

PD-ABN-112

RECEIVED
OFFICE OF THE INSPECTOR GENERAL
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

91032

1987 JAN 22 PM 2:04

Ernst & Whinney

FINANCIAL AND COMPLIANCE AUDIT OF
SAVE THE CHILDREN FEDERATION
COMMUNITY BASED INTEGRATED TAMBON DEVELOPMENT
GRANT NO. 493-0296-G-SS-3011-00

PREPARED FOR : OFFICE OF THE INSPECTOR GENERAL, UNITED STATES AGENCY
FOR INTERNATIONAL DEVELOPMENT
PREPARED BY : ERNST & WHINNEY (BANGKOK)
18th JANUARY, 1987

SAVE THE CHILDREN FEDERATION
COMMUNITY BASED INTEGRATED TAMBON DEVELOPMENT

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| 1. INTRODUCTION | 1 - 2 |
| 2. INITIAL DISCUSSION | 3 |
| 3. SCOPE OF WORK | 3 - 4 |
| 4. FINANCIAL STATEMENTS | 5 - 6 |
| 5. COMPLIANCE MATTERS | 7 - 17 |
| 6. STUDY AND EVALUATION OF INTERNAL ACCOUNTING CONTROL | 18 - 25 |
| 6.1 SHORTCOMINGS | 19 - 23 |
| 6.2 IMPROVEMENTS | 24 - 25 |

APPENDIX I

APPENDIX II

Ernst & Whinney

1. INTRODUCTION

This report provides the results of our final audit of costs claimed for reimbursement under the contract of which the contents are summarised as follows :

CONTRACTOR : Save The Children Federation (SCF)

GRANT : The grant agreement was signed on 15th February, 1983. The original grant agreement provided contribution by AID of US\$ 385,000. There have been two amendments whereby the revised contribution by AID amounted to US\$ 317,320 as follows :

| <u>Description</u> | <u>Year One</u> <u>US\$</u> | <u>Year Two</u> <u>US\$</u> | <u>Year Three</u> <u>US\$</u> | <u>Total</u> <u>US\$</u> |
|--------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------|
| Administration | | 73,000 | 72,350 | |
| Program Support | | 67,450 | 36,800 | |
| Overhead | | 12,866 | 9,998 | |
| Capital Assets | | - | - | |
| | <u>44,856</u> | <u>153,316</u> | <u>119,148</u> | <u>317,320</u> |
| | ===== | ===== | ===== | ===== |

PROJECT OUTLINE : Community Based Integrated Tambon Development (Grant No. 493-0296-G-SS-3011-00)

PERIOD : February 15, 1983 to January 31, 1986

PROJECT OBJECTIVE : In the main is to improve the economic, social, and physical quality of life of children and families.

Ernst & Whinney

- 2 -

PROJECT SITE : Phaisali district, Nakorn Sawan province,
Thailand

| | | |
|-----------------------------|---|-----------------------------|
| RESULT OF AUDIT : | Amount (US\$) | |
| | <u>Costs Recommended For Disallowance</u> | <u>Questioned Costs</u> |
| Administration - travel | 994 | 750 |
| - field office services | 5,082 | 4,638 |
| Program Support - personnel | 943 | 248 |
| - consultant | 1,555 | 1,735 |
| - project funds | 2,472 | 7,397 |
| Capital Assets | 8,197 | - |
| GRAND TOTAL | <u>19,243</u> ===== | <u>14,768</u> ===== |

SCF'S RESPONSE TO THE AUDIT (APPENDIX II) :

| | Costs Recommended for Disallowance by Ernst & Whinney | | Costs Questioned by Ernst & Whinney | |
|-----------------------------------|---|--------------------------------|---|--------------------------------|
| | <u>Requested for Reconsideration</u> | <u>Agreed Disallowance</u> | <u>Request for Reconsideration</u> | <u>Agreed Disallowance</u> |
| <u>Administration</u> | | | | |
| Travel | 993.60 | - | 553.62 | 196.64 |
| Field Office Services | 3,400.17 | 1,682.00 | 4,384.05 | 254.38 |
| <u>Program Support</u> | | | | |
| Personnel | 943.00 | - | 248.46 | - |
| Consultant | 467.64 | 1,087.36 | 1,735.37 | - |
| Project Funds | 1,236.23 | 1,236.00 | 7,179.66 | 217.77 |
| <u>Capital Assets</u> | <u>8,196.86</u> | - | - | - |
| Sub Total | 15,237.50 ===== | 4,005.36 ===== | 14,101.16 ===== | 668.79 ===== |
| Total Request for Reconsideration | | 29,338.66 | | |
| Total Agreed Disallowance | | 4,674.15 | | |

2. INITIAL DISCUSSION

Initial discussion with the personnel of Save The Children Federation entrusted with the implementation of the project in Thailand was carried out on 6th October, 1986 and the field work re: studying evaluating, testing the systems of internal control, reported expenditures and compliance thereto with terms of grant agreement was conducted during 6th - 18th October, 1986. Discussion on findings were made with SCF (T) on 13th January, 1987 to which their response and our further comments are set out in Appendix II.

3. SCOPE OF WORK

The objective of this audit is to determine whether costs reported as incurred under the federal grant are in fact allowable, allocable and reasonable per the terms of the grant and that the contractor complied with all non-financial terms of the contract. Specifically, under the terms of the engagement this encompasses :

- 3.1 Opinion with respect to the contractor's financial statements as to whether the financial statements present fairly the expenditures of Agency for International Development grant.
- 3.2 Opinion with respect to those items tested for compliance with the applicable laws and regulations, (including the laws and regulations pertaining to financial reports and claims to Agency for International Development for advances and reimbursements) and negative assurance on those items not tested.
- 3.3 Study and evaluation of internal accounting control and recommendations on any weaknesses/deficiencies.

The examination was conducted in accordance with generally accepted government auditing standards appropriate to the scope of audit as described below.

The scope of audit encompassed on examination of SCF (Thailand)'s financial operating procedures, financial transactions, accounts and reports and included such tests of these records and such other auditing procedures as were necessary in the circumstances. Consequently the audit relates to expenditures as incurred and recorded in the books of accounts of SCF (Thailand) of US\$ 172,462. As such the transaction as recorded at Home Office, in particular overhead expenses are not part of the exercise. Furthermore, our audit does not include coverage of the economy and efficiency of operations, nor did we attempt to assess the results of the contract performance.

