

WORLD VISION INTERNATIONAL

**Engaging Citizens to Improve Service Delivery
through Social Accountability Project**

IBRD/IDA Grant No TF0C1847

**Financial Statements
for the year ended 31 December 2023
and
Report of the Independent Auditors**

Project information

Project title	Engaging Citizens to Improve Service Delivery through Social Accountability Project	
Project period	1 January 2023 to 31 December 2025	
Project status	Active	
Implementing Agency	World Vision International	
Project management	Mr. Ry Sotharith	Chief of Party (Appointed on 1 January 2024)
	Mr. Leng Vireak	Operation Director and Chief of Party (Resigned on 31 December 2023)
	Mrs. Taing Sou Heak	Finance and Support Services Director
	Mr. Janes Imanuel Ginting	National Director
	Mrs. You Malen	Operations Manager
	Mrs. Sok Ponnaka	OIC – Finance Manager
	Mr. Sok Sopheap	Senior Monitoring and Evaluation Specialist
Source of funds	International Bank for Reconstruction and Development/International Development Association IBRD/IDA Grant No TF0C1847 World Vision Australia	
Project cost	IBRD/IDA: AUD9,000,000 (approximate to US\$6,000,000) WVA: US\$720,000 Total: US\$6,720,000	
Reporting period	For the period from 1 January to 31 December	
Principal banker	Aceda Bank Plc.	
Auditors	KPMG Cambodia Ltd	

World Vision International

Engaging Citizens to Improve Service Delivery through Social Accountability Project

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Abbreviations

CAFs	Community Accountability Facilitators
CISAs	Cambodian International Standards on Auditing
DMK	District Administrations, Municipality and Khan
DSAI	Demand-Side Implementing Agency
GKC	Government of the Kingdom of Cambodia
ICTs	Information and Communication Technologies
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
ISAF	Implementation of the Social Accountability Framework
JAAPs	Joint Accountability Action Plans
MoFAIC	Ministry of Foreign Affairs and International Cooperation
MoU	Memorandum of Understanding
NCDDs	National Committee for Sub-national Democratic Development
NGO	Non-Governmental Organization
PDO	Project Development Objective
SASD-TF	Social Accountability and Service Delivery Trust Fund
SNAs	Sub-national Administrations
WVA	World Vision Australia
WVI	World Vision International
WWIC	World Vision International – Cambodia

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Engaging Citizens to Improve Service Delivery through Social Accountability Project

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Report of the Management

The management of World Vision International (“the Organisation”) hereby submits its report together with the audited financial statements of the Engaging Citizens to Improve Service Delivery Through Social Accountability Project (“the Project”), financed under the International Bank for Reconstruction and Development/International Development Association (“IBRD/IDA”) Grant Agreement No. TF0C1847 as Additional Fund and World Vision Australia (“WVA”) Project Implementation Agreement and implemented by the World Vision International (“the Organisation”) as at and for year ended 31 December 2023.

The Organisation and the Project

Refer to Note 1 of the financial statements.

Management

The Projects management of the Organisation who are responsible for the overall direction and management of the Project during the period and to the date of this report are:

Mr. Ry Sotharith	Chief of Party (Appointed on 1 January 2024)
Mr. Leng Vireak	Operation Director and Chief of Party (Resigned on 31 December 2023)
Mrs. Taing Sou Heak	Finance and Support Services Director
Mr. Janes Imanuel Ginting	National Director
Mrs. You Malen	Operations Manager
Mrs. Sok Ponnaka	OIC – Finance Manager
Mr. Sok Sopheap	Senior Monitoring and Evaluation Specialist

Management’s responsibility in respect of the financial statements

Management is responsible for ensuring the financial statements of the Project as at and for year ended 31 December 2023, are prepared, in all material respects, in accordance with the basis of accounting as described in note 2 to the financial statements. In preparing the financial statements, Management is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- comply with the disclosure requirements of the accounting policies set out in note 2 to the financial statements or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

- maintain adequate accounting records and effective system of internal control;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Project will continue its operations in the foreseeable future; and
- control and direct effectively the Project in all material decisions affecting its operating and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

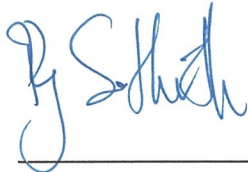
The Management is also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management confirms that it has complied with the above requirements in preparing the financial statements.

Statement by the Management

We do hereby approve our opinion, the accompanying financial statements of the Project which comprise the statement of financial position as at 31 December 2023, the statement of sources of funds and expenditures, statement of expenditures by components and the statement of designated account for the year then ended as set out on pages 6 to 23 are prepared, in all material respects, in accordance with the basis of preparation and the accounting policies described in Note 2 to the financial statements.

