

FINANCES OF THE UNION

2021 audited accounts for the Administrative Section. 2023 budget for the Administrative Section.

Memorandum by the Secretary General of APPU

1. Subject	References/Paragraphs
<p>Informing Congress on:</p> <ul style="list-style-type: none"> - the audited accounts for the Administrative Section for 2021 - the budget for the Administrative Section for 2023 - three additional documents containing proposals, recommendations and information for consideration viz., <ul style="list-style-type: none"> • foreign exchange management of Administrative Section • Administrative Section Reserve Fund (ASRF) • review of Bureau staff cost allocations 	<p>§§ 2.1 - 2.2, Annex 1 §§ 3.1 – 3.3, Annex 2 §§ 1.2, 4.1</p> <p>Congress 2022 Doc 8.1 Congress 2022 Doc 8.2 Congress 2022 Doc 8.3</p>
2. Decisions expected	
<p>Congress, via the Finance Committee, is asked to:</p> <ul style="list-style-type: none"> - approve the 2021 auditor's financial report - approve the proposed 2023 budget - note that each of the decisions expected for the additional documents will be dealt with separately to Doc 8 	<p>Annex 1 Annex 2 Congress 2022 Docs 8.1, 8.2, 8.3</p>

1. Introduction

1.1 Congress 2022 Doc 8 contains the following material.

- (i) Audited accounts for the Administrative Section for 2021.
- (ii) Draft budget for the Administrative Section for 2023.

1.2 In addition, Congress 2022 Doc 8 introduces (as separate documents), proposals, recommendations and information for consideration by the Congress, via the Finance Committee, related to:

- (i) foreign exchange management – update on review of Administrative Section practices (Congress 2022 Doc 8.1);
- (ii) Administrative Section Reserve Fund (ASRF) (Congress 2022 Doc 8.2), comprising three parts i.e.,

Part 1: current level of ASRF;

Part 2: review of the minimum financial level (of the ASRF) and any need for replenishment of the Fund; and

Part 3: updated position on expenditure from approved ASRF funds (approval being given at the 2021 EC meeting) for three items i.e.,

- (a) priority project: archive management;

- (b) milestone activity: APPU 60th Anniversary (2022); and
- (c) business practice strengthening: foreign exchange management
- (iii) review of cost allocations between the Administrative and Training Sections for Bureau staff (Congress 2022 Doc 8.3).

2. Audited accounts for the Administrative Section for 2021

- 2.1 By virtue of Article 117.3 of the General Regulations of the Asian-Pacific Postal Union, the Bureau shall prepare a report of the Administrative Section to which shall be attached a detailed final account of the preceding year and all documents regarding receipt and expenditure. This report shall be submitted to the Executive Council or to the Congress for approval.
- 2.2 The report of the certified public accountant covering the requirements set out in Article 117.3 is thus submitted as **Annex 1** for consideration and approval.

3. Draft budget for the Administrative Section for 2023

- 3.1 The annual expenditure of the Union shall be separate for the Administrative Section and for the Training Section. The maximum amount for the annual expenditure for the Administrative Section as stipulated in Article 117.1 of the General Regulations is US\$ 80,000. However, Article 117.5 states that the limit laid down in Article 117.1 may be exceeded to enable the recruitment of personnel or otherwise to provide for the efficient operation of the Administrative Section if the majority of member countries agree.
- 3.2 The expenditure for the Administrative Section is shared by all member countries, in accordance with the UPU contribution class of that member, as prescribed in Article 116.
- 3.3 The Bureau has prepared the budget for the Administrative Section and it is submitted for consideration and approval as **Annex 2**. The budget total of US\$206,515. This is US\$3,429 less than the 2022 budget submitted at the 2021 EC meeting. The contribution unit is proposed to remain unchanged at US\$2,650.

4. Additional documents for consideration

- 4.1 The additional documents described in paragraph 1.2 are referred to the Finance Committee for their consideration and report to the Congress.

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To Executive Council of Asian-Pacific Postal Union

Opinion

I have audited the financial statements of Asian-Pacific Postal Union, which comprise the statement of financial position as at December 31, 2021, and the statement of cash receipts and disbursements, and statement of cash reserve fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Asian-Pacific Postal Union, as at December 31, 2021, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Union in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, 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.

In preparing the financial statements, management is responsible for assessing Thailand office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Thailand office or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 Thailand office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relates disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Thailand office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Thailand office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Chatchadaporn N.

Chatchadaporn Nuanyai
Certified public accountant (Thailand) No.12267

44/93 Khubon Road,
Samwa Tawantok,
Klongsamwa, Bangkok, 10510
18 February 2022

ASIAN-PACIFIC POSTAL UNION
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

(In USD)

ASSETS	Note	2021	2020
CURRENT ASSETS			
Cash and cash equivalents	3	447,720.23	381,020.48
Accounts receivable on contribution shares	4		
- 2013 contribution shares		1,500.00	1,500.00
- 2015 contribution shares		1,850.00	1,850.00
- 2016 contribution shares		1,950.00	1,950.00
- 2017 contribution shares		2,150.00	2,150.00
- 2018 contribution shares		2,650.00	2,650.00
- 2019 contribution shares		2,650.00	7,950.00
- 2020 contribution shares		5,300.00	13,250.00
- 2021 contribution shares		26,500.00	-
- 2022 contribution shares		71,550.00	-
Others		4,178.33	381.26
TOTAL CURRENT ASSETS		567,998.56	412,701.74
NON - CURRENT ASSETS			
Retirement funds	5	113,205.75	96,309.75
TOTAL NON - CURRENT ASSETS		113,205.75	96,309.75
TOTAL ASSETS		681,204.31	509,011.49

The accompanying notes are an integral part of the financial statements.



Secretary General




Manager Administration & APPU Affairs


ASIAN-PACIFIC POSTAL UNION
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021
(In USD)

LIABILITIES AND EQUITY	Note	2021	2020
CURRENT LIABILITIES			
Contribution shares received in advance	6	137,800.00	67,300.00
Special contribution - Financial Inclusion		9,969.87	9,969.87
Mongol Post Company		4,128.61	10,528.61
Accrued expenses		11,603.31	10,887.84
Other current liabilities		71,738.16	1,071.46
TOTAL CURRENT LIABILITIES		<u>235,239.95</u>	<u>99,757.78</u>
EQUITY			
Reserve fund		332,758.61	312,943.96
Reserve for retirement fund and tax		113,205.75	96,309.75
TOTAL EQUITY		<u>445,964.36</u>	<u>409,253.71</u>
TOTAL LIABILITIES AND EQUITY		<u>681,204.31</u>	<u>509,011.49</u>

The accompanying notes are an integral part of the financial statements.



Secretary General




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ASIAN-PACIFIC POSTAL UNION
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

	2021	2020
Cash, Beginning Balance		
Petty cash	2,586.91	1,982.88
SCB - TOT branch No. 198 - 2 - 01649 - 0	74,937.04	48,407.15
SCB - Rutchayothin branch No. 111 -200071 - 5 - 840	399,806.28	461,519.90
	<u>477,330.23</u>	<u>511,909.93</u>
<u>Add : Income (Contribution shares)</u>		
2016 contribution shares		
Papua New Guinea	-	3,900.00
2017 contribution shares		
Papua New Guinea	-	4,300.00
2018 contribution shares		
Papua New Guinea	-	5,300.00
2019 contribution shares		
Mongolia	5,300.00	-
Papua New Guinea	-	5,300.00
2020 contribution shares		
Afghanistan	-	2,650.00
Brunei Darussalam	-	5,300.00
Cambodia	-	2,650.00
Fiji	-	5,300.00
Indonesia	7,950.00	-
Iran	-	7,950.00
Mongolia	-	5,300.00
Nauru	-	2,650.00
Pakistan	-	7,950.00
Philippines	-	5,300.00
Solomon Islands	-	2,650.00
Tonga	-	5,300.00
Vanuatu	-	2,650.00


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ASIAN-PACIFIC POSTAL UNION
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

	2021	2020
2021 contribution shares		
Australia	13,250.00	-
Bangladesh	10,600.00	-
Bhutan	-	2,650.00
Brunei Darussalam	5,300.00	-
Cambodia	2,650.00	
China	-	13,250.00
Fiji	5,300.00	-
India	13,250.00	-
Iran	7,950.00	-
Japan	-	13,250.00
Korea	-	13,250.00
Laos	2,650.00	-
Malaysia	-	5,300.00
Maldives	5,300.00	-
Mongolia	5,300.00	-
Myanmar	2,650.00	-
Nauru	2,650.00	-
Nepal	5,300.00	-
New Zealand	13,250.00	-
Pakistan	7,950.00	-
Philippines	5,300.00	-
Samoa	2,650.00	-
Singapore	-	5,300.00
Sri Lanka	7,950.00	-
Thailand	-	5,300.00
Vietnam	-	5,300.00



