



ASIAN FOOTBALL CONFEDERATION

AFC CENTRAL AUDITOR'S REPORT

For the Year Ended 31 December 2016

Mongolian Football Federation

ANNUIT CONSULTING

July 2017

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Table of Contents

1.0	INTRODUCTION	2
2.0	METHODOLOGY FOR REVIEW	2
3.0	FUNDS FROM AFC	3
3.1	BANK RECEIPTS	3
3.2	AFAP EXPENSES SUMMARY	4
4.0	AFAP EXPENDITURE DETAILS	5
4.1	COACHES SALARIES	5
4.2	STAFF SALARIES	5
4.3	WOMEN'S FOOTBALL.....	6
4.4	TRAVEL EXPENSES	7
4.5	MEN'S FOOTBALL COMPETITIONS.....	7
4.6	REFEREEING COURSES	8
4.7	COACHING COURSES	8
4.8	AFC GRASSROOTS ACTIVITIES	9
4.9	OTHERS	9
5.0	CONCLUSIONS.....	10
6.0	RECOMMENDATIONS.....	11

1.0 Introduction

The Central Auditor was appointed by the AFC to review and confirm the payments made by the Mongolian Football Federation(MFF) for the utilisation of the AFAP funds for 2016. Total funds remitted by the AFC under the Financial Assistance Program was USD 249,702.

The period of review was for the year ended 31 December 2016.

The objective of this review and analysis of the expenditure was to determine if the MFF had disbursed the funds under the AFAP program for the intended purposes, as detailed in the Document C submission.

2.0 Methodology for Review

The methodology for the review included the following:

- i. Analysis and summary of the payments made by the MFF
- ii. Checking payments to original vouchers and receipts.
- iii. There were cash transfers to the MNT account and cash withdrawals for payments. Cash transactions were 100% checked to original invoices and receipts.
- iv. Cash withdrawals for coaches & players allowances and staff salaries were checked against signed receipt sheets.
- v. Each expense category was further analysed based on the invoices/vouchers and these are summarised in Section 4 below and the details are in **Appendices 1-8**.

3.0 Funds from AFC

The AFC remitted **USD 249,702** as the AFAP 2016 allocation for the Mongolian Football Federation (MFF). The funds were remitted directly into the MFF US Dollars denominated account.

In addition to the USD funds from the AFC, there were other remittances into the USD account from the East Asia Football Federation. These were separated from the AFAP funds, in the accounting records.

From the USD account, funds are transferred into the MNT account for payment of all expenses, in the local currency. The MFF has only one MNT account which is used to pay all expenses i.e. AFAP, EAFF and FIFA.

However, from 01 July 2017, two additional MNT accounts (there will 3 accounts in total) have been opened to separately manage the expenses relating to AFAP, EAFF and FIFA.

Currency conversions are done at the prevailing rates on transaction date.

3.1 Bank Receipts

The total funds received into the MFF USD Bank Account were as follows:

MONGOLIAN FOOTBALL FEDERATION	
AFAP BANK ACCOUNT SUMMARY	
AFAP Receipts	USD
2016.02.16	58,918
2016.05.03	67,494
2016.07.25	81,356
2016.10.21	41,934
Total	249,702

3.2 AFAP Expenses Summary

The summary of the AFAP Expenses was as follows:

AFAP EXPENSES SUMMARY	USD
Men's Coaches	76,561
Admin Staff Salaries	33,530
Women's Competitions	45,271
Travel Expenses	2,894
AFC Competitions	67,364
Refereeing Courses	2,500
Coaching Courses	5,000
Grassroots Activities	14,573
Others	2,500
Total	250,193

The balance in the **AFC USD Account** as at 01 January 2016 was USD 4,990 and as at 31 December 2016 the **actual balance** was USD 4,499.

The balance as per the Bank Statement was USD 32,447. The difference of USD 27,948 represents the AFAP expenses paid from other sources of funds in the MNT account. This amount should be transferred back to the MNT account, and reimbursed to the other sources.

Summary	USD
Balance as at 01 January 2016	4,990
AFAP Receipts	249,702
AFAP Expenses	(250,193)
Actual Bank Balance	4,499
AFAP expenses paid from other sources in the MNT account	27,948
Balance as per Bank Statement	32,447

The actual surplus in the AFAP account was USD 4,499.

Details of the above expenses are in **Section 4** below.

4.0 AFAP Expenditure Details

4.1 Coaches Salaries

The salaries are for a total of 43 provincial and district coaches. Monthly salary per coach is MNT 300,000 (USD 150).

MONGOLIAN FOOTBALL FEDERATION	
COACHES SALARY	
Total no. of Provincial and District Coaches	43
	MNT
Monthly salary per coach	300,000
Total quarterly salaries	37.8 million
Total annual salaries	151.2 million
Conversion rate [1USD to MNT]	1975
Total annual salaries - USD	76,561

4.2 Staff Salaries

A total of 7 staff are paid under the AFC Financial Assistance Program. These staff are all involved in technical activities such as match coordination, logistics for teams, coordination with provincial/district coaches etc.

MONGOLIAN FOOTBALL FEDERATION	
STAFF SALARIES	
1 staff	1,050,000
6 staff each	800,000
Annual total - 11 months MNT	80,454,730
Annual total - 11 months [1 USD to 2400 MNT]	33,530

The December 2016 salaries were paid in January 2017.

4.3 Women's Football

The expenditure on Women's Football was as follows:

MONGOLIAN FOOTBALL FEDERATION		
WOMENS FOOTBALL - COMPETITIONS & TRAINING CAMPS	MNT	USD
Competition		
Referees salary	1,177,000	
Referees meals	73,500	
Firework of closing ceremony	180,000	
Hotel expences of provincial teams	720,000	
Prize money	10,600,000	
Customs fee for clothes	2,125,760	
	14,876,260	7,417
Ticket for Japanese Women's coach		2,179
Accomodation for U16 girls national team	11,935,000	6,000
Training camp for U16 girls' national team		
Meals	881,000	
Translator salary	1,739,200	
Equipment	7,328,000	
Hotel	2,365,000	
Equipment	656,500	
Airfare - Narita	20,069,300	
Coach visa fee	4,636,500	
Players Visa fee - Japan	1,200,000	
Japanese coach interpreter salary	5,894,333	
Officials Allowance	2,000,000	
	46,769,833	27,405
AFC Women's Football Course		
Accomodation for instructor	2,574,814	
Instructor's dinners	1,601,000	
Fuel	100,000	
	4,275,814	2,370
Total		45,371

4.4 Travel Expenses

Travel Expenses for participation in AFC courses were as follows:

MONGOLIAN FOOTBALL FEDERATION	
TRAVEL EXPENSES	USD
Travel cost for participants of AFC Admin course	1,668
Travel cost for participants of AFC Match Commissioner course	1,226
Total	2,894

4.5 Men's Football Competitions

The costs of organising competitions for the Men's and Youth Teams were as follows:

MONGOLIAN FOOTBALL FEDERATION	
MENS & YOUTH COMPETITIONS	USD
Veterans' Championship	4,315
U15 and U17 Futsal Championship	5,493
U11 and U13 Futsal League	3,509
U15 and U17 futsal league	6,414
Super Cup Tournament	1,469
U15 and U17 League	9,086
U15 and U17 Championship	6,392
Youth Championship	4,352
MFF Cup	11,520
U15 and U17 league	8,452
Futsal Championship	6,362
Total	67,364

Details of expenditures for each competition are in the MNT Bank Account Summary and **Appendix 5**.

4.6 Refereeing Courses

The expenditure on Refereeing Courses is summarised as follows:

MONGOLIAN FOOTBALL FEDERATION		
REFEREEING COURSES	MNT	USD
Stationery	97,500	
Snacks	512,000	
Whistle purchase	100,000	
Water and drinks	311,500	
Customs fee for clothes	304,430	
Referees meals	756,000	1,000
Stationery cost	81,450	
Snacks	425,550	
Customs fee	1,481,000	
Customs cost	164,000	
Referees meals	630,000	1,500
Total		2,500

4.7 Coaching Courses

The expenditure on AFC Coaching Courses was as follows:

MONGOLIAN FOOTBALL FEDERATION		
AFC COACHING COURSES	MNT	USD
Equipment	270,000	
Equipment	35,000	
Snacks	343,000	
Water and drinks	196,000	
Stationery	13,040	
Ball boys meals	1,975,000	
Hotel for participants	3,510,000	
Accomodation for Instructor	3,649,083	
Banner cost	114,500	
Total	10,105,623	4,900

4.8 AFC Grassroots Activities

The cost of various AFC approved grassroots activities was as follows:

MONGOLIAN FOOTBALL FEDERATION		
AFC GRASSROOTS ACTIVITIES	MNT	USD
Coaches salary	500,000	
Purchase of gift to all children	2,570,140	
Banner	700,000	
Photographer	1,000,000	
Fireworks	219,000	
	4,989,140	2,483
Equipment	1,480,800	
Tickets to provinces	1,075,800	
Fuel	100,000	
Organisation cost	800,000	
Organisation cost	2,480,000	
Instructor's dinner	489,770	
Trainers - Hotel	1,200,000	
Snacks & Water	1,172,450	
Hotel & meals	4,145,179	
Trainers Hotel - UB	1,466,408	
Allowances	3,544,100	
Hotel & meals	5,130,700	
Trainers daily allowance and dinner	1,242,640	
Customs fee for balls - Chevrolet & AFC	4,488,124	
	28,815,971	12,090
Total		14,573

4.9 Others

The fees paid for the external audit of the AFAP Account was **USD 2,500**.

5.0 Conclusions

- i. The 2016 allocated AFAP funds have been well managed, by the MFF.
- ii. All transactions were properly recorded and supported by invoices and receipts. All documents required translation.
- iii. The MFF maintains one US Dollars bank account for the purposes of managing the AFAP Funds and US Dollars funds received from the East Asia Football Federation.
- iv. All payments are in the local MNT currency.
- v. Utilisation of AFAP funds:
 - USD 76,561 (31%) of the AFAP funds was used for the cost of men's football coaches
 - USD 33,530 (13%) was used for technical staff salaries
 - USD 45,271 (18%) was used to pay women's football competitions
 - USD 67,364 (27%) was used for AFC competitions & festivals
 - USD 14,573 (10%) was spent on AFC grassroots activities
 - Other expenses (1%) included coaching & refereeing courses and external audit fees
- vi. The level of documentation to support the payments, was good.

6.0 Recommendations

- The AFAP Bank Account template was satisfactorily completed, with some guidance on the reconciliation of the funds transferred to the MNT account from the USD account and separation of the funds received from EAFF.
- At present the USD account is used for remittances from the AFC and the EAFF. There is only ONE local currency MNT account to disburse finds from 3 sources – AFC, EAFF and FIFA.
- It was recommended that the MFF operates separate MNT accounts for all three funding sources, to allow for more accurate tracking of specific expenses related to each funding source.
- This was implemented on 01 July 2017. There are now three MNT operating accounts, one for each funding source – AFC, EAFF and FIFA.
- It was also recommended that separate cash accounts be maintained to track cash expenses for each funder.
- MFF has requested for training either on-site or off-site, in KL, to train the finance manager and staff on all AFAP financial matters.