



ASEANSAI

ASEAN SUPREME AUDIT INSTITUTIONS

INTERIM FINANCIAL STATEMENTS
as of October 31, 2015 (Unaudited)

**ASEANSAI SECRETARIAT FUNCTION
THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA
JAKARTA**

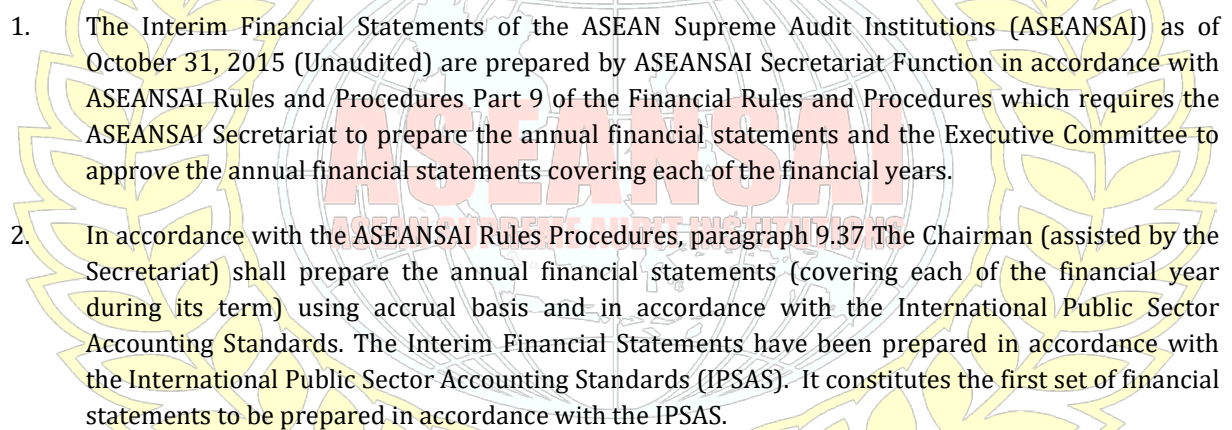
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- The logo of the ASEAN Supreme Audit Institutions (ASEANSAI) is centered on the page. It features a globe with a grid pattern, surrounded by a laurel wreath. The acronym 'ASEANSAI' is written in large, bold, red letters across the globe. Below the acronym, the full name 'ASEAN SUPREME AUDIT INSTITUTIONS' is written in smaller, blue, uppercase letters.
1. The Interim Financial Statements of the ASEAN Supreme Audit Institutions (ASEANSAI) as of October 31, 2015 (Unaudited) are prepared by ASEANSAI Secretariat Function in accordance with ASEANSAI Rules and Procedures Part 9 of the Financial Rules and Procedures which requires the ASEANSAI Secretariat to prepare the annual financial statements and the Executive Committee to approve the annual financial statements covering each of the financial years.
 2. In accordance with the ASEANSAI Rules Procedures, paragraph 9.37 The Chairman (assisted by the Secretariat) shall prepare the annual financial statements (covering each of the financial year during its term) using accrual basis and in accordance with the International Public Sector Accounting Standards. The Interim Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). It constitutes the first set of financial statements to be prepared in accordance with the IPSAS.

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INTRODUCTION

1. The Interim Financial Statements of the ASEAN Supreme Audit Institutions (ASEANSAI) as of October 31, 2015 (Unaudited) are prepared by ASEANSAI Secretariat Function in accordance with rules and procedure 9.37 of the Financial Rules and Procedures. The Secretariat shall prepare the annual financial statements (covering each of the financial year during its term) using accrual basis.
2. The Interim Financial Statements of the ASEAN Supreme Audit Institutions (ASEANSAI) as of October 31, 2015 (Unaudited) have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC) for public sector entities. This is in accordance with the ASEANSAI Rules and Procedures paragraph 9.37, The Chairman (assisted by the Secretariat) shall prepare the annual financial statements (covering each of the financial year during its term) using accrual basis and in accordance with the International Public Sector Accounting Standards.
3. Paragraph 9.38 of the Rules and Procedures stated that in the year where there is a change of chairmanship (and hence the Secretariat), the outgoing Chairman (assisted by the outgoing Secretariat) shall prepare an interim financial statement for the period of January of that year until the end of his term. The incoming Chairman (assisted by the incoming Secretariat) shall be responsible for preparing the annual financial statements of the year it took over.
4. For the purpose of audit, Part 9 of the Rules and Procedures stipulate that:
 - Paragraph 9.41, the report shall be submitted no later than seven (7) months after the end of the financial year, i.e. by 31 July.
 - Paragraph 9.42 the financial statements of ASEANSAI shall be subject to biennial audits by an auditor approved by the Assembly.
 - Paragraph 9.46 the Secretariat shall send a copy of the unaudited financial statements to the auditor by 31 March in the year the biennial audit is to be conducted. The statements shall be prepared in English. The Secretariat shall assist in the audit by making necessary arrangements and providing to the auditor any information required for the performance of the auditor's duties.
 - Paragraph 9.50 the auditor shall render an audit report to the Assembly within three (3) months after receiving the financial statements. The Assembly shall endorse the report within one (1) month after the submission of the audit report.
 - Paragraph 9.51 The auditor may report any other matter resulting from the audit of the financial statements which he considers material to the Assembly