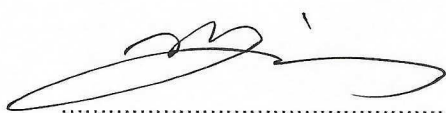
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ASIAN-PACIFIC POSTAL UNION
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

	2021	2020
2022 contribution shares received in advance		
Australia	13,250.00	-
Bangladesh	10,600.00	-
Bhutan	2,650.00	-
Brunei Darussalam	1,600.00	-
China	13,250.00	-
India	13,250.00	-
Japan	13,250.00	-
Korea	13,250.00	-
Malaysia	5,300.00	-
Maldives	5,300.00	-
Myanmar	2,650.00	-
Nauru	2,650.00	-
Nepal	5,300.00	-
New Zealand	13,250.00	-
Philippines	5,300.00	-
Sri Lanka	7,950.00	-
Thailand	5,300.00	-
	266,600.00	138,050.00
Interest received	381.10	456.02
Service for APP	5,000.00	5,000.00



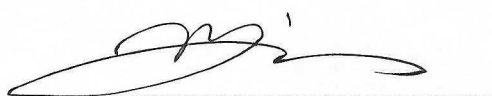
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ASIAN-PACIFIC POSTAL UNION
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

	2021	2020
Gain on exchange rate (Unrealize)	188.16	1,547.46
Due from APPC	2,948.46	-
Other	-	1,071.46
Total cash & cash receipts carried forward	<u>752,447.95</u>	<u>658,034.87</u>
<u>Less : Expenditure</u>		
Staff cost	106,663.54	105,434.96
Overtime	-	52.03
Travel expenses	316.53	3,141.14
Medical expenses	1,732.95	1,950.99
General operations	20,692.35	15,369.13
APPU Reform-consultancy fee	35,000.00	19,640.00
Bank charges	991.72	345.98
Unbudgeted expenditure	2,060.65	6,884.70
APPU ASRF-Archive management *	5,930.65	-
APPU ASRF-Foreign exchange management **	359.07	-
Due to APPC	2,702.41	22,646.31
Due from RTCAP	310.92	4,902.42
Mongol post company	6,400.00	-
Prepaid expenses	4,088.19	336.98
Loss on exchange rate (Realize)	4,272.99	-
	<u>191,521.97</u>	<u>180,704.64</u>
Cash, Ending Balance	<u>560,925.98</u>	<u>477,330.23</u>
Breakdown of Cash , Ending Balance :		
Petty cash	1,296.02	2,586.91
SCB - TOT branch A/C No.198 - 2 - 01649 - 0	17,277.98	74,937.04
SCB - Ratchayothin branch A/C No. 111 - 200071 - 5 - 840	542,351.98	399,806.28
	<u>560,925.98</u>	<u>477,330.23</u>



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ASIAN-PACIFIC POSTAL UNION
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

* APPU - ASRF Archive management

APPU ASRF-Archive management, Budget for 2021-2022	10,000.00
<u>Less Disbursements for archive management</u>	<u>5,930.65</u>
APPU ASRF-Archive management, Ending balance	<u><u>4,069.35</u></u>

** APPU - ASRF Foreign exchange management

APPU ASRF-Foreign exchange management, Budget for 2021-2022	7,000.00
<u>Less Disbursements for foreign exchange management</u>	<u>359.07</u>
APPU ASRF-Foreign exchange management, Ending balance	<u><u>6,640.93</u></u>



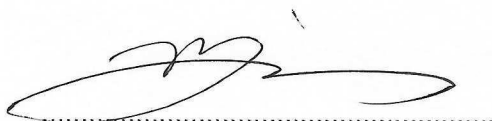
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Manager Administration & APPU Affairs

ASIAN-PACIFIC POSTAL UNION
STATEMENTS OF CASH RESERVE FUND
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

	2021	2020
Cash, Beginning Balance	312,943.96	262,220.41
<u>Add</u> : Excess income over expenditure	25,987.98	44,066.05
Interest earned on savings deposits	381.10	456.02
Gain (losses) on exchange rate	(4,272.99)	1,547.46
Service for APP	5,000.00	5,000.00
Sub total	340,040.05	313,289.94
<u>Less</u> : Bank charges	991.72	345.98
APPU ASRF-Archive management	5,930.65	-
APPU ASRF-Foreign exchange management	359.07	-
Cash, Ending Balance	332,758.61	312,943.96



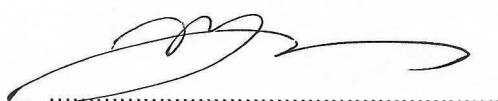
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ASIAN-PACIFIC POSTAL UNION
SOURCES AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

	2021	2020
Sources of Funds		
2020 Contribution shares		
Received in 2019	-	140,450.00
Received in 2020	67,300.00	55,650.00
Received in 2021	115,550.00	-
Accounts receivable	26,500.00	13,250.00
	<u>209,350.00</u>	<u>209,350.00</u>
<u>Less</u> Application of Funds		
Staff cost	106,663.54	105,434.96
Overtime	-	52.03
Travel expenses	316.53	3,141.14
Retirement fund and tax	16,896.00	12,811.00
Medical expenses	1,732.95	1,950.99
General operations	20,692.35	15,369.13
APPU Reform-consultancy fee	35,000.00	19,640.00
Unbudgeted expenditure	2,060.65	6,884.70
	<u>183,362.02</u>	<u>165,283.95</u>
Excess income over expenditure	<u>25,987.98</u>	<u>44,066.05</u>



Secretary General



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ASIAN-PACIFIC POSTAL UNION
COMPARISON OF EXPENDITURES WITH APPROVED BUDGET FOR 2021
(In USD)

	Budget	Expenditure	
	2021	2021	2020
Salary :			
Secretary general	68,562.00	68,076.00	66,811.50
- Manager administration & APPU affairs	11,544.00	10,971.32	10,776.33
- Senior administrative officer	6,873.00	6,516.51	6,605.96
- Secretary	6,403.00	6,070.93	6,154.27
- System support officer	6,403.00	6,070.93	6,154.27
- Administrative support officer	4,300.00	4,077.09	4,133.02
- Office assistant	1,367.00	1,315.36	1,185.25
- Driver 1	1,880.00	1,782.70	1,807.18
- Driver 2	1,880.00	1,782.70	1,807.18
Overtime	300.00	-	52.03
Traveling expenses	27,460.00	316.53	3,141.14
Retirement fund *	13,509.00	13,509.00	8,789.00
Retirement tax for local staff **	3,387.00	3,387.00	4,022.00
Medical expenses	2,400.00	1,732.95	1,950.99
General operations ***	22,600.00	20,692.35	15,369.13
APPU Reform-consultancy fee ****	35,000.00	35,000.00	19,640.00
Unbudgeted expenditure	-	2,060.65	6,884.70
Total	213,868.00	183,362.02	165,283.95

* Transferred to Reserve for Retirement Fund - accumulative funds

** Transferred to Reserve for Retirement Fund - accumulative retirement tax



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ASIAN-PACIFIC POSTAL UNION
COMPARISON OF EXPENDITURES WITH APPROVED BUDGET FOR 2021
(In USD)

*** Details are as follows:-

	Budget 2021	Actual 2021	Actual 2020
Auditing	1,000.00	894.12	993.15
Electricity	9,500.00	6,611.81	7,747.20
Postage	500.00	545.26	35.24
Printing	1,200.00	986.00	710.40
Stationery	1,000.00	3,337.23	616.07
Hospitality	1,000.00	931.67	-
Telecommunication	4,000.00	3,191.66	3,142.98
Cleaning	4,400.00	4,194.60	2,124.09
	<u>22,600.00</u>	<u>20,692.35</u>	<u>15,369.13</u>

**** Details are as follows

APPU Reform-consultancy fee, Beginning balance	-
<u>Add</u> Consultancy fee budget 2021	35,000.00
<u>Less</u> Disbursements for consultancy fee	35,000.00
APPU Reform-consultancy fee, Ending balance	<u>-</u>



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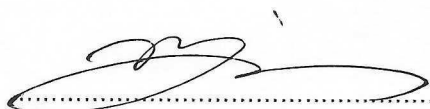


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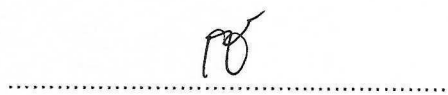
ASIAN-PACIFIC POSTAL UNION
SCHEDULE OF 2021 CONTRIBUTION SHARES
FOR THE YEAR ENDED 31 DECEMBER 2021