Signed on behalf of the Project management,



 Ry Sotharith
 Chief of Party
 World Vision International – Cambodia



 Taing Sou Heak
 Finance and Support Services Director



 Janes Imanuel Ginting
 National Director

Phnom Penh, Kingdom of Cambodia

Date 30 July 2024



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Report of the Independent Auditors To the World Vision International

Opinion

We have audited the accompanying financial statements of the Engaging Citizens to Improve Service Delivery Through Social Accountability Project (“the Project”), financed under the International Bank for Reconstruction and Development/International Development Association (“IBRD/IDA”) Grant Agreement No. TF0C1847 as additional financing and World Vision Australia (“WVA”) Project Implementation Agreement and implemented by the World Vision International (“the Organisation”), which comprise the statement of financial position as at 31 December 2023, the statement of sources of funds and expenditures, statement of expenditures by components and statement of designated account for the year then ended and notes comprising significant accounting policies and other explanatory information as set out on pages 6 to 23 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies as described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting and the accounting policies adopted by the Project. The financial statements are prepared for the information of and use by the management of the Project, the IBRD/IDA and WVA. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Other Information

Management is responsible for the other information. The other information comprises the information included in the Annex I on page i to ii, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting and the accounting policies as described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that is free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease the operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Project internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Project to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For KPMG Cambodia Ltd



Taing YoukFong
Partner

Phnom Penh, Kingdom of Cambodia

30 July 2024

World Vision International

Engaging Citizens to Improve Service Delivery through Social Accountability Project

IBRD/IDA Grant No TF0C1847

Statement of financial position as at 31 December 2023

					31 December 2023			
	Note	IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	US\$	Total	KHR'000 (Note 3)		
ASSETS								
Current asset								
Cash at banks	4	352,977	-	352,977	1,441,911			
Advance to partners	5	165,792	-	165,792	677,260			
Accrued income – WVA	6	-	129,749	129,749	530,025			
TOTAL ASSETS		<u>518,769</u>	<u>129,749</u>	<u>648,518</u>	<u>2,649,196</u>			
LIABILITIES AND FUND BALANCE								
Liabilities								
Current Liabilities								
Amount due to the WVI	7	322,337	-	322,337	1,316,747			
Payables to a partner	8	5,398	-	5,398	22,050			
Total Liabilities		<u>327,735</u>	<u>-</u>	<u>327,735</u>	<u>1,338,797</u>			
Fund Balance								
Fund balance at beginning of year		-	-	-	-			
Excess of sources of funds over expenditures		191,034	129,749	320,783	1,318,418			
Currency translation difference		-	-	-	(8,019)			
Fund balance at end of the year		<u>191,034</u>	<u>129,749</u>	<u>320,783</u>	<u>1,310,399</u>			
TOTAL LIABILITIES AND FUND BALANCE		<u>518,769</u>	<u>129,749</u>	<u>648,518</u>	<u>2,649,196</u>			

The accompanying notes are an integral part of these financial statements.

World Vision International

Engaging Citizens to Improve Service Delivery through Social Accountability Project

IBRD/IDA Grant No TF0C1847

Statement of sources of funds and expenditures for year ended 31 December 2023

Year ended 31 December 2023					
	Note	IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	US\$	Total KHR'000 (Note 3)
Sources of funds					
International Bank for Reconstruction and Development/International Development Association	9	600,000	-	600,000	2,466,000
World Vision Australia	9	-	276,000	276,000	1,134,360
		<u>600,000</u>	<u>276,000</u>	<u>876,000</u>	<u>3,600,360</u>
Expenditures by category and financier					
Consulting services		15,074	-	15,074	61,954
Training and workshops	10	126,936	-	126,936	521,707
Operation costs	11	247,701	146,251	393,952	1,619,143
Sub-grants	12	19,255	-	19,255	79,138
		<u>408,966</u>	<u>146,251</u>	<u>555,217</u>	<u>2,281,942</u>
Excess of sources of fund over expenditures		<u>191,034</u>	<u>129,749</u>	<u>320,783</u>	<u>1,318,418</u>
Fund balance at beginning of the year		-	-	-	-
Excess of sources of fund over expenditures		191,034	129,749	320,783	1,318,418
Currency translation difference		-	-	-	(8,019)
Fund balance at end of the year		<u>191,034</u>	<u>129,749</u>	<u>320,783</u>	<u>1,310,399</u>

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

World Vision International

Engaging Citizens to Improve Service Delivery through Social Accountability Project

