



# **MODIFIED CASH BASIS WHOLE OF GOVERNMENT FINANCIAL REPORT FORMAT**

**Casey Barnett, CFA, FCCA**

**Advisor**

**Accounting and Auditing Regulator**

**August 15, 2023**

The following financial report format is for discussion purposes only and is not a formal document approved, endorsed or issued by any government entity. Some phrases and sentences used in this report format are copied from the International Public Sector Accounting Standards, the Financial Statements of the Government of New Zealand, the financial reports and audit reports of certain commercial banks operating in Cambodia, and from the Cambodian government Budget Settlement Law of 2021. This format omits the budget appendices and the notes. Notes will need to be detailed when the government approves the basic presentation format and contents.





# ROYAL GOVERNMENT OF CAMBODIA FINANCIAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 20X1





## CONTENTS

Statement of Responsibility	1
Audit Report of the National Audit Authority	3
<b>Consolidated Financial Statements</b>	
Statement of Surplus or Deficit	6
Statement of Net Financial Resources	7
Statement of Cash Flows	8
Budget Income Statement	10
Budget Expenditure Statement	11
Notes to the Financial Statements	13
<b>Appendices</b>	14
A1 National Budget Income	
A2 Municipal and Provincial Budget Income	
B1 National Budget Expenditure	
B1.1 National Budget- Direct Investment in Infrastructure and Irrigation	
B2 Municipal and Provincial Budget Expenditure	
C1 Foreign Aid Expenditure Not Passing Through the General Department of the National Treasury	
C2 Foreign Aid Expenditure Passing Through the General Department of the National Treasury	
D Contract Expenditure and Credit Settlement	

**Note that the notes and appendices are omitted in this document. The appendices follow the standard format for the budget settlement law.**





### Statements of Responsibility

These financial statements have been prepared by the General Department of the National Treasury in accordance with the Law on Public Finance. The financial statements comply with Cambodian public sector accounting standards as issued by the Accounting and Auditing Regulator.

The General Department of the National Treasury is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded have legal authority and properly record the use of all public financial resources.

*Signature*

**Signature**  
**H.E. Name**  
**Director General**  
**General Department of the National Treasury**  
30 June 20X2

The Ministry of Economy and Finance accepts responsibility for the integrity of these financial statements and that the information they contain complies with the Law on Public Finance.

In our opinion, these financial statements fairly reflect the receipts, payments, budget income, budget expenditure, financial assets and financial liabilities of the Royal Government of Cambodia as at 31 December 20X1 and its operations for the year ended on that date.

*Signature*

**Signature**  
**H.E. Name**  
**Minister**  
**Ministry of Economy and Finance**  
30 June 20X2





## អាជ្ញាធរសវនកម្មជាតិ



## TO THE READERS OF THE FINANCIAL STATEMENTS OF THE ROYAL GOVERNMENT OF CAMBODIA

### OPINION

We have audited the consolidated financial statements of the Royal Government of Cambodia (the financial statements of the Government) for the year ended 31 December 20X1. The financial statements of the Government include a statement of receipts and payments, a statement of budget income, a statement of budget expenditure, a statement of financial assets and liabilities, related notes to the statements, and the appendices to the financial statements which include a detailed breakdown of the items included in the main statements.

In our opinion, the financial statements of the Government present fairly, in all material respects in accordance with Cambodian public sector accounting standards issued by the Accounting and Auditing Regulator of Cambodia, the Government's receipts, payments, budget income, budget expenditure, financial assets and financial liabilities as at 31 December 20X1.

### BASIS OF 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 Ministry of Economy and Finance 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.

### Responsibilities of the Ministry of Economy and Finance and the General Department of the National Treasury

The Ministry of Economy and Finance through its supervision and control of the General Department of the National Treasury is responsible for preparing financial statements of the Government that comply with Cambodian public sector accounting standards as issued by the Accounting and Auditing Regulator of Cambodia.

The Minister of Economy and Finance is responsible for forming an opinion that the financial statements of the Government present fairly the financial position and financial performance of the Government. The responsibilities of the Ministry of Economy and Finance and the General Department of the National Treasury arise from the Law on Public Finance.

### Auditor's responsibilities for the audit of the financial statements of the Government

Our objectives are to obtain reasonable assurance about whether the financial statements of the Government as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Cambodian International Standards on Auditing will always detect a material misstatement. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions readers make based on the financial statements of the Government. Also:

- We identify and assess the risks of material misstatement of the financial statements of the Government, 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, because fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal controls 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 internal controls used by the Ministry of Economy and Finance and the General Department of the National Treasury to prepare the financial statements of the Government.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Ministry of Economy and Finance.
- We conclude on the appropriateness of using the going concern basis of accounting that has been used by the Ministry of Economy and Finance and its General Department of the National Treasury to prepare the financial statements of the Government, up to the date of our audit report, based on the audit evidence we have obtained.
- We evaluate the overall presentation, structure, and content of the financial statements of the Government, including the disclosures, and whether the financial statements of the Government represent the underlying transactions and events in a manner that achieves fair presentation.