(In USD)

Seq.	Member Country	Units	Amount	Paid in 2020	Paid in 2021	Due in 2022
1	Afghanistan	1	2,650.00	-	-	2,650.00
2	Australia	5	13,250.00		13,250.00	-
3	Bangladesh	4	10,600.00		10,600.00	-
4	Bhutan	1	2,650.00	2,650.00		-
5	Brunei Darussalam	2	5,300.00	3,700.00	1,600.00	-
6	Cambodia	1	2,650.00		2,650.00	-
7	China	5	13,250.00	13,250.00		-
8	Fiji	2	5,300.00		5,300.00	-
9	India	5	13,250.00		13,250.00	-
10	Indonesia	3	7,950.00			7,950.00
11	Iran	3	7,950.00		7,950.00	-
12	Japan	5	13,250.00	13,250.00		-
13	Korea	5	13,250.00	13,250.00		-
14	Laos	1	2,650.00		2,650.00	-
15	Malaysia	2	5,300.00	5,300.00		-
16	Maldives	2	5,300.00		5,300.00	-
17	Mongolia	2	5,300.00		5,300.00	-
18	Myanmar	1	2,650.00		2,650.00	-
19	Nauru	1	2,650.00		2,650.00	-
20	Nepal	2	5,300.00		5,300.00	-
21	New Zealand	5	13,250.00		13,250.00	-
22	Pakistan	3	7,950.00		7,950.00	-
23	Papua New Guinea	2	5,300.00			5,300.00
24	Philippines	2	5,300.00		5,300.00	-
25	Samoa	1	2,650.00		2,650.00	-
26	Singapore	2	5,300.00	5,300.00		-
27	Solomon Islands	1	2,650.00			2,650.00
28	Sri Lanka	3	7,950.00		7,950.00	-
29	Thailand	2	5,300.00	5,300.00		-
30	Tonga	2	5,300.00			5,300.00
31	Vanuatu	1	2,650.00			2,650.00
32	Vietnam	2	5,300.00	5,300.00		-
	Total	79	209,350.00	67,300.00	115,550.00	26,500.00



Secretary General



Manager Administration & APPU Affairs

ASIAN-PACIFIC POSTAL UNION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

The Asian-Pacific Postal Union (APPU) is an inter-governmental organization of 32 postal administrations of the Asia-Pacific region. APPU is affiliated to the Universal Postal Union which is a specialized agency of the United Nations. The purpose of the APPU is to extend, facilitate and improve postal relations between member countries and to promote cooperation in the field of postal services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Income and expenditure are recognition

Income and expenditure are recognized on an accrual basis.

2.2 Foreign currencies

Foreign currency transactions are translated into US Dollars at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding on the balance sheet date are translated into US Dollars at the rates ruling on the balance sheet date.

Gains and losses on exchange are included in determining income.

2.3 Retirement funds

Retirement funds are expensed when incurred.

3 CASH AND CASH EQUIVALENTS

	(Unit : USD)	
	2021	2020
Petty cash	1,296.02	2,586.91
Bank accounts		
SCB TOT branch A/C No.198-2-1649-0 (Baht)	17,277.98	74,937.04
SCB Ratchayothin branch A/C No.111-200071-5-840 (USD)	542,351.98	399,806.28
Total	560,925.98	477,330.23
<u>Less</u> Retirement funds	(113,205.75)	(96,309.75)
Net total	447,720.23	381,020.48

Exchange rate used for conversion of bank saving account denominated in Thai Baht as of 31 December 2021 was Baht 33.1533 per USD 1 (2020: Baht 29.7749 per USD 1)



Secretary General

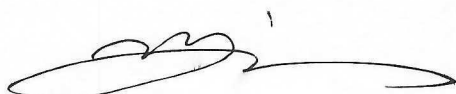


Manager Administration & APPU Affairs

ASIAN-PACIFIC POSTAL UNION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. ACCOUNTS RECEIVABLE ON CONTRIBUTION SHARES

	(Unit : USD)	
	2021	2020
2013 Contribution shares		
Nauru	1,500.00	1,500.00
2015 Contribution shares		
Nauru	1,850.00	1,850.00
2016 Contribution shares		
Nauru	1,950.00	1,950.00
2017 Contribution shares		
Nauru	2,150.00	2,150.00
2018 Contribution shares		
Nauru	2,650.00	2,650.00
2019 Contribution shares		
Mongolia	-	5,300.00
Nauru	2,650.00	2,650.00
2020 Contribution shares		
Indonesia	-	7,950.00
Papua New Guinea	5,300.00	5,300.00
2021 Contribution shares		
Afghanistan	2,650.00	-
Indonesia	7,950.00	-
Papua New Guinea	5,300.00	-
Solomon Islands	2,650.00	-
Tonga	5,300.00	-
Vanuatu	2,650.00	-



Secretary General

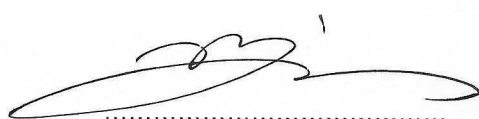


Manager Administration & APPU Affairs

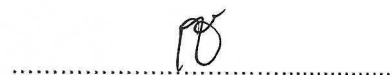
ASIAN-PACIFIC POSTAL UNION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. ACCOUNTS RECEIVABLE ON CONTRIBUTION SHARES (Continue)

	(Unit : USD)	
	2021	2020
2022 Contribution shares		
Afghanistan	2,650.00	-
Cambodia	2,650.00	-
Fiji	5,300.00	-
Indonesia	7,950.00	-
Iran	7,950.00	-
Laos	2,650.00	-
Mongolia	5,300.00	-
Pakistan	7,950.00	-
Papua New Guinea	5,300.00	-
Samoa	2,650.00	-
Singapore	5,300.00	-
Solomon Islands	2,650.00	-
Tonga	5,300.00	-
Vanuatu	2,650.00	-
Vietnam	5,300.00	-
Total	116,100.00	31,300.00



Secretary General



Manager Administration & APPU Affairs

5. RETIREMENT FUNDS

	(Unit : USD)	
	2021	2020
Cash, Beginning Balance	96,309.75	83,498.75
Add reserve for retirement fund (US\$ 13,509.00) and Tax (US\$ 3,387.00)	-	-
	16,896.00	12,811.00
Less retirement fund payment	-	-
Total	113,205.75	96,309.75

6. CONTRIBUTION SHARES RECEIVED IN ADVANCE

	(Unit : USD)	
	2021	2020
Australia	13,250.00	-
Bangladesh	10,600.00	-
Bhutan	2,650.00	2,650.00
Brunei Darussalam	5,300.00	3,700.00
China	13,250.00	13,250.00
India	13,250.00	-
Japan	13,250.00	13,250.00
Korea	13,250.00	13,250.00
Malaysia	5,300.00	5,300.00
Maldives	5,300.00	-
Myanmar	2,650.00	-
Nauru	2,650.00	-
Nepal	5,300.00	-
New Zealand	13,250.00	-
Philippines	5,300.00	-
Singapore	-	5,300.00
Sri Lanka	7,950.00	-
Thailand	5,300.00	5,300.00
Vietnam	-	5,300.00
Total	137,800.00	67,300.00



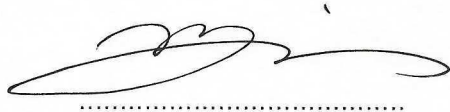
Secretary General



Manager Administration & APPU Affairs

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Secretary General of the Union
for the approval of the Executive Council.