IBRD/IDA Grant No TF0C1847

Statement of expenditures by components for year ended 31 December 2023

	Note	Year ended 31 December 2023			Total KHR'000 (Note 3)
		IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	US\$	
Expenditures by components	13				
Component 1: Transparency and Access to Information		133,139	-	133,139	547,201
Component 2: Citizen Monitoring		68,528	-	68,528	281,650
Component 3: Implementation of Join Accountability Action plans (JAAPs)		2,198	-	2,198	9,034
Component 4: Training, Capacity Development		170,029	81,441	251,470	1,033,542
Component 5: Project Management, Monitoring and Evaluation		35,072	64,810	99,882	410,515
		<u>408,966</u>	<u>146,251</u>	<u>555,217</u>	<u>2,281,942</u>

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

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Engaging Citizens to Improve Service Delivery through Social Accountability Project

IBRD/IDA Grant No TF0C1847

Statement of designated account for year ended 31 December 2023

		Year ended 31 December 2023	
	Note	US\$	KHR'000
			(Note 3)
IBRD/IDA Grant No TF0C1847			
Source of funds			
Fund receipt during the year	9	<u>600,000</u>	<u>2,466,000</u>
Expenditures by Category			
Consulting services		15,074	61,954
Training and workshop	10	126,936	521,707
Operating costs	11	247,701	1,018,051
Sub-grants	12	<u>19,255</u>	<u>79,138</u>
		<u>408,966</u>	<u>1,680,850</u>
Excess of sources of fund over expenditures		<u>191,034</u>	<u>785,150</u>
Fund balance, beginning of year		-	-
Excess of sources of funds over expenditures		191,034	785,150
Currency translation difference		<u>-</u>	<u>(4,776)</u>
Fund balance at end of the year		<u>191,034</u>	<u>780,374</u>
Represented by:			
Cash at bank	4	352,977	1,441,911
Advance to partners	5	165,792	677,260
Amount due to the WWI	7	(322,337)	(1,316,747)
Payables to a partner	8	<u>(5,398)</u>	<u>(22,050)</u>
		<u>191,034</u>	<u>780,374</u>

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

World Vision International

Engaging Citizens to Improve Service Delivery through Social Accountability Project

IBRS/IDA Grant No TF0C1847

Notes to the financial statements for year ended 31 December 2023

1. Background and activities

World Vision International (“the Organisation”) is a non-profit, humanitarian organisation whose internationally headquartered is located in the United States of America and the office in Cambodia is located in Phnom Penh.

On 26 July 2016, the Organisation signed a Memorandum of Understanding (“MoU”) with the Government of the Kingdom of Cambodia (“GKC”) through the Ministry of Foreign Affairs and International Cooperation (“MoFAIC”) for the purpose of humanitarian activities for social welfare and public benefit. The MoU is valid for three years and is renewable by mutual consent. On 10 August 2022, the Organisation renewed its MoU with the MoFAIC for another three years. The Organisation was registered with the General Department of Taxation which is valid from 27 June 2016 onwards.

On 5 March 2020, the Organisation entered into a grant agreement with the World Bank Organisation, through International Bank for Reconstruction and Development/International Development Association acting as administrator of the Social Accountability and Service Delivery Multi-Donor Trust Fund. The grant agreement is in connection with implementing the Engaging Citizens to Improve Service Delivery through Social Accountability Project (“the Project”) for the years 31 December 2020 to 2024.

On 2 July 2023, the Organisation entered into another grant agreement for the Additional Financing for Engaging Citizens to Improve Service Delivery through Social Accountability Project. The total additional financing is AUD3,470,000 (equivalent to US\$2,300,000).

On 28 February 2024, the International Bank for Reconstruction and Development/International Development Association (“IBRD/IDA”) and the World Vision International – Cambodia (“WVIC”) signed an agreement to increase the amount of the additional financing made available to the recipient from AUD3,470,000 (equivalent to US\$2,300,000) to AUD9,000,000 (equivalent to US\$6,000,000).

The Organisation requested to WB for retro financing for the first semester expenditures incurred from January to June 2023. WB provided no objection to this request on 27 October 2023 with no objection. Therefore, the effective on the additional financing is started from 1 January 2023.

The Implementation of the Social Accountability Framework (ISAF) in Cambodia aims to empower citizens, strengthen partnerships between sub-national administrations (SNAs) and citizens, and leverage enhanced accountability of SNAs to improve local service delivery. ISAF was introduced as a platform for coordinated action by government and civil society to operationalize the Strategic Plan on Social Accountability for Sub-National Democratic Development adopted by GKC in July 2013. The Strategic Plan and ISAF are important elements of the GKC’s broader democratic development agenda, as implemented through the second (2015-2017) and third (2018-2020) 3-Year Implementation Plans (IP3). This agenda is strong commitment reflected in the Rectangular Strategy Phase IV of the Sixth Mandate of the GKC for 2018-2023 which defines clearly road map on how to further deepen good governance reforms and social accountability mechanisms to ensure achievement of growth, employment, equity and efficiency.