Receipts and disbursements system at SCF (Thailand) were documented and reviewed. Compliance and substantive tests were carried out on a sampling basis on the following representing 85 percent of total expenditure incurred in Thailand as at 31st January, 1986 as set out in the Monthly Operating Expense Statement :

| <u>Description</u> | <u>Total expenditures per books of accounts of SCF (Thailand)</u> | <u>Verification</u> | |
|-----------------------------|---|-------------------------|------------------|
| | | <u>US\$</u> | <u>%</u> |
| I. ADMINISTRATION | | | |
| A. Personnel (Field Office) | 37,114 | 37,114 | 100 |
| B. Travel | 11,662 | 6,688 | 57 |
| C. Field Office Services | <u>47,127</u> | <u>34,303</u> | <u>72</u> |
| Sub-Total I | <u>95,903</u> | <u>78,105</u> | <u>81</u> |
| II. PROGRAM SUPPORT | | | |
| A. Personnel (Field Staff) | 25,231 | 25,231 | 100 |
| B. Consultants | 11,936 | 11,686 | 98 |
| C. Project Funds | <u>28,979</u> | <u>22,513</u> | <u>78</u> |
| Sub-Total II | <u>66,146</u> | <u>59,430</u> | <u>90</u> |
| Total I + II | 162,049 | 137,535 | 85 |
| III. CAPITAL ASSETS | <u>10,413</u> | <u>10,209</u> | <u>98</u> |
| GRAND TOTAL | <u>172,462</u> ===== | <u>147,744</u> ===== | <u>85</u> === |

4. FINANCIAL STATEMENTS

We have examined the Monthly Operating Expenses Statement of Save The Children Federation (Thailand) for the period of February 15, 1983 to January 31, 1986 in respect of expenditures of Agency for International Development grant.

Our examination was made in accordance with generally accepted auditing standards and the financial and compliance elements of the Standards for Auditing of Governmental Organisations, Program, Activities and Functions, issued by the U.S. Comptroller General in 1981, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Monthly Operating Expenses Statement includes costs in the amount of US\$ 34,011 as set out in section 5 of this report which we have questioned or recommended for disallowance under the grant agreement. The final determination as to whether such costs are allowable will be made by the Agency for International Development to which SCF(T)'s response and our further comments are set out in Appendix II.

In our opinion, subject to the effects of such adjustments, if any, as might have been required had the ultimate resolution of the allowability of the questioned costs and costs recommended for disallowance contained in the Monthly Operating Expenses Statement been known, the accompanying statement presents fairly the expenditures of Agency for International Development grant for the period indicated above, in conformity with generally accepted accounting principles.

This report is intended solely for the use of the Agency for International Development and should not be used for any other purposes.

SAVE THE CHILDREN FEDERATION (THAILAND)
Agency for International Development Grant
Monthly Operating Expense Statement
For the period February 15, 1983 to January 31, 1986

| | <u>US\$</u> |
|----------------------|------------------|
| ADMINISTRATION | |
| Personnel | 37,114 |
| Travel | 11,662 |
| Field Office Service | 47,127 |
| PROGRAM SUPPORT | |
| Personnel | 25,231 |
| Consultant | 11,936 |
| Project Fund | 28,979 |
| CAPITAL ASSETS | <u>10,413</u> |
| | |
| Total expenditures | 172,462 ===== |

Ernst & Whinney

5. COMPLIANCE MATTERS

We have examined the Monthly Operating Expense Statement of Save The Children Federation (Thailand) for the period of February 15, 1983 to January 31, 1986 in respect of expenditures of Agency for International Development grant.

Our examination was made in accordance with generally accepted auditing standards; the provisions of Standards for Audit of Governmental Organisations, Programs, Activities and Functions, promulgated by the U.S. Comptroller General, as they pertain to financial and compliance audits; the Guidelines for Financial and Compliance Audits of AID-Financed Agreements; the Non-Federal Audit (NFA) P10/T Package and, accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our examination, we found that for the grant items tested, Save The Children Federation (Thailand) complied with the material terms and conditions of the grant agreement, except as stated in this section of the report.

As for the transactions not tested, based on our examination and the procedures referred to above, nothing came to our attention to indicate that Save The Children Federation (Thailand) had not complied with the material terms and conditions of the Agency of the grant agreement.

Ernst & Whinney

- 8 -

| | Verified Costs | Costs Recommended for Disallowance | Questioned Costs | Note |
|-----------------------------|-------------------------|--|------------------------|------|
| I. ADMINISTRATION | | | | |
| A. Personnel (Field Office) | 37,114 | - | - | |
| B. Travel | 6,688 | 994 | 750 | 1 |
| C. Field Office Service | <u>34,303</u> | 5,082 | 4,638 | 2 |
| Sub-Total I | <u>78,105</u> | | | |
| II. PROGRAM SUPPORT | | | | |
| A. Personnel (Field Staff) | 25,232 | 943 | 248 | 3 |
| B. Consultants | 11,686 | 1,555 | 1,735 | 4 |
| C. Project Funds | <u>22,513</u> | 2,472 | 7,397 | 5 |
| Sub-Total II | <u>59,430</u> | | | |
| Total I + II | 137,535 | | | |
| III. CAPITAL ASSETS | <u>10,209</u> | <u>8,197</u> | <u>-</u> | 6 |
| GRAND TOTAL | <u>147,744</u> ===== | <u>19,243</u> ===== | <u>14,768</u> ===== | |

NOTE 1 - TRAVEL EXPENSES

| | <u>Amount (US\$)</u> |
|--|----------------------|
| 1.1 International travel to Kathmandu, Nepal of Mr. Dej (Program Coordinator) amounting to US\$ 419.86 was not approved by the Grant Officer, AID. | 419.86 |
| 1.2 Air ticket of Mrs. Forman (Director's wife) amounting to US\$ 573.74 was not approved by the Grant Officer, AID. | <u>573.74</u> |

Total costs recommended for disallowance 993.60

- 1.3 Travel expenses of US\$ 750.26 to which source documentation could not be located or obtained are as follows :

| <u>Description</u> | <u>Date of payment</u> | <u>Amount (US\$)</u> |
|---|----------------------------|--------------------------|
| 1. Per diem allowance of 5 staff for 4 days @ US\$ 8.73 | 19.9.83 | 174.67 |
| 2. Bus fare and taxi fare | 11.1.84 | 21.97 |
| 3. Air fare for Dr. Kenneth Forman | 28.2.85 | 45.77 |
| 4. Travel expenses (unidentified) | 20.3.85 | 333.18 |
| 5. - do - | 5.6.85 | 24.18 |
| 6. - do - | 11.6.85 | <u>150.49</u> |
| | | <u>750.26</u> ===== |