As part of the audit, we obtain information from my staff and appointed auditors of the organizations that are consolidated into the financial statements of the Government, including information about:

- elimination of transactions between the organizations that are consolidated into the financial statements of the Government;
- application by those organizations of appropriate accounting policies and instructions from the Ministry of Economy and Finance to prepare the financial statements of the Government; and
- the risks of material misstatement of the financial statements of those organizations that may affect the financial statements of the Government.

We communicate with the Ministry of Economy and Finance among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We are responsible for expressing an independent opinion on the financial statements of the Government and reporting that opinion to you based on our audit. Our responsibility arises from the Law on Public Finance.

# Signature

Signature  
H.E. Name  
Auditor General  
National Audit Authority  
30 June 20X2

---



# **ROYAL GOVERNMENT OF CAMBODIA CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 20X1**



**STATEMENT OF SURPLUS AND DEFICIT FOR**  
**YEAR ENDED DECEMBER 31, 20X1**

Expressed in Million Riel

	Note	20X1	20X0
<b>REVENUE</b>			
Taxation			
Customs		X	X
Income tax		X	X
Value-added and goods and services taxes		X	X
Other taxes		X	X
		X	X
<b>Non-tax Revenue</b>			
State property income (net)		X	X
Sale of goods and services		X	X
Gain on investments at fair value		X	X
Other		X	X
		X	X
<b>Grants and Aid</b>			
Designated grants		X	X
Budget support grants		X	X
Other aid		X	X
		X	X
<b>TOTAL REVENUE</b>		<b>X</b>	<b>X</b>
<b>EXPENSES</b>			
<b>Operations</b>			
Wages, salaries and employee benefits		(X)	(X)
Purchase of supplies and services		(X)	(X)
		(X)	(X)
<b>Transfers</b>			
Current Grants		(X)	(X)
Other transfer payments		(X)	(X)
		(X)	(X)
<b>Capital Expenditures</b>			
Purchase/construction of plant and equipment		(X)	(X)
Loss on loan guarantees and investments at fair value		(X)	(X)
Other capital expenditure		(X)	(X)
		(X)	(X)
<b>TOTAL EXPENSES</b>		<b>(X)</b>	<b>(X)</b>
<b>SURPLUS / (DEFICIT)</b>		<b>X</b>	<b>X</b>

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



## STATEMENT OF NET FINANCIAL RESOURCES

YEAR ENDED DECEMBER 31, 20X1

Expressed in Million Riel

	Note	20X1	20X0
<b>FINANCIAL ASSETS</b>			
Cash and deposits		X	X
Loans and advances receivable		X	X
Accounts receivable		X	X
Other financial assets at fair value		X	X
<b>TOTAL FINANCIAL ASSETS</b>		<b>X</b>	<b>X</b>
<b>FINANCIAL LIABILITIES AND NET FINANCIAL RESOURCES</b>			
<b>FINANCIAL LIABILITIES</b>			
Loans		X	X
Accounts payable		X	X
Salaries and employee benefits payable		X	X
Loan guarantee liabilities		X	X
Employee post-employment liability		X	X
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>X</b>	<b>X</b>
<b>NET FINANCIAL RESOURCES</b>		<b>X</b>	<b>X</b>

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



**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31, 20X1**

Expressed in Million Riel

Expressed in Million Riel

	Note	20X1 Payments by Third Parties (Note 8)	20X0 Payments by Third Parties (Note 8)	
<b>OPERATING CASH FLOWS</b>				
<b>Operating receipts</b>				
<b>Taxation</b>				
Customs	X	X	X	
Income tax	X	X	X	
Value-added and goods and services taxes	X	X	X	
Other taxes	X	X	X	
	X	X	X	
<b>Non-tax Revenue</b>				
State property income (net)	X	X	X	
Sale of goods and services	X	X	X	
Other	X	X	X	
	X	X	X	
<b>Grants and Aid</b>				
Designated grants	X	X	X	X
Budget support grants	X	X	X	X
Other aid	X	X	X	X
	X	X	X	X
	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>Operations</b>				
Wages, salaries and employee benefits	(X)	(X)	(X)	(X)
Purchase of supplies and services	(X)	(X)	(X)	(X)
	(X)	(X)	(X)	(X)
<b>Transfers</b>				
Current Grants	(X)	(X)	(X)	(X)
Other transfer payments	(X)	(X)	(X)	(X)
	(X)	(X)	(X)	(X)
<b>NET CASH FROM OPERATIONS</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>

**INVESTING CASH FLOWS****Operating receipts****Capital Expenditures**

Purchase/construction of plant and equipment	(X)	(X)	(X)	(X)
Other capital expenditure	(X)	(X)	(X)	(X)
	(X)	(X)	(X)	(X)

**Capital Receipts**

Sale of property, plant and equipment	X		X	
---------------------------------------	---	--	---	--

**NET INVESTING CASH FLOWS**

	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>
--	------------	------------	------------	------------