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Notes to the financial statements (continued) for year ended 31 December 2023

1. Background and activities (continued)

ISAF is a unique and groundbreaking program in the Cambodian context. It is implemented through an annual series of facilitated, participatory activities at community level that include:

- (i) enhancing citizen access to information about public service standards, performance and budgets,
- (ii) independent citizen-led monitoring and assessment of public services, and
- (iii) the creation and implementation of agreed Joint Accountability Action Plans (JAAPs) to improve public service delivery (with particular attention to the needs of marginalized groups).

These actions are supported by the on-going (iv) training and capacity development of Community Accountability Facilitators (CAFs) and local government actors, and (v) program management, monitoring and learning activities. During Phase I (2016-2018), ISAF activities were successfully rolled out to 75% (18 out of 24) of provinces, 62% (98 out of 159) of districts, and 56% (827 out of 1410) of communes across the country.

The ISAF Phase II Implementation Plan (2019 to 2023) has been prepared through a consultative process with government and civil society. To support the implementation of this Plan, a new created multi-donor, Social Accountability and Service Delivery Trust Fund (SASD-TF) has been established by the World Bank. Key dimensions of this new five-year phase of ISAF include:

- Expansion of ISAF coverage to all rural communes within the target districts.
- Extension of ISAF activities to district administrations, municipality and Khan (DMK).
- Applying adapted ISAF methodologies in select urban areas.
- Use of Information and Communication Technologies (ICTs) to extend ISAF outreach (i.e. sharing of I4C data, JAAPs and updates on JAAP implementation).
- Measures to enhance government responsiveness to JAAPs action and increase JAAP implementation and follow up
- Institutionalization and enhanced sustainability of ISAF processes (including the establishment of CAF network at provincial and district levels).

The goal of the Project is by the end of ISAF Phase II implementation, the permanent systems, within government and civil society is established to ensure that (both supply-side and demand-side) social accountability activities will be sustained by integrating into local government strategy.

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Engaging Citizens to Improve Service Delivery through Social Accountability Project

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Notes to the financial statements (continued) for year ended 31 December 2023

1. Background and activities (continued)

After five years, by 2023, it is expected that ISAF Phase II will conclude with both evidence of significant service delivery improvements and an implementation approach that requires minimal external financial support. WVIC was selected as the preferred NGO to perform the role of Demand-Side Implementing Agency (DSAI) for the Implementation of the ISAF Phase II, the Project's Recipient.

The Project Development Objective (PDO) is to increase, and develop sustainable mechanisms for, the engagement of citizens in providing informed feedback to public service providers which leads to improved quality and responsiveness of public services. The following indicators will be used to measure the achievement of the PDO:

- Percentage of target primary schools, health centers and communes/sangkats demonstrating improved performance and meeting national standards (according to I4C data).
- Percentage of JAAP actions (to improve primary school, health center and commune/sangkat services) that are completed or ongoing.
- Percentage of target communes/sangkats that have completed at least three full annual ISAF cycles.
- Percentage of graduated target communes/sangkats where a CAF network has been created and well functioned.

The Engaging Citizens to Improve Service Delivery Through Social Accountability Project covers 465 rural communes and sangkats (urban communes), six municipalities and 49 districts in 10 provinces, working with public administration services at the commune/sangkat, municipal and district levels, as well as with primary schools and health centers. The project has five components:

Component 1 – Transparency and Access to Information;

Component 2 – Citizen Monitoring;

Component 3 – Implementation of Joint Accountability Action Plans (JAAPs);

Component 4 – Training and Capacity Development; and

Component 5 – Civil Society Coordination and Support.

WVIC will be the main implementing agency for the proposed project, ensuring overall coordination and working through partnerships with other local and International NGOs and CAFs and CAF network at the province, district and commune levels.

The Organisation is going to implement the project through local NGO partners for all the Project's targets and the Organisation will account to implement existing CAF network in Phnom Penh, Kampong Thom, Kampong Cham, and Kompong Chhnang. In 2023, the Organisation entered into, a separate agreement, which is geared towards the attainment of the Project's goals and targets, between eight (8) other local NGO as follows:

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Engaging Citizens to Improve Service Delivery through Social Accountability Project

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Notes to the financial statements (continued) for year ended 31 December 2023

1. Background and activities (continued)

1. Action for Development
2. Buddhism for Social Development Action
3. Cambodia Civil Society Partnership
4. Nak Akphivath Sahakum
5. Ponleur Kumar
6. STAR Kampuchea
7. Sovanna Phuom
8. Wathnakpheap

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Project have been prepared in accordance with the modified cash receipts and disbursements basis of accounting. This is a basis of accounting that designed to meet the requirement of the Project and is for the use of the Project management IBRD/IDA and WVA only. As a result, the financial statements may not be suitable for another purpose.

