S MEDIA CENTRE OF CAMBODIA
CURRENT FINDINGS
FOR THE PERIOD FROM 1 NOVEMBER 2011 TO 31 JANUARY 2014**

Management's response:

We accept the comment; and this problem will try and be solved in the near future.

2.2 Requirements to use receipts:

Receipts will be allowed if they are previously approved by AECID.

- A receipt which has been done by the own customer and signed by the supplier to prove the receipt of payment
- A receipt done by the supplier but which does not comply with the necessary requirement to be considered as invoice.

Based on the procedures performed, we found no exception.

2.3 Requirements for local staff payslips:

- Must include name of employee
- Must include period for which salary is paid
- Must state amount received directly by employee and amount deposited to provident and benefit funds
- Must be signed by the employee and by organization representative who approves
- The employment contract must be attached to the first payslip of the employee
- Taxes and Social Security expenses will be also included

Based on the procedures performed, we found no exception.

2.4 Requirement for travel, per-diem and staff vehicle travel justification:

- Must be made in the Organization's travel form, attached (for individuals for collective)
- Must clearly state the reason and period of trip
- Must name the person(s) travelling
- The paper itself is sufficient justification for per-diems and staff vehicle travel
- Must be signed by the traveller (at least one traveller) and the person approving it.

Based on the procedures performed, we found no exception.

2.5 Exchange rate:

We confirm the correct exchange rates to be applied by reviewing the credit advice documents stating the amount received, and applying the AECID rules of pondering exchanges rates.

Based on the procedures performed, we found no exception.

2.6 Treasury, list of staff, information of transfers, transfer of equipment act, certificate on where the original invoices and receipts have been deposited, certificated of bank account yields, and certificate of the Organization's contribution:

Based on the procedures performed, we found no exception.

APPENDIX I – TERM OF REFERENCE FOR EXTERNAL FINAL AUDIT

TERMS OF REFERENCE FOR EXTERNAL FINAL AUDIT

1. INTRODUCTION: GENERAL INFORMATION

Women Media Center, needs a final external audit of the final report of the project implemented by WMC and ASAD and funded by AECID to review if a set of expense justification documents agree with the donors requirements.

<u>Code</u>	: 11-PR1-0672
<u>Title</u>	: Creation, strengthening and coordination of Community Radios in Stung Treng and Kratie
<u>Country</u>	: Cambodia
<u>Local partner</u>	: Women Media Center
<u>AECID Budget</u>	: USD 177,706 equivalent EUR 134,108
<u>Project dates</u>	: November 2011- January 2014
<u>Description</u>	: The objective of the project is improving the living conditions of Cambodian women in targeted areas through increasing access to full exercise of their civil rights and freedoms. The specific objective agreed is to improve women's access to the right of communication and access to information through the production of community radio programs with gender perspective in the service of women.

2. OBJECT OF THE AUDIT

The auditor will check the following documents in WMC's headquarters in Phnom Penh:

- Financial execution
- Treasury
- List of staff
- Information on transfers
- Transfer of equipment act
- Certificate on where the original invoices and receipts have been deposited
- Certificate of bank accounts yields
- Certificate of WMC's contribution
- Final certificate of Activity Execution
- Exchange rate: the Auditor will confirm the correct exchange rates to be applied by reviewing the credit advice documents stating the amounts received, and applying the AECID rules:
 - i) Exchanges rates have been pondered or
 - ii) Exchange rate has been applied to the list of expenses according to the amounts received using a money first-in first-out basis applied to each invoice.
- Expenses list: the Auditor will revise a collection of invoices, pay slips and travel expense documents and issue a report on the compliance of these invoices with the rules stated below (see *Point 5. Donor's Requirements*). The auditor will receive a list of expenses in a spreadsheet containing all the expenses to be reviewed, with a description of each (does not to be literal, it might be described in a different way than the description of the goods in the invoice), the type of expenses, the date of expense, the supplier, the amount invoiced and the applicable exchange rate.

3. INFORMATION ON THE INTERVENTION

The following documents will be provided to the auditors once the contract is signed:

- MoU ASAD- WMC specifying the partnership agreement,
- Budget for the intervention,
- Request of use of receipts and AECID's approval,

APPENDIX I – TERM OF REFERENCE FOR EXTERNAL FINAL AUDIT

- Annual report (November 2011- October 2012),
- Final report (November 2011- January 2014)

4. METHODOLOGY AND CALENDAR

The selection of the auditors will take place the first week of January 2014 and the decision will have to be approved by AECID, being necessary for the auditors to prove that they are registered in Cambodia. The audit should take place during the month of March 2014.

The auditor will work in two stages, first sampling randomly at least 25% of the expense documents and issuing a first short report indicating any invoices in the sample that do not comply with the requirements stated below.

WMC will be handed this report and asked to correct any defaults found in the invoices, and hand the corrected invoices and list (if there are mismatches in the amount reported or in the exchange rate).

