

Ministry of Local Government, Housing and Environment

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MEMORANDUM

From: Permanent Secretary for Local Government
Housing and Environment

Phone No: 3304364

To: Secretary General to Parliament

Date: 11/04/18

Re: Response to Public Accounts committee - Clarification of Issue-Audit Report

The Ministry of Local Government, Housing and Environment hereby submit the response to Public Accounts Committee on the Clarification of Issues on the following below:

37.12 Non Submission of Acquittals from Municipal Councils

Inform the Committee on the different methods of financial reporting used by the various Municipal Councils and provide further information on the shared services platform.

Ministry Response:

Municipal Councils Financial Management system are now all International Financial Reporting [IFRS] based with Suva and Lautoka City Councils adapting full IFRS and other Municipal Councils adapting to small to medium IFRS. The adaptation has been timely as it requires heavy financial disclosures which require reporting structure upgrading. To upgrade initially, most Municipal Councils have outsourced preparation of outstanding annual accounts to Chartered Accounting firms recognized by Fiji Institute of Accountants and through this process and other training made available building capacity in with the Municipal Councils.

The councils have been using different accounting software they have in place. For example Nadi Town Council and Nasinu Town Council are using Win-Biz Accounting Software; Suva City Council is using Navision Software, Lautoka City Council and Nausori Town Council using MYOB software.

The ministry has developed standard templates for financial and project management progress performance where all councils have to provide their inputs for every months and also on quarterly basis. Rates Collection standard operating procedure has been further developed. The two templates area attached. (**Annexure 1-2**)

37.13 Backlog Audited Financial Statements – Municipal Council and Statutory Authority

Audit noted that the National Fire Authority did not provide its audited financial statements for the grants received by the Ministry to carry out capital projects.

Provide an update on this and give reasons why the accounts were not submitted annually.

Ministry Response:

The last financial audited for National Fire Authority was in 2013. They had confirm that the 2014 draft accounts is now ready for audit and the OAG will commence its audit at the end of this month (April).

Currently they are working with consultant, Ernst & Young, to speed up the completion of the 2015, 2016 (7 months) draft accounts so that audit can continue as soon as OAG finishes auditing the 2014 books of accounts.

This update is also inserted to the table presented for the updates of all municipal councils and agencies audited financial and accounts. The table is attached as **Annexure 3**.

Thank you.

A handwritten signature in blue ink, appearing to read 'Joshua Wycliffe', with a large, stylized flourish extending from the end of the signature.

Joshua Wycliffe (Mr.)
Permanent Secretary for Local Government, Housing and Environment

Monthly Consolidated Financial Analysis for Municipal Councils

Acct No	Revenue	Budget Revenue	Actual Collection for the Month	Actual Collection for the Year to date	Arrears Accumulated to date	Comments
1	Rates - General					
2	Rates- Special					
3	Market					
4	Bus Stand					
5	Parks					
6	Properties					
7	Commercial Stands					
8	Business License					
9	Parking Meter					
10	Prosecution and Booking					
11	Solid Waste Management					
12	Car Park					
13	Miscellaneous					
	Total Revenue					
		Budget Expenditure	Actual Expenditure for the month	Actual Expenditure to date	Accumulated Trade Creditors to date	Comments
14	Wages and Salaries including FNPF, FNU Uniform etc					
15	Grass Cutting/Drain Cleaning and Sweeping					
16	Solid Waste Management					
17	Parks and Gardens					
18	Properties including Insurance					
19	Securities					
20	Transport General					
21	Utilities					
22	General Repairs					
23	General					
	Total Expenditure					
24	Net					
25	Loan Repayments					
	Net after Loan					

Prepared By [Name, Position Signature and Date]

Checked By[Head of Finance Name, Position, Signature and Date]

Submitted in Meeting and Cleared By [Name of CEO, Signature and Date]

PROJECT PROGRESS REPORT**PROJECT SUMMARY**

Project Name	
Council	
Project Consultant	
Project Contractor	
Budget	
Budget Received	
Budget Utilised to date	
Overall Physical Status of Project in %	

PROJECT

Update on Project Progress

Actual Vs Estimated

Is the above progress within the estimated project timeline and budget? If not please provide explanation for variance and recommended way forward.

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Director Finance/Manager Finance

Date:

.....

Director Engineering/Manager Engineering

Date:

Municipal Councils Audited Financial Annual Accounts Progress
Update 10/04/18

No.	Name of Council	Audit Status	Timeline	Actions to be taken
1.	Suva City Council	➤ 2011 Audit in progress	July 2018	<ul style="list-style-type: none"> • Suva City Council following review shall be submitting draft annual accounts 2012 to 2015 to Auditor General [7 weeks] • City Council is working on 2016 and 2017 annual audits to be forwarded before end of July, 2018 • Copy of Draft Annual Accounts under review from 2012 to 2015 is attached herein.
2.	Nasinu Town	<ul style="list-style-type: none"> • 2009 audited • 2010 audit planned by Office of the Auditor General in May, 2018 • Nasinu Town Council has submitted draft annual accounts to Office of the Auditor General until end of 2013. 	July 2018	<ul style="list-style-type: none"> • 2014 to 2017 has been programmed to be submitted before end of July, 2018.
3.	Savusavu Town Council	<ul style="list-style-type: none"> • 2010 last audited • Upgraded 2011 to 2015 draft annual accounts submitted to Office of the Auditor General 	July 2018	<ul style="list-style-type: none"> • 2016 and 2017 draft annual accounts to be submitted before end of July, 2018
4.	Nausori Town Council	<ul style="list-style-type: none"> • 2013 last audited • 2014-2016 Accounts have been submitted to OAG for audit 	May, 2018	<ul style="list-style-type: none"> • Nausori Town Council to submit draft annual accounts 2017 before end of May as required under the Local Government Act. • Office of the Auditor General has informed that audit 2014 to 2016 shall be carried out from May, 2018.
5.	Sigatoka	<ul style="list-style-type: none"> • All accounts till 2016 have been audited - no qualification 	May, 2018	<ul style="list-style-type: none"> • Council to submit draft annual accounts 2017 before

