

# **Mekong River Commission Operating Expenses Budget**

**Financial Statements  
and  
Independent Auditors' Report  
Year ended 31 December 2014**

# Mekong River Commission – Operating Expenses Budget

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# Mekong River Commission

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## Statement of Management's Responsibilities

The Management of the Mekong River Commission Secretariat ("MRCS") presents its report and the financial statements of the Operating Expenses Budget ("OEB") of the Mekong River Commission for the year ended 31 December 2014.

## Principal activities during 2014

The Mekong River Commission ("MRC" or "the Commission") has continued the implementation of its twelve key Programmes with technical cooperation and financial support from 13 ongoing Development Partners committed for the Strategic Plan 2011-2015.

The MRC continues to implement its two key strategies, the Integrated Water and Related Resources Management (IWRM)-based Basin Development Strategy (BDS), and the Strategic Plan 2011-2015 (SP 2011-2015).

Regarding the BDS, the MRC has implemented the Basin Action Plan composed of the Regional Action Plan of the MRCS and the National Indicative Plans prepared by the National Mekong Committees.

The strategic plan for the period of 2011-2015 provides a platform for the MRC's plan to decentralise core functions of the MRCS to the national level. In 2014, more work has been done to implement Batch 1 decentralised activities and prepare for the implementation of Batch 2 decentralised activities. The Regional Roadmap for decentralisation has been finalised and agreed by the MRC Joint Committee and the Council. In addition, in-depth financial analysis on Member Country contributions has also been conducted to assist the Member Countries in the consideration of the steps required to achieve the Hua Hin commitment of financial self-sustainability by 2030.

The year 2014 marked the organisation of the second MRC Summit on 5 April 2014, that the Heads of Governments of the MRC Member Countries meet again every four years, to re-affirm commitments at the highest levels of the four Member Countries to strengthening regional cooperation for sustainable development of the Mekong River Basin; and to set priorities for cooperation within the MRC for the next period of the strategic plan. The Meeting was attended by 194 participants, including Delegates from Cambodia, Lao PDR, Thailand and Viet Nam, Delegates from China and the Union of Myanmar, Development Partners of the MRC, Representatives from International River Basin Organisations.

As 2015 is the final year of the current Strategic Plan 2011-2015, an important transition year to the new Strategic Plan 2016-2020. In 2014, MRC has started its work on updating the IWRM-based Basin Development Strategy and preparation for the MRC Strategic Plan 2016-2020. The MRC Strategic Plan for 2016-2020 will outline the overall funding requirements for the next strategic planning period. The first draft of the SP 2016-2020 will be shared with the Member Countries and the Development Partners in January 2015.



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In 2013, in accordance with the decision of the MRC's Council made in 2011 that approved the MRC Strategic Plan for 2011-2015, an independent mid-term review of the implementation of this Strategic Plan undertaken. The mid-term review report was completed in the first quarter of 2014. The results and recommendations of the review have been widely shared with the Member Countries and the concerned Development Partners. Programmes have been working to follow up on the MTR recommendations.

The 18th Council Meeting of the MRC in December 2011 agreed in principle to implement a study on sustainable management and development of the Mekong River Basin including impacts of mainstream hydropower projects. In response to that decision, the MRC Secretariat had developed a Concept Note which was discussed and endorsed at the 19th Meeting of the MRC Council on 16 January 2013. Three Regional Technical Working Group (RTWG) Meetings for the Council Study have been organised in September 2013, September and November 2014 which finalised the TOR for the Council Study, reviewed the July 2014 version of the Draft Inception Report. The Council Study Start-up Workshop on 12-13 November 2014 represented the beginning of the implementation phase of the Council Study. The draft Web Site is undergoing an internal review by the Secretariat and the Member Countries. The Web Site is intended to further share information with the public and stakeholders through its public-facing web pages; and facilitate information sharing and coordination between the MRC Secretariat and the Member Countries through its password-protected web pages. The MRC Secretariat Coordinating Group was established to serve as a self-coordinating/monitoring mechanism for the Council Study and an additional mechanism for systematically elevating request for information/feedback/decisions from RTWG and MCs. The Study has begun its initial stage of recruitment of national/regional/international consultants.