Total questioned costs 750.26

=====

NOTE 2 - FIELD OFFICE SERVICES

Amount (US\$)

2.1 The following disbursements are recommended as disallowed costs due to the fact that AID had not agreed its purchases in its budget for year II and III :

| <u>Description</u> | <u>Date</u> | <u>Amount (US\$)</u> | |
|----------------------------|-------------|----------------------|----------|
| Purchase of a refrigerator | 17.06.85 | 197.87 | |
| Office furniture | 17.06.85 | 263.10 | |
| Armless chair | 18.06.85 | 148.41 | |
| Shelves | 6.09.85 | 87.22 | |
| Water heater | 8.10.85 | 184.70 | |
| Tape recorder | 28.11.85 | 106.71 | |
| Purchase of a refrigerator | 16.12.85 | 272.66 | |
| Cost of garden arrangement | 29.01.86 | 267.14 | |
| Gas stove and tank | 3.12.85 | 131.63 | |
| Office divider | 20.01.86 | 399.40 | |
| An Olympia typewriter | 1.86 | 120.57 | |
| A filing cabinet | 21.03.84 | 205.68 | |
| Misc office equipment | 5.07.84 | 198.69 | |
| Various furniture | 18.07.85 | 331.88 | |
| Various furniture | 26.01.84 | 203.06 | |
| Various office equipment | 26.01.84 | 253.67 | |
| Filing shelf | 6.12.85 | 225.65 | |
| | | <u>3,598.04</u> | 3,598.04 |
| | | ===== | |

It is to be noted further that such procurement of fixed assets should be recorded as "capital assets" rather than that of "field office services".

| | <u>Amount (US\$)</u> |
|---|----------------------|
| 2.2 In addition to the foregoing the following expenditures are recommended as disallowable : | |
| | Amount |
| | <u>US\$</u> |
| Refundable deposit for office building | 1,880.41 |
| Interest on overdraft | <u>74.11</u> |
| | 1,954.52 |
| | ===== |
| | 1,954.52 |
| 2.3 The balance of expenditures as set out in this report are based on "Monthly Operating Expense Statement" of SCF (Thailand) as at 31st January, 1986. The total expenditures incurred by SCF (Thailand) and SCF (Westport) (i.e. Home Office) are set out in Appendix 1 of this report to which further statements are submitted to AID for the months of February/March 1986. A scrutiny of disbursements in February/March 1986 of SCF (Thailand) reveals expenses which were incurred prior to 31st January, 1986 to which no accruals were made. This amounted to US\$ 470.39. | (470.39) |
| | <u> </u> |
| Total costs recommended for disallowance | 5,082.17 |
| | ===== |

Amount (US\$)

2.4 Disbursements to which source documentation could not be located or obtained are as follows :

| <u>Description</u> | <u>Amount (US\$)</u> | |
|---|----------------------|----------|
| 1. Office and house rent (NB : lease agreement are available) | - | |
| 2. Advance for director house | 2,269.92 | |
| 3. Operating cost | <u>2,368.51</u> | |
| | 4,638.43 | |
| | ===== | |
| Total questioned costs | | 4,638.43 |
| | | ===== |

NOTE 3 - PERSONNEL EXPENSES (FIELD STAFF)

Amount (US\$)

3.1 International travel to Kathmandu and Dhaka of Miss Veena K. Sachdev (Accountant) of US\$ 943 was not approved by the Grant Officer, AID.

| | |
|--|--------|
| Total costs recommended for disallowance | 943.00 |
| | ===== |

3.2 The US\$ 943 as mentioned in 3.1 is part of travel expenses of US\$ 1,191.46 which had been included as "personnel expenses" and should be reclassified accordingly in the computation of 15 percent allowable variance.

| | |
|------------------------|--------|
| Total questioned costs | 248.46 |
| | ===== |

NOTE 4 - CONSULTANT COSTS

| | <u>Amount (US\$)</u> |
|--|----------------------|
| 4.1 Regarding payment for the Phaisali Project evaluation report, the amount which was recorded as consultant cost was US\$ 6,500 but the actual payment was US\$ 4,945. This has left a balance of US\$ 1,555 to be refunded. (US\$ 467.64 travel paid to team through SCF private funds and not recorded in AID expenses.) | |
| Total costs recommended for disallowance | 1,555.00 ===== |
| 4.2 Consultant fee of US\$ 604.97 paid to Miss Rawadee (Consultant in Community Development) to which insufficient source documentation could not be located or obtained. | 605.00 |
| 4.3 Expenditures recorded as "consultant costs" were in fact related to "project funds" of US\$ 1,130.37 (ref: dated 31/01/86) which should be reclassified accordingly. | 1,130.37 _____ |
| Total questioned costs | 1,735.37 ===== |

NOTE 5 - PROJECT EXPENSES

Amount (US\$)

5.1 The following international travel expenses were not approved by the Grant Officer, AID and furthermore it is questionable whether this relates to the project's activities (e.g. sponsorship) :

| <u>Description</u> | <u>Date of Payment</u> | <u>Amount US\$</u> | |
|--|--------------------------------|------------------------|----------|
| Training expense of Miss Siriporn (Sponsorship Coordinator) and Miss Aporn (Secretary) in SCF Bangladesh and Nepal during 14.4.85 to 28.4.85 : | | | |
| - Per diem US\$ 36/day | 4.4.85 | 1,080.00 | |
| - Air fare | 22.4.85 | 858.80 | |
| - Hotel accommodation and others | 23.6.85 | 533.43 | |
| | | <u>2,472.23</u> | |
| | | ===== | |
| Total costs recommended for disallowance | | | 2,472.23 |
| | | | ===== |

Amount (US\$)

5.2 Loans made to villagers were recognised as project expenses and some were repaid to SCF and kept in form of bank drafts but not being taken into books of accounts. Furthermore, interest in kind were received to which the amount were not recorded or credited to cost accounts. The revised proposal accompanying the grant agreement mentions "credit project" on page 10 and "loans" on page 28. The details with respect to loans are as follows :

| <u>Description</u> | <u>Date of Payment</u> | <u>Amount US\$</u> | |
|--|--------------------------------|------------------------|----------|
| 1. Advance for Poultry Project | 19.12.84 | 561.80 | |
| | 18.01.85 | 1,070.96 | |
| 2. Loans for buying grain | 2.07.85 | 2,078.04 | |
| 3. Loan for Domestic Water Shortage | | | |
| - Ban Posri | 31.10.85 | 371.65 | |
| | | <u>4,082.45</u> | 4,082.45 |
| | | ===== | |

Ernst & Whinney

5.3 Project expenses of US\$ 1,007.80 to which there is no official receipt or that recipient cannot be ascertained details of which are as follows :

| <u>Description</u> | <u>Date of payment</u> | <u>Amount US\$</u> | <u>Amount (US\$)</u> |
|--|------------------------|--------------------|----------------------|
| 1. Teachers training expenses (i.e. accommodation, meal allowance and travelling) | 1.10.85 | 848.47 | |
| 2. Contribution for Mushroom Cultivation Project | 28.01.85 | 159.33 | |
| | | <u>1,007.80</u> | 1,007.80 |
| | | ===== | |

5.4 Project expenses of US\$ 774.47 to which the receiving of goods/services cannot be ascertained are as follows :

| <u>Description</u> | <u>Date of payment</u> | <u>Amount US\$</u> | |
|---|------------------------|--------------------|--------|
| 1. Expenses for Khao Din Weaving Project (i.e. material, travelling) | 22.05.84 | 196.43 | |
| 2. Expenses for road repair project (i.e. 6 drums of diesel oil) | 23.10.84 | 480.84 | |
| 3. Cost of water tanks at Phaisali | 25.06.85 | 97.20 | |
| | | <u>774.47</u> | 774.47 |
| | | ===== | |

Amount (US\$)

5.5 Project expenses of US\$ 1,532.71 to which both the recipients and receiving of goods/services cannot be ascertained as follows :

| <u>Description</u> | <u>Date of Payment</u> | <u>Amount US\$</u> | |
|---|--------------------------------|------------------------|-----------------|
| 1. Expenses for Khao Din Weaving Project | 22.05.84 | 217.77 | |
| 2. Expenses for Domestic Water Storage Project | 16.08.84 | 704.75 | |
| 3. Expenses for Domestic Water Supply Project (i.e. cement, mould and trainers) | 22.08.84 | 392.42 | |
| 4. Payment to Miss Anne Kennedy (Program Director) for project at Phaisali | 16.10.84 | <u>217.77</u> | |
| | | <u>1,532.71</u> | <u>1,532.71</u> |
| | | ===== | ===== |
| Total questioned costs | | | <u>7,397.43</u> |
| | | | ===== |

NOTE 6 - CAPITAL ASSETS

Amount (US\$)

Purchase of fixed assets during year II and III amounting US\$ 8,196.86 are considered unallowable for such purchases were not authorized in the budget.

| | |
|--|-----------------|
| Total costs recommended for disallowance | <u>8,196.86</u> |
| | ===== |

6. STUDY AND EVALUATION OF INTERNAL ACCOUNTING CONTROL

The management of Save The Children Federation (Thailand) is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorised use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the Statement of Expenditures - Agency for International Development Grants and Awards in accordance with the accounting practices prescribed by OMB Circular A-122, Cost Principles for Nonprofit Institutions and/or the terms and conditions of Federal award agreements. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected.

Our study and evaluation revealed weaknesses in the systems of internal control to which the weaknesses and recommendations are addressed in this section. The matters as addressed came to our notice during the conduct of financial and compliance audit which are designed primarily with a view to the expression of opinion on the accounts and compliance with the terms and conditions of Federal award agreements and our comments cannot be expected to include all possible weaknesses in the systems of accounting and internal control.

Furthermore, due to the size of SCF(T) many controls which would be relevant to large entities are not practical in a small organisation. This may however be compensated by management overview/control. However, at the time of the audit and in the course of the grant there had been turnover of supervisory staff and that such staff are no longer associated with SCF(T) to which we are unable to evaluate the extent and effectiveness of management overview/control. Consequently we are unable to render an opinion on the adequacy of internal accounting control.

Findings and recommendations resulting from work performed are categorised into two types as follows :-

- (i) Shortcomings or deficiencies of accounting system and internal control.
- (ii) Improvements in order to facilitate and strengthen the existing accounting and internal control systems.

6.1 SHORTCOMINGS OR DEFICIENCIES OF ACCOUNTING SYSTEM AND INTERNAL CONTROL

6.1.1 Segregation of Duties

The following functions are carried out by the accountant :

- 1) Cashier
- 2) Preparing cheque
- 3) Preparing cash withdrawal
- 4) Preparing payroll sheet
- 5) Pay packet arrangement/distribution
- 6) Recording of cash book
- 7) Preparing bank reconciliation

It is recommended that functions of execution and custody be reassigned to other staff in order to reduce risk of intentional manipulation and error whereby the work of one acts as a check on the other.

6.1.2 Cheque Disbursements

Authorisation for disbursement from bank accounts are signed by either the Director or Project Officer only.

It is recommended that disbursements from bank accounts should be authorised by two persons in order to increase the element of checking as to the propriety of payments.

6.1.3 Evidence of Goods and Services Received

At present, in certain cases receiving reports or acknowledgement of receipt of goods/services are not available such that there is no proof that purchases are received.

It is recommended that receiving reports or acknowledgement be prepared by person not involved with purchasing/authorisation functions in order to substantiate that goods/services have been received.

6.1.4 Fixed Asset Register

At present, fixed asset register is not kept up-to-date. Furthermore no tag number is assigned to fixed assets.

In order to provide sound control over physical assets, the register should be kept up-to-date. Tag numbers should be affixed to assets to facilitate physical identification and inspection of assets register should be carried out annually.

6.1.5 Contribution of Project Fund to the Community

We noted that the "Project Description Form" (FORS #2) which sets out details of project and is used to support disbursement of project fund is not prepared for all cases.

In order to facilitate control over project activities and payments such project description form should be prepared and reviewed for approval before disbursement of fund in all cases and sequentially filed by project number.

6.1.6 Evidence of Fund Contributions

Ancillary to 6.1.5, payment of fund to Communities' Committee is made through SCF's staff to which acknowledgement of receipt by the Communities' Committee is subsequently followed up and attached with the approval payment. Based on the review such acknowledgement is not available in all cases such that the propriety of the payment and benefit could not be ascertained.

It is recommended that the payment be recorded as an advance and expensed upon liquidation of advance by appropriate supporting documentation.

6.1.7 Withholding Tax - Consultant Fee

Payments of consultant fee to individual are not subjected to withholding tax. Failure to deduct withholding tax could render SCF for the tax shortfall and surcharge of 1.5 percent per month (maximum of 100 percent).

It is recommended that withholding tax be deducted when consultant fee be made to individual as to avoid the consequences of the Revenue Code.

