



Institutional Audit Preparation

Finance Learning Forum



ACCOUNTING
THE IMPACT



Trainee Development - Platinum

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National Roles



Technical Advisor,
Compliance &
Accounting
Standards



Advisor to the
secretariate of the
Cambodia Digital
Economy and Business
Committee



Technical Advisor,
Financial
Technology

Regional & International Roles



Member of ASEAN
MSMEs Advisory Board

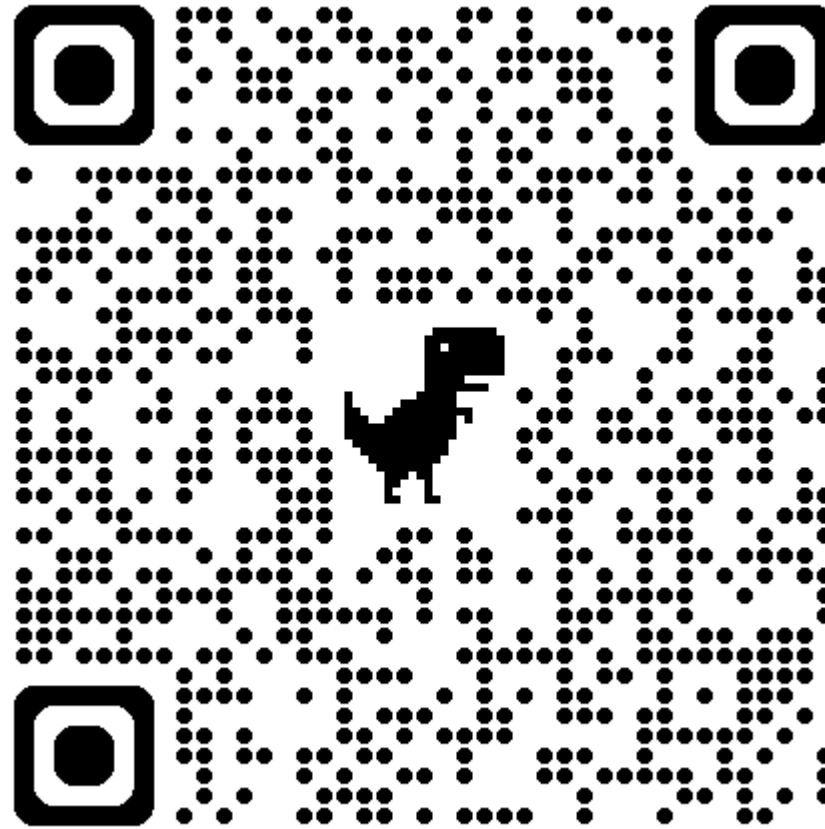


Member of ACCA's
Global Forum on SME

Challenges/ Issues in Preparing institutional Financial Statements

Accounting for Incoming Resources Accounting for Outgoing Resources Presentation, Scope, and Contents of Financial Statement

Challenges/ Issues in
Preparing institutional
Financial Statements



Accounting for Incoming Resources

1. Revenue from Grant & Donations

- Grant Income
 - Earned Incomes, Membership, and other incomes
 - Cash Donations
 - Interest Income
 - Non-cash contribution/ Right of Use
 - Swap Exchange Transactions,
- What are the overarching principles for the recognition and measurement of incoming resources from 'non-exchange' transactions?
 - Timing of income recognition and definition of performance criteria/ obligation. What is the recognition and measurement process when receiving donations that are used to fulfil requirements in subsequent periods?
 - When should donations to purchase a capital asset be recognised? What if the donation is repayable if the asset, at some future date, is no longer used for its intended purpose?
 - When should services in-kind be recognised and if so, how are they measured? What disclosures should be provided?
 - When should gifts in-kind be recognised and how should they be measured, including low value items such as inventory (second-hand for sale and new for distribution as part of charitable activities)?
 - How should assets that can only be used for a specific purpose and may have to be returned be measured initially and subsequently?
 - Recognition and measurement of 'right of use' donations (including free use of space and equipment)?