**FINANCING CASH FLOWS**

Proceeds from borrowings	X		X	
Net change in deposits received	X		X	
Other	X		X	

**NET FINANCING CASH FLOWS**

	<b>X</b>		<b>X</b>	
--	----------	--	----------	--

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

	<b>X</b>		<b>X</b>	
--	----------	--	----------	--

**EFFECT OF CHANGES IN CURRENCY EXCHANGE RATES ON CASH AND CASH EQUIVALENTS**

	<b>X</b>		<b>X</b>	
--	----------	--	----------	--

**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR**

	<b>X</b>		<b>X</b>	
--	----------	--	----------	--

**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR**

	<b>X</b>		<b>X</b>	
--	----------	--	----------	--

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



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the Year Ended 31 December, 20X1

Budget Approved on a Modified Cash Basis (Note 2)

### BUDGET INCOME

	Amounts presented in million riel				
	Note	Original Budget	Final Budget (Note 3)	Actual Amount	% of Law (Note 4)
<b>Tax Revenue</b>					
Tax on turnover, profits, and income		X	X	X	X%
Value added tax on goods and services		X	X	X	X%
Excise taxes on specific goods and services		X	X	X	X%
Other domestic revenue		X	X	X	X%
Revenue from International Trade		X	X	X	X%
<b>Total Tax Revenue</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>
<b>Non-Tax Income</b>					
Income from sale or lease of assets		X	X	X	X%
Income from government services		X	X	X	X%
Other state property income		X	X	X	X%
<b>Total Non-Tax Income</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>
<b>Financing Receipts through the National Treasury</b>					
Loan repayments		X	X	X	X%
Grants		X	X	X	X%
Borrowings and similar debt		X	X	X	X%
<b>Total Financing Proceeds through the National Treasury</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>
<b>Receipts Outside the National Treasury</b>					
Grants		X	X	X	X%
Borrowings and similar debt		X	X	X	X%
<b>Total Receipts Outside the National Treasury</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>
<b>Total Budget Receipts for the Year</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>

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





## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the Year Ended 31 December, 20X1

Budget Approved on a Modified Cash Basis (Note 2)

### BUDGET EXPENDITURE

	Note	Amounts presented in million riel			
		Original	Final	Actual	% of Law
<b>General Administration</b>					
National Assembly and Senate <sup>1</sup>		X	X	X	X%
Office of Council of Ministers		X	X	X	X%
Ministry of Interior- General Administration		X	X	X	X%
Ministry of Foreign Affairs		X	X	X	X%
Ministry of Economy and Finance		X	X	X	X%
Ministry of Justice		X	X	X	X%
Ministry of Planning		X	X	X	X%
Other General Administration <sup>2</sup>		X	X	X	X%
<b>Total Expenditure for General Administration</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>
<b>Defense and Security</b>					
Ministry of Defense		X	X	X	X%
Ministry of Interior- Public Security		X	X	X	X%
<b>Total Expenditure for Defense and Security</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>
<b>Social Sector</b>					
Ministry of Cults and Religions		X	X	X	X%
Ministry of Culture and Fine Arts		X	X	X	X%
Ministry of Environment		X	X	X	X%
Ministry of Information		X	X	X	X%
Ministry of Health		X	X	X	X%
Ministry of Education, Youth, and Sport		X	X	X	X%
Ministry of Social and Veteran Affairs and Rehabilitation		X	X	X	X%
Ministry of Labor and Vocational Training		X	X	X	X%
Ministry of Women's Affairs		X	X	X	X%
<b>Total Expenditure for the Social Sector</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X%</b>



**Economic Sector**

Ministry of Commerce	X	X	X	X%
Ministry of Agriculture, Forestry, and Fisheries	X	X	X	X%
Ministry of Industry, Science and Innovation	X	X	X	X%
Ministry of Land, Urbanization and Construction	X	X	X	X%
Ministry of Mines and Energy	X	X	X	X%
Ministry of Rural Development	X	X	X	X%
Ministry of Posts and Telecommunications	X	X	X	X%
Ministry of Public Works and Transport	X	X	X	X%
Ministry of Tourism	X	X	X	X%
Ministry of Water Resources and Meteorology	X	X	X	X%
Civil Aviation Secretariat	X	X	X	X%

**Total Expenditure for the Economic Sector** **X X X X%**

**Unallocated Expenditures**

Unplanned expenditures	X	X	X	X%
Current expenditure in implementing projects	X	X	X	X%
Investment projects	X	X	X	X%
Grants and Social Transfers <sup>3</sup>	X	X	X	X%
Repayment of borrowings	X	X	X	X%
Finance costs	X	X	X	X%

**Total Unallocated Expenditures** **X X X X%**

**Total Expenditure for the Year** **X X X X%**

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

- 1 Includes: National Assembly, Senate, Ministry of National Assembly and Senate Relations and Inspectorate, and Ministry of Public Functions
- 2 Includes: Royal Palace, Constitutional Council, Public Secretariat, CDC, NEC, NAA, ACU
- 3 Includes Grants to municipalities and provinces, participation contribution to development projects, and budget support funds



**NOTES TO THE FINANCIAL STATEMENTS**  
**(omitted)**



## APPENDICES

(omitted - follows the existing budget settlement law format)