Secretary General



Manager Administration & APPU Affairs

ASIA PACIFIC POST (APP) COOPERRATIVE
STATEMENTS OF CASH RECEIPT AND DISBURSEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

(In USD)

Cash, Beginning Balance

SCB - Ratchayothin branch A/C No.111-200072-3-840 1,328,459.11


Add Receipts

Membership Fees for 2020

Bhutan Post	3,155.48	
Macao Post	15,986.69	
Vietnam Post	4,774.98	23,917.15

Membership Fees for 2021

Cambodia Post	3,200.00	
China Post	39,959.70	
Hong Kong Post	79,958.88	
India Post	15,943.81	
Pos Indonesia	4,800.00	
Post company of I.R. Iran	4,788.00	
Japan Post	80,000.00	
Lao Post	3,185.98	
Pos Malaysia	31,968.23	
Macao Post	15,986.69	
Maldives Post	4,788.00	
Mongol Post	3,200.00	
Pakistan Post	3,137.43	
Thailand Post	4,800.00	
Vietnam Post	4,758.08	300,474.80


Secretary General


Manager Administration & APPU Affairs

ASIA PACIFIC POST (APP) COOPERRATIVE
STATEMENTS OF CASH RECEIPT AND DISBURSEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021
(In USD)

Membership Fees for 2022

Australia Post	79,968.96	
Cambodia Post	3,164.51	
Korea Post	80,017.00	
Lao Post	3,181.01	
Maldives Post	4,778.03	
New Zealand Post	15,985.08	
Mongol Post	3,200.00	
Singapore Post	40,000.00	
Solomon Islands Post	3,180.98	
Thailand Post	4,800.00	
Vietnam Post	4,774.98	243,050.55

Interest earned on savings deposits 657.49

Total cash & cash receipts carried forward 1,896,559.10

Less Disbursements

Reimbursement to APP

4 th quarter, 2020	130,702.36	
1 st quarter, 2021	93,232.30	
2 nd quarter, 2021	92,803.58	
3 rd quarter, 2021	145,578.76	462,317.00

2021 Financial Service for APP 5,000.00

Thailand Post (2Ship4me) 4,400.00

Bank charges 1,338.16

Cash, Ending Balance 1,423,503.94

Breakdown of Cash , Ending Balance :

SCB - Ratchayothin branch A/C No. 111 - 200071 - 5 - 840 1,423,503.94



Secretary General



Manager Administration & APPU Affairs

REGIONAL TECHNICAL CENTRE FOR ASIA PACIFIC (RTCAP)

STATEMENTS OF CASH RECEIPT AND DISBURSEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

(In USD)

Cash, Beginning Balance

SCB - Ratchayothin branch A/C No.111-200073-1-840

213,490.16

Add Receipts

Voluntary contributions for 2021

Bhutan	480.08	
China	4,967.55	
Japan	40,000.00	
Laos	960.95	
Philippines	977.43	
Singapore	5,000.00	
Sri Lanka	1,980.41	
Thailand	1,500.00	55,866.42

2022 Voluntary contribution received in advance

Bhutan	480.96	
China	4,967.55	
Laos	490.80	
Nepal	487.77	
Philippines	954.97	
Thailand	1,500.00	
Vietnam	961.10	9,843.15

Interest earned on savings deposits

109.98

Accrued expense to APPU

70.34

Total cash & cash receipts carried forward

279,380.05

Less Disbursements

Reimbursement to RTCAP

Staff salary	63,600.00	
Medical expenses	1,078.82	
Accommodation	4,200.00	
Telecommunication and postage	371.40	69,250.22



Secretary General



Manager Administration & APPU Affairs

REGIONAL TECHNICAL CENTRE FOR ASIA PACIFIC (RTCAP)

STATEMENTS OF CASH RECEIPT AND DISBURSEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

(In USD)

Less Disbursements

Pay to 2020-APPC's accrued expenses	1,050.00
Pay to 2020-APPU's accrued expenses	381.26
Cash, Ending Balance	<u>208,698.57</u>

Breakdown of Cash , Ending Balance :

SCB - Ratchayothin branch A/C No. 111 - 200073 - 1 - 840	<u>208,698.57</u>
<u>Less</u> Accrued expenses to APPU	70.34
2022 Voluntary contribution received in advance	
Bhutan	480.96
China	4,967.55
Laos	490.80
Nepal	487.77
Philippines	954.97
Sri Lanka	1,500.00
Thailand	961.10
SCB - Ratchayothin branch A/C	<u>198,785.08</u>



Secretary General



Manager Administration & APPU Affairs

Proposed 2023 APPU (Administrative Section) Budget

Starting position of ASRF 1 January 2021	US\$ 332,758.61	Minimum level of ASRF US\$ 80,000
2022 Income		
Contribution share @ US\$ 2,650 x 79 Units	US\$ 209,350	
APP financial management charge	US\$ 5,000	
Total Income	US\$ 214,350	

Expenditure		2023 Budget US\$		2022 Budget US\$		2021 Actual US\$	
Staff cost (Note 1)		92,439.00		109,644.00		105,434.96	
- Secretary General	56,886.00		68,076.00		68,076.00		50% of Salary, Post Adj. & Dependency Allowance
- Manager Administration & APPU Affairs	11,410.00		12,048.00		10,971.32		30% of Salary
- Senior Administrative Officer	3,734.00		6,938.00		6,516.51		20% of Salary
- Secretary	5,772.00		6,464.00		6,070.93		20% of Salary
- System Support Officer	5,772.00		6,464.00		6,070.93		20% of Salary
- Administrative Support Officer	3,876.00		4,341.00		4,077.09		15% of Salary
- Office Assistant	1,599.00		1,517.00		1,315.36		15% of Salary
- Driver 1	1,695.00		1,898.00		1,782.70		10% of salary
- Driver 2	1,695.00		1,898.00		1,782.70		10% of salary
Overtime		500.00		300.00		-	
Travel expenses (Note 2)		38,871.00		27,400.00		316.53	
Retirement fund (Note 3)		3,789.00		9,531.00		13,509.00	
Retirement tax for local staff (Note 4)		341.00		3,439.00		3,387.00	
Medical expenses		2,375.00		2,530.00		1,732.95	
General operations (Note 5)		68,200.00		57,100.00		57,753.00	
Total		206,515.00		209,944.00		183,362.02	

Note 1: Staff costs have reduced by US\$ 17,205 overall (or-15.70%) The key movements are:

- (i) Remuneration decreases for SG with annual impact of -\$11,190 (new SG starts on 1st step of scale).
- (ii) Remuneration decreases for Senior Administration Officer position with annual impact of -\$3,204 (retiring officer at top of salary scale replaced on 1 January 2023 by new person placed lower in the salary scale).
- (iii) Net change in USD value of local staff salaries between 2022 and 2023 of -\$2,811 (2022 exchange rate used was 30; 2023 exchange rate is 34).

Note 2: details of the Travel expenses are set out under tab “Travelling Plan”.

Note 3: a detailed explanation of the calculation and associated matters regarding the Retirement Fund is set out under tab "Retirement & General Operations".

Note 4: Retirement Tax is a complex calculation taking in individual tax rates related to the overall value of an employee's accumulated Retirement Benefit. The methodology has been peer-reviewed and the budgeted amount is accurate.

Note 5: a detailed breakdown of the various expenditure items in General Operations is set out under tab "Retirement & General”.

Destination	Person traveling	Purpose	Benefit to the APPU/ reasons	Cost of airfares	Subsistence Allowance	Other Expenses	Total cost
Bern, Switzerland	Secretary General	Attend UPU CA meeting	Represent APPU on various matters in the POC and CA sessions as well as represent the APPU in the Restricted Union Conference.	5,500 BKK-Zurich-BKK	3,150 (7 days at US\$ 450 per day)	500 US\$ 500, train from/to Zurich-Bern-Zurich and others	9,150
Bern, Switzerland	Secretary General	Attend UPU CA meeting	Represent APPU on various matters in the POC and CA sessions as well as represent the APPU in the Restricted Union Conference.	5,500 BKK-Zurich-BKK	3,150 (7 days at US\$ 450 per day)	500 US\$ 500 train from/to Zurich-Bern-Zurich and others	9,150
Cote d'Ivoire	Secretary General	Attend Extraordinary UPU Congress	Represent APPU on various matters in the UPU Congress	4,400	2,653 (7 days at US\$ 379 per day)		7,053
Mid-to-long distance destination used for budget estimation	Secretary General	Attend APPU Congress	Requirement of the position to assume the task of Secretary General	1,900 50% of airfare	1,358 (7 days at US\$ 194 per day)		3,258
	Manager, Administration & APPU Affairs	Attend APPU Congress	Provide support to the Secretary General Render secretariat service to the members, and generally supervise/ participate at meetings.	1,450 50% of airfare	1,552 (8 days at US\$ 194 per day)		3,002
	APPU staff	Attend APPU Congress	Share the provision of support and secretariat services with Manager, Administration and APPU Affairs	2,900 100% of airfare	1,358 (7 days at US\$ 194 per day)		4,258
Asia	Secretary General	Contingency	Raise the profile of APPU	1,500	1,500 (5 days at US\$ 300 per day)		3,000
TOTAL				23,150	14,721	1,000	38,871

RETIREMENT FUND (Note 1, Note 4)