		<ul style="list-style-type: none"> Currently working on 2017 accounts to be submitted in May 		end of May as required under the Local Government Act.
6.	Lami Town Council	<ul style="list-style-type: none"> 2014 submitted to OAG waiting for audit. 2015 annual accounts being prepared Senior Accountant appointed who will take responsibility to prepared annual accounts and have it audited 	July, 2018	<ul style="list-style-type: none"> Office of the Auditor General has informed that 2014 audit shall commence in May, 2018. 2015 to 2017 draft annual accounts to be submitted before end of July, 2018
7.	Rakiraki Town Council	<ul style="list-style-type: none"> 2014 audited 2015-2016 prepared and submitted to OAG Currently working on 2017 accounts 	May 2018	<ul style="list-style-type: none"> Council to submit draft annual accounts 2017 before end of May as required under the Local Government Act.
8.	Levuka Town Council	<ul style="list-style-type: none"> 2011 audited 2012 submitted to OAG 2013 -2015 submitted to PWC for preparation 	July, 2018	<ul style="list-style-type: none"> Meeting in between Office of the Auditor General and Levuka Town Council has been held two weeks ago to plan audit 2013 to 2017 annual accounts shall be submitted before end of July, 2018 with 2013 to 2015 before end of March, 2018
9.	Tavua Town Council	<ul style="list-style-type: none"> 2014 Accounts is handling by Manager Finance Lautoka which he has completed and submit to TTC on shared services scheme. Draft annual accounts will be forwarded to Office of the Auditor General this week. 2015 to 2017 annual accounts shall be submitted before end of July, 2018 	July 2018	<ul style="list-style-type: none"> Meeting to be held next week in between Tavua Town Council and Office of the Auditor General to plan audit for 2014 to 2016.
10.	Ba Town Council	<ul style="list-style-type: none"> 2015 audited 2016 submitted to OAG 	May 2018	<ul style="list-style-type: none"> Council to submit draft annual

		waiting for audit		accounts 2017 before end of May as required under the Local Government Act.
11.	Labasa Town Council	<ul style="list-style-type: none"> • 2015 last Financial Audit • 2016 Accounts submitted to OAG waiting for audit 	May 2018	<ul style="list-style-type: none"> • Council to submit draft annual accounts 2017 before end of May as required under the Local Government Act.
12.	Lautoka City Council	<ul style="list-style-type: none"> • 2013 last audited • 2014 audit in progress • 2015 audit submitted 	May, 2018	<ul style="list-style-type: none"> • Ministry to follow up with OAG on the time for audit • Follow up their 2016 accounts to be submitted to OAG by end of May 2018
13.	Nadi Town Council	<ul style="list-style-type: none"> • 2014 submitted to OAG & awaiting response • 2015 to 2017 to be submitted 	July, 2018	<ul style="list-style-type: none"> • Nadi Town Council will finalize 2015 to 2017 annual accounts and submit to Office of the Auditor General before July, 2018
14	National Fire Authority	<ul style="list-style-type: none"> • 2014 Submitted to OAG • Working on 2015, 2016, and 2017 Accounts with Earnest & Young. 	July 2018	<ul style="list-style-type: none"> • Follow up NFA to submit 2015 -2017 Accounts to OAG

SUVA CITY COUNCIL*Civic Centre, Suva Fiji***CHIEF EXECUTIVE OFFICER**

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City of Suva

**My
Suva**

IN REPLY PLEASE QUOTE:
Telephone enquiries to Ext.

9th April, 2018.

Auditor General
Office of the Auditor General
8th Floor – Ratu Sukuna House
Suva.

Dear Sir,

Re: Progress of Annual Audit of Accounts

This is to inform that the preliminary draft annual accounts for the years 2012 to 2015 has been prepared and currently the accounts are being checked by the Director Finance Suva City Council.

It is expected that the draft accounts shall be verified and forwarded to the Office of the Auditor as follows;

No.	Year	Timeline
1	2012	April 2018
2	2013	May 2018
3	2014 & 2015	June 2018
4	2016	December 2018
5	2017	May 2019

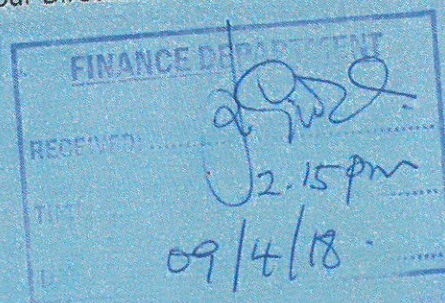
Please find attached Preliminary Draft accounts for year 2012 to 2015.

We are requesting for your kind cooperation in planning your audit exercise in line with our proposed plan. Please feel free to discuss with our Director Finance.

Thank you

Yours faithfully,

Chandu Umari
Special Administrator.



- Cc: 1. Permanent Secretary – Ministry of Local Government Housing & Environment
2. Director Finance – Suva City Council
3. Directors' – Suva City Council

ALL LETTERS TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER