



# COPE ANNUAL REPORT 2015

*Helping people move on*



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## Message from the CEO



It is a pleasure to present COPE's annual report for 2014, where we have once again the opportunity to review the activities, learning, and changes which took place in the past year.

Over the course of 2014, COPE solidified its position as a key player in the physical rehabilitation sector in Laos, and worked hand in hand with our Government of Lao counterpart, the Center for Medical Rehabilitation (CMR), to fulfill our vision of improved quality of life for people with disabilities in our country.

COPE continued to support patients' food, travel and medical costs to access prosthetic and orthotic services, provide the materials for all the prosthetic and orthotic devices, and educate service providers through on-the-job and targeted training. In addition, the increased focus on supporting the development of quality management systems within the Government of Laos (GOL) system, which began in earnest in 2013, was continued with visible changes to programming and staffing at COPE.

In 2014 COPE commissioned a first of its kind in Laos patient satisfaction survey. The results of this statistically significant survey are comparable over time and with other countries and will be used to target COPE's support to CMR in line with the reported experiences of service users. Using a large-scale survey of this kind gives a voice to the hundreds of service users and the presentation of this feedback informs the annual joint-planning meetings that take place between COPE and CMR each year.

I invite you to read through the rest of this report to learn more about the ways that COPE continues its two-decade long commitment to create a country where all people with mobility-related disabilities have equal access to quality and affordable physical rehabilitation services.

A handwritten signature in black ink, appearing to be 'B. Phayboun'.

Bounlanh Phayboun  
COPE Chief Executive Officer



## Highlights

- During 2014 COPE directly supported **1,068 people with disabilities in Laos** to access physical rehabilitation services. **848 people with disabilities in Laos received prosthetic or orthotic (P&O) devices. Over half of the devices** were prosthetic, or replacing a limb, while the rest were orthotic (supporting an existing body part). **Over one third** of the prosthetic patients are also Unexploded Ordnance (UXO) accident survivors. In addition **156 people with clubfoot received treatment**. Most of these cases are children who will now face fewer barriers to education and social inclusion due to the treatment of their mobility impairment.
- COPE's Outreach Program is expanding. This year, **clinical patient assessments of more than 400 people** were conducted at village and district level in seven districts of four provinces, A **Feasibility Study in the area of Mobile Clinics** was also completed, with positive results. This study as well as two visits by COPE and Center for Medical Rehabilitation staff to neighboring countries' mobile clinic programs has laid the groundwork for expanding the outreach program to include this resource.
- **COPE's annual Quality Control Seminar** also grew this year, and included 40 CMR P&O and management staff and other actors in the Rehabilitation Sector, including staff from Handicap International and World Learning. The seminar was supported by the International Committee of Red Cross (ICRC) Special Fund for the Disabled (ICRC SFD) and USAID, and used experts from Mobility India and VIETCOT as facilitators to help increase quality management of rehabilitation services in Laos.
- **20,500 people – a record number – visited the COPE Visitor Center in 2014.** The Visitor Center aims to raise public awareness of the challenges and achievements related to UXO and physical rehabilitation services in Laos. It is also an important part of COPE's long-term fundraising strategy. The Visitor Center continued to feature as the number one tourist attraction in Vientiane on reference sites such as Trip Advisor.

## Lao rehabilitation challenges

**UXO victims:** During the Vietnam War (1964-1973), conflict spilled over into Laos in a secret war where more than 500,000 bombing missions dropped over two million tons of ordnance on the country, making Laos the most heavily cluster-bombed country per capita in the world. A significant amount of unexploded ordnance, or UXO, still litters the country and contributes to killing and maiming indiscriminately. Common injuries from a UXO explosion include loss of a limb, blindness, hearing loss, shrapnel wounds, and internal shockwave injuries, leaving the survivors and their families with lifelong, painful and costly rehabilitation needs.

**Other disabilities:** Like every country in the world, Laos also counts other disabled people, including people suffering from skeletal and muscular deficiency, e.g., loss of, deformed, or weakened limbs. According to the 2005 National Census, there are about 11,500 people living with a limb handicap, 4,000 of which need prosthetic and orthotic devices each year. These types of disabilities can be compensated by the appropriate surgery and/or the provision of limb replacements (prostheses), limb support devices (orthoses), physiotherapy, occupational therapy and/or mobility devices such as wheelchairs and walking aids.