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## Statement of Management's Responsibilities (continued)

### The MRCS Management

The members of the MRCS Management who held office during the year and at the date of this report are:

|                        |   |
|------------------------|---|
| Hans Guttman           | Chief Executive Officer<br>Officer-in-Charge of International Cooperation and Communication<br>Section until 16 January 2014              |
| Pich Dun               | Director of Planning Division until 30 June 2014  |
| Naruepon Sukumasavin   | Director of Planning Division from 1 July 2014<br>Director of Operations Division until 30 June 2014                                      |
| So Sophort             | Director of Operations Division from 1 July 2014<br>Officer-in-Charge of the MRC Secretariat from 12 February 2015                        |
| Truong Hong Tien       | Director of Environment Division until 30 June 2014<br>Director of Technical Support Division from 1 July 2014                            |
| Sourasay Phoumavong    | Director of Technical Support Division until 30 June 2014<br>Director of Environment Division from 1 July 2014<br>until 31 September 2014 |
| Aloune Sayavong        | Director of Environment Division from 1 October 2014  |
| Nguyen Thi Thanh Huong | Officer-in-Charge of Finance and Administration Section until<br>31 January 2014  |
| Boun Xaiyath           | Chief of Finance and Administration Section from 3 February 2014  |
| Tarika Wongsinsirikul  | Chief of International Cooperation and Communication Section from<br>17 January 2014  |
| Natayaporn Jumratsri   | Chief of Human Resources Section  |



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## Statement of Management's Responsibilities (continued)

It is the responsibility of management to prepare financial statements of the Operating Expenses Budget for the year ended 31 December 2014, which give a true and fair view of the state of affairs of the MRC as at the end of the year and of the surplus or deficit for that year. In preparing those financial statements, management is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Maintain financial records and prepare the financial statements in accordance with the policies and procedures of the Mekong River Commission; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission will continue its operations.

MRC Management is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Commission. Members of MRC management have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Commission and to prevent and detect fraud and other irregularities.

MRC Management confirms that the MRC has complied with the above requirements in preparing the financial statements of the Operating Expenses Budget.

On behalf of the management

So Sophort  
Officer-in-Charge

27 MAR 2015

Boun Xaiyarath  
Chief, Finance and Administration Section

27 MAR 2015



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## **Independent Auditors' Report**

### **To: The Members of the Joint Committee of the Mekong River Commission**

We have audited the accompanying financial statements of the Operating Expenses Budget ("OEB") of the Mekong River Commission ("MRC" or "the Commission") as at and for the year ended 31 December 2014, and notes, comprising of a summary of significant accounting policies and other explanatory information (together "the financial statements"). The financial statements have been prepared by the Management using the accounting policies as described in Note 2.

### ***Management's Responsibility to the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Commission's preparation of the financial statements 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 Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements of the Operating Expenses Budget of the Commission for the year ended 31 December 2014 is prepared, in all material respects, in accordance with the accounting policies as described in Note 2



***Basis of Accounting and Restriction on Distribution and Use***

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the MRCS Management in meeting the reporting requirements of the MRC's Joint Committee and its partners. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Commission and its partners and should not be distributed to or used by parties other than the Commission or its partners.

***Other Matter***

The financial statements of the the Operating Expenses Budget of the Mekong River Commission for the year ended 31 December 2013 were audited by another firm of auditors whose report dated 28 February 2014 expressed an unqualified opinion on the financial statements.

KPMG LAO Co., Ltd.