6.1.8 Supporting Documents

Some payments are not evidenced by adequate supporting documents as exemplified by the following :-

| <u>Payment Voucher</u> | | |
|------------------------|--------------------------------------|----------------------|
| <u>No./Date</u> | <u>Description</u> | <u>Amount (US\$)</u> |
| 8691904/22.11.85 | Car rental | 266.77 |
| 5488230/22.04.85 | Travel expense | 341.16 |
| 8691943/16.12.85 | Office rent for Dec. 85 to May 85 | 1,812.39 |
| 8691939/06.12.85 | Purchase of a filing shelf | 225.65 |
| 2405920/05/08/85 | Repair & Maintenance | 214.38 |

Supporting documents should be evidenced to each cheque signatory before payment is made and attached with payment voucher.

6.1.9 Disbursed Cheques

Disbursed cheques were not restrictively crossed and/or the words "or bearer" deleted.

It is recommended that, if applicable, upon payment all cheques are to be restrictively crossed in the payees' name and the word "or bearer" deleted in order to prevent misappropriation of funds.

6.1.10 Timeliness of Bank Deposit

Refund/liquidation of advances by the following were not deposited into bank account on a timely basis and furthermore were recorded as "deposit in transit" in bank reconciliation :

| <u>Description</u> | <u>Amount</u> <u>(Baht)</u> | <u>Date as</u> <u>recorded in</u> <u>Cash Book</u> | <u>Date of</u> <u>deposit per</u> <u>pay-in slip</u> |
|------------------------------------|--------------------------------|--|--|
| Refund of advance of Khun Veena | 28,495.41 | 30/05/85 | 10/06/85 |
| Refund of advance of Khun Tim | 1,202.00 | 30/05/85 | 18/06/85 |
| Refund of advance of Khun Dej | <u>600.00</u> | 30/05/85 | 18/06/85 |
| | <u>30,297.41</u> ===== | | |

It is recommended that refund of advances should be recorded and banked intact on a timely basis in order to safeguard assets and to ensure the accuracy and reliability of accounting data.

6.2 IMPROVEMENTS

6.2.1 Budgetary Control

At present, there is no evaluation of actual project expenditure against approved budget. In order to enhance the evaluation process, an individual project evaluation report should be presented in both narrative commentary and figures and submitted to management for further analysis.

6.2.2 Payroll Reconciliation

This is particular acute given the fact that payroll function (i.e. preparing payroll sheet, drawing cheque and distribution of cheque) is wholly entrusted with the accountant. Payroll reconciliation which sets out changes in value of payroll and number of staff from month to month is recommended and is to be appended to payroll sheet for reviewing and approval by authorized officials.

6.2.3 Payments - Cancellation

Payment vouchers which had already been authorised and supporting documents are not stamped paid or otherwise cancelled.

It is recommended that cancellation be made immediately on all payment vouchers and related supporting documents in order to prevent resubmission.

6.2.4 Cancelled Cheque

Our review of payment procedure revealed that there is inadequate control with respect to cancelled cheque (i.e. marked as cancelled in pencil).

It is recommended that cancelled cheques be perforated and the portion containing cheque number be retained and attached to the cheque stub.

APPENDIX I

SAVE THE CHILDREN FEDERATION
 BUDGET AND EXPENDITURE
 FEBRUARY 15, 1983 - JANUARY 31, 1986

| | <u>PER BOOKS OF ACCOUNT OF SCF (T)*</u> | <u>HOME OFFICE SCF (WESTPORT)</u> | <u>TOTAL **</u> |
|---|---|---------------------------------------|-------------------|
| ADMINISTRATION | | | |
| Personnel | 37,114.54 | 69,102.33 | 106,216.87 |
| Travel | 11,661.56 | 136.41 | 11,797.97 |
| Field office services | 47,126.91 | (140.58) | 46,986.33 |
| TOTAL ADMINISTRATION | <u>95,903.01</u> | <u>69,098.16</u> | <u>165,001.17</u> |
| PROGRAM SUPPORT | | | |
| Personnel | 25,231.69 | 4,896.86 | 30,128.55 |
| Consultants | 11,935.88 | (7,420.45) | 4,515.43 |
| Project funds | 28,978.80 | (613.08) | 28,365.72 |
| TOTAL PROGRAM SUPPORT | <u>66,146.37</u> | <u>(3,136.67)</u> | <u>63,009.70</u> |
| TOTAL ADMINISTRATION AND PROGRAM SUPPORT | 162,049.38 | 65,961.49 | 228,010.87 |
| OVERHEAD | - | 22,886.18 | 22,886.18 |
| CAPITAL ASSETS | 10,412.86 | (1,772.47) | 8,640.39 |
| GRAND TOTAL | <u>172,462.24</u> | <u>87,075.20</u> | <u>259,537.44</u> |

* FIGURES EXTRACTED FROM "MONTHLY OPERATING EXPENSE STATEMENT" OF SCF (THAILAND)

** FIGURES EXTRACTED FROM "BUDGET AND EXPENDITURE FOR USAID CO-FINANCING GRANT NO. 493-0296-G-SS-3011-00" AS PROVIDED BY SAVE THE CHILDREN FEDERATION, WESTPORT

Ernst & Whinney

APPENDIX II
SCF'S RESPONSE TO THE AUDIT
AND
FURTHER COMMENTS BY ERNST & WHINNEY



| |
|-----------------------------|
| ERNST & WHINNEY RECEIVED |
| DATE |
| AMOUNTED |
| INITIAL |

36/14 Asia Road
P.O. Box 49, Amphur Muang
Nakhon Sawan 60000, Thailand.
Tel. (056) 214080

January 18th, 1986

GC# 87-005

Mr Ralph Tye, Partner
Ernst and Whinney
132 Wireless Road
Bangkok, 10500

Subject : Audit Report on Save the Children, Thailand

Dear Mr Tye,

Following our agreement during discussions held at your office on January 13th regarding the audit report by Ernst and Whinney for USAID Grant #AID 493-0296-G-SS-3011-00, Save the Children Federation Thailand has prepared the following response to the audit report.

1. A summary statement including costs requested by SCF for reconsideration and costs agreeable to SCF as disallowable.
2. A summary report outlining SCF's response to each of the items raised in Section 5 - Compliance Matters - of the audit report.

Of the \$19,243 recommended as disallowable and the \$14,768 reported as questioned costs by the audit team of Ernst and Whinney, Save the Children requests reconsideration of a total of \$29,338.66. SCF maintains that these costs are allowable and reasonable as per the terms of the Grant.

In relation to Section 6 of the audit report - Study and Evaluation of Internal Accounting Control - we are in the process of preparing a response. This will be submitted to you in the near future.