(b) Basis of measurement

The financial statements expressed in United States Dollars (“US\$”) have been prepared under the historical cost convention.

(c) Statement of designated account

The statement of designated account is prepared in accordance with the Grant Agreement and it purely used to receive and disbursed for payment financed by the IBRD/IDA grant proceeds.

(d) Cash

Cash consists of cash in banks with insignificant risk of changes in value. The Project maintains a designated account with Acleda Bank Plc. in a US\$ denominated account.

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Engaging Citizens to Improve Service Delivery through Social Accountability Project

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Notes to the financial statements (continued) for year ended 31 December 2023

2. Significant accounting policies (continued)

(e) Receipt

Funds from (i) IBRD/IDA are recognised as receipts when cash is transferred to the Project's designated account, rather than when committed or budgeted and (ii) funds from World Vision Australia ("WVA") are recognised as receipts when committed or budgeted as stated in term of the agreement. The fund received from WVA through WV Global Treasury base on myPBAS commitment database. The grant instalments have not been received, are committed and utilised in advance of payment; they are presented in the statement of financial position as a current asset under "accrued income – WVA".

(f) Expenditures

Expenditure is recognized when payments is made rather than when it is incurred, except for the treatments of following:

- Advances to implementing partners, advance to provincial offices and cash advance for the Project activities that are initially recognised as receivable and are only recognised as expenditure when liquidated by supporting document of the payments;
- Prepayments are initially recognised as receivable and are only recognised as expenditure when incurred;
- Accounts payable are recognised when the Organisation made payments for the Project's expenditure by using the Organisation's core fund instead of the Project's fund. The accounts payable will be derecognised when they are settled; and
- Accrual and other payables on office utilities, office communication expense, taxation and expenses through WVI's procurement system are recognised when incurred and derecognised when they are settled.

The recognition criteria for each category of expenditure are detailed below:

Goods

The costs of goods/fixed assets in charged to the statements of sources of funds and expenditures upon acquisition. The goods/fixed assets include computer, office equipment, office furniture, laptops, desktop, LCD Project (smart phone projector), cameras, helmet, raincoat, shirt, bag, complain boxes and other non – expendable items. For control and management purposes, a memorandum account for non-expendable equipment is maintained by way of an asset or goods listing.

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Engaging Citizens to Improve Service Delivery through Social Accountability Project

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Notes to the financial statements (continued) for year ended 31 December 2023

2. Significant accounting policies (continued)

(f) Expenditures (continued)

Consulting services

Consulting services are costs incurred for services outsourced for the Project such as audit, visual identity and branding, communication, data collection and management, and analysis and research.

Trainings and workshops

Trainings and workshops include costs of training and workshops conducted under the Project, including purchase and publication of materials, rental of facilities, course fees, travel, accommodation and subsistence of trainees, trainers, and facilitators, printing, refreshment, and other costs directly related to the training course and workshop preparation and implementation.

Operating costs

Operating costs pertain to expenditures directly related to the Project, including office supplies, office and equipment rental, utilities and communications expenses, vehicle operation and maintenance, vehicle rental, charges for the opening and operation of bank accounts required for the Project, and travel, lodging and per diems, and salaries of selected employees for time spent on the Project, and other costs and contractual services directly related to the Project.

Sub-grants

Sub-grant refers to the spent portion of the grant made available by the Organisation out of the proceeds of the grant to the selected implementing partners for financing the activities to be implemented under the Project by such partners.

(g) Foreign currency transactions

The Project transacts its operations and maintains its accounting records primarily in United States Dollars ("US\$"). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates published by the National Bank of Cambodia.

Cash and bank balances in currencies other than US\$ are translated into US\$ at the open market rates of exchange at the year-end date. All foreign exchange differences are recognised in the statements of receipts and expenditures and designated account.

(h) Contractual commitment

Contractual commitments are obligation for contracted goods and services provided. Contractual commitments are not accounted for in the financial statements.

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Notes to the financial statements (continued) for year ended 31 December 2023

3. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in US\$. The translations of US\$ amounts into Khmer Riel are included solely for meeting the presentation requirement pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date. The statement of sources of funds and expenditures are translated into KHR using the average rate for the year. Exchange difference arising from the translation are recognised as “Currency translation difference” in the statement of sources of funds and expenditures.