**Difficult access:** Remote villages, poor infrastructure and lack of transport or communication technologies contribute to people with disability being a disadvantaged group within an already poor society. Despite road networks and communication technologies improving, it remains a challenge to ensure that all people with disabilities are aware of and can access the available rehabilitation services in the country.

**Life-long needs:** People who have lost a limb or have other physical disabilities often need access to lifelong services. Orthotic and prosthetic devices get worn and need regular maintenance and replacement. Children need regular replacement devices as they grow. Physiotherapy and occupational therapy are important parts of multidisciplinary assessments and follow-up services. Ensuring long term sustainability of rehabilitation services – as part of a wider, well-functioning health care system – is therefore crucial.

## Who is COPE?

**COPE's Vision:** Improved quality of life for people with disabilities in Lao PDR.

**COPE's Mission:** To support physical rehabilitation services in Lao PDR, helping people with disabilities move on.

**COPE's Goal:** All people with mobility-related disabilities in Lao PDR have equal access to quality and affordable physical rehabilitation services, focusing on prosthetics and orthotics.

The Cooperative Orthotic and Prosthetic Enterprise (COPE) is a Lao non-profit organization. COPE has a cooperative partnership with the Lao Ministry of Health to support the sustainable development of quality rehabilitation services for physically disabled persons throughout the country. Since the COPE/CMR partnership commenced in 1997, the overall goal of the collaboration is to support the development of technical rehabilitation skills in Laos in a sustainable manner that enables the continuing development of these vital services within the existing Government of Lao PDR infrastructure.

Parallel to the provision of technical support, in 2014 COPE carried on the development of quality management systems within the GOL system and has begun adapting its current models of support to ensure an increased focus on strategic and management aspects of providing rehabilitation services. As part of this process, COPE recruited new positions to contribute to building the necessary capacities, and supported CMR at institutional and organisational levels. This was in addition to overseeing the technical support for P&O, OT and PT provided by regional experts.

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## Where does COPE work?

COPE is working through the five rehabilitation centers throughout Laos: one in Vientiane (CMR) and four Provincial Rehabilitation Centers (PRCs) in Champasak, Luang Prabang, Savannakhet, and Xieng Khuang. In addition, COPE's outreach program COPE Connect visits remote locations across the country to conduct clinical assessments and increase awareness about services available at the provincial centers.

### LOCATION OF THE 5 COPE-SUPPORTED CENTERS IN LAOS



## Activity overview 2014

COPE works with the Center of Medical Rehabilitation (CMR) to **ensure long-term, quality rehabilitation services for physically disabled people throughout Laos**. During the year, COPE's efforts focused on five main areas

- Enhanced knowledge and technical skill of rehabilitation staff (and medical staff linked to P&O services)
- Increased patients' satisfaction with CMR/PRCs services
- Expanded range of awareness about existing referral and services
- Organizational progress towards defined sustainability/cost-recovery prerequisites to enable CMR to integrate services into a future social security system
- Commitment to continued organizational strengthening

### **ENHANCED KNOWLEDGE AND TECHNICAL SKILL OF REHABILITATION STAFF**

Throughout 2014, COPE continued to strengthen the knowledge and skills of CMR staff related to the multidisciplinary approach of the rehabilitation services. This year COPE engaged a full time P&O expert to work daily with CMR staff and oversee specific training related to the field, and brought in a Rehabilitation Advisor to supervise and inform COPE's support to physical rehabilitation quality management systems. Working within the GOL structure, this role focused specifically on services which impact on COPE's target beneficiaries, people seeking prosthetic and orthotic services.

Based on training needs identified in the 2013 Quality Management Seminar, the following activities took place:

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- Training in physical rehabilitation for the PRCs and CMR staff, in a multidisciplinary setting when appropriate, on the following topics: mirror therapy for phantom limb pain, hinged ankle foot orthoses, fracture management, orthotic boots for club foot, hinged knee, ankle and foot orthoses, Ischial containment prosthetic socket, trans-tibial prostheses, and gait training.
- Training for surgeons: COPE facilitated two sets of orthopaedic surgery trainings for CMR and provincial hospital surgeons.