Yours Sincerely

Kenneth Forman
Director

SUMMARY OF SAVE THE CHILDREN (THAILAND)
 RESPONSE TO EUNST & WHINNEY AUDIT REPORT

| | Costs Recommended for Disallowance by Ernst and Whinney | | Costs Questioned by Ernst and Whinney | |
|-----------------------------------|---|------------------------|---|------------------------|
| | Request for Reconsideration | Agreed Disallowable | Request for Reconsideration | Agreed Disallowable |
| <u>Administration</u> | | | | |
| Travel | 993.60 | - | 553.62 | 196.64 |
| Field Office Services | 3,400.17 | 1,682.00 | 4,384.05 | 254.38 |
| <u>Program Support</u> | | | | |
| Personnel | 943.00 | - | 248.46 | - |
| Consultant | 467.64 | 1,087.36 | 1,735.37 | - |
| Project Funds | 1,236.23 | 1,236.00 | 7,179.66 | 217.77 |
| <u>Capital Assets</u> | | | | |
| | 8,196.86 | - | - | - |
| <hr/> | | | | |
| Sub Total | 15,237.50 | 4,005.36 | 14,101.16 | 668.79 |
| | | | | |
| Total Request for Reconsideration | | 29,338.66 | | |
| Total Agreed Disallowable | | 4,674.15 | | |

NOTE 1 TRAVEL EXPENSES

| | <u>Request for Reconsideration</u> | <u>Agreed Disallowable</u> |
|---|--|--------------------------------|
| Costs Recommended for Disallowance | | |
| 1.1 International Travel (Nepal) | 419.86 | - |
| <p>SCF concurs that international travel was undertaken without specific prior approval of the Grants Officer. SCF requests USAID's reconsideration of this item as a legitimate expense, as the objective of travel related to the training of grant supported field staff in the area of public health. This is directly related to improving program capability at field level. Plans for international travel are outlined in the notes accompanying the Year II budget submitted to USAID.</p> | | |
| 1.2 Internation Travel (U.S.A.) | 573.74 | - |
| <p>Mrs. Forman was reimbursed by a Bangkok travel agency for an unused ticket relating to home leave travel. This passed through SCF's AID account, and is represented as a deposit and expense to the account for the amount of the refund. Reconsideration of this item is requested on the basis that the "expenditure" was incurred against private funds. Bank statements and SCF financial statements have been shared with the auditor.</p> | | |

| Request for Reconsideration | Agreed Disallowable |
|--------------------------------|------------------------|
|--------------------------------|------------------------|

Questioned Costs

1.3 Travel Expenses with no source documentation:

| | | |
|---|----------|--------|
| 1. Documentation available for this expense | ✓ 174.67 | |
| 2. Documentation not available | | 21.97 |
| 3. Documentation available | 45.77 | |
| 4. Documentation available | 333.18 | |
| 5. Documentation not available | | 24.18 |
| 6. Documentation not available | | 150.49 |

SCF requests reconsideration of those items which SCF considers to be adequately supported by source documentation.

| | | |
|------------------|----------|--------|
| Travel Sub Total | 1,547.22 | 196.64 |
|------------------|----------|--------|

NOTE 2 FIELD OFFICE SERVICES

| Request for Reconsideration | Agreed Disallowable |
|--------------------------------|------------------------|
|--------------------------------|------------------------|

Costs recommended for disallowance

- | | | | |
|-----|--|----------|----------|
| 2.1 | SCF requests that all of the items listed by the audit team, other than the first item (refridgerator purchased 17.06.85, which should be expensed against SCF funds) be reconsidered as allowable based on SCF's definition the term 'capital asset', which is: "Where the unit value exceeds \$500 or the total value of multiple items purchased exceeds \$500 the items must be capitalized" (taken from memo #21 from SCF headquarters). | 3,400.17 | 197.87 |
| 2.2 | SCF concurs with the audit team that rent advanced beyond the period of the grant and bank interest charges be charged to SCF private funds. | - | 1,954.52 |
| 2.3 | Expenses incurred prior to January 31st, 1986 to which no accruals were made. | | (470.39) |

Questioned Costs

- 2.4 Reconsideration is requested for the following items which SCF considers adequately supported by source documentation:

| | <u>Request for</u> <u>Reconsideration</u> | <u>Agreed</u> <u>Disallowable</u> |
|---|--|--------------------------------------|
| 2. Advance for Director's house (Receipts for repairs necessary to prepare house for occupancy are available). | 2,269.92 | |
| 3. Operating costs. Of 35 items cited by auditor, adequate source documents are available for 20 items. | 2,114.13 | 254.38 |
| Field Office Services Sub-Total | <u>7,784.22</u> | <u>1,936.38</u> |

| NOTE 3 PERSONNEL EXPENSES (FIELD STAFF) | Request for <u>Reconsideration</u> | Agreed <u>Disallowable</u> |
|---|---------------------------------------|-------------------------------|
| Costs recommended for disallowance | | |
| 3.1 International travel, (Bangladesh) | 943.00 | - |
| <p>SCF concurs that international travel was undertaken without specific prior consent of the Grants Officer. SCF requests USAID's reconsideration of this item as a charge against USAID funds since the objective of travel was to strengthen program financial management through training of the Accountant. Plans for international travel are outlined in Year II budget notes.</p> <p>However, the above should be reclassified as a travel expense.</p> | | |
| Questioned Costs | | |
| 3.2 The \$248.46 questioned by the auditor as personnel expenses were charges against against staff training. As field staff were directly involved in the training these costs are correctly charged against program support for field personnel. | 248.46 | - |
| Personnel Sub-Total | 1,191.46 | - |

NOTE 4 CONSULTANT COST

| | Request for Reconsideration | Agreed Disallowable |
|---|--------------------------------|------------------------|
| Costs recommended for disallowance | | |
| 4.1 SCF set aside USAID funds of \$6,500 for payment of the team undertaking the evaluation of SCF program activities supported by the Co-Financing Grant. Payment of fees totalled \$4,945. An additional \$467.64 was incurred for travel expenditures incurred by the team. This was incorrectly expensed against SCF private funds. SCF therefore requests that \$467.64 of the \$1,555 recommended for disallowance be reconsidered as chargeable to USAID funds. Source documents are available for these expenditures. | 467.64 | 1,087.36 |
| Questioned Costs | | |
| 4.2 Adequate source documentation for this expenditure is available. | 605.00 | - |
| 4.3 Consultant costs incurred 31.11.85 were paid to the Rural Reconstruction Alumni and Friends Association (RRAFA) for the consultant services to SCF of staff member, Ms Rawadee Chaiyaparn. This expenditure, therefore, is correctly classified as a consultant cost. Adequate source documents are available. | 1,130.37 | |
| | <hr/> | <hr/> |
| Consultant Costs Sub-Total | 2,203.01 | 1,087.36 |