I. ASSET, LIABILITIES, AND EQUITY

ASEANSAI STATEMENT OF FINANCIAL POSITION As of 31 October 2015

	<u>Note</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	3.1	\$14,433.85
Account Receivable	3.2	\$0.00
TOTAL ASSETS		\$14,433.85
EQUITY AND LIABILITIES		
LIABILITIES		
Advances payment on annual contribution	3.3	\$0.00
Total Current liabilities		\$0.00
NET ASSET/EQUITY		
Net asset at the beginning of the year	3.4	\$7552.63
Surplus for current period	3.5	\$6881.22
Total net assets/ equity		\$ 14,433.85
TOTAL EQUITY + LIABILITIES		\$14,433.85

Signed on original:

The Chairman of ASEANSAI

The Vice Chairman of ASEANSAI

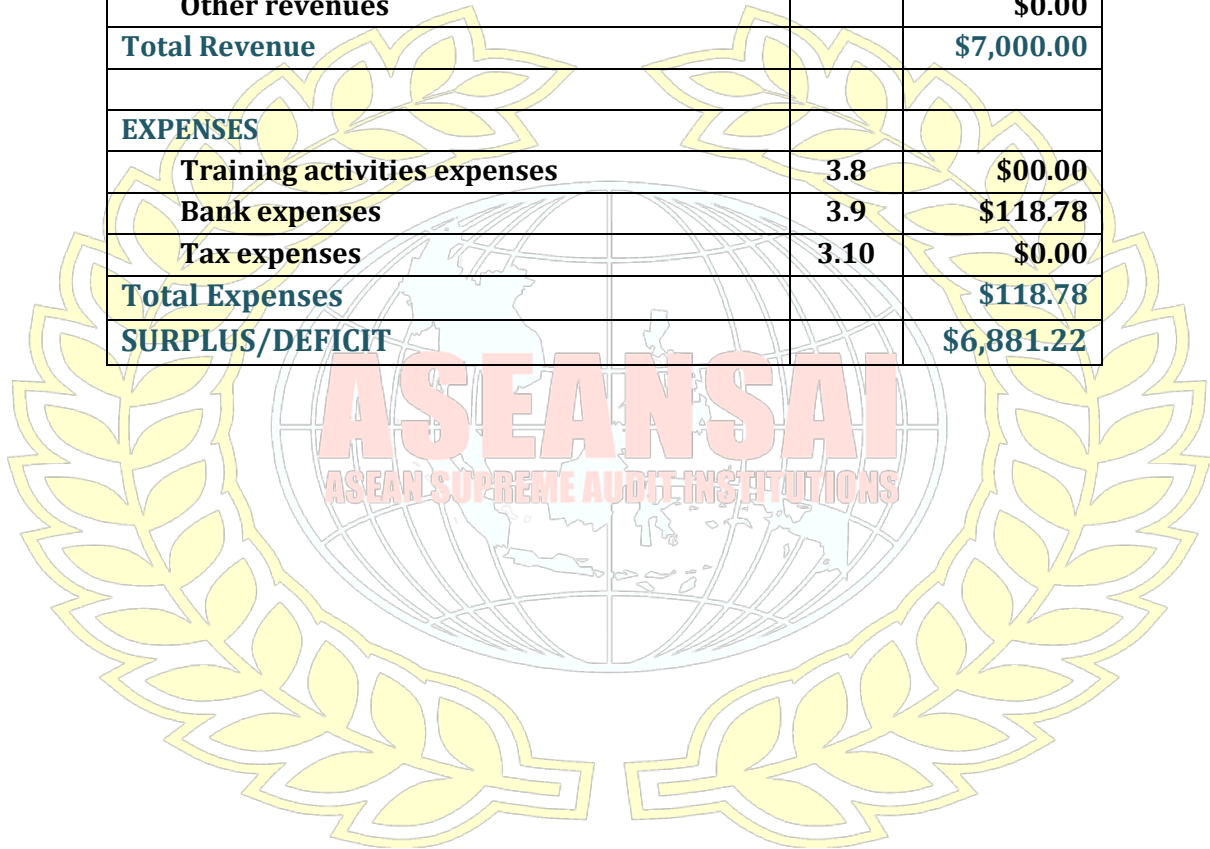
Matali bin Haji Md. Yusof