**Gait Training for Physical Therapists**

- Site visits to the provincial rehabilitation centers by COPE's technical experts to monitor quality and application of lessons learned in training setting, as well as identify future needs. There were two visits to each of the four provincial centers in the year. In addition, ICRC-SFD's P&O expert conducted audits at CMR and two PRCs in May.
- Peer to Peer **physiotherapy/occupational therapy (PT/OT) Training**: these workshops were led by a host PRC. They aimed to foster exchange between the physiotherapy and occupational therapy departments across the country and give them an opportunity to discuss difficult cases, identify future training needs and receive refresher courses on topics that they identify as important. In addition, they aimed to help CMR strengthen their administrative and accounting practices supported by COPE's planning,



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implementation, and reporting processes. The workshops took place in all four provincial centers and CMR.

### INCREASED PATIENTS' SATISFACTION WITH CMR/PRC SERVICES

#### Patient Satisfaction Survey



In 2014, COPE commissioned a **first-of-its kind in Laos patient satisfaction survey to better understand how satisfied patients are with the services and devices received**, and what can be improved. This statistically-significant survey was administered using one of the few standardized instruments designed to measure user satisfaction with a broad range of assistive technology devices.

The results show that, overall, patients are quite satisfied with the service and devices they received. Most of the assistive devices were being used at the time of the survey and were reported to be in good condition. Most participants were more or less satisfied with the training they received in the use of their device. However, differences were recorded between male and female levels of satisfaction, and also between rural and urban patients. The feedback from the Beneficiary Survey was presented back to the CMR and PRC staff in a half-day workshop in May by the evaluators and a plan was created on how to improve patient satisfaction by addressing issues raised in the survey. Annual beneficiary surveys, using the same survey instrument in order to compare change over time, are planned going forward.

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## Mobile clinic feasibility study

The COPE Connect outreach project was launched in mid-2009 to increase awareness about services, and ensure that everyone with needs gets access to one of CMR's rehabilitation centers. However, obstacles remain due to lack of communication technologies, poor road networks, limited or no access to accessible transportation and lack of financial resources. The idea of a mobile clinic therefore emerged during various evaluation and planning sessions between COPE, CMR and donors as a potential way of increasing access for people with needs to good quality rehabilitation services in Lao PDR.

In 2014, COPE undertook a feasibility study in order to understand the costs and benefits related to mobile clinics in Laos. Most of the countries in the region have a certain experience in this area and most of these projects have been significantly different in their approaches. COPE received funding to send a key group of CMR/COPE staff members to two neighboring countries, Thailand and Vietnam, in order to gain experience related to mobile clinics and related outreach work there. Parallel to this, COPE commissioned a wider mobile clinic feasibility study, analyzing the costs and benefits of initiating mobile clinics in Lao PDR, and taking into account the experiences and lessons from the study trips.

## New Building for the Provincial Rehabilitation Center in Luang Prabang



Left: VM of Health Dr Bounkong Sihavong inspects building site. Right: COPE CEO and PRC Chief at Handover Ceremony



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The construction of the new building was made possible as part of an Australian Government grant to COPE which was completed in August 2014, and was cost-shared with the Luang Prabang Provincial Planning and Investment Department. As a result, Luang Prabang PRC now has a great place where it can continue its important services to patients with physical rehabilitation needs in the northern provinces.

### EXPANDED RANGE OF AWARENESS ABOUT EXISTING REFERRALS AND SERVICES



Started in 2009, COPE Connect is an outreach program aiming to promote the awareness among Lao people of available physical rehabilitation services and ensure that all people with disability have access to localized, free rehabilitation care that is of quality and developed sustainably through the government-run national

rehabilitation service. From 2009 to 2014 the outreach project established medical referral networks and facilitated free clinical assessments of potential patients in 13 provinces. The clinical team visited 78 districts and assessed 3,189 people. Of these, 1,596 people were identified as needing services available through COPE and provided at the GOL physical rehabilitation centers, and were invited to visit the PRCs and CMR. An additional 442 people were referred to other organizations for assistance.