NOTE 5 PROJECT EXPENSES

| Request for Reconsideration | Agreed Disallowable |
|--------------------------------|------------------------|
|--------------------------------|------------------------|

Costs recommended for disallowance

| | | | |
|-----|---|----------|----------|
| 5.1 | International Travel (Bangladesh and Nepal) | 1,236.23 | 1,236.00 |
|-----|---|----------|----------|

SCF concurs that international travel was undertaken without specific prior approval of the Grant Officer. SCF also agrees that the cost of international travel for the Sponsorship Coordinator should be charged against SCF private funds. Reconsideration of travel expenses of \$1,236.23 incurred by the Secretary is requested, however, on the basis that such travel was for the purpose of training and enhancing staff capabilities.

SCF agrees that this item be reclassified as a travel expenditure.

Questioned Costs

| | | | |
|-----|--|----------|---|
| 5.2 | Village loans (- Poultry project; - Seed grain ; - Drinking water) | 4,082.45 | - |
|-----|--|----------|---|

Loans cited by the auditor have been extended to village groups for development activities. Two of these loans have repayment schedules for 1987. The loan for seed grain has been repaid to SCF and is being held by the agency. SCF wishes to make the following points in relation to the above:

| <u>Request for</u> | <u>Agreed</u> |
|------------------------|---------------------|
| <u>Reconsideration</u> | <u>Disallowable</u> |

- a) SCF in all programs worldwide considers that once funds have been disbursed to a village group for an SCF approved project, it is regarded as expensed on records of accounts.
- b) Generally, loans extended to village communities by the Thailand F.O. are repaid to a village fund for further development activities. In the case of the loan for seed grain arrangements are being made for the community to take over management of a loan fund. When they are ready the money SCF is holding will be returned to the community.
- c) Interest in kind, in the form of grain, was received by the community from recipients of SCF loans. This has not been credited to cost accounts as in SCF's loan agreement with the community, interest payments are made to the community.

5.3 SCF considers the following project expenses adequately supported by documentation:

| | | |
|--|--------|---|
| 1. Development seminar with village teachers | 848.47 | - |
| 2. Mushroom cultivation project | 159.33 | - |

| | <u>Request for</u> <u>Reconsideration</u> | <u>Agreed</u> <u>Disallowable</u> |
|---|--|--------------------------------------|
| 5.4 SCF considers the following project expenses adequately supported by documentation: | | |
| 1. Materials for weaving project | 196.43 | - |
| 2. Road repair project | 480.84 | - |
| 3. Water tanks | 97.20 | |
| 5.5 SCF considers the following project adequately supported by documentation: | | |
| 2. Domestic Water Storage project | 704.75 | |
| 3. Domestic Water Storage project | 392.42 | |
| 4. Domestic Water Storage project | 217.77 | |
| SCF agrees that expenses for trainers for the weaving project should be disallowable | | 217.77 |
| Project Expenses Sub-Total | 8,415.89 | 1,453.77 |

NOTE 6 CAPITAL ASSETS

| Request for Reconsideration | Agreed Disallowable |
|--------------------------------|------------------------|
|--------------------------------|------------------------|

Costs recommended for disallowance

Capital assets cited by the auditor refer to the following:

| | |
|----------|---|
| 4,742.37 | - |
|----------|---|

1. \$4,742.37 expended 14.2.84 for a Ricoh copy machine and Canon typewriter. SCF considers these allowable, having been purchased during Yr. I of the grant where a budget of \$5,000 was approved for Capital Assets.

2. \$3,454.49 expensed during Year III of the grant. Of this amount \$1,016.79 should be considered allowable and recharged against Field Office Services. They relate to expenditures of less than \$500, as per SCF's definition of capital assets. SCF requests that the remaining \$2,437.70 be reconsidered allowable as a charge against capital assets. While the Modification of Grant Agreement does not provide for capital assets in Year III, SCF would like to draw attention to the budget submitted to USAID for Year III in which \$3,500 was allocated for capital assets. This budget was used by SCF in the planning of expenditures. Correspondence between SCF Thailand and the USAID mission in Bangkok regarding this matter is available.

| | |
|----------|---|
| 3,459.49 | - |
|----------|---|

Capital Assets Sub-Total

| | |
|----------|---|
| 8,196.86 | - |
|----------|---|

Ernst & Whinney

ERNST & WHINNEY'S COMMENTS
TO SCF(T)'S RESPONSE TO THE AUDIT

NOTE 1 - TRAVEL EXPENSES

1.1 International Travel (Nepal)

To be considered by AID.

1.2 International Travel (U.S.A.)

Home leave travel "expenditure" was incurred against private funds whereby flow of funds was through SCF(T)'s books of accounts as follows :

| | | |
|-------------------------|-------------|-------------|
| (a) Dr. Travel Expenses | Baht 15,055 | |
| Cr. Bank | | Baht 15,055 |

Refund to Mrs. Forman

| | | |
|---------------------|-------------|-------------|
| (b) Dr. Bank | Baht 15,055 | |
| Cr. Travel Expenses | | Baht 15,055 |

Refund from Travel Agent

Based on scrutiny of payment vouchers, entry (a) was detected and reported accordingly. However, after explanation by SCF(T) we have sighted bank statements and Cash Book for the receipt of refund from travel agent (ie: entry b) and the subsequent payment to Mrs. Forman (ie: entry a).

Ernst & Whinney

1.3 Travel expenses with no source documentation :

| <u>Description</u> | <u>Amount (US\$)</u> | <u>Ernst & Whinney Comments</u> |
|---|---------------------------|--|
| 1. Per diem allowance of 5 staff for 4 days @ US\$ 8.73 | 174.67 | 1. Internal payment voucher signed by Project Manager as receiving on behalf of 5 staff. |
| 2. Bus fare and taxi fare | 21.97 | 2. Agreed. Disallowed by SCF(T). |
| 3. Air fare for Dr. Kenneth Forman | 45.77 | 3. Payment voucher and airline ticket could now be located and is sighted by Ernst & Whinney. |
| 4. Travel expenses (unidentified) | 333.18 | 4. Source documentation could now be located with valid receipts. |
| 5. - do - | 24.18 | 5. Agreed disallowed by SCF(T). |
| 6. - do - | 150.49 | 6. - do - |

Ernst & Whinney

NOTE 2 - FIELD OFFICE SERVICES

2.1 Capital Assets

All fixed assets, irrespective of amount are expensed in the books of account of SCF(T) with respect to this grant. SCF's capitalisation level of US\$ 500 is accounting policy of SCF.