Accounting for Outgoing Resources

2. Expenses & Liabilities

	Type of item	Expenses Amount	Asset	Liabilities	Recognition Point
1	Program Activities Costs				
2	Purchase of property, equipment, office supplies, inventory, and other fixed assets				
3	Depreciation of properties, plants and equipment				
4	Non-cash expenses (rental expenses from building owned by the organization, volunteered services)				
5	Accrual Expenses				
6	Prepayment & Deposit				
7	Salary and Benefits				
8	Provision and Committed Expenditures: Expenditure that will occur after the reporting period				
9	Accrual Expenses				

Accounting for Outgoing Resources

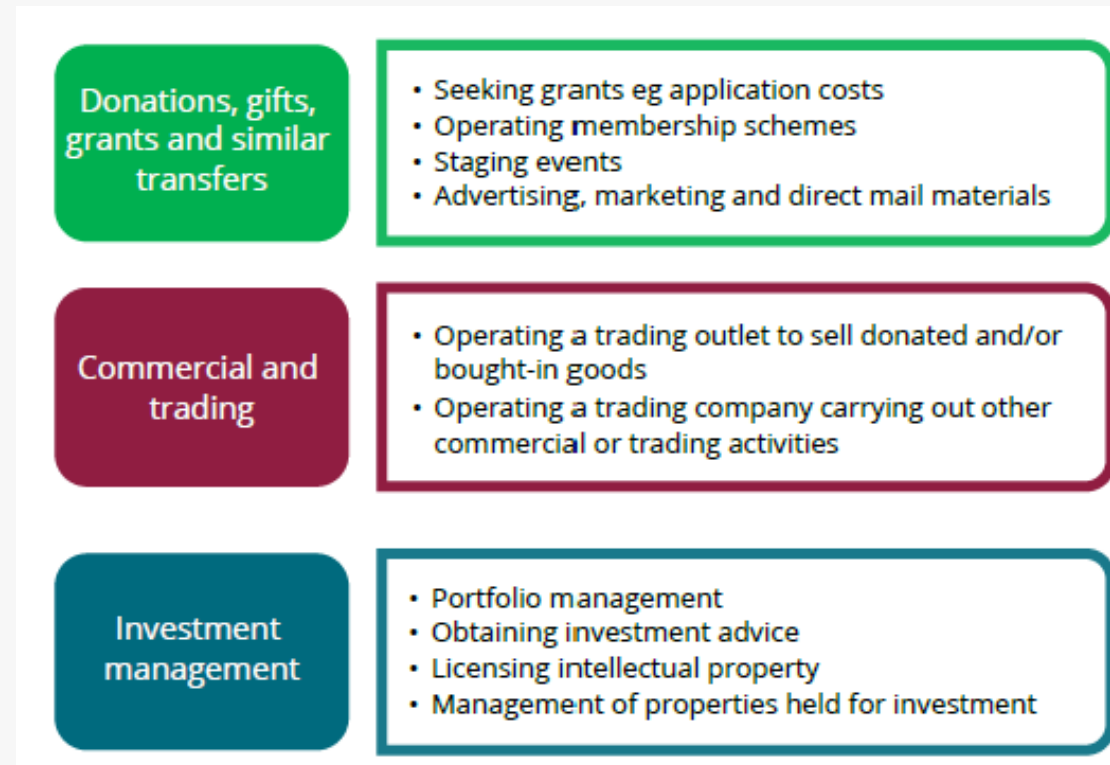
3. Cost Sharing

	Type of item	Shared Cost	Basis of allocation	Method of allocation
1	Program Activities Costs			
2	Purchase of property, equipment, office supplies, inventory, and other fixed assets			
3	Depreciation of properties, plants and equipment			
4	Non-cash expenses (rental expenses from building owned by the organization, volunteered services)			
5	Accrual Expenses			
6	Prepayment & Deposit			
7	Salary and Benefits			
8	Provision and Committed Expenditures: Expenditure that will occur after the reporting period			
9	Accrual Expenses			