Out of 411 people medically assessed in 2014, 45% were eligible for COPE-supported services at their nearest PRC or at CMR, and 12% were referred to other organizations. Provincial-level introduction workshops in Saravan and Bokeo Provinces brought together high-level government

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and hospital authorities to learn about physical rehabilitation services and ways to support access to these services.

In each of those two provinces, the introduction workshops were later followed by Coordinator Trainings where individuals were assigned the task of mapping out where people with mobility impairments are living at the village and district levels. Once this data was gathered, clinical assessments were planned, where COPE organized for CMR and PRC staff to meet with potential new patients at the district level to assess whether they can benefit from services provided at the PRCs or CMR.

The following clinical field assessments took place:

Province	District	No. People	No. People Invited	No. People Referred to other organizations	No. People not invited or referred
Sayabouly	Khob	66	26	3	37
	Xienghone	88	35	16	37
	Nguen	44	23	4	17
	Hongsa	39	23	4	12
Xiengkhouang	Mok	27	8	9	10
Bokeo	Houaysay	37	18	2	17
Saravan	Saravan	110	51	12	47
<b>Total</b>		<b>411</b>	<b>184</b>	<b>50</b>	<b>177</b>

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In addition, this year COPE did a follow-up study to determine the reasons why people who were invited to the physical rehabilitation centers might not be coming in. The study was performed by COPE's staff, who interviewed 49 people in Khammouane, Champassak and Houaphanh provinces. The main reasons why people who could benefit from the service did not come were: concerns around understanding the treatment policy and what would be covered by COPE and what they might have to pay for; concerns around the quality of the service they would receive; and, for potential orthotic patients, concerns that they would not benefit from the orthoses as they work in the fields and thought the device would wear out quickly. Others were concerned about the time spent away from their families and work.

COPE will integrate this information into its planning of future activities and has taken steps to increase the patient package it provides, more clearly inform potential new patients about the services, and work with the rehabilitation centers to become more patient-focused and offer better quality services and products.

### **PROGRESS TOWARDS DEFINED SUSTAINABILITY/COST RECOVERY PREREQUISITES**

Because cost recovery is crucial to the long-term sustainability of the services, an in-depth study on this topic was commissioned by COPE in 2014. The study found that “without other accompanying reforms, charging users for government services is unlikely to yield significant improvements in quality and efficiency. This is because the vast majority of people seeking P&O services are exempt from having to pay under Lao Law. Therefore we end up with a situation whereby a few patients are paying into a scheme that covers many and their fees are not enough to cover the costs. A more desirable situation is when a large group is paying into a social insurance scheme from which a smaller number of people's health care costs are funded by the scheme.”

The study found that “reliance on user fees alone for funding rehabilitation services is not a comprehensive strategy. Rehabilitation in the context of the United Nations Convention of the Rights for Persons with Disability (CRPD) and the CCM (Convention on Cluster Munitions) is a government obligation and Lao PDR has made some important steps towards service provision with the introduction of social health insurance in 2002 and there are four different schemes now

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running.” Two are run by the Ministry of Labour and Social Welfare: A State Authority Social Security (SASS) scheme for government employees and Social Security System (SSO). Two are managed by the Ministry of Health: a community based health insurance scheme (CBHI) scheme and Health Equity Funds (HEF).

In order to be ready to participate in the schemes when they come online, a number of pre-requisites to cost recovery were identified and will need to be put into place over the next 5-10 years: accurate pricing, stock control measures, cost containment, quality assurance, governance and management systems, and strong data collection. COPE is committed to assisting CMR in these key areas as a means of fostering sustainability through full participation in the larger GOL context in which CMR operates.

## ORGANIZATIONAL STRENGTHENING

### Participatory Institutional Analysis



In 2014, COPE continued in its pursuit to be the most efficient and effective organization it can be through systematic examination of its systems and processes, and identification of areas to target for further development. Over the course of the last five years, this has led COPE to develop a Child Protection Policy which was implemented in 2011, a new financial system, QuickBooks, and revisions of the Human Resource policy and Finance Policy as periodically required.