2.2 SCF(T) agreed to disallowance recommendation.

2.3 Agreed to by AID and SCF(T).

Ernst & Whinney

2.4

| <u>Description</u> | <u>Amount</u> <u>(US\$)</u> | <u>Ernst & Whinney</u> <u>Comments.</u> |
|------------------------------|---------------------------------|--|
| Advance for Director's house | 2,269.92 | Source documentation are now located which relates to repairs to Director's house and is questioned as follows : - whether benefits are received since documentation does not specify address (ie: which house). - documentation are a mixture of official and unofficial receipts. - questionable as to whether expenses are related to the grant. |
| Operating cost | 2,368.51 | US\$ 254.38 agreed by SCF(T) as to disallowance. As for the balance, documentation provided are both supportive and non-supportive to which the matter is to be |

Ernst & Whinney

NOTE 3 - PERSONNEL EXPENSES (FIELD STAFF)

3.1 International Travel

To be considered by AID.

3.2 Travel expenses of US\$ 248.46

To be considered by AID in the context of computation of 15 percent allowable variance.

NOTE 4 - CONSULTANT COSTS

4.1 Of the US\$ 1,555 recommended for disallowance, SCF(T) had accepted US\$ 1,087.36 to which the remainder (ie: US\$ 467.64) as explained by SCF(T) relates to travel expenses incurred by the evaluation team but was recorded as expenses of SCF private fund.

To be considered by AID with respect to US\$ 467.64.

4.2 Source documentation are now available and sighted by Ernst & Whinney.

4.3 Based on discussion with SCF(T) classification as "consultant costs" is appropriate.

Ernst & Whinney

NOTE 5 - PROJECT EXPENSES

- 5.1 SCF(T) accepted the disallowance recommendation of US\$ 1,236.00 since this is not related to the project.

As for the balance of US\$ 1,236.23 which are international travel and related expenses not approved by AID grant officer, the matter is to be considered by AID.

- 5.2 To be considered by AID.

- 5.3 Payments are not supported by official receipts but are supported by internal documentation to which one of SCF(T)'s staff signed as recipient and disbursement of funds for villagers.

To be considered by AID.

- 5.4 Supporting documentation are basically payment vouchers with signature of villagers or SCF staff member which is questioned as to whether goods/services are received.

To be considered by AID.

- 5.5 SCF(T) agreed to questioned costs of US\$ 217.77 to which the balance is to be considered by AID.

Ernst & Whinney

NOTE 6 - CAPITAL ASSETS

Capital asset purchases of US\$ 4,742.37 (eg: Ricoh copy machine and typewriter) were supported by vendors' invoices as follows :

| <u>Description</u> | <u>Amount</u> (Baht) | <u>Order</u> <u>Date</u> | <u>Invoice</u> <u>Date</u> | <u>Delivery</u> <u>Date</u> |
|--------------------|-------------------------|-----------------------------|-------------------------------|--------------------------------|
| Canon typewriter | 39,300 | 17/2/84 | 17/2/84 | 20/2/84 |
| Ricoh copy machine | 72,000 | * | 9/2/84 | * |

* - could not be ascertained.

Based on the above it is questionable whether the purchases are with respect to year I or not. Furthermore, the Budget and Expenditure Report (enclosed) as prepared by SCF (Westport) records such disbursements in year II whereby there is no budget for this line item. This is further complicated by the fact that the first amendment (effective June 11, 1984) does not provide a breakdown for project line items.

As for purchases of US\$ 3,454.49 to refer to Ernst & Whinney comment Note 2.1.

The matter is to be considered by AID.

BUDGET AND EXPENDITURES FOR
 USAID CO-FINANCING GRANT NO. 493-0296-G-SS-3011-00
 February 15, 1983 - January 31, 1986

| | <u>Year I</u> | | <u>Year II</u> | | <u>Year III</u> | | <u>Total</u> |
|--------------------------|----------------|------------------|----------------|------------------|-----------------|-------------------|---------------------------|
| | <u>Budget</u> | <u>Expenses</u> | <u>Budget</u> | <u>Expenses</u> | <u>Budget</u> | <u>Expenses</u> | <u>Expenses</u> |
| <u>Administration</u> | | | | | | | |
| Personnel (Field Office) | 34,540 | 19,649.54 | 49,000 | 22,735.78 | 44,550 | 63,831.55 | 106,216.87 |
| Travel | 4,800 | 1,205.15 | 5,000 | 3,705.20 | 6,500 | 6,987.62 | 11,797.97 |
| Field Office Services | 14,700 | 4,196.00 | 19,000 | 16,698.43 | 21,300 | 26,091.90 | 46,986.33 |
| - Total I | <u>54,040</u> | <u>25,050.69</u> | <u>73,000</u> | <u>43,139.41</u> | <u>72,350</u> | <u>96,811.07</u> | <u>165,001.17</u> |
| <u>Program Support</u> | | | | | | | |
| Personnel (Field Staff) | 22,300 | 2,088.87 | 22,700 | 9,649.89 | 25,300 | 18,389.79 | 30,128.55 |
| Consultants | 7,000 | 833.66 | 3,000 | 3,197.72 | 1,500 | 484.05 | 4,515.43 |
| Project Funds | 32,550 | - | 41,750 | 3,701.36 | 10,000 | 24,664.36 | 28,365.72 |
| -Total II | <u>61,850</u> | <u>2,922.53</u> | <u>67,450</u> | <u>16,548.97</u> | <u>36,800</u> | <u>43,538.20</u> | <u>63,009.70</u> |
| Total I + II | <u>115,890</u> | <u>27,973.22</u> | <u>140,450</u> | <u>59,688.38</u> | <u>109,150</u> | <u>140,349.27</u> | <u>228,010.87</u> |
| <u>Overhead</u> | 14,347 | 2,562.35 | 12,866 | 6,442.05 | 9,998 | 13,880.78 | 22,886.18 |
| <u>Capital Assets</u> | 5,000 | 311.64 | - | 4,742.37 | - | 3,586.38 | 8,640.39 |
| <u>Grand Total</u> | <u>135,237</u> | <u>30,847.21</u> | <u>153,316</u> | <u>70,873.80</u> | <u>119,148</u> | <u>157,816.43</u> | <u>325,527 259,537.44</u> |