The Project uses the following exchange rates:

			Closing rate	Average rate
31 December 2023	US\$1	=	<u>KHR4,085</u>	<u>KHR4,110</u>

The convenience translation to Khmer Riel should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riel at this or any other rate of exchange.

4. Cash at bank

	31 December 2023	
	US\$	KHR'000 (Note 3)
IBRD/IDA Grant No. TF0C1847		
Cash at bank – Designated account	<u>352,977</u>	<u>1,441,911</u>

This balance refers to current accounts placed with Aceda Bank Plc. which earned no interest.

5. Advances to partners

	As at 31 December 2023	
	US\$	KHR'000 (Note 3)
IBRD/IDA Grant No. TF0C1847		
Action for Development	17,638	72,051
Nak Akphiwath Sahakum	47,449	193,829
Ponleur Kumar	34,698	141,741
STAR Kampuchea	24,457	99,907
Sovann Phoum	<u>41,550</u>	<u>169,732</u>
	<u>165,792</u>	<u>677,260</u>

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Notes to the financial statements (continued) for year ended 31 December 2023

6. Accrued income – WVA

This represents the remaining fund receipts of the committed or budgeted fund for the year from WVA which have not disbursed from Global Treasury of WVI to the Project as at 31 December 2023.

7. Amount due to the WVI

This pertains to the Project's expenditure under IBRD/IDA fund, but payments were made to suppliers using WVI fund. Subsequently, the amount has been replenished from IBRD/IDA designated account to WVI on 1 February 2024 and 26 April 2024.

8. Payables to a partner

	Year ended 31 December 2023	
	US\$	KHR'000 (Note 3)
Wathnakpheap	<u>5,398</u>	<u>22,050</u>

9. Fund receipts

	Year ended 31 December 2023	
	US\$	KHR'000 (Note 3)
International Bank for Reconstruction and Development/ International Development Association	600,000	2,466,000
World Vision Australia – Match Fund	<u>276,000</u>	<u>1,134,360</u>
	<u>876,000</u>	<u>3,600,360</u>

10. Training and workshops

	Year ended 31 December 2023	
	US\$	KHR'000 (Note 3)
IBRD/IDA Grant No. TF0C1847		
Trainings and workshops	125,612	516,265
Travel, meals, and accommodation	258	1,060
Bank charge	35	144
Printing costs	541	2,224
Per Diem	305	1,254
Local Transportation	185	760
	<u>126,936</u>	<u>521,707</u>

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Notes to the financial statements (continued) for year ended 31 December 2023

11. Operation costs

	Year ended 31 December 2023	
	US\$	KHR'000 (Note 3)
IBRD/IDA Grant No. TF0C1847		
Salaries and benefits	27,495	113,004
Training and workshops for community	218,576	898,347
Travel, perdiem, accommodation, and other delivery & travel related costs	1,385	5,692
Utilities	7	29
Project meeting	46	189
Printing services	1	4
Bank charges	191	786
	<u>247,701</u>	<u>1,018,051</u>
WVA		
Salaries, Benefits, training, and support cost re-allocation	114,734	471,557
Office Supplies, fix asset below 5K (equipment, computer, furniture) and other related costs	5,284	21,717
Travel, perdiem, accommodation, and other delivery & travel related costs	7,156	29,411
Utilities, Office rent, Occupancies, and other office related costs	6,185	25,420
Communication	760	3,124
Project meeting (Hospitality)	3,447	14,167
Printing services	956	3,929
Advertising and Brand Promotion/Identity	299	1,229
Fees and Taxes, consultant, share services	7,427	30,526
Fix asset above 5K allocation	3	12
	<u>146,251</u>	<u>601,092</u>
	<u>393,952</u>	<u>1,619,143</u>

12. Sub-grants

	Year ended 31 December 2023	
	US\$	KHR'000 (Note 3)
IBRD/IDA Grant No. TF0C1847		
Action for Development	1,290	5,302
Nak Akphivath Sahakum	14	58
Ponleur Kumar	21	86
STAR Kampuchea	7,222	29,682
Wathnakpheap	5,398	22,186
Sovanna Phuom	5,310	21,824
	<u>19,255</u>	<u>79,138</u>