**KPMG Lao Co., Ltd.**

Vientiane Capital  
Lao PDR

27 MAR 2015





# Mekong River Commission – Operating Expenses Budget

## STATEMENT OF INCOME, EXPENDITURE AND FUND BALANCE as at and for the year ended 31 December 2014

|  | Note | 2014<br>USD                    | 2013<br>USD                    |
|--|------|--------------------------------|--------------------------------|
| <b>INCOME</b>                                  |      |                                |                                |
| <b>Contributions from Riparian Governments</b> | 3    | <u>2,849,633</u>               | <u>1,980,871</u>               |
| <b>Revenue</b>                                 |      |                                |                                |
| Interest                                       | 4    | 95,752                         | 107,828                        |
| Management and administration fees             | 5    | 2,062,321                      | 1,808,960                      |
| Miscellaneous                                  |      | 10,346                         | 7,550                          |
|  |      | <u>2,168,419</u>               | <u>1,924,338</u>               |
| <b>TOTAL INCOME</b>                            |      | <u><b>5,018,052</b></u>        | <u><b>3,905,209</b></u>        |
| <b>EXPENDITURE</b>                             |      |                                |                                |
| <b>Administrative Expenditure</b>              |      |                                |                                |
| Staff salary and fees                          | 6    | 1,806,891                      | 1,539,013                      |
| Common staff costs                             | 7    | 798,292                        | 713,643                        |
| Travel   | 8    | 18,577                         | 84,444                         |
| Contractual services                           | 9    | 83,997                         | 78,808                         |
| General operating expenses                     | 10   | 294,831                        | 306,429                        |
| Supplies                                       | 11   | 29,569                         | 31,599                         |
| Furniture and equipment                        | 12   | 61,699                         | 32,916                         |
| MRC meeting expenses                           | 13   | 258,015                        | 298,589                        |
| Support to National Mekong Committees          | 14   | 74,715                         | 50,505                         |
|  |      | <u>3,426,586</u>               | <u>3,135,946</u>               |
| Administrative Reserve Fund                    | 15   | 334,793                        | 23,269                         |
| Programme Reserve Fund                         | 16   | -                              | (107)                          |
| <b>TOTAL EXPENDITURE</b>                       |      | <u><b>3,761,379</b></u>        | <u><b>3,159,108</b></u>        |
| <b>Movement in Fund Balance for the year</b>   |      | <u><b>1,256,673</b></u>        | <u><b>746,101</b></u>          |
| <b>Fund Balance as at 1 January</b>            |      | <u><b>3,311,025</b></u>        | <u><b>2,564,924</b></u>        |
| <b>Fund Balance as at 31 December</b>          |      | <u><u><b>4,567,698</b></u></u> | <u><u><b>3,311,025</b></u></u> |

So Sophort  
Officer-in-Charge

27 MAR 2015

Boun Xaiyarath  
Chief, Finance and Administration Section

27 MAR 2015

# Mekong River Commission – Operating Expenses Budget

## NOTES TO THE FINANCIAL STATEMENTS as at and for the year ended 31 December 2014

### 1. GENERAL INFORMATION

The Mekong River Commission (“MRC” or “the Commission”) was established in 1995 with the signing of the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin. The MRC Member Countries are Cambodia, the Lao PDR, Thailand and Viet Nam, with China and Myanmar as Dialogue Partners.

Since its establishment, the MRC has strived to develop work programmes and strategies to best serve its mission to promote and coordinate sustainable management and development of water and related resources for the countries’ mutual benefit and the people’s well-being. Over the years, with a vision to bring about an economically prosperous, socially just and environmentally sound Mekong River Basin, the MRC has placed regional cooperation and basin-wide planning at the heart of its operation.

The Commission is governed by a Council which comprises of the environment and water ministers of the four Member Countries. The Council Members would review and mutually conclude on the management and development of water and related resources. These decisions and policies are then put into action by the MRC Joint Committee, which comprises senior officials at no less than Head of Department level of the four countries, and supported by national line agencies including the Ministry of Foreign Affairs.

The Commission’s technical and administrative functions fall under an operational arm, the MRC Secretariat (“MRCS”), which is led by a Chief Executive Officer. Currently there are about 150 staff members based in the two Secretariat offices in Vientiane, Lao PDR and in Phnom Penh, Cambodia.

MRCS facilitates regional meetings of the Member Countries and provides technical advice on joint planning, coordination and cooperation. It also works closely with the four countries’ coordinating bodies, the National Mekong Committees (“NMCs”), and other state agencies.