Unit: US\$

Position	2023 Salary	Monthly Salary	Years of Service	Retirement Fund	Retirement Tax	Tax rate
Secretary General	56,886	4,741	1	4,741	-	0%
Manager Administration & APPU Affairs	11,410	951	5	4,755	-	0%
Senior Administrative officer	3,734	311	1	311	-	0%
Secretary	5,772	481	18	8,658	2,855	30%
System Support Officer	5,772	481	23	11,063	3,627	30%
Admin. Support Officer	3,876	323	19	6,137	2,184	30%
Office Assistant	1,599	133	4	532	-	0%
Driver 1	1,695	141	28	3,948	1,095	25%
Driver 2	1,695	141	16	2,256	511	25%
Total (Note 2, Note 5)				42,401	10,272	

Composition of Retirement Fund and Retirement Tax at 31 December 2023

Timing	Fund	Tax
Value at 31 December 2021	99,824	13,382
Value allocated in 2022	9,531	3,439
The value allocated to pay off staff in 2022	(70,743)	(6,890)
Value of proposed contribution in 2023 (Note 3)	3,789	341
Totals	42,401	10,272

Items	Budget 2023	Budget 2022	Actual 2021	Remark
Audit	1,000	1,000	894.12	Bureau Office – 1 st FL Rental fee of photocopy machine
Electricity	9,500	9,500	6,611.81	
Postage	1,000	500	545.26	
Printing	1,200	1,200	986.00	
Stationery	1,000	1,000	3,337.23	
Telecommunication charge	3,500	3,500	3,191.66	
Cleaning	4,500	4,400	4,194.60	
Hospitality	1,500	1,000	931.67	
Consultancy fee for APPU Reform (Note 6)	45,000	35,000	35,000.00	
Unbudgeted expenditure			2,060.65	
Total	68,200	57,100	57,753.00	

Note 1: the Retirement Fund is calculated as 1 month's salary for every year of service as at the end of the budget year (i.e., 31 December 2023). For example, a person earning US\$3,000 per month with 5 years of service as at 31 December 2023, will have a retirement entitlement of US\$15,000 (being US\$3,000 x 5).

Note 2 the "Total" is the amount that will be owing to all staff in retirement entitlements as at 31 December 2023 (i.e., US\$ 42,401).

Note 3: the "Proposed retirement contribution for 2023" is the result of the following process.

Line	Reporting Date	Item	Fund	Tax	Total
1	31-Dec-21	Balance	99,824	13,382	113,206
2	31-Dec-22	Value allocated to RF	9,531	3,439	12,970
3	31-Dec-22	Sub-total of Lines 1 and 2	109,355	16,821	126,176
4	31-Dec-22	Payment from RF in 2022	70,743	6,890	77,633
5	31-Dec-22	Sub-total of Lines 3 and 4	38,612	9,931	48,543
6	31-Dec-22	Estimated balance for RF at 31 December 2023 to meet commitments	42,401	10,272	52,673
7	31-Dec-23	Contribution required to achieve commitments in Line 6	3,789	341	4,130

Note 4: the data in this Retirement Fund table is calculated using the Administrative Section share of total salaries. There is a corresponding calculation for the Training Section share of salaries in the Governing Board documentation.

Note 5: the total funds actually held in Retirement Fund bank accounts is equal to current entitlements, and this is calculated to also be

Note 6: the Consultancy budget is set out in Congress 2022 Doc 18.2

REPORT ON ASRF ON ARCHIVE MANAGEMENT IN 2021	
APPU ASRF-Archive management, Budget for 2021-2022	10,000
Less Disbursements for archive management	5,931
APPU ASRF-Archive management, Ending balance	4,069

REPORT ON ASRF ON FOREIGN EXCHANGE MANAGEMENT 2021	
APPU ASRF-Foreign exchange management, Budget for 2021-2022	7,000
Less Disbursements for foreign exchange management	359
APPU ASRF-Foreign exchange management, Ending balance	6,641

2023 Contribution Shares

Unit : US\$

No.	Member Country	Contribution Unit	Contribution Share
1	Afghanistan	1	2,650
2	Australia	5	13,250
3	Bangladesh	4	10,600
4	Bhutan	1	2,650
5	Brunei Darussalam	2	5,300
6	Cambodia	1	2,650
7	China	5	13,250
8	Fiji	2	5,300
9	India	5	13,250
10	Indonesia	3	7,950
11	Iran	3	7,950
12	Japan	5	13,250
13	Korea	5	13,250
14	Laos	1	2,650
15	Malaysia	2	5,300
16	Maldives	2	5,300
17	Mongolia	2	5,300
18	Myanmar	1	2,650
19	Nauru	1	2,650
20	Nepal	2	5,300
21	New Zealand	5	13,250
22	Pakistan	3	7,950
23	Papua New Guinea	2	5,300
24	Philippines	2	5,300
25	Samoa	1	2,650
26	Singapore	2	5,300
27	Solomon Islands	1	2,650
28	Sri Lanka	3	7,950
29	Thailand	2	5,300
30	Tonga	2	5,300
31	Vanuatu	1	2,650
32	Vietnam	2	5,300
Total		79	209,350

Contribution share @ US\$ 2,650 per unit

2022 Contribution Shares

Unit: USD

No.	Member Country	Received	Bank Charges	Owing
1	Afghanistan	-	-	2,650.00
2	Australia	13,218.93	31.07	-
3	Bangladesh	10,570.16	29.84	-
4	Bhutan	2,630.96	19.04	-
5	Brunei Darussalam	5,300.00	-	-
6	Cambodia	-	-	2,650.00
7	China	13,209.85	40.15	-
8	Fiji	5,246.85	53.15	-
9	India	13,234.93	15.07	-
10	Indonesia	-	-	7,950.00
11	Iran	-	-	7,950.00
12	Japan	13,250.00	-	-
13	Korea	13,250.00	-	-
14	Lao	2,625.92	24.08	-
15	Malaysia	5,300.00	-	-
16	Maldives	5,276.77	23.23	-
17	Mongolia	-	-	5,300.00
18	Myanmar	2,614.27	35.73	-
19	Nauru	2,592.67	57.33	-
20	Nepal	5,287.76	12.24	-
21	New Zealand	13,235.18	14.82	-
22	Pakistan	7,882.03	67.97	-
23	Papua New Guinea	-	-	5,300.00
24	Philippines	5,248.83	51.17	-
25	Samoa	2,650.00	-	-
26	Singapore	-	-	5,300.00
27	Solomon Islands	2,631.32	18.68	-
28	Sri Lanka	7,924.87	25.13	-
29	Thailand	5,300.00	-	-
30	Tonga	5,282.57	17.43	-
31	Vanuatu	2,631.22	18.78	-
32	Vietnam	-	-	5,300.00
Total		166,395.09	554.91	42,400.00

Contribution share @ US\$ 2,650 per unit

Asian-Pacific Postal Union
13th Congress
29 August – 2 September 2022
Bangkok, Thailand

Congress 2022 Doc 8
Annex 2

2021 Contribution Shares

Unit : US\$

No.	Member Country	Received	Bank Charges	Owing
1	Afghanistan		-	2,650.00
2	Australia	13,217.22	32.78	-
3	Bangladesh	10,568.33	31.67	-
4	Bhutan	2,630.07	19.93	-
5	Brunei Darussalam	5,300.00	-	-
6	Cambodia	2,650.00	-	-
7	China	13,209.17	40.83	-
8	Fiji	5,270.79	29.21	-
9	India	13,193.25	56.75	-
10	Indonesia	7,916.63	33.37	-
11	Iran	7,918.32	31.68	-
12	Japan	13,250.00	-	-
13	Korea	13,250.00	-	-
14	Laos	2,625.32	24.68	-
15	Malaysia	5,300.00	-	-
16	Maldives	5,286.75	13.25	-
17	Mongolia	5,292.48	7.52	-
18	Myanmar	2,625.79	24.21	-
19	Nauru	2,592.67	57.33	-
20	Nepal	5,276.78	23.22	-
21	New Zealand	13,233.22	16.78	-
22	Pakistan	7,880.89	69.11	-
23	Papua New Guinea	-	-	5,300.00
24	Philippines	5,277.43	22.57	-
25	Samoa	2,639.95	10.05	-
26	Singapore	5,300.00	-	-
27	Solomon Islands	-	-	2,650.00
28	Sri Lanka	7,923.23	26.77	-
29	Thailand	5,300.00	-	-
30	Tonga	5,282.57	17.43	-
31	Vanuatu	2,631.22	18.78	-
32	Vietnam	5,300.00	-	-
Total		198,142.08	607.92	10,600.00