This year COPE performed a Participatory Institutional Analysis (PIA) with the help of two facilitators from our partner World Learning in Washington DC. The PIA is an in-depth look at the

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capacity levels in all areas of an organization and assists the organization in creating a plan to identify areas for change. Upon completing the PIA, COPE has created a capacity development action plan with priorities and timeframes as well as indicators. This will contribute to COPE's sustainability, as well as help the organization as it monitors the impacts of its work over time. As a local organization, COPE must rely upon itself to provide the guidance and development leadership that many implementing field offices receive from a head office. The PIA is one of the tools that COPE is using to do this.

### **Interim Advisory Board**

At the end of 2014 COPE began a process to convene an Interim Advisory Board. This Board will be tasked with ensuring that COPE has governance structures in place in accordance with COPE's needs. The necessity for this Board springs from the historical record of the organization. When COPE was set up in 1997 there was no formal way to register as a non-profit organization in Laos, and COPE operated through Cooperation Agreements, which it continues to do today.

For many years COPE was holding Board meetings with various founding or supporting organizations and CMR as members. However, by 2014 all the founding or supporting members had exited Laos, were no longer available to serve on the Board, or even ceased operating and no longer exist. Only CMR and COPE remained. In 2015 COPE's interim Board will help identify the best long-term organizational identity for COPE and ensure that the necessary steps are taken to implement this model and to establish a permanent Board.

### **Evaluations and Reviews**

A **review of COPE's data systems** took place in order to ensure that database infrastructure meets the needs in reporting patient statistics for planning purposes and reporting, including donor reporting. A consultant was hired to review COPE and CMR's current data collection initiatives, identify the various organizational needs for data collection and analysis, and make recommendations to ensure that accepted changes are implemented. This review is important so that COPE can clearly define what data it collects, ensure the integrity of that data, and collect it in

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such a way that it not only complies with the organization's and partners' needs, but is also comparable over time.

COPE performed a **final evaluation on a grant received from USAID** Leahy War Victims Fund (LWVF) through World Learning that started in 2011, and ended this year. The grant focused on developing the national capacity of the Lao Rehabilitation Program, and in particular providing improved orthotic services for people with disabilities. The evaluation objectives were to determine to what extent the objectives of the 3 annual work plans have been met, and based on this, identify lessons for the future. The evaluation finds that COPE displays a high degree of organisational self-awareness, and there are already a number of initiatives underway which are consistent with the recommendations of this evaluation.

### **COPE's Annual Meetings**

Between 21-24 April 2014, COPE and CMR conducted a number of interviews and workshops, culminating in an **annual Joint COPE-CMR/PRCs Planning Workshop** on April 25<sup>th</sup> with more than 50 staff from both organizations, including the management teams and operational staff from program areas, health services and administration. The goal of the workshop is to present current strategies, and to find the overlap between CMR's requests and COPE's fund-raising and operational capacity to meet these needs.

The result of the workshop was that COPE and the CMR/PRCs agreed to a shared vision of CMR and PRCs becoming a place where qualified specialists want to work, and where patients come to in anticipation of good health services. Three areas surfaced as especially important to reach this vision: qualified staff, enhanced data management and a continued commitment towards integrated quality management.



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From the 12<sup>th</sup>-14<sup>th</sup> November, **the annual Quality Management Seminar** was conducted at the Centre of Medical Rehabilitation (CMR) jointly organised by COPE and sponsored by the USAID, ICRC Special Fund for the Disabled and COPE.



It follows on from the last seminar held in 2013 and was in line with the expressed intentions developed in the COPE-CMR/PRCs Joint Planning Workshop. The chief objective of the seminar was to take concrete steps towards quality management of physical rehabilitation services in Lao PDR.

This was achieved through identifying the key areas that influence the quality in the service and to recognizing the need for a shift from a 'product based' approach in establishing quality. The staff of CMR, 4 Provincial Rehabilitation Centres, University of Health Sciences, COPE, Handicap International (H.I), World Education and international delegates from ICRC-SFD, Mobility India and VietCOT actively participated and contributed towards the success of the seminar and initial steps towards establishing quality management systems in Lao PDR.

### **COPE Staff Professional Development**

COPE's staff participated in a number of professional development opportunities. These included Principles of Management Training at Lanith for two managers, as well as field trip opportunities for two of COPE's visitor center staff.