# Mekong River Commission – Operating Expenses Budget

## NOTES TO THE FINANCIAL STATEMENTS as at and for the year ended 31 December 2014

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *a. Basis of accounting*

The financial statements, which are expressed in United States Dollar (“USD”), have been prepared on a modified cash basis. The significant policies adopted in the preparation of the financial statements are set out below.

- *Income recognition*

Contributions from Riparian Governments are recognised as income when cash is credited to the Commission’s bank accounts.

Bank interests are recognised as income when credited to the Commission’s bank accounts.

Other income and revenue are recognised upon cash receipts.

- *Expenditure recognition*

Expenditure is recognised when paid except for: staff health and life insurance premiums, personal telephone and fax costs charged to staff and repatriation fee, which are recognised on an accrual basis; and advances to National Mekong Committees, projects and employees, which are recognised when cleared.

#### *b. Property and equipment*

For control and management purposes, a memorandum account for property and equipment is maintained by way of a property and equipment listing. All property and equipment are expensed in full in the income and expenditure statement at the date of acquisition. Proceeds from disposal of property and equipment are recognised as a decrease in expenditure rather than an increase in income in the statement of income and expenditure.

#### *c. Foreign currency transactions*

Monetary assets and liabilities denominated in currencies other than USD are translated into USD at rates of exchange ruling at the balance sheet date. Transactions in currencies other than USD are translated into USD at the MRC operational rates of exchange on the date of the transactions. All exchange differences are recorded in the statement of income and expenditure.

## Mekong River Commission – Operating Expenses Budget

### NOTES TO THE FINANCIAL STATEMENTS as at and for the year ended 31 December 2014

#### 3. CONTRIBUTIONS FROM RIPARIAN GOVERNMENTS

|          | 2014<br>USD      | 2013<br>USD      |
|----------|------------------|------------------|
| Cambodia | 443,237          | 412,785          |
| Lao PDR  | 443,237          | 412,785          |
| Thailand | 1,358,671        | 601,566          |
| Viet Nam | 604,488          | 553,735          |
|          | <u>2,849,633</u> | <u>1,980,871</u> |

The MRC received and recorded the partial contribution from Thailand for the year 2015 amounting to USD 699,585.35 in the year 2014.

#### 4. INTEREST

This represents interest on the Commission's funds which is used for Operating Expenses Budget ("OEB") expenditure.

#### 5. MANAGEMENT AND ADMINISTRATION FEES

The Management and Administration Fees are calculated at a percentage (11% for most projects) of the project expenditure and are recognised as revenue under the OEB fund and as expense under the Development Partners' funds. These are used to cover the expenses of the Commission's Secretariat in rendering technical and administrative services to the projects.

#### 6. STAFF SALARY AND FEES

|                            | 2014<br>USD      | 2013<br>USD      |
|----------------------------|------------------|------------------|
| Professional posts         | 1,184,148        | 982,976          |
| General service posts      | 581,221          | 501,338          |
| Temporary general services | 24,840           | 39,047           |
| Overtime payments          | 16,682           | 15,652           |
|                            | <u>1,806,891</u> | <u>1,539,013</u> |

## Mekong River Commission – Operating Expenses Budget

### NOTES TO THE FINANCIAL STATEMENTS as at and for the year ended 31 December 2014

#### 7. COMMON STAFF COSTS

|  | 2014<br>USD    | 2013<br>USD    |
|--|----------------|----------------|
| Dependency allowances - professional staff     | 13,479         | 13,745         |
| Assignment/ relocation allowances              | 6,276          | 6,826          |
| Housing allowances                             | 65,222         | 67,386         |
| Post allowances                                | 88,808         | 90,446         |
| Hardship allowances                            | 57,360         | 58,680         |
| Dependency allowances - general support staff  | 60,462         | 60,377         |
| Uniforms/ laundry allowances                   | 1,985          | 1,989          |
| Devaluation allowances - professional staff    | -              | 50,663         |
| Devaluation allowances - general support staff | -              | 47,822         |
| Provident fund - professional staff            | 158,984        | 126,209        |
| Provident fund - general support staff         | 81,404         | 67,679         |
| Medical insurance                              | 19,346         | 20,299         |
| Life and accident insurance                    | 9,122          | 8,373          |
| Medical examinations                           | 704            | 1,180          |
| Education grants                               | 7,002          | 25,043         |
| Home leave travel                              | 2,852          | 4,452          |
| Recruitment                                    | 15,634         | 21,107         |
| Separation costs                               | 23,649         | 26,972         |
| Other training                                 | 63,204         | 11,182         |
| Other costs                                    | 10,707         | 3,213          |
| Cost of living compensation-RP                 | 53,969         | -              |
| Cost of living compensation-GS                 | 58,123         | -              |
|  | <u>798,292</u> | <u>713,643</u> |