Contribution share @ US\$ 2,650 per unit

2020 Contribution Shares

Unit : US\$

No.	Member Country	Received	Bank Charges	Owing
1	Afghanistan	2,580.33	69.67	-
2	Australia	13,217.45	32.55	-
3	Bangladesh	10,568.37	31.63	-
4	Bhutan	2,630.01	19.99	-
5	Brunei Darussalam	5,300.00	-	-
6	Cambodia	2,650.00	-	-
7	China	13,208.38	41.62	-
8	Fiji	5,275.23	24.77	-
9	India	13,223.37	26.63	-
10	Indonesia	7,915.91	34.09	-
11	Iran	7,950.00	-	-
12	Japan	13,250.00	-	-
13	Korea	13,250.00	-	-
14	Laos	2,625.00	25.00	-
15	Malaysia	5,300.00	-	-
16	Maldives	5,286.75	13.25	-
17	Mongolia	5,266.80	33.20	-
18	Myanmar	2,655.59	- 5.59	-
19	Nauru	2,627.99	22.01	-
20	Nepal	5,300.00	-	-
21	New Zealand	13,233.37	16.63	-
22	Pakistan	7,883.39	66.61	-
23	Papua New Guinea	-	-	5,300.00
24	Philippines	5,276.75	23.25	-
25	Samoa	2,630.01	19.99	-
26	Singapore	5,300.00	-	-
27	Solomon Islands	2,630.09	19.91	-
28	Sri Lanka	7,923.42	26.58	-
29	Thailand	5,300.00	-	-
30	Tonga	5,266.80	33.20	-
31	Vanuatu	2,629.99	20.01	-
32	Vietnam	5,286.75	13.25	-
Total		203,441.75	608.25	5,300.00

Contribution share @ US\$ 2,650 per unit

2019 Contribution Shares

Unit : US\$

No.	Member Country	Received	Bank Charges	Owing
1	Afghanistan	2,580.23	69.77	-
2	Australia	13,217.67	32.33	-
3	Bangladesh	5,271.79	28.21	-
4	Bhutan	2,630.83	19.17	-
5	Brunei Darussalam	5,300.00	-	-
6	Cambodia	2,650.00	-	-
7	China	13,209.67	40.33	-
8	Fiji	5,253.30	46.70	-
9	India	13,224.70	25.30	-
10	Indonesia	7,950.00	-	-
11	Iran	7,919.80	30.20	-
12	Japan	13,250.00	-	-
13	Korea	13,250.00	-	-
14	Laos	2,625.16	24.84	-
15	Malaysia	5,300.00	-	-
16	Maldives	5,276.77	23.23	-
17	Mongolia	5,292.48	7.52	-
18	Myanmar	2,650.00	-	-
19	Nauru	-	-	2,650.00
20	Nepal	5,294.65	5.35	-
21	New Zealand	13,234.80	15.20	-
22	Pakistan	7,919.58	30.42	-
23	Papua New Guinea	5,288.75	11.25	-
24	Philippines	5,256.83	43.17	-
25	Samoa	2,615.81	34.19	-
26	Singapore	5,300.00	-	-
27	Solomon Islands	2,650.00	-	-
28	Sri Lanka	7,891.64	58.36	-
29	Thailand	5,300.00	-	-
30	Tonga	5,266.80	33.20	-
31	Vanuatu	2,650.00	-	-
32	Vietnam	5,271.79	28.21	-
Total		200,793.05500.57	606.95	2,650.00

Contribution share @ US\$ 2,650 per unit

2018 Contribution Shares

Unit : US\$

No.	Member Country	Received	Bank Charges	Owing
1	Afghanistan	2,580.61	69.39	-
2	Australia	13,199.65	50.35	-
3	Bangladesh	5,271.79	28.21	-
4	Bhutan	2,630.74	19.26	-
5	Brunei Darussalam	5,300.00	-	-
6	Cambodia	2,650.00	-	-
7	China	13,209.61	40.39	-
8	Fiji	5,252.83	47.17	-
9	India	13,223.98	26.02	-
10	Indonesia	7,950.00	-	-
11	Iran	7,919.71	30.29	-
12	Japan	13,234.60	15.40	-
13	Korea	13,234.66	15.34	-
14	Laos	2,625.42	24.58	-
15	Malaysia	5,300.00	-	-
16	Maldives	5,274.78	25.22	-
17	Mongolia	5,300.00	-	-
18	Myanmar	2,605.77	44.23	-
19	Nauru		-	2,650.00
20	Nepal	5,294.84	5.16	-
21	New Zealand	13,242.30	7.70	-
22	Pakistan	7,919.14	30.86	-
23	Papua New Guinea	5,288.75	11.25	-
24	Philippines	5,256.83	43.17	-
25	Samoa	2,615.54	34.46	-
26	Singapore	5,300.00	-	-
27	Solomon Islands	2,650.00	-	-
28	Sri Lanka	7,924.00	26.00	-
29	Thailand	5,300.00	-	-
30	Tonga	5,266.80	33.20	-
31	Vanuatu	2,615.58	34.42	-
32	Vietnam	5,286.75	13.25	-
Total		200,724.68	675.32	2,650.00

Contribution share @ US\$ 2,650 per unit

Finances of the Union

Foreign exchange management – report on implementation of enhanced business practices in the Bureau

(Document prepared by APPU Bureau)

Note regarding coverage of Congress 2022 Doc 8.1

This document is a report on foreign exchange management (FEM). It (i.e., FEM) affects both the Administrative Section and the Training Section. Accordingly, Congress 2022 Doc 8.1 covers both Sections, not only because both are affected, but also because of the way in which the assignment progressively developed within the Bureau.

1. Subject	References/paragraphs
<p>Informing Congress, via the Finance Committee, on:</p> <ul style="list-style-type: none"> - the origin of the FEM assignment - points that influenced the review work undertaken - identification of the main issues in the Training Section - description of the core solution in the Training Section - wider aspects of FEM and compliance with standard accounting practices - the situation in the Administrative Section and how it will be managed - the improved situation 	<p>§ 1 § 2 §§ 3.1 – 3.2.1, 3.4.2 §§ 3.2.2 – 3.3, 3.4.1 § 4 § 5 § 6</p>
<p>2. Decisions expected</p> <p>Congress, via the Finance Committee, is asked to:</p> <ul style="list-style-type: none"> - note the successful introduction of a foreign exchange management process in the Bureau - note the significant effort of key Bureau staff in their research of the issues and development of solutions 	<p>§§ 3.2.2 – 3.3, 3.4.1 §§ 5 - 6</p>

1. Introduction

- 1.1 The 2019 Tokyo Executive Council (EC) meeting requested the Bureau to take action on foreign exchange management (FEM). The EC request was initiated by the 2019 meeting of the Governing Board (GB) of the Training Section of the APPU Bureau.
- 1.2 The reason for the request was a succession of years where the annual audit process had reported losses on foreign exchange. Combined with the declining financial performance of the Training Section, FEM was identified as an area where some review focus might result in an improvement in the financial performance of the Section.
- 1.3 The Bureau has now completed its work and is reporting to the interested parties (i.e., the Finance Committee, the Governing Board, and the Congress) on the outcome of the review.

2. Key points that influenced the work undertaken by the Bureau in the review

- 2.1 The first matter to focus on was getting a clear understanding of the issue to be reviewed. Initial discussions with internal and external parties did not produce an authoritative view of current processes, exposure issues, exchange management policies, etc. This meant that the review had to spend time establishing basic information on exchange management matters before any worthwhile activity was possible.
- 2.2 As an example of “getting a clear understanding of the issue to be reviewed” in paragraph 2.1, the trigger for the review was a reference in the Audit Report for the Training Section for the year ended 31 December 2018 of “loss on foreign exchange”. The process used in the financial summary for 2018 included the loss on foreign exchange as an expenditure item for the trading result of the Training Section for 2018. This immediately directed the Bureau’s attention to two matters:
- (i) was the loss on exchange rate an actual expenditure item incurred that should be taken into account in the annual trading result;
 - (ii) what standard practices were in place to manage (i.e., minimise) the impact of foreign exchange changes on the business (e.g., in the year ended 31 December 2017, the loss on foreign exchange was over 2 million Baht and represented almost 9% of the total expenditure. In complete contrast, no foreign exchange loss had been budgeted for the 2017 trading year).
- 2.3 Was there a wider foreign exchange situation that needed to be looked at? i.e., apart from the issue that gave rise to the review (as set out in 2.2 above), it occurred to the Bureau that if significant variations in costs were occurring due to current work practices in the area identified, could there be other areas of the Training Section’s activity with foreign exchange issues.
- 2.4 Did the Administrative Section have a similar foreign exchange issue?

3. Review of the initial issue (i.e., the significant losses on Training Section foreign exchange)

- 3.1 A full analysis of the initial issue under review was documented in EC 2020 Doc 5.6 Add 1 (initially submitted to the GB as GB 2020 Doc 9). The document is available on the APPU website at <http://www.appu-bureau.org/appu/documents/2020-ec-document/>

- 3.2 For the purposes of this report the following summary is provided.