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II. REVENUES AND EXPENSES

Statement of Financial Performance As of 31 October 2015

	Note	2015
REVENUES		
Annual Contribution	3.6	\$7,000.00
Interest revenue	3.7	\$0.00
Other revenues		\$0.00
Total Revenue		\$7,000.00
EXPENSES		
Training activities expenses	3.8	\$00.00
Bank expenses	3.9	\$118.78
Tax expenses	3.10	\$0.00
Total Expenses		\$118.78
SURPLUS/DEFICIT		\$6,881.22



III. STATEMENT OF CHANGE ON NET ASSET

STATEMENT OF CHANGE ON NET ASSET As of 31 October 2015

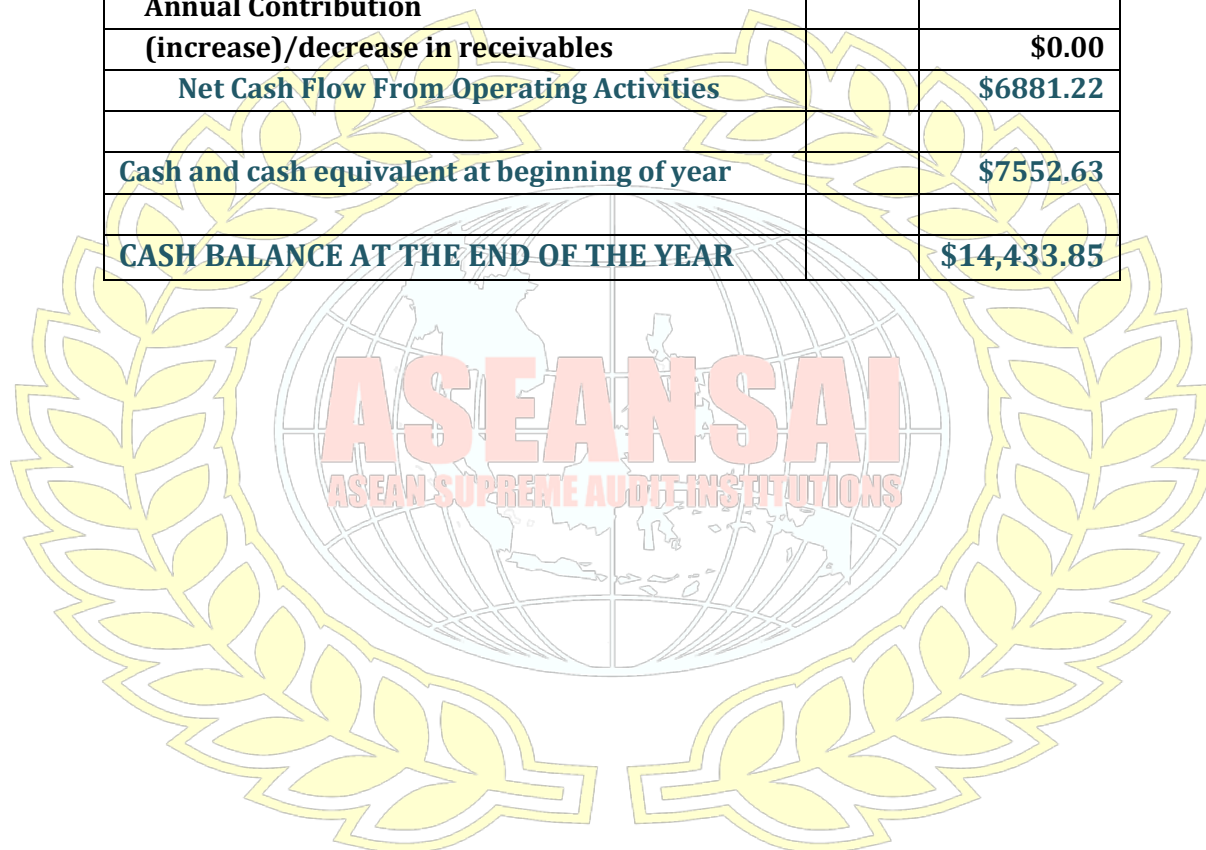
	Notes	<u>2015</u>
Net Asset at the beginning of the year		\$7552.63
Surplus for current period		\$6881.22
Net Asset at the end of the year		\$14,443.85