#### 8. TRAVEL

|                 | 2014<br>USD   | 2013<br>USD   |
|-----------------|---------------|---------------|
| External travel | 2,124         | 61,659        |
| Riparian travel | 16,453        | 22,785        |
|                 | <u>18,577</u> | <u>84,444</u> |

#### 9. CONTRACTUAL SERVICES

|                                    | 2014<br>USD   | 2013<br>USD   |
|------------------------------------|---------------|---------------|
| External audit                     | 13,320        | 3,932         |
| External printing                  | 4,326         | 9,329         |
| EDP system development             | 12,000        | 12,753        |
| Security guards                    | 40,695        | 35,794        |
| Miscellaneous contractual services | 13,657        | 17,000        |
|                                    | <u>83,997</u> | <u>78,808</u> |

## Mekong River Commission – Operating Expenses Budget

### NOTES TO THE FINANCIAL STATEMENTS as at and for the year ended 31 December 2014

#### 10. GENERAL OPERATING EXPENSES

|  | 2014<br>USD    | 2013<br>USD    |
|--|----------------|----------------|
| Office improvements                          | 9,813          | 12,539         |
| Office maintenance                           | 10,221         | 11,563         |
| Utilities                                    | 114,436        | 112,829        |
| Equipment rental and maintenance             | 24,224         | 20,339         |
| Vehicle operation and maintenance            | 8,351          | 11,853         |
| Vehicle insurance                            | 4,700          | 4,944          |
| Internet and e-mail                          | 70,532         | 74,281         |
| Telephone installation, rent and maintenance | 1,418          | 224            |
| Local telephone calls                        | 2,696          | 1,440          |
| Long distance telephone calls                | 4,984          | 7,056          |
| Pouch and courier                            | 3,295          | 7,345          |
| Postage                                      | 705            | 2,199          |
| Facsimile                                    | 145            | 203            |
| Hospitality expenses                         | 7,902          | 11,145         |
| Non-life insurance                           | 6,346          | 5,800          |
| Bank charges                                 | 16,849         | 15,747         |
| Miscellaneous expenses                       | 8,214          | 6,922          |
|  | <u>294,831</u> | <u>306,429</u> |

#### 11. SUPPLIES

|                       | 2014<br>USD   | 2013<br>USD   |
|-----------------------|---------------|---------------|
| Stationery            | 8,833         | 8,573         |
| Document reproduction | -             | 1,220         |
| Computer supplies     | 7,635         | 6,874         |
| Books/ periodicals    | 5,176         | 4,938         |
| Audio visual aids     | 170           | 545           |
| Other supplies        | 7,755         | 9,449         |
|                       | <u>29,569</u> | <u>31,599</u> |

#### 12. FURNITURE AND EQUIPMENT

|                         | 2014<br>USD   | 2013<br>USD   |
|-------------------------|---------------|---------------|
| Furniture and fixtures  | 3,071         | 4,260         |
| Non-EDP equipment       |               | 830           |
| EDP equipment           | 38,372        | 21,665        |
| EDP software-ready made | 20,256        | 6,161         |
|                         | <u>61,699</u> | <u>32,916</u> |

## Mekong River Commission – Operating Expenses Budget

### NOTES TO THE FINANCIAL STATEMENTS as at and for the year ended 31 December 2014

#### 13. MRC MEETING EXPENSES

|   | 2014<br>USD    | 2013<br>USD    |
|---|----------------|----------------|
| Council meetings                                | 77,211         | 99,473         |
| Joint Committee meetings                        | 103,694        | 94,851         |
| Development Partner Consultative Group meetings | 25,718         | 45,152         |
| Dialogue meetings                               | -              | 40,929         |
| Other meetings                                  | 51,391         | 18,184         |
|   | <u>258,015</u> | <u>298,589</u> |