Presentation, Scope, and Contents of Financial Statement

4. Fundraising Costs

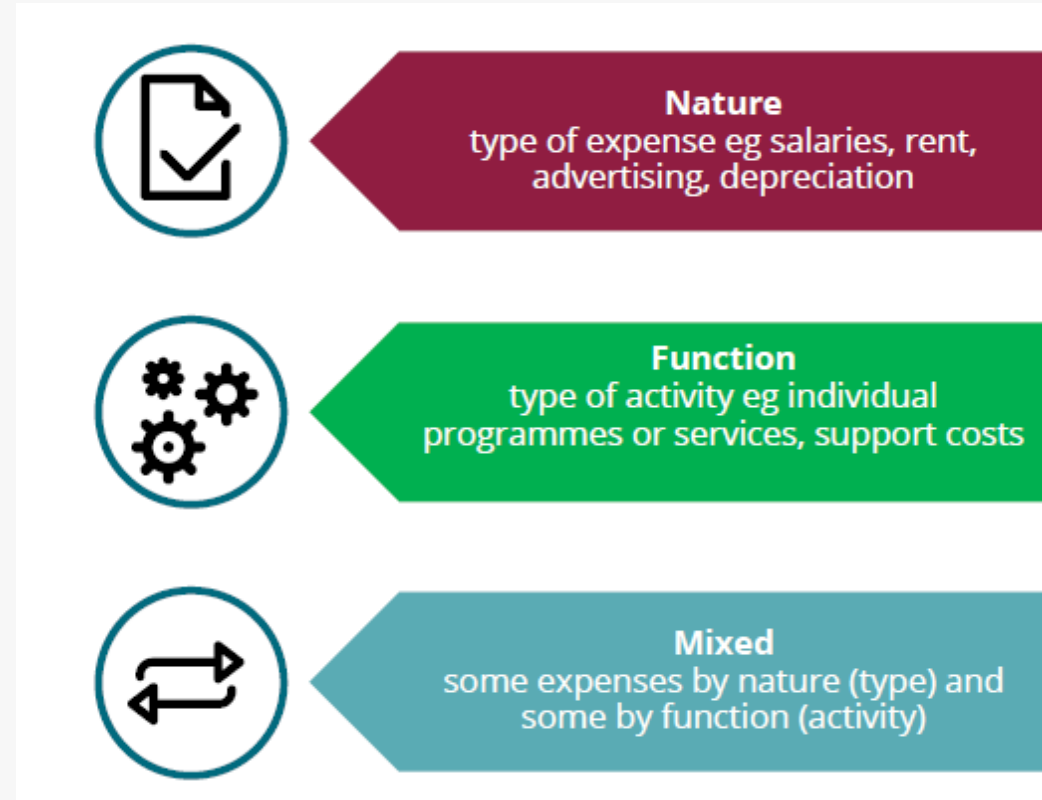
- How should the costs of fund raising be defined (for example, whether to include business development spend and/or overheads)?
- How should the costs of fundraising be recognised and/or presented (ie on a gross basis or netted against income)?



Presentation, Scope, and Contents of Financial Statement

5. Classification of Expenses: Functions, nature or Both

- Comparability
- Regulatory requirements
- Donors' requirements
- Management Decisions