The auditor will again review the corrected sample and write a final report in which invoices in the sample not yet complying with the stated requirements will be listed and their value will be added into a total amount.

5. DONOR'S REQUIREMENTS

REQUIREMENTS FOR INVOICES

- Identification of the supplier (either name, stall number in a market, or phone for local transportation, address and Fiscal Identification)
- Identification of the customer: WMC in most cases, except in the case of invoices for utilities (electricity, water), which must only specify that they are for the house that is being rented as office by the organization, independently of to whom they are made.
- Goods or services bought
- Date and place of invoice (must be between 1st Nov 2011 and 31st Jan 2014, except the audit invoice for this procedure and the translation of the audit report, which might have a later date)
- Date and place of payment
- Price (per unit and total) with tax payment.
- Signature of supplier and PAID stamp or proof of payment.
- Type of payment
- Project stamp with project code number, saying "Funded by AECID", and % of the part paid by AECID.
- Each invoice will have a code number corresponding to the list of expenses.

REQUIREMENTS TO USE RECEIPTS

A receipt is:

- a receipt which has been done by the own customer and signed by the supplier to prove he/ she received the payment,
- a receipt done by the supplier but which does not comply with the necessary requirements to be considered an invoice.

Receipts will be allowed if they are previously approved by AECID.

REQUIREMENTS FOR LOCAL STAFF PAYSLIPS

- Must include name of employee
- Must include period for which salary is paid

APPENDIX I – TERM OF REFERENCE FOR EXTERNAL FINAL AUDIT

- Must state amount received directly by employee and amount deposited to provident and benefit funds
- Must be signed by the employee and by organization representative who approves
- The employment contract must be attached to the first pay slips of the employee.
- Taxes and Social Security expenses will be also included.

REQUIREMENT FOR TRAVEL PERDIEM AND STAFF VEHICLE TRAVEL JUSTIFICATION

- Must be made in WMC's travel form, attached (for individuals or collective).
- Must clearly state the reason and period of trip
- Must name the person(s) travelling
- The paper itself is sufficient justification for per-diems and staff vehicle travel (per km.).
- Must be signed by the traveler (at least one traveler) and the person approving it.

**APPENDIX II – ACCOUNTING REPORT BY CONCEPT
FOR THE PERIOD FROM NOVEMBER 2011 TO JANUARY 2014**

Exchange rate 1 EUR = 1.2813 USD

CONCEPTS	<i>EXECUTED BUDGET November 2011- October 2012</i>	<i>EXECUTED BUDGET from November 2012 - January 2014</i>	<i>TOTAL EXPENSE</i>	<i>Sample Test</i>	<i>%</i>
	AECID (EUR)	AECID (EUR)	AECID (EUR)	AECID (EUR)	
A. DIRECT COSTS					
A.I Identification (Máx. 20.000 €)					
A.II External evaluation					
A.III Audit					
A.IV.1 Land, rentals, buildings	780.45	3,808.63	4,589.08	4,589.08	100%
A.IV.1 Rentals (except expat housing)	-	-		-	
A.IV.2 Expat housing	-	-		-	
A.V Construction	-	-		-	
A.VI Equipment, material and supplies	5,061.63	31,781.19	36,842.82	23,616.14	64%
A.VII Staff	-	-		-	
A.VII.1 Local Staff	3,499.36	28,190.80	31,690.16	31,690.16	100%
A.VII.2 Expat staff	-	-		-	
A.VII.3 Staff in Spain	-	-		-	
A.VIII Technical Services	8,411.26	28,485.94	36,897.20	18,511.04	50%
A.IX Rotatory fund (10% máx.)	-	-		-	
A.X Working expenses (1% máx.)	-	-		-	
A.XI Travel, accommodation and subsistence	2,403.06	11,305.36	13,708.42	5,757.63	42%
A.XII Financial expenses	147.15	362.87	510.02	26.38	5%
TOTAL DIRECT COSTS	20,302.91	103,934.79	124,237.70	84,190.43	68%
B. INDIRECT COSTS					
B.I ASAD					
B.II. Local partner expenses	702.42	2,169.68	2,872.10	2,872.10	100%
TOTAL INDIRECT COSTS	702.42	2,169.68	2,872.10	2,872.10	100%
TOTAL GENERAL	21,005.33	106,104.47	127,109.80	87,062.53	68%

**APPENDIX III – FUND RECONCILIATION
FOR THE PERIOD FROM NOVEMBER 2011 TO JANUARY 2014**

Note: Exchange rate 1 EUR = 1.2813 USD

	November 2011 - January 2014
	EUR
A. Support & revenues	
Grant receipts	128,654
	128,654
B. Expenses	
Direct costs	124,238
Indirect costs	2,872
Loss on exchange rate	4
	127,115
C. Change in net assets (A-B)	1,540
D. Net assets, beginning of year	0
E. Fund returned	0
F. Net assets, end of year (C+D+E)	1,540
Represented by	
Cash on hand	19
Cash in bank	1,521
Total	1,540