#### 14. SUPPORT TO NATIONAL MEKONG COMMITTEES AND PROGRAMMES

|                       | 2014<br>USD   | 2013<br>USD   |
|-----------------------|---------------|---------------|
| Cambodia              | 21,000        | 15,077        |
| Lao PDR               | 35,943        | 15,397        |
| Thailand              | 17,772        | 5,059         |
| Viet Nam              | -             | 14,972        |
| Support to programmes | -             | -             |
|                       | <u>74,715</u> | <u>50,505</u> |

#### 15. ADMINISTRATIVE RESERVE FUND

|   | 2014<br>USD    | 2013<br>USD   |
|---|----------------|---------------|
| 2.1\61\10\ARF\O   |                |               |
| Co-hosted location of the MRCS (OSP & OSV)              | -              | 12,722        |
| 2.2\30\14\ARF\O   |                |               |
| Support to Mekong2Rio-May 2012                          | 91,755         | -             |
| 2.2\32\14\ARF\O & 2.2\33\14\ARF\O                       |                |               |
| External Paining of OSV Building & Pavement Improvement | 55,031         | -             |
| 2.2\35\14\ARF\O   |                |               |
| Support to 2nd MRC Summit                               | 187,798        | -             |
| 2.2\21\12\ARF\O   |                |               |
| Drought Management Programme                            | 209            | 10,547        |
|   | <u>334,793</u> | <u>23,269</u> |

Items under the Administrative Reserve Fund represent the following:

(i) The expenditure incurred for the project of co-hosted location of the MRCS following the MRC Council's decision at its Sixteenth meeting to have two MRCS offices: Office of Secretariat in Phnom Penh ("OSP") and Office of Secretariat in Vientiane ("OSV");

(ii) The expenditure incurred for the Mekong2Rio Conference following the decision of the Thirty-fifth Joint Committee Meeting in April 2012;

# Mekong River Commission – Operating Expenses Budget

## NOTES TO THE FINANCIAL STATEMENTS (continued) as at and for the year ended 31 December 2014

(iii) The expenditure incurred for External Painting of the OSV Building and the Pavement Improvement, following the Thirty-ninth Joint Committee Meeting’s decision in March 2014;

(iv) The expenditure incurred for the 2<sup>nd</sup> MRC Summit following the Thirty-ninth Joint Committee Meeting’s decision in March 2014; and

(v) The expenditure incurred for the Drought Management Programme as approved by the MRC Joint Committee at its Thirty-sixth meeting in October 2012.

### 16. PROGRAMME RESERVE FUND

|   | 2014<br>USD | 2013<br>USD  |
|---|-------------|--------------|
| 2.1\43\09\PRF\D Drought Management Project-<br>Initial Activity | -           | 4            |
| 2.1\45\09\PRF\F Vital Services at RFC                           | -           | (111)        |
|   | <u>-</u>    | <u>(107)</u> |

Items under Programme Reserve Fund represent the expenditure incurred for Initial Drought Management activities and the vital services of the MRCS for flood forecasting during floods and other emergency situations.

### 17. PROVIDENT FUND

The Commission manages a provident fund, which had a balance at 31 December 2014 of USD 2,631,239 (31 December 2013: USD 2,408,882), to provide a savings scheme in lieu of a pension fund on behalf of 150 (2013: 168) members of staff who are eligible for the scheme. Staff and the Commission contributions are banked in a separate bank account. The Commission’s contributions to the fund are included in the statement of income and expenditure as personnel services in respect of project expenditure, and as staff salary and fees in respect of administrative expenditure. Payments from the provident fund and its balance are not reflected in the Commission’s financial statements.

So Sophort  
Officer-in-Charge

27 MAR 2015

Boun Xaiyath  
Chief, Finance and Administration Section

27 MAR 2015