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IBRD/IDA Grant No TF0C1847

Notes to the financial statements (continued) for year ended 31 December 2023

13. Expenditures by components

		Year ended 31 December 2023			
		IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	US\$	Total KHR'000 (Note 3)
Component 1: Transparency and Access to Information					
1.1.2	Conduct ISAF inception meetings with key stakeholders (HCMC, SSC and CBO) at commune level	924	-	924	3,798
1.1.3	Support the review and validation process of I4C (post-on) to ensure its accuracy	7,266	-	7,266	29,863
1.1.5	Conduct a preparation meeting with CAFs to prepare I4C awareness raising activities	6,109	-	6,109	25,108
1.1.6	Conduct participatory community meeting (I4C) to raise awareness of citizens on their rights and on national standards.	77,505	-	77,505	318,546
1.1.7	Conduct participatory community meeting to increase understanding and knowledge of citizens on the budgets of the commune and of service providers (open budget & performance)	8,690	-	8,690	35,716
1.1.8	Conduct I4C Mobile Kiosk at community level	11,792	-	11,792	48,463
1.1.9	Conduct citizen awareness raising on I4C via peer e-ISAF learning	5,732	-	5,732	23,559
1.1.11	Citizens, especially vulnerable groups, are empowered and supported to engage with other existing social accountability mechanisms such as the Commune Council meeting, the Health Center Management Committee meetings and the School Support Committee meetings.	744	-	744	3,058
1.1.12	The CAFs conduct home visits to vulnerable families to enhance their knowledge on rights and national standards and collect their feedback on the performance of service providers.	9,632	-	9,632	39,588
1.1.20	Develop I4C visual aid (calendar, posters, banner, shirt for CAF...) CAF insurance	495	-	495	2,034
1.1.21	Communication Officer and Public Liaison officer @ 100%	4,250	-	4,250	17,468
		<u>133,139</u>	-	<u>133,139</u>	<u>547,201</u>

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IBRD/IDA Grant No TF0C1847

Notes to the financial statements (continued) for year ended 31 December 2023

13. Expenditures by components (continued)

		Year ended 31 December 2023			
		IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	US\$	Total KHR'000 (Note 3)
Component 2: Citizen Monitoring					
2.1.1	Conduct inception meeting with key stakeholder in target commune on CSC	828	-	828	3,403
2.1.2	Conduct pre-meeting/preparation with CAFs to prepare Self-assessment meetings and CSC	35	-	35	144
2.1.3	Conduct Community Score Card with citizens including students	47,483	-	47,483	195,155
2.1.4	Conduct self-assessment with service providers to inform community score card	16,365	-	16,365	67,260
2.1.5	Organize pre-meeting/preparation with CAFs for Single and Multi-interface meeting	35	-	35	144
2.1.6	Conduct single-interface meetings	1,964	-	1,964	8,072
2.1.7	Conduct Multi-Sector interface meeting in target communes to produce the JAAP	1,173	-	1,173	4,821
2.1.9	Conduct Community Score Card with marginalize group	645	-	645	2,651
		<u>68,528</u>	<u>-</u>	<u>68,528</u>	<u>281,650</u>
Component 3: Implementation of Join Accountability Action plans (JAAPs)					
3.1.2	Conduct JAAP quarterly follow up meeting	1,868	-	1,868	7,678
3.1.4	Integrate JAAPs' action in DIW	330	-	330	1,356
		<u>2,198</u>	<u>-</u>	<u>2,198</u>	<u>9,034</u>

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IBRD/IDA Grant No TF0C1847

Notes to the financial statements (continued) for year ended 31 December 2023

13. Expenditures by components (continued)

		Year ended 31 December 2023			
		IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	US\$	Total KHR'000 (Note 3)
Component 4: Training, Capacity Development					
4.1.4	Identify and recruit CAFs	121	-	121	497
4.1.5	TRG_Conduct modules training 1&2 on "ISAF introduction and I4C" for recruited CAFs (and selected service providers)	3,049	-	3,049	12,531
4.1.6	TRG_Conduct 4-day Module 3 "citizen monitoring" training to CAFs (and selected service providers)	39,508	-	39,508	162,378
4.1.7	TRG_Conduct 4-day Module 4 "supporting collective Action for change" training to CAFs (and selected service providers)	78,977	-	78,977	324,597
4.1.10	Conduct feedback and learning forums annually	7	-	7	29
4.1.11	Conduct meeting feedback and learning forums at district level with demand side representatives - semi-annually	28,329	-	28,329	116,432
4.1.14	Develop the CAF Leader network	10,592	-	10,592	43,533
4.1.21	TRG_Project start-up workshop	5,402	-	5,402	22,202
92.1.2	Senior Technical Specialist @ 70%	4,044	221	4,265	17,529
90.1.2	Share exiting Staff_Program Coordinator for ISAF_4@100%	-	81,220	81,220	333,814
		170,029	81,441	251,470	1,033,542
Component 5: Project Management, Monitoring and Evaluation					
		35,072	64,810	99,882	410,515
Total		<u>408,966</u>	<u>146,251</u>	<u>555,217</u>	<u>2,281,942</u>