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## Participation

Participation in the wider disability, rehabilitation, and UXO victim assistance sectors is important to COPE. Although COPE is a small team of people, wherever possible efforts are made to attend and actively participate in a variety of fora. These include but were not limited to:

- NRA UXO Sector Working Group Annual Meeting
- NRA Policy Forum
- Disability Inclusive Rehabilitation Planning
- NRA Victim Assistance Technical Working Group
- Disability Sector Coordination Meetings
- National forum on disability inclusive health and rehabilitation plan 2015-2015
- Monthly COPE-CMR meetings

## RAISING PUBLIC AWARENESS AT THE VISITOR CENTER



*COPE Visitor Center Manager Mr Soksai Sengvongkham and Australian Foreign Minister Ms Julia Bishop*

The COPE Visitor Center opened in mid-2008 and provides visitors with the opportunity to understand the impact of UXO on Lao PDR, challenges related to disability in developing countries, and the work of COPE and CMR through a free permanent exhibition. Today it has become established as a popular exhibition for both locals and tourists, and features as the number one tourist attraction in Vientiane on Internet sites such as TripAdvisor.



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20,500 people visited in 2014, including VIPs. In order of their visit this year, these were:

- M. Wylbur C. Simuusa, MP, Minister of Foreign Affairs of the Republic of Zambia and President of the Fourth Meeting of States Parties to the Convention on Cluster Munitions
- H.E. Ms Siren Gjerme Eriksen, Norwegian Ambassador
- Norwegian Deputy Minister of Foreign Affairs, Mr Morten Høglund
- Madame Naraporn Chan-O Cha, wife of Thai Prime Minister Mr Prayut Chan-O Cha
- Former Governor General Ms Michaëlle Jean, currently secretary-general of la Francophonie, and Ambassador of Canada Mr Philip Calvert
- His Royal Highness Prince Joachim of Denmark
- New Zealand Ambassador Mr Reuben Levermore
- Dr Dennis Jensen MP and Mr Graham Perrett MP, Australia
- Ms Julia Bishop, Australian Foreign Minister

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## Income and expenditures

### INCOME

DONOR	Funds in USD
<b>Institutional donors*</b>	
USAID	247,902.7
CBM	132,616.94
Norway	252,559.53
AusAid	168,961.55
Cluster Munition Coalition (CMC)	750.00
Netherland Leprosy Relief (NLR)	3,249.78
Johanniter International	10,000.00
International Committee of the Red Cross (ICRC)	58,346.67
<b>Private donors**</b>	
Global Development Group (Online donations)	53,696.64
COPE (Local fundraising and souvenir sales)	657,838.15
<b>TOTAL FUND RECEIVED</b>	<b>1,585,921.96</b>

\* Some of the funds from institutional donors were received in late 2014 but were planned to cover expenditures in 2015

\*\* Funds include carry-over from previous years and funds received in 2014.

### EXPENDITURES

DESCRIPTION	Expenses
Personnel costs	253,065.00
Consultancy	51,287.11
Skills development and training	94,506.17
General Project Expenditures	516,456.48
Capital Costs	51,471.93
Community Support	5,557.44
<b>TOTAL EXPENDITURES</b>	<b>972,344.13</b>

## Independent auditor's report



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### Report of the Independent Auditors

#### To: The Management

#### Cooperative Orthotic and Prosthetic Enterprise ("the Organisation" or "COPE")

We have audited the accompanying financial statements of Cooperative Orthotic and Prosthetic Enterprise ("the Organisation"), which comprise the statement of financial position as at 31 December 2014, the statements of income and expenditure and the statement of fund balance, and notes, comprising summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the Organisation accounting policies and procedures.

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

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting and policies described in Note 2(a) to the Financial Statements, 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.

#### *Auditors' 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 our judgement, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 Organisation for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the Organisation accounting policies.

KPMG Lao Co., Ltd is a Company formed under the  
Foreign Investment Law of Lao PDR, is a member of  
KPMG International, a Swiss entity.

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

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements, which describes the basis of accounting. The financial statements may not be suitable for other purposes. Our report is intended solely for information and use by the management and donors of the organisation and management of the Cooperative Orthotic and Prosthetic Enterprise in Lao PDR, and should not be distributed to or used by any other parties.