3.2.1 Situation prior to 2020

- The Training Section received most of its income in USD. The majority of its expenditure was in THB.
- The Training Section retained most of its cash in USD. This included a surplus (Reserve Fund) that was approximately equal to one year’s income (ca US\$0.900m).
- The USD : THB exchange rate had declined from ca 40 to less than 30 since 2005.
- The annual Audit process included the value of cash held in bank accounts. Where a foreign currency was concerned, this was converted to THB at the bank rate of 31 December of the year being audited. Then the foreign currency was converted to THB using the bank rate for 31 December of the previous year. The difference was a gain or loss on foreign exchange, e.g.,

- USD in bank accounts at 31 December 2018: 800,000
- USD : THB conversion rate for 31 December 2018: 31.500
- USD : THB conversion rate for 31 December 2017: 30.000
- Difference between 2017 and 2018 exchange rates: -1.500
- Difference between 2017 and 2018 THB values of USD: -1,200,000 Baht
- Outcome: there was a loss on foreign exchange of 1,200,000 Baht for the 2018 year

3.2.2 Situation from 2020

- The Training Section only retains sufficient USD to cover its expenditure needs in that currency, plus a 10% margin for contingency purposes.
- All excess USD is converted to Baht at a target (i.e., budgeted) exchange rate. This means that exposure to exchange rate variations (versus budget) is reduced.
- The annual Audit process follows the same process as above but works with a lower USD figure. The changed outcome using the same exchange rates is:
 - USD in bank accounts at 31 December 2020: 200,000
 - USD : THB conversion rate for 31 December 2020: 31.500
 - USD : THB conversion rate for 31 December 2019: 30.000
 - Difference between 2019 and 2020 exchange rates: -1.500
 - Difference between 2019 and 2020 THB values of USD: -300,000 Baht
- Outcome: there is a loss on foreign exchange of 300,000 Baht for the 2020 year

3.3 Reducing the amount of cash held in USD dealt with the issue i.e., it significantly reduced the loss due to changes in exchange rates.

3.4 Additional comments regarding the review and the solution implemented

3.4.1 Basic FEM principle

- (i) The review establishes the principle that the objective of FEM should be to achieve an outcome that is based on factors that the business can either control or manage.
- (ii) The objective is not to take risks in the hope of making a gain from FEM. That said, gains can be possible; however, such outcomes should be the result of research, planning, budgeting, consultation and timing.

3.4.2 Summary of the pre-2020 situation

- (i) The review highlighted an absence of guidelines for FEM. As a result, the auditing process simply reported on what had happened as opposed to what had been managed.
- (ii) This absence of guidelines has been rectified. The Bureau now has documentation that sets out an annual process for managing the activity.

3.4.3 The reality of foreign exchange variations

- (i) Gains or losses due to exchange rate variations are a fact of business life when foreign currencies are used.
- (ii) While future Audit Reports will continue to show details of gains or losses, the Bureau will now be able to comment from an FEM position on the reasons for gains or losses.

3.4.4 Are the gains or losses “real”?

- (i) This question relates to the process outlined in paragraph 3.2 (whereby the value in THB of USD is calculated using the USD : THB exchange rate for 31 December of two consecutive years, and deducting the earlier year from the later year).
- (ii) The Training Section treated the gain or loss as a “real” figure. The Audit Report also appeared to treat it as a “real” figure.
- (iii) The review did not confirm the gains or losses as “real”. However, this may be to do with the finer points of defining the terms:
 - real
 - realised
 - unrealised

As it stands, the USD that is converted to THB at a 31 December exchange rate produces a value that occurs in an accounting record only. The actual transaction (conversion) has not been completed. In accounting terms, this appears to meet the definition for an unrealised gain or loss.

- (iv) For the moment, this aspect (i.e., whether a loss or gain is “real”) remains to be confirmed to the satisfaction of the Bureau.

3.4.5 Aim for a “simple future”

- (i) The solution that has been implemented is simple. It is not necessarily the perfect solution. However, it works. Further, it made an immediate and significant improvement by reducing financial exposure.
- (ii) It is inevitable that modifications to the guidelines will be considered from time to time. Modifications should be made where the process and outcome improve. However, exercise caution where modifications might only make the activity easier for the individual(s) involved.

4. Was there a wider foreign exchange situation that needed to be looked at?

- 4.1 The issue that gave rise to the review was the difference between two years’ exchange rates when applied to USD held by the Training Section – as covered in paragraph 3 above.
- 4.2 Because the review identified an absence of guidelines for the management of foreign cash held in bank accounts, the review also looked at the process followed for other transactions that might have an FEM component. One such category was identified as described in paragraph 4.3 below.
- 4.3 The Training Section sells courses to members by creating invoices in a foreign currency (i.e., USD). At the time of creating the invoice, it is converted to THB on the Training Section income statement using the exchange rate for the day in question. The exchange rate is then reviewed on the date the accounting period ends, and the calculation is revised. A third exchange rate is applied when the invoice is settled, and the calculation revised again. If the exchange rates change between the various conversion dates, the difference in the invoiced value is recorded as a foreign currency transaction gain or loss.

- 4.4 The review studied this area of FEM and found that standard accounting practices were followed. However, it was not possible to clearly identify the total annual gains or losses for this area of the business in the Audit Reports. This has been raised with the Auditor and changes requested for future Reports that provide visibility of the values involved.

5. Did the Administrative Section have a similar foreign exchange issue?

- 5.1 When the Bureau's report on FEM for the Training Section was submitted to the 2020 EC meeting (via the EC Finance Committee – EC 2020 Doc 5.6), it was noted that the Administrative Section may have the same exposure issue as the Training Section. The 2020 EC approved the solution developed for the Training Section being assessed for possible implementation in the Administrative Section.

- 5.2 A progress report on the review of the Administrative Section was submitted to the EC in 2021 (EC 2021 Doc 5.2 refers). The main points in the progress report were:

- the Training Section solution appeared to be appropriate for implementation in the Administrative Section; and
- internal procedures associated with audit requirements and some general reporting questions needed to be reviewed prior to implementation of a solution. In this regard, it was signalled that it may be necessary to use an external expert to advise on internal procedures and reporting.

- 5.3 The follow-up work on the Administrative Section has been completed. The summary of conclusions / decisions is set out below.

- (i) In principle, the Training Section FEM is suitable for the Administrative Section. However, there are some key differences between the two Sections in financial matters. These differences are:

- the Administrative Section has a much higher proportion of its costs in USD;
- annually, the Administrative Section ensures it has sufficient THB for local currency expenditure, and keeps all other currency in its original USD. This means that THB carried by the Administrative Section is based on actual needs and, therefore, is never markedly in excess of those needs; and
- the annual auditing of the Administrative Section is in USD – accordingly, exposure to gain or loss on foreign exchange is limited to the unspent THB carried by the Section (which, from the bullet-point above, is not an excessive cash amount).

- (ii) The review of the Administrative Section considered the benefits of changing the auditing currency from USD to THB (thus making it the same as the Training Section whose auditing currency is THB). After a detailed examination it was decided that the status quo (i.e., USD as the auditing currency for the Administrative Section) was the better arrangement because:

- the main currency for expenditure is USD
- annual budgeting and management of income / expenditure are relatively simple (compared to the Training Section), and there is only the standard, expected exposure to exchange rate variations

- there was no exposure problem to solve i.e., it would be a case of “change for the sake of change”.
- (iii) There will be no change to the current auditing currency for the Administrative Section. In addition, no major changes are required to the way in which the Administrative Section undertakes its FEM.
- (iv) There was no need to bring in an external expert to provide advice on internal procedures and reporting.
- 5.4 The review noted that the Administrative Section had a significant Reserve Fund that was equivalent to 150% of its annual budget (whereas the minimum financial limit for the Fund is about 40% of the annual budget). This is not a matter that the FEM review is concerned with. There are separate procedures for the management of Reserve Funds, including an annual review by the EC (or Congress) via the Finance Committee.

6. Concluding comments

- 6.1 The review of FEM has been a valuable exercise. It has developed knowledge and confidence for the Bureau in managing an area of the business that had become complicated, perhaps confusing.
- 6.2 The Training Section should now only be subject to standard, expected foreign exchange exposure (gain or loss).
- 6.3 The Administrative Section does not need any major changes made to its FEM.
- 6.4 The Auditor will now ensure the annual Audit Reports provide greater visibility and definition of gains and losses due to exchange rate variations.
- 6.5 The Bureau now has a set of procedures to enable it to manage and comment on FEM.