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Notes to the financial statements (continued) for year ended 31 December 2023

14. Statement of withdrawal

Withdrawal application number	Date	Description	Amount claimed for replenishment						
			Initial Advances US\$	Goods US\$	Consulting services US\$	Training and workshops US\$	Operating costs US\$	Sub-grants US\$	Total US\$
Year ended 31 December 2023									
IBRD/IDA Grant No. TF0C1847									
WATF0C1847-001 (A)	14-Sep-23	Initial advance	600,000	-	-	-	-	-	600,000
WVA									
N/A (*) (B)	2023		-	-	-	-	276,000	-	276,000
Total fund receipts during the year (A+B)			<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,000</u>	<u>-</u>	<u>876,000</u>
Equivalent to KHR' 000			<u>2,466,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,134,360</u>	<u>-</u>	<u>3,600,360</u>

(*) The withdrawal application does not apply to WVA source of fund.

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Notes to the financial statements (continued) for year ended 31 December 2023

15. Contractual commitments

As at 31 December, the Project has the following expenditures commitments:

	As at 31 December 2023	
	US\$	KHR'000 (Note 3)
Contracted, but not yet paid:		
Consulting services	<u>53,091</u>	<u>216,877</u>

16. Comparative figure

There are no comparative figures as this is the first set of financial statements prepared for the Project under additional financing.

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IBRD/IDA Grant No TF0C1847

Annex I: Statement of sources of funds, expenditures and comparison of budget and actual expenditures

	Year ended 31 December 2023							
	Budget			Actual			Variance	
	IBRD/IDA Grant No. TF0C1847 US\$	WVA (*) US\$	Total US\$	IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	Total US\$	US\$	%
Sources of funds								
International Bank for Reconstruction and Development/International Development Association	-	-	-	600,000	-	600,000		
World Vision Australia	-	-	-	-	276,000	276,000		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>276,000</u>	<u>876,000</u>		
Expenditures by category								
Goods	85,700	-	85,700	-	-	-	85,700	100%
Consulting services	-	-	-	15,074	-	15,074	(15,074)	-100%
Training and workshop	174,860	-	174,860	126,936	-	126,936	47,924	27%
Operation costs	486,329	146,251	632,580	247,701	146,251	393,952	238,628	38%
Sub-grants	-	-	-	19,255	-	19,255	(19,255)	-100%
	<u>746,889</u>	<u>146,251</u>	<u>893,140</u>	<u>408,966</u>	<u>146,251</u>	<u>555,217</u>	<u>337,923</u>	<u>38%</u>
Excess of sources of fund over expenditures				<u>191,034</u>	<u>129,749</u>	<u>320,783</u>		
Fund balance at beginning of the year				-	-	-		
Excess of sources of fund over expenditures				<u>191,034</u>	<u>129,749</u>	<u>320,783</u>		
Fund balance at end of the year				<u><u>191,034</u></u>	<u><u>129,749</u></u>	<u><u>320,783</u></u>		

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IBRD/IDA Grant No TF0C1847

Annex I: Statement of sources of funds, expenditures and comparison of budget and actual expenditures (continued)

	Year ended 31 December 2023							
	Budget			Actual			Variance	
	IBRD/IDA Grant No. TF0C1847 US\$	WVA (*) US\$	Total US\$	IBRD/IDA Grant No. TF0C1847 US\$	WVA US\$	Total US\$	US\$	%
Expenditures by components								
Component 1: Transparency and Access to Information	118,673	-	118,673	133,139	-	133,139	(14,466)	-12%
Component 2: Citizen Monitoring	175,920	-	175,920	68,528	-	68,528	107,392	61%
Component 3: Implementation of Join Accountability Action plans (JAAPs)	31,803	-	31,803	2,198	-	2,198	29,605	93%
Component 4: Training, Capacity Development and Communication	280,904	81,441	362,345	170,029	81,441	251,470	110,875	31%
Component 5: Project Management, Monitoring and Evaluation	139,589	64,810	204,399	35,072	64,810	99,882	104,517	51%
	<u>746,889</u>	<u>146,251</u>	<u>893,140</u>	<u>408,966</u>	<u>146,251</u>	<u>555,217</u>	<u>337,923</u>	<u>38%</u>

(*) The budget of WVA for the year 2023 is derived from the four-years budget spanning from 2023 to 2026 specified in Project Implementation Agreement – Amendment No. [1] dated on 28 May 2024. As this budget was prepared after the actual expenses incurred, therefore the Project used the actual expense balance as their budget for the year 2023.