  
KPMG Lao Co., Ltd.  
Vientiane Capital, Lao PDR  
07 MAR 2016



KPMG Lao Co., Ltd. a Company limited under the  
Foreign Investment Law of Lao PDR, is a member of  
KPMG network and a Swiss corporation.

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## EXTRACT FROM NOTES TO INDEPENDENT AUDITOR'S REPORT

### 2. BASIS OF FINANCIAL STATEMENT PREPARATION

#### *Basis of preparation*

The financial statements, which are expressed in United States Dollar (USD), have been prepared in accordance with Cooperative Orthotic and Prosthetic Enterprise ("the Organisation" or "COPE") accounting policies and procedures set out below. The accounting policies have been applied consistently throughout the year.

#### *Foreign currency translation*

The financial statements are prepared and presented in USD. Transactions in currencies other than USD during the year have been translated into USD at the operational rates of exchanges on the date of transactions.

#### *Fiscal year*

The organisation reporting period starts on 1 January and ends on 31 December.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted by the Organisation for preparation of these financial statements:

a) Cash and bank

Cash and cash equivalent comprises balances of cash on hand and with bank. Cash in hand is held in USD and Lao Kip.

b) Advances

Advances, which comprise mainly of amounts advanced for COPE's activities, are recorded as such in the statement of fund balance when paid. When the advances are liquidated, the related expenses are recognised in the statement of income and expenditure.

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### c) Income

#### *Income from donors*

Funds received as income from donors are recognised as income when the amount is credited to the COPE project's designated bank account

#### *Income from Visitor Centre*

Income from donation by visitors in cash, souvenir shop and café sales is recognised when the amount received is deposited in the bank. Cash received is summarized and counted daily and deposited with the bank once a week, on Friday. Cash received in currency other than USD or LAK is converted to USD. The converted amount is deposited on the same day. Income is recognised when the money is deposited in the bank.

#### *Matching/cash box*

Income from matching/cash box is recognized when the amount is received/transferred to the Organization bank account by the Intrepid Foundation (an NGO founded and operated by Intrepid Travel Pty Limited, a company registered and operating in Australia).

Cash box is placed at COPE Visitor Centre for receiving donations by visitors. Cash box is owned by the Intrepid Foundation where visitors donate money during visits to COPE visitors centre. Every six months, the box is opened and cash is counted by Intrepid's representative in presence of COPE staff. Cash, so counted, is taken back by Intrepid's representative and remitted to COPE through bank transfer after adding additional funds.

#### *Interest income*

Interest earned on the amount deposited at banks is recognised when credited to the Organization's bank account and recorded in the following month.

### d) Expenditures

Expenditures are recognised when paid rather than when expenses are incurred, except for advances and expense claimed from project funded by Royal Norwegian Ministry of Foreign Affairs, which are recognised on an accrual basis.

## List of acronyms

COPE	Cooperative Orthotic and Prosthetic Enterprise
CMR	Center for Medical Rehabilitation
CP	Cerebral Palsy
GOL	Government of Laos
ICRC-SFD	International Committee of the Red Cross – Special Fund for the Disabled
OT	Occupational Therapy
P&O	Prosthetic and Orthotic
PT	Physical Therapy
PRC	Provincial Rehabilitation Center
USAID	United States Agency for International Development
UXO	Unexploded ordnance
VIETCOT	Vietnamese Training Center for Orthopedic Technologists

Thanks to all COPE's 2014 staff members: Baosavanh Vetsaboun, Bounlanh Phayboun, Bounna Phoumalavong, Inpong Keosombath , Khamchan Phetsouphan , Lanoy Hatsady, Lena Eskeland, Metta Thippawong, Sengdeuane Inthilad, Sengpaseuth Sadavong, Sengthong Soukhathammavong, Soksai Sengvongkham, Somchay Ounsamone, Soukpaseuth Phomphakdy, Stephanie Sparks, Sysomphone Douangty, Thanongsone Xaisongkham, Venkatakannan Packirisamy, Wayne Newman.

# COPE ANNUAL REPORT 2015



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