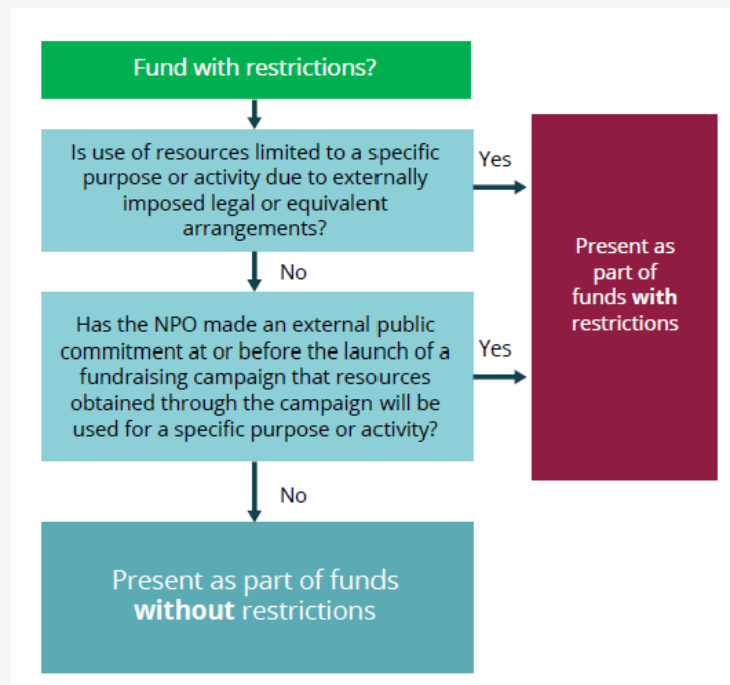
Presentation, Scope, and Contents of Financial Statement

6. Accounting Basis:
Modified Cash Basis

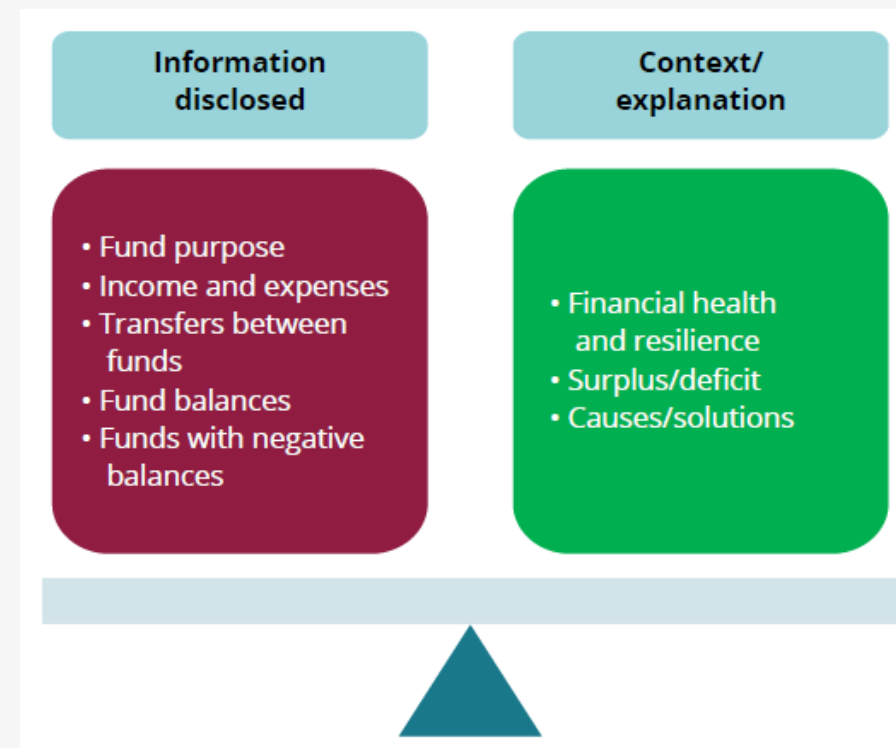
What should be the
common list of
modifications

Presentation, Scope, and Contents of Financial Statement

7. Fund Accounting



Fund Accounting Disclosure



Best practices in preparing Institutional Audit

Challenges/ Issues in Preparing institutional Financial Statements

**Group 1:
Accounting for
Incoming Resources**

**Group 2:
Expenses &
Liabilities,
Fundraising
Costs**

**Group 3: Share
Costs**

**Group 4: Classification
of Expenses**

**Group 5: Accounting
Basis: Modified Cash
Basis & Fund
Accounting**

Best practices in preparing Institutional Audit