IV. STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOWS As of 31 October 2015

	<u>Notes</u>	<u>2015</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the period		\$6881.22
increase/(decrease) in Advance Payment on Annual Contribution		\$0.00
(increase)/decrease in receivables		\$0.00
Net Cash Flow From Operating Activities		\$6881.22
Cash and cash equivalent at beginning of year		\$7552.63
CASH BALANCE AT THE END OF THE YEAR		\$14,433.85



V. NOTES TO THE FINANCIAL STATEMENTS

1. Introduction

According to the ASEANSAI Rules and Procedures, point 9.37, the Secretariat shall prepare the annual financial statements (covering each of the financial year during its term) using accrual basis and in accordance with the International Public Sector Accounting Standards.

2. Accounting Policy

The accounting principle that is used by the ASEANSAI Secretariat to prepare the Interim ASEANSAI Financial Statement that comply with the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC) for public sector entities.

2.1 Accrual basis accounting

The interim financial statement of ASEANSAI is presented using the accrual basis of accounting.

Accrual basis accounting adheres to the revenue recognition, matching, and cost principles, captures the financial aspects of each economic event in the accounting period in which it occurs, regardless of when the cash changes hands (cash is received or paid).

The accrual basis of accounting captures a more appropriate record of transactions over a given period of time, e.g. organization records its service bills as soon as it receives them and not when they are paid, because the service has already been used, ignoring the date when the payment will be made.

2.2 Revenue recognition principles

Revenue is earned and recognized upon the economic benefits delivery or completion, without regard to the timing of cash flow. ASEANSAI Revenue for this period consists of:

a. Annual contribution

Revenue from annual membership contribution is recognized as revenue when fees become due.

b. Miscellaneous revenues

Miscellaneous revenues are other revenues which are occurred in addition of revenues from contribution and grants. Other revenue such as the income from interest earned is recognized in the period in which it is earned.

2.3 Expenses recognition principles

Expenses are recognized as they are incurred. If a company has started to incur expense, as long as the amount is estimable and incurring the expense is reasonably assured, expense must be recognized, even no cash outflow has occurred.

2.4 Cash and cash equivalent principles

Cash and cash equivalents comprise cash on hand, bank accounts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.5 Translation of currencies principles

The ASEANSAI's account is managed in US dollars. All transactions that happen in other currencies are recorded at the market rates of exchange on the dates of transactions. The expenses and the revenues are recorded at an average standard rate of exchange against US dollar that is announced by the Central Bank of Indonesia. The amount of voluntary contribution in other currency may change in US dollar at market exchange rates at the time of receipt.

3. Notes to Financial Statement Account

3.1 CASH AND CASH EQUIVALENTS

	<u>October 31, 2015</u> In US Dollars
Bank Accounts	14.433.85
Total Cash and cash equivalents	<u>14.433.85</u>

Cash is principally held in the United States Dollar bank account. The bank account was opened on August 8, 2012 in the State owned bank, Bank Negara Indonesia (BNI) with initial deposit USD200. This account is dedicated to receive annual contribution from all members of ASEANSAI.

3.2 ACCOUNT RECEIVABLE

	<u>October 31, 2015</u> In US Dollars
Account Receivable	00.00
Total Account Receivable	<u>00.00</u>

All ASEANSAI already paid the Annual Contribution for period 2015.

3.3 ADVANCES PAYMENT ON ANNUAL CONTRIBUTION

	<u>October 31, 2015</u> In US Dollars
Advances Payment on Annual Contribution	<u>0.00</u>

In the Financial Year 2015, no member of ASEANSAI paid Annual Contribution 2015 in advanced.

3.4 NET ASSET AT THE END OF THE YEAR

October 31, 2015
In US Dollars

Net Asset at the end of the year	<u>14.433.85</u>
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Net Asset at the end of the year increases from USD777.01 in 2013, USD 7552.63 in 2014 and become USD14.443.85, the amount consist of cash.

3.5 SURPLUS FOR CURRENT PERIOD

Surplus occurred when the difference between revenue and spending/ expenses indicating positive balance while the difference indicate negative balance it would showed the budget deficit.

October 31, 2015
In US Dollars

Surplus for current period	6881.22
Total Revenue	<u>6881.22</u>

3.6 ANNUAL CONTRIBUTION

The total revenue comprises annual contribution, interest revenue and miscellaneous revenue.