Finances of the Union

Administrative Section Reserve Fund (ASRF): Budget Process Requirements and Expenditure Approval

(Document prepared by APPU Bureau)

1. Subject Informing Congress, via the Finance Committee, on: <ul style="list-style-type: none"> - the current level of the ASRF (Part 1) - the minimum financial level of the ASRF and any replenishment action necessary (Part 2) - the updated position on expenditure of approved ASRF funds for three items (Part 3) 	References/paragraphs § 2.1 §§ 3.1 – 3.4 §§ 4.1 – 4.4
2. Decisions expected Congress, via the Finance Committee, is asked to: <ul style="list-style-type: none"> - note the current level of the ASRF - note that the balance estimated to be carried forward to 2023 is more than adequate to meet reasonable funding requirements - approve the ASRF retaining its current minimum financial level of US\$80,000 - approve no additional funds needing to be budgeted for the ASRF for 2023 - note the current position for approved ASRF expenditure on: <ul style="list-style-type: none"> • the Archiving Project • APPU 60th Anniversary celebrations • finalising foreign exchange management in the Administrative Section 	§ 2.1 § 3.3, Lines 4 and 6 § 3.4 (i) § 3.4 (ii) § 4.4, Line 1 § 4.4, Line 2 § 4.4, Line 3

1. Background

1.1 Congress 2022 Doc 8.2 deals with three items under the Administrative Section Reserve Fund (ASRF). The items are:

- (i) **Part 1:** advice to members on the current financial level of the ASRF
- (ii) **Part 2:** advice of the minimum financial level of the ASRF and a proposal to members on whether there will be a need to replenish the ASRF in the 2023 budget (the detail of the 2023 budget being covered in Congress 2022 Doc 8 Annex 2); and
- (iii) **Part 3:** updated position on expenditure from approved ASRF funds (approval being given at the 2021 EC meeting) for three items.

2. Part 1: current financial level of the ASRF

2.1 The Audit Report for 2021 for the Administrative Section states that the Reserve Fund had a balance at 31 December 2021 of US\$ 332,758.61.

3. Minimum financial level of ASRF and position regarding replenishment

3.1 The operational rules for the management and replenishment of the ASRF require the minimum amount of the Fund to be reviewed / calculated each year.¹ This is essentially a process that:

- (i) updates the EC or Congress on the adequacy of the ASRF to meet current and future financial needs; and
- (ii) identifies whether the current annual budgeting process needs to include an expense item to replenish the ASRF (if it has reduced below its approved minimum financial level), or to increase the funds held in the ASRF if the EC or Congress decides that the minimum financial level should be raised.

3.2 As further guidance, the operational rules specify what factors to take into account when making the annual review of the ASRF.² For example, if it is known that there will be a significant increase in salaries in the next year's budget, then the current minimum financial level of the ASRF might need to be increased (as alluded to in sub-paragraph (ii) above).

3.3 The table below sets out the key financial details of the ASRF.

Line No.	Item	Amount (US\$)	Comment
1	Minimum financial level required	80,000	Reference paragraph 2 of the approved rules for management and replenishment of the ASRF.
2	Opening financial level on 1 January 2022	332,759	Source: Audit Report for 2021 for the Administrative Section (i.e., the closing balance on 31 December 2021).
3	Estimated spending from the ASRF in 2022	20,359 ³	1. Archiving project: 10,000 2. APPU 60 th Anniversary: 10,000 3. Foreign exchange mgmt: 359
4	Estimated closing balance of ASRF on 31 December 2022	312,400	The estimated closing balance is 291% above the minimum financial level required.
5	Changes to Administrative Section business in 2023 that might impact on minimum financial level required	0	None known of at the time of drafting Finance Committee documentation.
6	Estimate of additional funding required to cover reasonable requirements in 2023	0	There are adequate funds in the ASRF to more than cover reasonable requirements in 2023.

¹ Reference paragraph 6 of the "Operational rules for the management and replenishment of the ASRF" i.e., "The minimum amount of a Reserve Fund is calculated each year as part of the annual budgeting process. Where the ASRF has reduced below the fixed minimum level (as set out in Financial Regulation 2 (i.e., US\$80,000)), it is replenished, normally annually, to maintain the fixed minimum level through:

- (i) surplus unrestricted operating funds; and/or
- (ii) an expense included in the Administrative Section's annual budget."

² Reference paragraph 5 of the "Operational rules for the management and replenishment of the ASRF" i.e., "The financial level at which a Reserve Fund is set is based around risk and represents a financial amount sufficient to maintain ongoing operations and programmes for a set period of time, measured in months. The calculation of average monthly operating expenses includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, programmes, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation."

³ The estimated expenditure of US\$20,359 is covered in detail in paragraph 4 of Congress 2022 Doc 8.2.

3.4 On the basis of the detail in paragraph 3.3 the Bureau **recommends** that the Finance Committee:

- (i) **retains** the minimum financial level for the ASRF at US\$80,000; and
- (ii) **approves** no additional funds being necessary for the ASRF in the 2023 Administrative Section budget.

4. Part 3: approval of expenditure from the ASRF

4.1 The 2021 EC meeting approved expenditure from the ASRF on three items.

4.2 The three expenditure items were:

- (i) Priority project: Archive management (US\$10,000)
- (ii) Milestone activity: APPU 60th Anniversary in 2022 (US\$10,000)
- (iii) Business practice strengthening: Foreign exchange management (US\$7,000)

4.3 A key reason for seeking approval was to enable the Bureau to continue its business in real-time. In this regard, the amounts stated above were maximum values that may or may not be spent. The benefit of having financial approval was for the Bureau to be able to continue / accelerate activity and not face the delays that waiting for the next budget cycle would create.

4.4 The table below sets out the topline expenditure position.

Line	Assignment	ASRF Approved Expenditure (Ceiling)	Expenditure To 30 Jun 2022	Estimated Expenditure To 31 Dec 2022	Assignment Status
1	Archive Management	10,000	5,931	10,000	Temporarily halted due to Congress commitments
2	APPU 60 th Anniversary	10,000		10,000	Will be completed September 2022
3	Foreign Exchange Management	7,000	359	359	Completed ⁴

⁴ Congress 2022 Doc 8.1, § 5 provides an overview of the Foreign Exchange Management outcome in the Administrative Section (for which the ASRF funds were to be used, if required). The almost total under-expenditure was the result of the Bureau making extensive use of the Auditor and being able to resolve issues internally.

Finances of the Union

APPU Bureau: Review of Allocation of Staff Costs

(Document prepared by APPU Bureau)

<p>1. Subject</p> <p>Informing Congress, via the Finance Committee, on:</p> <ul style="list-style-type: none"> - the decision to review current allocation of Bureau staff costs - the issues that have prevented any worthwhile assessment being made - the resumption of classroom training being necessary for a representative survey to be undertaken - resuming the work at a suitable time in 2023 	<p>References/paragraphs</p> <p>§ 1.1</p> <p>§ 2.1</p> <p>§ 3.1</p> <p>§ 3.2</p>
<p>2. Decisions expected</p> <p>Congress, via the Finance Committee, is asked to:</p> <ul style="list-style-type: none"> - note the current position regarding the exercise to review the allocation of costs between the budget areas in the Bureau - agree that the exercise is best deferred until a suitable time in 2023 	<p>§§ 1 – 3.1</p> <p>§ 3.2</p>

1. Background

- 1.1 In EC 2021 Doc 5.4, the EC noted that the Bureau would initiate a review of the current allocations of staff costs (primarily between the Administrative and Training Sections). In-house resources would be used for the work in the first place. 1.2 The EC also noted that the Bureau will report to the membership on this matter no later than the 2022 Congress.
- 1.2 An objective for the work was to establish if the current allocations of staff activity to either Section were still accurate.

2. Updated position

- 2.1 An internal assessment did not provide any reason to believe that there was a major misallocation of staff costs. In this regard, it is important to note that the workplace situation between the 2021 EC and the present time has not been conducive to reliable activity measurement. For example, the Training Section is not operating in its normal mode. Further, the surge of Congress-related work since March 2022 would distort any survey picture.
- 2.2 In light of paragraph 2.1, the Bureau has not been able to gather sufficient reliable data to form a fair assessment of staff cost allocations.

3. Suggested next step

- 3.1 The College will resume classroom-based training in September 2022. However, it is unlikely to reach average capacity until the start of 2023. At that time, a more representative allocation of staff activity should be measurable, particularly as the Congress work surge will have passed.
- 3.2 The Bureau proposes that the staff cost allocations exercise be taken up again at a suitable time in 2023.