October 31, 2015
In US Dollars

Annual Contribution	7,000.00
Interest revenue	0.00
Miscellaneous revenues	0.00
Total Revenue	<u>7,000.00</u>

It was agreed on the 1st ASEANSAI Senior Officials Meeting in Jakarta, 13 – 14 October 2011 and endorsed during the 1st ASEANSAI Assembly in Bali, 16 November 2011, that annual financial contribution by each Member of the ASEANSAI would be USD700 per year.

According to ASEANSAI Rules and Procedures point 9.9 regarding Payment and receipt of Annual Contributions, ASEANSAI Secretariat shall sent invoice to all members three months before the first day of each calendar year to settle up the annual contribution payment.

Below the detailed annual contribution made by each members as of October 31, 2015.

No.	Countries	Annual Contribution
1.	Brunei Darussalam	\$700.00
2.	Cambodia	\$700.00
3.	Indonesia	\$700.00
4.	Lao	\$700.00
5.	Malaysia	\$700.00
6.	Myanmar	\$700.00
7.	Philippines	\$700.00
8.	Singapore	\$700.00
9.	Thailand	\$700.00
10.	Vietnam	\$700.00
Total Amount		\$6,300.00

3.7 INTEREST REVENUE

Since the exemption bank charges started from December 2013, revenue from the interest bank account is being exempted.

3.8 TOTAL EXPENSES

October 31, 2015
In US Dollars

Training activities expenses	00.00
Bank expenses	118.78
Tax expenses	0.00
Total Expenses	<u>118.78</u>

The total expenses account comprises training expenses, bank expense and tax expense.

TRAINING EXPENSES

As stated in the ASEANSAI Agreement Article 15 paragraph 1 regarding Income and Finance, every member of ASEANSAI shall make equal financial contribution annually to the ASEANSAI, and it was agreed by the Assembly that the amount should be USD700.00 per year for each member which will be used for the ASEANSAI training once a year.

During 2014 - October 31, 2015, there was no training funded by the Annual Contribution since almost all of the ASEANSAI activities supported by the development partner, Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

BANK EXPENSES

USD

No	SAI	Amounts				Received by ASEANSAI Account
		Transferred	Received by BNI	Transfer Expenses		
				BNI Charges	Other Charges	
1.	SAI Philippines	700.00	653.00	5.00	12.00	683.00
2.	SAI Lao PDR	700.00	685.00	5.00	15.00	680.00
3.	SAI Myanmar <i>Note: 1EUR = 1.079 USD</i>	700.00	669.54	4.32	30.46	665.22
4.	SAI Singapore	700.00	690.00	5.00	10.00	685.00
5.	SAI Thailand	700.00	690.00	5.00	10.00	685.00
6.	SAI Malaysia	700.00	688.00	5.00	12.00	683.00
	Total in 2014			29.32	89.46	6881.22
				(a)	(c)	

Bank expenses occurred caused by three conditions.

(a) First, Fixed bank charge when other ASEANSAI member states remitted annual contribution 2015, there were some expenses charged to the transaction. This happened due to transfer characteristic, some countries using SHA (sharing) transfer which charged the bank transfer to both beneficiary and consignor. The other mechanism is using draft cheque to remit the contribution (Porto collection), it will be charged when Secretariat disburse it.

The transfer expenses reduced net amount of annual contribution received by ASEANSAI. The amount of annual contribution that was recorded is net amount received by ASEANSAI bank account (BNI).

(b) Second, bank charges related with account maintenance such as: account management expense (monthly maintenance), expense of print account, Porto collection expense (when disburse draft cheque) and balance expense (when account balance below minimum balance). Below, the detailed bank expenses:

USD

NO.	DESCRIPTION	AMOUNT
		2015
1.	Balance Expense	-
2.	Maintenance Expense	-
3.	Bank Statement Printout Expense	-
4.	Cheque disbursement expense	-
Total Amount (b)		00.00

(c) **Third**, bank expenses that were charged by the intermediary/ correspondence bank for bank transfer fees when members transferring the annual contribution to the Secretariat. These expenses are borne by the ASEANSAI. The above tables explain how that expense exists in 2015.

Since the endorsement of the ASEANSAI Rules and Procedures on November 2013, according to the ASEANSAI Rules and Procedures point 9.10, stated that members of ASEANSAI may choose their own preferred mode of payment (cheque, cash or postal remittance/bank transfer). All annual contributions shall be made in US Dollars. Bank charges shall be borne by ASEANSAI Fund.

Transfer fees and transfer charges became ASEANSAI administration expense.

